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H.B. 195
135th General Assembly*

Bill Analysis

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Version: As Reported by Senate Transportation

Primary Sponsors: Reps. Demetriou and Brennan

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SUMMARY

Adaptive mobility dealer license

- Establishes an adaptive mobility dealer (AMD) license, subject to the laws within the Motor Vehicle Sales Law.
- Authorizes a licensed AMD to do the following:
 - Display, sell, and deliver an adaptive mobility vehicle (AMV), which are vehicles designed, modified, or equipped in accordance with federal requirements to enable an individual with a disability to operate or to be transported in the vehicle;
 - Sell and install adaptive mobility equipment, which are the mechanical or electronic devices or parts that are permanently attached to or incorporated into a vehicle to facilitate its use by a person who is aging or who is disabled; and
 - Provide maintenance and repair services for AMVs and adaptive mobility equipment.
- Prohibits an AMD from doing the following:
 - Representing that the AMD sells new motor vehicles;
 - Selling, transferring, or offering to sell or transfer a new motor vehicle unless that vehicle is purchased through a licensed new motor vehicle dealer; or
 - Selling or offering to sell an adaptive mobility vehicle without written documentation that proves the vehicle was modified or adapted in accordance with federal law.

* This analysis was prepared before the report of the Senate Transportation Committee appeared in the Senate Journal. Note that the legislative history may be incomplete.

- Establishes requirements for an AMD, similar to the requirements of other dealers in the Motor Vehicle Sales Law, pertaining to all of the following:
 - The application process;
 - Their established place of business;
 - The purchase of new motor vehicles to be adapted by the AMD into an AMV; and
 - Written documentation to provide with the sale of the AMV.
- Generally prohibits the sale of an AMV by any person not licensed as an AMD, except that a licensed new motor vehicle dealer may sell used AMVs.
- Specifies that AMVs are a type of passenger car or bus for purposes of registration taxes and fees and may be registered under the laws granting access to accessible parking spaces.

Purchase and lease of motor vehicles

- Eliminates the requirement that an ultimate purchaser must use a motor vehicle as a consumer after purchase of the motor vehicle through a retail sale.
- Specifies that an AMD and a used motor vehicle dealer do not violate provisions of law that stipulate that vehicle transactions must take place on the dealer's premises when a customer executes purchase or lease documentation at a different location.

DETAILED ANALYSIS

Background

Federal law generally regulates motor vehicle equipment requirements and any exemptions to those requirements. The National Highway Traffic Safety Administration has a series of motor vehicle equipment exemptions related to vehicle modifications that enable a person with disabilities either to operate or to be a passenger in a motor vehicle more comfortably. Modifications include replacing a driver's seat or passenger's seat with a wheelchair lock, installing ramps or lifts, installing on-off switches for front airbags, and many other similar adaptations.¹

Adaptive mobility dealer license

The bill establishes an adaptive mobility dealer (AMD) license within the parameters of the Motor Vehicle Sales Law (R.C. Chapter 4517). An adaptive mobility vehicle (AMV) is a new or used passenger car or bus that is designed, modified, or equipped to enable an individual with a disability to operate or to be transported in the vehicle. The vehicle must contain at least one of the following:

¹ 49 Code of Federal Regulations Part 595.

- An electronic or mechanical lift used by a person in a wheelchair or scooter to enter or exit the vehicle;
- An electronic or mechanical wheelchair ramp; or
- A system to secure a wheelchair or scooter safely when transported in the vehicle.²

Under the bill, any new vehicle an AMD purchases to modify into an AMV must be purchased from a licensed new motor vehicle dealer. The AMD can then modify the purchased vehicle according to the federal regulations, and sell, display, offer for sale, deliver, and deal in those AMVs. The AMD may not represent, however, that the dealer is selling new motor vehicles. Additionally, the AMD must always provide the proper written documentation along with the AMV proving that the AMV was adapted or modified in accordance with the federal regulations. A violation of these requirements is a minor misdemeanor on the first offense, with a mandatory \$100 fine. Subsequent violations are a first degree misdemeanor with a \$1,000 fine.³

The bill also authorizes an AMD to sell and install adaptive mobility equipment, any related accessories, and other goods and services to meet the adaptive mobility needs of drivers and passengers with disabilities. Adaptive mobility equipment are the mechanical or electrical devices or parts that are designed to facilitate the use of a motor vehicle by either a person with a disability or a person who is aging and that are permanently attached or incorporated into a motor vehicle in accordance with federal regulations. Additionally, an AMD may provide the necessary maintenance and repair services for the AMVs and the adaptive mobility equipment.⁴

In conjunction with the establishment of the AMD license, the bill also prohibits any person from engaging in the business of displaying or selling at retail AMVs or assuming to engage in that business without the proper license. However, the bill allows a licensed new motor vehicle dealer to sell at retail a used AMV. A violation of the prohibition is a minor misdemeanor on the first offense, with a mandatory \$100 fine. Subsequent violations are a first degree misdemeanor with a \$1,000 fine.⁵

Motor Vehicle Sales Law

AMDs are subject to the general requirements of all dealers within the Motor Vehicle Sales Law. As such, they are subject to oversight by the Registrar of Motor Vehicles and the Motor Vehicle Dealers Board. Additionally, they must abide by the same requirements expected of other motor vehicle dealers. Some of those requirements include:

- Having an established place of business that is used exclusively for selling, displaying, offering for sale, dealing in, and inspection/repair of AMVs and the associated adaptive

² R.C. 4501.01(III).

