

## LEGISLATIVE BILL 200

Approved by the Governor March 30, 1993

Introduced by Byars, 30

AN ACT relating to motor vehicles; to amend section 60-1401.02, Revised Statutes Supplement, 1992; to define and redefine terms; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 60-1401.02, Revised Statutes Supplement, 1992, be amended to read as follows:

60-1401.02. For purposes of Chapter 60, article 14, and sections 60-2601 to 60-2607, unless the context otherwise requires:

(1) Person shall mean every natural person, firm, copartnership, association, or corporation;

(2) Association shall mean any two or more persons acting with a common purpose, regardless of the relative degrees of involvement, and shall include, but not be limited to, the following persons so acting:

(a) A person and one or more of his or her family members. For purposes of this subdivision, family member shall mean an individual related to the person by blood, marriage, adoption, or legal guardianship as the person's spouse, child, parent, brother, sister, grandchild, grandparent, ward, or legal guardian or any individual so related to the person's spouse; and

(b) Two or more persons living in the same dwelling unit, whether or not related to each other;

(3) Motor vehicle dealer shall mean any person, other than a bona fide consumer, actively and regularly engaged in the business of selling or exchanging new or used motor vehicles and trailers who buys, sells, exchanges, causes the sale of, or offers or attempts to sell five or more new or used motor vehicles, in any one calendar year. Such person shall be deemed to be a motor vehicle dealer and subject to Chapter 60, article 14;

(4) Trailer dealer shall mean any person, other than a bona fide consumer, actively and regularly engaged in the business of selling or exchanging new or used trailers; and any person who buys, sells, exchanges, or offers or attempts to sell three or more new or used trailers in any one calendar year shall be deemed to be a trailer dealer and subject to Chapter 60, article 14;

(5) Wrecker or salvage dealer shall mean any person who acquires one or more motor vehicles or trailers solely for the purpose of dismantling them for the purpose of reselling the parts or reselling the vehicles as scrap;

(6) Motor vehicle shall mean any vehicle for which evidence of title is required as a condition precedent to registration under

the laws of this state but shall not include trailers;

(7) Used motor vehicle shall mean every motor vehicle which has been sold, bargained, exchanged, given away, or for which title has been transferred from the person who first acquired it from the manufacturer, importer, dealer, or agent of the manufacturer or importer. A new motor vehicle shall not be considered a used motor vehicle until it has been placed in use by a bona fide consumer, use; notwithstanding the number of transfers of such motor vehicle; ~~—Bona fide consumer use shall mean actual operation by an owner who acquired the vehicle for use in business or for pleasure purposes, who has been granted a certificate of title on such motor vehicle, and who has registered such motor vehicle, all in accordance with the laws of the residence of the owner;~~

(8) New motor vehicle shall mean all motor vehicles which are not included within the definition of a used motor vehicle in this section;

(9) Trailer shall mean trailers and semitrailers as defined in section 60-301 which are required to be licensed as commercial trailers, other vehicles without motive power constructed so as to permit their being used as conveyances upon the public streets and highways and so constructed as not to be attached to real estate and to permit the vehicle to be used for human habitation by one or more persons, and camping trailers, slide-in campers, fold-down campers, and fold-down tent trailers. Machinery and equipment to which wheels are attached and designed for being drawn by a motor vehicle shall be excluded from the provisions of Chapter 60, article 14;

(10) Motorcycle dealer shall mean any person, other than a bona fide consumer, actively and regularly engaged in the business of selling or exchanging new or used motorcycles; ~~—and any person who buys, sells, exchanges, or offers or attempts to sell three or more new or used motorcycles in any one calendar year shall be deemed to be a motorcycle dealer and subject to Chapter 60, article 14;~~

(11) Motorcycle shall mean every motor vehicle, except a tractor, having a seat or saddle for use of the rider and designed to travel on not more than three wheels in contact with the ground and for which evidence of title is required as a condition precedent to registration under the laws of this state;

(12) Auction shall mean a sale of motor vehicles and trailers of types required to be registered in this state, except such vehicles as are eligible for registration pursuant to section 60-305.09, sold or offered for sale at which the price offered is increased by the prospective buyers who bid against one another, the highest bidder becoming the purchaser. The holding of a farm auction or an occasional motor vehicle or trailer auction of not more than two auctions in a calendar year shall not be construed as constituting an auction subject to Chapter 60, article 14;

