



Vehicle Services Bureau

General Information and Requirements for Application for a Dealer License

MVD Use Only

P.O. Box 201431, 302 N Roberts, Helena, MT 59620-1431 • Phone (406) 444-3661 Fax (406) 444-0116 • dojdealerinfo@mt.gov

A person may **not** engage in the business of buying, selling, exchanging, accepting on consignment, or acting as a broker of a new motor vehicle or used motor vehicle (to include, cars, trucks, rugged terrain, vans and buses), trailers (except trailers having an unladen weight of less than 500 pounds), motor homes, motorcycles, quadricycles (includes quadricycle-like vehicles), boats (includes personal watercraft), snowmobiles, special mobile equipment, or new manufactured homes that is not registered in the person's name, unless the person is the holder of a dealer's license issued by the department (MCA 61-4-101).

After examining a license application and conducting an investigation necessary to verify the information contained in the application, the department may issue the license(s) if satisfied that the applicant qualifies under the provisions of this chapter. The department may refuse, after examination and investigation, to issue a license to an applicant who is not qualified for licensure or whose prior financial, criminal or other activities are deemed to:

- Pose a threat to the effective regulation of dealers, wholesalers, brokers or auto auctions;
- Pose a threat to the public interest of the state; or
- Create a danger of illegal or deceptive practices being used in the conduct of the proposed dealership, wholesaler, broker or auto auction.

Dealer licenses will not be issued at the Vehicle Services Bureau's (VSB) counter on a same-day basis. If approved by a VSB Compliance Specialist, you will receive your license and your plates in approximately two to three weeks after your application is received. All fees include 3% administration fee per [MCA 61-3-111](#).

Laws and regulations for Montana dealers can be found at the following website:

http://leg.mt.gov/bills/mca_toc/61_4.htm

- Types of licenses and requirements – MCA 61-4-101
- Dealer plate restrictions – MCA 61-4-102
- Record of purchase or sale – MCA 61-4-104
- Criminal and civil penalty – MCA 61-4-105
- Transfer of license – MCA 61-4-106
- Cease and desist – MCA 61-4-107
- Exemptions – MCA 61-4-108
- Privileges and withdrawal – MCA 61-4-109
- Obligation of dealer to pay off liens – MCA 61-4-110
- Transfer of used vehicles – MCA 61-4-111
- Transfer of new vehicles – MCA 61-4-112
- New vehicles towed into state – MCA 61-4-113
- Auto auction restrictions – MCA 61-4-120
- Temporary registration permit – MCA 61-4-121
- Compliance specialists – MCA 61-4-122
- Dealer requirements and restrictions – MCA 61-4-123
- Annual report – MCA 61-4-124
- Wholesaler restrictions – MCA 61-4-125
- Claims against dealer bonds – MCA 61-4-126
- Broker requirements – MCA 61-4-127
- Dealer plate standards – MCA 61-4-128
- Demonstrator plates – MCA 61-4-129
- Courtesy plates – MCA 61-4-130
- Definitions – MCA 61-4-131

- Right of succession in dealership ownership – MCA 61-4-132
- Refusal to honor succession – MCA 61-4-133
- Procedure to determine right to succeed – MCA 61-4-134
- Written designation of succession unaffected – MCA 61-4-135
- Violation-penalty – MCA 61-4-136
- Civil damages – MCA 61-4-137
- Manufacturer first refusal – MCA 61-4-141
- Unlawful curbstoning – MCA 61-4-143
- Dealership sale, transfer or exchange – MCA 61-4-150

Forms

Dealer License Instructions (MV32) is available online at: <https://dojmt.gov/driving/dealers-forms/>

Other required forms:

- Dealer License Application (MV25)
- Dealer Plate Order (MV35P)
- Dealer Inspection (MV105)

LICENSE TYPES, MCA 61-4-101

Franchise Dealer (D) and Used Dealer (U)

➤ A **franchise dealer** may sell only the type(s) of vehicles indicated on the license application. Types of vehicles sold with a (D) license may include: new or used vehicles to include cars, trucks, rugged terrain, van and buses. New or Used snowmobiles, motorcycles or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use, boats (includes personal watercraft), motor homes, special mobile equipment and trailers. A new motor vehicle means a motor vehicle that: 1) Has not been the subject of a retail sale regardless of the mileage of the vehicle; or 2) has an MCO.

