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**HOUSE BILL NO. 1687****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Joint Conference Committee  
on February 28, 2009)

(Patron Prior to Substitute—Delegate Cosgrove)

*A BILL to amend and reenact §§ 46.2-1530 and 46.2-1542 of the Code of Virginia, relating to motor vehicle buyer's orders; temporary vehicle registration.***Be it enacted by the General Assembly of Virginia:****1. That §§ 46.2-1530 and 46.2-1542 of the Code of Virginia are amended and reenacted as follows:**

§ 46.2-1530. Buyer's order.

A. Every motor vehicle dealer shall complete, in duplicate, a buyer's order for each sale or exchange of a motor vehicle. A copy of the buyer's order form shall be made available to a prospective buyer during the negotiating phase of a sale and prior to any sales agreement. The completed original shall be retained for a period of four years in accordance with § 46.2-1529, and a duplicate copy shall be delivered to the purchaser at the time of sale or exchange. A buyer's order shall include:

1. The name and address of the person to whom the vehicle was sold or traded.
2. The date of the sale or trade.
3. The name and address of the motor vehicle dealer selling or trading the vehicle.
4. The make, model year, vehicle identification number and body style of the vehicle.
5. The sale price of the vehicle.
6. The amount of any cash deposit made by the buyer.

7. A description of any vehicle used as a trade-in and the amount credited the buyer for the trade-in. The description of the trade-in shall be the same as outlined in subdivision 4 of this subsection.

8. The amount of any sales and use tax, title fee, uninsured motor vehicle fee, registration fee, purchaser's on-line systems filing fee, or other fee required by law for which the buyer is responsible and the dealer has collected. Each tax and fee shall be individually listed and identified.

9. The net balance due at settlement.

10. Any item designated as "processing fee," and the amount charged by the dealer, if any, for processing the transaction. As used in this section processing includes obtaining title and license plates for the purchaser, but shall not include any "purchaser's on-line systems filing fee" as defined in § 46.2-1530.1 or any "dealer's manual transaction fee" as defined in § 46.2-1530.2.

11. Any item designated as "dealer's business license tax," and the amount charged by the dealer, if any.

12. For sales involving dealer-arranged financing, the following notice, printed in bold type no less than 10-point: "THIS SALE IS CONDITIONED UPON APPROVAL OF YOUR PROPOSED RETAIL INSTALLMENT SALE CONTRACT AS SUBMITTED TO OR THROUGH THE DEALER. IF THAT PROPOSED RETAIL INSTALLMENT SALE CONTRACT IS NOT APPROVED UNDER THE TERMS AGREED TO WITH THE DEALER, YOU MAY CANCEL THIS SALE AND ANY DOWN PAYMENT AND/OR TRADE-IN YOU SUBMITTED WILL BE RETURNED TO YOU, PROVIDED THAT ANY VEHICLE DELIVERED TO YOU BY THE DEALER PURSUANT TO THIS AGREEMENT IS RETURNED TO THE DEALER IN THE SAME CONDITION AS DELIVERED TO YOU, NORMAL WEAR AND TEAR EXCEPTED, WITHIN 24 HOURS OF WRITTEN OR ORAL NOTICE TO YOU OF THE CREDIT DENIAL."

13. For sales of used motor vehicles, the disclosure required by § 46.2-1529.1.

If the transaction does not include a policy of motor vehicle liability insurance, the seller shall stamp or mark on the face of the bill of sale in boldface letters no smaller than 18 point type the following words: "No Liability Insurance Included."

A completed buyer's order when signed by both buyer and seller may constitute a bill of sale.

B. The Board shall approve a buyer's order form and each dealer shall file with each original license application its buyer's order form, on which the processing fee amount is stated.

C. If a processing fee is charged, that fact and the amount of the processing fee shall be disclosed by the dealer. Disclosure shall be by placing a clear and conspicuous sign in the public sales area of the dealership. The sign shall be no smaller than eight and one-half inches by eleven inches and the print shall be no smaller than one-half inch, and in a form as approved by the Board.

