



# General Dealer License Information and Requirements Cover Sheet

FOR OFFICIAL USE

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## **CHECKLIST: Application Requirements to obtain a Dealer License**

### Phase I

- Dealer License Application Form ([MV25](#))

Once a completed Dealer License Application Form (MV25) has been submitted, the Vehicle Services Bureau (VSB) will conduct an independent verification of the qualifications of the applicant.

After investigation, VSB may refuse to issue a license to an applicant who the department has determined is not qualified for licensure. The license application may be refused if an applicant's prior criminal record, financial, or other activities poses a threat to the effective regulation of dealers, pose a threat to the public interest of the state, or creates a danger of illegal or deceptive practices being used in the conduct of the proposed dealership.

The initial examination of the Dealer License Application will include a calculation of fees based on the type of license and plate order.

The VSB will notify the applicant of the results of its investigation:

- If an applicant is not qualified to hold a dealer license in Montana, a formal license denial letter will be provided.
- If an applicant is qualified to hold a dealer license in Montana, the applicant will be given the total licensing fee due. The applicant can then proceed to Phase II of the application process.

### Phase II

The remaining requirements must be submitted and approved before a dealer license can be issued:

- Dealer Inspection Form ([MV105](#)) or Manufactured Home Dealer Inspection Form ([MV105MD](#)).
- *Contact the Montana Highway Patrol, local law enforcement, or Department of Justice Compliance Specialist to conduct the business premise(s) inspection.*
- Continuous dealer surety bond
- General liability insurance
- Written verification from an authorized representative of the local land-use or zoning board confirming the business location complies with city and county zoning requirements
- Franchise Letter if Franchise Dealer

Return all documents, forms, and fees to the Vehicle Services Bureau. Submit forms via email to [dojdealerinfo@mt.gov](mailto:dojdealerinfo@mt.gov), fax: Fax (406) 444-0116 or mail: VSB 302 North Roberts Street, Helena MT 59620. Payment may be made by check or money order. Credit card payment may also be made by phone (406) 444-3661.

Incomplete or missing information will cause a delay in receiving your license and plates.

Please contact VSB for questions.



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## General Information

A person may not engage in the business of buying, selling, exchanging, accepting on consignment, or acting as a broker of a motor vehicle that is not registered in that person's name, unless the person is the holder of a dealer's license issued by the department (§ 61-4, MCA and § 61-12, MCA).

After examining a license application and investigating 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:

- 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.

Application review takes approximately three weeks. Plates are sent to dealership's physical address approximately three to four weeks after you receive your license.

Dealer licenses will not be issued at the Vehicle Services Bureau's (VSB) counter on a same-day basis.

Dealers are assigned an expiration quarter according to the dealer [renewal schedule](#) and are required to renew annually.

Laws and regulations for Montana dealers (§ 61-4, MCA and § 61-12, MCA) can be found at the following website [http://leg.mt.gov/bills/mca\\_toc/61.htm](http://leg.mt.gov/bills/mca_toc/61.htm)

## Licensing Requirements

### Location:

- A permanent non-residential building where sales are made, records are kept, and a lot where vehicles are displayed.
- Telephone service at the established place of business must be installed and maintained in the dealership's name and listed in the directory assistance for the area in which the business is located, or if a cellular service is used, the dealer cell phone number must be posted at the dealer's established place of business.
- Written verification from an authorized representative of the local land-use or zoning board confirming the business location complies with city and county zoning requirements.
- A computer, printer, and internet access are required to issue electronic temporary registration permits (TRPs).

### Signage:

- 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.
- Written notice, conspicuously posted at the established place of business, of the regular and customary office hours.



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## Licensing Requirements (cont.)

### Forms:

- Dealer License Application (MV25)
- Dealer Inspection (MV105)

Dealer License forms are available online at: <https://dojmt.gov/driving/dealers-forms/>

### Supporting Documents:

- Continuous Dealer Surety Bond
  - In the full business name including DBA (if applicable).
  - Showing the business physical address.
  - Showing the State of Montana P.O Box 201431 Helena, MT as certificate holder.
  - Listing the license type you are applying, for example: New Vehicle Dealer, Used Vehicle Dealer or Wholesale Dealer, Auto Auction, or Broker.
  - In the amount of \$50,000
    - If you are selling new or used vehicles (includes cars, trucks, rugged terrain, vans, buses, trailers, motor homes and special mobile equipment).
    - If you are applying for a Wholesale dealer, Auto Auction, or Broker license.
  - In the amount of \$15,000
    - If you are selling street legal motorcycles or quadricycles.
  - In the amount of \$5,000
    - If you are selling snowmobiles, boats including personal watercraft, off-highway motorcycles, or quadricycles-like vehicles.
- General liability insurance:
  - In the full business name including DBA (if applicable).
  - Showing the business physical address.
  - Showing the State of Montana P.O Box 201431 Helena, MT as certificate holder.
  - For a minimum of one year, covering vehicles bearing dealer or demonstrator license plates used in the regular course of the business.

