

SALVAGE VEHICLE BUYERS

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: John L. Valentine

AN ACT RELATING TO MOTOR VEHICLES; REQUIRING SALVAGE VEHICLE BUYERS LICENSES; PROVIDING RESTRICTIONS AND QUALIFICATIONS; PROVIDING RULEMAKING; ESTABLISHING FEES; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

41-3-201, as last amended by Chapter 239, Laws of Utah 1999

41-3-202, as last amended by Chapter 165, Laws of Utah 1998

41-3-601, as last amended by Chapter 165, Laws of Utah 1998

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **41-3-201** is amended to read:

41-3-201. Licenses required -- Restitution -- Education.

(1) As used in this section, "new applicant" means a person who is applying for a license that the person has not been issued during the previous licensing year.

(2) A person may not act as any of the following without having procured a license issued by the administrator: a dealer, salvage vehicle buyer, salesperson, manufacturer, transporter, dismantler, distributor, factory branch and representative, distributor branch and representative, crusher, remanufacturer, and body shop.

(3) (a) A person may not bid on or purchase a § [~~salvage vehicle or a branded title vehicle~~]
VEHICLE WITH A SALVAGE CERTIFICATE AS DEFINED IN SECTION 41-1a-1001 §

at or through any motor vehicle auction unless the person is a licensed salvage vehicle buyer.

(b) A person may not offer for sale, sell, or exchange a § [~~salvage vehicle or a branded title vehicle~~]
VEHICLE WITH A SALVAGE CERTIFICATE AS DEFINED IN SECTION 41-1a-1001 § at or through any motor vehicle auction except to a licensed salvage vehicle buyer.

[~~(3)~~] (4) A supplemental license shall be secured by a dealer, manufacturer, remanufacturer, transporter, dismantler, crusher, or body shop for each additional place of business

28 maintained by him.

29 ~~[(4)]~~ (5) A person who has been convicted of any law relating to motor vehicle commerce
30 or motor vehicle fraud may not be issued a license unless full restitution regarding those
31 convictions has been made.

32 ~~[(5)(a) Beginning July 1, 1999, the]~~

33 (6) (a) The division may not issue a license to a new applicant for a new or used motor
34 vehicle dealer license unless the new applicant completes an eight-hour orientation class approved
35 by the division that includes education on motor vehicle laws and rules.

36 (b) The approved costs of the orientation class shall be paid by the new applicant.

37 (c) The class shall be completed by the new applicant and the applicant's partners,
38 corporate officers, bond indemnitors, and managers.

39 (d) The division shall approve:

40 (i) providers of the orientation class; and

41 (ii) costs of the orientation class.

42 Section 2. Section **41-3-202** is amended to read:

43 **41-3-202. Licenses -- Classes and scope.**

44 (1) A new motor vehicle dealer's license permits the licensee to:

45 (a) offer for sale, sell, or exchange new motor vehicles if the licensee possesses a franchise
46 from the manufacturer of the motor vehicle offered for sale, sold, or exchanged by the licensee;

47 (b) offer for sale, sell, or exchange used motor vehicles;

48 (c) operate as a body shop; and

49 (d) dismantle motor vehicles.

50 (2) A used motor vehicle dealer's license permits the licensee to:

51 (a) offer for sale, sell, or exchange used motor vehicles;

52 (b) operate as a body shop; and

53 (c) dismantle motor vehicles.

54 (3) A new motorcycle and small trailer dealer's license permits the licensee to:

55 (a) offer for sale, sell, or exchange new motorcycles or small trailers if the licensee
56 possesses a franchise from the manufacturer of the motorcycle or small trailer offered for sale,
57 sold, or exchanged by the licensee;

58 (b) offer for sale, sell, or exchange used motorcycles or small trailers; and

- 59 (c) dismantle motorcycles or small trailers.
- 60 (4) A used motorcycle and small trailer dealer's license permits the licensee to:
- 61 (a) offer for sale, sell, or exchange used motorcycles and small trailers; and
- 62 (b) dismantle motorcycles or small trailers.
- 63 (5) A salesperson's license permits the licensee to act as a motor vehicle salesperson and
- 64 is valid for employment with only one dealer at a time.
- 65 (6) (a) A manufacturer's license permits the licensee to construct or assemble motor
- 66 vehicles subject to registration under Title 41, Chapter 1a, Motor Vehicle Act, at an established
- 67 place of business and to remanufacture motor vehicles.
- 68 (b) Under rules ~~[of]~~ made by the [division] administrator, the licensee may issue and install
- 69 vehicle identification numbers on manufactured motor vehicles.
- 70 (c) The licensee may franchise and appoint dealers to sell manufactured motor vehicles
- 71 by notifying the division of the franchise or appointment.
- 72 (7) A transporter's license permits the licensee to transport or deliver motor vehicles
- 73 subject to registration under Title 41, Chapter 1a, Motor Vehicle Act from a manufacturing,
- 74 assembling, or distributing point or from a dealer, to dealers, distributors, or sales agents of a
- 75 manufacturer or remanufacturer, to or from detail or repair shops, and to financial institutions or
- 76 places of storage from points of repossession.
- 77 (8) A dismantler's license permits the licensee to dismantle motor vehicles subject to
- 78 registration under Title 41, Chapter 1a, Motor Vehicle Act, for the purpose of reselling parts or
- 79 for salvage, or selling dismantled or salvage vehicles to a crusher or other dismantler.
- 80 (9) A distributor or factory branch and distributor branch's license permits the licensee to
- 81 sell and distribute new motor vehicles, parts, and accessories to their franchised dealers.
- 82 (10) A representative's license, for factory representatives or distributor representatives
- 83 permits the licensee to contact his authorized dealers for the purpose of making or promoting the
- 84 sale of motor vehicles, parts, and accessories.
- 85 (11) (a) (i) A remanufacturer's license permits the licensee to construct, reconstruct,
- 86 assemble, or reassemble motor vehicles subject to registration under Title 41, Chapter 1a, Motor
- 87 Vehicle Act, from used or new motor vehicles or parts.
- 88 (ii) Evidence of ownership of parts and motor vehicles used in remanufacture shall be
- 89 available to the division upon demand.

