



House of Representatives

General Assembly

File No. 277

January Session, 2007

House Bill No. 5197

House of Representatives, April 3, 2007

The Committee on Transportation reported through REP. GUERRERA of the 29th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT REQUIRING MARKETABLE TITLE BE PROVIDED FOR MOTOR VEHICLES SOLD AT AUCTION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-62 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2007*):

3 (a) Each sale shall be evidenced by an order properly signed by both
4 the buyer and seller, a copy of which shall be furnished to the buyer
5 when executed, and an invoice upon delivery of the motor vehicle,
6 both of which shall contain the following information: (1) Make of
7 vehicle; (2) year of model, whether sold as new or used, and on invoice
8 the identification number; (3) deposit, and (A) if the deposit is not
9 refundable, the words "No Refund of Deposit" shall appear at this
10 point, and (B) if the deposit is conditionally refundable, the words
11 "Conditional Refund of Deposit" shall appear at this point, followed by
12 a statement giving the conditions for refund, and (C) if the deposit is
13 unconditionally refundable, the words "Unconditional Refund" shall
14 appear at this point; (4) cash selling price; (5) finance charges, and (A)
15 if these charges do not include insurance, the words "No Insurance"

16 shall appear at this point, and (B) if these charges include insurance, a
17 statement shall appear at this point giving the exact type of coverage;
18 (6) allowance on motor vehicle traded in, if any, and description of the
19 same; (7) stamped or printed in a size equal to at least ten-point bold
20 type on the face of both order and invoice one of the following forms:
21 (A) "This motor vehicle not guaranteed", or (B) "This motor vehicle is
22 guaranteed", followed by a statement as to the terms of such
23 guarantee, which statement shall not apply to household furnishings
24 of any trailer; (8) if the motor vehicle is new but has been subject to use
25 by the seller or use in connection with his business as a dealer, the
26 word "demonstrator" shall be clearly displayed on the face of both
27 order and invoice; (9) any dealer conveyance fee or processing fee and
28 a statement that such fee is not payable to the state of Connecticut
29 printed in at least ten-point bold type on the face of both order and
30 invoice. For the purposes of this subdivision, "dealer conveyance fee"
31 or "processing fee" means a fee charged by a dealer to recover
32 reasonable costs for processing all documentation and performing
33 services related to the closing of a sale, including, but not limited to,
34 the registration and transfer of ownership of the motor vehicle which
35 is the subject of the sale.

36 (b) No dealer shall include in the selling price a dealer preparation
37 charge for any item or service for which he is reimbursed by the
38 manufacturer or any item or service not specifically ordered by the
39 buyer and itemized on the invoice.

40 (c) Each dealer shall provide a written statement to the buyer or
41 prominently display a sign in the area of his place of business in which
42 sales are negotiated which shall specify the amount of any conveyance
43 or processing fee charged by such dealer, the services performed by
44 the dealer for such fee, that such fee is not payable to the state of
45 Connecticut and that the buyer may elect, where appropriate, to
46 submit the documentation required for the registration and transfer of
47 ownership of the motor vehicle which is the subject of the sale to the
48 Commissioner of Motor Vehicles, in which case the dealer shall reduce
49 such fee by a proportional amount. The Commissioner of Motor

50 Vehicles shall determine the size, typeface and arrangement of such
 51 information.

52 (d) No dealer licensed under the provisions of section 14-52 shall
 53 sell any used motor vehicle without furnishing to the buyer, at the
 54 time of sale, a valid certificate of title, the assignment and warranty of
 55 title by such dealer or other evidence of title issued by another state or
 56 country, where applicable, disclosing the existence of any lien, security
 57 interest in or other encumbrance on the vehicle.

58 (e) No person, firm or corporation shall sell a motor vehicle at a
 59 public or private auction without furnishing to the buyer, at the time of
 60 sale, a valid certificate of title, the assignment and warranty of title by
 61 such person, firm or corporation, or other evidence of title issued by
 62 another state or country, where applicable, disclosing the existence of
 63 any lien, security interest in or other encumbrance on the vehicle.

64 [(e)] (f) The provisions of subsection (d) of this section shall not
 65 apply to the sale of any used motor vehicle by a new car dealer to a
 66 person, firm or corporation which, pursuant to a lease contract option,
 67 purchases such vehicle at the end of the lease term provided (1) such
 68 vehicle is registered in this state in accordance with the provisions of
 69 section 14-12, (2) the certificate of title for such vehicle is in the
 70 possession of a lessor licensed under the provisions of section 14-15, (3)
 71 subsequent to such sale, such vehicle is registered in the name of the
 72 prior lessee, and (4) such dealer obtains the certificate of title from such
 73 lessor and transmits all necessary documents and fees to the
 74 commissioner not later than five days following the issuance of a
 75 motor vehicle registration for such vehicle.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	14-62

TRA *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect
Department of Motor Vehicles	TF - None

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill is not anticipated to result in any fiscal impact to the Department of Motor Vehicles.

The Out Years

None

OLR Bill Analysis**HB 5197*****AN ACT REQUIRING MARKETABLE TITLE BE PROVIDED FOR
MOTOR VEHICLES SOLD AT AUCTION.*****SUMMARY:**

This bill requires anyone selling a motor vehicle at a public or private auction to provide the buyer at the time of sale with a valid certificate of title, the assignment and warranty of the title by the seller, or other evidence of title issued by another state or country disclosing the existence of a lien, security interest in, or other encumbrance on the vehicle. Violators are subject to the same civil penalty of up to \$1,000 that applies generally to most violations of the laws relating to motor vehicle dealers and repairers (CGS § 14-51a).

EFFECTIVE DATE: July 1, 2007

COMMITTEE ACTION

Transportation Committee

Joint Favorable

Yea 30 Nay 0 (03/16/2007)