

Renewal Licenses

Licensing is done under a staggered registration system.

The actual (paper) dealer license is issued for a 5-year period, unless canceled or revoked for cause by the Division of Motor Vehicles; however, each year, a License Renewal Notice and Billing is sent out by the division approximately 3 months before the expiration of the license. The License Renewal Notice contains all pertinent data on file relative to the dealership. The Notice and Billing must be thoroughly reviewed for accuracy, with required changes noted thereon. The document must then be signed and returned to the county treasurer of the county in which the dealership is located by the deadline date shown on the Notice and Billing. Payment of the annual dealer renewal license fee and dealer plate fees must accompany the License Renewal Notice and Billing.

Renewal License Fees (if submitted prior to the expiration of the license)

1. Vehicle Dealer - \$175
2. Used Vehicle Dealer - \$175
3. Mobile/Manufactured Home Dealer - \$150
4. Motorcycle Dealer - \$150
5. Snowmobile Dealer - \$125
6. Trailer Dealer - \$100
7. Boat Dealer - \$175
8. Emergency Vehicle Dealer - \$175

Failure to renew a dealer license prior to its expiration will result in the dealer being assessed the same fee as the initial license fee. In the event a dealer possesses more than one type of dealer license, the dealer must renew all the licenses during the license renewal month assigned to the dealer.

South Dakota Dealer Requirements

Licensing Information That Works!

E-mail: motorv@state.sd.us

Phone: 605.773.4416

Website: www.state.sd.us/drr

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South Dakota Department of Revenue

Division of Motor Vehicles

445 East Capitol Avenue

Pierre, SD 57501-3185

South Dakota requires that people who engage in the business of selling vehicles, whether exclusively or in addition to any other occupation have a motor vehicle dealer license.

All businesses must become licensed with the Division of Motor Vehicles before any sales transactions may occur. Also, it is recommended that applicants contact the department prior to submitting a license application to make sure that the name you want to use for your business is not already in use.

South Dakota Laws

SDCL 32-6B-4, 32-6C-2, 32-7B-2 and 32-7A-3: No person may engage in the business, either exclusively or in addition to any other occupation, of selling, offering to sell, or displaying of new or used vehicles, trailers, motorcycles, boats, mobile/manufactured homes or snowmobiles without a license as provided in SDCL 32-6B-12, 32-6C-5, 32-7A-9 and 32-7B-3. A violation of this section is a Class 2 misdemeanor.

SDCL 32-6B-4.1: No person may act as, offer to act as, or hold himself or herself out to be a broker. A violation of this section is a Class 2 misdemeanor.

Definitions

Vehicle Dealer

Any person who for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of new, or new and used vehicles, or who is engaged wholly or in part in the business of selling new, or new and used vehicles.

Used Vehicle Dealer

Any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of used vehicles or who is engaged in

the business of selling used vehicles; or any person who sells five or more used vehicles or offers for sale five or more used vehicles at the same address or telephone number in any one calendar year.

Any person who sells less than five vehicles in a 12-month period is exempt, unless the person is licensed as a dealer in another state or holds himself or herself out as being in the business of selling vehicles.

Mobile/Manufactured Home Dealer

Any person, other than a manufacturer of a mobile home or a manufactured home, who sells three or more mobile homes or manufactured homes in any consecutive twelve month period.

Trailer Dealer

Any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of new or used trailers, semitrailers, recreational park trailers, or travel trailers or who is engaged in the business of selling new or used trailers, semitrailers, recreational park trailers, or travel trailers whether or not such vehicles are owned by such person." Any person who sells less than three travel trailers in a 12-month period is exempt, unless the person is licensed as a dealer in another state or holds himself or herself out as being in the business of selling vehicles.

Snowmobile and/or Boat Dealer

Any person who, for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers or attempts to negotiate a sale or exchange of new or used snowmobiles, or who is engaged wholly or in part in the business of selling new or used snowmobiles and/or boats.

Emergency Vehicle

Any person who converts or manufacturers authorized emergency vehicles and who for commission or with intent to make a profit or gain, sells, exchanges, rents with option to purchase, offers, or attempts to negotiate a sale or exchange of new or new and used authorized emergency vehicles or who is engaged wholly or in part in the business of selling new or new and used authorized emergency vehicles. The term includes the submission of a bid proposal for the sale of a vehicle if the bid proposal is offered in response to a bid request originating in this state.

Bonds

A surety bond is required for most licensed dealers. The bond must be executed by the applicant as principal and by a surety company qualified to do business in the state as surety.

