

APA-6
10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-5-12-.01

Rule Title: Application for New and Used Motor Vehicle Dealer, Motor Vehicle Wholesaler, and Motor Vehicle Rebuilder Licenses - Application for Off-site Sales Event

 New X Amend Repeal Adopt by Reference

- NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:
10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:
11. OTHER COMMENTS:

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ALABAMA DEPARTMENT OF REVENUE
Motor Vehicle Division

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-5-12-.01 Application for New and Used Motor Vehicle Dealer, Motor Vehicle Wholesaler, and Motor Vehicle Rebuilder Licenses and Renewals – Application for Off-site Sales Event

INTENDED ACTION: Amend rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rule to provide the requirements for applying for new and used motor vehicle dealer, motor vehicle wholesaler, motor vehicle reconitioner, and motor vehicle rebuilder licenses and renewals for Off-site Sales Event licenses. In addition, the department proposes to amend the title of the rule.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **1:30 p.m. on Wednesday, September 9, 2015, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://revenue.alabama.gov/analysis/upcoming-rule-hearings.cfm>

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Wednesday, September 9, 2015

CONTACT PERSON AT AGENCY:

Patricia Thomas
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael D. Gamble, Secretary
Alabama Department of Revenue

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810-5-12-.01 Application for New and Used Motor Vehicle Dealer, Motor Vehicle Wholesaler, and Motor Vehicle Rebuilder Licenses and Renewals – Application for Off-site Sales Event.

~~(1) Initial and renewal applications for new and used motor vehicle dealers, motor vehicle wholesalers, and motor vehicle rebuilders.~~

~~(1) (a) Effective August 1, 2012, a All new and renewal~~ regulatory license applications and regulatory license renewal applications for new motor vehicle dealers, used motor vehicle dealers, motor vehicle wholesalers, and motor vehicle rebuilders shall be filed electronically.

~~(a) (b)~~ The applicant shall provide the following information on the application:

1. Legal name of business and trade name or DBA (if applicable) and mailing address

2. Physical address(es) of business and telephone number(s)

3. Form of organization

(i) Individual,

(ii) Partnership,

(iii) Limited Liability Company (LLC),

(iv) Limited Liability Partnership (LLP), or

(v) Corporation

4. Federal Employer Identification Number (FEIN) – not required for individual owners

5. Type of regulatory license(s) requested:

(i) New motor vehicle dealer, as defined in **Section §40-12-390, Code of Alabama 1975** must provide name(s) of manufacturer(s) or distributor(s) and line(s) that applicant is authorized to represent

(ii) Used motor vehicle dealer, as defined in **Section §40-12-390, Code of Alabama 1975**

(iii) Motor vehicle wholesaler, as defined in **Section §40-12-390, Code of Alabama 1975**

(iv) Motor vehicle rebuilder, as defined in **Section §40-12-390, Code of Alabama 1975**

6. State sales tax number (new and used motor vehicle dealers only)

7. Number of motor vehicles sold during the previous calendar year

8. Name, resident home address, home telephone number, driver license number or non-driver identification card number and state of issuance and social security number for all owner(s), partners, members, officers and directors.

9. Email address of person completing application (notice of regulatory license issuance or notice or request for additional information will be sent to this email address)

~~(b)~~ ~~(c)~~ The applicant shall electronically submit the information required in section 2 (1) ~~(a)~~ ~~(b)~~ of this rule and pay the twenty-five dollar (\$25) application fee(s) as required by ~~Section~~ §40-12-392, Code of Alabama 1975, and any applicable five dollar (\$5) fee(s) for supplemental locations as provided for in ~~Section~~ §40-12-395, Code of Alabama 1975.

~~(c)~~ ~~(d)~~ The Department will provide an application receipt that must be printed and mailed to the Department along with the following documents in order to complete the application:

1. Properly executed surety bond in the sum of twenty-five thousand dollars (\$25,000) as provided in §40-12-398, Code of Alabama 1975. Note: There will be one bond for dealers and designated agents. The continuous bond shall be submitted with the initial application. The Department must be notified of any change in the status of the bond.

2. Evidence of blanket motor vehicle liability insurance coverage as provided in §40-12-392, Code of Alabama 1975, for business and inventory vehicles for the new license application or license renewal period if evidence of insurance cannot be verified electronically.

3. A copy of the driver license or non-driver identification card for all owner(s), partners, members, officers and directors.

4. ~~3.~~ A photograph of the motor vehicle dealership and principal sign displayed and situated on the dealer's permanent location or locations, as defined in §40-12-392, Code of Alabama 1975, apprising the public that a retail motor vehicle sales business is being conducted at said location. Any new and/or used motor vehicle dealer having more than one location shall submit a photograph for each location. The photograph shall be of such visual quality and size that a reasonable viewer of the photograph could discern all lettering appearing on the sign or signs. Note: A photograph shall only be required for the initial new motor vehicle dealer or used motor vehicle dealer regulatory license application and shall not be required for renewals unless the sign or location has been modified or changed.

