



Sub. H.B. 306*

123rd General Assembly

(As Reported by S. Highways & Transportation)

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

BILL 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 not successfully passed 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.

* *This analysis was prepared before the report of the Senate Highways and Transportation Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

- 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.

CONTENT AND OPERATION

Restrictions relating to motor vehicle dealer locations

Current law

Current 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).)

Current 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 current law, 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 the following apply to the place of business: (1) snowmobiles, all-purpose vehicles, or farm machinery is sold or displayed there, (2) repair, accessory, gasoline and oil, storage, parts, service, or paint departments are maintained there, or such products or services are provided there, or (3) the departments are operated or the products or services are provided for the business of selling, displaying, offering for sale, or dealing in motor vehicles. (Sec. 4517.03(A).)

Operation of the bill

The bill 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 bill 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 bill, "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 bill 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 bill 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 current 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 bill.) 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 bill).

The bill creates a definition of a watercraft dealer. For purposes of the Watercraft Law, the bill 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. Current law requires 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 bill 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

Current 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 bill) 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 bill modifies an additional use of placards by persons other than manufacturers, dealers, or distributors. Current law authorizes 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 bill, 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 bill 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.)

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.

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	---	---

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