

**City of Lawrence
Car Dealers' Regulations**

1. The Licensed Premises shall be subject to inspection at any time by the Lawrence Police Department, Massachusetts State Police, Lawrence Fire Department, Inspectional Services Department or by duly agents representing any of the above jurisdictions. The Licensee or manager shall fully cooperate and shall not in any way hinder or delay access to the Licensed Premises.
2. The Licensee, his/her agent, principles and partners shall be liable to adhere to the terms and conditions of the License.
3. The submission of any false or materially misleading information to the Lawrence Licensing Board (the "Licensing Board") by any Licensee or person acting on behalf of the Licensee in connections with any application for an original license, license renewal, special license, change of manager, transfer of location, transfer of ownership or other applications, or any false or materially misleading statements made in any proceeding before the Board in connection with the license, shall be cause or ground for refusing to grant or renew the License or Permit or for suspending, canceling or revoking a License or Permit already granted.
4. The Licensee shall obtain all leases and permits as required to occupy said location lawfully.
5. The Licensee shall conform to the application provisions of the Lawrence Revised Zoning Ordinances and State Building Code and obtain a Certificate of Use and Occupancy from the Inspectional Services Department, if so required by these codes. Licensee is required to have a business certificate from the City of Lawrence regardless if Licensee has a state certification.
6. The Licensing Board may, in its sole discretion and upon proper notice, require a Licensee to appear before the Board for a meeting to address general questions about the licensed operation, including but not limited to, whether the Licensee is adhering to representations made during the application process; detail regarding the entertainment; and other issues pertaining to the conduct of the Licensed Premises in general.
7. Licenses are issued to serve the public convenience, and, therefore, Licensee should be conducting the licensed business on all days authorized by the licensing authority. Any Licensee who permanently ceases its business operation shall immediately surrender its License and physically deliver the License to the Licensing Board. If the Licensee intends to suspend business operations for a temporary period, it shall first provide the Licensing Board with written notice at least ten (10) days prior to the anticipated closing date stating the reason for the closing and estimated length of the closing.
8. The Licensee must maintain and keep current all licenses, permits, certificates, and approvals required for the operation of the licensed business. If any such license, permit, certificate, or approval issued by a state or local authority is revoked, suspended or not renewed for any reason, the Licensee must notify the Licensing Board in writing.
9. The issuances of all Class 1, 2, and 3 Dealers' licenses by the Licensing Board are governed by the City of Lawrence, are governed by the City Auto Dealers' Regulations, and Massachusetts General Laws, Chapter 140 Section 57 thru 69, and Chapter 90 & 93A. The Licensee is responsible for enforcing and

complying with these laws and regulations. The License must be posted in a conspicuous location within the Licensed Premises, clearly visible and accessible to the public.

License Classes

Class I License (New Auto Dealers)

- Be an agent of a new vehicle manufacturer or have a contract with a manufacturer to sell new vehicles;
- Sell used vehicles as an incidental or secondary part of the business; and
- Have repair facilities on site that allow repairs to vehicles under warranty.

Class II License (Used Auto Dealers)

- Allows for buying and selling of used vehicles as a primary part of the business which requires the Licensee to post a \$25,000.00 bond that will cover the dealer if a lawsuit is brought against the dealer for a variety of reasons which may include: failure to deliver title, selling of a stolen vehicle, failure to disclose actual mileage, or attempts to cheat or misrepresent proper facts about the vehicle to its buyer.

Class II License (Wholesale License)

- Allows used vehicles to be purchased and sold only to wholesale dealers but does not allow retail sales.

Class III License (Junk Auto Dealers)

- Allows the buying and selling of cars and trucks for parts and salvage. Based on the City of Lawrence zoning laws a Licensee may have restrictions placed on what type parts and salvage they are allowed to have on applicable zoning restrictions.

