Assembly Bill No. 594–Committee on Transportation

CHAPTER.....

AN ACT relating to body shops; creating a Class A certification designation for body shops that meet certain criteria; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires body shops to submit an application to the Department of Motor Vehicles for a license to operate and file with the Department a bond in the amount of $10,000 before doing business in the State. (NRS 487.630, 487.640) **Sections 3, 4, 6 and 7** of this bill create a Class A certification for a body shop that demonstrates compliance with certain criteria. **Section 8** of this bill establishes the process for applying for and renewing a Class A certification. **Section 11** of this bill provides for the suspension or revocation of a Class A certification under certain circumstances. (NRS 487.660)

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

Section 1. Chapter 487 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.

Sec. 2. ***"Body shop" means any place where the body of a motor vehicle is painted, fixed, repaired or replaced for compensation.***

Sec. 3. ***"Class A certificate" means a certificate issued to a licensed body shop that has been granted Class A certification status with the Department pursuant to section 6 of this act.***

Sec. 4. ***"Class A certification" means a designation granted to a licensed body shop by the Department indicating that the body shop meets the criteria set forth in section 6 of this act and any criteria established in regulations adopted pursuant to section 7 of this act.***

Sec. 5. ***"Garagekeepers' insurance" means insurance which protects an operator of a body shop against liability for damage to a vehicle in the care, custody or control of the body shop.***

Sec. 6. ***To be eligible for Class A certification, a licensed body shop must:***

1. Comply with local zoning laws and possess all required local, state and federal licenses and permits.

2. Possess garagekeepers' and workers' compensation insurance.

3. Provide employees with continuing education and training in subjects and for periods of time as prescribed by regulation.

4. Have the ability to:

(a) Obtain proper specifications for each vehicle being repaired;

(b) Make three dimensional measurements that are verified by a computer of each vehicle being repaired; and

(c) Hoist a vehicle for inspection.

5. Perform a wide range of services for vehicles being repaired, including, without limitation:

(a) Alignment of the wheels of a vehicle that is verified by a computer;

(b) Stabilization of a vehicle through the use of a four-point anchoring system;

(c) Simultaneous adjustment of the exterior and undercarriage of a vehicle;

(d) Removal and reinstallation of a frame, suspension, engine or a drivetrain component;

(e) Painting the exterior of a vehicle with a system for applying paint that provides a finish similar to the finish applied by the manufacturer;

(f) Inspection of airbags and other occupant restraint devices to the specifications of the manufacturer; and

(g) Welding, by a certified technician, with a gas metal arc welder or an inverter welder, as appropriate.

6. Adhere to current federal, state and local safety requirements by:

(a) Performing repairs on an air-conditioning system using equipment approved by the United States Environmental Protection Agency;

(b) Performing repairs with emission-reducing equipment, as prescribed by regulation;

(c) Performing repairs with equipment that meets all safety requirements as prescribed by regulation; and

(d) Disposing of hazardous waste as prescribed by regulation.

7. Ensure customer satisfaction by providing to each customer:

(a) A computer-generated estimate of repairs; and

(b) A written, limited lifetime warranty that is valid against workmanship defects.

8. Have a system for documenting and maintaining customer complaints and responses to service.

Sec. 7. *1. The Department shall adopt regulations establishing the requirements for continuing education and training required by subsection 3 of section 6 of this act.*

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2. The Department may adopt such regulations as it deems necessary to carry out the provisions of sections 2 to 8, inclusive, of this act.

Sec. 8. ***1. An application for a Class A certification or for the renewal of such a certification must be filed with the Department upon forms supplied by the Department. The application must be accompanied by such proof as the Department requires to demonstrate that the applicant is in compliance with all criteria set forth in section 6 of this act and any regulations adopted pursuant thereto.***

2. Before a Class A certificate is issued to a licensed body shop, the Department must inspect the body shop to ensure that the body shop meets or exceeds the requirements set forth in section 6 of this act and any regulations adopted pursuant thereto.

3. The Department shall notify a licensed body shop at least 72 hours before an inspection is performed pursuant to subsection 2.

4. The Department shall charge an application fee of $300 for the issuance or renewal of a Class A certificate which must be submitted with the application. Fees collected by the Department pursuant to this subsection must be deposited with the State Treasurer to the credit of the Account for Regulation of Salvage Pools, Automobile Wreckers, Body Shops and Garages.

