

TRANSPORTATION CABINET
Motor Vehicle Commission
(Amended at ARRS Committee)

605 KAR 1:051. Dealer and salesman.

RELATES TO: KRS 190.010, 190.030

STATUTORY AUTHORITY: KRS 190.010, 190.030, 190.073

NECESSITY, FUNCTION, AND CONFORMITY: KRS 190.030 requires a salesman's license to indicate for whom the salesman works and to be displayed upon request. This administrative regulation establishes the relationship between the dealership and salesman and implements statutory requirements to facilitate accurate recordkeeping by the Motor Vehicle Commission.

Section 1.

- (1) All activity of a licensed motor vehicle salesman shall be pursuant to the salesman's employment by the licensee whose name appears on the salesman's license.
- (2) A salesman shall not establish a place of business separate from the location for which his employer holds a license.
- (3) A salesman shall not hold himself out to be a licensed dealer or conduct himself in any manner which would lead a prospective purchaser to believe he is a licensed dealer.
- (4) A salesman shall not advertise the sale or purchase of a motor vehicle. This subsection shall not prohibit licensed motor vehicle dealers from identifying or including salesmen in advertisements of the dealership.

Section 2. If a salesman changes his place of employment to another dealership, he shall return his license to the commission.

Section 3. Every dealer licensee shall display in a conspicuous place in the dealership office a copy of the license of each salesman employed by the dealership. Upon the termination of employment of a salesman, the licensee shall, within ten (10) days, notify the commission of the termination and return to the commission the dealer's copy of the salesman's license.

Section 4.

- (1) A dealer shall apply for a motor vehicle salesman license for each person acting or intending to act as a salesman. The application shall be submitted by completing a salesman application through the dealer's on-line account at Ky.gov Login. The dealer shall provide the name, home address, social security number, date of birth of the salesman, and the employment history of the salesman in the motor vehicle industry identifying the name and address of any previous motor vehicle dealerships at which the salesman was employed. If the salesman does not have prior experience in the motor vehicle industry, the dealer shall so state.
- (2) The employing dealer shall furnish a current photograph of the salesman for identification purposes.
- (3) The employing dealer shall require the salesman to authorize the commission to make inquiries or investigations concerning the salesman's employment and criminal records. The employing dealership shall remit the required fee for a criminal background check if requested by the commission.

Section 5.

- (1) The following individuals shall be required to obtain a salesman's license:
 - (a) Each natural person holding a motor vehicle dealer license;
 - (b) Each general partner actively involved in the day-to-day operation of a general or limited partnership holding a motor vehicle dealer license;

(c) The president, chief executive officer, chief operating officer, or equivalent of a corporation holding a motor vehicle dealer license; and

(d) Each manager, or, if member-managed, each member actively involved in the day-to-day operation of a limited liability company holding a motor vehicle dealer license.

(2) All motor vehicle dealers shall have at least one (1) salesperson per licensed location.

Section 6. If any of the individuals in Section 5(1) are physically located and conduct business at more than one (1) location, the individual shall procure a salesman's license for each location. Otherwise, the individual shall procure a license for the location in Kentucky where he is located or a primary location in Kentucky if he is located outside the state.

(48 Ky.R. 1647, 2006; eff. 2-16-2022.)

FILED WITH LRC: January 10, 2022

CONTACT PERSON: Suzanne Baskett, Executive Staff Advisor, Kentucky Motor Vehicle Commission, 200 Mero Street, Frankfort, Kentucky 40601, phone (502) 573-1000, fax (502) 227-8082, email Suzanne.Baskett@ky.gov.