

Assembly Bill No. 2286

Passed the Assembly August 31, 1996

Chief Clerk of the Assembly

Passed the Senate August 28, 1996

Secretary of the Senate

This bill was received by the Governor this ____ day
of _____, 1996, at ____ o'clock __M.

Private Secretary of the Governor



CHAPTER ____

An act to amend Sections 4456 and 4456.1 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2286, Boland. Vehicles: report-of-sale forms.

(1) Existing law requires dealers and lessor-retailers to submit completed report-of-sale forms and applications for registration or transfers of registrations to the Department of Motor Vehicles within 20 days from the date of a vehicle's sale. Existing law sets forth other dates within which corrected documents are required to be submitted to the department. Under existing law, an application first received by the department more than 40 days from the date of sale, or 30 days from the date that the application is first returned by the department, is subject to penalties.

This bill would extend each of the above dates by 10 days for used vehicles.

(2) Existing law imposes administrative service fees for late and incomplete filings of the documents described above. In addition, existing law provides that each of these violations is a separate cause for disciplinary action, and provides that the failure to pay an administrative service fee within 30 days after written demand from the department is a separate cause for disciplinary action.

This bill would recast the above to make any violation of the provisions governing application filings subject to the disciplinary action. However, with regard to late filings, the bill would delete the current 30-day provision creating a separate cause for disciplinary action, and would instead provide a cause of action only if a dealer or lessor-retailer fails to submit to the department, 50 days or more for used vehicles, and 40 days or more for new vehicles, following the date of sale of the vehicles, an initial application for registration or transfer of registration.



(3) This bill would incorporate additional changes to Section 4456.1 of the Vehicle Code, proposed by SB 1587, to be operative only if SB 1587 and this bill are both chaptered and become effective on or before January 1, 1997, and this bill is chaptered last.

The people of the State of California do enact as follows:

SECTION 1. Section 4456 of the Vehicle Code is amended to read:

4456. (a) When selling a vehicle, dealers and lessor-retailers shall use numbered report-of-sale forms issued by the department. The forms shall be used in accordance with the following terms and conditions:

(1) The dealer or lessor-retailer shall attach for display a copy of the report of sale on the vehicle before the vehicle is delivered to the purchaser.

(2) The dealer or lessor-retailer shall submit to the department an application accompanied by all fees and penalties due for registration or transfer of registration of the vehicle within 30 days from the date of sale if the vehicle is a used vehicle, and 20 days if the vehicle is a new vehicle. Penalties due for noncompliance with this paragraph shall be paid by the dealer or lessor-retailer. The dealer or lessor-retailer shall not charge the purchaser for the penalties.

(3) As part of an application to transfer registration of a used vehicle, the dealer or lessor-retailer shall include all of the following information on the certificate of title, application for a duplicate certificate of title, or form prescribed by the department:

(A) Date of sale and report of sale number.

(B) Purchaser's name and address.

(C) Dealer's name, address, number, and signature or signature of authorized agent.

(D) Salesperson number.

(4) If the department returns an application and the application was first received by the department within 30 days of the date of sale of the vehicle if the vehicle is a used vehicle, and 20 days if the vehicle is a new vehicle,



the dealer or lessor-retailer shall submit a corrected application to the department within 50 days from the date of sale of the vehicle if the vehicle is a used vehicle, and 40 days if the vehicle is a new vehicle, or within 30 days from the date that the application is first returned by the department if the vehicle is a used vehicle, and 20 days if the vehicle is a new vehicle, whichever is later.

(5) If the department returns an application and the application was first received by the department more than 30 days from the date of sale of the vehicle if the vehicle is a used vehicle, and 20 days if the vehicle is a new vehicle, the dealer or lessor-retailer shall submit a corrected application to the department within 50 days from the date of sale of the vehicle if the vehicle is a used vehicle, and 40 days if the vehicle is a new vehicle.

(6) An application first received by the department more than 50 days from the date of sale of the vehicle if the vehicle is a used vehicle, and 40 days if the vehicle is a new vehicle, is subject to the penalties specified in subdivisions (a) and (b) of Section 4456.1.

(7) The dealer or lessor-retailer shall report the sale pursuant to Section 5901.

(b) (1) A transfer that takes place through a dealer conducting a wholesale motor vehicle auction shall be reported to the department by that dealer on a single form approved by the department. The completed form shall contain, at a minimum, all of the following information:

(A) The name and address of the seller.

(B) The seller's dealer number, if applicable.

(C) The date of delivery to the dealer conducting the auction.

(D) The actual mileage of the vehicle as indicated by the vehicle's odometer at the time of delivery to the dealer conducting the auction.

(E) The name, address, and occupational license number of the dealer conducting the auction.

(F) The name, address, and occupational license number of the buyer.



(G) The signature of the dealer conducting the auction.

(2) Submission of the completed form specified in paragraph (1) to the department shall fully satisfy the requirements of subdivision (a) and subdivision (a) of Section 5901 with respect to the dealer selling at auction and the dealer conducting the auction.

(3) The single form required by this subdivision does not relieve a dealer of any obligation or responsibility that is required by any other provision of law.

(c) A vehicle displaying a copy of the report of sale may be operated without license plates or registration card until the license plates and registration card are received by the purchaser.

SEC. 2. Section 4456.1 of the Vehicle Code is amended to read:

4456.1. (a) A dealer or lessor-retailer who violates paragraph (1), (2), or (6) of subdivision (a) of Section 4456 shall pay to the department an administrative service fee of five dollars (\$5) for each violation.

(b) A dealer or lessor-retailer who violates paragraph (3), (4), or (5) of subdivision (a) of Section 4456 shall pay to the department an administrative service fee of twenty-five dollars (\$25) for each violation.

(c) Subject to subdivision (d), each violation of Section 4456 is, in addition to the obligation to pay an administrative service fee, a separate cause for discipline pursuant to Section 11613 or 11705.

(d) A violation of subdivision (a) of Section 4456 because of a dealer or lessor-retailer's failure to submit to the department an application for registration or transfer of registration is a cause for disciplinary action pursuant to Section 11613 or 11705 only if the initial application is submitted 50 days or more following the date of sale of the vehicle if the vehicle is a used vehicle, and 40 days if the vehicle is a new vehicle.

SEC. 2.1. Section 4456.1 of the Vehicle Code is amended to read:

4456.1. (a) A dealer or lessor-retailer who violates paragraph (1), (2), or (7) of subdivision (a) of Section



4456 shall pay to the department an administrative service fee of five dollars (\$5) for each violation.

(b) A dealer or lessor-retailer who violates paragraph (4), (5), or (6) of subdivision (a) of Section 4456 shall pay to the department an administrative service fee of twenty-five dollars (\$25) for each violation.

(c) Subject to subdivision (d), each violation of Section 4456 is, in addition to the obligation to pay an administrative service fee, a separate cause for discipline pursuant to Section 11613 or 11705.

(d) A violation of subdivision (a) of Section 4456 because of a dealer or lessor-retailer's failure to submit to the department an application for registration or transfer of registration is a cause for disciplinary action pursuant to Section 11613 or 11705 only if the initial application is submitted 50 days or more following the date of sale of the vehicle if the vehicle is a used vehicle, and 40 days if the vehicle is a new vehicle.

SEC. 3. Section 2.1 of this bill incorporates amendments to Section 4456.1 of the Vehicle Code proposed by both this bill and Senate Bill 1587. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1997, (2) each bill amends Section 4456.1 of the Vehicle Code, and (3) this bill is enacted after SB 1587, in which case Section 2 of this bill shall not become operative.



Approved _____, 1996

Governor

