



DVS
Driver &
Vehicle Services

Minnesota Department of Public Safety
Driver and Vehicle Services
445 Minnesota St.
St. Paul, MN 55101

Motor Vehicle

**Basic Requirements and
Information**

Dealer Guide

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Introduction

This guide briefly explains Minnesota statutes and rules pertaining to motor vehicle dealer licenses. You may obtain training on transfer, registration, and sales tax procedures and requirements from Driver and Vehicle Services (DVS) staff, in conjunction with the Minnesota Auto Dealers Association (MADA); contact information is on the last page of this guide. DVS dealer inspectors can assist you with record keeping and facility procedures and requirements. You may also access motor vehicle information and forms on the DVS website: drive.mn.gov.

As a licensed Minnesota dealer, you are responsible for all motor vehicles acquired and/or sold under your dealer license and the maintenance of those motor vehicle records.

DVS encourages you to become familiar with Minnesota Statutes Chapters 168, 168A and 325F, pertaining to dealer licensing and motor vehicle titles, registration, taxation and sales, as well as Minnesota Administrative Rules sections 7400.0100 through 7400.6000, which contain dealer licensing requirements. Visit the Office of the Revisor of Statutes for Minnesota Statutes and Rules: <https://www.revisor.mn.gov/>.

General information

Business regulations

Many agencies regulate businesses in Minnesota. In addition to state licensing requirements, there may be other city, county, state or federal regulations governing dealer business. DVS recommends that you contact your local unit of government and/or the Department of Employment and Economic Development (DEED) Small Business Assistance Office at 651-556-8425, 800-310-8323 or <https://mn.gov/deed/business/help/sbao/> for more information.

Common websites

- The Minnesota Department of Public Safety (DPS) website includes all DPS divisions, along with related boards and committees. You will find DVS at drive.mn.gov.
 - Dealer pages are under the business category.
 - Dealer forms are available through the dealer landing page under each dealer type.
- Online service for business website: https://onlineservices.dps.mn.gov/EServices/Business/_/.
 - Renew your dealer license.
 - Issue 60-day and 31-day permits.
 - Initiate title applications for new and used vehicles.
 - File electronic notifications of held for resale, removed from state and dealer junk status.
 - Individuals needing password resets should contact dvs.dataservices@state.mn.us
 - Administrators who do not remember their security question should email dvs.dataservices@state.mn.us

Note: Agreements/contracts to obtain a user ID are available at <https://dps.mn.gov/divisions/dvs/business/business-partner-online-access>.

For assistance, email dvs.dataservices@state.mn.us.

Temporary dealer license

Once your application for a dealer license is accepted, DVS issues a 90-day temporary dealer license. During this

period, a DVS dealer inspector will inspect your place of business to ensure compliance with statutory requirements. Your license may be approved, extended or denied any time during the temporary period. The maximum extension allowed is up to 180 days from the initial date of issuance.

- If approved, you are issued a motor vehicle dealer license that is valid for 12 months from the date of issue.
- If denied, you will receive written notification. All dealer plates must be surrendered to the DVS Dealer Licensing Unit. Your dealer privileges are invalid. There is no refund on license and plate fees.

Types of dealer licenses

New motor vehicle dealer

Minnesota Statutes section 168.27, subd. 2

A licensed new motor vehicle dealer may:

- Sell, wholesale, broker or auction new motor vehicles covered by their franchise* and used motor vehicles of any make.
- Solicit and advertise the sale, brokerage, wholesale or auction of new motor vehicles covered by their franchise and used motor vehicles of any make.
- Lease all makes of new motor vehicles. If a dealer is not franchised for a particular make, they must lease the vehicle for a minimum of 120 days or the dealer owes sales tax on the vehicle purchase price (Minnesota Statutes section 297B.035, subd,3).
- Broker leases without having a separate broker license.
- Operate as a salvage pool. You must be also licensed as a used vehicle parts dealer to acquire a junked vehicle from a salvage pool, insurance company or its agent.

*A current valid franchise for each type of new vehicle must be on file with the Dealer Licensing Unit prior to a sale.

Note: If a separate company or corporation owned by a new motor vehicle dealer engages in the business of leasing motor vehicles, a separate lessor license is required.

Used motor vehicle dealer

Minnesota Statutes section 168.27, subd. 3

Licensed used motor vehicle dealers are entitled to:

- Sell, lease, wholesale, broker or auction used motor vehicles.
- Solicit and advertise the sale, lease, wholesale, broker or auction of used motor vehicles.
- Buy or acquire vehicles for dismantling and to sell used parts and remaining scrap metal. However, a used vehicle parts dealer license is required to acquire a junked vehicle from a salvage pool, insurance company or its agent.

