

APA-1  
11/96

**TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION**

Control 810 Department or Agency REVENUE

Rule Nos. 810-5-12-01

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

New;  Amend;  Repeal;  Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?

No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?

Yes

Is there another, less restrictive method of regulation available that could adequately protect the public?

No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?

No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?

N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?

Yes

\*\*\*\*\*

Does the proposed rule have any economic impact?

No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer *Mark D. ...*

Date 6/20/14

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**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 and Renewals - Application for Off-site Sales Event (Amended Rule)**

           New   X   Amend            Repeal            Adopt by Reference

- NO      This rule has no economic impact.  
 YES     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, Motor Vehicle Reconditioner, and Motor Vehicle Rebuilder Licenses and Renewals – Application for Off-site Sales Event |
| 810-5-12-.02 | Surety Bond and Surety Bond Continuation form for New and Used Motor Vehicle Dealers, Motor Vehicle Wholesalers, Motor Vehicle Reconditioners, and Motor Vehicle Rebuilders.                       |
| 810-5-12-.03 | Bond Claim for New Motor Vehicle Dealers, Motor Vehicle Wholesalers, Used Motor Vehicle Dealers, Motor Vehicle Reconditioners, and Motor Vehicle Builders  |

**INTENDED ACTION:** Amend above rules

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to amend the above rules to comply with the provisions of Act 2014-158.

**TIME, PLACE, MANNER OF PRESENTING VIEWS:** A public hearing will be held at **3:00 p.m. on Wednesday, August 6, 2014, Room 1203, First Floor, Gordon Persons Building,** located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at [www.revenue.alabama.gov/rulehear.html](http://www.revenue.alabama.gov/rulehear.html).

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, August 6, 2014

**CONTACT PERSON AT AGENCY:**

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



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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, ~~Motor Vehicle Reconditioner~~, 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, all new regulatory license applications and regulatory license renewal applications for new motor vehicle dealers, used motor vehicle dealers, motor vehicle wholesalers, ~~motor vehicle reconditioners~~, and motor vehicle rebuilders shall be filed electronically.

~~(2)~~ **(b)** The applicant shall provide the following information on the application:

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

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

~~(c)~~ **3.** Form of organization

~~1.~~ **(i)** Individual,

~~2.~~ **(ii)** Partnership,

~~3.~~ **(iii)** Limited Liability CompanyCorporation (LLC),

~~4.~~ **(iv)** Limited Liability Partnership (LLP), or

~~5.~~ **(v)** Corporation

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

~~(e)~~ **5.** Type of regulatory license(s) requested:

~~1.~~ **(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

~~2.~~ **(ii)** Used motor vehicle dealer, as defined in Section 40-12-390, Code of Alabama 1975

~~3.~~ **(iii)** Motor vehicle wholesaler, as defined in Section 40-12-390, Code of Alabama 1975

~~4.~~ **Motor-vehicle reconditioner**

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

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

~~(g)~~ 7. Number of ~~new and used~~ motor vehicles sold during the previous calendar year

~~(h)~~ 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.

~~(i)~~ (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)

~~(3)~~ (c) The applicant shall electronically submit the information required in section ~~2 (1)(b)~~ of this rule and pay the ~~ten dollar (\$10)~~ 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, electronically.

~~(4)~~ (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:

~~(a)~~ 1. Properly executed surety bond in the sum of twenty-five thousand dollars (\$25,000), ~~or Surety Bond Continuation Certificate (provided with the application receipt for printing). Note: Pursuant to Section 40-12-398, Code of Alabama 1975, a Surety Bond or Surety Bond Continuation Certificate shall not be required for a motor vehicle dealer or wholesaler licensed under Section 40-12-51, Code of Alabama 1975, on or before April 1, 1978, or a motor vehicle rebuilder or reconditioner licensed to engage in such business on or before April 1, 1978.~~ Note: There will be one bond for dealers and designated agents.

~~(b)~~ 2. Evidence of blanket motor vehicle liability insurance coverage for business and inventory vehicles for the new license application or license renewal period.

~~(c)~~ 3. A photograph of the motor vehicle dealership and principal sign displayed and situated on the dealer's permanent location or locations apprising the public that a retail motor vehicle sales business is being conducted at said location. 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.**

~~(5)~~ (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**

~~(6)~~ (a) A licensed motor vehicle dealer shall electronically apply for an off-site sales event license at least ~~fourteen (14) days~~ 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:

- ~~(a)~~ 1. Legal name of business, trade name or DBA (if applicable) and mailing address,
- ~~(b)~~ 2. Physical address(es) of business,
- ~~(c)~~ 3. Regulatory license number,
- ~~(d)~~ 4. Off-site sales event location address, and
- ~~(e)~~ 5. Beginning and ending dates of off-site sales event. **The sales event cannot exceed 10 consecutive calendar days in duration.**

~~(7)~~ (b) The applicant shall electronically submit the information required in section ~~(2)(a) 6~~ of this rule and pay the twenty-five dollar (\$25) application fee as required by Section 40-12-395~~(b)(3)~~, Code of Alabama 1975, electronically.

~~(3)(8)~~ (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.