1 A bill to be entitled 2 An act relating to the advertisement of vehicle and 3 metals purchasing; amending s. 320.27, F.S.; revising 4 the definition of the term "motor vehicle dealer"; 5 defining the term "advertise"; requiring a person to 6 be licensed by the Department of Highway Safety and 7 Motor Vehicles as a motor vehicle dealer to advertise for the purchase or sale of motor vehicles; requiring 8 9 motor vehicle dealer advertisements to include certain 10 information; prohibiting an unlicensed person from 11 using certain vehicles to transport certain vehicles; 12 providing for the impoundment of a wrecker or tow truck used in violation of licensure requirements; 13 14 providing penalties; amending s. 538.18, F.S.; 15 defining the term "advertise" as used in provisions relating to secondary metals recyclers; amending s. 16 538.25, F.S.; requiring persons who advertise to 17 provide services as a secondary metals recycler to be 18 19 registered with the Department of Revenue; requiring 20 secondary metals recycler advertisements to include 21 certain information; prohibiting a person not 2.2 registered as a secondary metals recycler from using a wrecker or tow truck to transport certain metals; 23 24 providing for the impoundment of a wrecker or tow 25 truck used in violation of registration requirements; 26 providing penalties; amending s. 320.131, F.S.;

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conforming a cross-reference; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsections (8) through (14) of section 320.27, Florida Statutes, are renumbered as subsections (9) through (15), respectively, paragraph (c) of subsection (1), subsection (2), and present subsections (8) and (9) are amended, paragraph (g) is added to subsection (1), and a new subsection (8) is added to that section, to read:

320.27 Motor vehicle dealers.-

- (1) DEFINITIONS.—The following words, terms, and phrases when used in this section have the meanings respectively ascribed to them in this subsection, except where the context clearly indicates a different meaning:
- (c) "Motor vehicle dealer" means any person engaged in the business of buying, selling, or dealing in motor vehicles or offering or displaying motor vehicles for sale at wholesale or retail, or who may service and repair motor vehicles pursuant to an agreement as defined in s. 320.60(1). Any person who buys, sells, or deals in three or more motor vehicles in any 12-month period or who offers or displays for purchase or sale for sale three or more motor vehicles in any 12-month period shall be prima facie presumed to be engaged in such business. The terms "selling" and "sale" include lease-purchase transactions. A

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motor vehicle dealer may, at retail or wholesale, sell a recreational vehicle as described in s. 320.01(1)(b)1.-6. and 8., acquired in exchange for the sale of a motor vehicle, provided such acquisition is incidental to the principal business of being a motor vehicle dealer. However, a motor vehicle dealer may not buy a recreational vehicle for the purpose of resale unless licensed as a recreational vehicle dealer pursuant to s. 320.771. A motor vehicle dealer may apply for a certificate of title to a motor vehicle required to be registered under s. 320.08(2)(b), (c), and (d), using a manufacturer's statement of origin as permitted by s. 319.23(1), only if such dealer is authorized by a franchised agreement as defined in s. 320.60(1), to buy, sell, or deal in such vehicle and is authorized by such agreement to perform delivery and preparation obligations and warranty defect adjustments on the motor vehicle; provided this limitation shall not apply to recreational vehicles, van conversions, or any other motor vehicle manufactured on a truck chassis. The transfer of a motor vehicle by a dealer not meeting these qualifications shall be titled as a used vehicle. The classifications of motor vehicle dealers are defined as follows:

- 1. "Franchised motor vehicle dealer" means any person who engages in the business of repairing, servicing, buying, selling, or dealing in motor vehicles pursuant to an agreement as defined in s. 320.60(1).
  - 2. "Independent motor vehicle dealer" means any person

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other than a franchised or wholesale motor vehicle dealer who engages in the business of buying, selling, or dealing in motor vehicles, and who may service and repair motor vehicles.

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- "Wholesale motor vehicle dealer" means any person who engages exclusively in the business of buying, selling, or dealing in motor vehicles at wholesale or with motor vehicle auctions. Such person shall be licensed to do business in this state, shall not sell or auction a vehicle to any person who is not a licensed dealer, and shall not have the privilege of the use of dealer license plates. Any person who buys, sells, or deals in motor vehicles at wholesale or with motor vehicle auctions on behalf of a licensed motor vehicle dealer and as a bona fide employee of such licensed motor vehicle dealer is not required to be licensed as a wholesale motor vehicle dealer. In such cases it shall be prima facie presumed that a bona fide employer-employee relationship exists. A wholesale motor vehicle dealer shall be exempt from the display provisions of this section but shall maintain an office wherein records are kept in order that those records may be inspected.
- 4. "Motor vehicle auction" means any person offering motor vehicles or recreational vehicles for sale to the highest bidder where buyers are licensed motor vehicle dealers. Such person shall not sell a vehicle to anyone other than a licensed motor vehicle dealer.
- 5. "Salvage motor vehicle dealer" means any person who engages in the business of acquiring salvaged or wrecked motor

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vehicles for the purpose of reselling them and their parts.