Used vehicle defined

Minnesota Statutes section 168.27, subd.1

Before a motor vehicle is considered used, the following criteria must be met:

- A certificate of title must be issued for the vehicle.
- The vehicle must be licensed with full registration tax paid.
- Motor vehicle sales tax must be paid, or sales tax paid on a lease of at least 120 days.
- The vehicle must be placed in actual operation; sold to a retail buyer and not held for resale by a dealer.

If a new or used motor vehicle dealer buys a new vehicle that they are not franchised to sell, they must title the vehicle in their dealership name. Full registration tax and sales tax on the vehicle's purchase price must be paid. The dealer is then entitled to use their demonstration plates on the vehicle.

Scrap metal processor

Minnesota Statutes section 168.27, subd 3a

Licensed scrap metal processors:

- Can acquire hulks* for the purpose of processing and selling the metal for remelting.
- Cannot acquire a junked vehicle for the purpose of dismantling and selling used vehicle parts and remaining scrap metals unless the dealer is also licensed as a used vehicle parts dealer.

*A hulk is a motor vehicle that is incapable, under its own power, of moving and is incapable of transporting persons or property and has had any valuable parts removed.

Salvage pool

Minnesota Statutes section 168.27, subd. 3c

Licensed salvage pool dealers are entitled to:

- Store and display damaged or junked vehicles for sale as an agent or escrow agent of an insurance company.
- Solicit and advertise the storage and display of damaged or junked vehicles for sale as an agent or escrow agent of an insurance company.
- Sell junked vehicles to licensed used parts dealers only.

Note: A used or new motor vehicle dealer may operate as a salvage pool but must be licensed as a used vehicle parts dealer to acquire a junked vehicle from a salvage pool, insurance company or its agent.

Used vehicle parts dealer

Minnesota Statutes section 168.27, subd. 3d

Licensed used vehicle parts dealers are entitled to buy or acquire vehicles for the purpose of dismantling the vehicle and selling used parts and the remaining scrap metals.

Motor vehicle lessor

Minnesota Statutes section 168.27, subd. 4

Licensed motor vehicle lessors operating at a Minnesota location are entitled to:

- Lease or rent new and used vehicles. Solicit and advertise the lease or rental of new and used vehicles. This includes both long-term leasing and short-term rental. Vehicles must be leased for a minimum period of 120 days, or the dealer owes sales tax on the vehicle purchase price (Minnesota Statutes sections 297B.035, subd, 3).
- A motor vehicle lessor may sell vehicles returned after lease termination or expiration, without a used dealer license.

Limited used dealer

Minnesota Statutes section 168.27, subd. 4a

A limited used dealer license may be issued to a non-profit charitable organization whose primary business is to raise funds for the corporation through the sale of donated vehicles. These organizations must qualify for tax exemption under Internal Revenue Code 501(c)(3). Under this license the organization:

- May take in vehicles on donation.

- Must sell vehicles through a licensed dealer or auctioneer. The organization is allowed to reassign the vehicle on the title.

The limited used dealer may donate vehicles to a private party. The organization is responsible for the title transfer. The limited used dealer will record "Minnesota Limited Use Dealer License" in the assignment area on the title or PS2000 and write "gifted" with their 501c3 status in the sales tax declaration area.

Limited used dealers do not qualify for dealer plates (demonstration or in-transit plates).

Motor vehicle wholesaler

Minnesota Statutes section 168.27, subd. 6

Motor vehicle wholesalers may sell, solicit or advertise the sale of motor vehicles at wholesale for resale, provided that the wholesaler sells, solicits or advertises the sale of new motor vehicles only to dealers duly licensed to sell the same make of motor vehicles.

Motor vehicle auctioneer

Minnesota Statutes section 168.27, subd. 7

- A licensed motor vehicle auctioneer is entitled to sell at auction or advertise and solicit the sale at auction of used motor vehicles belonging to others.
- A license is not required for an auction where the inclusion of motor vehicles is incidental* to the disposal of business or estate assets (Minn. Stat. 168.27 Subd.5a).

*Incidental means up to a total of ten vehicles; or no more than ten percent of the items in the posted auction bill are motor vehicles.

Motor vehicle broker

Minnesota Statutes section 168.27, subd. 7a

Licensed motor vehicle brokers are entitled to:

- Arrange the sale or lease of new or used motor vehicles between a buyer/lessee and a seller/lessor.
- Advertise and solicit the brokering of new or used motor vehicles.
- Negotiate or quote the sale price or lease terms of motor vehicles.
- Prepare and deliver documents necessary to the transaction.
- Accept a down payment not to exceed \$500. Full payment may be accepted if the payment is in the form of a negotiable instrument payable to the vehicle dealer.
- Accompany a purchaser or lessee at the time of delivery by the selling dealer.
- Be present when the selling dealer describes warranties and safety features at time of delivery.

Note: A motor vehicle broker shall not engage in the business of selling new or used motor vehicles.

