

1                                   **MOTOR VEHICLE BUSINESS LICENSING**

2   **AMENDMENTS**

3   2005 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Paul Ray**

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7                   **LONG TITLE**

8                   **General Description:**

9                   This bill modifies the Motor Vehicle Business Regulation Act by amending provisions  
10                  related to the denial, suspension, or revocation of certain licenses.

11                  **Highlighted Provisions:**

12                  This bill:

13                  ▶ provides that reasonable cause to suspend certain licenses issued under the Motor  
14                  Vehicle Business Regulation Act includes:

- 15                                   • a violation of any state or federal law involving fraud;  
16                                   • a violation of any state or federal law involving a registerable sex offense; and  
17                                   • charges filed by a county attorney, district attorney, or U.S. attorney alleging a  
18                  violation of any state or federal law involving controlled substances, fraud, or a  
19                  registerable sex offense; and

20                  ▶ makes technical changes.

21                  **Monies Appropriated in this Bill:**

22                  None

23                  **Other Special Clauses:**

24                  None

25                  **Utah Code Sections Affected:**

26                  AMENDS:

27                  **41-3-209**, as last amended by Chapter 165, Laws of Utah 1998



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

Section 1. Section **41-3-209** is amended to read:

**41-3-209. Administrator's findings -- Suspension and revocation of license.**

(1) If the administrator finds that an applicant is not qualified to receive a license, a license may not be granted.

(2) (a) If the administrator finds that there is reasonable cause to deny, suspend, or revoke a license issued under this chapter, the administrator shall deny, suspend, or revoke the license.

(b) Reasonable cause for denial, suspension, or revocation of a license includes, in relation to the applicant or license holder or any of its partners, officers, or directors:

(i) lack of a principal place of business;

(ii) lack of a sales tax license required under Title 59, Chapter 12, Sales and Use Tax Act;

(iii) lack of a bond in effect as required by this chapter;

~~[(iv) a violation of any state or federal law regarding motor vehicles;]~~

~~[(v)]~~ (iv) current revocation or suspension of a dealer, dismantler, auction, or salesperson license issued in another state;

~~[(vi)]~~ (v) nonpayment of required fees;

~~[(vii)]~~ (vi) making a false statement on any application for a license under this chapter or for special license plates;

(vii) a violation of any state or federal law involving the use of a motor vehicle;

(viii) a violation of any state or federal law ~~[regarding]~~ involving controlled substances;

~~[or]~~

~~[(ix) charges filed with any county attorney, district attorney, or U.S. attorney in any court of competent jurisdiction for a violation of any state or federal law involving the use of a motor vehicle.]~~

(ix) a violation of any state or federal law involving fraud;

(x) a violation of any state or federal law involving a registerable sex offense under Section 77-27-21.5; or

(xi) charges filed by any county attorney, district attorney, or U.S. attorney in a court of

59 competent jurisdiction alleging any violation under Subsections (2)(b)(vii) through (x).

60 (c) Any action taken by the administrator under Subsection (2)(b)[~~(ix)~~] (xi) shall  
61 remain in effect until a final resolution is reached by the court involved or the charges are  
62 dropped.

63 (3) If the administrator finds that the license holder has been convicted by a court of  
64 competent jurisdiction of violating any of the provisions of this chapter or any rules made by  
65 the administrator, or finds other reasonable cause, the administrator may, by complying with  
66 the emergency procedures of Title 63, Chapter 46b, Administrative Procedures Act:

- 67 (a) suspend the license on terms and for a period of time he finds reasonable; or
- 68 (b) revoke the license.

69 (4) (a) After suspending or revoking a license, the administrator may take reasonable  
70 action to:

- 71 (i) notify the public that the licensee is no longer in business; and
- 72 (ii) prevent the former licensee from violating the law by conducting business without  
73 a license.

74 (b) Action under Subsection (4)(a) may include signs, banners, barriers, locks,  
75 bulletins, and notices.

76 (c) Any business being conducted incidental to the business for which the former  
77 licensee was licensed may continue to operate subject to the preventive action taken under this  
78 subsection.

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**Legislative Review Note**  
**as of 2-4-05 11:42 AM**

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

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**Fiscal Note**  
**Bill Number HB0299**

**Motor Vehicle Business Licensing Amendments**

*08-Feb-05*

*7:18 PM*

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**State Impact**

Implementation can be handled within existing budgets.

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**Individual and Business Impact**

Individual and business impacts will vary with individual circumstances.

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**Office of the Legislative Fiscal Analyst**