

ASSEMBLY BILL NO. 204—COMMITTEE ON TRANSPORTATION

FEBRUARY 23, 2011

Referred to Committee on Transportation

SUMMARY—Revises provisions regarding salvage vehicles. (BDR 43-265)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to motor vehicles; revising provisions relating to licensed automobile wreckers that obtain vehicles to be processed as parts or scrap metal; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires a licensed automobile wrecker to forward to the
2 Department of Motor Vehicles the certificates of title and registration for certain
3 vehicles acquired by the wrecker. (NRS 487.100) **Section 3** of this bill eliminates
4 that requirement if the wrecker provides the Department with certain identifying
5 information about a motor vehicle and affirms to the Department that the motor
6 vehicle is to be processed for parts or scrap metal by the wrecker. **Section 2** of this
7 bill requires a licensed automobile wrecker to provide the Department with certain
8 information about a motor vehicle that is to be processed for parts or scrap metal
9 and provides that the wrecker may only process the motor vehicle for parts or scrap
10 metal if 5 business days elapse and the wrecker has not been notified by the
11 Department that the vehicle is not to be processed as parts or scrap metal. **Section 2**
12 also provides that any liability which arises from the processing of a motor vehicle
13 for parts or scrap metal is to be borne by the licensed automobile wrecker, not the
14 Department. In addition, **section 2** requires the Department to invalidate the vehicle
15 identification number of a motor vehicle which has been processed as parts or scrap
16 metal so that the number cannot subsequently be used to title or register the vehicle.
17 **Section 5** of this bill revises the requirements for a licensed automobile wrecker to
18 maintain records of motor vehicles that have been processed as parts or scrap metal
19 to include the retention for 2 years of any certificates of title or registration or other
20 documentation of ownership obtained when the motor vehicle was acquired.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 482.470 is hereby amended to read as follows:
2 482.470 1. ~~##~~ *Except as otherwise provided in section 2 of*
3 *this act, if* any vehicle is dismantled, junked or rendered inoperative
4 and unfit for further use in accordance with the original purpose for
5 which it was constructed, the owner shall deliver to the Department
6 any certificate of registration and certificate of title issued by the
7 Department or any other jurisdiction, unless the certificate of title is
8 required for the collection of any insurance or other indemnity for
9 the loss of the vehicle, or for transfer in order to dispose of the
10 vehicle.

11 2. ~~[Any]~~ *Except as otherwise provided in section 2 of this act,*
12 *any* other person taking possession of a vehicle described in
13 subsection 1 shall immediately deliver to the Department any
14 license plate or plates, certificate of registration or certificate of title
15 issued by the Department or any other jurisdiction, if the person has
16 acquired possession of any of these and unless the certificate of title
17 is required for a further transfer in the ultimate disposition of the
18 vehicle.

19 3. The Department may issue a salvage title as provided in
20 chapter 487 of NRS.

21 4. The Department shall destroy any plate or plates that are
22 returned in a manner described in subsections 1 and 2.

23 **Sec. 2.** Chapter 487 of NRS is hereby amended by adding
24 thereto a new section to read as follows:

25 1. *Upon obtaining a motor vehicle that is to be processed as*
26 *parts or scrap metal, a licensed automobile wrecker:*

27 (a) *Shall, within 2 business days after the date on which the*
28 *automobile wrecker receives the motor vehicle, transmit to*
29 *the Department electronically or via facsimile, as specified by the*
30 *Department, a report that includes:*

31 (1) *The make, model, vehicle identification number and*
32 *registration number, if applicable, of the motor vehicle; and*

33 (2) *An affirmation signed by the licensed automobile*
34 *wrecker that the motor vehicle has been designated by the licensed*
35 *automobile wrecker for processing as parts or scrap metal.*

36 (b) *May process the motor vehicle for parts or scrap metal only*
37 *if:*

38 (1) *Five or more business days elapse after receipt by the*
39 *Department of the information required by paragraph (a); and*

40 (2) *The licensed automobile wrecker does not receive*
41 *notification from the Department that the motor vehicle is not to*
42 *be processed as parts or scrap metal.*



1 2. A licensed automobile wrecker that processes a motor
2 vehicle for parts or scrap metal under this section assumes all
3 liability for any injuries to any person or property arising from or
4 incident to the act of such processing. No action may be brought
5 under NRS 41.031 or against an officer or employee of the State
6 or any of its agencies or political subdivisions which is based upon
7 any injuries to any person or property arising from or incident to
8 the act of processing a motor vehicle for parts or scrap metal as
9 authorized pursuant to this section.