Delivery of new vehicles sold through a broker

Minnesota Statute section 168.27, subd. 2d

If a new motor vehicle dealer agrees to sell or lease a new motor vehicle using the services of a motor vehicle broker, the new motor vehicle dealer may not refuse to deliver possession of the vehicle to the buyer or lessee, provided that all arrangements are properly completed for payment, insurance, titling, transfer and registration of the new vehicle and any trade-in vehicle.

Delivery may take place at or away from the dealership.

Motor vehicle wholesaler

Minnesota Statutes section 168.27, subd. 6

Licensed motor vehicle wholesalers are entitled to:

- Sell and advertise or solicit the sale of motor vehicles to licensed motor vehicle dealers for resale.
- Sell new vehicles only to dealers franchised to sell the particular make of the vehicle.

Motorized bicycle, boat and snowmobile trailer dealer license (DSB license)

Minnesota Statutes section 168.27, subd 22

A DSB licensed dealer may:

- Sell only moped/motorbikes, and boat, snowmobile, and small horse trailers (24,000 pounds gross vehicle weight or less). If you sell other types of motor vehicles, a regular license (appropriate to the inventory being sold) is required.
- Sell boat, snowmobile, and other utility trailers; you are not required to have a franchise agreement for these types of trailers.

Change in business activity or dealer license conditions

As a dealer, you must notify DVS dealer licensing of any changes in conditions via email

dvs.dealerquestion@state.mn.us or phone 651-201-7800 before the change occurs. Forms to accomplish the change notification are available on the DVS website at <https://dps.mn.gov/divisions/dvs/business/dealers>.

Common changes are:

- Changing dealership name
- Add and/or delete assumed names – doing business as (DBA) names
- Updates or changes to liability and/or worker compensation insurance policies
- Bond updates or changes (original bonds must be filed with the dealer unit)
- Add or delete owners/officers
- Change address of main location
- Add/delete additional, display or temporary locations
- Change of phones, hours or email addresses
- Temporary closing of business (e.g. vacation, illness, etc.)
- Going out of business
- Report lost or stolen dealer plates or stickers

New location/additional locations

When a dealer moves or adds a new location, all pertinent documents/forms must be submitted to the dealer licensing unit. The dealer may not sell a vehicle at that location until DVS determines if the new location meets the established place of business requirements.

Note: If a new or used motor vehicle dealer maintains a place of business in more than one county, a separate dealer license is required for each county. Motor vehicle lessors, wholesalers, auctioneers or brokers may maintain a place of business in more than one county under certain conditions (see page 12 for more information).

Ownership changes

A dealer license is issued to an individual, partnership, limited liability corporation, or corporation. The license is not transferable from one entity (person or organization) to another. A separate dealer license must be obtained before a successor dealer may engage in motor vehicle transactions.

Whenever a change of ownership is made, the certificates of title and all pertinent documents of all vehicles turned over to the new firm must be reassigned into the new company's name.

Minnesota Statutes do not authorize a refund of any part of the former licensee's license or plate fees. Plates and permits from the previous license do not transfer to the new license.

Unincorporated dealership (individual/partnership) sold

If an unincorporated dealership is sold during the year, the existing license does not transfer to the new owner of the dealership. The new owner must apply for a new dealer license and purchase new sets of dealer plates.

Incorporating

If an individual proprietorship or partnership incorporates, this constitutes the creation of a new legal entity. The existing license does not transfer to the newly formed corporation. The newly formed corporation must apply for a new dealer license and purchase new sets of dealer plates.

Death

The death of an owner, officer, partner, director, certain shareholders and board members may constitute a licensing change. To determine what is required, see the situation specific to your change ("Adding or deleting owners," "Change in partners," etc.). The dealer licensing unit must be notified of the death in writing.

Adding or deleting owners, officers, or shareholders

A person who is removed as an owner, officer or 5 percent shareholder must sign a notice verifying that they have been removed. The signature must be notarized. The notice of change must also be signed by one of the remaining officers and contain the reason.

When adding an owner, officer or 5 percent shareholder, the individual must complete the data privacy information section of the Dealer License Application (also see "Change in partners").

Change in partners

A dealer license issued to a partnership becomes invalid when a listed partner leaves the partnership or a new partner is brought into the partnership. An application for a new license must be submitted with a new bond that reflects the names of the current partners.

Corporation dissolved

A dealer license issued to a corporation becomes invalid when the corporation is dissolved.

Corporation sold

If a corporation is licensed as a dealership and the corporation is sold, a new license is not required. However, the dealer licensing unit must be informed of any change in the corporate officers, board members, etc.

Dealership name

If your dealership name changes, complete the Dealer License Change of Name or DBA form (PS2903). Submit the completed form with the original bond rider reflecting the firm's new and assumed name.

You are required to file your business name with the Minnesota Secretary of State. For more information, visit <https://www.sos.state.mn.us/>.

