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HOUSE BILL NO. 2659

Offered January 15, 2025

A *BILL to amend and reenact §§ 46.2-1529.1 and 46.2-1530 of the Code of Virginia, relating to motor vehicle dealers; buyer's order; leased motor vehicles.*

Patrons—Milde and Lovejoy

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-1529.1 and 46.2-1530 of the Code of Virginia are amended and reenacted as follows:

§ 46.2-1529.1. Sales and leases of used motor vehicles by dealers; disclosures; penalty.

A. If, in any retail sale *or lease* by a dealer of a used motor vehicle of under 6,000 pounds gross vehicle weight for use on the public highways, and normally used for personal, family or household use, the dealer offers an express warranty, the dealer shall provide the buyer *or lessee* a written disclosure of this warranty. The written disclosure shall be the Buyer's Guide required by federal law, shall be completely filled out and, in addition, signed and dated by the buyer *or lessee* and incorporated as part of the buyer's order.

B. A dealer may sell a used motor vehicle at retail "AS IS" and exclude all warranties only if the dealer provides the buyer *or lessee*, prior to sale, a separate written disclosure as to the effect of an "AS IS" sale *or lease*. The written disclosure shall be conspicuous and contained on the front of the buyer's order and printed in not less than bold, 10-point type and signed by the buyer *or lessee*: "I understand that this vehicle is being sold *or leased* "AS IS" with all faults and is not covered by any dealer warranty. I understand that the dealer is not required to make any repairs after I buy this vehicle. I will have to pay for any repairs this vehicle will need." A fully completed Buyer's Guide, as required by federal law, shall be signed and dated by the buyer *or lessee* and incorporated as part of the buyer's order.

C. Failure to provide the applicable disclosure required by subsection A or B shall be punishable by a civil penalty of no more than \$1,000. Any such civil penalty shall be paid into the general fund of the state treasury. Furthermore, if the applicable disclosure required by subsection A or B is not provided as required in this section, the buyer *or lessee* may cancel the sale *or lease* within 30 days. In this case, the buyer *or lessee* shall have the right to return the vehicle to the dealer and obtain a full refund of all payments made toward the purchase *or lease* of the vehicle, less any damage to the vehicle incurred while ownership was vested in the purchaser *or lessee*, and less a reasonable amount for the use not to exceed one-half the amount allowed per mile by the Internal Revenue Service, as provided by regulation, revenue procedure, or revenue ruling promulgated pursuant to § 162 of the Internal Revenue Code, for use of a personal vehicle for business purposes. Notice of the provisions of this subsection shall be included as part of every disclosure made under subsection A or B.

D. The provisions of this section shall not apply to motorcycles, trailers, or travel trailers.

§ 46.2-1530. Buyer's order.

A. Every motor vehicle dealer shall complete, ~~in duplicate,~~ a buyer's order for each sale, lease, or exchange of a motor vehicle. *A dealer may, but is not required to, use separate buyer's order forms for a sale of a motor vehicle and a lease of a motor vehicle.* A copy of the buyer's order form shall be made available to a prospective buyer *or lessee* during the negotiating phase of a sale *or lease* and prior to any sales *or lease* agreement. ~~The completed original~~ A copy shall be retained for a period of five years in accordance with § 46.2-1529, and a duplicate copy shall be delivered to the purchaser *or lessee* at the time of sale, lease, or exchange. A buyer's order shall include:

1. The name and address of the person to whom the vehicle was sold, leased, or traded.
2. The date of the sale, lease, or trade.
3. The name and address of the motor vehicle dealer selling, leasing, or trading the vehicle.
4. The make, model year, vehicle identification number and body style of the vehicle.
5. The sale price *or agreed value* of the vehicle.
6. The amount of any cash deposit made by the buyer *or lessee*.
7. A description of any vehicle used as a trade-in and the amount credited the buyer *or lessee* for the trade-in. The description of the trade-in shall be the same as outlined in subdivision 4.
8. The amount of any sales and use tax, title fee, registration fee, purchaser's online systems filing fee, or other fee required by law for which the buyer *or lessee* is responsible and the dealer has collected. Each tax and fee shall be individually listed and identified.
9. The net balance due at settlement.
10. Any item designated as "processing fee," and the amount charged by the dealer, if any, for processing the transaction. As used in this section, processing includes obtaining title and license plates for the

59 purchaser, but does not include any "purchaser's online systems filing fee," as defined in § 46.2-1530.1, or
60 any "dealer's manual transaction fee," as defined in § 46.2-1530.2.

