§ 7-201. Sale of certain licensed taxicabs. Notwithstanding any other law a bank, trust company, national bank, licensed lender or credit union which has made a loan to the owner of a licensed taxicab, and has taken as collateral a security agreement wherein the debtor pledges the licensed taxicab as security for the repayment of the loan as prescribed by the uniform commercial code, and in turn the secured party has filed a financing statement in the proper filing offices, and default has occurred in payment of the debt by the debtor, the secured party, if possession has been had of the licensed taxicab must dispose of said licensed taxicab for use and operation as a licensed taxicab pursuant to law. When the secured party takes possession of such licensed taxicab it shall immediately notify the licensing agency.

The purchaser of such licensed taxicab at sale hereunder, or his vendee shall have the same rights in respect of the use and operation thereof as a licensed taxicab as he would be entitled to under the law pursuant to which such taxicab was licensed if he were the purchaser thereof at a voluntary sale. Said sale shall be conditioned upon the approval by the licensing or supervisory agency of the purchaser as an owner of such taxicab. In making such determination, the licensing or supervisory agency shall use the same procedure and standards as if the purchaser thereof was a purchaser at a voluntary sale and such approval shall not be arbitrarily withheld by the licensing or supervisory agency. In the event such approval is not granted by the licensing or supervisory agency, said sale shall be declared a nullity, all monies paid hereunder, shall be returned to the purchaser at said sale. Such sale shall continue until a purchaser acceptable to the licensing or supervisory agency is obtained or the vehicle is otherwise disposed of according to law.

As used herein the term licensed taxicab shall mean a vehicle carrying passengers for hire and licensed by any county, city, town, village or any other such licensing agency, to operate as a taxicab within any such jurisdiction.