³ R.C. 4517.01(NN) and 4517.02(F) and (G).

⁴ R.C. 4517.01(NN) and (OO) and 4517.02(F).

⁵ R.C. 4517.02(A)(8) and (G).

mobility equipment (although an AMD also may be a licensed remanufacturer or motor vehicle leasing dealer without violating the place of business restrictions);⁶

- Application and renewal requirements (see “**Applicant requirements**,” below);
- A \$50 initial and biennial renewal licensure fee, plus other fees and assessments required by statute or the Registrar;⁷
- Requirements governing using licensed salespersons for the sale of the AMVs;⁸
- Restrictions on when and where AMVs may be displayed or sold;⁹
- Notification requirements pertaining to status and changes in contact information;¹⁰
- Requirements governing the sale of an AMV (e.g., mileage disclosure, written agreements, documentary service charges, third party motor vehicle history reports, etc.);¹¹ and
- Due process expectations for decisions made by the Motor Vehicle Dealers Board.¹²

Applicant requirements

Under the bill, a person must apply to the Registrar for an AMD license in order to operate as an AMD. The person then must submit an application biennially before April 1 in each county in which business is conducted in order to renew that license.¹³ The Registrar must create the application form, which must include all of the following (similar to other dealer licenses):

1. The applicant’s name and principal place of business location;
2. The name and type of business entity (e.g., corporation, limited liability company, partnership, etc.) and state of incorporation, if applicable;
3. The name and address of each owner or partner (if a corporation, names of officers or directors);
4. The county in which the business will operate and the address of all locations;
5. A statement regarding the applicant’s business reputation (including certain criminal and civil action records);

⁶ R.C. 4517.03(H).

⁷ R.C. 4517.10, not in the bill.

⁸ R.C. 4517.20, not in the bill.

⁹ R.C. 4517.22 and 4517.221, not in the bill.

¹⁰ R.C. 4517.23, not in the bill.

¹¹ R.C. 4517.25 to 4517.262, not in the bill.

¹² R.C. 4517.30 to 4517.58, not in the bill.

¹³ R.C. 4517.041(A).

6. A statement regarding previous applications for related licenses (including the result of those applications and whether any prior license was suspended or revoked);
7. If the applicant is a corporation or partnership, a statement showing whether any partners, employees, officers, or directors were previously denied a similar license or a similar license was suspended or revoked;
8. A statement that the business will meet or exceed the Americans with Disabilities Act accessibility guidelines;
9. A statement that any new motor vehicle purchased by an AMD will be purchased through a new motor vehicle dealer; and
10. Any other information required by the Registrar.¹⁴

The applicant must sign and swear to the application and must include a photograph of the business location.¹⁵

Registration of an AMV

The bill changes references in the law governing the registration of a motor vehicle altered with accessible equipment to specifically refer to AMVs. Thus, the owner of an AMV may register it in the same manner as a passenger car or bus and pay the same registration taxes and fees. If the applicant for registration does not have a disability that limits or impairs the ability to walk (for example a transport company), the applicant must provide to the Registrar with additional documentation of the AMV's specifications when registering it.¹⁶

Purchase or lease of motor vehicles

The bill makes two modifications to the laws surrounding the purchase or lease of motor vehicles by dealers. First, it eliminates the requirement that an ultimate purchaser must use a motor vehicle as a consumer after the motor vehicle is purchased through a retail sale. Thus, a dealer may make a retail sale to an ultimate purchaser who intends to use the motor vehicle for purposes other than personal use.¹⁷

Additionally, the bill specifies that an AMD and a used motor vehicle dealer do not violate the requirement that a vehicle transaction take place at a dealer's established place of business if the dealer's customer executes purchase or lease documentation at a location other than the dealer's established place of business. Current law already allows new motor vehicle dealer customers to execute purchase and lease documentation at other locations. Thus, the bill extends that authorization to the AMDs and used motor vehicle dealers.¹⁸

¹⁴ R.C. 4517.041(A) and (C).

¹⁵ R.C. 4517.041(B).

¹⁶ R.C. 4503.44(B).

¹⁷ R.C. 4517.01(G).

¹⁸ R.C. 4517.03.

HISTORY

Action	Date
Introduced	05-30-23
Reported, H. Commerce & Labor	10-03-23
Passed House (89-1)	12-06-23
Reported, S. Transportation	---