90 (b) Under rules [of] made by the administrator, the licensee may issue and install vehicle
 91 identification numbers on remanufactured motor vehicles.

92 (12) A crusher's license permits the licensee to engage in the business of crushing or
 93 shredding motor vehicles subject to registration under Title 41, Chapter 1a, Motor Vehicle Act,
 94 for the purpose of reducing the useable materials and metals to a more compact size for recycling.

95 (13) A body shop's license permits the licensee to rebuild, restore, repair, or paint primarily
 96 the body of motor vehicles damaged by collision or natural disaster, and to dismantle motor
 97 vehicles.

98 (14) A special equipment dealer's license permits the licensee to:

99 (a) buy incomplete new motor vehicles with a gross vehicle weight of 12,000 or more
 100 pounds from a new motor vehicle dealer and sell the new vehicle with the special equipment
 101 installed without a franchise from the manufacturer;

102 (b) offer for sale, sell, or exchange used motor vehicles;

103 (c) operate as a body shop; and

104 (d) dismantle motor vehicles.

105 (15) (a) A salvage vehicle buyer license permits the licensee to bid on or purchase a

106 § ~~salvage vehicle or a branded title vehicle~~ VEHICLE WITH A SALVAGE CERTIFICATE AS DEFINED

106a IN SECTION 41-1a-1001 § at any motor vehicle auction.

107 (b) A salvage vehicle buyer license may only be issued to a ~~h~~ [licensed] ~~h~~ motor vehicle
 107a dealer,

108 dismantler, or body shop who qualifies under rules made by the division ~~h~~ AND IS LICENSED IN ANY
 108a STATE AS A MOTOR VEHICLE DEALER, DISMANTLER, OR BODY SHOP ~~h~~ .

109 (c) The division may not issue more than two salvage vehicle buyer licenses to any one
 110 dealer, dismantler, or body shop.

111 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
 112 administrator shall make rules establishing qualifications of an applicant for a salvage vehicle
 113 buyer license. The criteria shall include:

114 (i) business history;

115 (ii) salvage vehicle qualifications;

116 (iii) ability to properly handle and dispose of environmental hazardous materials associated
 117 with salvage vehicles; and

118 (iv) record in demonstrating compliance with the provisions of this chapter.

119 Section 3. Section **41-3-601** is amended to read:

120 **41-3-601. Fees.**

121 (1) To pay for administering and enforcing this chapter, the administrator shall collect fees
 122 determined by the commission under Section 63-38-3.2 for each of the following:

- 123 (a) new motor vehicle dealer's license;
 124 (b) used motor vehicle dealer's license;
 125 (c) new motorcycle and small trailer dealer;
 126 (d) used motorcycle and small trailer dealer;
 127 (e) motor vehicle salesperson's license;
 128 (f) motor vehicle salesperson's transfer or reissue fee;
 129 (g) motor vehicle manufacturer's license;
 130 (h) motor vehicle transporter's license;
 131 (i) motor vehicle dismantler's license;
 132 (j) motor vehicle crusher's license;
 133 (k) motor vehicle remanufacturer's license;
 134 (l) body shop's license;
 135 (m) distributor or factory branch and distributor branch's license;
 136 (n) representative's license;
 137 (o) dealer plates;
 138 (p) dismantler plates;
 139 (q) manufacturer plates;
 140 (r) transporter plates;
 141 (s) damaged plate replacement;
 142 (t) in-transit permits;
 143 (u) loaded demonstration permits;
 144 (v) additional place of business; and
 145 (w) special equipment dealer's license.

146 (2) To pay for training certified vehicle inspectors and enforcement under Sections
 147 41-1a-1001 through 41-1a-1008, the State Tax Commission shall establish and the administrator
 148 shall collect inspection fees determined by the commission under Section 63-38-3.2.

149 (3) § (a) § At the time of application, the administrator shall collect a fee of \$ ~~500~~ \$200 § for
 150 each salvage
 150a vehicle buyer license.

150b **§ (b) THE ADMINISTRATOR MAY RETAIN A PORTION OF THE FEE UNDER SUBSECTION (3)(a) TO**
 150c **OFFSET THE ADMINISTRATOR'S ACTUAL COSTS OF ADMINISTERING AND ENFORCING SALVAGE**
 150c **VEHICLE BUYER LICENSES. §**

151 Section 4. **Effective date.**

152

This act takes effect on July 1, 2000.

Legislative Review Note
as of 1-13-00 3:13 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel