



SENATE BILL 385: Clarify/Auto Dealers Regulatory Req.

2019-2020 General Assembly

Committee:	House Transportation. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 25, 2019
Introduced by:	Sen. B. Jackson	Prepared by:	Wendy Ray
Analysis of:	PCS to Second Edition S385-CSSU-39		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute for Senate Bill 385 makes the following changes to statutes related to motor vehicle dealers:*

- *Allows an applicant for a sales representative license to engage in activities as a sales representative while the application is pending if certain conditions are met.*
- *Provides that a dealer is not liable for inaccuracies in third party vehicle history reports given to customers if the information was not provided to the preparer by the dealer.*
- *Allows a dealer to pay up to \$250 in consideration for a customer referral.*
- *Provides that a dealer is not in violation of military anti-discrimination law for not offering military members certain credit-related products that are offered to other customers.*
- *Makes clarifying changes to title in transit provisions enacted last session.*

BILL ANALYSIS: The PCS for Senate Bill 385 makes the following changes to motor vehicle statutes:

Section 1 allows an individual who has applied for a sales representative license to engage in related professional activities while the application is still pending, if the individual is appropriately supervised and certifies that he or she has not been previously denied a license or been convicted of a felony.

Section 2 provides that a motor vehicle dealer is not liable for any errors or inaccuracies in a third party motor vehicle history report it makes available to a customer if the inaccuracies are not based on information provided to the preparer of the report by the dealer.

Section 3 allows a dealer to make a payment or gift up to \$250 for a customer referral as long as the person receiving it receives no more than five referral payments from the dealer in the same calendar year.

Section 4 provides that motor vehicle dealers do not violate the military anti-discrimination statute by offering certain credit-related products to non-military member customers and not offering them to military members.

Section 5 makes clarifying changes to title in transit provisions enacted last session. These provisions allow a motor vehicle dealer to transfer title when a certificate of title or statement of origin is not available by providing a sworn statement to the Division that all prior perfected liens have been paid and that the dealer is unable to obtain the certificate of title or statement of origin. If the dealer transfers the title when the existing certificate of title is unavailable, the title must be delivered to the Division no later than 60 days after the sale of the vehicle. Failure to do so would give a purchaser of the vehicle the option to collect liquidated damages in the amount of 5% of the vehicle price, up to \$1000, from the dealer. This

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Legislative Analysis
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This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

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section makes clarifying changes to those provisions, including allowing dealership managers to sign the sworn certifications, allowing dealers who pay liquidated damages to obtain a release from a purchaser for other damages, and allowing dealers to transfer motor vehicles without a title to current lessees without these provisions applying.

EFFECTIVE DATE: The act is effective when it becomes law.