



Ohio Legislative Service Commission

Bill Analysis

Julie A. Rishel

H.B. 318

130th General Assembly
(As Introduced)

Reps. Roegner and O'Brien, Lynch, Becker, Thompson, Wachtmann, Hood, Ruhl

BILL SUMMARY

- Allows a new motor vehicle dealer to display more than one new motor vehicle at a location other than the dealer's licensed location, if that display is for an educational institution.
- Allows the dealer to permit test drives to be taken at the location of the display.
- Requires a dealer to file an affidavit with the Registrar of Motor Vehicles prior to the display and prescribes requirements for the affidavit's contents.
- Permits a dealer to display motor vehicles as described above for a total of not more than five days per calendar year.
- Modifies the procedures and requirements for a group of licensed new motor vehicle dealers to display motor vehicles at a motor vehicle show within the general market area allocated to a licensed new motor vehicle dealer.
- Limits the time period for such a show to 14 days.
- Requires a show representative or a manufacturer or distributor to file an affidavit with the Registrar, rather than request and receive permission from the Registrar, in order to hold the applicable type of show.
- Allows a retail seller of certain trailers to apply to the Registrar for registration for each place in Ohio where the retail seller carries on the business of selling those trailers, thus allowing those trailers to be operated on a public highway.

CONTENT AND OPERATION

Motor vehicle display

The bill allows a new motor vehicle dealer to display new motor vehicles at a location other than the dealer's licensed location if that display is for an educational institution. Continuing law prohibits any licensed motor vehicle dealer, motor vehicle leasing dealer, motor vehicle auction owner, or distributor from displaying a motor vehicle at any place except the dealer's, owner's, or distributor's licensed location, without first obtaining permission from the Registrar of Motor Vehicles (Registrar). The business also must comply with the applicable rules of the Motor Vehicle Dealers Board. A violation of this prohibition is a fourth degree misdemeanor, which for individuals is punishable by a possible jail term of not more than 30 days, a possible fine of not more than \$250, and other possible sanctions. If the violator is an organization, the violation is punishable by a possible fine of not more than \$2,000.¹

The bill creates an exception to this prohibition by allowing a new motor vehicle dealer to display more than one new motor vehicle at a location other than the dealer's licensed location, and to permit test drives to be taken at the location of the display, if certain criteria are met. The dealer must execute and file with the Registrar an affidavit not less than 14 days before the first day of the display. The dealer also must file a statement with the affidavit attesting to the location of the display and the number of vehicles that will be included in the display. The affidavit must be in a form prescribed by the Registrar and must certify to the Registrar all of the following:

- The display is promoted by a motor vehicle manufacturer for the benefit of an educational institution.
- The display will be held on the grounds of that educational institution.
- Any donations made by the manufacturer to the educational institution will be based on a per test drive basis.
- No contracts will be signed, deposits taken, or sales consummated at the location of the display (which is similar to continuing law with respect to motor vehicle shows).
- The display will occur in the county where the dealer is licensed or in a contiguous county.

¹ R.C. 4517.22(G) and (J), renumbered R.C. 4517.22(H) and (L) by the bill, and R.C. 2929.24 to 2929.28 and 2929.31, not in the bill.



- The display will continue for not more than three days, and all days will be consecutive.

A dealer may display motor vehicles as described above for a total of not more than five days per calendar year. The bill requires a dealer to maintain all records of the display, including a copy of the affidavit, for a period of three years. Upon request of the Registrar or the Registrar's authorized agent, the records must be made available for reasonable inspection or must be provided to the Registrar or the authorized agent. The records must include the location and dates of the display. A violation of these requirements is a fourth degree misdemeanor.²

Motor vehicle shows

Licensed motor vehicle dealers

The bill modifies the procedures and requirements for a group of licensed new motor vehicle dealers to display motor vehicles at a motor vehicle show within the general market area allocated to a licensed new motor vehicle dealer in the group. The bill defines "general market area," which is not defined under current law, as a reasonable contiguous geographical area established by a motor vehicle show representative that is based upon the size of the show and that does not unreasonably exclude any licensed new motor vehicle dealer selling the same line-make as another licensed new motor vehicle dealer located within the area.³

Under the bill, a display at a motor vehicle show may occur if both of the following conditions are met:

- The primary purpose of the motor vehicle show is the exhibition of competitive motor vehicle makes and models to provide the general public the opportunity to review and inspect various makes and models at a single location contemporaneously for a period not to exceed 14 days.
- Not less than 30 days before the planned opening date of the motor vehicle show, the show representative (a sponsor, promoter, or representative of a group of motor vehicle dealers who acts on behalf of the group and is responsible for the coordination of the motor vehicle show) executes and files with the Registrar an affidavit, in a form prescribed by the Registrar, that certifies that all applicable requirements of the bill and continuing law have been or will be met.

² R.C. 4517.22(K) and (L).

