



MINNESOTA DEPARTMENT OF PUBLIC SAFETY
DRIVER AND VEHICLE SERVICES
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Dealer Frequently Asked Questions and Basic Requirements

Who must have a Dealer License? (Minnesota Statutes, chapter 168.27)

- Anyone engaged in the business of leasing, selling or arranging the sale of motor vehicles (new or used)
- Anyone who has leased or sold more than five vehicles, either wholesale or retail, in a twelve month period
- Anyone in the business of selling used vehicle parts or processing and selling scrap metals acquired from vehicle
- Anyone who conducts consignment sales or arranges sales or leases

What must accompany the completed application for a Dealer License?

- The application must be completed in full - incomplete applications are returned to the applicant
- Commercial Location Checklist (PS2410)
 - **Do not** file an application until the location meets **all** the necessary requirements listed on the checklist
 - Failure to meet the requirements or any misstatement on the checklist will result in the denial of the dealer license
 - Used license applicants are encouraged to submit photos of the commercial building, designated display lot and exterior sign.
- Original surety bond
- Franchise agreements from the manufacturer for each make of new vehicle being sold. This requirement applies only to new dealers and DSB licensees selling new mopeds.
- Worker's Compensation Verification Statement (PS2420)
- Zoning Approval (PS2421)
- Proof of property ownership or verification of leased property

Zoning

- Any type of dealership is considered a commercial operation. Consequently, dealerships are required to be in a commercial location.
- In agricultural and industrial areas, zoning officials may consider issuing special use permits for a commercial operation.

What is the fee for applying for a dealer's license?

*Fees are **not** refundable.*

- The application fee for a DSB license is \$10
- Scrap Metal and Parts dealer is \$250
- The application fee for all other licenses is \$250
- You need to submit the appropriate fee with your application for a dealer's license

Questions? Contact the DVS Dealer Unit

Dealer Licenses - Basic Requirements

Type of License	Additional Location in another county	Zoning Approval	Building	Posted Sign	Posted Hours	Display Area 5 Vehicle Minimum	Bond	Liability Insurance	Demo Plates	In-transit Plates	Temporary Permits	
New	Need Separate License	Yes	Commercial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
DSB	Need Separate License	Yes	Commercial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Used	Need Separate License	Yes	Commercial	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Wholesale	List Location*	Yes	Office Space	No	No	No	Yes	Yes	No	Yes	No	
Lessor	List Location*	Yes	Office Space	No	Yes	No	Yes	Yes	No	Yes	Yes	
Broker	List Location	Yes	Office Space	Yes	Yes	No	Yes	No	No	No	No	
Auction	List Location	Yes	Commercial	No	No	No	Yes	Yes	No	Yes	Yes	
Salvage Pool	Need Separate License	Yes	Commercial	Yes	Yes	Yes	Yes	Yes	No	Yes	No	
Used Parts	List Location	No	Established place of business	No	No	No	No	No	No	No	No	
Scrap Metal	List Location	No	Established place of business	No	No	No	No	No	No	No	No	
Limited Use	Need Separate License	Yes	Office Space	No	No	No	Yes	Yes	No	No	No	
Rule or Minnesota Statute (M.S.)	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27 subd.10 Minnesota Rules, part 7400	M.S. §168.27	M.S. §65B	M.S. §168.002 subd. 16, 17	M.S. §168.091 M.S. §168.002

*A separate license is required if the dealer is selling in a city with less than 100,000 population, outside the seven-county metro area.

Commercial Building: A permanent, enclosed building that is on a permanent foundation, connected to local sewer and water facilities, or otherwise complying with local sanitary codes, adapted to commercial use and conforming to local government zoning requirements. This may include strip office malls or garages if a separate entrance and a separate address is maintained and the dealership is clearly identified as a separate business.

Commercial Office Space: Office space occupying all or part of a commercial building.

Liability Insurance: Insurance is required on all vehicles held for sale/resale. Minimum limits: \$30,000 per person, \$60,000 per accident, \$10,000 property damage, \$25,000 per person/\$50,000 per accident under and uninsured motorist liability protection, \$20,000 medical and \$20,000 non-medical personal injury protection

Surety Bond: DSB License (boat/snowmobile/small horse trailer/motorized bicycle) \$5,000; All others require \$50,000 surety bond.

Dealer License Fee: DSB License (boat/snowmobile/small horse trailer/motorized bicycle) \$10; any other Dealer License Fee \$250