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DEALERSHIP LICENSING AMENDMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Don L. Ipson

House Sponsor: Walt Brooks

LONG TITLE

General Description:

This bill repeals provisions of the Motor Vehicle Act and amends provisions of Motor Vehicle Business Regulation.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ amends licensing requirements for a transporter;
- ▶ amends conditions under which a dealer may not use a dealer plate;
- ▶ amends provisions related to a permit to use a dealer plate;
- ▶ amends provisions regarding the issuance of a special plate;
- ▶ amends provisions regarding reporting a special plate lost or stolen;
- ▶ makes 10 or more violations of Section 41-3-301 a class A misdemeanor under certain circumstances;
- ▶ repeals provisions regarding unbranded titles; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

⚡→ [None] This bill provides a special effective date. ←⚡

Utah Code Sections Affected:



28 AMENDS:

- 29 [41-1a-522](#), as last amended by Laws of Utah 2008, Chapter 382
- 30 [41-1a-1001](#), as last amended by Laws of Utah 2012, Chapter 390
- 31 [41-1a-1401](#), as last amended by Laws of Utah 1998, Chapter 263
- 32 [41-3-102](#), as last amended by Laws of Utah 2018, Chapter 387
- 33 [41-3-202](#), as last amended by Laws of Utah 2018, Chapter 387
- 34 [41-3-501](#), as last amended by Laws of Utah 2018, Chapter 243
- 35 [41-3-502](#), as renumbered and amended by Laws of Utah 1992, Chapter 234
- 36 [41-3-503](#), as last amended by Laws of Utah 1996, Chapter 46
- 37 [41-3-507](#), as renumbered and amended by Laws of Utah 1992, Chapter 234
- 38 [41-3-701](#), as last amended by Laws of Utah 2012, Chapter 390
- 39 [41-3-702](#), as last amended by Laws of Utah 2018, Chapter 387

40 REPEALS:

- 41 [41-1a-1002](#), as last amended by Laws of Utah 2010, Chapter 324
- 42 [41-1a-1003](#), as last amended by Laws of Utah 1993, Chapter 221
- 43 [41-1a-1007](#), as last amended by Laws of Utah 2009, Chapter 183
- 44 [41-3-409.5](#), as enacted by Laws of Utah 1994, Chapter 175



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

47 Section 1. Section **41-1a-522** is amended to read:

48 **41-1a-522. Record of nonconforming vehicle -- Access -- Brand -- Unbranding.**

49 (1) The definitions in Section [41-3-407](#) apply to this section.

50 (2) Upon receipt of a copy of an original certificate of title, Manufacturer's Statement
51 of Origin, or other evidence of ownership of a nonconforming vehicle in accordance with
52 Section [41-3-409](#), the division shall:

53 (a) establish a record of the reported nonconforming vehicle;

54 (b) consider the record a public record with public access under Sections [41-1a-116](#)
55 and [63G-2-201](#);

56 (c) allow access to the record upon written application to the division; and

57 (d) upon request for a new certificate of title for a nonconforming vehicle, brand the
58 certificate of title with the words "MANUFACTURER BUYBACK NONCONFORMING

59 VEHICLE" clearly and conspicuously on the face of the new certificate of title.

60 (3) Upon receipt of the branded certificate of title, the division shall~~[(a)]~~ follow the
61 procedures established in Subsection (2)~~]; or~~.

62 ~~[(b) if the record of the nonconforming vehicle contains an application for an
63 unbranded certificate of title that meets the requirements of Section 41-3-409.5:]~~

64 ~~[(i) update the record to show that all nonconformities have been cured;]~~

65 ~~[(ii) consider the record a public record with public access under Sections 41-1a-116
66 and 63G-2-201;]~~

67 ~~[(iii) allow access to the complete record upon written application to the division; and]~~

68 ~~[(iv) upon request for a new certificate of title, issue an unbranded certificate of title.]~~

69 Section 2. Section 41-1a-1001 is amended to read:

70 **41-1a-1001. Definitions.**

71 As used in Sections 41-1a-1001 through 41-1a-1008:

72 (1) "Certified vehicle inspector" means a person employed by the Motor Vehicle
73 Enforcement Division as qualified through experience, training, or both to identify and analyze
74 damage to vehicles with either unibody or conventional frames.

75 (2) "Major component part" means:

76 (a) the front body component of a motor vehicle consisting of the structure forward of
77 the firewall;

78 (b) the passenger body component of a motor vehicle including the firewall, roof, and
79 extending to and including the rear-most seating;

80 (c) the rear body component of a motor vehicle consisting of the main cross member
81 directly behind the rear-most seating excluding any auxiliary seating and structural body
82 assembly rear of the cross members; and

83 (d) the frame of a motor vehicle consisting of the structural member that supports the
84 auto body.