Other changes***Assumed names "doing business as (DBA)"***

If you wish to operate a license under more than one business name, you must file the assumed name (DBA). Complete the Dealer License Change of Name or DBA form (PS2903) and submit it with a bond rider that lists the assumed name to the dealer licensing unit.

You are required to file your business name with the Minnesota Secretary of State. For more information, visit <https://www.sos.state.mn.us/>.

Liability or worker compensation insurance policies

Notify the dealer licensing unit if there is a change in your liability insurance policy. The notification may be in the form of a letter, signed by an owner or officer of the dealership, or a copy of the new insurance certificate showing current coverages. Liability insurance for all dealer owned vehicles must remain in full force with no lapse in coverage. Worker compensation insurance is required if the dealership has employees.

Change of bond company

All bonds must be kept in full force, continuous with no lapse in coverage, or the dealer license is cancelled and you must reapply for a license. If you wish to change bond companies, the original cannot be cancelled until your new bond is approved by the dealer licensing unit. The original bonds are filed with the dealer licensing unit. Keep a copy in your records.

Hours for record inspection

Prior to the change, you must inform the dealer licensing unit by email to dvs.dealequestion@state.mn.us of any changes in the hours dealership records are available for inspection. An owner or officer of the dealership must provide the statement; include the dealership name, dealer license number, the new hours and the effective date.

Phone numbers

Prior to the change, phone number changes must be submitted in writing to the dealer licensing unit or by email to dvs.dealequestion@state.mn.us. The statement must be provided by an owner or officer; the change request should include the name of the dealership, the dealer number, new phone number(s) and the effective date.

Temporary closures

If you wish to close your dealership temporarily, an owner or officer must notify the dealer licensing unit in advance. Advance notifications can be emailed to dvs.dealerquestion@state.mn.us.

If this is not possible, notify dealer licensing by calling 651-201-7800.

Going out of business

If your dealership is going out of business, complete the Motor Vehicle Dealer Close-Out Statement and submit it to the dealer licensing unit. All dealer certificates, plates and permits must be surrendered.

Documents and record keeping requirements

Minnesota Statutes section 168A.11, subd. 3

Every dealer must maintain a record in the form the department prescribes of every vehicle bought, sold, or exchanged or received for sale or exchange for three years. The record must be maintained at an established place of business and open to inspection by a representative of the department or peace officer during established inspection hours listed on the initial dealer license application or as noted on the dealer record.

Conditional transfer/registration

If you are unable to obtain possession of the title or other pertinent documents within 20 business days, you must apply for a conditional transfer. If the Minnesota title is lost, an online duplicate should be applied for prior to filing the conditional transfer. This must be done by the prior owner or dealership if they have power of attorney.

- If the reason for the conditional is a missing title or signature/bill of sale, submit:
 - A letter on dealership letterhead stating the reason for the conditional transfer and what documents you are waiting for. If it is a title, the title state must be listed.
 - An Application to Title and Register a Motor Vehicle (PS2000) signed by you (selling dealer) and your purchaser.
 - All transfer, registration fees and sales tax.
- If the only document missing is a lien release, submit:
 - The title with the complete chain of ownership signed by the purchaser and you as the selling dealer, along with all other pertinent documents.
 - A letter on dealership letterhead providing the name and address of the lender for the missing lien release.
 - All transfer, registration fees and sales tax.

Note: Do not submit secure reassignment forms when filing a conditional transfer. The title, complete chain of ownership and all other pertinent documents must be submitted together at the time the conditional file is cleared. Keeping a copy of the application for title assists the deputy registrar in locating the transaction when clearing the conditional.

Books and records

By federal law, you are required to retain all odometer statements for a period of five years.

Minnesota law requires that all acquisition and sale records are accurate, up-to-date and on file for a minimum of three years. Records must be available for inspection by a representative of the dealer licensing unit during inspection hours or peace officer during normal business hours at one of the following:

- Your primary dealer location
- A centralized location

If three or more new motor vehicle dealers are under common management or control, a single location may be designated for maintaining records that are more than 12 months old. The location must be at the established place of business of one of the affiliated dealers or at a location within Minnesota not further than 25 miles from the

established place of business of one of the affiliated dealers. Written notification to the dealer licensing unit is required and the location is subject to approval. (Minnesota Statute section 168A.11, subd. 4). Complete the Dealer Request to Keep Records in a Centralized Location form (PS2430) and submit it to the dealer licensing unit for approval.

With approval, your records may be kept on a media other than paper (Minnesota Rule 7400.5900). Complete the Dealer Request to Maintain Electronic Records (PS2440) form and submit it to the dealer licensing unit for approval.

Document fees

The document fee you charge must be disclosed to your customer and listed separately on the purchase contract/invoice; do not combine the document fee with other fees. Fees imposed by the state (title fee, transfer fee, etc.) must be listed individually on the application and purchase contract/invoice.

