



General Assembly

**Substitute Bill No. 214**

February Session, 2022



**AN ACT CONCERNING THE SALE OF ELECTRIC VEHICLES IN THE STATE.**

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 Section 14-52b of the general statutes is repealed and the  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, 2022*):

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

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

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

45 (d) The commissioner may extend the period of a license issued to a  
46 manufacturer to operate a dealership on a temporary basis, in  
47 accordance with the provisions of subsection (b) of this section and  
48 subdivision (8) of section 42-133cc, for not more than one additional  
49 year, up to a maximum period of two years, if the commissioner is  
50 satisfied that such manufacturer has made and is continuing to make  
51 bona fide efforts to sell and transfer the dealership to a person, firm or

52 corporation that is qualified to hold a new or used dealer's license.

53 (e) (1) For the purposes of this subsection, "manufacturer" means a  
54 person, firm or corporation licensed as a manufacturer in accordance  
55 with the provisions of section 14-67a, as amended by this act, and any  
56 subsidiary, affiliate or entity owned or controlled by such manufacturer,  
57 and "battery electric vehicle" has the same meaning as provided in  
58 section 16-19eee.

59 (2) The commissioner may issue a new or used car dealer's license to  
60 a manufacturer, provided such manufacturer: (A) Does not have a  
61 franchise agreement with any new car dealer in the state; (B)  
62 manufactures only battery electric vehicles; (C) sells at retail only motor  
63 vehicles manufactured by such manufacturer; (D) does not hold a  
64 controlling interest in another manufacturer, or a subsidiary, affiliate or  
65 entity owned or controlled by such other manufacturer, that is licensed  
66 as a dealer under this subsection; and (E) is not owned or controlled by  
67 another manufacturer, or a subsidiary, affiliate or entity owned or  
68 controlled by such other manufacturer, that is licensed as a dealer under  
69 this subsection.

70 Sec. 2. Subdivisions (1) and (2) of subsection (a) of section 14-51 of the  
71 general statutes are repealed and the following is substituted in lieu  
72 thereof (*Effective October 1, 2022*):

73 (1) "New car dealer" includes (A) any person, firm or corporation  
74 engaged in the business of merchandising new motor vehicles under a  
75 manufacturer's or importer's contract for each such make of vehicle,  
76 [who] and (B) any person, firm or corporation licensed as a  
77 manufacturer, as defined in subsection (e) of section 14-52b, as amended  
78 by this act, that is engaged in the business of merchandising new motor  
79 vehicles and licensed as a new car dealer as provided in said subsection.  
80 Such person, firm or corporation may, incidental to such business, sell  
81 used motor vehicles and repair motor vehicles, [. Such person] and shall  
82 be qualified to conduct such business in accordance with the  
83 requirements of section 14-52a.

84 (2) "Used car dealer" includes (A) any person, firm or corporation  
85 engaged in the business of merchandising motor vehicles other than  
86 new, [who] and (B) any person, firm or corporation licensed as a  
87 manufacturer, as defined in subsection (e) of section 14-52b, as amended  
88 by this act, that is engaged in the business of merchandising motor  
89 vehicles other than new and licensed as a used car dealer as provided in  
90 said subsection. Such person, firm or corporation may, incidental to  
91 such business, repair motor vehicles. A used car dealer does not include  
92 any person, firm or corporation engaged in the business of leasing or  
93 renting motor vehicles that offers for sale or sells used motor vehicles  
94 incidental to its primary business, if ~~[(A)]~~ such person, firm or  
95 corporation is licensed in accordance with the provisions of section 14-  
96 15, and ~~[(B)]~~ the motor vehicles that it offers for sale were formerly the  
97 subject of one or more lease agreements to which it was a party and the  
98 actual or prospective purchaser is the original lessee pursuant to a  
99 purchase option specified in a lease agreement. Such person, firm or  
100 corporation shall be qualified to conduct such business in accordance  
101 with the requirements of section 14-52a.

102 Sec. 3. Section 14-67a of the general statutes is repealed and the  
103 following is substituted in lieu thereof (*Effective October 1, 2022*):

104 (a) No person, firm or corporation shall engage in the business of  
105 manufacturing motor vehicles for sale in this state without having been  
106 issued a manufacturer's license, which license shall expire biennially on  
107 the last day of June. Application for such license or renewal thereof may  
108 be made to the Commissioner of Motor Vehicles in such form as the  
109 commissioner shall require. The commissioner may require with such  
110 application all of the following, which ~~[he]~~ the commissioner may  
111 consider in determining the fitness of such applicant to engage in  
112 business as a manufacturer of motor vehicles for sale in this state:

113 (1) Information relating to the applicant's solvency and ~~[his]~~ financial  
114 standing;

115 (2) A certified copy of any warranty made by the manufacturer or any

116 other party in whom title to such motor vehicle may have been vested  
117 prior to possession of such motor vehicle being transferred to a person  
118 licensed under the provisions of this section;

