

RULE 2005-7
DEALER PLATES AND TAGS FOR
MOTOR VEHICLES AND MOTORCYCLES

Pursuant to the authority granted by Act 1929 of 2005, the Director of the Arkansas Department of Finance and Administration does hereby promulgate the following rule governing the issuance and display of motor vehicle dealer license plates and temporary tags by motor vehicle dealers:

A. DEFINITIONS.

1. Department. As used in this rule, “Department” means the Arkansas Department of Finance and Administration.
2. Director. As used in this rule, “Director” means the Director of the Arkansas Department of Finance and Administration, or any person designated by the Director as authorized by Arkansas law.
3. Motor Vehicle. As used in this rule, unless the context indicates otherwise, the term “motor vehicle” means a vehicle, motorcycle, machine, or truck tractor, propelled or drawn by mechanical power and used upon the highways in the transportation of passengers or property and subject to registration in Arkansas.
4. Motor Vehicle for Sale.
 - a. As used in this rule, unless the context indicates otherwise, the term “motor vehicle for sale” means any new or used motor vehicle that is kept on the premises of the dealership during business hours, unless the motor vehicle is being demonstrated, test driven, or used as a loaner as specifically authorized in this rule.
 - b. In addition to the requirement of subsection (A)(4)(a) of this rule, in order for a new motor vehicle to qualify as a “motor vehicle for sale,” the new motor vehicle must have a sticker attached to the window as required by 15 U.S.C. § 1232, except that the sticker may be removed when the vehicle is being driven but must be replaced in the window when not being driven.
 - c. In addition to the requirement of subsection (A)(4)(a) of this rule, in order for a used motor vehicle to qualify as a “motor vehicle for sale,” the used motor vehicle must have a window sticker attached displaying warranty terms as required by 16 C.F.R. Part 455, except that the sticker may be removed when the vehicle is being driven but must be replaced in the window when not being driven.
5. Dealer. As used in this rule, unless the context indicates otherwise, the term “dealer” means a person, firm, or corporation engaged in the business of buying and selling motor vehicles and licensed by the Arkansas Motor Vehicle Commission or the Arkansas State Police.
6. a. Dealer’s Master License Plate. A dealer’s master license plate is the license plate issued to a dealer who has provided the required dealer certification or a copy of the dealer’s license from either the Department of Arkansas State Police or the Arkansas Motor Vehicle Commission to the director and paid a

fee of One Hundred Dollars (\$100). Any reference in this rule to “dealer’s plate” shall mean the dealer’s master license plate as defined in this subdivision.

- b. Dealer’s Extra License Plate. Dealer’s extra license plates are the license plates that are issued to a dealer who has complied with the requirements to be issued a dealer’s master license plate, has identified each manager, sales manager, or salesperson employed by the dealer, and has paid a fee of Twenty-five Dollars (\$25) per dealer extra license plate.
7. Manager, Sales Manager, or Salesperson.
- a. As used in this rule, “Manager” is any person other than the dealer who is responsible for the overall management of the dealership.
 - b. “Sales manager” is any person other than the dealer who is responsible for the management of the salespersons of the dealership.
 - c. “Salesperson” is:
 - (1) Any person who:
 - (a) Is employed as a salesperson by a motor vehicle dealer whose duties include the selling or offering for sale of motor vehicles;
 - (b) For compensation of any kind, acts as a salesperson, agent or representative of a motor vehicle dealer;
 - (c) Attempts to or in fact negotiates a sale of a motor vehicle owned partially or entirely by a motor vehicle dealer; and
 - (d) Uses the financial resources, line of credit, or floor plan of a motor vehicle dealer to purchase; sell, or exchange any interest in a motor vehicle, or
 - (2) Anyone who for compensation of any kind operates as a salesperson, broker, agent, or representative of a used motor vehicle dealer, or any person who attempts to or in fact negotiates a sale of a vehicle owned partially or entirely by a used motor vehicle dealer, or a person or drafter using the financial resources, line of credit, or floor plan of a used motor vehicle dealer to purchase, sell, or exchange an interest in a used motor vehicle.
 - d. The employment records of any persons listed as “manager,” “sales manager,” or “salesperson” will be subject to review by the Department to verify their status with the dealership.

