



**Sub. H.B. 306**

123rd General Assembly  
(As Passed by the General Assembly)

**Reps. Carey, Bateman, Thomas, Harris, Damschroder, Evans, Sulzer, Perry, Terwilleger, Verich, Pringle, Clancy, Mottley, Logan, Vesper, Padgett, Healy, Buehrer, Jones, Sullivan, Hollister, Roman, Krebs, Buchy, Patton, Tiberi, Schuler, Amstutz, Opfer**

**Sens. Oelslager, Gardner, Watts, Wachtmann, Armbruster**

**Effective date: \***

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**ACT SUMMARY**

- Provides that a place of business that is used by a motor vehicle dealer for selling, displaying, offering for sale, or dealing in motor vehicles still is considered as used exclusively for those purposes even though outdoor power equipment, watercraft and related products, or, in the case of a new motor vehicle dealer, products manufactured or distributed by a motor vehicle manufacturer with which the new motor vehicle dealer has a franchise agreement, are sold or displayed there.
- Requires, beginning January 1, 2000, a person who was born on or after January 1, 1982, and who leases, hires, or rents a powercraft powered by more than ten horsepower to provide a signed statement, rather than a signed affidavit, that the person has successfully completed an approved safe boater course or a proficiency examination, if the person has taken the course and has not taken an exam given by the renter.
- Reduces from ten to seven years the length of time that a clerk of a court of common pleas is required to retain any of the various forms of a watercraft certificate of title and supporting evidence.
- Defines a watercraft dealer for purposes of the Watercraft Law.

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*\* The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared.*

- Modifies one of the authorized uses of specialized registration placards by persons other than motor vehicle manufacturers, dealers, or distributors by allowing them to be used by persons regularly engaged in the business of rustproofing, reconditioning, or installing equipment or trim on motor vehicles for motor vehicle dealers and eliminating the requirement that in order to use the placards those persons also must be primarily engaged in such business but requires that the special placards "be used exclusively" by such persons when the motor vehicles are being transported to or from a motor vehicle dealer's place of business.

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## CONTENT AND OPERATION

### *Restrictions relating to motor vehicle dealer locations*

Continuing law prohibits a new motor vehicle dealer from selling, displaying, offering for sale, or dealing in motor vehicles at any place except an established place of business that is used exclusively for the purpose of selling, displaying, offering for sale, or dealing in motor vehicles. Except for a new motor vehicle dealer who sells manufactured homes, a new motor vehicle dealer must have space under roof for the display of at least one new motor vehicle and facilities and space for the inspection, servicing, and repair of at least one motor vehicle; a new motor vehicle dealer who sells manufactured homes is exempt from these requirements. (Sec. 4517.03(B).)

Continuing law also prohibits a used motor vehicle dealer from selling, displaying, offering for sale, or dealing in motor vehicles at any place except an established place of business that is used exclusively for the purpose of selling, displaying, offering for sale, or dealing in motor vehicles (sec. 4517.03(C)).

Under prior law, a place of business that is used for selling, displaying, offering for sale, or dealing in motor vehicles still was considered as used exclusively for those purposes even though any of the following applied to the place of business: (1) snowmobiles, all-purpose vehicles, or farm machinery was sold or displayed there, (2) repair, accessory, gasoline and oil, storage, parts, service, or paint departments were maintained there, or such products or services were provided there, or (3) the departments were operated or the products or services were provided for the business of selling, displaying, offering for sale, or dealing in motor vehicles. (Sec. 4517.03(A).)

The act expands the provision reviewed in the immediate preceding paragraph by providing that a place of business that is used for selling, displaying, offering for sale, or dealing in motor vehicles still is considered as used

exclusively for those purposes even though any of above items (1) to (3) apply to the place of business (with one deletion as indicated below) and even though outdoor power equipment, watercraft and related products, or products manufactured or distributed by a motor vehicle manufacturer with which the motor vehicle dealer has a franchise agreement are sold or displayed there. The act also removes the reference in (1), above, to the sale or display of all-purpose vehicles (see **COMMENT**). (Sec. 4517.03(A).)

**Definition and related changes**

For purposes of the act, "watercraft" means any of the following when used or capable of being used for transportation on the water (sec. 4517.03(J)(3) by reference to sec. 1547.01):

- (1) A boat operated by machinery either permanently or temporarily affixed;
- (2) A sailboat other than a sailboard;
- (3) An inflatable, manually propelled boat having a hull identification number meeting the requirements of the United States Coast Guard;
- (4) A canoe or row boat.

"Outdoor power equipment" is defined as garden and small utility tractors, walk-behind and riding mowers, chainsaws, and tillers (sec. 4517.01(JJ)).

The act also relocates two references to definitions of the terms "motor vehicle leasing dealer" and "motor vehicle renting dealer." (Sec. 4517.03(A), (E), (J)(1), and (J)(2).)

