

**MOTOR VEHICLE BUSINESS REGULATION -
PENALTIES**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: David Clark

This act modifies the Motor Vehicles Code by changing the civil penalty for an advertising violation from a Level II penalty to a Level III penalty. This act takes effect July 1, 2003.

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

AMENDS:

41-3-702, as last amended by Chapter 249, Laws of Utah 2000

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

Section 1. Section **41-3-702** is amended to read:

41-3-702. Civil penalty for violation.

(1) The following are civil violations under this chapter and are in addition to criminal violations under this chapter:

(a) Level I:

(i) failure to display business license;

(ii) failure to surrender license of salesperson because of termination, suspension, or revocation;

(iii) failure to maintain a separation from nonrelated motor vehicle businesses at licensed locations;

(iv) issuing a temporary permit improperly;

(v) failure to maintain records;

(vi) selling a new motor vehicle to a nonfranchised dealer or leasing company without licensing the motor vehicle;

(vii) special plate violation; and

(viii) failure to maintain a sign at principal place of business.

(b) Level II:

(i) failure to report sale;

~~[(ii) advertising violation;]~~

~~[(iii)]~~ (ii) dismantling without a permit;

~~[(iv)]~~ (iii) manufacturing without meeting construction or vehicle identification number standards;

~~[(v)]~~ (iv) withholding customer license plates; or

~~[(vi)]~~ (v) selling a motor vehicle on consecutive days of Saturday and Sunday.

(c) Level III:

(i) operating without a principal place of business;

(ii) selling a new motor vehicle without holding the franchise;

(iii) crushing a motor vehicle without proper evidence of ownership;

(iv) selling from an unlicensed location;

(v) altering a temporary permit;

(vi) refusal to furnish copies of records; ~~[and]~~

(vii) assisting an unlicensed dealer or salesperson in sales of motor vehicles[-]; and

(viii) advertising violation.

(2) (a) The schedule of civil penalties for violations of Subsection (1) is:

(i) Level I: \$25 for the first offense, \$100 for the second offense, and \$250 for the third and subsequent offenses;

(ii) Level II: \$100 for the first offense, \$250 for the second offense, and \$1,000 for the third and subsequent offenses; and

(iii) Level III: \$250 for the first offense, \$1,000 for the second offense, and \$5,000 for the third and subsequent offenses.

(b) When determining under this section if an offense is a second or subsequent offense, only prior offenses committed within the 12 months prior to the commission of the current offense may be considered.

(3) The following are civil violations in addition to criminal violations under Section 41-1a-1008:

(a) knowingly selling a salvage vehicle, as defined in Section 41-1a-1001, without disclosing that the salvage vehicle has been repaired or rebuilt;

(b) knowingly making a false statement on a vehicle damage disclosure statement, as defined in Section 41-1a-1001; or

(c) fraudulently certifying that a damaged motor vehicle is entitled to an unbranded title, as defined in Section 41-1a-1001, when it is not.

(4) The civil penalty for a violation under Subsection (3) is:

(a) not less than \$1,000, or treble the actual damages caused by the person, whichever is greater; and

(b) reasonable attorneys' fees and costs of the action.

(5) A civil action may be maintained by a purchaser or by the administrator.

Section 2. Effective date.

This act takes effect on July 1, 2003.