

1                                   **MOTOR VEHICLE BUSINESS REGULATION**

2                                   **ACT AMENDMENTS**

3                                   2009 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Francis D. Gibson**

6                                   Senate Sponsor: Kevin T. Van Tassell

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8 **LONG TITLE**

9 **General Description:**

10           This bill modifies the Motor Vehicle Business Regulation Act by amending provisions  
11 relating to certain motor vehicle business licenses.

12 **Highlighted Provisions:**

13           This bill:

14           ▶ provides that a person that has been issued a motor vehicle salesperson's license and  
15 that is employed by a dealer that operates as a wholesale motor vehicle auction may  
16 be employed by more than one dealer that operates as a wholesale motor vehicle  
17 auction at a time; and

18           ▶ makes technical changes.

19 **Monies Appropriated in this Bill:**

20           None

21 **Other Special Clauses:**

22           None

23 **Utah Code Sections Affected:**

24 AMENDS:

25           **41-3-202**, as last amended by Laws of Utah 2008, Chapter 382

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



28 Section 1. Section **41-3-202** is amended to read:

29 **41-3-202. Licenses -- Classes and scope.**

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

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

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

35 (c) operate as a body shop; and

36 (d) dismantle motor vehicles.

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

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

39 (b) operate as a body shop; and

40 (c) dismantle motor vehicles.

41 (3) A new motorcycle, off-highway vehicle, and small trailer dealer's license permits  
42 the licensee to:

43 (a) offer for sale, sell, or exchange new motorcycles, off-highway vehicles, or small  
44 trailers if the licensee possesses a franchise from the manufacturer of the motorcycle,  
45 off-highway vehicle, or small trailer offered for sale, sold, or exchanged by the licensee;

46 (b) offer for sale, sell, or exchange used motorcycles, off-highway vehicles, or small  
47 trailers; and

48 (c) dismantle motorcycles, off-highway vehicles, or small trailers.

49 (4) A used motorcycle, off-highway vehicle, and small trailer dealer's license permits  
50 the licensee to:

51 (a) offer for sale, sell, or exchange used motorcycles, off-highway vehicles, and small  
52 trailers; and

53 (b) dismantle motorcycles, off-highway vehicles, or small trailers.

54 (5) ~~(A)~~ (a) Except as provided in Subsection (5)(b), a salesperson's license permits the  
55 licensee to act as a motor vehicle salesperson and is valid for employment with only one dealer  
56 at a time.

57 (b) A licensee that has been issued a salesperson's license and that is employed by a  
58 dealer that operates as a wholesale motor vehicle auction may be employed by more than one

59 dealer that operates as a wholesale motor vehicle auction at a time.

60 (6) (a) A manufacturer's license permits the licensee to construct or assemble motor  
61 vehicles subject to registration under Title 41, Chapter 1a, Motor Vehicle Act, at an established  
62 place of business and to remanufacture motor vehicles.

63 (b) Under rules made by the administrator, the licensee may issue and install vehicle  
64 identification numbers on manufactured motor vehicles.

65 (c) The licensee may franchise and appoint dealers to sell manufactured motor vehicles  
66 by notifying the division of the franchise or appointment.

67 (7) A transporter's license permits the licensee to transport or deliver motor vehicles  
68 subject to registration under Title 41, Chapter 1a, Motor Vehicle Act, from a manufacturing,  
69 assembling, or distributing point or from a dealer, to dealers, distributors, or sales agents of a  
70 manufacturer or remanufacturer, to or from detail or repair shops, and to financial institutions  
71 or places of storage from points of repossession.

72 (8) A dismantler's license permits the licensee to dismantle motor vehicles subject to  
73 registration under Title 41, Chapter 1a, Motor Vehicle Act, for the purpose of reselling parts or  
74 for salvage, or selling dismantled or salvage vehicles to a crusher or other dismantler.

75 (9) A distributor or factory branch and distributor branch's license permits the licensee  
76 to sell and distribute new motor vehicles, parts, and accessories to their franchised dealers.

77 (10) A representative's license, for factory representatives or distributor representatives  
78 permits the licensee to contact the licensee's authorized dealers for the purpose of making or  
79 promoting the sale of motor vehicles, parts, and accessories.

80 (11) (a) (i) A remanufacturer's license permits the licensee to construct, reconstruct,  
81 assemble, or reassemble motor vehicles subject to registration under Title 41, Chapter 1a,  
82 Motor Vehicle Act, from used or new motor vehicles or parts.

83 (ii) Evidence of ownership of parts and motor vehicles used in remanufacture shall be  
84 available to the division upon demand.

85 (b) Under rules made by the administrator, the licensee may issue and install vehicle  
86 identification numbers on remanufactured motor vehicles.

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

90 recycling.

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

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

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

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

99 (c) operate as a body shop; and

100 (d) dismantle motor vehicles.

101 (15) (a) A salvage vehicle buyer license permits the licensee to bid on or purchase a  
102 vehicle with a salvage certificate as defined in Section 41-1a-1001 at any motor vehicle  
103 auction.

104 (b) A salvage vehicle buyer license may only be issued to a motor vehicle dealer,  
105 dismantler, or body shop who qualifies under rules made by the division and is licensed in any  
106 state as a motor vehicle dealer, dismantler, or body shop.

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

109 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
110 administrator shall make rules establishing qualifications of an applicant for a salvage vehicle  
111 buyer license. The criteria shall include:

112 (i) business history;

113 (ii) salvage vehicle qualifications;

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

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

**Legislative Review Note**  
as of 2-3-09 3:52 PM

**Office of Legislative Research and General Counsel**

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**H.B. 324 - Motor Vehicle Business Regulation Act Amendments**

**Fiscal Note**

2009 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Individuals employed in the wholesale motor vehicle auction industry would be able to be employed by more than one employer, which may increase wage income. Businesses dealing in the motor vehicle auction industry could have an increase in the labor supply available. Local taxing entities are likely unaffected.

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