

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Division of Commercial Licensing
233 Richmond Street
Providence, RI 02903

Commercial Licensing Regulation 6 - Auto Wrecking and Salvage Yards

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Section 1 ***Authority***

These rules and regulations are promulgated pursuant to R.I. Gen. Laws § 42-14.2-1 *et seq.*

Section 2 ***Purpose***

The purpose of these rules and regulations is to promote the general welfare of the citizens of R.I. Gen. Laws § 42-14.2-1 *et seq.* so that the provisions thereunder may be best effectuated and the public interest may be most effectively served.

Section 3 ***Severability***

If any provisions of these rules and regulations are held invalid, such invalidity shall not affect other provisions of application of these rules and regulations which can be given effect without the invalid provision or application, and to that end the provisions of these rules and regulations are severable.

Section 4 ***Definitions***

- (a) "Department" means the Department of Business Regulation.
- (b) "Director" means the Director of the Department of Business Regulation.

- (c) "License" means a license issued by the State of Rhode Island pursuant to the provisions of R.I. Gen. Laws § 42-14.2-1 *et seq.*
- (d) "Auto Wrecking Yard" or "Auto Salvage Yard" shall mean land upon which a person or firm, corporation or association, destroys, junks, dismantles or stores for later dismantling or destruction, motor vehicles or parts thereof.
- (e) "Licensor" or "Board" means the "Board of Auto Wrecking and Salvage Yard Regulation."

Section 5 License

- (a) The Board shall advise all owners and operators in writing of the creation of the new Board, provide new application forms for the licensing data, and give notice that the application must be completed and returned within ninety (90) days in order to receive consideration as a license holder.
- (b) The application and licensing form shall contain sufficient data to enable the Department and Board to understand the scope of work, and business at the location, reflect full ownership by all corporations and persons, indicate employees and provide other data on the business as indicated, and in the public interest.
- (c) The Board shall be notified of any change in the ownership of any licensee within thirty (30) days of such change. This shall include any person, firm, corporation or association that undergoes such ownership change.

Section 6 Application For License

- (a) For every person, firm, or corporation seeking a License to operate as an Auto Wrecking Yard or Auto Salvage Yard, that person, firm, or corporation shall file a written application with the Director which shall contain the required information in the form prescribed by the Director.
- (b) All applications for a License shall be accompanied by the required fee, proof of bond in the amount of five thousand dollars (\$5,000), and other documents, if any, as required by the Director. Such bond shall be written by a recognized surety company approved by the Commissioner of Insurance.

Upon the inability of the licensee to obtain a bond, the Commission may, in its discretion, provide for alternative methods of financial security for the licensee. Such inability to obtain a bond must be proven by the licensee with three (3) written declinations by three (3) insurance companies authorized to transact business in the State of Rhode Island. Such alternative arrangements must be approved on a yearly basis upon the renewal of a license by the Board, with the licensee providing new written declinations from insurance

companies each year.

(c) The application for a License shall be made in duplicate to the Board upon the form prescribed by it.

(d) The Board may require in such applications or otherwise, information relating to the location at which the business is to be conducted, the nature of the business, the name and the residence of the applicant; if the applicant is a partnership, the name and residence of each partner; and if the applicant is a corporation, the names and residences of its principal officers and directors.

(f) The Board may require further information relating to the applicant's financial status, his business integrity, whether the applicant has complied with R.I. Gen. Laws § 5-21-1 *et seq.*, and whether the applicant conforms to all local ordinances pertaining to and governing the operation of Auto Wrecking and Salvage Yards, and other pertinent information, all of which may be considered by the Board in determining whether the granting of such application is in the public interest.

(g) Every such application shall be verified by oath and affirmation of the applicant, if an individual, or by one (1) of the officers if the applicant is a partnership or corporation.

(h) All licenses shall be renewed annually, and the application shall be made to the Board for such renewal not less than ten (10) days before the expiration thereof. The License shall be pro-rated the first year, consideration being given to the unexpired term of the existing License.