~~The sign shall use the name under which the applicant is licensed, and should this name not clearly identify the applicant as a seller of new and/or used motor vehicles, then a supplement sign shall be attached, and state, in letters not less than six inches high, "used motor vehicle dealer" and/or "new motor vehicle dealer." The sign must be of sufficient size to be legible from the street fronting the display area, or from a distance to fifty yards, whichever is greater, so as to apprise a reasonable consumer that a retail motor vehicle sales business is being conducted at said location. This sign may be free standing or attached to the face of a building, and shall be erected at the location stated on the regulatory license application. Any new and/or used motor vehicle dealer having more than one location shall submit a photograph for each location. The photograph shall be of such visual quality and size that a reasonable viewer of the photograph could discern all lettering appearing on the sign or signs. Note: A photograph shall only be required for the initial franchised new motor vehicle dealer or used motor vehicle dealer regulatory license application and shall not be required for renewals unless the sign or location has been modified or changed.~~

(d) The sign must meet the following requirements:

(i) The sign shall use the name under which the applicant is licensed, and should this name not clearly identify the applicant as a seller of new and/or used motor vehicles, then a supplemental sign shall be attached, and state, in letters not less than six inches high, "used motor vehicle dealer" and/or "new motor vehicle dealer."

(ii) The sign must be of sufficient size to be legible from the street fronting the display area, or from a distance to fifty yards, whichever is greater, so as to apprise a reasonable consumer that a retail motor vehicle sales business is being conducted at said location.

(iii) This sign may be free standing or attached to the face of a building, and shall be erected at the location stated on the regulatory license application.

(e) To establish a permanent location, an applicant must demonstrate to the department the satisfaction of at least three (3) of the following:

1. If the applicant is an individual, that his or her driver's license or non-driver identification card is issued by Alabama.

2. If the applicant is a corporation, partnership, LLC or LLP that it is incorporated in Alabama or registered to conduct business in Alabama as a foreign corporation.

3. If the applicant is a corporation, that the principal owner is a resident of Alabama.

4. The applicant's federal income tax returns have been filed from an address in Alabama.

5. The applicant has filed/paid personal income taxes in Alabama.

6. The applicant has paid real estate or personal property taxes to Alabama.

7. The applicant receives utility bills in Alabama in its name.

8. Other factors that clearly evidence the applicant's legal residence in Alabama.

(f) A permanent location does not include the following:

1. A shared or common space with other tenants.

2. Space rented by the hour or day.

3. Cubicles.

4. Temporary, virtual or rotating office spaces.

5. More than one (1) dealer under the same roof.

(g) When retail sales are conducted from a residence, the location must be properly zoned for business.

(h) (e) Upon review of the information provided in the application and accompanying documents, the Department will issue the appropriate license(s) with a unique regulatory license number and notify the applicant by email of the issuance and provide a method for the licensee to electronically print the license. The Department will notify the applicant by email or first class mail if additional information is required and by first class or certified mail if the application is refused. Additional information may include any documentation deemed necessary by the Department to verify any of the information provided in the application and accompanying documents.

(2) Off-Site Sales Event

(a) A licensed motor vehicle dealer shall electronically apply for an off-site sales event license, **as defined in §Section 40-12-395, Code of Alabama 1975**, at least one (1) calendar day prior to conducting the off-site sale. Dealers may not participate in more than 3 off-site sales events per license year. The motor vehicle dealer shall provide the following information on the application:

1. Legal name of business, trade name or DBA (if applicable) and mailing address,

2. Physical address(es) of business;

3. Regulatory license number,
4. Off-site sales event location address, and
5. Beginning and ending dates of off-site sales event. The sales event cannot exceed 10 consecutive calendar days in duration.

(b) The applicant shall ~~electronically submit the information required in section (2)(a) of this rule and~~ pay the twenty-five dollar (\$25) application fee as required by ~~Section §~~40-12-395, Code of Alabama 1975, electronically.

(c) Upon review of the information provided and approval of the application, the Department will issue an off-site sales event license and notify the applicant by email of the issuance and provide a method for the licensee to electronically print the license. The Department will notify the applicant by email or first class mail if additional information is required and by first class or certified mail if the application is refused.

Author: Mike Gamble
Authority: Sections 40-2A-7(a)(5), 40-12-392, 40-12-395 and 40-12-398, Code of Alabama 1975
History: New rule: Filed June 27, 2012, effective August 1, 2012.
Amended: Filed October 27, 2014, effective December 1, 2014.