85 (3) (a) "Major damage" means damage to a major component part of the motor vehicle
86 requiring 10 or more hours to repair or replace, as determined by a collision estimating guide
87 recognized by the Motor Vehicle Enforcement Division.

88 (b) For purposes of Subsection (3)(a) repair or replacement hours do not include time
89 spent on cosmetic repairs.

90 (4) "Nonrepairable certificate" means a certificate of ownership issued for a
91 nonrepairable vehicle.

92 (5) "Nonrepairable vehicle" means a vehicle of a type otherwise subject to registration
93 that:

94 (a) has no resale value except as a source of parts or scrap metal or that the owner
95 irreversibly designates as a source of parts or scrap metal or for destruction;

96 (b) (i) has little or no resale value other than its worth as a source of a vehicle
97 identification number that could be used illegally; and

98 (ii) (A) has been substantially stripped as a result of theft; or

99 (B) is missing all of the bolt-on sheet metal body panels, all of the doors and hatches,
100 substantially all of the interior components, and substantially all of the grill and light
101 assemblies; or

102 (c) is a substantially burned vehicle that:

103 (i) has burned to the extent that there are no more usable or repairable body or interior
104 components, tires and wheels, or drive train components; or

105 (ii) the owner irreversibly designates for destruction or as having little or no resale
106 value other than its worth as a source of scrap metal or as a source of a vehicle identification
107 number that could be used illegally.

108 (6) "Owner" means the person who has the legal right to possession of the vehicle.

109 (7) (a) "Salvage certificate" means a certificate of ownership issued for a salvage
110 vehicle before a new certificate of title is issued for the vehicle.

111 (b) A salvage certificate is not valid for registration purposes.

112 (8) "Salvage vehicle" means any vehicle:

113 (a) damaged by collision, flood, or other occurrence to the extent that the cost of
114 repairing the vehicle for safe operation exceeds its fair market value; or

115 (b) that has been declared a salvage vehicle by an insurer or other state or jurisdiction,
116 but is not precluded from further registration and titling.

117 ~~[(9) "Unbranded title" means a certificate of title for a previously damaged motor
118 vehicle without any designation that the motor vehicle has been damaged.]~~

119 ~~[(10) "Vehicle damage disclosure statement" means the form designed and furnished
120 by the Motor Vehicle Enforcement Division for a damaged motor vehicle inspection under~~

121 ~~Section 41-1a-1002.]~~

122 Section 3. Section **41-1a-1401** is amended to read:

123 **41-1a-1401. Report of stolen and recovered vehicles, vessels, and outboard**
124 **motors by officials.**

125 (1) (a) A peace officer, upon receiving reliable information that a vehicle, vessel, or
126 outboard motor has been stolen, shall immediately report the theft to the Criminal
127 Investigations and Technical Services Division of the Department of Public Safety, established
128 in Section [53-10-103](#).

129 (b) An officer, upon receiving information that a vehicle, vessel, or outboard motor,
130 which he has previously reported as stolen, has been recovered, shall immediately report the
131 recovery to the local law enforcement agency and to the Criminal Investigations and Technical
132 Services Division.

133 (2) A report of a stolen vehicle, vessel, or outboard motor taken by a law enforcement
134 agency shall include a written advisement to the reporting party of the provisions of Section
135 [76-8-506](#), and a statement affirming the theft of the vehicle, vessel, or outboard motor signed
136 by the person reporting the theft and witnessed by the person taking the report.

137 (3) The following information regarding the vehicle, vessel, or outboard motor shall be
138 included in the report and shall be sent to the Criminal Investigations and Technical Services
139 Division:

- 140 (a) the registered owner;
- 141 (b) the person reporting the theft;
- 142 (c) the year, make, model, and color;
- 143 (d) the identification number;
- 144 (e) the estimated present value;
- 145 (f) the license number and state of registration;
- 146 (g) the date, time, and place of the theft; and
- 147 (h) the name, address, telephone number, policy number, and agent's name of the
148 insurance company insuring the vehicle, vessel, or outboard motor.

149 (4) If a member of any law enforcement agency confirms that a stolen vehicle, vessel,
150 or outboard motor has been recovered, he shall send the following information regarding the
151 recovered vehicle, vessel, or outboard motor to the Criminal Investigations and Technical

152 Services Division:

- 153 (a) the date, time, and place of recovery;
- 154 (b) the condition of the vehicle, vessel, or outboard motor; and
- 155 (c) the names of peace officers and any other persons involved in the recovery.

