

or repaired by the dealer.

- May be used on vehicles on temporary loan to a high school for the purpose of student driver education.
- May only be displayed on vehicles in the dealer's/manufacturer's inventory.
- May be used for one payload trip only on trucks or truck tractors in a dealer's inventory with more than 2 axles on the power unit or a GVW exceeding 26,000 pounds. Limited to 72 hours of usage.

If the dealer charges customers a fee for the uses above, dealer plates cannot be displayed on the vehicle.

New or used and wholesale dealers may display standard plates on vehicles in a dealer's inventory. Ad valorem tax is not due when this occurs.

### Who may legally operate vehicles displaying dealer transit (DT) plates?

- Wholesalers
- Rebuilders
- New and used dealers

### Permissible uses of dealer transit (DT) plates

- New or used dealers or wholesalers may transport vehicles within their inventory using these plates.
- Motor vehicle rebuilders may use dealer transit plates to move vehicles to and from repair points as necessary to complete the restoration or may be moved as permitted by ADOR for inspection.

If the dealer, rebuilder, or wholesaler license is revoked or forfeited, all dealer/dealer transit plates shall be returned to the license plate issuing official within 10 calendar days.

### Prohibited uses of dealer (D) and dealer transit (DT) plates

- Rental or lease vehicles
- Tow trucks
- Service trucks or vans
- Other service vehicles

## Penalties

- \$100 for first violation
- \$500 for each subsequent violation
- Willful misstatements/documents filed with erroneous information in order to obtain license plates carry a criminal penalty of a Class A misdemeanor and a civil penalty of \$1,000 to be assessed by the department.
- Violating the dealer license law is a Class A misdemeanor.
- \$5,000 civil penalty for failure to maintain a blanket motor vehicle liability insurance policy.

## Reporting Requirements

If a dealer, dealer transit, or manufacturer license plate is lost or stolen, this fact must be reported to law enforcement and a report maintained for audit purposes. If a plate becomes mutilated to the point that it is illegible, the plate must be returned to the licensing official, and a replacement plate will be issued upon payment of the appropriate fee (Section 40-12-265, *Code of Alabama 1975*).

When a motor vehicle is withdrawn from inventory, the licensed dealer shall purchase an Alabama license plate and register the vehicle.

***Motor vehicle dealer, dealer transit, motorcycle dealer, motorcycle dealer transit, and manufacturer license plates may not be used in lieu of regular issued license plates as a means of avoiding registration and ad valorem tax requirements.***

***Disclaimer:*** This brochure provides an overview of the dealer license and license plate requirements. For more details, please read Sections 40-12-390 through 40-12-400 and 40-12-264, *Code of Alabama 1975*.

## CONTACT INFORMATION

### For dealer license information:

[http://revenue.alabama.gov/motorvehicle/Dealer\\_FAQ.cfm](http://revenue.alabama.gov/motorvehicle/Dealer_FAQ.cfm)  
email: [dealerlicense@revenue.alabama.gov](mailto:dealerlicense@revenue.alabama.gov)

### For dealer license plate information:

(334) 242-9006  
email: [tags@revenue.alabama.gov](mailto:tags@revenue.alabama.gov)

EFFECTIVE AUGUST 1, 2014



# Alabama Dealer License and License Plate Requirements

Alabama Department of Revenue  
Motor Vehicle Division  
2545 Taylor Road  
Montgomery, AL 36117

**This brochure contains a summary of information regarding the requirements to obtain Alabama dealer licenses and dealer license plates. Information presented contains all changes in Act 2014-158.**

## **STEP 1.**

### **Obtaining an Alabama Motor Vehicle Dealer License**

Applications for an Alabama dealer regulatory license must be submitted to the department electronically. The web address is: [www.dealerlicense.mvtrip.alabama.gov](http://www.dealerlicense.mvtrip.alabama.gov). Upon submission of the license application, a transmittal sheet will be provided that lists which documents must be mailed to the department.

#### **Who is required to be licensed?**

All new and used motor vehicle dealers, including motorcycle and trailer dealers (excluding trailers not subject to titling), wholesale dealers and rebuilders.

