



Ohio Revised Code

Section 4517.12 Denial of license as motor vehicle dealer, motor vehicle leasing dealer, manufactured home broker, or motor vehicle auction owner.

Effective: September 4, 2014

Legislation: Senate Bill 260 - 130th General Assembly

(A) The registrar of motor vehicles shall deny the application of any person for a license as a motor vehicle dealer, motor vehicle leasing dealer, or motor vehicle auction owner and refuse to issue the license if the registrar finds that the applicant:

(1) Has made any false statement of a material fact in the application;

(2) Has not complied with sections 4517.01 to 4517.45 of the Revised Code;

(3) Is of bad business repute or has habitually defaulted on financial obligations;

(4) Is engaged or will engage in the business of selling at retail any new motor vehicles without having written authority from the manufacturer or distributor thereof to sell new motor vehicles and to perform repairs under the terms of the manufacturer's or distributor's new motor vehicle warranty, except as provided in division (C) of this section and except that a person who assembles or installs special equipment or accessories for handicapped persons, as defined in section 4503.44 of the Revised Code, upon a motor vehicle chassis supplied by a manufacturer or distributor shall not be denied a license pursuant to division (A)(4) of this section;

(5) Has been guilty of a fraudulent act in connection with selling or otherwise dealing in, or leasing, motor vehicles, or in connection with brokering manufactured homes;

(6) Has entered into or is about to enter into a contract or agreement with a manufacturer or distributor of motor vehicles that is contrary to sections 4517.01 to 4517.45 of the Revised Code;

(7) Is insolvent;

(8) Is of insufficient responsibility to ensure the prompt payment of any final judgments that might



reasonably be entered against the applicant because of the transaction of business as a motor vehicle dealer, motor vehicle leasing dealer, or motor vehicle auction owner during the period of the license applied for, or has failed to satisfy any such judgment;

(9) Has no established place of business that, where applicable, is used or will be used for the purpose of selling, displaying, offering for sale, dealing in, or leasing motor vehicles at the location for which application is made;

(10) Has, less than twelve months prior to making application, been denied a motor vehicle dealer's, motor vehicle leasing dealer's, or motor vehicle auction owner's license, or has any such license revoked;

(11) Is a manufacturer, or a parent company, subsidiary, or affiliated entity of a manufacturer, applying for a license to sell or lease new or used motor vehicles at retail. Division (A)(11) of this section shall not serve as a basis for the termination, revocation, or nonrenewal of a license granted prior to the effective date of this amendment. Nothing in division (A)(11) of this section shall prohibit a manufacturer from doing either of the following:

(a) Owning, operating, or controlling not more than three licensed motor vehicle dealerships if, as of January 1, 2014, the manufacturer was selling or otherwise distributing its motor vehicles at an established place of business in this state. Such ownership, operation, or control may continue unless the manufacturer's motor vehicle operations are sold or acquired or the manufacturer produces any motor vehicles other than all-electric motor vehicles.

(b) Disposing of motor vehicles at wholesale at the termination of a consumer lease through a motor vehicle auction.

(B) If the applicant is a corporation or partnership, the registrar may refuse to issue a license if any officer, director, or partner of the applicant has been guilty of any act or omission that would be cause for refusing or revoking a license issued to such officer, director, or partner as an individual. The registrar's finding may be based upon facts contained in the application or upon any other information the registrar may have. Immediately upon denying an application for any of the reasons in this section, the registrar shall enter a final order together with the registrar's findings and certify



the same to the motor vehicle dealers' and salespersons' licensing board.

(C) Notwithstanding division (A)(4) of this section, the registrar shall not deny the application of any person and refuse to issue a license if the registrar finds that the applicant is engaged or will engage in the business of selling at retail any new motor vehicles and demonstrates all of the following in the form prescribed by the registrar:

(1) That the applicant has posted a bond, surety, or certificate of deposit with the registrar in an amount not less than one hundred thousand dollars for the protection and benefit of the applicant's customers except that a new motor vehicle dealer who is not exclusively engaged in the business of selling remanufactured vehicles shall not be required to post the bond, surety, or certificate of deposit otherwise required by division (C)(1) of this section;

(2) That, at the time of the sale of the vehicle, each customer of the applicant will be furnished with a warranty issued by the remanufacturer for a term of at least one year;

(3) That the applicant provides and maintains at the applicant's location and place of business a permanent facility with all of the following:

(a) A showroom with space, under roof, for the display of at least one new motor vehicle;

(b) A service and parts facility for remanufactured vehicles;

(c) Full-time service and parts personnel with the proper training and technical expertise to service the remanufactured vehicles sold by the applicant.