(13) Auction dealer shall mean any person engaged in the business of conducting an auction for the sale of motor vehicles and trailers as defined in this section;

(14) Supplemental motor vehicle, trailer, motorcycle, or motor vehicle auction dealer shall mean any person holding either a motor vehicle, trailer, motorcycle, or motor vehicle auction dealer's license engaging in the business authorized by such license at a place of business that is more than three hundred feet from any part of the place of business designated in the dealer's original license but which is located within the city or county described in such original license;

(15) Motor vehicle, motorcycle, or trailer salesperson shall mean any person who, for a salary, commission, or compensation of any kind, is employed directly by only one specified licensed Nebraska motor vehicle dealer, motorcycle dealer, or trailer dealer, except when the salesperson is working for two or more dealerships with common ownership, to sell, purchase, or exchange or to negotiate for the sale, purchase, or exchange of motor vehicles, motorcycles, or trailers. A person owning any part of more than one dealership may be a salesperson for each of such dealerships. Common ownership is defined for the purpose of this section to mean that there is at least an eighty percent interest in each dealership by one or more persons having ownership in such dealership;

(16) Manufacturer shall mean any person, resident or nonresident of this state, who is engaged in the business of distributing, manufacturing, or assembling new motor vehicles, trailers, or motorcycles, and also shall have the same meaning as the term franchisor as used in Chapter 60, article 14;

(17) Factory representative shall mean a representative employed by a person who manufactures or assembles motor vehicles, motorcycles, or trailers, or by a factory branch, for the purpose of promoting the sale of its motor vehicles, motorcycles, or trailers to, or for supervising or contacting, its dealers or prospective dealers in this state;

(18) Distributor shall mean a person, resident or nonresident of this state, who in whole or in part sells or distributes new motor vehicles, trailers, or motorcycles to dealers or who maintains distributors or representatives who sell or distribute motor vehicles, trailers, or motorcycles to dealers, and shall also have the same meaning as the term franchisor as used in Chapter 60, article 14;

(19) Finance company shall mean any person engaged in the business of financing sales of motor vehicles, motorcycles, or trailers, or purchasing or acquiring promissory notes, secured instruments, or other documents whereby such motor vehicles, motorcycles, or trailers are pledged as security for payment of obligations arising from such sales and who may find it necessary to engage in the activity of repossession and the sale of the motor vehicles, motorcycles, or trailers so pledged;

(20) Franchise shall mean a contract between two or more persons when all of the following conditions are included:

(a) A commercial relationship of definite duration or continuing indefinite duration is involved;

(b) The franchisee is granted the right to offer and sell motor vehicles manufactured or distributed by the franchisor;

(c) The franchisee, as an independent business, constitutes a component of the franchisor's distribution system;

(d) The operation of the franchisee's business is substantially associated with the franchisor's trademark, service mark, trade name, advertising, or other commercial symbol designating the franchisor; and

(e) The operation of the franchisee's business is substantially reliant on the franchisor for the continued supply of motor vehicles, parts, and accessories;

(21) Franchisee shall mean a new motor vehicle dealer who receives motor vehicles from the franchisor under a franchise and who offers and sells such motor vehicles to the general public;

(22) Franchisor shall mean a person who manufactures or distributes motor vehicles and who may enter into a franchise;

(23) Community shall mean a franchisee's area of responsibility as stipulated in the franchise;

(24) Consumer care shall mean the performance, for the public, of necessary maintenance and repairs to motor vehicles;

(25) Sale, selling, and equivalent expressions shall mean the attempted act or acts either as principal, agent, or salesperson or in any capacity whatsoever of selling, bartering, exchanging, or otherwise disposing of or negotiating or offering or attempting to negotiate the sale, purchase, or exchange of or interest in any motor vehicle, trailer, or motorcycle, including the leasing thereof with a right or option to purchase under the terms of the lease;