Surety Bond Fees

1. Vehicle Dealer - \$25,000
2. Used Vehicle Dealer - \$25,000
3. Mobile/Manufactured Home Dealer - \$25,000
4. Motorcycle Dealer - \$5,000
5. Trailer Dealer - \$10,000 for trailers weighing more than 3,000 pounds
6. Snowmobile Dealer - \$5,000
7. Boat Dealer - \$20,000
8. Emergency Vehicle Dealer - \$10,000

New Licenses

No applicant, nor any other partner, member, officer or financial supporter of the dealership may have been convicted of a crime involving vehicle theft or fraud in the last five years.

The fees for dealer license depend on the type of license the dealer is obtaining.

License Fees

1. Vehicle Dealer - \$300
2. Used Vehicle Dealer - \$300
3. Mobile/Manufactured Home Dealer - \$300

4. Motorcycle Dealer - \$250
5. Snowmobile Dealer - \$150
6. Trailer Dealer - \$125
7. Boat Dealer - \$250
8. Emergency Vehicle Dealer - \$300

A vehicle dealer license and used vehicle dealer license allows the licensee to sell a broad range of vehicles. In addition to being able to sell vehicles, they are also able to sell motorcycles and trailers without specifically acquiring those licenses. A dealer selling low-speed vehicles must be licensed as a vehicle dealer or a used vehicle dealer. A boat dealer license allows the licensee to sell boat trailers without acquiring a separate trailer license. Dealers of mobile/manufactured homes, motorcycles, trailers, and snowmobiles must have that specific category of license.

The dealer license application must be completed in its entirety and submitted to the county treasurer of the business' location with the fee, original surety bond, written confirmation from the city/county that the business meets all land use ordinances, building codes, and zoning, and a certificate of public liability insurance (when the license requires insurance). The application and fees are forwarded from the county treasurer's office to the Division of Motor Vehicles in Pierre. For future renewal of the license, the division will assign a registration renewal month. The application is then routed to the dealer inspector.

Principal Place of Business

Every person licensed as a vehicle dealer shall display a license in a conspicuous place at the principal place of business.

All applicants and existing dealerships must have a principal place of business that conforms to the laws and rules under dealer licensing. For vehicle, used vehicle, motorcycle, trailer and boat dealers, this requires an enclosed permanent structure located within the state, easily accessible and open to the public at all reasonable times, with business hours posted in view to the public. There must be an improved area ad-

joining the building that is large enough to display five or more vehicles or boats of the type the dealer is licensed to sell.

Additionally, the principal place of business location must accord to all applicable land use ordinances, building codes and zoning, with written proof of conformance being submitted upon initial application for a license. All books, records and files necessary to conduct business must be kept and maintained at the licensed location.

In no event may rooms in a hotel, motel, apartment house or any part of a single or multiple unit dwelling house be considered a "principal place of business," unless the entire ground floor is devoted principally to, and occupied for, commercial purposes. The principal place of business must have separate office space for conducting business if more than one business occupies the structure. To maintain a principal place of business, the licensed dealer must be open for business on a continuing basis, with normal business hours posted in a place visible for viewing by the public.

The dealership must maintain a telephone at the dealership and the telephone number, in the name of the business, must be listed in either the white or yellow pages. In the event the principal place of business is in a structure which houses more than one business, the dealer's office must be separate from the other business.

A dealer inspector must inspect all principal places of business and certify they are in accordance with the law before a dealer license is issued.

The principal place of business for mobile/manufactured homes is essentially the same as previously stated, however, there are some differences. The place of business for mobile/manufactured home dealers may not be a tent, temporary stand or other temporary quarters, nor permanent quarters occupied pursuant to any temporary arrangement. The licensee may use unimproved lots and premises for sale, storage and display of mobile homes and manufactured

homes. A licensee may use a residence located within or adjacent to his mobile home park or a manufactured home park as a principal place of business unless prohibited by local zoning.

A snowmobile dealer must have a principal place of business in which the records, books, and files necessary to conduct business are maintained and available for inspection

All of the dealer requirements apply to the emergency vehicle dealer requirements, with the exception of having a principal place of business in South Dakota. The business may be located outside the state. In addition, a separate license is not required to operate in more than one county.

Online Dealer System

In July of 2008, a new Title and Registration computer system was implemented. All licensed dealers are required to use the online system for obtaining information and entering applications. A transaction fee of no more than \$.50 per transaction may be assessed by the Department. Currently, the transaction fee is \$0.25. For more information visit www.SDcars.org.

Going Out of Business

A dealership that is going out-of-business, must surrender the dealer license and any dealer plates to the dealer inspector, county treasurer, or the Division of Motor Vehicles. Failure to do so is a Class 2 misdemeanor. An exit audit between the dealership and the dealer inspector must be performed prior to the dealer going out of business.

Insurance

Vehicle dealers, used vehicle dealers and motorcycle dealers are obligated to have a public liability insurance policy of not less than \$300,000. This is not required of trailer dealers, snowmobile dealers, mobile/manufactured home dealers and boat dealers.