Electronic notifications

To file electronic notifications, obtain a login ID or contract with a deputy registrar office for the entry.

To obtain a login ID and password from DVS, complete the applicable contract/agreement and access forms. Forms are available at drive.mn.gov or by calling 651-201-7775.

Dealer junk reporting

If you junk a vehicle an electronic notification is required (see “salvage vehicles” for more information).

Note: Do not submit titles to DVS when junking a vehicle.

Dealer held for resale

Minnesota Statutes section 168A.11, subd. 2

If you purchase a vehicle for resale that is titled and registered in Minnesota, submit an electronic notification (held for resale) to DVS within 48 hours. Do not wait until you have the certificate of title.

Reporting sales to out-of-state buyers

Minnesota Statutes section 168A.11, subd. 1

If you sell a vehicle to a buyer that is removing the vehicle from Minnesota:

- Submit an electronic notification (removed from state) to DVS within 48 hours.
- Remove the license plates and issue a 31-day Temporary Permit (Minnesota Statutes section 168.091).

Documents for vehicles

New vehicles in stock

- The assigned Manufacturer's Certificate of Origin (MCO) or photocopy.
- The dealer factory invoice or, if purchased wholesale, the purchase agreement with odometer statements.

Used vehicles in stock

- The assigned certificate of title or consignment agreement, either original or photocopy.
- Purchase invoice/agreement or trade-in agreement.
- If applicable, federal odometer and damage disclosure statements signed by all sellers and buyers.
- Power of attorney, if needed.
- Any other ownership and supporting documents required for the transfer.

New and used vehicle sales

- Copy of the assigned Manufacturer's Certificate of Origin (MCO), or, if used, a copy of the assigned certificate of title.
- Dealer's purchase invoice/agreement and the sales invoice/agreement to the purchaser.
- If applicable, federal odometer and damage disclosure statements signed by all sellers and buyers.
- Power of attorney, if needed.
- If sold to a Minnesota resident, a receipt from the deputy registrar with the deputy's PAID stamp. It is recommended that the dealer photocopy the completed transfer paperwork before submission and have the copy validated by the deputy registrar.

Sales and purchase invoices/agreements

Dealers must maintain a record of every vehicle bought, sold, exchanged, or received for sale or exchange; records must be maintained for a period of three years.

Sales and purchase invoices/agreements must include the following information:

- Names, address, and signatures of the seller(s) and buyer(s).
- The date of the sale. If the delivery date is different than the sale date, make a notation.
- A complete description of the vehicle being sold, including the year, make, vehicle identification number (VIN) and the license plate number.
- Purchase price of vehicle.
- A complete description of the trade-in, if applicable.
- When sold, you must itemize the fees and taxes collected on a retail sale (includes a vehicle sold to a dealer that is not licensed for that type of vehicle). Motor vehicle sales tax, registration tax and title fees must be listed separately from any service charges.
- If the vehicle is completely paid for, indicate "Paid in Full" on the sales invoice.

Lease/rental vehicles

All leased vehicles in your fleet must be titled in your leasing company name. If you are subleasing from another leasing company, you must have a copy of your lease contract.

The records must include:

Lease to a Minnesota resident

- Dealer's purchase invoice/agreement.
- Copy of the Minnesota title or Application to Title and Register a Motor Vehicle (PS2000) stamped paid.
- Copy of the lease or rental agreement.
- Copy of the Lessee Designation form.

Lease to a non-resident

- Dealer's purchase invoice/agreement.
- Copy of the foreign state title or proof of title and registration in the other state.
- Copy of the lease or rental agreement.

Boat/motor/trailer combinations

The trailer's vehicle identification number (VIN), dollar value, motor vehicle sales tax paid and registration fees paid, must be listed separately from the sales information for the boat and motor.

Consignment agreements

If a vehicle is held for sale on consignment, a written agreement is required; the consignor (vehicle owner) must be given a copy of the agreement. This agreement must include:

- The date of the agreement.
- The full name, address, and signature of the consignor (vehicle owner) and consignee (dealer).
- A complete description of the vehicle being sold, including the year, make, vehicle identification number (VIN) and the license plate number.
- The permissible terms, the price the vehicle may be sold for and the dealer's compensation for making the sale.
- The insurance covering the vehicle while it is held on consignment (while on the lot and when being test-driven).
- If sold, the dealer's copy must show full name and address of purchaser and the date of sale.
- If not sold, the vehicle must immediately be returned to the owner at the end of the consignment period. The dealer's copy of agreement must show the date returned and be signed by the owner.

Note: During the consignment period, the title may be held by the consignor or the consignee.

Dealer license renewal

Expiration of dealer license

- Dealer license expirations are staggered throughout the calendar year.
- Your dealer license must be renewed on or before the expiration date. Renewal may begin on the fifteenth day of the month before your license expires.
- You can renew your dealer license online at: <https://onlineservices.dps.mn.gov/EServices/Business/> or submit a completed license renewal application with the appropriate fees to the dealer licensing unit.
- An owner, officer or 5 percent shareholder must sign the paper renewal application, verifying the accuracy of the information.

