

## **Explanatory note**

This explanatory note relates to this Bill as introduced into Parliament.

### Overview of Bill

The object of this Bill is to amend the *Motor Dealers Act 1974* (***the Principal Act***) for the following purposes:

(a) to remove the requirement that a trade owner who sells a second-hand or demonstrator motor vehicle to another trade owner give the other trade owner a signed disposal notice for retention by the other trade owner,

(b) to include a demonstrator motor vehicle within the definition of ***second-hand motor vehicle*** so that demonstrator motor vehicles are to be dealt with under the Principal Act as second-hand motor vehicles (with a specified exception).

### Outline of provisions

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

**Clause 3** is a formal provision that gives effect to the amendments to the *Motor Dealers Act 1974* set out in Schedule 1.

**Clause 4** provides for the repeal of the proposed Act after all the amendments made by the proposed Act have commenced. Once the amendments have commenced the proposed Act will be spent and section 30 of the *Interpretation Act 1987* provides that the repeal of an amending Act does not affect the amendments made by that Act.

### **Schedule 1 Amendments**

**Schedule 1 [1]** amends the definition of ***second-hand motor vehicle*** in the Principal Act so that the definition specifically includes a demonstrator motor vehicle (the definition currently excludes a demonstrator motor vehicle). **Schedule 1 [2], [3], [8] and [9]** make consequential amendments.

**Schedule 1 [4]** amends section 24 of the Principal Act so that the distinction between demonstrator motor vehicles and second-hand motor vehicles in that section is retained. Section 24 requires a dealer who offers or displays for sale a second-hand motor vehicle to attach to the vehicle a notice containing certain particulars in relation to the vehicle. However, such a notice can be signed and given to the purchaser at or before the time of sale if the vehicle concerned is a demonstrator motor vehicle.

**Schedule 1 [5]** omits section 25 of the Principal Act. Currently, section 25 requires a trade owner who sells a second-hand or demonstrator motor vehicle to another trade owner to give the other trade owner a signed disposal notice for retention by the other trade owner. **Schedule 1 [6] and [7]** make consequential amendments.

**Schedule 1 [10]** enables the making of regulations of a savings or transitional nature consequent on the enactment of the proposed Act.