



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

The following materials are included in this Michigan Automobile Dealer Application packet:

1. Instruction Booklet.
2. Uniform Vehicle Dealer Surety Bond form.
3. Zoning Approval Form signed within 90 days of receipt of application by the zoning authority.
4. Municipality Approval Form signed within 90 days of receipt of application by the municipal authority.
5. Dealer Selection for Designated Branch Offices.
6. Original Vehicle Dealer License Application.
7. Servicing Repair Facility Agreement (Used if you do not have your own repair facility).
8. Application for a Michigan Repair Facility Registration including Municipality and Zoning approval forms. (Used if you want your own Repair Facility).
9. Original Vehicle Dealer Application Requirements Chart for each class of dealer.

After your application is received, you will be sent the appropriate form and instructions to complete the background check process which includes fingerprinting. Do not get fingerprinted until you receive these instructions.

All applicants requesting an original used or second-hand vehicle license (Class B) must have attended pre-licensing dealer training within a 6-month period prior to the application date. The dealer training schedule can be found on our website at <https://www.Michigan.gov/sos/industry-services/dealers>

Please read the instruction booklet carefully. Not all classifications are compatible. Select the classification(s), which apply to your intended business operation. A pre-license inspection of the business location will be conducted prior to a license being issued. The business address must meet the established place of business requirements (see item 10 of the instruction booklet).

Please complete the application and related materials carefully and mail them with all required documents and fees to: Michigan Department of State, Business Licensing Section, Lansing, MI 48918. Before mailing your application, please review the checklist on page 5 of the application. For convenience, this application can also be submitted online.

Dealer applications are complex documents and can take up to 30 days to process. A failure to submit all documents will delay processing. Contact us via email at Licensing@Michigan.gov if you have any questions regarding the application process. Please be aware that all applications are subject to review and investigation.

Personally identifiable information collected in this packet is limited to what's needed to complete your transaction. For other ways your information may be used, visit Michigan.gov/SOS/policies

READ THIS FIRST!

ORIGINAL VEHICLE DEALER LICENSE APPLICATION

INSTRUCTION BOOKLET

Many questions can be answered by reviewing the Dealer Manual at

www.Michigan.gov/SOS/resources/forms/dealer-manual.

Familiarity with the Dealer Manual is a licensing requirement, please check the manual first if you have any questions.

Michigan Department of State
Office of Investigative Services
Business Licensing Section
Lansing, MI 48918

Telephone: (888) SOS – MICH
(888) 767 – 6424

E-Mail: Licensing@Michigan.gov

INSTRUCTION BOOKLET

ORIGINAL VEHICLE DEALER LICENSE APPLICATION

Please note: A pre-license inspection of the business location will be conducted prior to a license being issued. The business address must meet the established place of business requirements set forth in Section 14 of the Michigan Vehicle Code [MCL 257.14].

TRAINING REQUIREMENT FOR CLASS B APPLICANTS

Effective March 20, 2019, PA 420 of 2018 mandates that in the 6-month period preceding the date of the application for an original eligible used vehicle dealer license, each individual who is the applicant, each partner of the applicant, or each officer of the applicant, as applicable for the original eligible used vehicle dealer license must complete the prelicensure dealer training program. The training dates can be found on our website at <https://www.Michigan.gov/sos/industry-services/dealers>

BACKGROUND CHECK

After your application is received, you will be sent the appropriate form and instructions to complete the background check process which includes fingerprinting. Do not get fingerprinted until you receive these instructions.

SALES TAX NUMBER

Most Michigan businesses are required to have a sales tax number. To see if the license classification(s) you are applying for requires a sales tax license, please contact the Michigan Department of Treasury at: Michigan Department of Treasury, Registration Division, Lansing, MI 48922 or call (517) 636-6925.

SURETY BOND (Classes A, B, and D only)

NOTICE: The surety bond must be completed correctly, or a dealer license cannot be issued. Please carefully follow the instructions on the back of the Uniform Vehicle Dealer Surety Bond form.

The **exact** business name and address of the dealership must appear on the face

of the bond as it appears on the dealer license application form.

Individual owners and partners **must** be listed in addition to the business name and address (i.e., John Doe dba John's Used Cars, or John Doe and Sally Doe dba John's Used Cars).

Corporate officers, etc., do not need to be listed for a corporation, and members do not need to be listed for a limited liability company. **Only** the corporate name or the name of the limited liability company (including d/b/or assumed name, if any) and the business address need to appear on the bond.

