**What Dealers need to know about KAVIS**

KAVIS will better enforce existing dealer-related statutes.

**Vehicle transfers – Full Date of Birth required**

When processing transfers, the name(s) of the buyers will need to exactly match the Kentucky driver’s license or Kentucky ID card and the entire date of birth needs to be included, not just the month. KAVIS will use the KY Driver License data to ensure accurate customer accounts for all transactions.

**Plate to customer – KRS 186.190**

1. With all transfers from a Kentucky title to another customer (in-state or out-of-state), if there is an active registration at the time of trade-in, the plate must be removed from the vehicle and given to the seller. That plate remains the property of the seller and can be re-issued to any vehicle they own or purchase, including a new vehicle they purchase in the same deal. If the seller declines the plate, then it should be returned by the seller to the county clerk’s office.
2. All purchases that include registration will require a new license plate, either from the county clerk or from a plate already owned by the buyer. If it is the one from their trade-in, include a photocopy of that registration receipt or the plate with the paperwork submitted to the county clerk so that plate is re-issued to the customer.
3. If the customer wishes to reissue that plate to a different vehicle they already own, they will need to do that at the county clerk’s office.
4. All purchases that include registration will require a 60-day temp tag for use until the registration is processed by the county clerk and the registration receipt is delivered to the customer.

**EV/HV Ownership fees – KRS 138.475**

1. 2022 HB 8 establishes an ownership fee for owners of hybrid vehicles and electric vehicles. Plug-in hybrids are included in with all electric vehicles. The fees are $120 for electric vehicles and $60 for electric motorcycles and hybrid vehicles.
2. These fees are collected when an owner initially registers the vehicle or at the time of annual renewal.
3. The KyELT project will include these fees in the calculations of fees for the dealers, but there is currently no notification system to inform dealers of the need to include these fees in the paperwork for transfer when it is submitted to the county clerk. We are also informing county clerks of this fee and the need to collect it.
4. There is currently no block to prevent registration without paying the fee, but the fee will continue to accumulate every year that remains unpaid.
5. Sometime in 2024, this fee will be integrated into KAVIS and will then begin printing on registration renewal cards, including any year(s) of unpaid fees.

**Dealer Accounts in KAVIS**

To better comply with statues, a new customer account system will be used by KAVIS for dealerships, distinct from the accounts used for all other organizations.

1. In KAVIS, dealer plates and the dealer number assigned from the Motor Dealer Commission will reside in a special dealership account for each individual dealership. Only DA vehicles will be attached to that account.
2. The regular organization/business account for the dealership will be treated like any other business. The dealer number and dealer plates cannot be used for vehicles attached to this account. Those vehicles will require normal registration plates – standard issue, commercial weighted, or special plates – depending on the vehicle type.
3. If the dealership is also operating as a U-Drive-It, there will be an additional account for this.
4. All vehicles titled in the name of the dealership will go into the organization account and be subject to taxes – both usage tax at the time of transfer, and non-discounted ad val tax each year of ownership.
5. All vehicles for sale need to be dealer assigned first, which will attach them to the special dealership account. This will be possible for out-of-state vehicles within KAVIS. It was not possible in AVIS.

**FAQs**

1. Q: On the plate issue, what are dealers to do about used vehicles on their lots right now with plates? Do those plates stay on the vehicle and go with the vehicle when sold?

A: Any transfer that is processed beginning in January the plate will be automatically removed from the vehicle and attached to the seller’s customer account. I suggest that you contact those customers now to allow them to come get those plate if they want them. They can use them on any vehicle of the same class, not limited to one they purchased at the time of trade-in. It would be best for the dealers to collect those license plates and return them to the County Clerk’s office.

1. Q: Do they need to remove those plates and issue temp tags as they would with new vehicles when the used vehicles are sold to customers without a trade-in.

A: Yes, even if the customer has a plate that they will use on their new vehicle, it must be processed by the county clerk before they can put that reissued plate on their vehicle. Make sure to include a photocopy of the old registration receipt or the plate itself when submitting the paperwork to the county clerk office to let them know to reissue that old plate when they process the transfer [KRS 186.190].

1. Q: We have at least one dealer group hearing from a clerk that when they buy vehicles at auction out-of-state and elect to transfer title to the dealership in KY (rather than dealer-assign them) they’ll have to pay KY sales tax on the vehicle? Do you know if this is accurate?

A: That is accurate. Any vehicle that is titled in the name of the dealership will be subject to taxation just like any other business purchasing a vehicle. Dealers may only use their dealer number to bypass taxation for dealer assigned vehicles. With KAVIS, they will be able to dealer assign out of state titles exactly the same that they do with in-state titles, including the fee.