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HOUSE BILL NO. 1539**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Transportation
on January 22, 2013)

(Patron Prior to Substitute—Delegate Greason)

A *BILL to amend and reenact §§ 46.2-1516, 46.2-1531, 46.2-1916, 46.2-1931, 46.2-1992.14, 46.2-1992.24, 46.2-1993.14, and 46.2-1993.24 of the Code of Virginia, relating to consignment sales of motor vehicles.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-1516, 46.2-1531, 46.2-1916, 46.2-1931, 46.2-1992.14, 46.2-1992.24, 46.2-1993.14, and 46.2-1993.24 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.
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. ~~If any or, if the motor~~
62 ~~vehicle on consignment from a certified nonprofit organization~~ is found not to be in compliance with
63 any safety inspection requirement *after having been inspected*, the dealer shall *either take steps to bring*
64 *it into compliance or* furnish any buyer intending to use that vehicle on the public highways a written
65 disclosure, prior to sale, that the vehicle did not pass a safety inspection.

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

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

73 **§ 46.2-1916. Supplemental sales locations.**

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

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

83 A temporary supplemental license may be issued for a period not to exceed seven days, provided that
84 the application is made 15 days prior to the sale. The Department shall not issue a temporary
85 supplemental license for the same jurisdiction for a consecutive seven-day period. The Department shall
86 not issue more than eight supplemental licenses per year to any licensed T&M vehicle dealer. A
87 temporary supplemental license for the sale of new T&M vehicles may be issued only for locations
88 within the dealer's area of responsibility, as defined in his franchise or sales agreement, unless proof is
89 provided that all dealers in the same line-make in whose areas of responsibility, as defined in their
90 franchise or sales agreements, where the temporary supplemental license is sought do not oppose the
91 issuance of the temporary license.

92 However, the application for a temporary supplemental license may be made five business days prior
93 to the sale if the applicant submits evidence that the location is in compliance with all applicable local
94 ordinances and that all other requirements of this section have been met. The application shall include
95 affirmative proof of no opposition, in the form of letters signed by all dealers in the same line-make in
96 whose areas of responsibility, as defined in their franchise or sales agreements, where the temporary
97 supplemental license is sought, approving the Department's granting the temporary supplemental license.

98 A temporary supplemental license for sale of used T&M vehicles may be issued only for the county,
99 city, or town in which the dealer is licensed pursuant to § 46.2-1910, or for a contiguous county, city, or
100 town. Temporary licenses may be issued without regard to the foregoing geographic restrictions where
101 the dealer operating under a temporary license provides notice by certified mail, at least 30 days before
102 any proposed sale under a temporary license, to all other dealers licensed in the jurisdiction in which the
103 sale will occur of the intent to conduct a sale and permits any locally licensed dealer who wishes to do
104 so to participate in the sale on the same terms as the dealer operating under the temporary license. Any
105 locally licensed dealer who chooses to participate in the sale must obtain a temporary supplemental
106 license for the sale pursuant to this section. The dealer operating under a temporary license shall provide
107 to the Department a copy of the notice required under this section and a list of the dealers to whom the
108 notice was distributed.

109 **§ 46.2-1931. Consignment vehicles; contract.**

110 Any T&M vehicle dealer offering a T&M vehicle for sale on consignment shall have in his
111 possession a consignment contract for the T&M vehicle, executed and signed by the dealer and the
112 consignor. The consignment contract shall include:

- 113 1. The complete name, address, and the telephone number of the owners.
- 114 2. The name, address, and dealer certificate number of the selling dealer.
- 115 3. A complete description of the T&M vehicle on consignment, including the make, model year,
116 vehicle identification number, and body style.
- 117 4. The beginning and termination dates of the contract.
- 118 5. The percentage of commission, the amount of the commission, or the net amount the owner is to
119 receive, if the T&M vehicle is sold.
- 120 6. Any fees for which the owner is responsible.
- 121 7. A disclosure of all unsatisfied liens on the T&M vehicle and the location of the certificate of title

to the T&M vehicle.

8. A requirement that the T&M vehicle pass a safety inspection prior to sale. ~~If any or, if the T&M vehicle on consignment from a certified nonprofit organization is found not to be in compliance with any safety inspection requirement after having been inspected, the T&M dealer shall either take steps to bring it into compliance or furnish any buyer intending to use that T&M vehicle on the public highways a written disclosure, prior to sale, that the T&M vehicle did not pass a safety inspection.~~

Any dealer offering a T&M vehicle for sale on consignment shall inform any prospective customer that the T&M vehicle is on consignment.

Dealer license plates shall not be used to demonstrate a T&M vehicle on consignment except on (i) T&M vehicles with gross vehicle weight of 15,000 pounds or more, (ii) T&M vehicles on consignment from another licensed T&M vehicle dealer, and (iii) T&M vehicles on consignment from a nonprofit organization certified pursuant to § 46.2-1908.1. The owner's license plates may be used if liability insurance coverage is in effect in the amounts prescribed by § 46.2-472. No vehicles other than T&M vehicles shall be sold on consignment by T&M vehicle dealers.

§ 46.2-1992.14. Supplemental sales locations.

The Commissioner may issue a license for a licensed trailer dealer to display for sale or sell trailers 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 trailer dealer to display for sale or sell trailers at wholesale auction; placing trailers for sale at 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 fourteen days, provided that the application is made fifteen days prior to the sale. A temporary supplemental license for the sale of new trailers may be issued only for locations within the dealer's area of responsibility, as defined in his franchise or sales agreement, unless certification 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.

However, the application for a temporary supplemental license may be made five business days prior to the sale, provided the applicant submit evidence that the location is in compliance with all local ordinances and that all other requirements of this section have been met. The application shall include affirmative proof of nonopposition in the form of letters signed by 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, approving the Department's granting of the temporary supplemental license.