#### **What are the dealer license fees?**

New motor vehicle dealer . . . . .	\$25.00
Used motor vehicle dealer . . . . .	\$25.00
Wholesaler . . . . .	\$25.00
Rebuilder . . . . .	\$25.00
Each additional place of business . . . . .	\$ 5.00
Off-site sales license . . . . .	\$25.00

(Off-site sales licenses must be purchased at least 1 calendar day prior to sale. Visit [www.dealerlicense.mvtrip.alabama.gov](http://www.dealerlicense.mvtrip.alabama.gov) to apply for an off-site license.)

*Note: The reconditioner license was combined with the rebuilder license. Persons engaged in reconconditioning vehicles are required to purchase a rebuilder license.*

*Note: If there are outstanding liabilities resulting from penalty assessments for license plates, licenses will not be renewed.*

#### **What are the bonding requirements?**

All licensees are required to submit to the department a continuous bond in the amount of \$25,000.

All new and used dealers are required by law to become designated agents of the department. The dealer bond also satisfies the designated agent bonding requirement.

#### **What are the insurance requirements?**

Each dealer must maintain blanket liability insurance coverage for all vehicles owned or associated with the business. Minimum insurance limits are:

- \$25,000 bodily injury/person/accident
- \$50,000 combined bodily injury/accident
- \$25,000 property damage/accident or a combined single limit of \$75,000/accident

## **STEP 2.**

### **Obtaining Alabama Dealer, Dealer Transit and Manufacturer License Plates**

After the dealer regulatory license has been obtained, the dealer must visit the county licensing office to purchase the appropriate privilege license(s) (Sections 40-12-51, 40-12-62, or 40-12-169).

Alabama license plates are purchased from the license plate official in the county in which the dealer is licensed to conduct business.

#### **Who qualifies for each type of license plate?**

Dealer (D) and motorcycle dealer plates may be obtained by licensed new and used motor vehicle dealers.

Dealer transit (DT) and motorcycle dealer transit plates may be obtained by motor vehicle wholesalers, rebuilders, and new and used motor vehicle dealers.

Manufacturer plates may be obtained by manufacturers of private passenger automobiles, motorcycles, trucks, truck tractors, or trailers, if the manufacturing facility is located in Alabama.

#### **Are there any restrictions on the number of dealer, dealer transit and manufacturer plates that can be obtained?**

Dealer (D) and motorcycle dealer plate restrictions are as follows:

- New motor vehicle dealers may obtain a combined total of 25 dealer and motorcycle dealer license plates
- Used motor vehicle dealers may obtain a combined total of 10 dealer and motorcycle dealer license plates
- Licensed new or used dealers may purchase an additional combined total of 25 dealer and motorcycle dealer license plates if they complete applications for certificates of title for 1,500 or more title transfers in this state during the previous dealer regulatory license year.

Dealer transit (DT) and motorcycle dealer transit plate restrictions are as follows:

- Wholesalers and rebuilders may obtain a combined total of 10 dealer transit and motorcycle dealer transit plates.
- New or used dealers may also purchase a combined total of 10 dealer transit and motorcycle dealer transit plates.

There are no limitations on the number of manufacturer and motorcycle manufacturer plates that can be purchased by manufacturers.

#### **What are the fees associated with the plates?**

- Dealer . . . . . \$26.00
- Dealer motorcycle . . . . . \$18.00
- Dealer transit . . . . . \$26.00
- Motorcycle dealer transit . . . . . \$18.00
- Manufacturer . . . . . \$26.00
- Motorcycle manufacturer . . . . . \$18.00

These fees cannot be refunded or prorated.

#### **Who may legally operate vehicles displaying dealer (D) plates?**

- Prospective purchasers, limited to 72 hours of use
- Owners of the dealership
- Partners of the dealership
- Corporate officers of the dealership
- Employees of the dealership

#### **Are there limitations on the types of vehicles the plates may be used upon?**

- May be used on vehicles on temporary loan from a dealer to a customer whose vehicle is being serviced