119 (3) A copy of the applicant's standard franchise agreement and all  
120 supplements thereto, together with a list of the applicant's authorized  
121 dealers or distributors in this state and their [address] addresses. Such  
122 applicant shall notify the commissioner immediately of the  
123 appointment of any additional dealers or distributors or any revisions  
124 of or additions to the basic franchise agreement on file with [him] the  
125 commissioner, or of any individual dealer or distributor supplements to  
126 such agreement. The provisions of this subdivision shall not apply to  
127 any manufacturer licensed as a new or used car dealer pursuant to  
128 subsection (e) of section 14-52b, as amended by this act;

129 (4) A certified copy of the delivery and preparation obligations of the  
130 applicant's new car dealers, which obligations shall constitute such new  
131 car dealers' only responsibility for product liability between the dealer  
132 and the manufacturer;

133 (5) An affidavit stating the rates such applicant pays or agrees to pay  
134 any authorized new car dealer for parts and labor used and expended  
135 by such authorized new car dealer for the manufacturer under delivery  
136 and preparation obligations under the new car warranty;

137 (6) A biennial license fee of two thousand three hundred dollars,  
138 which fee shall not be subject to refund or proration; and

139 (7) Any other pertinent matter commensurate with the safeguarding  
140 of the public interest.

141 (b) An application for renewal of such license filed with the  
142 commissioner after the expiration date of such license shall be  
143 accompanied by a late fee of two hundred fifty dollars. The  
144 commissioner shall not renew any license under this section which has  
145 expired for more than forty-five days.

146 Sec. 4. Section 42-133r of the general statutes is repealed and the  
147 following is substituted in lieu thereof (*Effective October 1, 2022*):

148 As used in this section and sections [42-133r] 42-133s to 42-133ee,  
149 inclusive, unless the context indicates a different meaning:

150 (1) "Manufacturer" means any person who manufactures or  
151 assembles new motor vehicles, or imports motor vehicles for  
152 distribution to dealers or through distributors, or factory branches, but  
153 does not include any manufacturer licensed as a new or used car dealer  
154 pursuant to subsection (e) of section 14-52b, as amended by this act.

155 (2) "Distributor" means any person who offers for sale, sells or  
156 distributes any new motor vehicle to dealers or who maintains factory  
157 representatives or who controls any person, firm, association, joint  
158 venture corporation or trust, who offers for sale, sells or distributes any  
159 new motor vehicle to dealers.

160 (3) "Factory branch" means a branch office maintained by a  
161 manufacturer for the purpose of selling, or offering for sale, motor  
162 vehicles to a distributor or dealer, or for directing or supervising factory  
163 or distributor representatives.

164 (4) "Owner" means any person holding an ownership interest in a  
165 business entity operating as a dealer or under a franchise as defined in  
166 this section either as a corporation, partnership or sole proprietorship.  
167 To the extent that the rights of any owner under this section and sections  
168 [42-133r] 42-133s to 42-133ee, inclusive, conflict with the rights of any  
169 other owner, such rights shall accrue in priority order based on the  
170 percentage of ownership interest held by each owner with the owner  
171 having the greatest ownership interest having first priority and  
172 succeeding priority accruing to other owners in the descending order of  
173 their percentage of ownership interest.

174 (5) "Dealership facilities" means real estate, buildings, fixtures and  
175 improvements which are used in the course of business under a  
176 franchise by a new motor vehicle dealer.

177 (6) "Dealer" means any person engaged in the business of selling,  
178 offering to sell, soliciting or advertising the sale of new motor vehicles  
179 and who holds a valid sales and service agreement, franchise or  
180 contract, granted by a manufacturer or distributor for the retail sale of  
181 the manufacturer's or distributor's new motor vehicles.

182 (7) "Motor vehicle" means a self-propelled vehicle intended primarily  
183 for use and operation on the public highways, other than a farm tractor  
184 or other machinery or tools used in the production, harvesting and care  
185 of farm products.

186 (8) "New motor vehicle" means a motor vehicle which has been sold  
187 to a new motor vehicle dealer and which has not been used for other  
188 than demonstration purposes and on which the original title has not  
189 been issued from the new motor vehicle dealer.

190 (9) "Established place of business" means a permanent, commercial  
191 building easily accessible and open to the public at reasonable times and  
192 at which the business of a new motor vehicle dealer, including the  
193 display and repair of vehicles, may be lawfully carried on.

194 (10) "Franchise" means a written agreement or contract between a  
195 manufacturer or distributor and a dealer which purports to fix the legal  
196 rights and liabilities of the parties to such agreement or contract, and  
197 pursuant to which the dealer purchases and resells the franchise  
198 product or leases or rents the dealership premises.

199 (11) "Good faith" means honesty in fact and the observance of  
200 reasonable commercial standards of fair dealing in the trade.

201 (12) "Designated family member" means the spouse, child,  
202 grandchild, parent, brother or sister of an owner who, in the case of the  
203 owner's death, is entitled to inherit the ownership interest in the dealer  
204 under the terms of the owner's will, or who has been nominated in any  
205 other written instrument, or who, in the case of an incapacitated owner  
206 of a dealer, has been appointed by a court as the legal representative of  
207 the dealer's property.