**The leasing, hiring, or renting on and after January 1, 2000, of a powercraft powered by more than ten horsepower by a person born on or after January 1, 1982**

A provision of law that will become effective January 1, 2000, prohibits a rental business from leasing, hiring, or renting a powercraft powered by more than ten horsepower for operation on the waters in this state to a person born on or after January 1, 1982, unless the person meets one of the following requirements (sec. 1547.052(A)):

- (1) The person signs an affidavit that the person has successfully completed a safe boater course approved by the National Association of State Boating Law Administrators or has successfully completed a proficiency examination as provided by law.

(2) The person receives educational materials from the rental business and successfully passes, with a score of 90% or better, an abbreviated examination given by the rental business. The achievement of a passing score on the examination must be indicated on or attached to the powercraft rental agreement.

The act changes the requirement in (1), above, by requiring the person to sign a statement on the rental agreement or attached to the rental agreement, rather than an affidavit, that the person has successfully completed a safe boater course or a proficiency examination. Requirement (2), above, remains unchanged. (Sec. 1547.052(A)(1); Section 3.)

### **Watercraft registration**

#### **Dealer**

Under continuing law, no person may operate any watercraft on the waters in this state unless the watercraft is registered in the name of the current owner and the registration is valid and in effect. A new owner of a watercraft or vessel generally has 45 days following the date of the transfer to register the watercraft or vessel, provided that the new owner purchases a temporary watercraft registration or holds a bill of sale from a watercraft dealer. (Sec. 1547.531, not in the act.) A bona fide dealer in watercraft may apply to the Division of Watercraft for a registration certificate for use while operating watercraft on the waters in this state (sec. 1547.543, not in the act).

The act creates a definition of a watercraft dealer. For purposes of the Watercraft Law, the act defines a "watercraft dealer" as any person who is regularly engaged in the business of manufacturing, selling, displaying, offering for sale, or dealing in vessels at an established place of business. "Watercraft dealer" does not include a person who is a marine salvage dealer or other person who dismantles, salvages, or rebuilds vessels using used parts. (Sec. 1547.01(B)(27).)

#### **Certificates of title**

The clerks of the courts of common pleas issue watercraft certificates of title. Prior law required the clerks to retain on file, for at least ten years after the date of its filing, any certificate of title, duplicate certificate of title, memorandum certificate of title, or supporting evidence of a certificate of title covering any watercraft or outboard motor. After that time, the clerk may destroy the certificate and supporting information. The act reduces from ten to seven years the length of time that a clerk is required to retain any of the various forms of a watercraft certificate of title and supporting evidence. (Sec. 1548.09.)

### Specialized registration placards

Continuing law allows vehicles that are not individually registered to be operated on a public highway only if the person responsible for the operation is registered with the Registrar of Motor Vehicles. A person registered with the Registrar is issued a specialized registration placard for use during the operation of the vehicle on a public highway. These specialized registration placards are available to a manufacturer, dealer, or distributor for each place in this state at which the business of manufacturing, dealing, or distributing motor vehicles is carried on (sec. 4503.27, not in the act) and to persons other than manufacturers, dealers, or distributors for placards for a variety of purposes including the testing of vehicles, transportation for specified purposes, on vehicles being demonstrated for purposes of sale or lease, or for salvage purposes (sec. 4503.31).

The act modifies an additional use of placards by persons other than manufacturers, dealers, or distributors. Prior law authorized the use of placards by persons regularly and primarily engaged in the business of rustproofing, reconditioning, or installing equipment or trim on motor vehicles for motor vehicle dealers when the motor vehicles are being transported to or from a motor vehicle dealer's place of business. Under the act, in order to use the placard the person must be regularly, but not primarily, engaged in the business of rustproofing, reconditioning, or installing equipment or trim on motor vehicles for motor vehicle dealers. The act also requires that those persons use the special placards exclusively when the motor vehicles are being transported to or from a motor vehicle dealer's place of business. (Sec. 4503.31.)

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### COMMENT

Am. Sub. H.B. 611 of the 122nd General Assembly (effective March 9, 1999) placed all dealers in off-highway motorcycles and all-purpose vehicles under the jurisdiction of the Motor Vehicle Dealer's Board by adding these vehicles to the definition of "motor vehicle" in the Motor Vehicle Dealers Licensing Law.

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### HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-20-99	p. 442
Reported, H. Transportation & Public Safety	05-19-99	p. 686
Passed House (95-0)	05-20-99	pp. 695-696

Reported, S. Highways & Transportation	06-23-99	p.	660
Passed Senate (32-0)	06-23-99	pp.	664-665
House concurred in Senate amendments (97-0)	06-29-99	pp.	1103-1104

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