B. DEALER PLATES.

1. USE OF DEALER PLATES. Motor vehicle dealer master license plates and extra license plates may not be placed on any vehicle other than a motor vehicle for sale.
2. AUTHORIZED USERS. When a dealer's master license plate or extra license plate is attached to any dealer-owned motor vehicle, the motor vehicle may be used by only the following persons:
 - a. The dealer
 - b. A manager
 - c. A sales manager, or
 - d. A salesperson employed by the dealership.

3. AUTHORIZED USES OF VEHICLE WITH DEALER PLATES. A dealer, manager, sales manager, or a salesperson employed by the dealership may use a vehicle with dealer plates for the following purposes:
 - a. To drive to or from work;
 - b. For personal or business trips inside or outside the dealer's county of residence;
 - c. To transport the vehicle; or
 - d. To demonstrate the vehicle.
4. NON AUTHORIZED USES.
 - a. Motor vehicle dealer license plates or extra license plates may not be placed on work or service vehicles owned by a dealer, manufacturer, or transporter.
 - b. A prospective buyer may test drive a vehicle with dealer license plates or extra license plates only if the dealer, manager, or salesperson of the dealer is present in the vehicle.
5. AUTHORIZED USERS LIST. Upon initial application for, and renewal of, one or more dealer's extra license plates, each motor vehicle dealer and motorcycle dealer is required to furnish the Director of Department of Finance and Administration with a list of the names of each of the dealer's managers, sales managers, and salespersons authorized to operate a motor vehicle or motorcycle to which the plate has been or will be attached.
6. LIMITATION ON NUMBER OF DEALER'S EXTRA LICENSE PLATES ISSUED. The number of dealer's extra license plates to be issued to any dealer shall be limited to the number of managers, sales managers, and salespersons identified in the list required to be furnished and described in subsection 5 of this section.

C. TEMPORARY CARDBOARD BUYER'S TAGS ISSUED TO VEHICLE PURCHASERS.

1. TEMPORARY TAG ISSUED BY DEALER. A dealer shall issue a temporary cardboard buyer's tag to a motor vehicle purchaser, unless the buyer chooses to display a license plate from another vehicle as provided in section C(6) of this rule. If a temporary cardboard tag is required, the dealer shall show on the temporary tag in permanent black marker ink the actual date of purchase and any other information required by the Director. The Dealer shall affix the temporary cardboard tag to the rear of the vehicle in a manner so that it is conspicuously displayed.
2. VALIDITY PERIOD. The temporary cardboard buyer's tag is valid for the operation of the vehicle until the earlier of the date on which the vehicle is registered or the thirtieth (30th) day after the date of purchase. For purposes of this rule, the date of purchase is the date listed on the sales invoice or the date listed on the assignment of the certificate of title, whichever is earlier.
3. EXTENSION OF REGISTRATION PERIOD. If a transferee of a motor vehicle is allowed an extension of the thirty (30) day registration period to obtain the release of the lien of a prior lienholder, as provided by Ark. Code Ann. § 27-14-903(a)(1), the dealer may issue one (1) additional temporary cardboard buyer's

tag to the transferee, to expire thirty (30) days from the date the additional temporary tag is issued.