A temporary supplemental license for sale of used trailers may be issued only for the county, city, or town in which the dealer is licensed pursuant to § 46.2-1992.8, 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, at least thirty 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.

§ 46.2-1992.24. Consignment trailers; contract.

Any trailer dealer offering a trailer for sale on consignment shall have in his possession a consignment contract for the trailer, 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 trailer on consignment, including the make and model year.
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 trailer is sold.
6. Any fees for which the owner is responsible.
7. A disclosure of all unsatisfied liens on the trailer and the location of the certificate of title to the trailer.

8. A requirement that the trailer pass a safety inspection prior to sale, if periodic safety inspections of the trailer are required under Article 21 (§ 46.2-1157) of Chapter 10 ~~of this title. If any or, if the~~

183 trailer on consignment from a certified nonprofit organization is found not to be in compliance with any
184 safety inspection requirement *after having been inspected*, the ~~trailer~~ dealer shall *either take steps to*
185 *bring it into compliance or* furnish any buyer intending to use that trailer on the public highways a
186 written disclosure, prior to sale, that the trailer did not pass a safety inspection.

187 Any dealer offering a trailer for sale on consignment shall inform any prospective customer that the
188 trailer is on consignment.

189 Dealer license plates shall not be used to demonstrate a trailer on consignment except on (i) trailers
190 with gross vehicle weight of 15,000 pounds or more, (ii) trailers on consignment from another licensed
191 trailer dealer, and (iii) trailers on consignment from nonprofit organizations certified pursuant to
192 § 46.2-1992.6:1. No vehicles other than trailers shall be sold on consignment by trailer dealers.

193 The provisions of this section shall also apply to watercraft trailers and watercraft trailer dealers.

194 **§ 46.2-1993.14. Supplemental sales locations.**

195 The Commissioner may issue a license for a licensed motorcycle dealer to display for sale or sell
196 motorcycles at locations other than his established place of business, subject to compliance with local
197 ordinances and requirements. *A license issued pursuant to this section shall not be required for a*
198 *licensed motorcycle dealer to display for sale or sell motorcycles at wholesale auction; placing*
199 *motorcycles for sale at wholesale auction shall not be considered a consignment.*

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

204 A temporary supplemental license may be issued for a period not to exceed 14 days, provided that
205 the application is made 15 days prior to the sale. The Department shall not issue a temporary
206 supplemental license for the same jurisdiction for a consecutive 14-day period. The Department shall not
207 issue more than eight supplemental licenses per year to any licensed motorcycle dealer.

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

213 However, the application for a temporary supplemental license may be made five business days prior
214 to the sale, provided the applicant submit evidence that the location is in compliance with all local
215 ordinances and that all other requirements of this section have been met. The application shall include
216 affirmative proof of nonopposition in the form of letters signed by all dealers in the same line-make
217 whose areas of responsibility, as defined in their franchise or sales agreements, where the temporary
218 supplemental license is sought, approving the Department's granting the temporary supplemental license.

219 A temporary supplemental license for sale of used motorcycles may be issued only for the county,
220 city, or town in which the dealer is licensed pursuant to § 46.2-1993.8, or for a contiguous county, city,
221 or town. Temporary licenses may be issued without regard to the foregoing geographic restrictions
222 where the dealer operating under a temporary license provides notice by certified mail, at least 30 days
223 before any proposed sale under a temporary license, to all other dealers licensed in the jurisdiction in
224 which the sale will occur of the intent to conduct a sale and permits any locally licensed dealer who
225 wishes to do so to participate in the sale on the same terms as the dealer operating under the temporary
226 license. Any locally licensed dealer who chooses to participate in the sale must obtain a temporary
227 supplemental license for the sale pursuant to this section. The dealer operating under a temporary license
228 shall provide to the Department a copy of the notice required under this section and a list of the dealers
229 to whom the notice was distributed.

230 **§ 46.2-1993.24. Consignment motorcycles; contract.**

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

- 234 1. The complete name, address, and the telephone number of the owners.
- 235 2. The name, address, and dealer certificate number of the selling dealer.
- 236 3. A complete description of the motorcycle on consignment, including the make, model year,
237 vehicle identification number, and body style.
- 238 4. The beginning and termination dates of the contract.
- 239 5. The percentage of commission, the amount of the commission, or the net amount the owner is to
240 receive, if the motorcycle is sold.
- 241 6. Any fees for which the owner is responsible.
- 242 7. A disclosure of all unsatisfied liens on the motorcycle and the location of the certificate of title to
243 the motorcycle.
- 244 8. A requirement that the motorcycle pass a safety inspection prior to sale- ~~If any~~ or, if the

245 motorcycle on consignment from a certified nonprofit organization is found not to be in compliance with
 246 any safety inspection requirement *after having been inspected*, the ~~motorcycle~~ dealer shall *either take*
 247 *steps to bring it into compliance or* furnish any buyer intending to use that motorcycle on the public
 248 highways a written disclosure, prior to sale, that the motorcycle did not pass a safety inspection.

249 Any dealer offering a motorcycle for sale on consignment shall inform any prospective customer that
 250 the motorcycle is on consignment.

251 Dealer license plates shall not be used to demonstrate a motorcycle on consignment except (i)
 252 motorcycles on consignment from another licensed motorcycle dealer and (ii) motorcycles on
 253 consignment from nonprofit organizations certified pursuant to § 46.2-1993.6:1. The owner's license
 254 plates may be used if liability insurance coverage is in effect in the amounts prescribed by § 46.2-472.
 255 No vehicles other than motorcycles shall be sold on consignment by motorcycle dealers.