

**MOTOR VEHICLE AMENDMENTS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Dan R. Eastman**

House Sponsor: Patrick Painter

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ provides that a dealer supplemental license for an additional place of business may only be issued if the dealer is licensed and bonded and is in compliance with existing administrative rules promulgated by the administrator of the Motor Vehicle Enforcement Division;

- ▶ provides that a dealer supplemental license for an additional place of business for a new motor vehicle dealer may not be issued for an additional place of business that is beyond the geographic specifications of a new motor vehicle dealer's area of responsibility as determined in the dealer's franchise agreement;

- ▶ requires a new motor vehicle dealer to submit a copy of the portion of the dealer's franchise agreement to the administrator before being issued a supplemental license for an additional place of business; and

- ▶ provides an exception to the restriction:

- if the license is being issued for the sale of used motor vehicles; or
- for trade shows or exhibitions.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 ENACTS:

33 **41-3-201.7**, Utah Code Annotated 1953



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

36 Section 1. Section **41-3-201.7** is enacted to read:

37 **41-3-201.7. Supplemental license for additional place of business restrictions --**

38 **Exception.**

39 (1) Subject to the requirements of Subsection (2), a supplemental license for an  
40 additional place of business issued pursuant to Subsection 41-3-201(4) may only be issued to a  
41 dealer if the dealer is:

42 (a) licensed in accordance with Section 41-3-202;

43 (b) bonded in accordance with Section 41-3-205; and

44 (c) in compliance with existing rules promulgated by the administrator of the division  
45 under Section 41-3-105.

46 (2) (a) Except as provided in Subsections (2)(c) and (3), a supplemental license for an  
47 additional place of business issued pursuant to Subsection 41-3-201(4) for a new motor vehicle  
48 dealer may not be issued for an additional place of business that is beyond the geographic  
49 specifications outlined as the area of responsibility in the dealer's franchise agreement.

50 (b) A new motor vehicle dealer shall provide the administrator with a copy of the  
51 portion of the new motor vehicle dealer's franchise agreement identifying the dealer's area of  
52 responsibility before being issued a supplemental license for an additional place of business.

53 (c) The restrictions under Subsection (2) do not apply to a new motor vehicle dealer if  
54 the license for an additional place of business is being issued for the sale of used motor  
55 vehicles.

56 (3) The provisions of Subsection (2) do not apply if the additional place of business is  
57 a trade show or exhibition if:

- 58           (a) there are five or more dealers participating in the trade show or exhibition; and  
59           (b) the trade show or exhibition takes place at a location other than the principal place  
60 of business of one of the dealers participating in the trade show or exhibition.