4. OBTAINING AND DISTRIBUTING TEMPORARY CARDBOARD TAGS.
 - a. The dealer shall obtain the temporary cardboard buyer's tags from the Director at a fee to be set by the Director, which shall not exceed One Dollar (\$1.00) per tag. The fee must be paid by the dealer to the Director before the tag is issued to the dealer.
 - b. The dealer shall pass this fee on to the buyer to whom the tag is issued.
 - c. The dealer shall not charge the buyer a higher fee for the temporary cardboard buyer's tag than the dealer paid to the Director for the tag.
 - d. The dealer is responsible for the safekeeping and distribution of each temporary cardboard buyer's tag that the dealer obtains from the Director.
 - e. The fee paid by the dealer and passed on to buyer is exempt from Arkansas state and local sales and use tax.
5. REQUIRED DOCUMENTATION. For each temporary cardboard buyer's tag provided to a buyer by the dealer, the dealer shall retain documentation, which is subject to examination by the Director during the dealer's regular business hours, or at any reasonable time. Required documentation includes the:
 - a. Dealer's name;
 - b. Buyer's name;
 - c. Date the temporary cardboard buyer's tag was issued;
 - d. Vehicle's vehicle identification number;
 - e. Make and model of the vehicle; and
 - f. Expiration date of the temporary cardboard buyer's tag.
6. A vehicle purchaser who elects to display a plate that has been transferred from a properly registered vehicle shall not be required to obtain or display the temporary cardboard buyer's tag during the period prior to registration of the newly purchased vehicle.

D. OPTIONS AVAILABLE FOR VEHICLES PROVIDED FOR PURPOSES OF DEMONSTRATION OR AS A LOANER VEHICLE FOR REPAIR CUSTOMERS.

1. GENERAL INFORMATION.
 - a. DEMONSTRATION OF VEHICLE.
 - (1) A dealer may allow a prospective buyer to test drive an unregistered vehicle for a period not to exceed seventy-two (72) hours.
 - (2) If the date on which the prospective buyer is required to return the vehicle to the dealer falls on a Saturday, Sunday, or a legal holiday on which the dealer is not open for business, then the prospective buyer will have until the next succeeding business day that is not a Saturday, Sunday, or legal holiday to return the vehicle to the dealer.
 - b. LOANER VEHICLE.
 - (1) A dealer may allow a repair customer to drive an unregistered vehicle as a loaner while the customer's vehicle is being repaired by or through the dealer for a period not to exceed fourteen (14) calendar days.
 - (2) If the date on which the prospective buyer is required to return the vehicle to the dealer falls on a Saturday, Sunday, or a legal holiday on which the

dealer is not open for business, then the prospective buyer will have until the next succeeding business day that is not a Saturday, Sunday, or legal holiday to return the vehicle to the dealer.

2. **OPTION 1 – TEMPORARY CARDBOARD TAG.** A dealer who allows a prospective buyer to test drive a vehicle or a customer to drive a loaner vehicle may affix a temporary cardboard tag to the vehicle during the test drive period or the loaner period. The dealer should follow the instructions at Section C of this rule regarding the issuance of temporary cardboard tags.
3. **OPTION 2 – INFORMATION SHEET.**
 - a. In lieu of the temporary cardboard tag, the dealer may provide the prospective buyer or repair customer with an information sheet, along with a statement verifying that the vehicle is being driven with the permission of the dealer.
 - b. The Director shall design the information sheet and shall make it available at all state revenue offices and on the Department of Finance and Administration website. The information required on the information sheet is the:
 - (1) Year, make, and model of the vehicle;
 - (2) Vehicle identification number;
 - (3) Prospective buyer's or customer's name;
 - (4) Time and date that the information sheet was issued to the prospective buyer or customer;
 - (5) Reason the vehicle was furnished to the prospective buyer or customer; and
 - (6) Length of time the prospective buyer or customer may retain the vehicle.
 - c. A dealer shall be allowed to make and use photocopies of the information sheet designed by the Director in lieu of the original provided by the Department.
4. **TEST DRIVES OR LOANER VEHICLES RETURNED THE SAME DAY.** Neither a temporary cardboard tag nor an information sheet is required if the prospective buyer or repair customer is required to return the vehicle before the end of the business day upon which the vehicle was provided. However, the dealer may provide an information sheet to the customer, if the dealer elects to do so.
5. **TEST DRIVE OF VEHICLE TO DETERMINE MECHANICAL CONDITION OR TRANSPORTATION OF VEHICLE FOR REPAIR.** An information sheet may be used by service personnel of the dealer to test-drive a vehicle to determine the mechanical condition of the vehicle or to transport a vehicle to or from another facility for repair.