Process for an Auto Dealer License

1. The applications process for an Auto Dealer License must provide the following:

- Zoning Application Form;
- Articles of Organization;
- Franchise Agreement(s) (if applying for a Class I Dealer License);
- Purchase and Sales Agreement;
- Lease Agreement (if applicable);
- Workers' Compensation Insurance Affidavit;
- Surety Bond in the amount of \$25,000.00 (if applying for a Class II License);
- Affidavit (if applying for a Class II Wholesale License);
- Business Certificates must be current; and
- Licensee must be Current & in Good Standing regarding to Taxes Bills, Water Bills owe to the City of Lawrence.

2. **New Class III Licensees:** Upon completion of the application, The License Commission shall conduct a public hearing within thirty (30) days of receipt of a completed application or as soon as practicable thereafter. Written notice of such hearing shall be provided by the Licensing Commission to the applicant to be sent, at the applicant's expense, Certified Return Receipt Requested, to all abutters seven (7) days prior to said hearing. The applicant is required to publish the notice of hearing in the newspaper.

3. **Business:** The Licensee must have a separate business office on the premises, maintain a record book for used cars approved by the Registry of Motor Vehicle and consistent with state laws and regulations. M.G.L. Chapter 140 Section 62.

4. **Used Car Warranty:** No used motor vehicle shall be sold in the City of Lawrence without complying with all applicable laws, including but not limited to M.G.L. Chapter 90 Section 7N, relative to used vehicle warranties and condition of said vehicle.

5. **Notices for Consumers:** Pursuant to the Used Vehicle Warranty law, Licensee shall post notices and provide certain written information to consumers. Posted on all vehicles for sale: year, make, model price and actual true mileage.

6. **Copy of Warranty to Consumers:** At the time of sale, the Dealer must give the Consumer a copy of the Limited Used Vehicle Warranty. The Consumer should sign and date the Dealer's copy of the Warranty, and their copy. The Dealer must keep a copy of the warranty on file for at least twelve (12) months. If the Dealer does not give the Consumer a copy of the warranty at the time of sale or give the Consumer a copy that is incomplete or inaccurate, the warranty period will be unlimited until the Dealer gives the Consumer a complete and accurate copy. AT that time, the warranty period will begin. The Consumer has rights to warranty repairs and to arbitration even when the Dealer does not give the Consumer a written copy of the Warranty.

7. **Disclosure:** The Dealer cannot disclaim their obligations under this required state warranty. Advising the consumer about known defects does not excuse the Dealer from their responsibility to repair problems under the warranty. The Dealer also cannot ask the Consumer to waive his/her rights under the Use Vehicle Warranty Law. A statement or notice that the Consumer has waving his/her rights under this law does not excuse the Dealer from obligation to repair covered defects.

8. **Implied Warranty of Merchantability:**

- The Dealer warrants that the vehicle is safe and in running condition for at least a reasonable period of time, considering such factors as, price paid, the motor vehicle's age, make, model and mileage to help you determine what problems the Dealer should be required to fix. M.G.L. Chapter 106 Section 2-314
- This implied warranty is automatic with every vehicle sold by a Dealer, and the Dealer cannot waive this implied warranty of merchantability. This means that a Dealer cannot sell vehicles "as is," "with all faults," or with a "50/50" warranty. M.G.L. Chapter 106, Section 2-315.

9. **Implied Warranty of Fitness for a Particular Purpose:** Under this law, if the Dealer has reason to know of any particular purpose for which the vehicle is required and that the buyer is relying on the Dealer's skill or judgement to select or furnish the vehicle, there is an implied warranty that the vehicle will be fit for that purpose.

