1	S.241
2	Introduced by Senator Perchlik
3	Referred to Committee on
4	Date:
5	Subject: Motor vehicles; motor vehicle dealers; motor vehicle manufacturers
6	Statement of purpose of bill as introduced: This bill proposes to distinguish
7	between motor vehicle dealers and motor vehicle manufacturers from motor
8	vehicle manufacturers that sell directly to consumers.
9 10	An act relating to motor vehicle manufacturers that sell directly to consumers
11	It is hereby enacted by the General Assembly of the State of Vermont:
12	Sec. 1. 23 V.S.A. § 4(8) is amended to read:
13	(8)(A)(i) "Dealer" means a person, partnership, corporation, or other
14	entity engaged in the business of selling or exchanging new or used motor
15	vehicles, snowmobiles, motorboats, or all-terrain vehicles. A dealer may, as
16	part of or incidental to such business, repair such vehicles or motorboats, sell
17	parts and accessories, or lease or rent such vehicles or motorboats. "Dealer"
18	shall not include a finance or auction dealer, or a transporter, or motor vehicle

* * *

- 19 <u>manufacturer that sells directly to consumers</u>.
- 20

1	(B) "Motor vehicle manufacturer that sells directly to consumers"
2	means any person that manufactures motor vehicles and also engages in the
3	business of directly selling its motor vehicles to consumers. A motor vehicle
4	manufacturer that sells directly to consumers may, as part of or incidental to
5	such business, repair such vehicles or motorboats, sell parts and accessories, or
6	lease or rent such vehicles or motorboats.
7	* * *
8	Sec. 2. 9 V.S.A. § 4085 is amended to read:
9	§ 4085. DEFINITIONS
10	The following words, terms, and phrases when used in this chapter shall
11	have the meanings respectively ascribed to them in this section, except where
12	the context clearly indicates a different meaning:
13	* * *
14	(10)(A) "Manufacturer" means any person, resident, or nonresident who
15	manufactures or assembles new motor vehicles, or imports for distribution
16	through distributors of motor vehicles, or any partnership, firm, association,
17	joint venture, corporation, or trust, resident or nonresident, which is controlled
18	by the manufacturer.
19	(B) Additionally, the term manufacturer shall include the following
20	terms:

1	(i) "Distributor" means any person, resident or nonresident, who
2	in whole or in part offers for sale, sells, or distributes any new motor vehicle to
3	new motor vehicle dealers or who maintains factory representatives or who
4	controls any person, firm, association, corporation, or trust, resident or
5	nonresident, who in whole or in part offers for sale, sells, or distributes any
6	new motor vehicle to new motor vehicle dealers; and
7	(ii) "Factory branch" means a branch office maintained by a
8	manufacturer for the purpose of selling, or offering for sale, vehicles to a
9	distributor or new motor vehicle dealer, or for directing or supervising in
10	whole or in part factory or distributor representatives.
11	(C) The term manufacturer shall not include a motor vehicle
12	manufacturer that sells directly to consumers.
13	* * *
14	(13) "New motor vehicle dealer" means any person engaged in the
15	business of selling, offering to sell, soliciting, or advertising the sale of new
16	motor vehicles and who holds, or held at the time a cause of action under this
17	chapter accrued, a valid sales and service agreement, franchise, or contract,
18	granted by the manufacturer or distributor for the retail sale of said
19	manufacturer's or distributor's new motor vehicles. The term new motor
20	vehicle dealer shall not include a motor vehicle manufacturer that sells directly
21	to consumers.

1	* * *
2	(18) "Motor vehicle manufacturer that sells directly to consumers"
3	means any person that manufactures motor vehicles and also engages in the
4	business of directly selling its motor vehicles to consumers.
5	Sec. 3. 9 V.S.A. § 4086a is added to read:
6	<u>§ 4086a. MOTOR VEHICLE MANUFACTURER THAT SELLS</u>
7	DIRECTLY TO CONSUMERS; SERVICE FACILITY
8	A motor vehicle manufacturer that sells directly to consumers may own,
9	operate, or control, either directly or indirectly, a motor vehicle warranty or
10	service facility located in the State.
11	Sec. 4. EFFECTIVE DATE
12	This act shall take effect on passage.