STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
MOTOR VEHICLE COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-1153
(615)741-2711
FAX (615)741-0651

MINIMUM REQUIREMENTS FOR MOTOR VEHICLE AUCTION

The following requirements must be met (or exceeded) **prior to** notifying the Area Filed Investigator of the Tennessee Motor Vehicle Commission to conduct the necessary site inspection and to complete the Application Form for submission to the Commission office for review and final approval. Automobile auctions in Tennessee are strictly wholesale, by and between licensed auto dealers. **Unlicensed individuals are prohibited from buying or selling motor vehicles at automobile auctions in Tennessee (Rule 0960-1-.16).**

1. **Building Facility** - A building suitable for vehicles to pass through for viewing and auctioning purposes.

2. **Office Furniture** - Office space for processing sales and for record retention. Adequate restroom facilities must be available.

3. **Sign Requirements** - Minimum of eight (8) inch letters, or as per local ordinance, displaying the auction name. The sign must be permanently installed and clearly visible from the road.

4. **Telephone** - The telephone number must be listed in the local directory under the name of the auction company. Mobile and/or cellular phones are not acceptable as the base station telephone. Telephone number must be posted on sign, door or window.

5. **Lot and Fence** - Auction lot must be gaveled or paved and large enough to accommodate parking for 100 vehicles. The auction building and lot must be fenced with a material suitable for keeping out unauthorized people, such as chain link.

6. **Registration** - An auction employee must be stationed at each entrance of the auction facility for registration purposes of dealers and salespersons and to check for licensing credentials.

7. **Insurance** – Evidence of garage keepers legal liability in the minimum amount of $500,000 coverage must be provided by a certificate of insurance or affidavit from the insurance provider. The name address on the certificate must be that of the auction facility. The Tennessee Motor Vehicle Commission at the above address shall be listed as the certificate holder. Check and title insurance approved by the Commission must be maintained.

8. **Business Tax License** – A current business tax license issued by the County Clerk must be obtained prior to completion of the application process in the name of the auction. A copy of license must be provided with application. The original must be posted in a visible location prior to inspection.

9. **Financial Statement** – Must have a complied financial statement prepared in accordance with the attached Commission memorandum of minimum acceptable financial statements instructions. An automobile auction must have a minimum net worth of at least $100,000.00.

10. **Corporation/LLC or LLP** – If applicable, a copy of the charter of the entity as filed with the Tennessee Secretary of State must be provided, or if out-of-state corporation or LLC provide a copy of Certificate of Authority to do business in Tennessee.

11. **Zoning Compliance** – Written approval from the local zoning/land-use authority must be provided. In localities without zoning requirements, a written statement to this effect must be obtained from the authorized county or municipal official. Typically, these statements are prepared by the Office of the County Executive, or Office of the Municipality Mayor.

12. **Surety Bond** – The surety bond **minimum is $50,000.00** and must be issued by a licensed bonding company on the form provided by the Commission. The duration of the surety bond must begin in month of the expected license issuance and **expire on June 30th of the next odd number calendar year. Example: If licensed in January of 2001, bond should expire June 30th of 2001.** The **original** surety bond must be submitted to this Commission with the license application. **The name on the bond MUST be the same as the entity to be licensed and the auction address MUST be physical address of the auction facility.**

14. **Conviction Record** – The applicant must furnish a copy of any court records involving a felony or crime of moral turpitude previously committed by any owner, partner, or financial participant in the corporation/LLC/LLP.

15. **Auctioneer License** – Must provide a copy of the auctioneer license with application.

16. **Auction Biennial License Fee ----------$800.00**

Applicable licensing fees are payable by cash, check, money order, or certified check. Checks are to be payable to : **Tennessee Motor Vehicle Commission.** NOTE; Cash must be paid by the applicant to the Cashier's Office of the Department of Commerce and Insurance at the Davy Crockett Tower, 500 James Robertson Pkwy, Nashville, TN 37243-1153. **DO NOT MAIL CASH.** Field Investigators will **NOT** accept any payments. With proper documentation of the requirements and the completed application, the auction license is typically issued within ten (10) days following receipt in the Commission office.