156 (5) (a) Upon receipt of a report of a stolen vehicle, vessel, or outboard motor, the
157 Criminal Investigations and Technical Services Division shall place a notice of theft in the
158 master file computer.

159 (b) Upon receipt of a report that a stolen vehicle, vessel, or outboard motor has been
160 recovered, the Criminal Investigations and Technical Services Division shall remove the notice
161 of theft of the vehicle, vessel, or outboard motor from the master file computer.

162 (6) (a) Except as provided in Section 41-1a-1005, the division shall refuse to register or
163 transfer title to a stolen vehicle until the vehicle is recovered.

164 (b) [(†)] If the recovered vehicle is a salvage vehicle as defined in Section 41-1a-1001,
165 then Title 41, Chapter 1a, Part 10, Salvage Vehicles - Junk and Dismantled Vehicles, applies.

166 [~~(ii) The division may issue an unbranded certificate of title for a recovered vehicle if
167 the vehicle has not suffered major damage in more than one major component part.~~]

168 Section 4. Section 41-3-102 is amended to read:

169 **41-3-102. Definitions.**

170 As used in this chapter:

- 171 (1) "Administrator" means the motor vehicle enforcement administrator.
- 172 (2) "Agent" means a person other than a holder of any dealer's or salesperson's license
173 issued under this chapter, who for salary, commission, or compensation of any kind, negotiates
174 in any way for the sale, purchase, order, or exchange of three or more motor vehicles for any
175 other person in any 12-month period.
- 176 (3) "Auction" means a dealer engaged in the business of auctioning motor vehicles,
177 either owned or consigned, to the general public.
- 178 (4) "Authorized service center" means an entity that:
 - 179 (a) is in the business of repairing exclusively the motor vehicles of the same line-make
180 as the motor vehicles a single direct-sale manufacturer manufactures;
 - 181 (b) the direct-sale manufacturer described in Subsection (4)(a) authorizes to complete
182 warranty repair work for motor vehicles that the direct-sale manufacturer sells, displays for

183 sale, or offers for sale or exchange; and

184 (c) conducts business primarily from an enclosed commercial repair facility that is
185 permanently located in the state.

186 (5) "Board" means the advisory board created in Section 41-3-106.

187 (6) "Body shop" means a [~~business~~] person engaged in rebuilding, restoring, repairing,
188 or painting [~~primarily~~] the body of motor vehicles [~~damaged by collision or natural disaster~~] for
189 compensation.

190 (7) "Commission" means the State Tax Commission.

191 (8) "Crusher" means a person who crushes or shreds motor vehicles subject to
192 registration under Title 41, Chapter 1a, Motor Vehicle Act, to reduce the useable materials and
193 metals to a more compact size for recycling.

194 (9) (a) "Dealer" means a person:

195 (i) whose business in whole or in part involves selling new, used, or new and used
196 motor vehicles or off-highway vehicles; and

197 (ii) who sells, displays for sale, or offers for sale or exchange three or more new or
198 used motor vehicles or off-highway vehicles in any 12-month period.

199 (b) "Dealer" includes a representative or consignee of any dealer.

200 (10) "Direct-sale manufacturer" means a person:

201 (a) that is both a manufacturer and a dealer;

202 (b) that, in this state, sells, displays for sale, or offers for sale or exchange only new
203 motor vehicles of the person's own line-make that are:

204 (i) exclusively propelled through the use of electricity, a hydrogen fuel cell, or another
205 non-fossil fuel source;

206 (ii) (A) passenger vehicles with a gross vehicle weight rating of 14,000 pounds or less;

207 or

208 (B) trucks with a gross vehicle weight rating of 14,000 pounds or less; and

209 (iii) manufactured by the person;

210 (c) that is not a franchise holder;

211 (d) that is domiciled in the United States; and

212 (e) whose chief officers direct, control, and coordinate the person's activities as a
213 direct-sale manufacturer from a physical location in the United States.

214 (11) "Direct-sale manufacturer salesperson" means an individual who for a salary,
215 commission, or compensation of any kind, is employed either directly, indirectly, regularly, or
216 occasionally by a direct-sale manufacturer to sell, purchase, or exchange or to negotiate for the
217 sale, purchase, or exchange of a motor vehicle manufactured by the direct-sale manufacturer
218 who employs the individual.

219 (12) (a) "Dismantler" means a person engaged in the business of dismantling motor
220 vehicles subject to registration under Title 41, Chapter 1a, Motor Vehicle Act, for the resale of
221 parts or for salvage.

222 (b) "Dismantler" includes a person who dismantles three or more motor vehicles in any
223 12-month period.

224 (13) "Distributor" means a person who has a franchise from a manufacturer of motor
225 vehicles to distribute motor vehicles within this state and who in whole or in part sells or
226 distributes new motor vehicles to dealers or who maintains distributor representatives.

