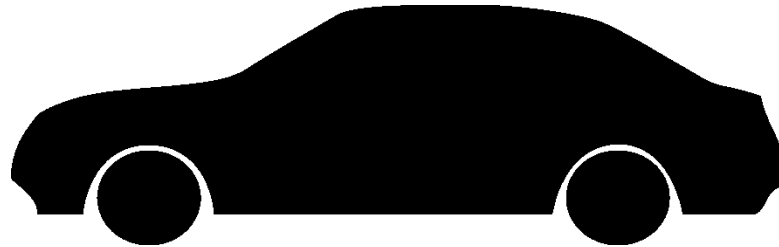


VEHICLE DEALER ORIENTATION

Basic Guidelines for
Motor Vehicle Dealers





Becoming a Licensed Motor Vehicle Dealer in Arizona

- When you are ready to become a motor vehicle dealer, submit a completed application for the license type for which you will be conducting business, all required forms, fees and photos as outlined on the Dealer Licensing website:
www.azdot.gov/dealerlicensing
- Your license may be impacted by Arizona Revised Statutes specific to the license type.

WHAT ARE THE LICENSE TYPES?

- New Motor Vehicle Dealer
- Used Motor Vehicle Dealer
- Public Consignment Auction Dealer
- Wholesale Motor Vehicle Dealer
- Wholesale Auction Dealer
- Broker
- Manufacturer
- Distributor
- Automotive Recycler



WHAT DOES YOUR LICENSE TYPE ALLOW YOU TO DO? ??

IF YOUR LICENSE TYPE IS ...

- **New**...You can sell new and used vehicles retail, wholesale and on consignment.
- **USED**...You can sell used vehicles retail, wholesale and on consignment.
- **PUBLIC CONSIGNMENT AUCTION DEALER**...You can sell on Consignment **ONLY** and **ONLY** at a public live auction.
- **WHOLESALE**...You can sell wholesale **ONLY** to other licensed dealers
 - You may not advertise or give the appearance of selling or offering to sell retail.
 - Non-Compliance may result in Civil Penalties of \$1,000-\$3,000 per sale or offer to sell and loss of your dealer license.
 - Owners must be legal residents of Arizona.
 - You must title all vehicles in the name of the wholesale license business name before transferring title.

Continued

WHAT DOES YOUR LICENSE TYPE ALLOW YOU TO DO?



- **Wholesale Auction Dealer...**You can act as a clearing house for the sale of vehicles to licensed dealers.
- **Broker...**You can act as a locator service to find a specific vehicle for your customer for a fee; you may not own the vehicles, nor can you have an agreement with a dealer to guide your customers to that dealer; you may not sell or take vehicles on consignment.
- **Manufacturer/Distributor...**You can franchise licensed dealers in Arizona to sell your product; you may not sell directly to a consumer.
- **Automotive Recycler...**You can buy vehicles for the purpose of dismantling and selling the parts and accessories.

FIRST THINGS FIRST:



when you become a licensed dealer

- **Display your new Motor Vehicle Dealer license** in a conspicuous space at your licensed business location.
- **Register with Service Arizona** by email at ezhelp@us.ibm.com or by phone at 1-866-436-9533 for access to the ServiceArizona Dealer Suite of Services where you
 - renew your dealer license annually.
 - issue TRPs and permits as applicable.
 - have access to additional dealer services as applicable to your license type.

Continued

FIRST THINGS FIRST:



when you become a licensed dealer

- Mark your calendar to pay your annual renewal fees by the date indicated on your license certificate and Welcome Letter for annual renewal of your license and dealer plates (if applicable). You will **ONLY** receive a courtesy reminder by email that it is time to pay your annual fees.
- Failure to renew timely will result in penalties being assessed for your license and dealer plate fees.



THE BASICS



Arizona Revised Statute, Title 28, Chapter 10 governs the Motor Vehicle Dealer Industry...

As a licensed vehicle dealer you are required to

- sell vehicles only from your licensed place of business unless you obtain an Off-Premises Permit for a special event or sale at the Dealer Suite of Services on ServiceArizona.
- Notify Dealer Licensing when you
 - change your business hours of operation.
 - change your email address.
 - change your business name or DBA.
 - change your business location.
 - add or delete an owner, officer, agent or member.
 - go out of business/cancel your dealer license.



DEALER PLATE USAGE

Ensure Compliance

A dealer plate

- is issued to a specific dealer license and can only be used on vehicles in the inventory of that dealer. Each license is specific to the location.
- cannot be intermingled between licenses.

A dealer plate can be used on a vehicle owned by a dealership when

- operated by an owner, employee or prospective buyer in connection with the dealer's business.
- operated as personal use transportation if assigned to a dealer or full-time employee on a use basis and if a record of the assignment is made as specified by statute.

Continued ...

DEALER PLATE USAGE

- operated by a prospective buyer for demonstration purposes (with applicable time limitations).
- in conjunction with a Manufacturer Service Program for franchised dealers only.
- operated for the purpose of adding equipment, i.e., window tinting, undercoating, sun roof, upholstery, etc.
- **A Dealer Plate may NOT be used**
 - on a work or service vehicle.
 - on a leased or rented vehicle owned by the dealer.
 - on a vehicle that has been sold.
 - on a laden vehicle (Laden Vehicle Permit required).



ARS § 28-4532.A-D



TRP & PERMIT ISSUANCE

What is a TRP?

A **TRP** is a Temporary Registration Plate that

- can **ONLY** be issued to the purchaser of a vehicle that is owned by the dealership from which it is issued.
- allows legal use of the vehicle purchased until Title and Registration are obtained and issued for that vehicle.
- requires that the dealer act as the buyer's agent to apply for and obtain Title and Registration for the vehicle purchased within 30 days.
- is temporary and expires 45 days after it is issued.



30-DAY PERMIT

- A **30-Day Permit** can be issued by a dealer following the expiration of a TRP in the **rare** instance in which there may be a problem obtaining the paperwork necessary to obtain Title and Registration.

NOTE: At this point the dealer is out of compliance with the statutory requirement to obtain title within 30 days and is subject to penalty fees.

90-DAY NON-RESIDENT PERMIT



A 90-Day Non-Resident Permit

- can be issued to a non-resident of Arizona.
- requires the buyer to provide proof of residency in another state and complete a Non-Resident Affidavit.
- allows the non-resident to drive the newly purchased vehicle to the customer's state of residence.
- requires the customer to obtain title and registration in his/her state of residence and pay the associated state taxes.



SUCCESS !!!

Well done! You now have keys to the basics for compliance with statutory regulations for when you open your motor vehicle dealership. Once the licensing process is complete you will receive an invoice via your business email address provided on your application.

Upon receipt of your payment, your dealer license will be issued to you by email. If dealer plates were pre-ordered, you will receive them via US Mail.

We wish you every success and are here to support you. Thank you for the service you are providing to Arizona as a Motor Vehicle Dealer!



QUESTIONS ?

Need answers or additional resources?

- Call Dealer Licensing at 602-712-7571.
- Licensed dealers have access the *Dealer Title Clerk Manual* on the ServiceArizona Dealer Suite of Services.
- Review Arizona Revised Statute, Title 28 Chapter 10 at www.azleg.gov.
- Contact **Arizona Independent Automobile Dealers Association (AIADA)** for information regarding compliance classes at 602-246-1498.