

## **605 KAR 1:030. Applications.**

RELATES TO: KRS 190.010-190.080

STATUTORY AUTHORITY: KRS 190.020, 190.030, 190.035, 190.073

NECESSITY, FUNCTION, AND CONFORMITY: KRS 190.030 provides for the issuance of various licenses to engage in the activity of a motor vehicle dealer. KRS 190.020 requires the commission, under administrative regulations promulgated by it, to issue the licenses provided for by KRS 190.010 to 190.080. KRS 190.073 requires the commission to promulgate appropriate and reasonable administrative regulations for the purpose of carrying out the provisions of KRS Chapter 190. This administrative regulation allows the Motor Vehicle Commission to provide for an orderly procedure for the submission and content of applications to facilitate processing of applications and the issuance of the license.

### Section 1. Application and Renewal.

(1) An Application for Motor Vehicle Dealer License, form TC 98-1, shall be submitted on behalf of an individual or entity wishing to obtain a license using a name that is not the name of a current licensee. Applicants shall provide additional information in support of the application if requested by the commission or its staff. The application shall not be considered complete until the additional information is received.

(2) Renewal of a dealer license shall be submitted by completing a Dealer License Renewal Application available on the commission's Web site at <https://mvc.ky.gov/Pages/Online-Renewal.aspx>.

Section 2. The applicant shall be notified in writing of the acceptance or rejection of the application. If the application is rejected, the reason or reasons for rejection shall be specifically stated, and the rejected applicant shall be notified of the right to a hearing before the commission in accordance with the rules and administrative regulations of the commission.

### Section 3. All applicants shall:

(1) Submit a financial statement;

(2) Submit at least six (6) different photographs of the premises to be occupied by the applicant;

(3) Submit a detailed drawing of the premises in relation to the nearest roadway, which shall include the location and size of the office and the display area, and the location of the dealership sign;

(4) Furnish a personal data sheet, employment history, and photograph for each individual owning a portion of the business, officers of a corporation, or members and managers of a limited liability company;

(5) Sign a statement authorizing the Motor Vehicle Commission to make inquiries or investigations concerning employment, credit, or criminal records of the applicant or any partner, corporate officer, and manager or managing member of a limited liability corporation; and

(6) Obtain garage liability insurance and file with the commission a certificate of insurance in the exact name in which it applies for a license.

Section 4. An Applicant for a new, used, motorcycle, automotive mobility dealer, or motor vehicle leasing dealer license shall demonstrate that they possess a minimum of \$50,000 in unencumbered cash or unencumbered inventory.

### Section 5.

(1) An Applicant for a new, used, motorcycle, automotive mobility dealer, or motor vehicle leasing dealer license who demonstrates that they possess between \$50,000 and

\$100,000 of unencumbered cash or unencumbered motor vehicle inventory may be granted a license only if the applicant also obtains a commercial bond, as set forth in KRS 190.030(9), in the amount of the difference between the unencumbered cash and unencumbered motor vehicle inventory and the \$100,000 amount.

(2) The commission may require a commercial bond, as set forth in KRS 190.030(9), for an applicant with a net worth above the \$100,000 amount if the information submitted by the applicant indicates reasonable cause to doubt the financial responsibility or the applicant's compliance with the provisions of KRS Chapter 190.

Section 6. Every licensee shall obtain a sales tax permit number from the Department of Revenue.

Section 7. Incorporation by Reference.

(1) "Application for Motor Vehicle Dealer License, TC 98-1", 6/2021 edition is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at Kentucky Motor Vehicle Commission, 200 Mero Street, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.

(9 Ky.R. 650; eff. 12-1-1982; Recodified from 601 KAR 21:030, 7-13-1984; 11 Ky.R. 1463; 13 Ky.R. 1522; eff. 5-14-1985; 18 Ky.R. 467; eff. 10-1-1991; Crt eff. 3-5-2019; 47 Ky.R. 2643; 48 Ky.R. 1128; eff. 11-15-2021.)