

AN ACT relating to motor vehicle dealers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 190.030 is amended to read as follows:

- (1) A motor vehicle dealer, new, used, or auction motor vehicle dealer, nonprofit motor vehicle dealer, motor vehicle leasing dealer, restricted motor vehicle dealer, motorcycle dealer, broker, wholesaler, automotive recycling dealer, new recreational vehicle dealer, a salesperson of motor vehicles, or a salesperson of new recreational vehicles shall not engage in business in this state at any location without a license issued for that location as provided in KRS 190.010 to 190.080. If a person acts as a motor vehicle salesperson or a new recreational vehicle salesperson, he shall secure a motor vehicle salesperson's license or a new recreational vehicle salesperson's license in addition to a license for a motor vehicle dealer or for a new recreational vehicle dealer. The motor vehicle commission may provide by administrative regulation for other licensee activities and an appropriate fee.
- (2) A manufacturer of motor vehicles, recreational vehicles, factory branch, distributor, distributor branch, or wholesaler shall not engage in business in this state without a license as provided in KRS 190.010 to 190.080.
- (3) A factory representative or distributor representative shall not engage in business in this state without a license as provided in KRS 190.010 to 190.080.
- (4) Application for license shall be made to the licensor, at a time, in a form, and containing information the licensor shall require and shall be accompanied by the required fee. The licensor may require in the application, or otherwise, information relating to the applicant's solvency, his financial standing, or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which the applicant proposes to engage in business. The information may be considered by the licensor in determining the fitness of the applicant to engage in business as set

forth in this section.

- (5) All licenses shall be granted or refused within thirty (30) days after submission of a complete application and shall expire, unless revoked or suspended, on December 31 of the calendar year for which they are granted. If a complaint of unfair cancellation of dealer franchise is in the process of being heard, a replacement application for the franchise shall not be considered until a decision is rendered by the commission.
- (6) The license fee for a calendar year, or part thereof, shall be as follows:
- (a) For new motor vehicle dealers, one hundred *fifty* dollars ~~(\$150)~~ for each office or branch or agent thereof, plus one hundred *fifty* dollars ~~(\$150)~~ for a supplemental license for each used car lot not immediately adjacent to the office or to a branch;
 - (b) For used motor vehicle dealers, one hundred *fifty* dollars ~~(\$150)~~ for each office or branch or agent thereof;
 - (c) For motor vehicle leasing dealers, one hundred *fifty* dollars ~~(\$150)~~ for each office or branch or agent thereof;
 - (d) For restricted motor vehicle dealers, one hundred *fifty* dollars ~~(\$150)~~ for each office or branch or agent thereof;
 - (e) For motorcycle dealers, one hundred *fifty* dollars ~~(\$150)~~ for each office, branch, or agent thereof;
 - (f) For motor vehicle manufacturers, one hundred *fifty* dollars ~~(\$150)~~; and for each factory branch in this state, one hundred *fifty* dollars ~~(\$150)~~;
 - (g) For distributors, motor vehicle auction dealers or wholesalers, the same as for dealers;
 - (h) For motor vehicle or recreational vehicle salespersons, twenty dollars (\$20), to be paid by the licensed dealer for every salesperson the dealer employs;

- (i) For factory representatives, or distributor branch representatives, one hundred fifty dollars ~~(\$150)~~~~(\$100)~~;
 - (j) For automotive mobility dealers, one hundred fifty dollars ~~(\$150)~~~~(\$100)~~;
 - (k) For nonprofit motor vehicle dealers, one hundred fifty dollars ~~(\$150)~~~~(\$100)~~;
 - (l) For nonprofit motor vehicle dealer salespersons, a license fee shall not be imposed;
 - (m) For recreational vehicle manufacturers or distributors, one hundred fifty dollars ~~(\$150)~~~~(\$100)~~; and
 - (n) For new recreational vehicle dealers, one hundred fifty dollars ~~(\$150)~~~~(\$100)~~.
- (7) (a) The licenses of dealers, manufacturers, factory branches, distributors, and distributor branches shall specify the location of the office or branch and shall be conspicuously displayed there. If the location is changed, the licensor shall endorse the change of location on the license. A licensee shall not be charged a fee for changing locations. A change of location shall require a new application.
- (b) 1. A motor vehicle dealer who is not a new motor vehicle dealer may conduct a temporary sale or display in the county where the dealer is licensed to conduct business.
 - 2. A new motor vehicle dealer may conduct a temporary sale or display in the dealer's market as defined in KRS 190.047(6).
 - 3. A recreational vehicle dealer may conduct a temporary sale or display in the county where the dealer is licensed to conduct business or in any other county where there is no licensed recreational vehicle dealer.
- (c) A temporary sale or display may be conducted under this subsection if the temporary sale or display is permitted under an enabling ordinance enacted by the city, county, urban-county, or consolidated local government within whose boundaries the temporary sale or display is to be conducted. A temporary sale