➤ A **used dealer** can only sell the type(s) of vehicles indicated on the license application. Types of vehicles sold with a (U) license may include: used motor vehicles to include cars, trucks, rugged terrain, vans and buses. Used snowmobiles, used motorcycles or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use, used boats (includes personal watercraft), used motor homes, used special mobile equipment and used trailers. **A Used Dealer cannot sell new vehicles.**

To be qualified for licensure as a dealer, an applicant must have and/or provide to the department the following:

- A written application for a dealer's license on a form prescribed by the department specifying the type(s) of vehicle being sold. Any information provided in the license application process is subject to independent verification by the department.
- If a **franchise dealer**, provide the name and address of the manufacturer, importer, or distributor with whom the applicant has a written new motor vehicle, power sports vehicle, or motor home franchise or sales agreement, name and make of all motor vehicles, power sports vehicles, or motor homes to be handled by the applicant.
 - ◆ Manufacturers and distributors of new motor vehicles, new motor homes, new motorcycles or quadricycles (includes quadricycle-like vehicles), snowmobiles and personal watercraft must also be licensed with the **VSB** prior to distributing any vehicles. If they have not complied and are not licensed, it may result in a delay in receiving your license.
- All **franchise dealers** selling new motor vehicles, new power sport vehicles, new motor homes, new trailers or new special mobile equipment must have a bona fide service department. The franchise information must be shown on the dealer application and must be kept current.
- A computer, printer and access to the internet are required in order to issue electronic temporary registration permits (TRPs).
- A permanent non-residential building where sales are made, records are kept and a lot where vehicles are displayed.

- A sign stating the name of the business and indicating that vehicles are offered for sale, trade or consignment. The letters of the sign must be at least six inches in height and clearly visible and readable to the major avenue of traffic at a minimum distance of 150 feet.
- A **continuous** bond in the amount of \$50,000 is required for all dealers [except: if selling only street legal motorcycles or quadricycles a **continuous bond of \$15,000** is required, or if selling only snowmobiles, non-street legal motorcycles or quadricycles (includes quadricycle-like vehicles) and boats (includes personal watercraft) only a **continuous bond of \$5,000** is required]. The original **continuous** bond must be submitted for approval to the department.
- Evidence of compliance with all city/county requirements, as evidenced by written verification signed by the authorized representative of the local land-use or zoning board.
- Telephone service at the established place of business must be installed and maintained in the dealership's name and listed in the directory assistance that applies to the area in which the business is located.
- Written notice, conspicuously posted at the established place of business, of the regular and customary office hours.
- All new dealers must provide a copy of general liability insurance, which may include garage liability depending on your business needs. The policy must be in the dealership name, business physical address, and must show the department as certificate holder with the **VSB** address P.O. Box 201431, Helena, MT 59620. It must be for a minimum of one year, and must cover any vehicle bearing dealer or demonstrator license plates offered for demonstration or loan to, or otherwise operated by, a customer in the regular course of the business. A copy of the insurance coverage showing the name, address and telephone number of the local insurance agent for the carrier, as well as the policy number and expiration date, must be submitted with the application.
- An original license and application fee of **\$30.90**.

When all requirements are met, contact the Montana highway patrol, compliance officer, or local law enforcement agency for completion of the inspection form.

