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SENATE BILL NO. 878

Offered January 14, 2015

Prefiled January 7, 2015

A BILL to amend and reenact § 46.2-1530 of the Code of Virginia, relating to motor vehicle dealer buyer's orders.

Patron—Cosgrove

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:**1. That § 46.2-1530 of the Code of Virginia is 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 five 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.

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. If the dealer delivers to the customer a vehicle purchased by the customer on or after July 1, 2010, that is conditional on dealer-arranged financing, the following notice, printed in bold type no less than 10 point: "IF YOU ARE FINANCING THIS VEHICLE, PLEASE READ THIS NOTICE: YOU ARE PROPOSING TO ENTER INTO A RETAIL INSTALLMENT SALES CONTRACT WITH THE DEALER. PART OF YOUR CONTRACT INVOLVES FINANCING THE PURCHASE OF YOUR VEHICLE. IF YOU ARE FINANCING THIS VEHICLE AND THE DEALER INTENDS TO TRANSFER YOUR FINANCING TO A FINANCE PROVIDER SUCH AS A BANK, CREDIT UNION OR OTHER LENDER, YOUR VEHICLE PURCHASE DEPENDS ON THE FINANCE PROVIDER'S APPROVAL OF YOUR PROPOSED RETAIL INSTALLMENT SALES CONTRACT. IF YOUR RETAIL INSTALLMENT SALES CONTRACT IS APPROVED WITHOUT A CHANGE THAT INCREASES THE COST OR RISK TO YOU OR THE DEALER, YOUR PURCHASE CANNOT BE CANCELLED. IF YOUR RETAIL INSTALLMENT SALES CONTRACT IS NOT APPROVED, THE DEALER WILL NOTIFY YOU VERBALLY OR IN WRITING. YOU CAN THEN DECIDE TO PAY FOR THE VEHICLE IN SOME OTHER WAY OR YOU OR THE DEALER CAN CANCEL YOUR PURCHASE. IF THE SALE IS CANCELLED, YOU NEED TO RETURN THE VEHICLE TO THE DEALER WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR. ANY DOWN PAYMENT OR TRADE-IN YOU GAVE THE DEALER WILL BE RETURNED TO YOU. IF YOU DO NOT RETURN THE VEHICLE WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE OF CANCELLATION, THE DEALER MAY LOCATE THE VEHICLE AND TAKE IT BACK WITHOUT FURTHER NOTICE TO YOU AS LONG AS THE DEALER FOLLOWS THE LAW AND DOES NOT CAUSE A BREACH OF THE PEACE WHEN TAKING THE VEHICLE BACK. IF THE DEALER DOES NOT RETURN YOUR DOWN PAYMENT AND ANY TRADE-IN WHEN THE

59 DEALER GETS THE VEHICLE BACK IN THE SAME CONDITION IT WAS GIVEN TO YOU,
60 EXCEPT FOR NORMAL WEAR AND TEAR, THE DEALER MAY BE LIABLE TO YOU UNDER
61 THE VIRGINIA CONSUMER PROTECTION ACT."

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

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

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

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

69 C. If a processing fee is charged, that fact and the amount of the processing fee shall be disclosed by
70 the dealer. Disclosure shall be by placing a clear and conspicuous sign in the public sales area of the
71 dealership. The sign shall be no smaller than eight and one-half inches by 11 inches and the print shall
72 be no smaller than one-half inch, and in a form as approved by the Board.

73 D. If the buyer's order is for a new motor vehicle ~~having a gross vehicle weight rating of less than~~
74 ~~16,000 pounds~~ that had accumulated, at the time of the sale, mileage in excess of 750 miles as a
75 demonstrator or as a result of delivery to a prospective purchaser who never took title to the new motor
76 vehicle and returned it, the vehicle may be sold as new, provided the dealer delivers this disclosure in
77 writing on the buyer's order containing type of no smaller than 10 point or in a separate document
78 containing only the disclosure in type of no smaller than 14 point: "Notice: This new motor vehicle has
79 accumulated mileage in excess of 750 miles as the result of use as a demonstrator and/or as the result of
80 delivery to a prior prospective purchaser who never took title to it and who returned it." When delivered
81 as a separate document, this disclosure shall also contain the actual odometer reading for the vehicle and
82 shall be signed by the purchaser.

83 *E. The provisions of this section shall not apply to the sale or exchange of (i) a tractor truck, (ii) a*
84 *truck having a gross vehicle weight rating of 16,000 pounds or more, or (iii) a semitrailer.*