or display shall be advertised as temporary in nature and shall consist of a representative sampling of the inventory of each participating licensee.

- (d) The provisions of this subsection shall not apply to a nonprofit motor vehicle dealer.
- (8) Every salesperson, factory representative, or distributor representative shall carry his license when engaged in business, and display it upon request. The license shall name his employer; and in case of a change of employer, the salesperson shall immediately mail his license to the licensor who shall endorse the change on the license without charge.
- (9) If the licensor has reasonable cause to doubt the financial responsibility or the compliance by the applicant or licensee with the provisions of this statute, the licensor may require the applicant or licensee to furnish and maintain a bond in a form, amount and with sureties up to one hundred thousand dollars (\$100,000), conditioned upon the applicant or licensee complying with the provisions of the statutes applicable to the licensee. The bonds shall be executed in the name of the State of Kentucky for the benefit of any aggrieved parties, but the penalty of the bond shall not be invoked except after a court adjudication. The commission may promulgate administrative regulations to permit the applicant to submit evidence, in lieu of posting bond, that reliable financial arrangements, deposits, or commitments exist providing assurance, substantially equivalent to that afforded by a bond complying with this subsection, for payment on conditions and indemnity set forth in this subsection. The bonding requirements of this subsection shall not apply to manufacturers, factory branches, and their agents.
- (10) Application for dealer's license shall be submitted to the commission and contain information the commission may require. A motor vehicle dealer, unless licensed under KRS 190.010 to 190.080, shall not be permitted to register, receive, or use any motor vehicle registration plates.

- (11) Every motor vehicle dealer or new recreational vehicle dealer licensed in accordance with the provisions of this section shall make reports to the licensor at intervals and show information the licensor may require.

➔Section 2. KRS 190.030 is amended to read as follows:

- (1) A motor vehicle dealer, new, used, or auction motor vehicle dealer, nonprofit motor vehicle dealer, motor vehicle leasing dealer, restricted motor vehicle dealer, motorcycle dealer, broker, wholesaler, automotive recycling dealer, new recreational vehicle dealer, a salesperson of motor vehicles, or a salesperson of new recreational vehicles shall not engage in business in this state at any location without a license issued for that location as provided in KRS 190.010 to 190.080. If a person acts as a motor vehicle salesperson or a new recreational vehicle salesperson, he shall secure a motor vehicle salesperson's license or a new recreational vehicle salesperson's license in addition to a license for a motor vehicle dealer or for a new recreational vehicle dealer. The motor vehicle commission may provide by administrative regulation for other licensee activities and an appropriate fee.
- (2) A manufacturer of motor vehicles, recreational vehicles, factory branch, distributor, distributor branch, or wholesaler shall not engage in business in this state without a license as provided in KRS 190.010 to 190.080.
- (3) A factory representative or distributor representative shall not engage in business in this state without a license as provided in KRS 190.010 to 190.080.
- (4) Application for license shall be made to the licensor, at a time, in a form, and containing information the licensor shall require and shall be accompanied by the required fee. The licensor may require in the application, or otherwise, information relating to the applicant's solvency, his financial standing, or other pertinent matter commensurate with the safeguarding of the public interest in the locality in which the applicant proposes to engage in business. The information may be considered by

the licensor in determining the fitness of the applicant to engage in business as set forth in this section.

