

## 2004 SESSION

LEGISLATION NOT PREPARED BY DLS  
INTRODUCED

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### SENATE BILL NO. 387

Offered January 14, 2004

Prefiled January 14, 2004

*A BILL to amend and reenact §§ 46.2-700 and 46.2-1500 of the Code of Virginia, relating to registration of motor vehicles; motor vehicle dealers; self-propelled cranes weighing more than 47,000 pounds.*

Patron—Williams

Referred to Committee on Transportation

#### **Be it enacted by the General Assembly of Virginia:**

#### **1. That §§ 46.2-700 and 46.2-1500 of the Code of Virginia are amended and reenacted as follows:**

§ 46.2-700. Fees for vehicles for transporting well-drilling machinery and specialized mobile equipment.

A. The fee for registration of any motor vehicle, trailer, or semitrailer on which well-drilling machinery is attached and which is permanently used solely for transporting the machinery shall be ~~fifteen dollars~~ \$15.

B. The fee for the registration of specialized mobile equipment shall be ~~fifteen dollars~~ \$15. "Specialized mobile equipment" shall mean any self-propelled motor vehicle manufactured for a specific purpose, other than for the transportation of passengers or property, which is used on a job site and whose movement on any highway is incidental to the purpose for which it was designed and manufactured. The vehicle must be constructed to fall within all size and weight requirements as contained in §§ 46.2-1105, 46.2-1110, 46.2-1113 and Article 17 (§ 46.2-1122 et seq.) of Chapter 10 of this title and must be capable of maintaining sustained highway speeds of ~~forty~~ 40 miles per hour or more. Vehicles registered under this section shall be exempt from the requirements of § 46.2-1157.

C. Specialized mobile equipment which cannot maintain a sustained highway speed in excess of ~~forty~~ 40 miles per hour, and *self-propelled cranes weighing more than 47,000 pounds*, trailers, or semitrailers which are designed and manufactured for a specific purpose and whose movement on the highway is incidental to the purpose for which it was manufactured and which are not designed or used to transport persons or property, shall not be required to be registered under this chapter.

#### § 46.2-1500. Definitions.

Unless the context otherwise requires, the following words and terms for the purpose of this chapter shall have the following meanings:

"Board" means the Motor Vehicle Dealer Board.

"Certificate of origin" means the document provided by the manufacturer of a new motor vehicle, or its distributor, which is the only valid indication of ownership between the manufacturer, its distributor, its franchised motor vehicle dealers, and the original purchaser not for resale.

"Dealer-operator" means the individual who works at the established place of business of a dealer and who is responsible for and in charge of day-to-day operations of that place of business.

"Distributor" means a person who is licensed by the Department of Motor Vehicles under Chapter 19 (§ 46.2-1900 et seq.) of this title and who sells or distributes new motor vehicles pursuant to a written agreement with the manufacturer, to franchised motor vehicle dealers in the Commonwealth.

"Distributor branch" means a branch office licensed by the Department of Motor Vehicles under Chapter 19 (§ 46.2-1900 et seq.) of this title and maintained by a distributor for the sale of motor vehicles to motor vehicle dealers or for directing or supervising, in whole or in part, its representatives in the Commonwealth.

"Distributor representative" means a person who is licensed by the Department of Motor Vehicles under Chapter 19 (§ 46.2-1900 et seq.) of this title and employed by a distributor or by a distributor branch, for the purpose of making or promoting the sale of motor vehicles or for supervising or contacting its dealers, prospective dealers, or representatives in the Commonwealth.

"Factory branch" means a branch office maintained by a person for the sale of motor vehicles to distributors or for the sale of motor vehicles to motor vehicle dealers, or for directing or supervising, in whole or in part, its representatives in the Commonwealth.

"Factory representative" means a person who is licensed by the Department of Motor Vehicles under Chapter 19 (§ 46.2-1900 et seq.) of this title and employed by a person who manufactures or assembles motor vehicles or by a factory branch for the purpose of making or promoting the sale of its motor vehicles or for supervising or contacting its dealers, prospective dealers, or representatives in the Commonwealth.

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59 "Factory repurchase motor vehicle" means a motor vehicle sold, leased, rented, consigned, or  
60 otherwise transferred to a person under an agreement that the motor vehicle will be resold or otherwise  
61 retransferred only to the manufacturer or distributor of the motor vehicle, and which is reacquired by the  
62 manufacturer or distributor, or its agents.

63 "Family member" means a person who either (i) is the spouse, child, grandchild, spouse of a child,  
64 spouse of a grandchild, brother, sister, or parent of the dealer or owner or (ii) has been employed  
65 continuously by the dealer for at least five years.