61 11. Any item designated as "dealer's business license tax," and the amount charged by the dealer, if any.

62 12. If the dealer delivers to the customer a vehicle purchased by the customer on or after July 1, 2010, that
63 is conditional on dealer-arranged financing, the following notice, printed in bold type no less than 10 point:
64 **"IF YOU ARE FINANCING THIS VEHICLE, PLEASE READ THIS NOTICE: YOU ARE PROPOSING**
65 **TO ENTER INTO A RETAIL INSTALLMENT SALES CONTRACT WITH THE DEALER. PART OF**
66 **YOUR CONTRACT INVOLVES FINANCING THE PURCHASE OF YOUR VEHICLE. IF YOU ARE**
67 **FINANCING THIS VEHICLE AND THE DEALER INTENDS TO TRANSFER YOUR FINANCING TO**
68 **A FINANCE PROVIDER SUCH AS A BANK, CREDIT UNION OR OTHER LENDER, YOUR VEHICLE**
69 **PURCHASE DEPENDS ON THE FINANCE PROVIDER'S APPROVAL OF YOUR PROPOSED RETAIL**
70 **INSTALLMENT SALES CONTRACT. IF YOUR RETAIL INSTALLMENT SALES CONTRACT IS**
71 **APPROVED WITHOUT A CHANGE THAT INCREASES THE COST OR RISK TO YOU OR THE**
72 **DEALER, YOUR PURCHASE CANNOT BE CANCELLED. IF YOUR RETAIL INSTALLMENT SALES**
73 **CONTRACT IS NOT APPROVED, THE DEALER WILL NOTIFY YOU VERBALLY OR IN WRITING.**
74 **YOU CAN THEN DECIDE TO PAY FOR THE VEHICLE IN SOME OTHER WAY OR YOU OR THE**
75 **DEALER CAN CANCEL YOUR PURCHASE. IF THE SALE IS CANCELLED, YOU NEED TO**
76 **RETURN THE VEHICLE TO THE DEALER WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE**
77 **IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR AND TEAR.**
78 **ANY DOWN PAYMENT OR TRADE-IN YOU GAVE THE DEALER WILL BE RETURNED TO YOU.**
79 **IF YOU DO NOT RETURN THE VEHICLE WITHIN 24 HOURS OF VERBAL OR WRITTEN NOTICE**
80 **OF CANCELLATION, THE DEALER MAY LOCATE THE VEHICLE AND TAKE IT BACK WITHOUT**
81 **FURTHER NOTICE TO YOU AS LONG AS THE DEALER FOLLOWS THE LAW AND DOES NOT**
82 **CAUSE A BREACH OF THE PEACE WHEN TAKING THE VEHICLE BACK. IF THE DEALER DOES**
83 **NOT RETURN YOUR DOWN PAYMENT AND ANY TRADE-IN WHEN THE DEALER GETS THE**
84 **VEHICLE BACK IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL**
85 **WEAR AND TEAR, THE DEALER MAY BE LIABLE TO YOU UNDER THE VIRGINIA CONSUMER**
86 **PROTECTION ACT."**