- (5) All licenses shall be granted or refused within thirty (30) days after submission of a complete application and shall expire, unless revoked or suspended, on December 31 of the calendar year for which they are granted. If a complaint of unfair cancellation of dealer franchise is in the process of being heard, a replacement application for the franchise shall not be considered until a decision is rendered by the commission.
- (6) The license fee for a calendar year, or part thereof, shall be as follows:
- (a) For new motor vehicle dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~ for each office or branch or agent thereof, plus two hundred dollars (\$200)~~one hundred dollars (\$100)~~ for a supplemental license for each used car lot not immediately adjacent to the office or to a branch;
 - (b) For used motor vehicle dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~ for each office or branch or agent thereof;
 - (c) For motor vehicle leasing dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~ for each office or branch or agent thereof;
 - (d) For restricted motor vehicle dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~ for each office or branch or agent thereof;
 - (e) For motorcycle dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~ for each office, branch, or agent thereof;
 - (f) For motor vehicle manufacturers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~; and for each factory branch in this state, two hundred dollars (\$200)~~one hundred dollars (\$100)~~;
 - (g) For distributors, motor vehicle auction dealers or wholesalers, the same as for dealers;
 - (h) For motor vehicle or recreational vehicle salespersons, twenty dollars (\$20), to

- be paid by the licensed dealer for every salesperson the dealer employs;
- (i) For factory representatives, or distributor branch representatives, two hundred dollars (\$200)~~one hundred dollars (\$100)~~;
 - (j) For automotive mobility dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~;
 - (k) For nonprofit motor vehicle dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~;
 - (l) For nonprofit motor vehicle dealer salespersons, a license fee shall not be imposed;
 - (m) For recreational vehicle manufacturers or distributors, two hundred dollars (\$200)~~one hundred dollars (\$100)~~; and
 - (n) For new recreational vehicle dealers, two hundred dollars (\$200)~~one hundred dollars (\$100)~~.
- (7) (a) The licenses of dealers, manufacturers, factory branches, distributors, and distributor branches shall specify the location of the office or branch and shall be conspicuously displayed there. If the location is changed, the licensor shall endorse the change of location on the license. A licensee shall not be charged a fee for changing locations. A change of location shall require a new application.
- (b) 1. A motor vehicle dealer who is not a new motor vehicle dealer may conduct a temporary sale or display in the county where the dealer is licensed to conduct business.
 - 2. A new motor vehicle dealer may conduct a temporary sale or display in the dealer's market as defined in KRS 190.047(6).
 - 3. A recreational vehicle dealer may conduct a temporary sale or display in the county where the dealer is licensed to conduct business or in any other county where there is no licensed recreational vehicle dealer.

- (c) A temporary sale or display may be conducted under this subsection if the temporary sale or display is permitted under an enabling ordinance enacted by the city, county, urban-county, or consolidated local government within whose boundaries the temporary sale or display is to be conducted. A temporary sale or display shall be advertised as temporary in nature and shall consist of a representative sampling of the inventory of each participating licensee.
 - (d) The provisions of this subsection shall not apply to a nonprofit motor vehicle dealer.
- (8) Every salesperson, factory representative, or distributor representative shall carry his license when engaged in business, and display it upon request. The license shall name his employer; and in case of a change of employer, the salesperson shall immediately mail his license to the licensor who shall endorse the change on the license without charge.
- (9) If the licensor has reasonable cause to doubt the financial responsibility or the compliance by the applicant or licensee with the provisions of this statute, the licensor may require the applicant or licensee to furnish and maintain a bond in a form, amount and with sureties up to one hundred thousand dollars (\$100,000), conditioned upon the applicant or licensee complying with the provisions of the statutes applicable to the licensee. The bonds shall be executed in the name of the State of Kentucky for the benefit of any aggrieved parties, but the penalty of the bond shall not be invoked except after a court adjudication. The commission may promulgate administrative regulations to permit the applicant to submit evidence, in lieu of posting bond, that reliable financial arrangements, deposits, or commitments exist providing assurance, substantially equivalent to that afforded by a bond complying with this subsection, for payment on conditions and indemnity set forth in this subsection. The bonding requirements of this subsection shall not apply to manufacturers, factory branches, and their agents.

- (10) Application for dealer's license shall be submitted to the commission and contain information the commission may require. A motor vehicle dealer, unless licensed under KRS 190.010 to 190.080, shall not be permitted to register, receive, or use any motor vehicle registration plates.
- (11) Every motor vehicle dealer or new recreational vehicle dealer licensed in accordance with the provisions of this section shall make reports to the licensor at intervals and show information the licensor may require.
- ➔Section 3. Section 2 of this Act takes effect July 1, 2017.