*D. If the dealer delivers to the customer a vehicle purchased by the customer that is conditional on dealer-arranged financing at terms agreed to by the dealer and purchaser at time of sale and delivery of the vehicle to the purchaser, the dealer shall disclose the following to the customer:*

**"IF YOU ARE FINANCING THIS VEHICLE, PLEASE READ THIS NOTICE. IF YOU HAVE SIGNED A PROPOSED RETAIL INSTALLMENT SALE CONTRACT THAT THE DEALER WILL**

60 ASSIGN TO A SEPARATE FINANCIAL SOURCE, THEN THE SALE OF THE VEHICLE IS  
61 CONDITIONED UPON THE ACCEPTANCE OF YOUR PROPOSED CONTRACT BY THAT SEPARATE  
62 FINANCIAL SOURCE ON A BASIS AGREED UPON BETWEEN THE DEALER AND THE FINANCIAL  
63 SOURCE. IF THAT PROPOSED RETAIL INSTALLMENT SALE CONTRACT IS NOT ACCEPTED BY  
64 THE SEPARATE FINANCIAL SOURCE AND UPON WRITTEN OR ORAL NOTICE TO YOU, EITHER  
65 YOU OR THE DEALER MAY CANCEL THIS SALE. IN THE EVENT OF CANCELLATION, ANY  
66 DOWN PAYMENT AND/OR TRADE-IN YOU SUBMITTED TO THE DEALER AS PART OF THIS SALE  
67 WILL BE RETURNED TO YOU, PROVIDED THAT THE VEHICLE DELIVERED TO YOU BY THE  
68 DEALER IS RETURNED IN THE SAME CONDITION AS DELIVERED, NORMAL WEAR AND TEAR  
69 EXCEPTED, WITHIN 24 HOURS OF NOTICE OF EITHER PARTY'S CANCELLATION. IN THE  
70 EVENT THAT YOU REFUSE TO LAWFULLY RETURN THE VEHICLE WITHIN 24 HOURS AFTER  
71 NOTICE OF CANCELLATION, THE DEALER MAY REPOSSESS THE VEHICLE WITHOUT FURTHER  
72 NOTICE PROVIDED THE DEALER ENFORCES ITS RIGHT TO POSSESSION IN ACORDANCE WITH  
73 THE LAW AND WITHOUT BREACH OF THE PEACE. IN THE EVENT THE DEALER FAILS TO  
74 RETURN YOUR DOWN PAYMENT AND/OR TRADE-IN WITHIN THREE DAYS AFTER YOU RETURN  
75 THE VEHICLE IN THE CONDITION REQUIRED BY THIS NOTICE, THE DEALER MAY BE HELD  
76 LIABLE UNDER SUBDIVISION A 16 OF § 59.1-200 OF THE VIRGINIA CONSUMER PROTECTION  
77 ACT (§ 59.1-196 ET SEQ.) FOR ALL DAMAGES INCURRED."

78 § 46.2-1542. Temporary registration.

