

COMMONWEALTH OF KENTUCKY
Motor Vehicle Commission
Frankfort, Kentucky 40601

Dear Applicant:

The enclosed is furnished in response to your request for an application for a motor vehicle dealer's license. It is essential that the instructions contained in this letter and in the application form be followed in detail in order to ensure timely processing of your application. *All applications must be typewritten or legibly printed.* Incomplete applications will be returned to applicant.

Item #1 – Refers to the type of license required. (See attached definitions of licenses.) A dealer may require more than one license depending upon the scope of his/her business. For example, a franchised new motor vehicle dealer who also leases vehicles would place a mark in the bracket next to “New Motor Vehicle Dealer” and in the bracket next to “Motor Vehicle Leasing Dealer.” The fee in this case would be two hundred dollars (\$200.00).

- A dealer who sells an operable, road-worthy used motor vehicle, which is on a regular or rebuilt title, must have a “Used” or “Wholesale” motor vehicle dealer license. If that dealer also dismantles, salvages, or recycles salvage vehicles for the purpose of harvesting used parts, components, assemblies, and recyclable materials for resale, reuse, or reclamation, he/she must also have the “Restricted/Automotive Recycling Dealer” license, in addition to the other license(s).
- A dealer who sells vehicles with regular or rebuilt titles, and who also dismantles, salvages, or recycles salvage vehicles for the purpose of harvesting used parts, components, assemblies, and recyclable materials for resale, reuse, or reclamation, must have both endorsements on the license, if he/she carries on both activities at the same location. If he/she sells motor vehicles from one lot and recycles vehicles to harvest parts at another, a separate license must be obtained for each location.

Item #2 – Revenue Cabinet sales tax permit number may be obtained by visiting or writing the Revenue Cabinet at 501 High Street, Frankfort, Kentucky. The telephone number for that office is (502) 564-3306.

Item #3 – The trade name under which the dealership will be operated must incorporate the words “used cars,” “auto sales,” “auto mart,” “motor sales,” or other similar wording which clearly identifies the business as a motor vehicle sales business. This trade name must be the exact wording as that listed on the dealership sign (retail only) and on your insurance filing. It is much simpler for you to operate under your own name (such as John B. Jones Auto Sales). However, if you wish to use an assumed name, you must provide the following: (A) Sole proprietor applicants wishing to operate under an assumed name must submit a certified copy of an assumed name certificate (the certification is performed by the county clerk and the form is included in this application package on Page 7), (B) All corporations and partnerships wishing to operate under an assumed name must file an assumed name certificate with the Office of the Secretary of State (telephone number 502-564-3490) and with the county clerk and furnish a copy with your application to this office along with Articles of Incorporation. The form to be used is page 7A.

Item #4 – List the name(s) and percentage(s) of ownership of each owner, partner, or corporate officer.

Item #5 – The address of the established place of business must identify the exact location of the business and must also have a mail drop. “Established place of business,” as defined in Chapter 190 of the Kentucky Revised Statutes means: “A permanent, enclosed, commercial building located within this state easily accessible and open to the public at all reasonable times, and at which the business of a vehicle dealer, including the display and repair of vehicles, may be lawfully carried on in accordance with the terms of all applicable building codes, zoning, and other land use regulatory ordinances.”

Items #6, #7, #8, #9 and #10 – Self-Explanatory.

Pages 2 and 2A – *Financial Statement.* Complete the financial statement in detail, as accurately and as completely as possible. Improperly completed statements will cause a delay in approving the license or may lead to a bond requirement. Listing liabilities is as important as listing assets. If there are no liabilities, put a statement to that effect on the financial statement. In addition to the financial statement, the applicant may be required to post a bond in any amount not less than fifteen thousand dollars (\$15,000.00).

Page 3 – Make sure submitted photos are in color and of good quality. Wholesale applicants may omit photo number one.

Pages 4 and 4A – The Personal Data Form and Waiver Release form may be reproduced, if required, for additional partners or corporate officers.

Pages 5, 5A and 5B- The Data Form and Waiver Release form may be reproduced, if required, for additional sales people.

Pages 6, 7, 7A, 7B, 8 and 9 – Self-Explanatory.

Page 10 – Only those applicants for the Restricted/Automotive Recycling Dealer License need to provide the information specified on this page.

Additionally, the dealer license fee(s), salespersons license fee(s), and insurance are not required prior to approval of your application.

The salesperson license(s) will be provided to you by the Motor Vehicle Commission upon receipt of your application. Each license should be typewritten or legibly printed, and there is a \$20 fee for each license. Each different type dealer requires salespersons to be licensed, except if restricted/recycling only. All owners/partners of a dealership are also required to be licensed as salespersons.