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The term "motor vehicle dealer" does not include persons not engaged in the purchase or sale of motor vehicles as a business who are disposing of vehicles acquired for their own use or for use in their business or acquired by foreclosure or by operation of law, provided such vehicles are acquired and sold in good faith and not for the purpose of avoiding the provisions of this law; persons who buy or sell vehicles titled in their own names; persons engaged in the business of manufacturing, selling, or offering or displaying for sale at wholesale or retail no more than 25 trailers in a 12-month period; public officers while performing their official duties; receivers; trustees, administrators, executors, guardians, or other persons appointed by, or acting under the judgment or order of, any court; banks, finance companies, or other loan agencies that acquire motor vehicles as an incident to their regular business; motor vehicle brokers; and motor vehicle rental and leasing companies that sell motor vehicles to motor vehicle dealers licensed under this section, and nonprofit organizations recognized as exempt from federal income tax under s. 501(c)(3) of the Internal Revenue Code. Vehicles owned under circumstances described in this paragraph may be disposed of at retail, wholesale, or auction, unless otherwise restricted. A manufacturer of fire trucks, ambulances, or school buses may sell such vehicles directly to governmental agencies or to persons who contract to perform or

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provide firefighting, ambulance, or school transportation services exclusively to governmental agencies without processing such sales through dealers if such fire trucks, ambulances, school buses, or similar vehicles are not presently available through motor vehicle dealers licensed by the department.

- (g) "Advertise" means the act of offering to buy, sell, or deal in motor vehicles, or to offer or display motor vehicles for sale at wholesale or retail, or to service and repair motor vehicles pursuant to an agreement as defined in s. 320.60(1), by use of a paid or unpaid announcement to the public, in any form, including print, televised, radio, or online advertisements, or by using permanent or temporary signs.
- (2) LICENSE REQUIRED.—No person shall engage in business as, serve in the capacity of, advertise to provide services as, or act as a motor vehicle dealer in this state without first obtaining a license therefor in the appropriate classification as provided in this section. With the exception of transactions with motor vehicle auctions, no person other than a licensed motor vehicle dealer may advertise for sale any motor vehicle belonging to another party unless as a direct result of a bona fide legal proceeding, court order, settlement of an estate, or by operation of law. However, owners of motor vehicles titled in their names may advertise and offer vehicles for sale on their own behalf and are exempt from the requirements of this section. It shall be unlawful for a licensed motor vehicle dealer to allow any person other than a bona fide employee to use the

motor vehicle dealer license for the purpose of acting in the capacity of or conducting motor vehicle sales transactions as a motor vehicle dealer. Any person selling or offering a motor vehicle for sale in violation of the licensing requirements of this subsection, or who misrepresents to any person its relationship with any manufacturer, importer, or distributor, in addition to the penalties provided herein, shall be deemed guilty of an unfair and deceptive trade practice as defined in part II of chapter 501 and shall be subject to the provisions of subsections (8) and (9) and (10).

- (8) ADVERTISING.—If a licensee chooses to advertise, the licensee shall provide, on all advertisements, in clear text, his or her company name as filed with the Department of State pursuant to chapter 607, the physical address and telephone number as provided to the department, and his or her motor vehicle dealer license number. This subsection does not apply to signage physically attached to the outside of a dealership or located on dealership property or on an easement directly adjacent to dealership property.
  - $(9) \frac{(8)}{(8)}$  PENALTY.

- (a) Any person found guilty of violating any of the provisions of this section is guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.
- (b)1. A person who is not licensed as or employed by a licensed motor vehicle dealer may not use a wrecker, tow truck,

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183 trailer, dolly, or other vehicle to transport motor vehicles 184 purchased, sold, or dealt with in violation of this section or 185 to offer or display motor vehicles for sale at wholesale or 186 retail. A law enforcement officer from any local governmental 187 agency or state law enforcement agency may cause to be 188 immediately removed and impounded, at the owner's expense, a 189 wrecker, tow truck, trailer, dolly, or other vehicle used in 190 violation of this subsection. The impounded wrecker, tow truck, trailer, dolly, or other vehicle must be stored at an authorized 192 law enforcement impound facility and may not be released from 193 such facility before a release form is completed by the 194 authority that ordered the removal and impoundment which 195 verifies that the cost recovery fine, as provided for in s. 196 323.002(3)(b), has been paid to the authority. Except as 197 provided in subparagraph 2., the vehicle must remain impounded 198 until the fine is paid or until the vehicle is sold at public 199 sale pursuant to s. 713.78(6).