227 (14) "Distributor branch" means a branch office similarly maintained by a distributor
228 for the same purposes a factory branch is maintained.

229 (15) "Distributor representative" means a person and each officer and employee of the
230 person engaged as a representative of a distributor or distributor branch of motor vehicles to
231 make or promote the sale of the distributor or the distributor branch's motor vehicles, or for
232 supervising or contacting dealers or prospective dealers of the distributor or the distributor
233 branch.

234 (16) "Division" means the Motor Vehicle Enforcement Division created in Section
235 [41-3-104](#).

236 (17) "Factory branch" means a branch office maintained by a person who manufactures
237 or assembles motor vehicles for sale to distributors, motor vehicle dealers, or who directs or
238 supervises the factory branch's representatives.

239 (18) "Factory representative" means a person and each officer and employee of the
240 person engaged as a representative of a manufacturer of motor vehicles or by a factory branch
241 to make or promote the sale of the manufacturer's or factory branch's motor vehicles, or for
242 supervising or contacting the dealers or prospective dealers of the manufacturer or the factory
243 branch.

244 (19) "Franchise" means a contract or agreement between a dealer and a manufacturer of

245 new motor vehicles or a manufacturer's distributor or factory branch by which the dealer is
246 authorized to sell any specified make or makes of new motor vehicles.

247 (20) (a) "Franchise holder" means a manufacturer who:

248 (i) previously had a franchised dealer in the United States;

249 (ii) currently has a franchised dealer in the United States;

250 (iii) is a successor to another manufacturer who previously had or currently has a
251 franchised dealer in the United States;

252 (iv) is a material owner of another manufacturer who previously had or currently has a
253 franchised dealer in the United States;

254 (v) is under legal or common ownership, or practical control, with another
255 manufacturer who previously had or currently has a franchised dealer in the United States; or

256 (vi) is in a partnership, joint venture, or similar arrangement for production of a
257 commonly owned line-make with another manufacturer who previously had or currently has a
258 franchised dealer in the United States.

259 (b) "Franchise holder" does not include a manufacturer described in Subsection (20)(a),
260 if at all times during the franchised dealer's existence, the manufacturer had legal or practical
261 common ownership or common control with the franchised dealer.

262 (21) "Line-make" means motor vehicles that are offered for sale, lease, or distribution
263 under a common name, trademark, service mark, or brand name of the manufacturer.

264 (22) "Manufacturer" means a person engaged in the business of constructing or
265 assembling new motor vehicles, ownership of which is customarily transferred by a
266 manufacturer's statement or certificate of origin, or a person who constructs three or more new
267 motor vehicles in any 12-month period.

268 (23) "Material owner" means a person who possesses, directly or indirectly, the power
269 to direct, or cause the direction of, the management, policies, or activities of another person:

270 (a) through ownership of voting securities;

271 (b) by contract or credit arrangement; or

272 (c) in another way not described in Subsections (23)(a) and (b).

273 (24) (a) "Motor vehicle" means a vehicle that is:

274 (i) self-propelled;

275 (ii) a trailer, travel trailer, or semitrailer; or

- 276 (iii) an off-highway vehicle or small trailer.
- 277 (b) "Motor vehicle" does not include:
 - 278 (i) mobile homes as defined in Section 41-1a-102;
 - 279 (ii) trailers of 750 pounds or less unladen weight;
 - 280 (iii) farm tractors and other machines and tools used in the production, harvesting, and
 - 281 care of farm products; and
 - 282 (iv) park model recreational vehicles as defined in Section 41-1a-102.
- 283 (25) "Motorcycle" has the same meaning as defined in Section 41-1a-102.
- 284 (26) "New motor vehicle" means a motor vehicle that:
 - 285 (a) has never been titled or registered; and
 - 286 (b) for a motor vehicle that is not a trailer, travel trailer, or semitrailer, has been driven
 - 287 less than 7,500 miles.
- 288 (27) "Off-highway vehicle" has the same meaning as provided in Section 41-22-2.
- 289 (28) "Pawnbroker" means a person whose business is to lend money on security of
- 290 personal property deposited with him.
- 291 (29) (a) "Principal place of business" means a site or location in this state:
 - 292 (i) devoted exclusively to the business for which the dealer, manufacturer,
 - 293 remanufacturer, transporter, dismantler, crusher, or body shop is licensed, and businesses
 - 294 incidental to them;
 - 295 (ii) sufficiently bounded by fence, chain, posts, or otherwise marked to definitely
 - 296 indicate the boundary and to admit a definite description with space adequate to permit the
 - 297 display of three or more new, or new and used, or used motor vehicles and sufficient parking
 - 298 for the public; and
 - 299 (iii) that includes a permanent enclosed building or structure large enough to
 - 300 accommodate the office of the establishment and to provide a safe place to keep the books and
 - 301 other records of the business, at which the principal portion of the business is conducted and
 - 302 the books and records kept and maintained.
- 303 (b) "Principal place of business" means, with respect to a direct-sale manufacturer, the
- 304 direct-sale manufacturer's showroom, which shall comply with the requirements of Subsection
- 305 (29)(a).
- 306 (30) "Remanufacturer" means a person who reconstructs used motor vehicles subject to

