

## **DEALER LICENSE PLATE BILL**

**DEALER TAGS:** Legislation proposed by the Department of Revenue to eliminate abuse in the dealer tag system takes effect October 1, 2011. The measure went through a number of changes during the legislative process negotiated between AIADA, ADAA, and the Department to ensure that dealers will have the tags they need and the flexibility to use them while stamping out corruption in the current system which has given legitimate dealers a black eye.

- **Limits the number of dealer license plates a new car dealer can purchase each year to a maximum of twenty-five (25) plates. Used car dealers and motorcycle dealers will be able to purchase a maximum of ten (10) plates. In addition, dealers who sell more than 1,500 vehicles per year may acquire an additional 25 dealer plates.**
- Both new and used car dealers may also purchase up to ten (10) dealer transit license plates each year. Recent dealer audits revealed that some dealers who acquired large number of dealer license plates were allowing non-dealers to use them contrary to Alabama law. The new, brightly colored tag may only be used to transport vehicles.
- **Removes language allowing dealer license plates to be used at any time, by anyone, for any purpose.**
- **Provides permissible uses for dealer license plates on vehicles being held in dealer inventory as follows:**
  - Dealership owners, partners, or corporate officers and employees;
  - Vehicles being used for demonstration purposes (72 hour limit).
  - On loan to a high school student driver education program;
  - Loaners for customers whose vehicles are being repaired by the dealership;
- **Removes wholesale dealers, rebuilders and reconditioners from the list of eligible parties who may obtain dealer license plates. Instead, they will be eligible to purchase up to ten (10) dealer transit license plates each year. This will eliminate dealer license plate misuse identified in recent dealer audits conducted by ADOR.**
- **Increases penalties for misuse of dealer license plates and dealer transit license plates to \$500 for second and subsequent offenses, and \$1,000 penalty for willful misstatements to obtain these license plates.** First offenses would still carry a \$100 penalty. The bill includes a provision to prevent dealers, wholesalers, rebuilders and reconditioners from renewing their regulatory license if there are unpaid assessments resulting from these penalties.