87 13. *If the dealer delivers to the customer a vehicle leased by the customer that is conditional on*
88 *dealer-arranged leasing, the following notice, printed in bold type no less than 10 point: "IF YOU ARE*
89 *LEASING THIS VEHICLE, PLEASE READ THIS NOTICE: YOU ARE PROPOSING TO ENTER INTO A*
90 *LEASE AGREEMENT WITH THE DEALER. PART OF YOUR CONTRACT INVOLVES FINANCING THE*
91 *LEASE OF YOUR VEHICLE. IF YOU ARE LEASING THIS VEHICLE AND THE DEALER INTENDS TO*
92 *TRANSFER YOUR LEASE TO A FINANCE PROVIDER SUCH AS A BANK, CREDIT UNION, OR OTHER*
93 *LENDER, YOUR VEHICLE LEASE DEPENDS ON THE FINANCE PROVIDER'S APPROVAL OF YOUR*
94 *PROPOSED LEASE AGREEMENT. IF YOUR LEASE AGREEMENT SALES CONTRACT IS APPROVED*
95 *WITHOUT A CHANGE THAT INCREASES THE COST OR RISK TO YOU OR THE DEALER, YOUR*
96 *LEASE CANNOT BE CANCELLED. IF YOUR LEASE AGREEMENT IS NOT APPROVED, THE DEALER*
97 *WILL NOTIFY YOU VERBALLY OR IN WRITING. YOU CAN THEN DECIDE TO PAY FOR THE VEHICLE*
98 *IN SOME OTHER WAY OR YOU OR THE DEALER CAN CANCEL YOUR LEASE. IF THE LEASE IS*
99 *CANCELLED, YOU NEED TO RETURN THE VEHICLE TO THE DEALER WITHIN 24 HOURS OF*
100 *VERBAL OR WRITTEN NOTICE IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR*
101 *NORMAL WEAR AND TEAR. ANY DOWN PAYMENT OR TRADE-IN YOU GAVE THE DEALER WILL BE*
102 *RETURNED TO YOU. IF YOU DO NOT RETURN THE VEHICLE WITHIN 24 HOURS OF VERBAL OR*
103 *WRITTEN NOTICE OF CANCELLATION, THE DEALER MAY LOCATE THE VEHICLE AND TAKE IT*
104 *BACK WITHOUT FURTHER NOTICE TO YOU AS LONG AS THE DEALER FOLLOWS THE LAW AND*
105 *DOES NOT CAUSE A BREACH OF THE PEACE WHEN TAKING THE VEHICLE BACK. IF THE DEALER*
106 *DOES NOT RETURN YOUR DOWN PAYMENT AND ANY TRADE-IN WHEN THE DEALER GETS THE*
107 *VEHICLE BACK IN THE SAME CONDITION IT WAS GIVEN TO YOU, EXCEPT FOR NORMAL WEAR*
108 *AND TEAR, THE DEALER MAY BE LIABLE TO YOU UNDER THE VIRGINIA CONSUMER*
109 *PROTECTION ACT."*

110 14. For sales *or leases* of used motor vehicles, the disclosure required by § 46.2-1529.1.

111 Except for trailers and travel trailers, if the transaction does not include a policy of motor vehicle liability
112 insurance, the seller *or lessor* shall stamp or mark on the face of the bill of sale in boldface letters no smaller
113 than 18-point type the following words: "No Liability Insurance Included."

114 A completed buyer's order when signed by both buyer *or lessee* and seller *or lessor* may constitute a bill
115 of sale.

116 B. The Board shall approve a buyer's order form and each dealer shall file with each original license
117 application its buyer's order form, on which the processing fee amount is stated.

118 C. If a processing fee is charged, that fact and the amount of the processing fee shall be disclosed by the
119 dealer. Disclosure shall be by placing a clear and conspicuous sign in the public sales area of the dealership.

120 The sign shall be no smaller than eight and one-half inches by 11 inches and the print shall be no smaller than
121 one-half inch, and in a form as approved by the Board.

122 D. Except for trailers, if the buyer's order is for a new motor vehicle that had accumulated, at the time of
123 the sale, mileage in excess of 750 miles as a demonstrator or as a result of delivery to a prospective purchaser
124 who never took title to the new motor vehicle and returned it, the vehicle may be sold *or leased* as new,
125 provided the dealer delivers this disclosure in writing on the buyer's order containing type of no smaller than
126 10 point or in a separate document containing only the disclosure in type of no smaller than 14 point: "Notice:
127 This new motor vehicle has accumulated mileage in excess of 750 miles as the result of use as a demonstrator
128 and/or as the result of delivery to a prior prospective purchaser who never took title to it and who returned it."
129 When delivered as a separate document, this disclosure shall also contain the actual odometer reading for the
130 vehicle and shall be signed by the purchaser *or lessee*.

131 E. The provisions of this section shall not apply to the sale, *lease*, or exchange of (i) a tractor truck, (ii) a
132 truck having a gross vehicle weight rating of 16,000 pounds or more, or (iii) a semitrailer.

INTRODUCED

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