



## ANALYSIS

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1999, No. 77

**An Act to amend the Motor Vehicle Dealers Act 1975**

[1 July 1999]

BE IT ENACTED by the Parliament of New Zealand as follows:

**1. Short Title and commencement**—(1) This Act may be cited as the Motor Vehicle Dealers Amendment Act 1999, and is part of the Motor Vehicle Dealers Act 1975 (“the principal Act”).

(2) This Act comes into force on a date to be appointed by the Governor-General by Order in Council.

**2. Interpretation**—(1) Section 2 (1) of the principal Act is amended by inserting, after the definition of the term “new motor vehicle”, the following definition:

“‘New motor vehicle business’ means such part of the business of a motor vehicle dealer as consists of the business of purchasing, selling, exchanging, or leasing of new motor vehicles (whether as principal or agent); and includes the purchase or acceptance of a trade-in in connection with the purchase of a new motor vehicle:”.

(2) Section 2 (1) of the principal Act is amended by repealing the definition of the term “subsidiary place of business”, and substituting the following definition:

“‘Subsidiary place of business’, in relation to a licensee, means any place of business (not being a place to which section 7 (3A) applies) in respect of which, in accordance with any of the provisions of section 7 (4) or section 7 (5), the licensee is not required to hold a licence.”.

**3. Registrar to record certain matters in Register—**Section 60 (1)(a)(vi) of the principal Act is amended by inserting, after the words “and control”, the words “, in accordance with section 57,”.

**4. Motor vehicle dealers to be licensed—**(1) Section 7 of the principal Act is amended by repealing subsections (3) and (4), and substituting the following subsections:

“(3) Subject to subsections (3A) to (5), where a motor vehicle dealer carries on business as such at more than 1 place, a separate licence is required in respect of each such place of business.

“(3A) A motor vehicle dealer who holds a licence in respect of the motor vehicle dealer’s principal place of business is not required to hold a separate licence in respect of any other place at which only new motor vehicle business is carried on by that motor vehicle dealer.

“(4) A separate licence is not required by a motor vehicle dealer in respect of any place of business situated within a radius of 5 kilometres from any other place of business in respect of which that motor vehicle dealer holds a licence.”

(2) Section 7 (5) of the principal Act is amended by inserting, after the words “and control”, the words “, in accordance with section 57,”.

(3) Section 7 of the principal Act is amended by repealing subsection (6), and substituting the following subsections:

“(6) Every person commits an offence and is liable on summary conviction to a fine not exceeding \$10,000 who carries on business as a motor vehicle dealer at any place in respect of which that person is not licensed.

“(6A) It is a defence in any prosecution for an offence against subsection (6) if the defendant proves—

“(a) That, by virtue of subsection (3A) or subsection (4), the defendant was not required to hold a licence in

respect of the place to which the prosecution relates;  
or

“(b) That, in relation to the place to which the prosecution relates, the defendant was exempted under subsection (5) from the requirement to hold a licence.”

**5. Application for licence**—Section 9 (2) of the principal Act is amended by repealing paragraph (d), and substituting the following paragraph:

“(d) The address of the principal place of business of the applicant, and the address of any branch office or subsidiary office:”.

**6. Effect of licence**—Section 17 of the principal Act is amended by repealing subsection (1), and substituting the following subsection:

“(1) A licence authorises the licensee during the currency of the licence—

“(a) To carry on the business of a motor vehicle dealer at any place of business that is from time to time endorsed on the licence; and

“(b) To carry on new motor vehicle business anywhere.”

**7. Renewal of a licence**—Section 18 (5) (b) of the principal Act is amended by inserting, after the word “controlled” the words “, in accordance with section 57,”.

**8. Places at which licensee may conduct business**—(1) The principal Act is amended by repealing section 54, and substituting the following section:

“54. (1) No licensee may carry on business as a motor vehicle dealer at any place of business other than—

“(a) The licensee’s principal place of business; or

“(b) A branch office; or

“(c) A subsidiary place of business.

“(2) Nothing in subsection (1) prevents a licensee from—

“(a) Carrying on new motor vehicle business anywhere; or

“(b) Purchasing, or carrying on negotiations to purchase, any motor vehicle at any place other than the licensee’s principal place of business or a branch office or a subsidiary place of business; or

“(c) In the ordinary course of the licensee’s business as a motor vehicle dealer, using the services of an auctioneer or selling any motor vehicle at any

agricultural and pastoral show, trade fair, or other agricultural, industrial, or commercial exhibition held wholly or partly for trade purposes.

“(3) Every person commits an offence and is liable on summary conviction to a fine not exceeding \$5,000 who, being a licensee, carries on business as a motor vehicle dealer in contravention of subsection (1).”

(2) Section 19 of the Motor Vehicle Dealers Amendment Act 1976 and section 3 (2)(e) of the Motor Vehicle Dealers Amendment Act 1979 are consequentially repealed.

**9. Licensee to display notice on place of business, etc—**

(1) Section 55 of the principal Act is amended by repealing subsection (1), and substituting the following subsection:

“(1) Every licensee must, in accordance with this section, display and keep displayed in a prominent place on—

“(a) The licensee’s principal place of business; and

“(b) Each branch office of the licensee; and

“(c) Each subsidiary place of business of the licensee,—

so as to be easily read from outside the place of business, a notice of the name or style under which the licensee carries on business as a motor vehicle dealer (being the name or style approved by the Board under section 16), and of the fact that the licensee is a licensed motor vehicle dealer.”

(2) The Motor Vehicle Dealers Amendment Act 1979 is consequentially amended by repealing so much of the Schedule as relates to section 55 (1) of the principal Act.

**10. Supervision of licensee’s business—**Section 57 is amended by adding the following subsection:

“(10) Nothing in subsections (1) to (3) applies in relation to the new motor vehicle business of any licensee (including a licensee company).”

**11. Disciplining of officers and branch managers—**

Section 118A (2) (b) is amended by inserting, after the words “and control”, the words “, in accordance with section 57,”.