



# Dealer BUZZ News Blast

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## Dealer License Plate Issuance Requirements

Section 320.13 (1) (a) , Florida Statutes, provides that a motor vehicle dealer may use dealer license plates on vehicles which are in inventory and for sale, or while being operated in connection with the dealer's business, but are not valid for use on for hire vehicles.

Section 320.27(3), Florida Statutes, requires proof of garage liability insurance (GLI) for motor vehicle dealers in order to obtain and maintain licensure. To ensure licensees have appropriate levels of insurance to cover the number of dealer license plates being used with their inventory and for other dealer purposes, it is necessary for insurance companies to include the number of dealer license plates reported to the carrier which must be viewed by the issuing agency at the time of issuance. The requirement for the inclusion of the number of plates reported to the insurance carrier is supported by section 320.27(3) Florida Statutes, which reads, in part, "*the application shall include other relevant information as may be required by the department...*"

Records indicate dealer plate misuse has occurred across the state. Some dealers are purchasing large amounts of dealer license plates at one time or over the course of time. An audit of some of these purchases revealed that the dealer had very low inventory, a small number of employees, and no explanation of the whereabouts of some of the dealer license plates. Other state's law enforcement offices have contacted us advising that Florida dealer plates are being sold over the internet, on the streets, and being used for reasons other than those authorized by statute.

Dealers are allowed the use of dealer license plates on vehicles in their inventory that are for sale or on vehicles that are used in conjunction with their business. There may be times when a dealer needs a large number of dealer license plates, however the dealer must report the number of license plates to the insurance company. The insurance company has an interest in where and how dealer license plates are being used. For example, some dealers have agents in other states attending vehicle auctions and purchasing vehicles on their behalf. The insurance company may need to know who the agent is, what their driving history contains, where the vehicle will be used, and what purpose the vehicle will be used for in order to make sure it is properly insured.



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Effective immediately dealers requesting to purchase dealer license plates are required to present the certificate of insurance document indicating the number of dealer license plates reported to the insurance carrier under the dealer's garage liability policy. The number of dealer plate sales will be limited to the number listed on the certificate of insurance, and therefore, the dealer will not be authorized to purchase dealer license plates exceeding that number. If a dealer needs more dealer plates than what is currently indicated on the certificate of insurance, they will need to contact their insurance company for modifications to their policy, and must present a modified certificate of insurance with the increased number of dealer license plates indicated thereon.

The dealer may only have the number of active plates indicated on the certificate of insurance. Expired dealer license plates do not count towards the total number of active dealer license plates. However, if the total number of current active plates equals the amount indicated on the certificate of insurance, no expired dealer license plate can be renewed.

Should you have any further questions, please contact the Dealer Office at 352-368-8272 or you may contact Dealer Licensing directly at 352-732-1268.