- 2. The owner of a vehicle impounded under this section may request a hearing with the local jurisdiction within 10 business days after the impoundment. If, at the hearing, the owner shows that he or she had no knowledge that the vehicle was being used in violation of this section, the vehicle shall be released to the owner.
  - (10) <del>(9)</del> DENIAL, SUSPENSION, OR REVOCATION.—
- The department may deny, suspend, or revoke any license issued hereunder or under the provisions of s. 320.77 or

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CODING: Words stricken are deletions; words underlined are additions.

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- 209 s. 320.771 upon proof that an applicant or a licensee has:
  - 1. Committed fraud or willful misrepresentation in application for or in obtaining a license.
    - 2. Been convicted of a felony.

- 3. Failed to honor a bank draft or check given to a motor vehicle dealer for the purchase of a motor vehicle by another motor vehicle dealer within 10 days after notification that the bank draft or check has been dishonored. If the transaction is disputed, the maker of the bank draft or check shall post a bond in accordance with the provisions of s. 559.917, and no proceeding for revocation or suspension shall be commenced until the dispute is resolved.
- 4.a. Failed to provide payment within 10 business days to the department for a check payable to the department that was dishonored due to insufficient funds in the amount due plus any statutorily authorized fee for uttering a worthless check. The department shall notify an applicant or licensee when the applicant or licensee makes payment to the department by a check that is subsequently dishonored by the bank due to insufficient funds. The applicant or licensee shall, within 10 business days after receiving the notice, provide payment to the department in the form of cash in the amount due plus any statutorily authorized fee. If the applicant or licensee fails to make such payment within 10 business days, the department may deny, suspend, or revoke the applicant's or licensee's motor vehicle dealer license.

b. Stopped payment on a check payable to the department, issued a check payable to the department from an account that has been closed, or charged back a credit card transaction to the department. If an applicant or licensee commits any such act, the department may deny, suspend, or revoke the applicant's or licensee's motor vehicle dealer license.

- (b) The department may deny, suspend, or revoke any license issued hereunder or under the provisions of s. 320.77 or s. 320.771 upon proof that a licensee has committed, with sufficient frequency so as to establish a pattern of wrongdoing on the part of a licensee, violations of one or more of the following activities:
- 1. Representation that a demonstrator is a new motor vehicle, or the attempt to sell or the sale of a demonstrator as a new motor vehicle without written notice to the purchaser that the vehicle is a demonstrator. For the purposes of this section, a "demonstrator," a "new motor vehicle," and a "used motor vehicle" shall be defined as under s. 320.60.
- 2. Unjustifiable refusal to comply with a licensee's responsibility under the terms of the new motor vehicle warranty issued by its respective manufacturer, distributor, or importer. However, if such refusal is at the direction of the manufacturer, distributor, or importer, such refusal shall not be a ground under this section.
- 3. Misrepresentation or false, deceptive, or misleading statements with regard to the sale or financing of motor

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vehicles which any motor vehicle dealer has, or causes to have, advertised, printed, displayed, published, distributed, broadcast, televised, or made in any manner with regard to the sale or financing of motor vehicles.

- 4. Failure by any motor vehicle dealer to provide a customer or purchaser with an odometer disclosure statement and a copy of any bona fide written, executed sales contract or agreement of purchase connected with the purchase of the motor vehicle purchased by the customer or purchaser.
- 5. Failure of any motor vehicle dealer to comply with the terms of any bona fide written, executed agreement, pursuant to the sale of a motor vehicle.
- 6. Failure to apply for transfer of a title as prescribed in s. 319.23(6).
- 7. Use of the dealer license identification number by any person other than the licensed dealer or his or her designee.
- 8. Failure to continually meet the requirements of the licensure law.
- 9. Representation to a customer or any advertisement to the public representing or suggesting that a motor vehicle is a new motor vehicle if such vehicle lawfully cannot be titled in the name of the customer or other member of the public by the seller using a manufacturer's statement of origin as permitted in s. 319.23(1).
- 10. Requirement by any motor vehicle dealer that a customer or purchaser accept equipment on his or her motor

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vehicle which was not ordered by the customer or purchaser.