5. Upon receipt of the application and the required fee, and when satisfied that the applicant meets or exceeds the requirements set forth in section 6 of this act and any regulations adopted pursuant thereto, the Department must issue to the licensed body shop a Class A certificate or renew such certification. The certificate must contain the name and the address of the licensed body shop and the name of the operator of the licensed body shop.

6. A Class A certificate expires on April 30 of each year.

Sec. 9. NRS 487.600 is hereby amended to read as follows:

487.600 As used in NRS ~~[487.610]~~ ***487.600*** to 487.690, inclusive, ~~[“body shop” means any place where the body of a motor vehicle is painted, fixed, repaired or replaced for compensation.]~~ ***and sections 2 to 8, inclusive, of this act, the words and terms defined in sections 2 to 5, inclusive, of this act have the meanings ascribed to them in those sections.***

Sec. 10. NRS 487.650 is hereby amended to read as follows:

487.650 1. The Department may refuse to issue a license or, after notice and hearing, may suspend, revoke or refuse to renew a license to operate a body shop upon any of the following grounds:

(a) Failure of the applicant or licensee to have or maintain an established place of business in this State.

(b) Conviction of the applicant or licensee or an employee of the applicant or licensee of a felony, or of a misdemeanor or gross misdemeanor for a violation of a provision of this chapter.

(c) Any material misstatement in the application for the license.

(d) Willful failure of the applicant or licensee to comply with the motor vehicle laws of this State and NRS 487.035, ~~[487.610]~~ ***487.600*** to 487.690, inclusive, ***and sections 2 to 8, inclusive, of this act,*** or 597.480 to 597.590, inclusive.

(e) Failure or refusal by the licensee to pay or otherwise discharge any final judgment against him arising out of the operation of the body shop.

(f) Failure or refusal to provide to the Department an authorization for the disclosure of financial records for the business as required pursuant to subsection 2.

(g) A finding of guilt by a court of competent jurisdiction in a case involving a fraudulent inspection, purchase, sale or transfer of a salvage vehicle by the applicant or licensee or an employee of the applicant or licensee.

(h) An improper, careless or negligent inspection of a salvage vehicle pursuant to NRS 487.800 by the applicant or licensee or an employee of the applicant or licensee.

(i) A false statement of material fact in a certification of a salvage vehicle pursuant to NRS 487.800 or a record regarding a salvage vehicle by the applicant or licensee or an employee of the applicant or licensee.

2. Upon the receipt of any report or complaint alleging that an applicant or a licensee has engaged in financial misconduct or has failed to satisfy financial obligations related to the operation of a body shop, the Department may require the applicant or licensee to submit to the Department an authorization for the disclosure of financial records for the business as provided in NRS 239A.090. The Department may use any information obtained pursuant to such an authorization only to determine the suitability of the applicant or licensee for initial or continued licensure. Information obtained pursuant to such an authorization may be disclosed only to those employees of the Department who are authorized to issue a license to an applicant pursuant to NRS ~~[487.610]~~ ***487.600*** to 487.690, inclusive, ***and sections 2 to 8, inclusive, of this act,*** or to determine the suitability of an applicant or a licensee for such licensure.

3. As used in this section, “salvage vehicle” has the meaning ascribed to it in NRS 487.770.

Sec. 11. NRS 487.660 is hereby amended to read as follows:

487.660 ***1.*** If the Director finds that the action is necessary in the public interest, upon notice to the licensee, he may ~~[temporarily]~~ ***:***

(a) Temporarily suspend or refuse to renew the license to operate a body shop for not more than 30 days.

(b) Temporarily suspend or refuse to renew a Class A certificate of a licensed body shop for not more than 30 days.

2. The Department shall conduct a hearing and issue a final decision on the matter within 30 days after it sends notice ~~[to the licensee]~~ of the temporary suspension ~~[.]~~ ***of a license or a Class A certificate, or both.***

3. The Department shall adopt regulations:

(a) Prescribing the circumstances under which the Department may suspend or refuse to renew a Class A certificate; and

(b) Providing an appeals process for an operator of a licensed body shop whose Class A certificate has been suspended or has not been renewed.

4. A Class A certificate must be automatically revoked by the Department if the license to operate the body shop is suspended or revoked pursuant to NRS 487.650.

Sec. 12. NRS 487.690 is hereby amended to read as follows:

487.690 Any person who violates any of the provisions of NRS ~~[487.610]~~ ***487.600*** to 487.680, inclusive, ***and sections 2 to 8, inclusive, of this act*** is guilty of a misdemeanor.