SEPARATION OF FACILITIES – If you or any other person conducts another business from the location for which the dealer license is used or applied for, your display lot/customer parking area must be separate and apart from what is used for the other business. Your office need not be a separate walled enclosure, but it must be a separate defined area with office furnishings. If there is any question about separation, the Commission may require a physical barrier to be installed between the different businesses.

SUPPLEMENTAL LOT APPLICATIONS (*For New Vehicle Dealers only, for the purpose of selling used vehicle inventory*) – If you are applying for a Supplemental Lot License, you NEED NOT fill out Pages 4 and 5 of the application.

A dealer who operates at more than one location must have a dealer license for each location. This includes separate building franchises.

Upon completion of the application, mail it to this office with a processing fee of forty dollars (\$40.00); in addition, enclose another fee of fifteen dollars (\$20.00) for each owner, partner, or corporate officer listed on Page 1 of the application to conduct a criminal background check and (\$20.00 for each sales person criminal background check. Make all checks payable to the “Kentucky State Treasurer.” Each application will be reviewed to determine completeness. The Motor Vehicle Commission meets once a month and applicants will be notified by mail of the Commission’s decision.

Sincerely,

Motor Vehicle Commission
105 Sea Hero Road, Suite 1
Frankfort, Kentucky 40601
(502) 573-1000

NOTE: Your application must be received at least ten (10) working days prior to the Commission Meeting at which it is to be considered. The Commission meets the second Friday of each month, but may be changed due to holidays or bad weather. For an application cut-off date, please call our office at (502) 573-1000.

The Kentucky Motor Vehicle Commission does not discriminate on the basis of race, color, national origin, sex, age, religion, or disability and provides, upon request, reasonable accommodation including auxiliary aids and services necessary to afford an individual with a disability an equal opportunity to participate in all services, programs, and activities.

DEFINITIONS

1. **New Motor Vehicle Dealer** – A vehicle dealer who holds a valid sales and service agreement, franchise, or contract, granted by the manufacturer, distributor, or wholesaler for the sale of manufacturer's new motor vehicles.
2. **Used Motor Vehicle Dealer** – Any person engaged in the business of selling at retail, displaying, offering for sale or dealing in used motor vehicles, but does not mean any person engaged in the business of dismantling, salvaging, or rebuilding motor vehicles by means of using parts.
3. **Motor Vehicle Leasing Dealer** – Any person engaged in the business of regularly making available, offering to make available, or arranging for another person to use a motor vehicle pursuant to a bailment, lease, or other contractual arrangement under which a charge is made for its use at a periodic rate for at least a monthly term, and title to the motor vehicle is in the name of a person other than the user, but does not mean a manufacturer or its affiliate leasing to its employees or to dealers.
4. **Supplemental Lot** – A supplemental lot license is for new vehicle dealers only and is for the purpose of selling used vehicle inventory.
5. **Wholesale Motor Vehicle Dealer** – A dealer who sells to other licensed dealers only. Retail sales to the general public are prohibited.
6. **Motor Vehicle Auction Dealer** – Any person primarily engaged in the business of offering, negotiating, or attempting to negotiate a sales, purchase, or exchange of a motor vehicle through auction.
7. **Automotive Mobility Vehicle Dealer** – One who is engaged in the business of selling at retail, displaying, offering for sale, or otherwise dealing in new or used motor vehicles which are specially designed or permanently modified for use by aging or disabled persons.
8. **Motor Vehicle Salesperson** – Any person who is employed as a salesperson by a motor vehicle dealer to sell motor vehicles or who is employed as an auctioneer by a motor vehicle auction dealer to sell motor vehicles at auction.
9. **Assumed Name Certificate** – The certificate on Page 7 is required of any sole proprietorship doing business under any name other than the one which uses the last name of the owner. Partnerships or corporations are to use the assumed name certificate on Page 7A.
10. **Restricted Dealer/Mobility Dealer** – A motor vehicle dealer who exclusively sells, offers to sell, solicits, or advertises specialized motor vehicles such as, but not limited to, funeral coaches and emergency vehicles.
11. **Restricted/Automotive Recycling Dealer** – Any person engaged in the business of dismantling, salvaging, or recycling salvage vehicles for the purpose of harvesting used parts, components, assemblies, and recyclable materials for resale, reuse, or reclamation.
12. **Motorcycle Dealer** – A motor vehicle dealer who exclusively sells, offers to sell, solicits, or advertises motorcycles.
13. **Established Place of Business** – A permanent, enclosed commercial building located within this state easily accessible and open to the public at all reasonable times, at which the business of a motor vehicle dealer, including the display and repair of vehicles, may be lawfully carried out in accordance with the terms of all applicable building codes, zoning, and other land use regulatory ordinances.