



General Assembly

January Session, 2021

**Committee Bill No. 127**

LCO No. 5774



Referred to Committee on TRANSPORTATION

Introduced by:  
(TRA)

**AN ACT CONCERNING THE SALE OF ELECTRIC VEHICLES IN THE STATE.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-52b of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2021*):

3 (a) In the event a manufacturer licensed in accordance with the  
4 provisions of section 14-67a, as amended by this act, cancels, terminates  
5 or fails to renew any franchise, as defined in section 42-133r, as amended  
6 by this act, with a new car dealer, as defined in section 14-51, as  
7 amended by this act, the Commissioner of Motor Vehicles, upon receipt  
8 of written notice of such action by the manufacturer, shall, unless the  
9 dealer holds one or more additional franchises, demand that such new  
10 car dealer surrender such license to the commissioner. If such action is  
11 contested by such dealer in accordance with the provisions of sections  
12 42-133r to 42-133ee, inclusive, as amended by this act, the commissioner  
13 shall not demand surrender of such license, and no replacement motor  
14 vehicle dealer shall be named for the dealer's point or location, except in  
15 accordance with subdivision (10) of section 42-133cc, until the

16 proceedings to contest such action by the manufacturer are finally  
17 determined after all means of administrative, judicial and appellate  
18 review have been exhausted and the decision is adverse to the dealer.

19 (b) Except as provided in subsections (c) [and (d)] to (e), inclusive, of  
20 this section, no person, firm or corporation licensed as a manufacturer  
21 in accordance with the provisions of section 14-67a, as amended by this  
22 act, may be the holder of a new or used car dealer's license issued in  
23 accordance with the provisions of section 14-52, except a manufacturer  
24 may operate as a dealer on a temporary basis in accordance with the  
25 provisions of subdivision (8) of section 42-133cc. The provisions of this  
26 subsection shall apply to any firm or corporation that is owned or  
27 controlled by a manufacturer, as determined by the commissioner. Any  
28 applicant for a new or used car dealer license that is denied a license  
29 under the provisions of this subsection shall be entitled to a hearing in  
30 accordance with the provisions of chapter 54.

31 (c) [Notwithstanding the provisions of subsection (b) of this section,  
32 the] The commissioner may issue a used car dealer's license to a person,  
33 firm or corporation, owned or controlled by a manufacturer, engaged  
34 primarily in the business of rental of motor vehicles and industrial and  
35 construction equipment, provided: (1) Motor vehicles offered for sale by  
36 any such person, firm or corporation are limited to motor vehicles that  
37 have been previously used exclusively and regularly in the conduct of  
38 the business or motor vehicles traded in by purchasers of such  
39 previously used motor vehicles, (2) any warranty repairs performed by  
40 such person, firm or corporation are limited to motor vehicles that such  
41 person, firm or corporation owns, has previously owned, or has taken  
42 in trade, and (3) any retail financing provided or arranged by such  
43 person, firm or corporation is limited to vehicles sold by such person,  
44 firm or corporation.

45 (d) The commissioner may extend the period of a license issued to a  
46 manufacturer to operate a dealership on a temporary basis, in  
47 accordance with the provisions of subsection (b) of this section and  
48 subdivision (8) of section 42-133cc, for not more than one additional

49 year, up to a maximum period of two years, if the commissioner is  
50 satisfied that such manufacturer has made and is continuing to make  
51 bona fide efforts to sell and transfer the dealership to a person, firm or  
52 corporation that is qualified to hold a new or used dealer's license.

53 (e) (1) For the purposes of this subsection, "manufacturer" means a  
54 person, firm or corporation licensed as a manufacturer in accordance  
55 with the provisions of section 14-67a, as amended by this act, and any  
56 subsidiary, affiliate or entity owned or controlled by such manufacturer.

57 (2) The commissioner may issue a new or used car dealer's license to  
58 a manufacturer, provided such manufacturer: (A) Does not have a  
59 franchise agreement with any new car dealer in the state; (B)  
60 manufactures only electric vehicles; (C) sells at retail only motor vehicles  
61 manufactured by such manufacturer; (D) does not hold a controlling  
62 interest in another manufacturer, or a subsidiary, affiliate or entity  
63 owned or controlled by such other manufacturer, that is licensed as a  
64 dealer under this subsection; and (E) is not owned or controlled by  
65 another manufacturer, or a subsidiary, affiliate or entity owned or  
66 controlled by such other manufacturer, that is licensed as a dealer under  
67 this subsection.