³ R.C. 4517.22(A)(1).



Current law does not prescribe a time limit for the show's length at a single location. Additionally, under current law the group only requests and receives permission to hold the show.

Under the bill, if the Registrar approves the affidavit, the Registrar must grant the show representative permission to conduct the motor vehicle show. If the Registrar determines that there is a deficiency in the affidavit, the Registrar must inform the show representative of the deficiency as soon possible after the Registrar receives the affidavit so that the show representative has the opportunity to remedy the deficiency. The Registrar also must describe with specificity the measures the show representative is required to take in order to cure the deficiency. In order for the show representative to be eligible to hold the show, the show representative must return the corrected affidavit to the Registrar not later than 14 days before the planned opening date of the show. If the Registrar finds that the deficiency has been cured, the Registrar must grant the show representative permission to conduct the show. If the Registrar finds that the deficiency has not been cured, the Registrar must deny the show representative permission to conduct the show.⁴

Under the bill, the show representative, rather than any motor vehicle show sponsor as under current law, must invite by mail all new motor vehicle dealers dealing in competitive types of motor vehicles in the general market area to participate and display motor vehicles in the show. The show representative, rather than the sponsor as under current law, may offer a similar invitation to manufacturers or distributors. The show representative must retain a copy of each invitation for at least one year after the show, instead of the show sponsor as under current law.⁵

Manufacturers and distributors

The bill expressly permits a manufacturer or distributor to hold in any public place a motor vehicle show at which only one motor vehicle is displayed, rather than prohibiting anyone else from holding such a show as under current law. Similar to current law, the bill allows a manufacturer or distributor to hold such a show only if certain criteria are met. The manufacturer or distributor must execute and file with the Registrar an affidavit not less than 30 days before the show. The affidavit must be in a form prescribed by the Registrar and must certify that all applicable requirements of continuing law and the bill have been or will be met. Current law only requires the

⁴ R.C. 4517.22(A)(5) and (B).

⁵ R.C. 4517.22(C), renumbered R.C. 4517.22(D) by the bill.



manufacturer to request and receive permission from the Registrar 30 days before the show.⁶

Affidavits

Under the bill, an affidavit filed pursuant to "**Motor vehicle displays**" and "**Motor vehicle shows**" above must contain a statement that, during the motor vehicle show or during the time a motor vehicle otherwise is displayed, no attempt will be made to circumvent the provisions of the laws governing motor vehicle dealers, auction owners, and salespersons. The bill eliminates the current law prohibition against the Registrar granting permission for any motor vehicle show to be held unless the Registrar is satisfied that no attempt is being made to circumvent those laws.⁷

Utility and other trailers

The bill allows a retail seller of certain trailers to apply to the Registrar for registration with the Registrar for each place in Ohio where the retail seller carries on the business of selling at retail those types of trailers. (Registration permits the trailer to be operated on a public highway.) This provision applies to utility trailers (any trailer, except a travel trailer or trailer for transporting watercraft, having a gross weight of less than 4,000 pounds) and trailers for transporting motorcycles, snowmobiles, or all-purpose vehicles. Currently, only manufacturers and distributors of these trailers may obtain this type of registration. A retail seller is subject to the same requirements as a manufacturer or distributor under continuing law. Registration lasts for one year and must be renewed at the time the motor vehicle manufacturer, dealer, or distributor tax is due.

Upon the filing of the application, materials, and payment of the application fee and postage for mailing a registration certificate placard, the Registrar must assign to the applicant a distinctive number that must be displayed on the rear of each trailer when it is operated on a public highway. When displaying the number, any trailer for transporting motorcycles, snowmobiles, or all-purpose vehicles that is not loaded may be operated on a public highway until it is sold or transferred; and any utility trailer that is not loaded, or that is being used to transport another utility trailer for purposes of demonstration or delivery, may be operated on a public highway until it is sold or transferred.

At the time the Registrar assigns the distinctive number, the Registrar must furnish one placard with the number thereon. The retail seller, the same as a

⁶ R.C. 4517.22(D), renumbered R.C. 4517.22(E) by the bill.

⁷ R.C. 4517.22(F) and R.C. 4517.22(E), repealed by the bill.



manufacturer or distributor under continuing law, may procure a reasonable number of certified copies of the registration certificate upon the payment of a \$5 fee and postage. With each of the certified copies, the Registrar must furnish one placard with the same number provided in the original registration certificate, and must add to the number a special designation as necessary to distinguish one set of placards from another. All placards the Registrar furnishes must be so marked as to be distinguishable from placards issued to dealers in or manufacturers of motor vehicles or trailers for transporting watercraft.

The Registrar must pay the fees the Registrar collects under the bill into the State Bureau of Motor Vehicles Fund, to be used for the purposes described in continuing law.⁸

HISTORY

ACTION	DATE
Introduced	10-29-13

H0318-I-130.docx/emr

⁸ R.C. 4503.312.