(i) Every application to the Board for renewal of an existing License or the issuance of a new License shall be accompanied by a fee of sixty dollars (\$60.00), payable to the General Treasurer, State of Rhode Island. If the application is denied, the fee shall be returned to the applicant.

(j) Every License issued shall specify the location of each Auto Wrecking Yard or Auto Salvage Yard and must be conspicuously displayed at said location, or if the licensee wishes to change his location, an application shall be filed with the Board requesting the change, and the permission of the Board shall be necessary to effect such a change of location. Such License shall not be transferable or assignable without the express written consent of the Board which shall, if it approves such transfer or assignment, issue a new License to the transferee or assignee subject to the terms and conditions of this chapter; provided, however, that the full fee of sixty dollars (\$60.00) shall be payable for such new License regardless of the unexpired term of the License to be transferred.

(k) A document substantiating adherence and compliance with the town's or city's zoning requirements must be furnished with each application.

(l) The Board may deny an applicant for a License, or suspend or revoke a License after it has been granted, or refuse to renew a License for any of the following reasons:

- (1) Proof of unfitness of the applicant or licensee to engage in this business.
- (2) A material misstatement by the applicant or licensee in his application for the License or for the renewal thereof.
- (3) Willful failure of the applicant or licensee to comply with the provisions of this chapter or with any rule or regulation promulgated by the Board.
- (4) Proof that the applicant or licensee has willfully defrauded the owner of a motor vehicle.

Section 7 Revocation or Suspension of License

(a) The Board may revoke, suspend, or cancel a License granted under R.I. Gen. Laws § 42-14.2-1 *et seq.* for an Auto Wrecking Yard or an Auto Salvage Yard's violation of any section of the law and these rules and regulations, after a hearing held in accordance with the provisions of the Administrative Procedures Act in R.I. Gen. Laws § 42-35-1 *et seq.*

(b) The Director, in an emergency situation where public health and safety may be endangered may, at his discretion, temporarily suspend a License for a period of fifteen (15) days.

(c) The Board, after appropriate hearings, shall make the final decision as to the suspension or revocation of a License.

(d) All hearings conducted by the Board shall be conducted under the Provisions of the Administrative Procedure Act of the General Laws of the State of Rhode Island, as well as the Rules and Regulations of the Department of Business Regulation, utilized in contested cases.

(e) For revocation, suspension or denial of a License, a quorum shall consist of five (5) members of the Board being present, of which four (4) members must vote for the revocation, suspension or denial of a License.

Section 8 Bond

The liability of the surety on the bond shall be limited to indemnify the claimant only for his actual damage or loss. Such bond shall not limit or impair any right or recovery otherwise available pursuant to law, nor shall the amount of the bond be relevant to determining the amount of damage, loss or other relief to which any claimant shall be entitled. The bond shall be accessible only after all other remedies have been exhausted.

Section 9 Records and Reports

(a) Every Auto Wrecking Yard and Auto Salvage Yard shall maintain an accurate and up-to-date record or records on all vehicles purchased and sold. Records for all such vehicles must be maintained and available for inspection on the premises. These records shall contain the following items of pertinence to the vehicle:

- (1) Acquisition date
- (2) Type of vehicle
- (3) Color
- (4) VIN
- (5) Owner of vehicle
- (6) Address of owner
- (7) Type of title
- (8) Disposition
- (9) Date of disposition
- (10) Purchaser
- (11) Method of identification

(b) Records for all motor vehicle parts purchased and disposed of in any way must be maintained and available on the premises for inspection purposes.

(c) The licensee or his or her employee shall verify from the seller of a vehicle or parts from a vehicle his or her identity through an operator's license or social security card or other reasonable means of identification.

(d) These records are to be preserved for a period of two (2) years, and shall be open to inspection by the Board and its duly authorized representatives during reasonable business hours.

Section 10 Place of Business

The business shall be housed in a building on the premises containing not less than four hundred (400) square feet of ground level floor space, with an office where at all times business records relating to and pertinent to his or her operation of an Auto Wrecking Yard or Auto Salvage Yard shall be maintained.

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