



28 page of the sale document at the time of sale, executed by the purchaser, and for Subsection  
29 (2)(b), executed by the seller also.

30 (2) (a) The form to be used when financing is the purchaser's responsibility shall read  
31 as follows:

32 "THE PURCHASER OF THE MOTOR VEHICLE DESCRIBED IN THIS  
33 CONTRACT ACKNOWLEDGES THAT THE SELLER OF THE MOTOR VEHICLE HAS  
34 MADE NO PROMISES, WARRANTIES, OR REPRESENTATIONS REGARDING  
35 SELLER'S ABILITY TO OBTAIN FINANCING FOR THE PURCHASE OF THE MOTOR  
36 VEHICLE. FURTHERMORE, PURCHASER UNDERSTANDS THAT IF FINANCING IS  
37 NECESSARY IN ORDER FOR THE PURCHASER TO COMPLETE THE PAYMENT  
38 TERMS OF THIS CONTRACT ALL THE FINANCING ARRANGEMENTS ARE THE  
39 SOLE RESPONSIBILITY OF THE PURCHASER.

40 \_\_\_\_\_  
41 (Signature of the purchaser)"

42 (b) The form to be used when the seller agrees to [~~provide~~] seek arrangements for  
43 financing shall read as follows:

44 "(1) THE PURCHASER OF THE MOTOR VEHICLE DESCRIBED IN THIS  
45 CONTRACT HAS EXECUTED THE CONTRACT IN RELIANCE UPON THE SELLER'S  
46 REPRESENTATION THAT THE SELLER CAN PROVIDE FINANCING  
47 ARRANGEMENTS FOR THE PURCHASE OF THE MOTOR VEHICLE[;]. THE  
48 PRIMARY TERMS OF THE FINANCING ARE AS FOLLOWS:

49 INTEREST RATE BETWEEN \_\_\_\_\_ % AND \_\_\_\_\_ % PER ANNUM, TERM  
50 BETWEEN \_\_\_\_\_ MONTHS AND \_\_\_\_\_ MONTHS. MONTHLY  
51 PAYMENTS BETWEEN \$ \_\_\_\_\_ PER MONTH AND \$ \_\_\_\_\_ PER  
52 MONTH BASED ON A DOWN PAYMENT OF \$ \_\_\_\_\_.

53 (2) (a) IF SELLER IS NOT ABLE TO ARRANGE FINANCING WITHIN THE  
54 TERMS DISCLOSED, THEN SELLER MUST WITHIN SEVEN CALENDAR DAYS OF  
55 THE DATE OF SALE MAIL NOTICE TO THE PURCHASER THAT HE HAS NOT BEEN  
56 ABLE TO ARRANGE FINANCING.

57 (b) PURCHASER THEN HAS 14 DAYS FROM THE DATE OF SALE TO ELECT,  
58 IF PURCHASER CHOOSES, TO RESCIND THE CONTRACT OF SALE PURSUANT TO

59 SECTION 41-3-401.

60 (c) IN ORDER TO RESCIND THE CONTRACT OF SALE, THE PURCHASER  
61 SHALL:

62 (i) RETURN TO SELLER THE MOTOR VEHICLE HE PURCHASED;

63 (ii) PAY THE SELLER [~~30 CENTS FOR~~] AN AMOUNT EQUAL TO THE  
64 CURRENT STANDARD MILEAGE RATE FOR THE COST OF OPERATING A MOTOR  
65 VEHICLE ESTABLISHED BY THE FEDERAL INTERNAL REVENUE SERVICE FOR  
66 EACH MILE THE MOTOR VEHICLE HAS BEEN DRIVEN; AND

67 (iii) COMPENSATE SELLER FOR ANY PHYSICAL DAMAGE TO THE MOTOR  
68 VEHICLE.

69 (3) IN RETURN, SELLER SHALL GIVE BACK TO THE PURCHASER ALL  
70 PAYMENTS OR OTHER CONSIDERATION PAID BY THE PURCHASER, INCLUDING  
71 ANY DOWN PAYMENT AND ANY MOTOR VEHICLE TRADED IN.

72 (4) IF THE TRADE-IN HAS BEEN SOLD OR OTHERWISE DISPOSED OF  
73 BEFORE THE PURCHASER RESCINDS THE TRANSACTION, THEN THE SELLER  
74 SHALL RETURN TO THE PURCHASER A SUM EQUIVALENT TO THE ALLOWANCE  
75 TOWARD THE PURCHASE PRICE GIVEN BY THE SELLER FOR THE TRADE-IN, AS  
76 NOTED IN THE DOCUMENT OF SALE.

77 (5) IF PURCHASER DOES NOT ELECT TO RESCIND THE CONTRACT OF  
78 SALE AS PROVIDED IN SUBSECTION (2)(b) OF THIS FORM:

79 (a) THE PURCHASER IS RESPONSIBLE FOR ADHERENCE TO THE TERMS  
80 AND CONDITIONS OF THE CONTRACT OR RISKS BEING FOUND IN DEFAULT OF  
81 THE TERMS AND CONDITIONS;

82 (b) THE TERMS AND CONDITIONS OF THE DISCLOSURES SET FORTH IN  
83 SECTION (1) OF THIS FORM ARE NOT BINDING ON THE SELLER; AND

84 (c) IF FINANCING IS NECESSARY FOR THE PURCHASER TO COMPLETE THE  
85 PAYMENT TERMS OF THE CONTRACT OF SALE, THE PURCHASER IS SOLELY  
86 RESPONSIBLE FOR MAKING ALL THE FINANCING ARRANGEMENTS.