Application after lapse

- You lose all dealer privileges after the expiration of a license and before a new license is granted.
- If you obtain a dealer license within 60 days after your license expires, you pay both the application fee and annual renewal fee, as well as any other applicable fees.
- If your license expires for more than 60 days, you must re-apply and be issued a 90-day "temporary" license with a new dealer number assigned. Your application for the new dealer license may be approved or denied.

License not renewed

- If your dealer license expires without being renewed, you must immediately return the dealer license certificate, all dealer license plates, and all temporary vehicle permits to the dealer licensing unit, or to your dealer inspector.
- Vehicles held for resale must be transferred and titled in your personal name. Motor vehicle sales and registration taxes automatically become due on new and used vehicles held for resale.
- You must immediately stop selling, leasing, brokering, wholesaling and auctioning vehicles. You must also immediately stop advertising or soliciting the sale lease, broker, wholesale and auction of vehicles.

Conducting business

This section applies to the retail sale or consignment sale of a motor vehicle by a dealer licensed as a new motor vehicle dealer, a used motor vehicle dealer or salvage pool.

Licensed location

Your dealership is licensed only for the locations listed on your dealer license application. If you maintain a place of business in more than one county:

- New or used dealers must have a separate dealer license for each county.
- Motor vehicle lessors, wholesalers, auctioneers, or brokers are allowed to maintain a place of business in more than one county under one license; all locations must be listed on the application. However, if a lessor sells previously leased or rented vehicles or a broker wants to establish another office location outside of the seven-county metropolitan area (other than cities of the first class), they must obtain a separate license for each non-metropolitan county location.

Temporary additional location/special off-site event

Minnesota Statute section 168.27, subd.10

As a participant in an off-site special event sale, you:

- May only conduct motor vehicle sales within the county you are licensed to do business in or consign vehicles to a dealer licensed in that county.
- Note: New vehicles must be consigned to a properly licensed franchised dealer.
- Must file a Temporary Additional Location form with the Dealer Licensing Unit 10 days before the event occurs.
- Cannot sell motor vehicles on Sunday.

Sunday sales prohibited

Minnesota Statutes section 168.275

It is illegal to engage in the business of buying, selling, exchanging, dealing in or trading in new or used motor vehicles on Sunday.

Note: This restriction applies to all dealers except for sales of boat trailers, snowmobile trailers and utility trailers.

Advertising

Minnesota Statutes section 168.27, subd. 26

To advertise a motor vehicle sale, your dealership must:

- Disclose in the advertisement that the vehicle sale is being made by your dealership. The advertisement must include the dealership name, the term dealer, or the abbreviation DLR.
- Include your dealer license number when using a classified advertisement in a print medium, unless the dealer's true name or properly filed commercial assumed name as provided in chapter 333, is included.
- Be licensed for the sale location listed in the advertisement.
- Be licensed to sell the type of motor vehicle offered for sale.

Consignment sales

Minnesota Statutes section 168.27, subd. 5a

- If you solicit, accept, offer for sale or sell new motor vehicles on consignment, you must be licensed as a new motor vehicle dealer. A franchise is required for each type of new motor vehicle sold on consignment.
- If you solicit, accept, offer for sale or sell used motor vehicles on consignment, you must be licensed as a used motor vehicle dealer, a motor vehicle wholesaler, or a motor vehicle auctioneer.
- A wholesaler can only sell a vehicle to a licensed dealer.
- This does not apply to a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property. For more information, see "Motor Vehicle Auctioneer" on page 4.
- If you sell a vehicle on consignment, you must draw up a purchase invoice/agreement, collect appropriate fees and transfer the title on behalf of the buyer.
- Record keeping requirements are the same as any other vehicle being held for resale and subsequently sold by the dealer. You must also maintain the consignment agreement in the file. Consignment sales are subject to warranty.

Permits

Dealers may issue only one permit per vehicle. There are no exceptions. Permits are not transferable between dealerships.

The permits must be affixed to the rear of the vehicle where a license plate would normally be affixed and plainly visible. Each permit is valid only for the vehicle for which issued.

60-day temporary permit

Minnesota Statutes section 168.092

The 60-Day Temporary Permit is:

- Issued if you sell a vehicle to a Minnesota resident and the vehicle does not have current Minnesota registration; collect the appropriate Minnesota registration fees.
- Honored as valid registration while the dealer obtains Minnesota license plates and registration stickers for the buyer.
- Issued for 60 days. To determine the 60-day period, count the first day after the date of sale as day one.
- May be issued to retail customers and lessors only.