79 A. Notwithstanding §§ 46.2-617 and 46.2-628, whenever a dealer licensed by the Board sells or  
80 conditionally sells and delivers to a purchaser a motor vehicle, the dealer may issue temporary license  
81 plates and a certificate of temporary registration. The temporary license plates and the certificates for  
82 temporary registration shall be obtained from the Commissioner or may be printed according to terms  
83 set by the Commissioner and may be issued if (i) the dealer has the title or the certificate of origin for  
84 the vehicle or (ii) is unable at the time of the sale to deliver to the purchaser the certificate of title or  
85 certificate of origin for the vehicle because the certificate of title or certificate of origin is lost or is  
86 being detained by another in possession or for any other reason beyond the dealer's control. The  
87 temporary registration certificate shall bear its date of issuance, the name and address of the purchaser,  
88 the identification number of the vehicle, the registration number to be used temporarily on the vehicle,  
89 the name of the state in which the vehicle is to be registered, the name and address of the person from  
90 whom the dealer acquired the vehicle, and whatever other information may be required by the  
91 Commissioner. A copy of the temporary registration certificate and a bona fide buyer's order shall be  
92 delivered to the purchaser and shall be in the possession of the purchaser at all times when operating the  
93 vehicle. One copy of the certificate shall be retained by the dealer, which copy may be retained in  
94 electronic format under terms set by the Commissioner, and shall be subject to inspection at any time by  
95 the Department's agents. The original of the certificate shall be forwarded by the dealer to the  
96 Department directly on issuance to the purchaser if the vehicle is to be titled outside the  
97 Commonwealth, along with the physical or electronic application for title. The issuance of a temporary  
98 certificate of registration to a purchaser pursuant to this section shall have the effect of vesting sufficient  
99 interest in the vehicle in the purchaser for the period that the certificate remains effective for purposes  
100 of allowing the purchaser (a) to obtain and provide insurance coverage for the vehicle, including but not  
101 limited to insurance indemnifying the purchaser against liability or providing for recovery for damage to  
102 or loss of the vehicle and (b) to operate the vehicle as if the purchaser had full rights of ownership, all  
103 subject to cancellation by applicable law or agreement between the dealer and the purchaser prior to the  
104 time the dealer submits an application for title along with all required fees. *If the dealer, seller, or*  
105 *purchaser exercises the statutory or contractual rights to cancel a purchaser's contract to buy a vehicle*  
106 *before application for title to the vehicle has been submitted to the Department in the name of the*  
107 *purchaser, the dealer shall have the right to possession of the vehicle without claim of possession by the*  
108 *purchaser within 24 hours of written or oral notice to the purchaser and without regard to the provision*  
109 *of Title 8.9A, provided the dealer's right to possession is enforced otherwise in accordance with law and*  
110 *without breach of the peace. In the event of cancellation, the purchaser shall have such rights and*  
111 *remedies as are enumerated in § 46.2-1530, in addition to any other rights and remedies available by*  
112 *statute or contract.*

113 B. A temporary certificate of registration issued by a dealer to a purchaser pursuant to this section  
114 shall expire when the certificate of title to the vehicle is issued by the Department in the name of the  
115 purchaser and the permanent license plates have been affixed to the vehicle, but in no event shall any  
116 temporary certificate of registration issued under this section be effective for more than thirty days from  
117 the date of its issuance. In the event that the dealer fails to produce the old certificate of title or  
118 certificate of origin to the vehicle or fails to apply for a replacement certificate of title pursuant to  
119 § 46.2-632, thereby preventing delivery to the Department or purchaser before the expiration of the  
120 temporary certificate of registration, the purchaser's temporary rights may terminate and the purchaser  
121 shall have the right to return the vehicle to the dealer and obtain a full refund of all payments made

toward the purchase of the vehicle, provided the purchaser provides notice to the dealer of a decision to return the vehicle before issuance of a title for the vehicle by the Department, less any damage to the vehicle incurred while ownership was vested in the purchaser, and less a reasonable amount for use not to exceed one-half the amount allowed per mile by the Internal Revenue Service, as provided by regulation, revenue procedure, or revenue ruling promulgated pursuant to § 162 of the Internal Revenue Code, for use of a personal vehicle for business purposes.

C. Notwithstanding subsection B of this section, if the dealer fails to deliver the certificate of title or certificate of origin to the purchaser within thirty days, a second temporary certificate of registration may be issued. However, the dealer shall, not later than the expiration of the first temporary certificate, deliver to the Department an application for title, copy of the bill of sale, all required fees and a written statement of facts describing the dealer's efforts to secure the certificate of title or certificate of origin to the vehicle. On receipt of the title application with attachments as described herein, the Department shall record the purchaser's rights hereunder to the vehicle and may authorize the dealer to issue a second thirty-day temporary certificate of registration. If the dealer does not produce the certificate of title or certificate of origin to the vehicle before the expiration of the second temporary certificate, the purchaser's rights to the vehicle under this section may terminate and he shall have the right to return the vehicle as provided in subsection B of this section.

D. If the dealer is unable to produce the certificate of title or certificate of origin to the vehicle within the sixty-day period from the date of issuance of the first temporary certificate, the Department may extend temporary registration for an additional period of up to ninety days, provided the dealer makes application in the format required by the Department. If the dealer does not produce the certificate of title or certificate of origin to the vehicle before the expiration of the additional ninety-day period, the purchaser's rights hereunder to the vehicle may terminate and he shall have the right to return the vehicle as provided in subsection B of this section.

E. The Commissioner, on determining that the provisions of this section or the directions of the Department are not being complied with by a dealer, may suspend, after a hearing, the right of the dealer to issue temporary certificates of registration.