87 [~~5~~] (6) SIGNING THIS DISCLOSURE DOES NOT PROHIBIT THE PURCHASER  
88 FROM SEEKING HIS OWN FINANCING.

89 \_\_\_\_\_

(Signature of the purchaser)

(Signature of the seller)"

(3) (a) (i) In addition to the penalties in this chapter, if the disclosures in Subsection (2) are not properly executed or if the seller is unable to provide the financing arrangements for the purchaser as provided in Subsection (2)(b) within seven calendar days immediately following the sale[~~the~~] date [~~to be~~] disclosed on the document of sale, then in either case the purchaser may return the purchased motor vehicle to the dealer and receive a complete refund of all money and other consideration given to the dealer for the purchase, including any motor vehicle or property used as a trade-in.

(ii) If the motor vehicle or property used as a trade-in has been sold or otherwise disposed of, the seller shall return to the purchaser the amount of money equivalent to the allowance towards the purchase price given by the dealer for the motor vehicle or property traded in, as noted in the document of sale.

(b) If the purchaser qualifies for the remedies set forth in Subsection (3)(a) and if the purchaser elects to rescind by returning the purchased motor vehicle to the dealer within the prescribed time frame, then the purchaser is liable to the dealer:

(i) for all physical damage to the motor vehicle while in the possession of the purchaser; and

(ii) in an amount equal to [~~30 cents per mile~~] the current standard mileage rate for the cost of operating a motor vehicle established by the federal Internal Revenue Service for each mile the motor vehicle was driven between the date the purchaser first acquired possession and the date when the purchaser returned the motor vehicle to the dealer.

(c) The purchaser is not entitled to the remedy set forth in Subsections (3)(a) and (b) if the purchaser materially misrepresents in writing any information requested by the dealer in an application for financing, financial statement, or similar document customarily used to elicit personal and financial data upon which a credit decision is normally predicated.

(4) (a) A dealer who has complied with Subsection (2)(b)<sub>2</sub> but who has not been able to secure financing as set forth in the disclosure, shall within seven days of the date of sale mail written notice to the purchaser:

(i) disclosing that the dealer has not been able to secure financing as set forth in the

121 disclosure; and

122 (ii) instructing the purchaser of his right to rescind the contract of sale within 14  
123 calendar days of the date of sale, as provided for in Subsection [~~(3)~~] (2).

124 (b) (i) The dealer shall mail notification to the purchaser within seven calendar days  
125 following the date of sale as set forth in the contract of sale.

126 (ii) This notice complies with Subsection (4)(b)(i) if it is postmarked before the end of  
127 the seventh day following the date of sale and addressed to the purchaser at the address [~~set~~  
128 ~~forth~~] contained in the document of sale.

129 (iii) If the purchaser's address is not contained on the document of sale, then proof of  
130 compliance with the notification provision of this Subsection (4)(b) shall be borne by the  
131 dealer.

132 (iv) [~~Provided that~~] If a dealer gives notice in the manner prescribed, the purchaser has  
133 14 calendar days from the date of sale to elect to rescind the contract of sale, in accordance  
134 with Subsection [~~(3)~~] (2).

135 (c) (i) If a dealer executes the disclosure required by Subsection (2)(b), but is not able  
136 to secure financing as set forth in the disclosure, and the dealer fails to give written notice to  
137 the purchaser within seven days, as provided for in Subsections (4)(a) and (b), then the  
138 purchaser may rescind within seven days of the date he first learns that the dealer has not been  
139 able to secure financing as set forth in the disclosure.

140 (ii) [~~The~~] Except as provided in this Subsection (4)(c), the purchaser's option to rescind  
141 [~~under this subsection~~] shall be exercised in the manner prescribed in [~~Subsections (3)(a) and~~  
142 [~~(b), except that the 14 day time limit is waived, and remains subject to~~] Subsection (3)[~~(c)~~].

143 (d) If the purchaser does not exercise the option to rescind within the specified time  
144 limits in Subsections (3) and (4)(c):

145 (i) the purchaser is responsible for adherence to the terms and conditions of the  
146 contract of sale;

147 (ii) the dealer is not subject to the financing terms set forth in the disclosure; and

148 (iii) if financing is necessary for the purchaser to complete the payment terms of the  
149 contract of sale, the purchaser is solely responsible for making all the financing arrangements.

150 (5) A dealer's failure to execute the disclosure required by Subsection (2), or its failure  
151 to provide written notice to the purchaser within the time frame specified in this section,

152 subject the dealer to the sanctions in Section 41-3-701.

153 (6) Either the purchaser or a dealer may bring an action to enforce his rights under this  
154 section. The prevailing party in the action is entitled to reasonable attorneys' fees as part of the  
155 costs of suit.

156 (7) [~~Motor vehicles~~] A motor vehicle returned by the purchaser to the dealer in  
157 accordance with the rescission provisions of this section [~~are~~] is not considered sold for  
158 purposes of notice of sale under Section 41-3-301 and for purposes of sales tax under Title 59,  
159 Chapter 12, Sales and Use Tax Act.

---

---

**Legislative Review Note**  
**as of 1-27-03 2:28 PM**

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

**Office of Legislative Research and General Counsel**

---

---

**Fiscal Note**  
**Bill Number SB0143**

**Motor Vehicle Disclosure Requirements - Purchaser's Rights**

*04-Feb-03*

*12:09 PM*

---

---

**State Impact**

No fiscal impact.

---

**Individual and Business Impact**

If an auto dealer is unable to arrange the financing terms of the sale of a vehicle and the purchaser does not rescind the sale within the specified time, the purchaser becomes responsible for financing.

---

**Office of the Legislative Fiscal Analyst**