601 KAR 9:220. Motor vehicle dealer plates.

RELATES TO: KRS Chapters 186, 190
STATUTORY AUTHORITY: KRS 186.070
NECESSITY, FUNCTION, AND CONFORMITY: To establish the criteria for the issuance and use of a motor vehicle dealer plate and to provide for the cancellation of a dealer plate for misuse of the plate.

Section 1. Definitions. (1) "Bona fide salesman or employee" means as defined in KRS 186.070(1)(e).
(2) "Commission" means the Kentucky Motor Vehicle Commission.
(3) "Commissioner" means the Commissioner of the Department of Vehicle Regulation or his designee.
(4) "Demonstration trip" means a temporary use of a vehicle by a single prospective customer or his employee for a reasonable evaluative purpose incidental to the sale of the vehicle.
(5) "Dealer plate" means any base plate or supplemental plate issued pursuant to KRS 186.070.
(6) "Licensed motor vehicle dealer" means a motor vehicle dealer as defined in KRS 190.010 and licensed by the commission pursuant to the provisions of KRS Chapter 190.
(7) "Misuse" means use of a dealer plate in a manner unauthorized by KRS 186.070 or Section 3 of this administrative regulation.

Section 2. Issuance of Dealer Plates. (1) Effective with the issuance of dealer plates for the licensing period beginning January 1, 1996, the maximum number of dealer plates which may be issued to a licensed motor vehicle dealer who has been licensed for an uninterrupted period beginning on or prior to January 1, 1994, shall be based upon the total number of that dealer's vehicle sales for the period from July through the following June immediately preceding the date of the report of the information on vehicle sales by the dealer to the commission.
(2)(a) For a motor vehicle dealer licensed after January 1, 1994, beginning on the first day of January following an uninterrupted eighteen (18) month licensing period from the date of the first issuance of the dealer's license by the commission, the number of dealer plates issued shall depend upon the number of that dealer's vehicle sales for the period from July through the following June preceding the date of the report of the information by the dealer to the commission.
(b) A motor vehicle dealer licensed for less than eighteen (18) uninterrupted months may apply for any number of dealer plates.
(3) The maximum number of dealer plates issued to a motor vehicle dealer shall be as follows:
(a) Ten (10) or fewer vehicle sales - one (1) dealer plate;
(b) Eleven (11) through twenty-five (25) vehicle sales - two (2) dealer plates;
(c) Twenty-six (26) through fifty (50) vehicle sales - three (3) dealer plates;
(d) Fifty-one (51) through seventy-five (75) vehicle sales - four (4) dealer plates;
(e) Seventy-six (76) through 100 vehicle sales - five (5) dealer plates; and
(f) For more than 100 vehicle sales, the number of dealer plates issued shall be as requested by the dealer.
(4) Upon recommendation by the commission to the commissioner, and for good cause shown, a dealer who is restricted in the number of plates issued based upon his sales figures may receive an additional plate or plates.
(5)(a) The information on vehicle sales shall be provided by the commission to the Transportation Cabinet.
(b) The Transportation Cabinet shall cause the information to be entered into the automated vehicle information system.

Section 3. Use of Dealer Plates. (1) Use of a motor vehicle bearing a dealer plate upon the highways by a licensed dealer or bona fide salesman of the dealer shall consist of the use of the motor vehicle upon the highways at any time with the intent of offering or advertising the vehicle for sale to the public.

(2) A bona fide employee of the dealer who is not a licensed salesman shall only operate a motor vehicle bearing a dealer plate:

(a) When testing the mechanical operation of the vehicle;

(b) When transporting vehicles to or from the dealer's place of business; or

(c) For the necessary operation in furtherance of the dealer's business during the dealer's business hours.

(3) A bona fide employee of the dealer who is not a licensed salesman shall not operate the vehicle for personal purposes or in demonstration or advertising to a prospective customer.

(4) A prospective customer, who is operating upon the highways a motor vehicle bearing a dealer plate, shall be limited to one (1) demonstration trip unless he is accompanied by the licensed dealer to whom the dealer's plate was issued or a licensed salesman of the dealer.

Section 4. Cancellation of Dealer Plates Upon Misuse. (1) A final order issued by the commission finding misuse of a dealer plate shall be forwarded to the commissioner.

(2) Upon receipt of the commission's final order, if no appeal from the commission's final order has been filed, and the time for taking an appeal has expired, or, if an appeal has been filed, after a ruling has been entered upholding the finding of the commission, the commissioner shall cause the dealer plate involved in the misuse to be canceled. (22 Ky.R. 824; eff. 12-7-95.)