307 registration under Title 41, Chapter 1a, Motor Vehicle Act, to change the body style and
308 appearance of the motor vehicle or who constructs or assembles motor vehicles from used or
309 new and used motor vehicle parts, or who reconstructs, constructs, or assembles three or more
310 motor vehicles in any 12-month period.

311 (31) "Salesperson" means an individual who for a salary, commission, or compensation
312 of any kind, is employed either directly, indirectly, regularly, or occasionally by any new motor
313 vehicle dealer or used motor vehicle dealer to sell, purchase, or exchange or to negotiate for the
314 sale, purchase, or exchange of motor vehicles.

315 (32) "Semitrailer" has the same meaning as defined in Section [41-1a-102](#).

316 (33) "Showroom" means a site or location in the state that a direct-sale manufacturer
317 uses for the direct-sale manufacturer's business, including the display and demonstration of
318 new motor vehicles that are exclusively of the same line-make that the direct-sale manufacturer
319 manufactures.

320 (34) "Small trailer" means a trailer that has an unladen weight of more than 750
321 pounds, but less than 2,000 pounds.

322 (35) "Special equipment" includes a truck mounted crane, cherry picker, material lift,
323 post hole digger, and a utility or service body.

324 (36) "Special equipment dealer" means a new or new and used motor vehicle dealer
325 engaged in the business of buying new incomplete motor vehicles with a gross vehicle weight
326 of 12,000 or more pounds and installing special equipment on the incomplete motor vehicle.

327 (37) "Trailer" has the same meaning as defined in Section [41-1a-102](#).

328 (38) "Transporter" means a person engaged in the business of transporting motor
329 vehicles as described in Section [41-3-202](#).

330 (39) "Travel trailer" has the same meaning as provided in Section [41-1a-102](#).

331 (40) "Used motor vehicle" means a vehicle that:

332 (a) has been titled and registered to a purchaser other than a dealer; or

333 (b) for a motor vehicle that is not a trailer, travel trailer, or semitrailer, has been driven
334 7,500 or more miles.

335 (41) "Wholesale motor vehicle auction" means a dealer primarily engaged in the
336 business of auctioning consigned motor vehicles to dealers or dismantlers who are licensed by
337 this or any other jurisdiction.

338 Section 5. Section **41-3-202** is amended to read:

339 **41-3-202. Licenses -- Classes and scope.**

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

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

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

345 (c) operate as a body shop; and

346 (d) dismantle motor vehicles.

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

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

349 (b) operate as a body shop; and

350 (c) dismantle motor vehicles.

351 (3) A direct-sale manufacturer's license permits the licensee to:

352 (a) offer for sale, sell, or exchange new motor vehicles of the same line-make that the
353 direct-sale manufacturer manufactures;

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

355 (c) operate as a body shop; and

356 (d) dismantle motor vehicles.

357 (4) A new motorcycle, off-highway vehicle, and small trailer dealer's license permits
358 the licensee to:

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

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

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

365 (5) A used motorcycle, off-highway vehicle, and small trailer dealer's license permits
366 the licensee to:

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

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

370 (6) (a) Except as provided in Subsection (6)(b), a salesperson's license permits the
371 licensee to act as a motor vehicle salesperson and is valid for employment with only one dealer
372 at a time.

373 (b) A licensee that has been issued a salesperson's license and that is employed by a
374 dealer that operates as a wholesale motor vehicle auction may be employed by more than one
375 dealer that operates as a wholesale motor vehicle auction at a time.

376 (7) (a) A direct-sale manufacturer salesperson's license permits the licensee to act as a
377 direct-sale manufacturer salesperson for one direct-sales manufacturer.

378 (b) A direct-sale manufacturer salesperson licensee may not simultaneously hold a
379 salesperson's license.

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

383 (b) Under rules [~~made by~~] the administrator makes, the licensee may issue and install
384 vehicle identification numbers on manufactured motor vehicles.