10. **Renewal Process:** Fees for the annual renewal of all licenses must be paid in full by certified funds (bank check, money order) prior to the Licensing Board issuance of any renewal license. Licensees must pay in full all taxes and fees owed to the City of Lawrence or to the Commonwealth of Massachusetts prior to the license's annual renewal. Renewal packets, containing all pertinent information and application, shall be mailed via first class mail or electronic mail no later than the last week of October, or dropped off in person to City Hall, Inspectional Service Department and Licensing Department. In the event that the Licensee has not received a renewal packet, it is incumbent upon the Licensee to contact The Licensing Board office to obtain the materials. Failure to submit a renewal application, by the last business day prior to November 30th of every year, shall result in the Licensee to reapply for a new license. All New Licenses and Renewal Licenses shall have a current Plot Plan included.

11. **Dealer Premises:** All new and used vehicles must be on premises and will not overflow onto a public way, sidewalk or private property. A Licensee shall maintain a clean lot, free of junk motor vehicles or parts thereof; used automotive oil and fluids shall be disposed of in compliance with state and local environmental regulations. The premises must be kept clean and safe for the consumer. All unregistered vehicles on a public way can and will be towed at the owner's expense. Dealers shall not exceed the number of vehicles that the Lawrence Licensing Board has granted for said premises.

12. **Hours of Operations:** Retail dealers are required to be open to the public for 30 hours or more. Wholesale dealers are required to be open a minimum of 6 hours per week, no inventory and no display requirement. Licensee must have signs that indicate the name of the business, address, telephone number, hours of operation and must be posted on the Licensed Premises in a conspicuous, visible manner.

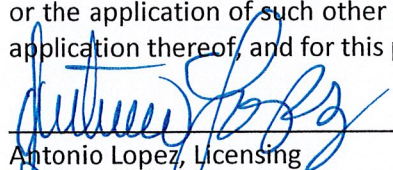
13. **Dealer Plates:** All Class 1, 2 and 3 dealers who are assigned Dealer Plates issued by Registry of Motor Vehicles must follow all rules and regulations as stated in M.G.L. Chapter 90 Section 5.

14. **Violations:** Upon written notification to the Licensing Board, from a customer, citizen or the Lawrence Police Department/Lawrence Fire Department or other source, that a violation of law has allegedly occurred by a Licensee, the Licensing Board will consider whether or not a violation hearing should be held. If it is determined that a violation hearing should be held, The Licensing Board shall send written notice via United States Postal Service to the applicant setting forth the alleged violation with copies of any complaints or reports evidencing the same.

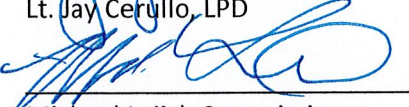
15. **Offenses:** The Licensing Board may use its discretion in determining on a case-by-case basis whether the facts surrounding a violation warrant a suspension to be served.

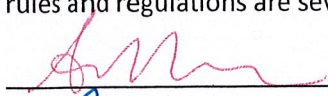
- First offense: The Licensing Board shall issue up to a 10-day suspension.
- Second offense: Within a twenty-four (24) month period, the Licensing Board shall authorize up to a 20-day suspension.
- Third or subsequent offense: Within a thirty-six (36) month period, the Licensing Board shall authorize up to a 40-day suspension.
- Fourth or subsequent offense: Within a thirty-six (36) month period, the Licensing Board shall authorize up to a 60-day suspension.
- Fifth or subsequent offense: Within a thirty-six (36) month period, the Licensing Board shall authorize revocation of the license.

16. If any of the provisions of these rules and regulations or their application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of such Rules and Regulations or the application of such other provisions, which can be given in effect without the invalid provision or application thereof, and for this purpose the provisions of these rules and regulations are severable.

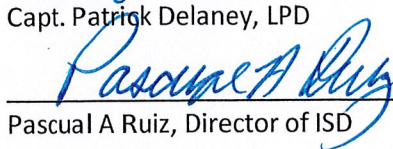

Antonio Lopez, Licensing


Lt. Jay Cerullo, LPD


Michael Laird, Commissioner


Ana Morales, Commissioner


Capt. Patrick Delaney, LPD


Pascual A Ruiz, Director of ISD

All dealers must comply to RMV rules and regulations, especially to dealer plates.