10 3. If a licensed automobile wrecker submits to the
11 Department the report described in subsection 1 and the
12 Department confirms that the motor vehicle which is the subject of
13 the report has been processed as parts or scrap metal, the
14 Department shall cause the vehicle identification number of the
15 motor vehicle to be invalidated so that the number may not ever
16 again be used for the titling or registration of the vehicle.

17 **Sec. 3.** NRS 487.100 is hereby amended to read as follows:

18 487.100 1. Except as otherwise provided in ~~[subsection 2,]~~
19 *subsections 2 and 3*, any automobile wrecker purchasing from any
20 person other than a licensed operator of a salvage pool any vehicle
21 subject to registration pursuant to the laws of this State shall forward
22 to the Department the certificates of title and registration last issued
23 therefor.

24 2. The certificate of ownership last issued for a mobile home or
25 commercial coach must be sent by the wrecker to the Manufactured
26 Housing Division of the Department of Business and Industry.

27 **3. An automobile wrecker is not required to:**

28 (a) *Provide the Department with a certificate of title, salvage*
29 *title or a nonrepairable vehicle certificate and certificate of*
30 *registration last issued; or*

31 (b) *Obtain from the Department a certificate of title, salvage*
32 *title, nonrepairable vehicle certificate or certificate of registration,*
33 *↪ for a motor vehicle that is to be processed as parts or scrap*
34 *metal by the automobile wrecker pursuant to section 2 of this act.*

35 **Sec. 4.** NRS 487.160 is hereby amended to read as follows:

36 487.160 1. The Department may suspend, revoke or refuse to
37 renew a license of an automobile wrecker upon determining that the
38 automobile wrecker:

39 (a) Is not lawfully entitled thereto;

40 (b) Has made, or knowingly or negligently permitted, any illegal
41 use of that license; *or*

42 (c) Has failed to return a salvage title to the state agency when
43 and as required of the licensee by NRS 487.710 to 487.890,
44 inclusive ~~;~~ *or*



1 ~~—(d) Has failed to surrender to the state agency certificates of title~~
2 ~~for vehicles before beginning to dismantle or wreck the vehicles.] ,~~
3 *and section 2 of this act.*

4 2. The applicant or licensee may, within 30 days after receipt
5 of the notice of refusal, suspension or revocation, petition the
6 Department in writing for a hearing.

7 3. Hearings under this section and appeals therefrom must be
8 conducted in the manner prescribed in NRS 482.353 and 482.354.

9 4. The Department may suspend, revoke or refuse to renew a
10 license of an automobile wrecker, or may deny a license to an
11 applicant therefor, for any reason determined by the Director to be
12 in the best interest of the public, or if the licensee or applicant:

13 (a) Does not have or maintain an established place of business in
14 this State.

15 (b) Made a material misstatement in any application.

16 (c) Willfully fails to comply with any applicable provision of
17 this chapter.

18 (d) Fails to furnish and keep in force any bond required by NRS
19 487.047 to 487.200, inclusive.

20 (e) Fails to discharge any final judgment entered against the
21 licensee or applicant when the judgment arises out of any
22 misrepresentation of a vehicle, trailer or semitrailer.

23 (f) Fails to maintain any license or bond required by a political
24 subdivision of this State.

25 (g) Has been convicted of a felony.

26 (h) Has been convicted of a misdemeanor or gross misdemeanor
27 for a violation of a provision of this chapter.

28 (i) Fails or refuses to provide to the Department an authorization
29 for the disclosure of financial records for the business as required
30 pursuant to subsection 7.

31 (j) Knowingly submits or causes to be submitted any false,
32 forged or otherwise fraudulent document to the Department to
33 obtain a lien, title, salvage title or certificate of ownership, or any
34 duplicate thereof, for a vehicle.

35 (k) Knowingly causes or allows a false, forged or otherwise
36 fraudulent document to be maintained as a record of the business.

37 (l) Interferes with or refuses to allow an agent of the Department
38 or any peace officer access to and, upon demand, the opportunity to
39 examine any record held in conjunction with the operation of the
40 wrecker.

41 (m) Displays evidence of unfitness for a license pursuant to
42 NRS 487.165.