E. MOTORCYCLE DEALERS.

1. The Department shall provide distinctive dealer's master and extra license plates for motorcycles.
2. Motorcycle dealers shall not be provided and shall not be authorized to use dealer's license plates designed for any motor vehicle other than a motorcycle unless the dealer provides proof to the satisfaction of the Department that the dealer is also in the business of selling new or used motor vehicles of the type for which the dealer plate is sought.

3. a. Motorcycle dealers who also sell new or used motor vehicles shall be issued only one dealer's extra license plate per manager, sales manager, or salesperson employed by the dealer.
- b. Example: A motorcycle dealer who also sells new or used motor vehicles has ten employees authorized to use dealer's extra license plates. Each employee is issued either a motor vehicle plate or a motorcycle plate, but not both.

F. TRANSPORTING OF MOTOR VEHICLES WITHOUT REGISTRATION.

1. A dealer owning any vehicle of a type otherwise required to be registered under this chapter may operate or move it upon the highways solely for purposes of transporting it without registering each vehicle, upon condition that any such vehicle display a dealer's master license plate, extra license plate, temporary cardboard tag, or information sheet issued to the dealer by the Department of Finance and Administration. Any temporary cardboard tag issued by the Department to a dealer to be used for transporting a vehicle will be valid for 72 hours following the date the temporary tag is issued. A dealer may not use a special transporter tag to transport a vehicle.
2. A manager, sales manager, or salesperson, may transport a vehicle owned by the dealer using the dealer's master license plate, a dealer's extra license plate, a temporary cardboard tag, an information sheet, or a transporter tag.
3. Any employee of a dealer may transport a vehicle owned by the dealer using a temporary cardboard tag, an information sheet, or a transporter tag.

G. UNOFFICIAL LICENSE PLATES.

1. No dealer, manager, sales manager, salesperson, or employee of the dealership may attach to or display on any automobile, Class One truck, trailer or semitrailer, motorcycle, or motorcycle sidecar any license plate on the rear of the vehicle that is not furnished by the Director of the Department of Finance and Administration.
2. No person, firm, or corporation, including motor vehicle dealers, may reproduce or paint any license plate or registration card in this state.
3. For purposes of this section, "license plate" means any plate designed to be affixed to the rear of a motor vehicle, including, but not limited to, plates advertising a new or used car dealership or other type of business, rental car company identification plates, or any plate or card with the designation "TAG APPLIED FOR" or any similar designation.

H. PENALTIES.

1. Any dealer, manager, sales manager, or salesperson of the dealer who pleads guilty or *nolo contendere* to or who is found guilty of the:
 - a. Misuse of a dealer's master license plate or dealer's extra license plate or of allowing anyone else to misuse a dealer's master or extra license plate;
 - b. Misuse of a special temporary cardboard tag or of allowing anyone else to misuse a temporary cardboard tag is subject to a fine of not more than \$250 for the first offense, not more than \$500 for the second offense, and not more than \$1,000 for the third and subsequent offenses.

2. Any dealer who violates the provisions regarding vehicles provided for demonstration or for repair customers (section D of this rule) is subject to a fine of \$25 per violation.

In witness whereof, we have hereunto set our hands this _____ day of December 2005.

Richard A. Weiss, Director
Arkansas Department of Finance and
Administration

Tim Leathers, Deputy Director and
Commissioner of Revenue
Arkansas Department of Finance and
Administration