- 11. Requirement by any motor vehicle dealer that any customer or purchaser finance a motor vehicle with a specific financial institution or company.
- 12. Requirement by any motor vehicle dealer that the purchaser of a motor vehicle contract with the dealer for physical damage insurance.
- 13. Perpetration of a fraud upon any person as a result of dealing in motor vehicles, including, without limitation, the misrepresentation to any person by the licensee of the licensee's relationship to any manufacturer, importer, or distributor.
- 14. Violation of any of the provisions of s. 319.35 by any motor vehicle dealer.
- 15. Sale by a motor vehicle dealer of a vehicle offered in trade by a customer prior to consummation of the sale, exchange, or transfer of a newly acquired vehicle to the customer, unless the customer provides written authorization for the sale of the trade-in vehicle prior to delivery of the newly acquired vehicle.
- 16. Willful failure to comply with any administrative rule adopted by the department or the provisions of s. 320.131(8).
- 17. Violation of chapter 319, this chapter, or ss. 559.901-559.9221, which has to do with dealing in or repairing motor vehicles or mobile homes. Additionally, in the case of used motor vehicles, the willful violation of the federal law

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and rule in 15 U.S.C. s. 2304, 16 C.F.R. part 455, pertaining to the consumer sales window form.

- 18. Failure to maintain evidence of notification to the owner or coowner of a vehicle regarding registration or titling fees owed as required in s. 320.02(16).
- 19. Failure to register a mobile home salesperson with the department as required by this section.
- 20. Failure to comply with the advertising requirements set forth in subsection (8).
- (c) When a motor vehicle dealer is convicted of a crime which results in his or her being prohibited from continuing in that capacity, the dealer may not continue in any capacity within the industry. The offender shall have no financial interest, management, sales, or other role in the operation of a dealership. Further, the offender may not derive income from the dealership beyond reasonable compensation for the sale of his or her ownership interest in the business.
- Section 2. Subsections (1) through (12) of 538.18, Florida Statutes, are renumbered as subsections (2) through (13), respectively, and a new subsection (1) is added to that section to read:
  - 538.18 Definitions.—As used in this part, the term:
- (1) "Advertise" means the act of offering to provide services as a secondary metals recycler by use of a paid or unpaid announcement to the public, in any form, including print, televised, radio, or online advertisements, or by using

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permanent or temporary signs.

Section 3. Section 538.25, Florida Statutes, is amended to read:

538.25 Registration.-

- (1) A person may not engage in business or advertise to provide services as a secondary metals recycler at any location without registering with the department. The department shall accept applications only from a fixed business address. The department may not accept an application that provides an address of a hotel room or motel room, a vehicle, or a post office box.
- (a) A fee equal to the federal and state costs for processing required fingerprints must be submitted to the department with each application for registration. One application is required for each secondary metals recycler. If a secondary metals recycler is the owner of more than one secondary metals recycling location, the application must list each location, and the department shall issue a duplicate registration for each location. For purposes of subsections (3), (4), and (5), these duplicate registrations shall be deemed individual registrations. A secondary metals recycler shall pay a fee of \$6 per location at the time of registration and an annual renewal fee of \$6 per location on October 1 of each year. All fees collected, less costs of administration, shall be transferred into the Operating Trust Fund.
  - (b) The department shall forward the full set of

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fingerprints to the Department of Law Enforcement for state and federal processing, provided the federal service is available, to be processed for any criminal justice information as defined in s. 943.045. The cost of processing such fingerprints shall be payable to the Department of Law Enforcement by the department. The department may issue a temporary registration to each location pending completion of the background check by state and federal law enforcement agencies but shall revoke such temporary registration if the completed background check reveals a prohibited criminal background. The Department of Law Enforcement shall report its findings to the Department of Revenue within 30 days after the date the fingerprints are submitted for criminal justice information.

- (c) An applicant for a secondary metals recycler registration must be a natural person who has reached the age of 18 years or a corporation organized or qualified to do business in the state.
- 1. If the applicant is a natural person, the registration must include a complete set of her or his fingerprints, certified by an authorized law enforcement officer, and a recent fullface photographic identification card of herself or himself.
- 2. If the applicant is a partnership, all the partners must make application for registration.
- 3. If the applicant is a corporation, the registration must include the name and address of such corporation's registered agent for service of process in the state and a

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certified copy of statement from the Secretary of State that the corporation is duly organized in the state or, if the corporation is organized in a state other than Florida, a certified copy of the statement that the corporation is duly qualified to do business in this state.