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

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

392 (b) The division may not issue or renew a transporter license to an applicant who is
393 not:

394 (i) licensed under this chapter as a body shop;

395 (ii) a detail or repair shop;

396 (iii) a tow truck motor carrier subject to Title 72, Chapter 9, Motor Carrier Safety Act;

397 (iv) a repossession company;

398 (v) licensed under this chapter as a dealer; or

399 (vi) a finance company.

400 (c) The division may not issue or renew a transporter license unless the applicant
401 provides proof of insurance or other form of security meeting the minimum requirements of
402 Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle Owners and Operators Act.

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

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

408 (12) A representative's license, for factory representatives or distributor representatives
409 permits the licensee to contact the licensee's authorized dealers for the purpose of making or
410 promoting the sale of motor vehicles, parts, and accessories.

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

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

416 (b) Under rules [~~made by~~] the administrator makes, the licensee may issue and install
417 vehicle identification numbers on remanufactured motor vehicles.

418 (14) A crusher's license permits the licensee to engage in the business of crushing or
419 shredding motor vehicles subject to registration under Title 41, Chapter 1a, Motor Vehicle Act,
420 for the purpose of reducing the useable materials and metals to a more compact size for
421 recycling.

422 (15) A body shop's license permits the licensee:

423 (a) to rebuild, restore, repair, or paint [primarily] the body of motor vehicles [damaged
424 by collision or natural disaster,]; and

425 (b) to dismantle motor vehicles.

426 (16) A special equipment dealer's license permits the licensee to:

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

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

431 (c) operate as a body shop; and

432 (d) dismantle motor vehicles.

433 (17) (a) A salvage vehicle buyer license permits the licensee to bid on or purchase a
434 vehicle with a salvage certificate as defined in Section 41-1a-1001 at any motor vehicle
435 auction.

436 (b) [A] The division may only issue a salvage vehicle buyer license [~~may only be~~
437 ~~issued~~] to a motor vehicle dealer, dismantler, or body shop who qualifies under rules made by
438 the division and is licensed in any state as a motor vehicle dealer, dismantler, or body shop.

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

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

444 (i) business history;

445 (ii) salvage vehicle qualifications;

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

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

449 Section 6. Section 41-3-501 is amended to read:

450 **41-3-501. Special plates -- Dealers -- Dismantlers -- Manufacturers --**

451 **Remanufacturers -- Transporters -- Restrictions on use.**

452 (1) Except as provided under this chapter, a dealer may operate or move a motor
453 vehicle displaying a dealer plate issued by the division upon the highways without registering it
454 under Title 41, Chapter 1a, Motor Vehicle Act, if the dealer owns or possesses the motor
455 vehicle by consignment for resale.

456 (2) A dismantler may operate or move a motor vehicle displaying a dismantler plate
457 issued by the division without registering [~~it~~] the motor vehicle as required under Title 41,
458 Chapter 1a, Motor Vehicle Act, upon the highways solely to transport the motor vehicle:

459 (a) from the place of purchase or legal acquisition to the place of business for
460 dismantling; or

461 (b) to the place of business of a licensed crusher for disposal.

462 (3) A manufacturer or remanufacturer may operate or move a manufactured or
463 remanufactured motor vehicle displaying a manufacturer plate issued by the division upon the
464 highways without registering [~~it~~] the motor vehicle as required under Title 41, Chapter 1a,
465 Motor Vehicle Act, solely to:

- 466 (a) deliver the motor vehicle to a dealer;
- 467 (b) demonstrate a motor vehicle to a dealer or prospective dealer; or
- 468 (c) conduct manufacturer tests of a motor vehicle.

469 (4) (a) A transporter may operate or move a motor vehicle displaying a transporter
470 plate issued by the division upon the highways without registering [~~it~~] the motor vehicle as
471 required under Title 41, Chapter 1a, Motor Vehicle Act, solely:

- 472 (i) from the point of repossession to a financial institution or to the place of storage, so
473 that a financial institution may provide for operation of a repossessed motor vehicle by a
474 prospective purchaser;
- 475 (ii) to and from a detail or repair shop for the purpose of detailing or repairing the
476 motor vehicle; or
- 477 (iii) to a delivery point in, out, or through the state.

478 (b) This subsection does not include loaded motor vehicles subject to the gross laden
479 weight provision of Title 41, Chapter 1a, Motor Vehicle Act.

480 (5) Dealer plates may not be used:

- 481 (a) [~~(i)~~] on a motor vehicle leased or rented for compensation; [~~or~~]
- 482 [~~(i)~~] (b) in lieu of registration, on a motor vehicle sold by the dealer; or
- 483 [~~(b)~~] (c) on a loaded [~~motor~~] commercial vehicle over [~~12,000~~] 26,000 pounds gross
484 laden weight unless a special loaded demonstration permit is obtained from the division in
485 accordance with Section [41-3-502](#).

