

6.08.100 USED CAR DEALERS

A. Licensing - Generally:

1. No person, company, corporation or other entity shall offer for sale more than four (4) second hand motor vehicles in a calendar year without obtaining a used car dealer's license from the City Council.
2. Application for a used car dealer's license shall be made on a form approved by the City Council and shall be accompanied by all of the following:
 - a. a certified plot plan, approved and signed by the Building Commissioner and the Fire Department;
 - b. a current CORI report issued by the Commonwealth of Massachusetts for each principal of the dealership;
 - c. license fee for Class I, II, and III dealer licenses of \$200.00;
 - d. inspection fee for Class I, II, and III dealer licenses of \$100.00 (excluding grandfathered licenses issued in accordance with Section E below);
 - e. initial application shall also be accompanied by new applicant fee for Class I, II, and III dealer licenses of \$50.00.
3. Licenses shall expire annually on December 31. Except as provided in Paragraph E, issuance of a license during the previous licensing period shall not create a presumption in favor of the applicant.
4. Notice of denial of an application for a used car dealer's license shall be accompanied by a statement setting forth specific reasons for the denial.
5. Licenses may be issued upon such terms and conditions and with such restrictions as the City Council deems expedient and in the best interests of the health, safety and welfare of the residents of Malden.
6. Used car dealer's licenses may not be sold, conveyed, assigned or transferred without the consent of the City Council.
7. The number of Class II dealer licenses shall be limited to twenty seven (27), excluding licenses allowed in accordance with Section E below.

B. Licensing - Minimum Standards: The City Council may license such applicants as they determine are suitable to conduct a used car sales business in the city. Failure to comply with the provisions of this ordinance, with state consumer protection statutes or with any licensing terms, conditions or restrictions imposed by the City Council shall be prima facie evidence that the applicant is not suitable to conduct said business.

Applicants shall be required, at a minimum, to demonstrate that the following criteria have been met:

1. that the business is conducted at a location that satisfies all applicable requirements of the city's zoning ordinance;
2. that the principal use of the location is automotive sales and that all other uses are supportive of or accessory to automotive sales;
3. that the area controlled by the business is of sufficient size to allow a. storage or display of no fewer than 15 cars in paved, lined and numbered spaces no smaller than 9'X18',

and b. employee and customer parking of no fewer than 3 spaces, provided that one additional employee/customer parking space shall be required for each additional 20 spaces of for storage or display. All spaces shall be clearly lined, numbered and designated in yellow traffic paint as storage/display or employee/customer parking.

4. that the applicant is engaged principally in the business of used car sales.

C. Business Operation - Minimum Standards:

1. Each used car dealer shall keep records as required by Mass. Gen. Laws ch 140 § 62. Said records shall be made available upon request to any police officer, City Councillor, or duly appointed agent of the City Council authorized to enforce ordinances relative to licensing.
2. Each used car dealership shall be maintained in a clean and sanitary manner and shall comply with all applicable health, safety and sanitation codes and standards promulgated by the city's Building, Wire, Plumbing, Health and Fire inspectors.
3. All parts and materials incidental to the operation of said dealership shall be stored in a designated area and concealed from public view. Waste oil shall be stored in compliance with 527 CMR 906. Disposal of residual parts and materials shall be made in a timely manner and in accordance with applicable federal, state and local regulations.
4. Agents and employees of the city authorized to enforce health, safety and sanitation codes may at any time enter onto the premises of a used car dealer to inspect for compliance with applicable health, safety and sanitation codes, the provisions of this ordinance, and any license restrictions or conditions.
5. Each used car dealer shall display at all times a current used car dealer's license on the premises at which the business is conducted. Said license shall be displayed in the business office, so as to be in clear view of patrons
6. Each used car dealer shall apply for and obtain dealer plates from the Registry of Motor Vehicles within 30 days of obtaining an initial license. Copies of current dealer plate registrations shall be filed with the City Clerk's Office, upon receipt of the original registration and/or registration renewals.

D. Failure to Comply with Ordinance Provisions - Penalties:

1. Violation of any provision of this ordinance or of the terms, conditions or restrictions imposed on a specific licensee may be punished by a fine imposed under the provisions of Mass. Gen. Laws ch 40 § 21D in accordance with the following schedule: 1st offense \$100.00 2nd/subsequent offenses \$200.00
2. Violations of any provision of this ordinance, applicable health, safety and sanitation codes or the specific terms, conditions or restrictions of a license may be cited by any person authorized by the City Council to enforce ordinances relative to licensing or to enforce applicable provisions of health, safety and sanitation codes.
3. Failure to comply with the provisions of this ordinance, with state consumer protection statutes or with any license terms, conditions or restrictions imposed by the City Council may result in suspension, modification or revocation of any license, after three days written notice and hearing by the City Council.

E. Implementation of Ordinance Provisions: This ordinance shall take effect on Jan. 1, 1999; provided that any person licensed as used car dealers on Dec. 31, 1998 whose business does not meet the minimum standards for licensure, as set forth in Paragraph B above, may apply

annually for renewal of said license. Said licensees shall be eligible for re-licensing provided that they meet the following criteria:

1. that the business has remained in continuous operation since December 31, 1998;
2. that the applicant is the same person or entity licensed as of Dec. 31, 1998. For purposes of this section, a corporation shall be considered the same entity only so long as a majority of its officers, directors and/or shareholders remain the same;
3. a license issued under the provisions of this section may be transferred to a different location, with the approval of the City Council License Committee; provided that any license transferred to a residential location shall be valid for a period not to exceed 90 days and shall prohibit storage of vehicles on site. Any license not transferred from a residential location within the time specified by the License Committee shall be void and all rights accrued under the terms of this section shall be extinguished.

Persons applying for renewal of licenses under this section shall be subject to all the provisions of Paragraphs C and D above, and shall provide 9 x 18' lined and numbered spaces for storage/display of cars and employee/customer parking in a quantity determined by the City Council.

No applicant licensed under this section shall seek an increase in the number of cars licensed for display and/or storage as of December 31, 1998. Nothing in this section shall prohibit any dealer licensed under this section from applying for a license under Paragraphs A and B of this section.

HISTORY

Amended by Ord. [289-19](#) on 10/24/2019

Amended by Ord. [255-22](#) 6.08.100 (b)(3) on 6/22/2022