31-day non-resident vehicle-in-transit permit

Minnesota Statutes section 168.091

- The permit is issued to non-Minnesota residents who purchase a vehicle in Minnesota. The permit provides the buyer a 31-day period to remove the vehicle from Minnesota and complete registration in their home state.
- Remove the Minnesota license plates on the vehicle, if any.
- If a Minnesota-based leasing company leases a vehicle to a non-resident lessee, the permit must show the leasing company's name and the lessee's name with the out of state address.

Where to purchase permit paper?

Minnesota Statutes sections 168.091 and 168.092

Both 60-day and 31-day permits are issued through online services for business by dealers and printed on special permit paper. Permit paper is available for purchase from:

Minnesota Automobile Dealer Association (MADA)

200 Lothenbach Ave.

West St Paul, Minnesota 55118-3505

Website: <https://www.mada.org/>

Phone 651-291-2400 or 1-800-652-9029

Northland Independent Auto Dealer Association (NIADA)

850 E Cliff Rd. Burnsville, Minnesota 55337

Website: <https://northlandsupplystore.com/>

Phone 952-894-1766 or 1-800-879-3433.

Dealer plates

Dealers may only display dealer plates on vehicles that they own or are held for resale. The plates:

- Must be firmly affixed to rear of vehicle (not in rear window of vehicle).
- Must be clean, unobstructed and clearly visible.

Authority to buy dealer plates

To protect dealers from the possibility of unauthorized individuals obtaining dealer plates, the owner or an officer of the dealership must sign the application for plates. If you use a runner to pick up your plates in person, the runner must have a signed statement from an owner or officer of the dealership authorizing them to pick up the plates.

Demonstration plates

Minnesota Statutes section 168.27 subd. 16, Minnesota Rules section 7400.6000

Available for new and used motor vehicle dealers only.

Who may use	Allowable use
Dealer (owner, officer or board member)	Business or personal use
Dealer's spouse	Business or personal use
Full-time employee of dealership	Business or personal use
Part-time employee of dealership	Only while conducting dealership business
Prospective buyer	For demonstration only, maximum 48 hours. Truck, truck-trailer or semi-trailer for 7 days.
Retail purchaser	Maximum of 72 hours
Promotional events with three or more vehicles involved	Maximum of 4 days

In-transit plates

Minnesota Statutes section 168.27 subd. 17

Available for new, used, wholesale, auction, lessors and salvage pool dealers only.

Improper use/impounded plates

Common improper uses of dealer plates (not all-inclusive):

- Demonstration plate displayed on a consignment vehicle
- Plate displayed on a courtesy car, loaner or lease car
- Plate displayed on a tow truck, service truck or parts pick-up truck
- Plate displayed on a vehicle sold to an employee on contract
- Plate displayed on a vehicle used by the spouse of a dealership employee (full or part-time)
- In-transit plate displayed on a vehicle being demonstrated
- In-transit plate displayed on a vehicle driven to a repair or inspection site

Salvage vehicles

Acquiring salvage vehicles from other states

Minnesota Statutes section 168A.151

You are required to apply for a Minnesota salvage certificate of title within 48 hours of acquiring a salvage vehicle from another state.

Selling a salvage vehicle to a non-resident

Minnesota Statutes section 168A.154

If you sell a salvage vehicle to a non-resident who is removing the vehicle from Minnesota, you must electronically report the sale within 10 days from the date of sale, or the date the buyer removes the vehicle from this state, whichever is earlier.

Salvage vehicles being dismantled or destroyed

Minnesota Statutes section 168A.153

If you purchase a motor vehicle for the purpose of dismantling or destroying it, you must electronically report this to DPS.

Older model vehicles (over five years old)

- An electronic notification must be submitted within 30 days of acquiring the vehicle.
- A copy of the electronic notification must be held in the vehicle file.

Late model (five years old or newer) and high value vehicles

- An electronic notification must be submitted within 10 days of acquiring the vehicle.
- A copy of the electronic notification must be held in the vehicle file.
- The title must be destroyed.
- If a lien release is not received, you must notify the secured party (if any).

Note: If a *New, Used, Wholesale, Lessor, or Auction* licensed dealer filed an electronic held for resale status on a late model or high value vehicle, and later determines that the vehicle will be dismantled or destroyed, a change in status must be electronically filed within 10 days.

Used vehicle warranties and lemon laws

Minnesota Statutes section 325F.665

Dealers are required by law to offer certain warranties on certain vehicles that are sold to retail customers.

This includes vehicles sold on consignment. Basic consumer information about warranties and the “lemon law” can be found at the Attorney General’s website: <https://www.ag.state.mn.us/Consumer/Handbooks/MNCarLaws/Default.asp>

Dealer sales tax exemptions

Minnesota Statutes section 297B.035

You must have a valid Minnesota dealer license to be entitled to the following sales tax exemptions. All other parties selling motor vehicles are subject to sales tax on their acquisition of a motor vehicle.

