
ASSEMBLY BILL NO. 522—COMMITTEE ON TRANSPORTATION

MARCH 24, 2003

Referred to Committee on Transportation

SUMMARY—Revises provisions governing short-term leases of passenger cars. (BDR 43-1045)

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

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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 governing short-term leases of passenger cars; and providing other matters properly relating thereto.

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

1 **Section 1.** NRS 482.31535 is hereby amended to read as
2 follows:

3 482.31535 1. Except as otherwise provided in NRS
4 482.3154, a short-term lessor and a short-term lessee of a passenger
5 car may agree that the lessee will be responsible for:

6 (a) Physical or mechanical damage to the car, up to and
7 including its fair market value, ~~resulting from a collision,~~
8 regardless of the cause of the damage.

9 (b) Loss resulting from theft of the car, up to and including its
10 fair market value, except that the lessee is presumed to have no
11 liability for any loss resulting from theft if an authorized driver:

12 (1) Has possession of the ignition key furnished by the lessor
13 or establishes that the ignition key furnished by the lessor was not in
14 the car at the time of the theft; and

15 (2) Files an official report of the theft with an appropriate
16 law enforcement agency within 24 hours after learning of the theft
17 and cooperates with the lessor and the law enforcement agency in
18 providing information concerning the theft.



1 The lessor may rebut the presumption set forth in this paragraph by
2 establishing that an authorized driver committed or aided and
3 abetted the commission of the theft.

4 (c) Physical damage to the car, up to and including its fair
5 market value, resulting from vandalism occurring after or in
6 connection with the theft of the car, except that the lessee has no
7 liability for any damage resulting from vandalism if the lessee has
8 no liability for theft pursuant to paragraph (b).

9 (d) Physical damage to the car and loss of use of the car, up to
10 \$500, resulting from vandalism not related to the theft of the car and
11 not caused by the short-term lessee.

12 (e) Loss of use of the car if the lessee is liable for damage or
13 loss.

14 (f) Actual charges for towing and storage and impound fees paid
15 by the lessor if the lessee is liable for damage or loss.

16 (g) An administrative charge that includes the cost of appraisal
17 and other costs incident to the damage, loss, loss of use, repair or
18 replacement of the car.

19 2. For the purposes of this section, the fair market value must
20 be determined in the customary market for the sale of the leased
21 passenger car.

22 **Sec. 2.** NRS 482.31555 is hereby amended to read as follows:

23 482.31555 A short-term lessor may provide in a lease of a
24 passenger car that a waiver of damages does not apply in the
25 following circumstances:

26 1. Damage or loss resulting from an authorized driver's:

27 (a) Intentional, willful, wanton or reckless conduct.

28 (b) Operation of the car in violation of NRS 484.379.

29 (c) Towing or pushing with the car.

30 (d) Operation of the car on an unpaved road if the damage or
31 loss is a direct result of the road or driving conditions.

32 2. Damage or loss occurring when the passenger car is:

33 (a) Used for hire.

34 (b) Used in connection with conduct that constitutes a felony.

35 (c) Involved in a speed test or contest or in driver training
36 activity.

37 (d) Operated by a person other than an authorized driver.

38 (e) Operated outside of the *State of Nevada or the* United States

39 ~~(f)~~, *unless expressly permitted by the lease.*

40 *(f) Stolen and the authorized driver was negligent in securing*
41 *the passenger car. A lease that contains such a provision must*
42 *provide that:*

43 *(1) The authorized driver will be presumed to have not been*
44 *negligent in securing the passenger car if he:*



1 (I) Has possession of the ignition key furnished by the
2 lessor or establishes that the ignition key furnished by the lessor
3 was not in the car at the time of the theft; and

4 (II) Files an official report of the theft with an
5 appropriate law enforcement agency within 24 hours after
6 learning of the theft and cooperates with the lessor and the law
7 enforcement agency in providing information concerning the
8 theft; and

9 (2) The lessor may rebut the presumption by establishing
10 that the authorized driver committed or aided and abetted the
11 commission of the theft.

12 3. An authorized driver providing:

13 (a) Fraudulent information to the short-term lessor.

14 (b) False information to the lessor and the lessor would not have
15 leased the passenger car if he had received true information.

16 **Sec. 3.** NRS 482.31565 is hereby amended to read as follows:

17 482.31565 1. A short-term lessor shall not require the
18 purchase of a waiver of damages, optional insurance or any other
19 optional good or service as a condition for the lease of a passenger
20 car.

21 2. A short-term lessor may sell a waiver of damages but shall
22 not charge more than \$15 per full or partial ~~[24-hour rental period]~~
23 *rental day* for the waiver.

24 3. A short-term lessor who disseminates an advertisement in
25 the State of Nevada that contains a rate for the lease of a passenger
26 car shall include in the advertisement a clearly readable statement of
27 the charge for a waiver of damages and a statement that the waiver
28 is optional.

29 4. A short-term lessor shall not engage in any unfair, deceptive
30 or coercive conduct to induce a short-term lessee to purchase a
31 waiver of damages, optional insurance or any other optional good or
32 service, including, but not limited to, refusing to honor the lessee's
33 reservation, limiting the availability of cars, requiring a deposit or
34 debiting or blocking the lessee's credit card account for a sum
35 equivalent to a deposit if the lessee declines to purchase a waiver,
36 optional insurance or any other optional good or service.

