

SENATE, NO. 2324

[Senate, March 15, 2010 - New draft of Senate, No. 1973 reported from the committee on Transportation.]



The Commonwealth of Massachusetts

IN THE YEAR OF TWO THOUSAND AND TEN

AN ACT REGARDING EDUCATION REQUIREMENTS FOR CLASS 2 MOTOR VEHICLE LICENSEES.

Be it enacted by the Senate and House of Representatives in General Court assembled,

And by the authority of the same, as follows:

- 1 **SECTION 1.** Section 58 of Chapter 140 of the General Laws, as appearing in the 2004
2 Official Edition, is hereby amended by inserting after clause (8) of subsection (c) the following:
- 3 (9) That such person attends sixteen hours of educational training related to the
4 rules, regulations, and laws pertaining to the used car industry which is
5 provided by an organization certified by the office of Consumer Affairs and
6 Business Regulation to provide educational training. The office of Consumer
7 Affairs and Business Regulation shall establish the minimum core curriculum
8 to be presented by certified training organizations and establish a standardized
9 test which shall be administered by all certified educational training

10 organizations to persons attending the educational training. Upon successful
11 completion of the training, and obtaining a passing grade the organization
12 providing the training shall issue a class 2 education certificate to the person.
13 A said Class 2 education certificate shall be developed by the Office of
14 Consumer Affairs and Business Regulation and include on the face a
15 certificate number. All certified training organizations shall record the name
16 and certificate number of all certificates issued to applicants successfully
17 completing the educational training. A municipal licensing authority shall
18 not issue or renew a class 2 license unless a class 2 education certificate is
19 presented to the licensing authority. All class 2 licensees who have
20 successfully obtained a class 2 education certificate shall thereafter annually
21 attend 4 hours of continuing educational training. Class 2 licensees shall be
22 issued a continuing education certificate which shall also be a condition
23 precedent to obtaining a class 2 license.

- 24 (10) The dealer's business is situated within a permanent building or permanently
25 affixed structure, owned or leased by the dealer for the dealer's exclusive use.
26 Except for a dealer who exchanges vehicles or trailers solely on a wholesale
27 basis, the dealer shall be open to the public at least 40 hours per week. The
28 building, structure, shall have adequate office space to conduct the business
29 with a minimum of 600 square feet and hours of operation shall be posted. If
30 more than one business is located within the same building or structure, the
31 dealer shall maintain a separate and exclusive entrance. Subject to any
32 municipal regulation, ordinance or bylaw, and except for a dealer who
33 exchanges motor vehicles or trailers solely on a wholesale basis, the dealer
34 shall display a permanently affixed exterior sign of sufficient size and design
35 to give the general public notice of the name, telephone number and nature of
36 the business. Except for a dealer who exchanges motor vehicles or trailers
37 solely on a wholesale basis, the dealer shall have an area to display the
38 vehicles offered for sale, which cannot be shared with any other business
39 unless a clear physical separation exists. Vehicles cannot be offered for sale
40 at any other location; however, this shall not prohibit a dealer from

41 transporting and offering vehicles for sale at a recognized automobile auction
42 facility, or a combined dealer special sale event. A municipal licensing
43 authority shall issue only one Class 2 license for a building at a specific street
44 address.

45 (11) If a dealer does not have a repair facility a service agreement must be
46 provided from a mechanical facility, which will be used by the dealer to
47 obtain stickers and repairs.

48 **SECTION 2.** Notwithstanding any general or special law to the contrary the Registry of
49 Motor Vehicles is hereby directed to establish a standard application form for applicants for a
50 Class 2 license pursuant to Section 58 of Chapter 140 which shall be utilized by all licensing
51 authorities issuing said Class 2 license. The application shall include, but not be limited to, the
52 name and address of the applicant, the name and address of the motor vehicle dealership, a box
53 to be checked confirming evidence of a \$25,000 bond and its certificate number or equivalent
54 certificate of deposit or irrevocable letter of credit, a box to be checked confirming compliance
55 with Class 2 licensee education requirements including the education certificate number, a box to
56 be checked for wholesale dealer which shall include the following text “a checkmark in this box
57 shall prohibit such licensee from selling motor vehicles to the retail public”. The municipal
58 licensing authority shall clearly indicate on the Class 2 license for wholesale only. A Class 2
59 licensee with a wholesale only license who sells at retail shall be subject to a fine of \$5000
60 payable to the municipal licensing authority and immediate revocation of the Class 2 license by
61 the licensing authority. The municipal licensing authority shall transmit a copy of said
62 completed application to the Registrar of Motor Vehicles and to the Department of Revenue.