Note: To qualify for sales tax exemption, the vehicle must be titled your dealership name only. If the vehicle is titled in joint ownership, the transfer is not exempt.

Exemption information:

Dealer license and franchise for new vehicle sales

- You must have a valid dealer license and be franchised to sell a new vehicle.
- If you are not franchised to sell that particular make, or are licensed as a used car dealer, you must title and register the vehicle in your name; sales and registration tax are due. Both your dealership and the person you sell the vehicle to owe sales tax.
- For additional information, see “What Is a used vehicle?” on page 2.

Small utility trailers

- You do not need a dealer license to sell utility trailers with a gross vehicle weight of 4,000 pounds or less. However, you must have a Minnesota Sales and Use tax account number.
- You must have a valid dealer license to sell boat and snowmobile trailers.

Title Only

Minnesota Statutes section 168A.11, subd. 1b

If you elect to apply for a title on a vehicle held for resale, you are not required to register the vehicle. However, you must pay one month’s registration tax and the appropriate title fees.

Daily rental

The dealer must collect monthly sales tax on the daily rental and submit the tax to the Minnesota Department of Revenue.

Leases

The dealer or leasing company must collect the sales tax in full at the time they execute the lease and submit the tax to the Minnesota Department of Revenue.

Business use vehicles

If you use a vehicle for your business (tow-truck, service vehicle, parts truck, etc.) payment of sales tax is required. You can elect to pay either 6.875 percent motor vehicle sales tax on the full purchase price or pay general sales tax (Minnesota Statute section 297A) monthly to the Department of Revenue.

Limited Used Dealer – Gift to an organization

Minnesota Statutes section 297B.01, subd. 16

A gift to an organization that is exempt from federal income tax under Internal Revenue Code (IRC) 501(c)(3) is exempt from sales tax if the vehicle is used exclusively for religious, charitable or educational purposes.

The applicant must:

- Declare the vehicle was a gift.
- Disclose the use of the vehicle.
- Claim exemption under IRC (Internal Revenue Code) 501 (c)(3) on the sales tax declaration.

Limited Used Dealer - Gift from an Organization to an Individual

Minnesota Statutes section 297B.01, subd. 16

A transfer by a nonprofit charitable organization, which qualifies for tax exemption under IRC 501(c)(3), to an individual is exempt from sales tax if:

- The organization holds a Minnesota limited used dealer license
- The transfer is a gift (no monetary consideration)

Note: The Minnesota Limited Used Dealer License number must be noted in the assignment to the individual.

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Need assistance or information?

Questions on dealership operation

Dealer Licensing

Phone number: 651-201-7800

The dealer licensing unit is your main contact for information related to the operation of your dealership. They can provide you with information on:

- Obtaining a dealer license
- License renewals for dealer licenses and dealer plates
- Electronic filings of Held for Resale and Sales to Out of State Buyers (general information)
- Dealer rules and regulations – (your dealer examiner can also assist you)
- Resident and non-resident permits (to order, see Permits below)
- Correspondence relating to dealer licenses fax number: 651-297-1480

Other contacts

Public Information Center (PIC)

Phone number: 651-297-2126, email: dvs.motor.vehicles@state.mn.us

The PIC answers a variety of questions and is a primary source for motor vehicle information. The PIC can provide you with:

- Record verifications and assistance
- Registration, transfer and fee information
- Motor vehicle sales tax information

Note: Motor vehicle title and registration information is available at drive.mn.gov.

Data Services

Email: dvs.dataservices@state.mn.us

- Data privacy questions
- System access/locked accounts for administrators
- Administrator access

Minnesota Department of Revenue

Phone number: 651-296-6181

- Additional assistance with motor vehicle sales tax information.
- Information on sales and use tax accounts.

Forms

- Motor vehicle forms are available on the DVS website at drive.mn.gov, search “vehicle forms”.
- The following forms are available for purchase at Minnesota Auto Dealers Association (MADA) or Northland Independent Auto Dealers Association (NIADA):

- *Application to Title/Register a Motor Vehicle (PS2000).*
- *Secured Reassignment (SRF) Forms.*
- *Secure Power of Attorney (SPOA) Forms.*

MADA phone number	651-291-2400
MADA toll free	800-652-9029
NIADA phone number	952-894-1766
NIADA toll free	800-879-3433

Permits

For information on permit use and issuance, contact the dealer licensing unit by phone at 651-201-7800.

Permit paper may be purchased from MADA or NIADA:

MADA phone number	651-291-2400
MADA toll free	1-800-652-9029
NIADA phone number	952-894-1766
NIADA toll free	1-800-879-3433

Other information

Early Display Law

Minnesota Statutes section 168.09, subd. 3

- Applies to specific vehicle classes (Y Class, Concrete Pumpers, Farm Trucks/Trailers and Commercial (CT) Trailers
- Can display based on OVER GVW 27K must wait until February 15
- Under 27K can display January 1