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HOUSE BILL NO. 1539

Offered January 9, 2013

Prefiled January 4, 2013

A BILL to amend and reenact §§ 46.2-1516 and 46.2-1531 of the Code of Virginia, relating to consignment sales of motor vehicles.

Patron—Greason

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-1516 and 46.2-1531 of the Code of Virginia are amended and reenacted as follows:
§ 46.2-1516. Supplemental sales locations.

The Board may issue a license for a licensed motor vehicle dealer to display for sale or sell vehicles at locations other than his established place of business, subject to compliance with local ordinances and requirements. *A license issued pursuant to this section shall not be required for a licensed motor vehicle dealer to display for sale or sell vehicles at wholesale auction; placing vehicles for sale at a wholesale auction shall not be considered a consignment.*

A permanent supplemental license may be issued for premises less than 500 yards from the dealer's established place of business, provided a sign is displayed as required for the established place of business. A supplemental license shall not be required for premises otherwise contiguous to the established place of business except for a public thoroughfare.

A temporary supplemental license may be issued for a period not to exceed seven days, provided that the application is made 15 days prior to the sale. The Board shall not issue a temporary supplemental license for the same jurisdiction for a consecutive seven-day period. The Board shall not issue more than eight supplemental licenses per year to any licensed motor vehicle dealer.

A temporary supplemental license for the sale of new motor vehicles may be issued only for locations within the dealer's area of responsibility, as defined in his franchise or sales agreement, unless proof is provided that all dealers in the same line-make in whose areas of responsibility, as defined in their franchise or sales agreements, where the temporary supplemental license is sought do not oppose the issuance of the temporary license.

A temporary supplemental license for sale of used motor vehicles may be issued only for the county, city, or town in which the dealer is licensed pursuant to § 46.2-1510, or for a contiguous county, city, or town. Temporary licenses may be issued without regard to the foregoing geographic restrictions where the dealer operating under a temporary license provides notice by certified mail, at least 30 days before any proposed sale under a temporary license, to all other dealers licensed in the jurisdiction in which the sale will occur of the intent to conduct a sale and permits any locally licensed dealer who wishes to do so to participate in the sale on the same terms as the dealer operating under the temporary license. Any locally licensed dealer who chooses to participate in the sale must obtain a temporary supplemental license for the sale pursuant to this section. The dealer operating under a temporary license shall provide to the Board a copy of the notice required under this section and a list of the dealers to whom the notice was distributed.

A temporary supplemental license may be issued for the sale of boat trailers at a boat show. Any such license shall be valid for no more than 14 days. Application for such a license shall be made and such license obtained prior to the opening of the show. Temporary supplemental licenses for sale of boat trailers at boat shows may be issued for any boat show located anywhere in the Commonwealth without notification of or approval by other boat trailer dealers.

§ 46.2-1531. Consignment vehicles; contract.

Any motor vehicle dealer offering a vehicle for sale on consignment shall have in his possession a consignment contract for the vehicle, executed and signed by the dealer and the consignor. The consignment contract shall include:

1. The complete name, address, and the telephone number of the owners.
2. The name, address, and dealer certificate number of the selling dealer.
3. A complete description of the vehicle on consignment, including the make, model year, vehicle identification number, and body style.
4. The beginning and termination dates of the contract.
5. The percentage of commission, the amount of the commission, or the net amount the owner is to receive, if the vehicle is sold.
6. Any fees for which the owner is responsible.

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59 7. A disclosure of all unsatisfied liens on the vehicle and the location of the certificate of title to the
60 vehicle.

61 8. A requirement that the motor vehicle pass a safety inspection prior to sale *or, if the motor vehicle*
62 *is found not to be in compliance with any safety inspection requirement after having been inspected, the*
63 *dealer shall either take steps to bring it into compliance or furnish any buyer intending to use that*
64 *vehicle on the public highways a written disclosure, prior to sale, that the vehicle did not pass a safety*
65 *inspection.*

66 ~~If any motor vehicle on consignment from a certified nonprofit organization is found not to be in~~
67 ~~compliance with any safety inspection requirement, the dealer shall furnish any buyer intending to use~~
68 ~~that vehicle on the public highways a written disclosure, prior to sale, that the vehicle did not pass a~~
69 ~~safety inspection.~~

70 Any dealer offering a vehicle for sale on consignment shall inform any prospective customer that the
71 vehicle is on consignment.

72 Dealer license plates shall not be used to demonstrate a vehicle on consignment except on (i) motor
73 vehicles with gross vehicle weight of 15,000 pounds or more, (ii) vehicles on consignment from another
74 licensed motor vehicle dealer, and (iii) vehicles on consignment from a nonprofit organization certified
75 pursuant to subsection B of § 46.2-1508.1. The owner's license plates may be used if liability insurance
76 coverage is in effect in the amounts prescribed by § 46.2-472.