Wholesale Dealer (W)

A wholesale dealer can only sell to licensed motor vehicle dealers and auto auctions or another wholesaler. Assigned to a person, firm, partnership, association or corporation who sells used motor vehicles to include cars, trucks, rugged terrain, vans, and buses, used snowmobiles, used motorcycles or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use, used boats (includes personal watercraft), used motor homes, used travel trailers, used trailers, or used special mobile equipment.

To be qualified for licensure as a dealer, an applicant must have and/or provide to the department the following:

- A written application for a dealer's license on a form prescribed by the department. Any information provided in the license application process is subject to independent verification by the department.
- A permanent non-residential building where sales are made and records are kept.
- A **continuous** bond in the amount of \$50,000 is required. The original **continuous** bond must be submitted for approval to the department.
- A sign stating the name of the business and indicating that vehicles are offered for sale, trade or consignment. The letters of the sign must be at least six inches in height and clearly visible and readable to the major avenue of traffic at a minimum distance of 150 feet.
- Evidence of compliance with all city/county requirements, as evidenced by written verification signed by the authorized representative of the local land-use or zoning board.
- Telephone service at the established place of business must be installed and maintained in the dealership's name and listed in the directory assistance that applies to the area in which the business is located.
- Written notice, conspicuously posted at the established place of business, of the regular and customary office hours.
- All wholesale dealers must provide a copy of general liability insurance, which may include garage liability depending on your business needs. The policy must be in the dealership name, business physical address and must show the department as certificate holder with the **VSB** address P.O. Box

201431, Helena, MT 59620. It must be for a minimum of one year, and must cover any vehicle bearing dealer or demonstrator license plates offered for demonstration or loan to, or otherwise operated by, a customer in the regular course of the business. A copy of the insurance coverage showing the name, address and telephone number of the local insurance agent for the carrier, as well as the policy number and expiration date, must be submitted with the application.

- An original license and application fee of \$30.90.

The sale of less than 12 retail used motor vehicles, power sport vehicles, trailers or wholesale vehicles during the expiring license term requires an additional renewal fee of \$25.75.

When all requirements are met, contact the Montana highway patrol, compliance officer, or local law enforcement agency for completion of the inspection form.

Auto Auction Dealer (A)

Assigned to dealers authorized to auction used motor vehicles (to include cars, trucks, rugged terrain, vans and buses), motor homes, trailers, and power sport vehicles to licensed motor vehicle dealers, wholesalers, or wrecking facilities.

A licensed auto auction may not auction a new motor vehicle **except** when authorized by a new motor vehicle manufacturer, importer, distributor, or representative, for the purpose of conducting a closed-factory fleet sale to dispose of new motor vehicles by the franchisor (manufacturer, distributor, or importer) to franchisee purchasers when the purchasers are licensed new motor vehicle dealers purchasing new motor vehicle line-makes authorized by their respective franchise, sales, or distributor agreements. An auto auction shall notify and update the department with current fleet sale agreements between the auto auction and franchisor. An auto auction may not conduct a factory fleet sale unless authorized or appointed by a franchisor licensed under part 2 of this chapter (MCA 61-4-120).

To be qualified for licensure as a dealer, an applicant must have and/or provide to the department the following:

- A written application for a dealer's license on a form prescribed by the department. Any information provided in the license application process is subject to independent verification by the department.
- A computer, printer and access to the internet are required in order to issue electronic temporary registration permits (TRPs).
- A permanent non-residential building where sales are made, records are kept and other than wholesale and broker, a lot where vehicles are displayed.
- A sign stating the name of the business and indicating that vehicles are offered for sale, trade or consignment. The letters of the sign must be at least six inches in height and clearly visible and readable to the major avenue of traffic at a minimum distance of 150 feet.
- A continuous bond in the amount of \$50,000 is required. The original continuous bond must be submitted for approval to the department.
- Evidence of compliance with all city/county requirements, as evidenced by written verification signed by the authorized representative of the local land-use or zoning board.
- Telephone service at the established place of business must be installed and maintained in the dealership's name and listed in the directory assistance that applies to the area in which the business is located.
- Written notice, conspicuously posted at the established place of business, of the regular and customary office hours.
- All auto auction dealers must provide a copy of general liability insurance, which may include garage liability depending on your business needs. The policy must be in the dealership name, business physical address and must show the department as certificate holder with the **VSB** address P.O. Box 201431, Helena, MT 59620. It must be for a minimum of one year, and must cover any vehicle bearing dealer or demonstrator license plates offered for demonstration or loan to, or otherwise operated by, a customer in the regular course of the business. A copy of the insurance coverage showing the name, address and telephone number of the local insurance agent for the carrier, as well as the policy number and expiration date, must be submitted with the application.
- Original license and application fee of \$515.