### Fees:

Fees are calculated based on the type of license, renewal schedule, and plate/ID card orders. The department will inform the applicant the fee cost once the Dealer License Application (MV25) form has been reviewed.



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## Dealer License Types

*All applicants must indicate on their application which vehicles they intend to sell.*

### Franchise Dealer

A franchise dealer may sell:

- New or used cars, trucks, rugged terrain, vans, motorhomes, and buses.
- New or used trailers.
- New or used motorcycles, or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use.
- New or used boats including personal watercraft, and snowmobiles.
- New or used special mobile equipment.

A franchise dealer must:

- Provide manufacturer's name and address with whom the applicant has a written franchise or sales agreement.
- Provide the make name of all new vehicles to be handled by the applicant.
- Have a bona fide service department.

A new motor vehicle means a motor vehicle that has not been the subject of a retail sale regardless of the mileage of the vehicle; or has an MCO.

New vehicle manufacturers and distributors must also be licensed prior to distributing vehicles in Montana. If they are not licensed, it may result in a delay in receiving your license.

### Used Dealer

A used dealer may sell:

- Used cars, trucks, rugged terrain, vans, motorhomes, and buses.
- Used motorcycles, or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use.
- Used boats including personal watercraft, and snowmobiles.
- Used trailers.
- Used special mobile equipment.

A used dealer cannot sell new vehicles

### Wholesale Dealer

A wholesale dealer may sell:

- Only to licensed MT motor vehicle dealers, MT auto auctions, or MT wholesalers.
- Used cars, trucks, rugged terrain, vans, motorhomes, and buses.
- Used motorcycles, or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use.
- Used boats including personal watercraft, and snowmobiles.
- Used trailers.
- Used special mobile equipment.

A wholesale dealer **may not** receive dealer plates.

A wholesale dealer **may not** issue temporary registration permits (TRP).



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## Dealer License Types (cont.)

*All applicants must indicate on their application which vehicles they intend to sell.*

### Auto Auction Dealer

An auto auction dealer may sell:

- Only to licensed motor vehicle dealers, wholesalers, or wrecking facilities.
- Used cars, trucks, rugged terrain, vans, motorhomes, and buses.
- Used motorcycles, or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use.
- Used boats including personal watercraft, and snowmobiles.
- Used trailers.
- Used special mobile equipment.

Exceptions to an auto auction used sale restriction are under [§ 61-4-120, MCA](#).

An auto auction dealer **may not** receive dealer plates.

### Broker Dealer

A broker dealer may sell:

- Used cars, trucks, rugged terrain, vans, motorhomes, and buses.
- Used motorcycles, or quadricycles (includes quadricycle-like vehicles) for off-highway or street legal use.
- Used boats including personal watercraft, and snowmobiles.
- Used trailers.
- Used special mobile equipment.

A broker may negotiate the purchase, sale, or exchange of a vehicle from a dealer or person upon behalf of a client when the broker does not store, display, or take ownership of the vehicle.

A broker **may not** receive dealer or demonstrator plates.

A broker **may not** issue temporary registration permits (TRP).

### Manufactured Home Dealer

A manufactured home dealer may sell:

- New manufactured home that is covered under a franchise agreement between the licensee and the manufacturer, importer, or distributor of the manufactured home.
- Used manufactured home.

A Manufactured Home Dealer may negotiate the purchase, sale, or exchange of a manufactured home from another licensed dealer or another person on behalf of a client when the licensee does not store, display, or take ownership of the manufactured home purchased, sold, or exchanged.

A manufactured home dealer **may not** receive dealer plates.

A manufactured home **may not** issue temporary registration permits (TRP).

## License Renewal Requirements

Annual reports and fees must be submitted on time according to the [renewal schedule](#) to ensure delivery and continued use of dealer/demonstrator plates and dealer privileges.

It is the dealer's responsibility to inform VSB of dealership status changes including: additional or location changes, name change, transfer of ownership, phone or email changes, franchise changes.