

Trailer Dealer License

A trailer dealer license allows an individual to buy and sell trailers only.

Documents to Include with Application:

- A zoning letter from city or county stating proposed location is approved for a trailer dealership
- If renting or leasing, a copy of the lease agreement stating a trailer dealership is allowed per the lease
- A \$10,000 surety bond is required if trailers weigh more than 3,000 pounds
- If selling new trailers, a copy of the dealer or franchise agreement with the manufacturer or distributor

The initial license application fee is \$125 and the annual license renewal fee is \$100.

Motorcycle And Off-Road Vehicle License

A motorcycle and off-road vehicle license allows an individual to buy and sell motorcycles and off-road vehicles only.

Documents to Include with Application:

- A zoning letter from city or county stating proposed location is approved for a motorcycle and off-road vehicle dealership
- If renting or leasing, a copy of the lease agreement stating a motorcycle and off-road vehicle dealership is allowed per the lease
- At least \$300,000 in public liability insurance
- A \$5,000 surety bond
- If selling new motorcycles and off-road vehicles, a copy of the dealer or franchise agreement with the manufacturer or distributor

The initial application fee is \$250 and the annual license renewal fee is \$150.

Boat Dealer License

A boat dealer license allows an individual to buy and sell boats and boat trailers only.

Documents to Include with Application:

- A zoning letter from city or county stating proposed location is approved for a boat dealership
- If renting or leasing, a copy of the lease agreement stating a boat dealership is allowed per the lease
- A \$20,000 surety bond
- If selling new boats and boat trailers, a copy of the dealer or franchise agreement with the manufacturer or distributor

The initial application fee is \$250 and the annual license renewal fee is \$175.

Snowmobile Dealer License

A snowmobile dealer license allows an individual to buy and sell snowmobiles only.

Documents to Include with Application:

- A zoning letter from city or county stating proposed location is approved for a snowmobile dealership
- If renting or leasing, a copy of the lease agreement stating a snowmobile dealership is allowed per the lease
- A \$5,000 surety bond
- If selling new snowmobiles, a copy of the dealer or franchise agreement with the manufacturer or distributor
- A place of business in which the records, books, and files necessary to conduct business are maintained and available for inspection

The initial application fee is \$150 and the annual license renewal fee is \$125.



Dealer
Licensing

Contact Info:

Email: dealerprogram@state.sd.us

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Applications for a dealer license can be found at:
<https://my605drive.sd.gov/tap/dealer>

Note: For ALL applications, if there are missing documents, processing the license will be delayed.

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Motor Vehicle Dealer License

A motor vehicle dealer license allows you to buy and sell motor vehicles, motorcycles, off-road vehicles, and trailers.

Requirements:

- A letter from the city or county zoning stating the proposed location is approved for a vehicle dealership
- If renting or leasing a property, a copy of the lease agreement stating a vehicle dealership is allowed per the lease
- A minimum of \$300,000 in public liability insurance
- A \$25,000 surety bond
- If selling new vehicles, a copy of your dealer or franchise agreement with the manufacturer or distributor

The initial license application fee is \$300 and the annual license renewal fee is \$175.

Each of the above listed items need to be submitted with the license application. Any missing documents will delay the processing of your application.

Who needs a dealer license?

- Any person engaging in the business, either exclusively or in addition to any other occupation of selling, offering to sell, or displaying new or used vehicles without a license, unless you qualify for an exception from dealer licensing.

If you acquire a vehicle with the intention to sell it, you will need a license. A violation of selling vehicles without a license is a Class 2 Misdemeanor. Any subsequent violations within two years of previous violation is a Class 1 Misdemeanor. (SDCL 32-6B-4)

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. (SDCL 32-6B-4.1)

What types of licenses are offered?

- South Dakota offers vehicle, motorcycle and off-road vehicle, trailer, boat, snowmobile, manufactured home, emergency vehicle, and final stage manufacturer licenses.

If you are inquiring about a license not covered in this hand-out, please contact a Dealer Agent directly or by sending an email to dealerprogram@state.sd.us.

All dealers are required to meet the principle place of business requirements as stipulated in the 'Principle Place of Business Requirements' section of this hand-out.

Principle Place of Business Requirements:

- An enclosed commercial structure open to the public at least 20 hours per week between the hours of 8 a.m. and 8 p.m., with an improved display area adjoining the building large enough to display at least 5 vehicles of the type the dealer is licensed to sell.
- The office shall be adequately heated and lighted.
- The business hours and an operating phone number shall be clearly posted near the main entrance to the office.
- Each location is required to have an exterior sign that contains the name of the business and that is permanently affixed to the land or building. The exterior sign shall be clearly legible from the public right-of-way serving the location.
- The business is a location where the books, records, and files necessary to conduct the business of the dealer are kept and maintained.
- All dealers shall maintain and continuously occupy a principal place of business.

SDCL 32-6B-2

*Your dealer license will need to have a computer and internet access to complete proper documentation for the dealership.