

**As Introduced**

**130th General Assembly  
Regular Session  
2013-2014**

**S. B. No. 260**

**Senator Patton**

**Cosponsors: Senators Balderson, Hite**

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**A B I L L**

To amend section 4517.12 of the Revised Code to 1  
prohibit the Registrar of Motor Vehicles from 2  
issuing a motor vehicle dealer's license or motor 3  
vehicle leasing dealer's license to a motor 4  
vehicle manufacturer for the retail sale or lease 5  
of new or used motor vehicles. 6

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 4517.12 of the Revised Code be 7  
amended to read as follows: 8

**Sec. 4517.12.** (A) The registrar of motor vehicles shall deny 9  
the application of any person for a license as a motor vehicle 10  
dealer, motor vehicle leasing dealer, or motor vehicle auction 11  
owner and refuse to issue the license if the registrar finds that 12  
the applicant: 13

(1) Has made any false statement of a material fact in the 14  
application; 15

(2) Has not complied with sections 4517.01 to 4517.45 of the 16  
Revised Code; 17

(3) Is of bad business reputation or has habitually defaulted on 18

financial obligations; 19

(4) Is engaged or will engage in the business of selling at 20  
retail any new motor vehicles without having written authority 21  
from the manufacturer or distributor thereof to sell new motor 22  
vehicles and to perform repairs under the terms of the 23  
manufacturer's or distributor's new motor vehicle warranty, except 24  
as provided in division (C) of this section and except that a 25  
person who assembles or installs special equipment or accessories 26  
for handicapped persons, as defined in section 4503.44 of the 27  
Revised Code, upon a motor vehicle chassis supplied by a 28  
manufacturer or distributor shall not be denied a license pursuant 29  
to division (A)(4) of this section; 30

(5) Has been guilty of a fraudulent act in connection with 31  
selling or otherwise dealing in, or leasing, motor vehicles, or in 32  
connection with brokering manufactured homes; 33

(6) Has entered into or is about to enter into a contract or 34  
agreement with a manufacturer or distributor of motor vehicles 35  
that is contrary to sections 4517.01 to 4517.45 of the Revised 36  
Code; 37

(7) Is insolvent; 38

(8) Is of insufficient responsibility to ensure the prompt 39  
payment of any final judgments that might reasonably be entered 40  
against the applicant because of the transaction of business as a 41  
motor vehicle dealer, motor vehicle leasing dealer, or motor 42  
vehicle auction owner during the period of the license applied 43  
for, or has failed to satisfy any such judgment; 44

(9) Has no established place of business that, where 45  
applicable, is used or will be used for the purpose of selling, 46  
displaying, offering for sale, dealing in, or leasing motor 47  
vehicles at the location for which application is made; 48

(10) Has, less than twelve months prior to making 49

application, been denied a motor vehicle dealer's, motor vehicle  
leasing dealer's, or motor vehicle auction owner's license, or has  
any such license revoked;

(11) Is a manufacturer, or a parent company, subsidiary, or  
affiliated entity of a manufacturer, applying for a license to  
sell or lease new or used motor vehicles at retail. Nothing in  
division (A)(11) of this section shall prohibit a manufacturer  
from disposing of motor vehicles at wholesale at the termination  
of a consumer lease through a motor vehicle auction. Division  
(A)(11) of this section shall not serve as a basis for the  
termination, revocation, or nonrenewal of a license granted prior  
to the effective date of this amendment.

(B) If the applicant is a corporation or partnership, the  
registrar may refuse to issue a license if any officer, director,  
or partner of the applicant has been guilty of any act or omission  
that would be cause for refusing or revoking a license issued to  
such officer, director, or partner as an individual. The  
registrar's finding may be based upon facts contained in the  
application or upon any other information the registrar may have.  
Immediately upon denying an application for any of the reasons in  
this section, the registrar shall enter a final order together  
with the registrar's findings and certify the same to the motor  
vehicle dealers' and salespersons' licensing board.

(C) Notwithstanding division (A)(4) of this section, the  
registrar shall not deny the application of any person and refuse  
to issue a license if the registrar finds that the applicant is  
engaged or will engage in the business of selling at retail any  
new motor vehicles and demonstrates all of the following in the  
form prescribed by the registrar:

(1) That the applicant has posted a bond, surety, or  
certificate of deposit with the registrar in an amount not less  
than one hundred thousand dollars for the protection and benefit

of the applicant's customers except that a new motor vehicle 82  
dealer who is not exclusively engaged in the business of selling 83  
remanufactured vehicles shall not be required to post the bond, 84  
surety, or certificate of deposit otherwise required by division 85  
(C)(1) of this section; 86

(2) That, at the time of the sale of the vehicle, each 87  
customer of the applicant will be furnished with a warranty issued 88  
by the remanufacturer for a term of at least one year; 89

(3) That the applicant provides and maintains at the 90  
applicant's location and place of business a permanent facility 91  
with all of the following: 92

(a) A showroom with space, under roof, for the display of at 93  
least one new motor vehicle; 94

(b) A service and parts facility for remanufactured vehicles; 95

(c) Full-time service and parts personnel with the proper 96  
training and technical expertise to service the remanufactured 97  
vehicles sold by the applicant. 98

**Section 2.** That existing section 4517.12 of the Revised Code 99  
is hereby repealed. 100