43 5. If an application for a license as an automobile wrecker is
44 denied, the applicant may not submit another application for at least
45 6 months after the date of the denial.



1 6. The Department may refuse to review a subsequent
2 application for licensing submitted by any person who violates any
3 provision of this chapter.

4 7. Upon the receipt of any report or complaint alleging that an
5 applicant or a licensee has engaged in financial misconduct or has
6 failed to satisfy any financial obligation related to the business of
7 dismantling, scrapping, processing or wrecking of vehicles, the
8 Department may require the applicant or licensee to submit to the
9 Department an authorization for the disclosure of financial records
10 for the business as provided in NRS 239A.090. The Department
11 may use any information obtained pursuant to such an authorization
12 only to determine the suitability of the applicant or licensee for
13 initial or continued licensure. Information obtained pursuant to such
14 an authorization may be disclosed only to those employees of the
15 Department who are authorized to issue a license to an applicant
16 pursuant to NRS 487.047 to 487.200, inclusive, or to determine the
17 suitability of an applicant or a licensee for such licensure.

18 8. For the purposes of this section, failure to adhere to the
19 directives of the state agency advising the licensee of
20 noncompliance with any provision of NRS 487.047 to 487.200,
21 inclusive, or NRS 487.710 to 487.890, inclusive, *and section 2 of*
22 *this act*, or regulations of the state agency, within 10 days after the
23 receipt of those directives, is prima facie evidence of willful failure
24 to comply.

25 **Sec. 5.** NRS 487.170 is hereby amended to read as follows:

26 487.170 *1.* Every licensed automobile wrecker ~~[, rebuilder or~~
27 ~~scrap processor]~~ shall maintain a record of all vehicles acquired and
28 processed ~~[, junked, dismantled, wrecked, sold as a part or parts or~~
29 ~~disposed of]~~ as *parts or* scrap metal ~~[.] pursuant to section 2 of this~~
30 *act*. The records must be open to inspection during business hours
31 by any peace officer or investigator of the state agency. Every
32 vehicle record must contain:

33 ~~[.] (a)~~ The name ~~[.] and~~ address ~~[and original signature]~~ of the
34 person from whom the vehicle was acquired ; ~~[, until such time as~~
35 ~~the original signature is submitted to the Department, at which time~~
36 ~~the record must contain a duplicate of the signature;~~

37 ~~—2.] (b)~~ The date the vehicle was acquired;

38 ~~[3.] (c)~~ The manner in which the vehicle was acquired by the
39 wrecker ; ~~[, rebuilder or scrap processor;~~

40 ~~—4.] (d)~~ The registration number last assigned to the vehicle; ~~and~~

41 ~~—5.] (e)~~ A brief description of the vehicle, including, insofar as
42 the data may exist with respect to a given vehicle, the make, type,
43 *vehicle identification number*, serial number and motor number, or
44 any other number of the vehicle ~~[.] ; and~~



1 (f) Any certificate of title, salvage title, nonrepairable vehicle
2 certificate or other appropriate documentation of ownership
3 required by the Department that was provided to the licensed
4 automobile wrecker by the person from whom the vehicle was
5 acquired.

6 2. Records maintained pursuant to subsection 1 must be
7 retained by the licensed automobile wrecker for a period of at least
8 2 years.

9 **Sec. 6.** NRS 487.250 is hereby amended to read as follows:

10 487.250 1. The state agency or political subdivision shall,
11 within 48 hours after the appraisal, notify the head of the state
12 agency of the removal of the vehicle. The notice must contain:

13 (a) A description of the vehicle.

14 (b) The appraised value of the vehicle.

15 (c) A statement as to whether the vehicle will be junked,
16 dismantled or otherwise disposed of.

17 2. The person who removed the vehicle must notify the
18 registered owner and any person having a security interest in the
19 vehicle by registered or certified mail that the vehicle has been
20 removed and will be junked or dismantled or otherwise disposed of
21 unless the registered owner or the person having a security interest
22 in the vehicle responds and pays the costs of removal.

23 3. Failure to reclaim within 15 days after notification a vehicle
24 appraised at \$500 or less constitutes a waiver of interest in the
25 vehicle by any person having an interest in the vehicle.

