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HOUSE BILL NO. 1178

Offered January 10, 2018

Prefiled January 10, 2018

A BILL to amend and reenact § 46.2-1508 of the Code of Virginia, relating to motor vehicle dealers; injunctive relief for failure to obtain a license.

Patron—Pillion

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That § 46.2-1508 of the Code of Virginia is amended and reenacted as follows:

§ 46.2-1508. Licenses required; penalty.

A. It shall be unlawful for any person to engage in business in the Commonwealth as a motor vehicle dealer or salesperson without first obtaining a license as provided in this chapter. It shall be unlawful for any person to engage in business in the Commonwealth as a manufacturer, factory branch, distributor, distributor branch, or factory or distributor representative without first obtaining a license from the Department. Every person licensed as a manufactured home dealer under Chapter 4.2 (§ 36-85.16 et seq.) of Title 36 shall obtain a certificate of dealer registration as provided in this chapter. Every person licensed as a watercraft dealer under Chapter 8 (§ 29.1-800 et seq.) of Title 29.1 and who offers for sale watercraft trailers shall obtain a certificate of dealer registration as provided in this chapter but shall not be required to obtain a dealer license unless he also sells other types of trailers. Any nonprofit organization exempt from taxation under § 501(c)(3) of the Internal Revenue Code, after having obtained a nonprofit organization certificate as provided in this chapter, may consign donated motor vehicles to licensed Virginia motor vehicle dealers. Any person licensed in another state as a motor vehicle dealer may sell motor vehicles at wholesale auctions in the Commonwealth after having obtained a certificate of dealer registration as provided in this chapter. The offering or granting of a motor vehicle dealer franchise in the Commonwealth shall constitute engaging in business in the Commonwealth for purposes of this section, and no new motor vehicle may be sold or offered for sale in the Commonwealth unless the franchisor of motor vehicle dealer franchises for that line-make in the Commonwealth, whether such franchisor is a manufacturer, factory branch, distributor, distributor branch, or otherwise, is licensed under this chapter. In the event a license issued to a franchisor of motor vehicle dealer franchises is suspended, revoked, or not renewed, nothing in this section shall prevent the sale of any new motor vehicle of such franchisor's line-make manufactured in or brought into the Commonwealth for sale prior to the suspension, revocation or expiration of the license.

Violation of any provision of this ~~section~~ *subsection* shall constitute a Class 1 misdemeanor*, and such violation may also serve as the basis for injunctive relief pursuant to subsection B or C.*

B. The Board may file a motion with the circuit court for the county or city in which a person who violated any provision of subsection A is located, or with the circuit court for the City of Richmond, and, upon a hearing and for cause shown, the court may grant an injunction restraining such person from violating any provision of subsection A, regardless of whether an adequate remedy at law exists. A single act in violation of the provisions of subsection A is sufficient basis to authorize the issuance of an injunction. The Board shall not be required to post an injunction bond or other security.

C. Any licensed motor vehicle dealer who is threatened with injury or damage to his business or property by reason of a violation of subsection A may file a motion with the circuit court for the county or city in which a person alleged to have committed such violation is located, or with the circuit court for the City of Richmond, and, upon a hearing and for cause shown, the court may grant a temporary or permanent injunction prohibiting any further such violation. A singe act in violation of the provisions of subsection A shall be sufficient basis to show injury or damage to the business or property of the licensed motor vehicle dealer. A licensed motor vehicle dealer shall not be required to post an injunction bond or other security.

D. If the Board, pursuant to subsection B, or a licensed motor vehicle dealer, pursuant to subsection C, is awarded an injunction, the court may also award reasonable attorney fees and costs.

E. Notwithstanding the provisions of subsection A, a manufacturer, factory branch, distributor, distributor branch, or factory or distributor representative engaged in the manufacture or distribution of all-terrain vehicles or off-road motorcycles that does not also manufacture or distribute in the Commonwealth any motorcycle designed for lawful use on the public highways shall not be required to obtain a license from the Department.