When all requirements are met, contact the Montana highway patrol, compliance officer, or local law enforcement agency for completion of the inspection form.

Broker Dealer (B)

A broker is authorized to negotiate the purchase, sale, or exchange of a motor vehicle, power sports vehicle, or trailer from a dealer or another person upon behalf of a client when the broker does not store, display, or take ownership of the motor vehicle, power sports vehicle, or trailer being purchased, sold, or exchanged.

To be qualified for licensure as a dealer, an applicant must have and/or provide to the department the following:

- A written application for a dealer's license on a form prescribed by the department. Any information provided in the license application process is subject to independent verification by the department.
- A permanent non-residential building where sales are made and records are kept.
- A continuous bond in the amount of \$50,000 is required. The original continuous bond must be submitted for approval to the department.
- Evidence of compliance with all city/county requirements, as evidenced by written verification signed by the authorized representative of the local land-use or zoning board.
- Telephone service at the established place of business must be installed and maintained in the dealership's name and listed in the directory assistance that applies to the area in which the business is located.
- Written notice, conspicuously posted at the established place of business, of the regular and customary office hours.
- Original license and application fee of \$30.90.

When all requirements are met, contact the Montana highway patrol, compliance officer, or local law enforcement agency for completion of the inspection form.

PLATE FEES

FOR QUALIFYING DEALERS

Dealer plates - \$36.05

Demonstrator plates - \$15.45

Power Sport cards - \$0 for first 2 cards; \$2.06 thereafter if sales warrant.

Power Sport cards must be carried by the dealer or the dealer's customer when demonstrating power sport vehicles for off-highway use.

Wholesale dealers and *auto auctions* do not receive dealer plates; they can only receive demonstrator plates.

Broker dealers do not receive dealer or demonstrator plates.

LICENSE RENEWALS

Franchised, used, wholesale, auto auction, and broker dealers must submit based on the renewal schedule each year, and must be accompanied by the required fees. Annual reports received on the renewal schedule ensure that the dealer can use dealer and demo plates for the following year. Prompt return of your application will assist greatly in the early delivery of your new plates or decals.

Notice: For all dealers whose annual report is not filed on their renewal schedule, law enforcement will be notified to pick up all plates and hand permits. Access to the electronic temporary permit (TRP) service will be suspended. Upon compliance new plates will need to be requested and all fees paid.

If a dealer's license is not renewed within the time required by law, the dealer's license number may be issued to another applicant after two years.

Fees for Renewal of License and Application

Franchised Dealer - \$30.90
Used Dealer - \$30.90
Auto Auction Dealer - \$103
Wholesale Dealer - \$30.90
Broker Dealer - \$30.90

Plates, if applicable, must be renewed each year; fee information will be provided on the annual report.

NOTICE

It is the **dealer's responsibility to inform** the **Vehicle Services Bureau (VSB)** of changes involving the status of your dealership such as:

- Additional locations
- Name change
- Transfer of ownership
- Changes of address (if a dealer seeks to change the geographic location of the established place of business, he/she must also provide information concerning local land use planning, zoning, and business permitting compliance)
- Email address
- New phone numbers
- Franchise changes