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ADMINISTRATIVE AGENCY APPEALS, STATUTORY INTERPRETATION

Summary

A judgment for penalty attorney fees and costs against a driver in an action that arises out of a motor vehicle accident is not a “judgment . . . upon a cause of action” arising out of the use of a motor vehicle such that its nonpayment may result in the suspension of driving privileges under NRS § 485.302.

Background

In 2010, appellant Geneva Simmons and respondent Jesus Manuel Briones were in a motor vehicle accident. Briones sued Simmons for negligence, personal injury, and property damages as a result. The action was diverted to the court’s mandatory arbitration program. The arbitrator found in favor of Briones, but reduced Briones’s damages by half because the arbitrator found Briones fifty percent negligent. Briones requested a trial de novo, and the case was placed in the short trial program. The jury found in favor of Briones and awarded him damages, but also found him fifty percent negligent and reduced his award by half.

Because Briones’s jury award did not exceed the arbitration award by twenty percent, Briones was liable for Simmons’s attorney fees and costs under NAR 20(B)(2)(a). The short trial judge entered a net judgment in favor of Simmons (hereinafter Simmons judgment). When Briones failed to pay the judgment, Simmons reported the failure to pay to the Nevada Department of Motor Vehicles and requested that Briones’s driver’s license be suspended until the judgment was satisfied pursuant to NRS 485.302. The DMV suspended Briones’s driving privileges.

Briones requested an administrative hearing to contest the suspension, arguing that NRS 485.302 did not apply because the judgment was not for personal injury or property damages. The administrative law judge dismissed and rescinded the suspension. Simmons then filed a petition for judicial review of the decision. The district court denied the petition, agreeing with the ALJ that NRS 485.302 did not pertain to judgments for attorney fees and costs. Simmons then appealed, arguing that Briones’s driving privileges should have been suspended because a judgment for attorney fees and costs is within the scope of NRS 485.302.

Discussion

Simmons argued that NRS 485 applies to any judgment related to a motor vehicle accident, including judgments for attorney fees and costs. The DMV, therefore, was required to suspend Briones’s license because the Simmons judgment was entered as a result of a motor

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1 By Annie Avery.
2 N. REV. STAT. § 485.035.
3 Nevada Arbitration Rules 20(B)(2)(a) provides that when “the party requesting the trial de novo fails to obtain a judgment that exceeds the arbitration award by at least twenty percent of the award, the non-requesting party is entitled to its attorney’s fees and costs associated with the proceedings following the request for trial de novo.”
4 Nev. Rev. Stat. § 485.302 states that the DMV shall suspend the license of any person against whom a judgment is rendered upon receipt of a certified copy of the judgment.
vehicle accident cause of action. Briones argued that NRS 485’s plain language and structure indicate that judgment for attorney fees and costs are not within the scope of the chapter. The law’s purpose is to compel payment of damages for injury to person or property caused by uninsured drivers. According to Briones, the judgment is not a “judgment” within the meaning of the statute because Simmons was awarded attorney fees and costs under arbitration rules.

The Simmons Judgment is not a judgment subject to NRS Chapter 485

“[W]hen the language of a statute is plain and unambiguous, a court should give that language its ordinary meaning and not go beyond it.” In determining if the language is plain or unambiguous, the court depends on the language of the statute and the context in which the language is used. Reading NRS Chapter 485 as a whole and considering the purpose of the statute, a “judgment” is “one that is entered based on damages awarded for injury to person or property as a consequence of tortuously maintaining or operating a motor vehicle.” The Court found, therefore, that “judgment,” for the purposes of NRS Chapter 485, does not include judgments against plaintiffs for attorney fees and costs. Instead,

In coming to this conclusion, the Court considered the title of the chapter, the Motor Vehicle Insurance and Financial Responsibility Act, and the apparent purpose of the various sections of the chapter. Three of the sections of Chapter 485 provide sources of indemnification for injured motorists. First, NRS 485.185 through NRS 485.187 are titled “Insurance Required,” and mandate that all motor vehicle owners and operators must maintain liability insurance to pay tort liabilities arising from the use of motor vehicles. Second, NRS 485.190 through NRS 485.300 are titled “Security Following Accident” and require uninsured motorists involved in accidents to pay security deposits, and penalizes failure to do so with suspension of licenses and registrations. Finally, NRS 485.301 through NRS 485.305, which are at issue in this case, are titled “Nonpayment of Judgment” and allow for suspension of driving privileges if judgments entered as the result of an accident are not paid.

The Court considered the purpose and function of the first two sections in State, Department of Motor Vehicles v. Lawlor. In Lawlor, the court held that the “Insurance Required” statutes operated as a “compulsory insurance law.” Such laws are intended to “assure that motor vehicles have continuous liability insurance” that is “sufficient to satisfy tort liabilities from maintenance of motor vehicles.” The “Security Following Accident” statutes operate as a financial responsibility law, which operates to ensure financial coverage for damages for injuries incurred in past and future accidents.

Here, statutes in the “Nonpayment of Judgement” section operate as a “financial responsibility law” that is intended to create leverage when uninsured drivers are involved in accidents and “fail to pay judgments entered against them as a result of such accidents.” First, NRS 485.301(1) does not contemplate transmission of judgments to the DMV that are entered against a plaintiff, and not a defendant. Second, under NRS 485.304, the judgment is satisfied when an amount equaling the Nevada insurance requirements has been paid, even if it does not

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7 Id. at 618, 707 P.2d at 1141.
8 Id.
9 Id. at 619, 707 P.2d at 1142.
10 The Court noted that NRS 485.301(2) provides that “[i]f the defendant named in any certified copy of a judgment” is a nonresident, the DMV must transmit the judgment to “the state in which the defendant is a resident.”
equal the amount of the judgment. Finally, NRS 485.302(1) provides that a license must be suspended for nonpayment of a judgment unless conditions in NRS 485.302(2) and 485.305 are met. These conditions require the judgment debtor to prove financial responsibility to recoup driving privileges. Further, the statutes in this section of Chapter 485 provide a means for judgment creditor plaintiffs to compel payment from judgment debtor defendants.

Because this section of NRS 485 provides methods of insuring compensation for injuries caused by tortious uses of motor vehicles, NRS 485.035 addresses only final judgments for damages arising out of the use of a motor vehicle. In a case like this one, a judgment that would fall under NRS 485.035 must be “based on the proven cause of action for negligence . . . awarded to compensate for the injury caused by the negligent use of a motor vehicle.” Therefore, because attorney fees and costs awarded as penalty under the arbitration rules cannot be considered damages for negligent use of a motor vehicle.

Briones was not a judgment debtor for damages awarded as a result of negligent injury to persons or property caused by use of a motor vehicle. Instead, Simmons was awarded attorney fees and costs because Briones failed to obtain a jury award sufficiently higher than the jury award. This award was not a “judgment” under NRS 485.035 and its nonpayment cannot be used to suspend Briones’s driving privileges under NRS 302.

**Conclusion**

For the purposes of NRS 485.035, a “judgment” must be a judgment of damages awarded as a result of a cause of action arising out of a motor vehicle accident. Here, this award was entered in Simmons’s favor pursuant to Nevada’s arbitration rules, and not as a measure of damages for injuries incurred as the result of a motor vehicle accident. Because the award of attorney fees and costs was not a “judgment” under NRS Chapter 485, the DMV was not required to suspend Briones’s driving privileges when it received the judgment. The district court property upheld the ALJ’s decision, and the order denying the petition for review is affirmed.