(26) Established place of business shall mean a permanent location within this state, easily accessible to the public, owned or leased by the applicant or a licensee for at least the term of the license year, and conforming with applicable zoning laws, at which the licensee conducts the business for which he or she is licensed and may be contacted by the public during posted reasonable business hours which shall be not less than forty hours per week. The established place of business shall have the following facilities: (a) Office space in a building or mobile home, which space shall be clean, dry, safe, and well lighted and in which shall be kept and maintained all books, records, and files necessary for the conduct of the licensed business, which premises, books, records, and files shall be available for inspection during regular business hours by any peace officer or investigator employed or designated by the board. Dealers shall, upon demand of the board's investigator, furnish copies of records so required when conducting any investigation of a complaint; (b) a sound and well-maintained sign which is legible from a public road and displayed with letters not less than eight inches in height and one contiguous area to display ten or more motor vehicles, motorcycles, or trailers in a presentable manner; (c) adequate repair facilities and tools to properly and actually service warranties on motor vehicles, motorcycles, or trailers sold at such place of business and to make other repairs arising out of the conduct of the licensee's business or, in lieu of such repair facilities, the licensee may enter into a contract for the provision of such

service and file a copy thereof annually with the board and shall furnish to each buyer a written statement as to where such service will be provided as required by section 60-1417. The service facility shall be located in the same county as the licensee unless the board specifically authorizes the facility to be located elsewhere. Such facility shall maintain regular business hours and shall have suitable repair equipment and facilities to service and inspect the type of vehicles sold by the licensee. Investigators of the board may certify ongoing compliance with the service and inspection facilities or repair facilities; and (d) an operating telephone connected with a public telephone exchange and located on the premises of the established place of business with a telephone number listed by the public telephone exchange and available to the public during the required posted business hours. A mobile truck equipped with repair facilities to properly perform warranty functions and other repairs shall be deemed adequate repair facilities for trailers. The above requirements shall not apply to the place of business authorized under a supplemental motor vehicle, motorcycle, or trailer dealer's license;

(27) Retail, when used to describe a sale, shall mean a sale to any person other than a licensed dealer of any kind within the definitions of this section;

(28) Factory branch shall mean a branch office maintained in this state by a person who manufactures, assembles, or distributes motor vehicles, motorcycles, or trailers for the sale of such motor vehicles, motorcycles, or trailers to distributors or dealers or for directing or supervising, in whole or in part, its representatives in this state;

(29) Distributor representative shall mean a representative employed by a distributor or distributor branch for the same purpose as set forth in the definition of factory representative in this section;

(30) Board shall mean the Nebraska Motor Vehicle Industry Licensing Board;

(31) Scrap metal processor shall mean any person engaged in the business of buying vehicles, motorcycles, or parts thereof for the purpose of remelting or processing into scrap metal or who otherwise processes ferrous or nonferrous metallic scrap for resale. No scrap metal processor shall sell vehicles or motorcycles without obtaining a wrecker or salvage dealer license;

(32) Designated family member shall mean the spouse, child, grandchild, parent, brother, or sister of the owner of a new motor vehicle dealership who, in the case of the owner's death, is entitled to inherit the ownership interest in the new motor vehicle dealership under the terms of the owner's will, who has been nominated in any other written instrument, or who, in the case of an incapacitated owner of such dealership, has been appointed by a court as the legal representative of the new motor vehicle dealer's property; ~~and~~

(33) Bona fide consumer shall mean an owner of a motor vehicle, motorcycle, or trailer who has acquired such vehicle for use in business or for pleasure purposes, who has been granted a certificate of title on such motor vehicle, motorcycle, or trailer, and who has registered

such motor vehicle, motorcycle, or trailer, all in accordance with the laws of the residence of the owner; and

(34) This act shall mean Chapter 60, article 14.

Nothing in Chapter 60, article 14, shall apply to the State of Nebraska or any of its agencies or subdivisions. No insurance company, finance company, public utility company, fleet owner, or other person coming into possession of any motor vehicle, motorcycle, or trailer, as an incident to its regular business, who shall sell or exchange such motor vehicle, motorcycle, or trailer shall be considered a dealer as defined in this section, except persons whose regular business is leasing or renting motor vehicles, motorcycles, or trailers.

Sec. 2. That original section 60-1401.02, Revised Statutes Supplement, 1992, is repealed.