

967137212

## HOUSE BILL NO. 1434

Offered January 22, 1996

*A BILL to amend and reenact §§ 46.2-1530 and 46.2-1930 of the Code of Virginia, relating to motor vehicle buyer's orders T&M vehicle buyer's orders.*

Patrons—Dillard, Callahan, Connally, Crittenden, Darner, Grayson, Keating, May and Plum; Senators: Howell and Waddell

Referred to Committee on Transportation

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

**1. That §§ 46.2-1530 and 46.2-1930 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, 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. *No dealer processing fee of more than twenty-five dollars shall be charged. No other charge shall be levied for handling the transaction, obtaining credit, processing paperwork, or other related or similar services.* As used in this section processing includes obtaining title and license plates for the purchaser.

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 ten-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 TWENTY-FOUR 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 eighteen-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 license application, or renewal, 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. *The dealer shall also affix or cause to be affixed to the window glass of any vehicle offered for sale a notice stating (i) that a*

INTRODUCED

HB1434

60 processing fee will be charged in connection with the purchase of the vehicle, (ii) the amount of that  
61 fee, and (iii) the following statement: **THIS FEE IS NOT REQUIRED BY LAW**. Such notice shall be  
62 affixed adjacent to either the manufacturer's window sticker or the vehicle buyer's guide. The language  
63 of such notice shall be at least three inches tall and three inches wide and printed in type not smaller  
64 than ten point. In all advertisements of the price of any vehicle offered for sale by the dealership, the  
65 amount of any processing fee shall be included in the total advertised price.

66 § 46.2-1930. Buyer's order.

67 A. Every T&M vehicle dealer shall complete, in duplicate, a buyer's order for each sale or exchange  
68 of a T&M vehicle. A copy of the buyer's order form shall be made available to a prospective buyer  
69 during the negotiating phase of a sale and prior to any sales agreement. The completed original shall be  
70 retained for a period of four years in accordance with § 46.2-1929, and a duplicate copy shall be  
71 delivered to the purchaser at the time of sale or exchange. A buyer's order shall include:

72 1. The name and address of the person to whom the vehicle was sold or traded.

73 2. The date of the sale or trade.

74 3. The name and address of the T&M vehicle dealer selling or trading the vehicle.

75 4. The make, model year, vehicle identification number and body style of the vehicle.

76 5. The sale price of the vehicle.

77 6. The amount of any cash deposit made by the buyer.

78 7. A description of any vehicle used as a trade-in and the amount credited the buyer for the trade-in.

79 The description of the trade-in shall be the same as outlined in subdivision 4 of this subsection.

80 8. The amount of any sales and use tax, title fee, uninsured T&M vehicle fee, registration fee, or  
81 other fee required by law for which the buyer is responsible and the dealer has collected. Each tax and  
82 fee shall be individually listed and identified.

83 9. The net balance due at settlement.

84 10. Any item designated as "processing fee," and the amount charged by the dealer, if any, for  
85 processing the transaction. *No dealer processing fee of more than twenty-five dollars shall be charged.*  
86 *No other charge shall be levied for handling the transaction, obtaining credit, processing paperwork, or*  
87 *other related or similar services.* As used in this section processing includes obtaining title and license  
88 plates for the purchaser.

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

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

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

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

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

107 C. If a processing fee is charged, that fact and the amount of the processing fee shall be disclosed by  
108 the dealer. Disclosure shall be by placing a clear and conspicuous sign in the public sales area of the  
109 dealership. The sign shall be no smaller than eight and one-half inches by eleven inches and the print  
110 shall be no smaller than one-half inch, and in a form as approved by the Commissioner. *The dealer*  
111 *shall also affix or cause to be affixed to the window glass of any vehicle offered for sale a notice*  
112 *stating (i) that a processing fee will be charged in connection with the purchase of the vehicle, (ii) the*  
113 *amount of that fee, and (iii) the following statement: THIS FEE IS NOT REQUIRED BY LAW. Such*  
114 *notice shall be affixed adjacent to either the manufacturer's window sticker or the vehicle buyer's guide.*  
115 *The language of such notice shall be at least three inches tall and three inches wide and printed in type*  
116 *not smaller than ten point. In all advertisements of the price of any vehicle offered for sale by the*  
117 *dealership, the amount of any processing fee shall be included in the total advertised price.*