486 Section 7. Section **41-3-502** is amended to read:

487 **41-3-502. Special plates -- Permit to use dealer plate to demonstrate loaded motor**
488 **vehicle.**

489 (1) Under rules established by the administrator, the division may issue a permit to a
490 dealer to use a dealer plate to demonstrate a loaded [~~motor~~] commercial vehicle over 26,000
491 pounds to a bona fide prospective purchaser.

492 (2) To obtain a permit, the dealer or his authorized representative shall apply on a form

493 prescribed by the division.

494 (3) If approved and issued, the permit shall be:

495 (a) carried in the [~~motor~~] commercial vehicle for which [~~it is issued~~] the division
496 issued the permit during the demonstration trip; and

497 (b) [~~shall be~~] returned to the division properly completed and signed within 10 days
498 after [~~its expiration date~~] the day on which the permit expires.

499 Section 8. Section **41-3-503** is amended to read:

500 **41-3-503. Special plates -- Issuance.**

501 (1) Subject to the provisions of Subsections (3) ~~§~~ → [f] ← ~~§~~ , (4), and (5) ~~§~~ → [f] ~~through (6)~~
501a ← ~~§~~ , the division

502 may issue special plates under Section **41-3-501** as necessary to conduct the business of the
503 dealer, dismantler, manufacturer, remanufacturer, or transporter applying for the plates.

504 (2) Each plate issued shall contain a number or symbol distinguishing it from every
505 other plate.

506 (3) Except as provided under Subsection (4), the division may issue [~~two~~] five special
507 dealer plates to each dealer licensed under this chapter plus one additional special dealer plate
508 for every 25 ~~§~~ → [~~or increment of 25~~] ← ~~§~~ motor vehicles [~~sold by~~] the dealer sells each year.

509 (4) A dealer licensed under this chapter who does not sell at least three new or used
510 motor vehicles in any 12-month period may not be issued or have renewed any special dealer
511 plates.

512 (5) (a) (i) The division shall determine, at least annually, the number of special dealer
513 plates to be issued or renewed to each dealer [~~prior to~~] before issuing or renewing any special
514 dealer plates.

515 (ii) In determining the number of special plates to be issued to a dealer, the division
516 shall use the past motor vehicle sales history of the dealer.

517 (b) If no sales history is available, the division may use generally accepted motor
518 vehicle sales projections based on:

519 [~~(a)~~] (i) written forecasts submitted by the dealer to motor vehicle manufacturers,
520 financial institutions, or bonding and insurance companies;

521 [~~(b)~~] (ii) the dealer's inventory of motor vehicles available for sale; or

522 [~~(c)~~] (iii) written verification of credit extended to the dealer by financial institutions
523 for financing the dealer's inventory of motor vehicles available for sale.

524 ~~§~~ → ~~[(6) The division may issue as many as five special plates to a transporter licensed under~~
 525 ~~this chapter.~~

526 — [] ← ~~§~~ (6) ~~§~~ → [~~(7)~~] ← ~~§~~ (a) The division may recall, redesign, and reissue special plates
 526a under this

527 part, as needed to administer the provisions of this title.

528 (b) All special plates shall be designed in conformity with Sections [41-1a-401](#),
 529 [41-1a-402](#), and [41-1a-403](#).

530 Section 9. Section **41-3-507** is amended to read:

531 **41-3-507. Special plates -- Record to be kept by users -- Reporting lost or stolen**
 532 **plates.**

533 (1) Each dealer, dismantler, manufacturer, remanufacturer, and transporter shall keep a
 534 written record of each special plate issued to [it] the licensee.

535 (2) The record shall contain the name and address of any person to whom the plate has
 536 been assigned to be used.

537 (3) The record shall:

538 (a) account at all times for every special plate issued to the licensee[;]; and

539 (b) [shall] be open to inspection by any peace officer or any officer or employee of the
 540 division.

541 ~~[(4) Lost or stolen special plates shall be reported immediately to the division.]~~

542 (4) (a) (i) A licensee shall report immediately the licensee's lost or stolen special plate
 543 to the division.

544 (ii) If a dealer does not report a lost or stolen special plate to the division in accordance
 545 with Subsection (4)(a)(i), the division shall add any replacement special plate to the total
 546 special plates the division issues the dealer under Section [41-3-503](#).

547 (b) A licensee may replace a lost or stolen special plate only after:

548 (i) the special plate has expired; or

549 (ii) (A) the licensee provides a police report to the division; and

550 (B) the plate is listed as stolen in the National Crime Information Center.

551 Section 10. Section **41-3-701** is amended to read:

552 **41-3-701. Violations as misdemeanors.**

553 (1) Except as otherwise provided in this chapter, any person who violates this chapter
 554 is guilty of a class B misdemeanor.