66 "Franchise" means a written contract or agreement between two or more persons whereby one  
67 person, the franchisee, is granted the right to engage in the business of offering and selling, servicing, or  
68 offering, selling, and servicing new motor vehicles of a particular line-make or late model or factory  
69 repurchase motor vehicles of a particular line-make manufactured or distributed by the grantor of the  
70 right, the franchisor, and where the operation of the franchisee's business is substantially associated with  
71 the franchisor's trademark, trade name, advertising, or other commercial symbol designating the  
72 franchisor, the motor vehicle or its manufacturer or distributor. The term shall include any severable part  
73 or parts of a franchise agreement which separately provides for selling and servicing different line-makes  
74 of the franchisor.

75 "Franchised late model or factory repurchase motor vehicle dealer" means a dealer in late model or  
76 factory repurchase motor vehicles, including a franchised new motor vehicle dealer, that has a franchise  
77 agreement with a manufacturer or distributor of the line-make of the late model or factory repurchase  
78 motor vehicles.

79 "Franchised motor vehicle dealer" means a dealer in new motor vehicles that has a franchise  
80 agreement with a manufacturer or distributor of new motor vehicles, trailers, or semitrailers.

81 "Fund" means the Motor Vehicle Dealer Board Fund.

82 "Independent motor vehicle dealer" means a dealer in used motor vehicles.

83 "Late model motor vehicle" means a motor vehicle of the current model year and the immediately  
84 preceding model year.

85 "Line-make" means the name of the motor vehicle manufacturer or distributor and a brand or name  
86 plate marketed by the manufacturer or distributor.

87 "Manufacturer" means a person who is licensed by the Department of Motor Vehicles under Chapter  
88 19 (§ 46.2-1900 et seq.) of this title and engaged in the business of constructing or assembling new  
89 motor vehicles and, in the case of trucks, also means a person engaged in the business of manufacturing  
90 engines, power trains, or rear axles, when such engines, power trains, or rear axles are not warranted by  
91 the final manufacturer or assembler of the truck.

92 "Motor vehicle" means the same as provided in § 46.2-100, except, for the purposes of this chapter,  
93 it shall not include (i) trailers and semitrailers; (ii) manufactured homes, sales of which are regulated  
94 under Chapter 4.2 (§ 36-85.16 et seq.) of Title 36; (iii) motor homes; (iv) motorcycles; (v) nonrepairable  
95 vehicles, as defined in § 46.2-1600; ~~and~~ (vi) salvage vehicles, as defined in § 46.2-1600; *or (vii) mobile*  
96 *cranes weighing more than 47,000 pounds.*

97 "Motor vehicle dealer" or "dealer" means any person who:

98 1. For commission, money, or other thing of value, buys, sells, exchanges, either outright or on  
99 conditional sale, bailment lease, chattel mortgage, or otherwise or arranges or offers or attempts to  
100 solicit or negotiate on behalf of others a sale, purchase, or exchange of an interest in new motor  
101 vehicles, new and used motor vehicles, or used motor vehicles alone, whether or not the motor vehicles  
102 are owned by him; or

103 2. Is wholly or partly engaged in the business of selling new motor vehicles, new and used motor  
104 vehicles, or used motor vehicles only, whether or not the motor vehicles are owned by him; or

105 3. Offers to sell, sells, displays, or permits the display for sale, of five or more motor vehicles within  
106 any ~~twelve~~ 12 consecutive months.

107 The term "motor vehicle dealer" does not include:

108 1. Receivers, trustees, administrators, executors, guardians, conservators or other persons appointed  
109 by or acting under judgment or order of any court or their employees when engaged in the specific  
110 performance of their duties as employees.

111 2. Public officers, their deputies, assistants, or employees, while performing their official duties.

112 3. Persons other than business entities primarily engaged in the leasing or renting of motor vehicles  
113 to others when selling or offering such vehicles for sale at retail, disposing of motor vehicles acquired  
114 for their own use and actually so used, when the vehicles have been so acquired and used in good faith  
115 and not for the purpose of avoiding the provisions of this chapter.

116 4. Persons dealing solely in the sale and distribution of fire-fighting equipment, ambulances, and  
117 funeral vehicles, including motor vehicles adapted therefor; however, this exemption shall not exempt  
118 any person from the provisions of §§ 46.2-1519, 46.2-1520 and 46.2-1548.

119 5. Any financial institution chartered or authorized to do business under the laws of the  
120 Commonwealth or the United States which may have received title to a motor vehicle in the normal

course of its business by reason of a foreclosure, other taking, repossession, or voluntary reconveyance to that institution occurring as a result of any loan secured by a lien on the vehicle.