26 4. If all recorded interests in a vehicle appraised at \$500 or less
27 are waived, either as provided in subsection 3 or by written
28 disclaimer by any person having an interest in the vehicle, the state
29 agency, *except as otherwise provided in subsection 3 of NRS*
30 *487.100*, shall issue a salvage title pursuant to NRS 487.810 to the
31 automobile wrecker who towed the vehicle or to whom the vehicle
32 may have been delivered, or a certificate of title to the garage owner
33 if the garage owner elects to retain the vehicle and the vehicle is
34 equipped as required by chapter 484D of NRS.

35 **Sec. 7.** NRS 487.260 is hereby amended to read as follows:

36 487.260 1. If the vehicle is appraised at a value of more than
37 \$500, the state agency or political subdivision shall dispose of it as
38 provided in NRS 487.270.

39 2. If the vehicle is appraised as a junk vehicle, the Department
40 may issue a junk certificate to the automobile wrecker or tow
41 operator who removed the vehicle.

42 3. An automobile wrecker who possesses a junk certificate for
43 a junk vehicle may ~~{dismantle, scrap, crush or otherwise destroy the~~
44 ~~vehicle.}~~ *process the vehicle for parts or scrap metal pursuant to*
45 *section 2 of this act.*



1 4. A vehicle for which a junk certificate has been issued may
2 be sold to an automobile wrecker by the person to whom the junk
3 certificate was issued by the seller's endorsement on the certificate.
4 ~~[An]~~ *Except as otherwise provided in subsection 3 of NRS*
5 *487.100, an automobile wrecker who purchases a vehicle for which*
6 *a junk certificate has been issued shall immediately affix the*
7 *business name of the automobile wrecker as purchaser to the first*
8 *available space provided on the reverse side of the certificate. For*
9 *the purposes of this subsection, such an automobile wrecker is the*
10 *owner of the junk vehicle.*

11 5. If insufficient space exists on the reverse side of a junk
12 certificate to transfer the vehicle pursuant to subsection 4, *except as*
13 *otherwise provided in subsection 3 of NRS 487.100, an automobile*
14 *wrecker who purchases a junk vehicle for which a junk certificate*
15 *has been previously issued shall, within 10 days after purchase,*
16 *apply to the Department for a new junk certificate and surrender the*
17 *original certificate.*

18 6. A person who sells ~~[, dismantles, scraps, crushes or~~
19 ~~otherwise destroys]~~ a junk vehicle shall maintain, for at least 2
20 years, a copy of the junk certificate and a record of the name and
21 address of the person from whom the vehicle was acquired and the
22 date thereof. The person shall allow any peace officer or any
23 investigator employed by a state agency to inspect the records
24 during business hours.

25 7. *An automobile wrecker who processes a junk vehicle for*
26 *parts or scrap metal shall maintain records as required by*
27 *NRS 487.170.*

28 8. As used in this section, "junk vehicle" means a vehicle,
29 including component parts, which:

- 30 (a) Has been discarded or abandoned;
31 (b) Has been ruined, wrecked, dismantled or rendered
32 inoperative;
33 (c) Is unfit for further use in accordance with the original
34 purpose for which it was constructed;
35 (d) Is not registered with the Department or has not been
36 reclaimed by the registered owner or a person having a security
37 interest in the vehicle within 15 days after notification pursuant to
38 NRS 487.250; and
39 (e) Has value principally as scrap which does not exceed \$200.

40 **Sec. 8.** NRS 487.710 is hereby amended to read as follows:
41 487.710 As used in NRS 487.710 to 487.890, inclusive, *and*
42 *section 2 of this act,* unless the context otherwise requires, the
43 words and terms defined in NRS 487.720 to 487.790, inclusive,
44 have the meanings ascribed to them in those sections.



1 **Sec. 9.** NRS 487.880 is hereby amended to read as follows:

2 487.880 A nonrepairable vehicle:

3 1. Must be processed as parts or scrap metal by a licensed
4 automobile wrecker . [~~dismantler or recycler.~~]

5 2. May not be rebuilt, reconstructed or restored for operation
6 on the highways of this State.

7 3. Must be issued a certificate by the state agency which
8 indicates that it is a nonrepairable vehicle before any ownership
9 interest in the vehicle may be transferred.

10 **Sec. 10.** The Department of Motor Vehicles shall adopt the
11 regulations necessary to implement the provisions of this act on or
12 before December 31, 2011.

13 **Sec. 11.** This act becomes effective upon passage and approval
14 for the purpose of adopting regulations and on January 1, 2012, for
15 all other purposes.

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