68 Sec. 2. Subdivisions (1) and (2) of subsection (a) of section 14-51 of the  
69 general statutes are repealed and the following is substituted in lieu  
70 thereof (*Effective October 1, 2021*):

71 (1) "New car dealer" includes (A) any person, firm or corporation  
72 engaged in the business of merchandising new motor vehicles under a  
73 manufacturer's or importer's contract for each such make of vehicle,  
74 [who] and (B) any person, firm or corporation licensed as a  
75 manufacturer, as defined in subsection (e) of section 14-52b, as amended  
76 by this act, that is engaged in the business of merchandising new motor  
77 vehicles and licensed as a new car dealer as provided in said subsection.  
78 Such person, firm or corporation may, incidental to such business, sell  
79 used motor vehicles and repair motor vehicles, [. Such person] and shall  
80 be qualified to conduct such business in accordance with the

81 requirements of section 14-52a.

82 (2) "Used car dealer" includes (A) any person, firm or corporation  
83 engaged in the business of merchandising motor vehicles other than  
84 new, [who] and (B) any person, firm or corporation licensed as a  
85 manufacturer, as defined in subsection (e) of section 14-52b, as amended  
86 by this act, that is engaged in the business of merchandising motor  
87 vehicles other than new and licensed as a used car dealer as provided in  
88 said subsection. Such person, firm or corporation may, incidental to  
89 such business, repair motor vehicles. A used car dealer does not include  
90 any person, firm or corporation engaged in the business of leasing or  
91 renting motor vehicles that offers for sale or sells used motor vehicles  
92 incidental to its primary business, if [(A)] such person, firm or  
93 corporation is licensed in accordance with the provisions of section 14-  
94 15, and [(B)] the motor vehicles that it offers for sale were formerly the  
95 subject of one or more lease agreements to which it was a party and the  
96 actual or prospective purchaser is the original lessee pursuant to a  
97 purchase option specified in a lease agreement. Such person, firm or  
98 corporation shall be qualified to conduct such business in accordance  
99 with the requirements of section 14-52a.

100 Sec. 3. Section 14-67a of the general statutes is repealed and the  
101 following is substituted in lieu thereof (*Effective October 1, 2021*):

102 (a) No person, firm or corporation shall engage in the business of  
103 manufacturing motor vehicles for sale in this state without having been  
104 issued a manufacturer's license, which license shall expire biennially on  
105 the last day of June. Application for such license or renewal thereof may  
106 be made to the Commissioner of Motor Vehicles in such form as the  
107 commissioner shall require. The commissioner may require with such  
108 application all of the following, which [he] the commissioner may  
109 consider in determining the fitness of such applicant to engage in  
110 business as a manufacturer of motor vehicles for sale in this state:

111 (1) Information relating to the applicant's solvency and [his] financial  
112 standing;

113 (2) A certified copy of any warranty made by the manufacturer or any  
114 other party in whom title to such motor vehicle may have been vested  
115 prior to possession of such motor vehicle being transferred to a person  
116 licensed under the provisions of this section;

117 (3) A copy of the applicant's standard franchise agreement and all  
118 supplements thereto, together with a list of the applicant's authorized  
119 dealers or distributors in this state and their [address] addresses. Such  
120 applicant shall notify the commissioner immediately of the  
121 appointment of any additional dealers or distributors or any revisions  
122 of or additions to the basic franchise agreement on file with [him] the  
123 commissioner, or of any individual dealer or distributor supplements to  
124 such agreement. The provisions of this subdivision shall not apply to  
125 any manufacturer licensed as a new or used car dealer pursuant to  
126 subsection (e) of section 14-52b, as amended by this act;

127 (4) A certified copy of the delivery and preparation obligations of the  
128 applicant's new car dealers, which obligations shall constitute such new  
129 car dealers' only responsibility for product liability between the dealer  
130 and the manufacturer;

131 (5) An affidavit stating the rates such applicant pays or agrees to pay  
132 any authorized new car dealer for parts and labor used and expended  
133 by such authorized new car dealer for the manufacturer under delivery  
134 and preparation obligations under the new car warranty;

135 (6) A biennial license fee of two thousand three hundred dollars,  
136 which fee shall not be subject to refund or proration; and

137 (7) Any other pertinent matter commensurate with the safeguarding  
138 of the public interest.

139 (b) An application for renewal of such license filed with the  
140 commissioner after the expiration date of such license shall be  
141 accompanied by a late fee of two hundred fifty dollars. The  
142 commissioner shall not renew any license under this section which has  
143 expired for more than forty-five days.