6. An employee of an organization arranging for the purchase or lease by the organization of vehicles for use in the organization's business.

7. Any person licensed to sell real estate who sells a manufactured home or similar vehicle in conjunction with the sale of the parcel of land on which the manufactured home or similar vehicle is located.

8. Any person who permits the operation of a motor vehicle show or permits the display of motor vehicles for sale by any motor vehicle dealer licensed under this chapter.

9. An insurance company authorized to do business in the Commonwealth that sells or disposes of vehicles under a contract with its insured in the regular course of business.

10. Any publication, broadcast, or other communications media when engaged in the business of advertising, but not otherwise arranging for the sale of vehicles owned by others.

11. Any person dealing solely in the sale or lease of vehicles designed exclusively for off-road use.

12. Any credit union authorized to do business in Virginia, provided the credit union does not receive a commission, money, or other thing of value directly from a motor vehicle dealer.

13. Any person licensed as a manufactured home dealer, broker, manufacturer, or salesperson under Chapter 4.2 (§ 36-85.16 et seq.) of Title 36.

14. The State Department of Social Services or local departments of social services.

"Motor vehicle salesperson" or "salesperson" means any person who is licensed as and employed as a salesperson by a motor vehicle dealer to sell or exchange motor vehicles. It also means any person who is licensed as a motor vehicle dealer and who sells or exchanges motor vehicles.

"Motor vehicle show" means a display of motor vehicles to the general public at a location other than a dealer's location licensed under this chapter where the vehicles are not being offered for sale or exchange during or as part of the display.

"New motor vehicle" means any vehicle which (i) has not been previously sold except in good faith for the purpose of resale, (ii) has not been used as a rental, driver education, or demonstration motor vehicle, or for the personal and business transportation of the manufacturer, distributor, dealer, or any of his employees, (iii) has not been used except for limited use necessary in moving or road testing the vehicle prior to delivery to a customer, (iv) is transferred by a certificate of origin, and (v) has the manufacturer's certification that it conforms to all applicable federal motor vehicle safety and emission standards. Notwithstanding provisions (i) and (iii), a motor vehicle that has been previously sold but not titled shall be deemed a new motor vehicle if it meets the requirements of provisions (ii), (iv), and (v).

"Original license" means a motor vehicle dealer license issued to an applicant who has never been licensed as a motor vehicle dealer in Virginia or whose Virginia motor vehicle dealer license has been expired for more than ~~thirty~~ 30 days.

"Relevant market area" means as follows:

1. In metropolitan localities, the relevant market area shall be a circular area around an existing franchised dealer with a population of 250,000, not to exceed a radius of ~~ten~~ 10 miles, but in no case less than seven miles.

2. If the population in an area within a radius of ten miles around an existing franchised dealer is less than 250,000, but the population in an area within a radius of ~~fifteen~~ 15 miles around an existing franchised dealer is 150,000 or more, the relevant market area shall be that area within the ~~fifteen~~ 15-mile radius.

3. In all other cases the relevant market area shall be an area within a radius of ~~twenty~~ 20 miles around an existing franchised dealer or the area of responsibility defined in the franchise, whichever is greater. In any case where the franchise agreement is silent as to area of responsibility, the relevant market area shall be the greater of an area within a radius of ~~twenty~~ 20 miles around an existing franchised dealer or that area in which the franchisor otherwise requires the franchisee to make significant retail sales or sales efforts.

In determining population for this definition, the most recent census by the U.S. Bureau of the Census or the most recent population update, either from the National Planning Data Corporation or other similar recognized source, shall be accumulated for all census tracts either wholly or partially within the relevant market area.

"Retail installment sale" means every sale of one or more motor vehicles to a buyer for his use and not for resale, in which the price of the vehicle is payable in one or more installments and in which the seller has either retained title to the goods or has taken or retained a security interest in the goods under form of contract designated either as a security agreement, conditional sale, bailment lease, chattel mortgage, or otherwise.

"Sale at retail" or "retail sale" means the act or attempted act of selling, bartering, exchanging, or otherwise disposing of a motor vehicle to a buyer for his personal use and not for resale.

- 182** "Sale at wholesale" or "wholesale" means a sale to motor vehicle dealers or wholesalers other than to  
**183** consumers; a sale to one who intends to resell.  
**184** "Used motor vehicle" means any vehicle other than a new motor vehicle as defined in this section.  
**185** "Wholesale auction" means an auction of motor vehicles restricted to sales at wholesale.