

CHAPTER 53

(SB 91)

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) ***Except as provided in paragraph (b) of this subsection***, 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.
- (b) ***An entity identified in paragraph (a) of this subsection with an established place of business may conduct sales activities via the Internet and deliver vehicles sold or leased by the licensed dealer to a customer at the customer's residence or other suitable location, as long as the sale, lease, or delivery is requested by the customer.***
- (c) If a person licensed as a motor vehicle dealer or new recreational vehicle dealer acts as a motor vehicle salesperson or a new recreational vehicle salesperson, that person 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.
- ~~[(c) In addition to the authority granted under subsection (6) of this section, the motor vehicle commission may promulgate administrative regulations in accordance with KRS Chapter 13A to establish licenses and appropriate fees for other licensee activities.]~~
- (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, as part of the application process, information relating to the applicant's solvency, 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) (a) The commission shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish annual license fees, not to exceed five hundred dollars (\$500), for:
 1. New motor vehicle dealers;
 2. Used motor vehicle dealers;
 3. Motor vehicle leasing dealers;
 4. Restricted motor vehicle dealers;
 5. Motorcycle dealers;
 6. Motor vehicle manufacturers and factory branches;
 7. Distributors, motor vehicle auction dealers, and wholesalers;
 8. Factory representatives and distributor branch representatives;

9. Automotive mobility dealers;
 10. Nonprofit motor vehicle dealers;
 11. Recreational vehicle manufacturers and distributors; and
 12. New recreational vehicle dealers.
- (b) The commission shall promulgate administrative regulations in accordance with KRS Chapter 13A to establish annual license fees, not to exceed fifty dollars (\$50), for motor vehicle salespersons and new recreational vehicle salespersons.
- (c) *In addition to the annual license fees established under paragraph (b) of this subsection, the commission may promulgate administrative regulations in accordance with KRS Chapter 13A to establish licenses and appropriate fees for other licensee activities.*
- ~~(d)(e)~~ A~~The~~ license fee imposed on motor vehicle salespersons and new recreational vehicle salespersons shall be paid by the licensed dealer for every salesperson the dealer employs.
- ~~(e)(d)~~ A license fee shall not be imposed on nonprofit motor vehicle dealer salespersons.
- (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.

Signed by Governor March 30, 2022.