

As Introduced

131st General Assembly

Regular Session

2015-2016

H. B. No. 112

**Representative Barnes
Cosponsor: Representative Becker**

A BILL

To amend section 4517.12 of the Revised Code to
prohibit the Registrar of Motor Vehicles from
refusing to issue a motor vehicle dealer, motor
vehicle leasing dealer, or motor vehicle auction
owner license based upon a finding that the
applicant was convicted of, or pleaded guilty
to, a felony or misdemeanor 10 years or more
prior to the application for the license if the
offense was not a consumer fraud or motor
vehicle sales related offense, and to designate
the act the "Rehabilitated Ohioan Opportunity
Act."

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

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

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

(1) Has made any false statement of a material fact in the application; 20
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(2) Has not complied with sections 4517.01 to 4517.45 of the Revised Code; 22
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(3) Is of bad business reput~~e~~ or has habitually defaulted on financial obligations; 24
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(4) Is engaged or will engage in the business of selling at retail any new motor vehicles without having written authority from the manufacturer or distributor thereof to sell new motor vehicles and to perform repairs under the terms of the manufacturer's or distributor's new motor vehicle warranty, except as provided in division ~~(C)~~ (D) of this section and except that a person who assembles or installs special equipment or accessories for handicapped persons, as defined in section 4503.44 of the Revised Code, upon a motor vehicle chassis supplied by a manufacturer or distributor shall not be denied a license pursuant to division (A) (4) of this section; 26
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(5) Has been guilty of a fraudulent act in connection with selling or otherwise dealing in, or leasing, motor vehicles, or in connection with brokering manufactured homes; 37
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(6) Has entered into or is about to enter into a contract or agreement with a manufacturer or distributor of motor vehicles that is contrary to sections 4517.01 to 4517.45 of the Revised Code; 40
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(7) Is insolvent; 44

(8) Is of insufficient responsibility to ensure the prompt payment of any final judgments that might reasonably be entered against the applicant because of the transaction of business as a motor vehicle dealer, motor vehicle leasing dealer, or motor 45
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vehicle auction owner during the period of the license applied 49
for, or has failed to satisfy any such judgment; 50

(9) Has no established place of business that, where 51
applicable, is used or will be used for the purpose of selling, 52
displaying, offering for sale, dealing in, or leasing motor 53
vehicles at the location for which application is made; 54

(10) Has, less than twelve months prior to making 55
application, been denied a motor vehicle dealer's, motor vehicle 56
leasing dealer's, or motor vehicle auction owner's license, or 57
has any such license revoked; 58

(11) Is a manufacturer, or a parent company, subsidiary, 59
or affiliated entity of a manufacturer, applying for a license 60
to sell or lease new or used motor vehicles at retail. Division 61
(A)(11) of this section shall not serve as a basis for the 62
termination, revocation, or nonrenewal of a license granted 63
~~prior to the effective date of this amendment September 4, 2014.~~ 64
Nothing in division (A)(11) of this section shall prohibit a 65
manufacturer from doing either of the following: 66

(a) Owning, operating, or controlling not more than three 67
licensed motor vehicle dealerships if, as of January 1, 2014, 68
the manufacturer was selling or otherwise distributing its motor 69
vehicles at an established place of business in this state. Such 70
ownership, operation, or control may continue unless the 71
manufacturer's motor vehicle operations are sold or acquired or 72
the manufacturer produces any motor vehicles other than all- 73
electric motor vehicles. 74

(b) Disposing of motor vehicles at wholesale at the 75
termination of a consumer lease through a motor vehicle auction. 76

(B) If the applicant is a corporation or partnership, the 77

registrar may refuse to issue a license if any officer, 78
director, or partner of the applicant has been guilty of any act 79
or omission that would be cause for refusing or revoking a 80
license issued to such officer, director, or partner as an 81
individual. The registrar's finding may be based upon facts 82
contained in the application or upon any other information the 83
registrar may have. Immediately upon denying an application for 84
any of the reasons in this section, the registrar shall enter a 85
final order together with the registrar's findings and certify 86
the same to the motor vehicle dealers' and salespersons' 87
licensing board. 88

(C) Notwithstanding any other provision of law, the 89
registrar shall not deny the application of any person and 90
refuse to issue a license based upon a finding that the person 91
was convicted of, or pleaded guilty to, a felony or misdemeanor 92
if all of the following apply: 93

(1) The conviction or guilty plea occurred ten years or 94
more before the date the application was submitted; 95

(2) The offense was not related to the selling, taxing, 96
licensing, or regulation of sales of motor vehicles; 97

(3) The offense did not involve theft, fraud, or deceit 98
during a consumer transaction as defined in section 1345.01 of 99
the Revised Code. 100

(D) Notwithstanding division (A) (4) of this section, the 101
registrar shall not deny the application of any person and 102
refuse to issue a license if the registrar finds that the 103
applicant is engaged or will engage in the business of selling 104
at retail any new motor vehicles and demonstrates all of the 105
following in the form prescribed by the registrar: 106

(1) That the applicant has posted a bond, surety, or 107
certificate of deposit with the registrar in an amount not less 108
than one hundred thousand dollars for the protection and benefit 109
of the applicant's customers except that a new motor vehicle 110
dealer who is not exclusively engaged in the business of selling 111
remanufactured vehicles shall not be required to post the bond, 112
surety, or certificate of deposit otherwise required by division 113
~~(C)~~ (D) (1) of this section; 114

(2) That, at the time of the sale of the vehicle, each 115
customer of the applicant will be furnished with a warranty 116
issued by the remanufacturer for a term of at least one year; 117

(3) That the applicant provides and maintains at the 118
applicant's location and place of business a permanent facility 119
with all of the following: 120

(a) A showroom with space, under roof, for the display of 121
at least one new motor vehicle; 122

(b) A service and parts facility for remanufactured 123
vehicles; 124

(c) Full-time service and parts personnel with the proper 125
training and technical expertise to service the remanufactured 126
vehicles sold by the applicant. 127

Section 2. That existing section 4517.12 of the Revised 128
Code is hereby repealed. 129

Section 3. This act shall be known as the "Rehabilitated 130
Ohioan Opportunity Act." 131