- (2) A secondary metals recycler's registration shall be conspicuously displayed at the place of business set forth on the registration. A secondary metals recycler shall not dispose of property at any location until any holding period has expired.
- advertise, the registered secondary metals recycler shall provide, on all advertisements, in clear text, his or her company name as filed with the Department of State pursuant to chapter 607, the physical address and telephone number as provided to the department, and secondary metals recycler registration number. This subsection does not apply to signage physically attached to the outside of a secondary metals recycler's facilities or located on the registrant's property or on an easement directly adjacent to the registrant's property.
- (4)(3) The Department of Revenue may impose a civil fine of up to \$10,000 for each knowing and intentional violation of this section, which fine shall be transferred into the General Revenue Fund. If the fine is not paid within 60 days, the department may bring a civil action under s. 120.69 to recover the fine.

(5) (4) In addition to the fine provided in subsection (4) (3), registration under this section may be denied or any registration granted may be revoked, restricted, or suspended by the department if, after October 2, 1989, and within a 24-month period immediately preceding such denial, revocation, restriction, or suspension:

- (a) The applicant or registrant has been convicted of knowingly and intentionally:
  - 1. Violating s. 538.20 or s. 538.21;

- 2. Engaging in a pattern of failing to keep records as required by s. 538.19;
- 3. Making a material false statement in the application for registration; or
- 4. Engaging in a fraudulent act in connection with any purchase or sale of regulated metals property;
- (b) The applicant or registrant has been convicted of, or entered a plea of guilty or nolo contendere to, a felony committed by the secondary metals recycler against the laws of the state or of the United States involving theft, larceny, dealing in stolen property, receiving stolen property, burglary, embezzlement, obtaining property by false pretenses, possession of altered property, or any felony drug offense or of knowingly and intentionally violating the laws of the state relating to registration as a secondary metals recycler; or
- (c) The applicant has, after receipt of written notice from the department of failure to pay sales tax, failed or

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refused to pay, within 30 days after the secondary metals recycler's receipt of such written notice, any sales tax owed to the department.

- (d) The applicant has, with sufficient frequency so as to establish a pattern of wrongdoing on the part of a registrant, failed to comply with the advertising requirements set forth in subsection (3).
- (6)(5) A denial of an application, or a revocation, restriction, or suspension of a registration, by the department shall be probationary for a period of 12 months in the event that the secondary metals recycler subject to such action has not had any other application for registration denied, or any registration revoked, restricted, or suspended, by the department within the previous 24-month period.
- (a) If, during the 12-month probationary period, the department does not again deny an application or revoke, restrict, or suspend the registration of the secondary metals recycler, the action of the department shall be dismissed and the record of the secondary metals recycler cleared thereof.
- (b) If, during the 12-month probationary period, the department, for reasons other than those existing prior to the original denial or revocation, restriction, or suspension, again denies an application or revokes, restricts, or suspends the registration of the secondary metals recycler, the probationary nature of such original action shall terminate and both the original action of the department and the action of the

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department causing the termination of the probationary nature thereof shall immediately be reinstated against the secondary metals recycler.

- (7) (6) Upon the request of a law enforcement official, the Department of Revenue shall release to the official the name and address of any secondary metals recycler registered to do business within the official's jurisdiction.
- (8) A person may not use a wrecker, tow truck, trailer, dolly, or other vehicle to obtain or transport ferrous or nonferrous metals purchased by the individual without being registered as or employed by a registered secondary metals recycler. A law enforcement officer from any local governmental agency or state law enforcement agency may cause to be immediately removed and impounded, at the owner's expense, a wrecker, tow truck, trailer, dolly, or other vehicle used in violation of this section.
- (a) The impounded wrecker, tow truck, trailer, dolly, or other vehicle must be stored at an authorized law enforcement impound facility and may not be released from such facility before a release form is completed by the authority that ordered the removal and impoundment which verifies that the cost recovery fine, as provided for in s. 323.002(3)(b), has been paid to the authority. Except as provided in subparagraph 2., the vehicle must remain impounded until the fine is paid or until the vehicle is sold at public sale pursuant to s. 713.78(6).

	(b)	Th∈	e owne:	r of a	a veh	icle	imp	ounde	ed u	nder	this	sec	ctior	<u>1</u>
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Section 4. Subsection (8) of section 320.131, Florida Statutes, is amended to read:

320.131 Temporary tags.-

- (8) The department shall administer an electronic system for licensed motor vehicle dealers to use for issuing temporary tags. If a dealer fails to comply with the department's requirements for issuing temporary tags using the electronic system, the department may deny, suspend, or revoke a license under s. 320.27(10) (b)16. 320.27(9) (b)16. upon proof that the licensee has failed to comply with the department's requirements. The department may adopt rules to administer this section.
- Section 5. This act shall take effect July 1, 2016.

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