555 (2) (a) (i) Except as provided in Subsection (2)(a)(ii), a person who violates Section
556 41-3-201 is guilty of a class A misdemeanor.

557 (ii) A person who violates the requirement to title a vehicle with a salvage certificate
558 within seven days of purchasing the vehicle at a motor vehicle auction under Subsection
559 41-3-201(3)(e) is guilty of a class C misdemeanor.

560 (b) Once a person has met the criteria for the offense of acting as a dealer without a
561 license, each additional motor vehicle the person sells, displays for sale, offers for sale or
562 exchange, or leases in that 12-month period without becoming licensed under Section 41-3-202
563 is a separate violation.

564 (3) A person who violates Section 41-3-301 10 or more times is guilty of a class A
565 misdemeanor, unless the selling dealer complies with the requirements of Section 41-3-403.

566 (4) A person who violates Section 41-3-207.5 is guilty of a class A misdemeanor.

567 Section 11. Section 41-3-702 is amended to read:

568 **41-3-702. Civil penalty for violation.**

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

571 (a) Level I:

572 (i) failing to display business license;

573 (ii) failing to surrender license of salesperson because of termination, suspension, or
574 revocation;

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

577 (iv) issuing a temporary permit improperly;

578 (v) failing to maintain records;

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

581 (vii) special plate violation;

582 (viii) failing to maintain a sign at a principal place of business; or

583 (ix) failing to store a salvage vehicle purchased at a motor vehicle auction in a secure
584 location until the purchaser or a transporter has provided the proper documentation to take
585 possession of the salvage vehicle.

- 586 (b) Level II:
- 587 (i) failing to report sale;
- 588 (ii) dismantling without a permit;
- 589 (iii) manufacturing without meeting construction or vehicle identification number
- 590 standards;
- 591 (iv) withholding customer license plates;
- 592 (v) selling a motor vehicle on consecutive days of Saturday and Sunday; or
- 593 (vi) failing to record and report the sale of a salvage vehicle at a motor vehicle auction
- 594 as described in Section [41-3-201](#).
- 595 (c) Level III:
- 596 (i) operating without a principal place of business;
- 597 (ii) selling a new motor vehicle as a dealer who is not a direct-sale manufacturer
- 598 without holding the franchise;
- 599 (iii) crushing a motor vehicle without proper evidence of ownership;
- 600 (iv) selling from an unlicensed location;
- 601 (v) altering a temporary permit;
- 602 (vi) refusal to furnish copies of records;
- 603 (vii) assisting an unlicensed dealer or salesperson in sales of motor vehicles;
- 604 (viii) advertising violation;
- 605 (ix) failing to separately identify the fees required by Title 41, Chapter 1a, Motor
- 606 Vehicle Act;
- 607 (x) encouraging or conspiring with unlicensed persons to solicit for prospective
- 608 purchasers; or
- 609 (xi) selling, offering for sale, or displaying for sale or exchange a vehicle, vessel, or
- 610 outboard motor in violation of Section [41-1a-705](#).
- 611 (2) (a) The schedule of civil penalties for violations of Subsection (1) is:
- 612 (i) Level I: \$25 for the first offense, \$100 for the second offense, and \$250 for the third
- 613 and subsequent offenses;
- 614 (ii) Level II: \$100 for the first offense, \$250 for the second offense, and \$1,000 for the
- 615 third and subsequent offenses; and
- 616 (iii) Level III: \$250 for the first offense, \$1,000 for the second offense, and \$5,000 for

617 the third and subsequent offenses.

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

621 ~~[(3) The following are civil violations in addition to criminal violations under Section~~
622 ~~41-1a-1008:]~~

623 ~~[(a) (3) [knowingly] Knowingly selling a salvage vehicle, as defined in Section~~
624 ~~41-1a-1001, without disclosing that the salvage vehicle has been repaired or rebuilt[;] is a civil~~
625 ~~violation in addition to a criminal violation under Section 41-1a-1008.~~

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

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

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

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

633 (b) reasonable attorney fees and costs of the action.

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

635 Section 12. **Repealer.**

636 This bill repeals:

637 Section 41-1a-1002, **Unbranded title -- Prerepair inspections -- Interim repair**
638 **inspections -- Repair.**

639 Section 41-1a-1003, **Unbranded certificate of title -- Application.**

640 Section 41-1a-1007, **Fees.**

641 Section 41-3-409.5, **Unbranded certificate of title -- Application requirements --**
642 **Recording requirements -- Recurrence of nonconformities.**

642a **§→ Section 13. Effective date.**

642b **This bill takes effect on October 1, 2019. ←§**