144 Sec. 4. Section 42-133r of the general statutes is repealed and the  
145 following is substituted in lieu thereof (*Effective October 1, 2021*):

146 As used in [sections 42-133r] this section and sections 42-133s to 42-  
147 133ee, inclusive, unless the context indicates a different meaning:

148 (1) "Manufacturer" means any person who manufactures or  
149 assembles new motor vehicles, or imports motor vehicles for  
150 distribution to dealers or through distributors, or factory branches, but  
151 does not include any manufacturer licensed as a new or used car dealer  
152 pursuant to subsection (e) of section 14-52b, as amended by this act.

153 (2) "Distributor" means any person who offers for sale, sells or  
154 distributes any new motor vehicle to dealers or who maintains factory  
155 representatives or who controls any person, firm, association, joint  
156 venture corporation or trust, who offers for sale, sells or distributes any  
157 new motor vehicle to dealers.

158 (3) "Factory branch" means a branch office maintained by a  
159 manufacturer for the purpose of selling, or offering for sale, motor  
160 vehicles to a distributor or dealer, or for directing or supervising factory  
161 or distributor representatives.

162 (4) "Owner" means any person holding an ownership interest in a  
163 business entity operating as a dealer or under a franchise as defined in  
164 this section either as a corporation, partnership or sole proprietorship.  
165 To the extent that the rights of any owner under [sections 42-133r] this  
166 section and sections 42-133s to 42-133ee, inclusive, conflict with the  
167 rights of any other owner, such rights shall accrue in priority order  
168 based on the percentage of ownership interest held by each owner with  
169 the owner having the greatest ownership interest having first priority  
170 and succeeding priority accruing to other owners in the descending  
171 order of their percentage of ownership interest.

172 (5) "Dealership facilities" means real estate, buildings, fixtures and  
173 improvements which are used in the course of business under a  
174 franchise by a new motor vehicle dealer.

175 (6) "Dealer" means any person engaged in the business of selling,  
176 offering to sell, soliciting or advertising the sale of new motor vehicles  
177 and who holds a valid sales and service agreement, franchise or  
178 contract, granted by a manufacturer or distributor for the retail sale of  
179 the manufacturer's or distributor's new motor vehicles.

180 (7) "Motor vehicle" means a self-propelled vehicle intended primarily  
181 for use and operation on the public highways, other than a farm tractor  
182 or other machinery or tools used in the production, harvesting and care  
183 of farm products.

184 (8) "New motor vehicle" means a motor vehicle which has been sold  
185 to a new motor vehicle dealer and which has not been used for other  
186 than demonstration purposes and on which the original title has not  
187 been issued from the new motor vehicle dealer.

188 (9) "Established place of business" means a permanent, commercial  
189 building easily accessible and open to the public at reasonable times and  
190 at which the business of a new motor vehicle dealer, including the  
191 display and repair of vehicles, may be lawfully carried on.

192 (10) "Franchise" means a written agreement or contract between a  
193 manufacturer or distributor and a dealer which purports to fix the legal  
194 rights and liabilities of the parties to such agreement or contract, and  
195 pursuant to which the dealer purchases and resells the franchise  
196 product or leases or rents the dealership premises.

197 (11) "Good faith" means honesty in fact and the observance of  
198 reasonable commercial standards of fair dealing in the trade.

199 (12) "Designated family member" means the spouse, child,  
200 grandchild, parent, brother or sister of an owner who, in the case of the  
201 owner's death, is entitled to inherit the ownership interest in the dealer  
202 under the terms of the owner's will, or who has been nominated in any  
203 other written instrument, or who, in the case of an incapacitated owner  
204 of a dealer, has been appointed by a court as the legal representative of  
205 the dealer's property.

206 (13) "Person" means a natural person, partnership, corporation,  
207 limited liability company, association, trust, estate or any other legal  
208 entity.

209 (14) "Relevant market area" means the area within a radius of  
210 fourteen miles around an existing dealer or the area of responsibility  
211 defined in a franchise, whichever is greater.

212 (15) "Commissioner" means the Commissioner of Motor Vehicles.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	14-52b
Sec. 2	<i>October 1, 2021</i>	14-51(a)(1) and (2)
Sec. 3	<i>October 1, 2021</i>	14-67a
Sec. 4	<i>October 1, 2021</i>	42-133r

**TRA**      *Joint Favorable*