



General Assembly

January Session, 2015

***Raised Bill No. 6682***

LCO No. 3075



Referred to Committee on TRANSPORTATION

Introduced by:  
(TRA)

***AN ACT CONCERNING THE LICENSING OF NEW AND USED CAR DEALERS.***

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

1 Section 1. Section 14-52b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) In the event a manufacturer licensed in accordance with the  
4 provisions of section 14-67a cancels, terminates or fails to renew any  
5 franchise, as defined in section 42-133r, with a new car dealer, as  
6 defined in section 14-51, the Commissioner of Motor Vehicles, upon  
7 receipt of written notice of such action by the manufacturer, shall,  
8 unless the dealer holds one or more additional franchises, demand that  
9 such new car dealer surrender such license to the commissioner. If  
10 such action is contested by such dealer in accordance with the  
11 provisions of sections 42-133r to 42-133ee, inclusive, the commissioner  
12 shall not demand surrender of such license, and no replacement motor  
13 vehicle dealer shall be named for the dealer's point or location, except  
14 in accordance with subdivision (10) of section 42-133cc, until the  
15 proceedings to contest such action by the manufacturer are finally

16 determined after all means of administrative, judicial and appellate  
17 review have been exhausted and the decision is adverse to the dealer.

18 (b) Except as provided in subsections (c) [and (d)] to (e), inclusive, of  
19 this section, no person, firm or corporation licensed as a manufacturer  
20 in accordance with the provisions of section 14-67a may be the holder  
21 of a new or used car dealer's license issued in accordance with the  
22 provisions of section 14-52, as amended by this act, except a  
23 manufacturer may operate as a dealer on a temporary basis in  
24 accordance with the provisions of subdivision (8) of section 42-133cc.  
25 The provisions of this subsection shall apply to any firm or corporation  
26 that is owned or controlled by a manufacturer, as determined by the  
27 commissioner. Any applicant for a new or used car dealer license that  
28 is denied a license under the provisions of this subsection shall be  
29 entitled to a hearing in accordance with the provisions of chapter 54.

30 (c) Notwithstanding the provisions of subsection (b) of this section,  
31 the commissioner may issue a used car dealer's license to a person,  
32 firm or corporation, owned or controlled by a manufacturer, engaged  
33 primarily in the business of rental of motor vehicles and industrial and  
34 construction equipment, provided: (1) Motor vehicles offered for sale  
35 by any such person, firm or corporation are limited to motor vehicles  
36 that have been previously used exclusively and regularly in the  
37 conduct of the business or motor vehicles traded in by purchasers of  
38 such previously used motor vehicles, (2) any warranty repairs  
39 performed by such person, firm or corporation are limited to motor  
40 vehicles that such person, firm or corporation owns, has previously  
41 owned, or has taken in trade, and (3) any retail financing provided or  
42 arranged by such person, firm or corporation is limited to vehicles sold  
43 by such person, firm or corporation.

44 (d) The commissioner may extend the period of a license issued to a  
45 manufacturer to operate a dealership on a temporary basis, in  
46 accordance with the provisions of subsection (b) of this section and  
47 subdivision (8) of section 42-133cc, for not more than one additional

48 year, up to a maximum period of two years, if the commissioner is  
49 satisfied that such manufacturer has made and is continuing to make  
50 bona fide efforts to sell and transfer the dealership to a person, firm or  
51 corporation that is qualified to hold a new or used dealer's license.

52 (e) Notwithstanding the provisions of subsection (b) of this section,  
53 the commissioner may issue a new or used car dealer's license to a  
54 person, firm or corporation licensed as a manufacturer in accordance  
55 with the provisions of section 14-67a, or owned or controlled by such  
56 manufacturer, provided such manufacturer (1) does not have any  
57 franchise agreement with any new car dealers in the state, and (2) sells  
58 only motor vehicles manufactured by such manufacturer.

59 Sec. 2. Subdivisions (1) and (2) of subsection (a) section 14-51 of the  
60 general statutes are repealed and the following is substituted in lieu  
61 thereof (*Effective October 1, 2015*):

62 (1) "New car dealer" includes (A) any person, firm or corporation  
63 engaged in the business of merchandising new motor vehicles under a  
64 manufacturer's or importer's contract for each such make of vehicle,  
65 [who may, incidental to such business, sell used motor vehicles and  
66 repair motor vehicles. Such person] and (B) any person, firm or  
67 corporation licensed as a manufacturer in accordance with the  
68 provisions of section 14-67a, or owned or controlled by such  
69 manufacturer, that is engaged in the business of merchandising new  
70 motor vehicles and licensed as a new car dealer as provided in  
71 subsection (e) of section 14-52b, as amended by this act. Such person,  
72 firm or corporation may, incidental to such business, sell used motor  
73 vehicles and repair motor vehicles, and shall be qualified to conduct  
74 such business in accordance with the requirements of section 14-52a.

75 (2) "Used car dealer" includes (A) any person, firm or corporation  
76 engaged in the business of merchandising motor vehicles other than  
77 new, [who] and (B) any person, firm or corporation licensed as a  
78 manufacturer in accordance with the provisions of section 14-67a, or

79 owned or controlled by such manufacturer, that is engaged in the  
80 business of merchandising motor vehicles other than new and licensed  
81 as a used car dealer as provided in subsection (e) of section 14-52b, as  
82 amended by this act. Such person, firm or corporation may, incidental  
83 to such business, repair motor vehicles. A used car dealer does not  
84 include any person, firm or corporation engaged in the business of  
85 leasing or renting motor vehicles that offers for sale or sells used motor  
86 vehicles incidental to its primary business, if [(A)] such person, firm or  
87 corporation is licensed in accordance with the provisions of section 14-  
88 15, and [(B)] the motor vehicles that it offers for sale were formerly the  
89 subject of one or more lease agreements to which it was a party and  
90 the actual or prospective purchaser is the original lessee pursuant to a  
91 purchase option specified in a lease agreement. Such person shall be  
92 qualified to conduct such business in accordance with the  
93 requirements of section 14-52a.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	14-52b
Sec. 2	<i>October 1, 2015</i>	(a) 14-51(1) and (2)

**Statement of Purpose:**

To allow manufacturers who do not have franchise agreements with any car dealers in the state to be licensed as new and used car dealers for the purpose of selling such manufacturer's products.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*