The **bond number** must appear on the face of the bond. The **surety's name** must be listed on the face of the bond.

Signatures are required for:

- Attorney-in-Fact for the Surety
- Witness to the Attorney-in-Fact for the Surety
- Licensed Insurance Agent (Agent licensed to sell insurance in Michigan)
- Principal (dealer license applicant)
- Witness to Principal.

A **power of attorney** for the Attorney-in-Fact must accompany the bond OR must be on file with the Michigan Department of State, Business Licensing Section, Lansing, MI 48918-1210. Electronic submissions of a surety bond are acceptable. The seal and signatures must be visible on all surety bonds.

ZONING & MUNICIPALITY

Approval for applicable zoning and municipal requirements must be obtained for the established place of business for **all vehicle dealer license classifications**. All forms submitted must be signed within 90 days of receipt of the dealer license application.

The enclosed zoning and municipal approval forms must be completed by the local zoning/municipality authority. In Detroit, contact the Department of Buildings and Safety Engineering, Zoning Division, 4th floor, City-County Building. Only forms with the **city seal** will be accepted from Detroit.

The item numbers below match the item numbers on the application.

1. BUSINESS NAME

Enter the exact name of the business. The name must match the business

name on all documents presented with the application; including but not limited to the surety bond, the insurance certificate, the assumed name filing, the articles of incorporation, etc.

1a. EIN (Employer identification number)

Enter the employer identification number, if applicable. This is sometimes also referred to as a FEIN or federal employer identification number.

2. BUSINESS LOCATION

Enter the **complete** business address. A Rural Route or Post Office Box alone will not be accepted. The physical location must be identified. The address must match the address on all documents presented with the application (see document list in Item 1 above).

3. BUSINESS TELEPHONE & E-MAIL ADDRESS

List the area code and telephone number of your business, your fax number (if applicable) and the business e-mail address. **Please note a business e-mail address is required for a dealer license.**

4. BUSINESS TYPE

Check the appropriate box, and follow the instructions below:

Individual Owner or Partnership: Enclose a copy of the Assumed Name Filing from the County Clerk for the county in which the business is located.

Corporation or Limited Liability Company: Enclose a copy of the articles of incorporation, articles of organization, or certificate of good standing from the Michigan Department of Consumer and Industry Services. Businesses formed in other states must obtain a certificate of authority from the Corporations Division of Licensing and Regulatory Affairs (LARA). If you are using an assumed name, please ensure to file an assumed name filing with Licensing and Regulatory Affairs.

Note: Unincorporated trusts cannot be licensed as a dealer in Michigan. Only the business types listed may be issued a dealer license.

5. LICENSE CLASSIFICATIONS

Indicate the license classification(s) for which you are applying.

A dealer license may be issued in one or more classifications (classes), depending on the business activity performed.

The Michigan Vehicle Code has different requirements for each class of dealer. The following descriptions explain what each class of dealer is permitted to do, and which classes are compatible.

Class A (New Vehicle Dealer)

Allows dealer to buy and sell new vehicles under a franchise agreement or bonafide contract with a new vehicle manufacturer.

Class A is compatible with B, C or R, and E classes.

Class B (Used or Secondhand Vehicle Dealer)

Allows dealer to buy and sell used vehicles to and from the general public and other licensed vehicle dealers.

Class B is compatible with A, C or R, and E.

Class C (Used Vehicle Parts Dealer) and Class R (Automotive Recycler)

Allows dealer to buy or otherwise acquire late model major component parts for resale, either at wholesale or at retail, and/or acquire vehicles to dismantle for the resale of their parts, selling the remains as scrap. These are the only classes which can legally buy late model distressed vehicles (salvage or scrap vehicles), or late model major component parts from insurance companies, or through auctions, brokers, or salvage pools in Michigan.

Note: A Class C or Class R dealer may only be represented at an auction, broker, or salvage pool by its own **Licensed Salvage Vehicle Agent**. Salvage Vehicle Agent applications can be found on the Secretary of State website at www.Michigan.gov/sos/resources/forms.

Class C and Class R are compatible with A, B and E; or E and F; or W.

Class C and Class R are NOT COMPATIBLE with one another, or with Class D or Class G.

Class D (Broker)

Allows dealer to "broker" the sale of vehicles or late model major component (salvageable) parts by arranging (or offering to arrange) for the sale of the

vehicles or parts between two parties. A broker **may not** take ownership of the vehicles or major component parts. Examples of brokers are new car brokers, vehicle sales listing agencies, consignment lots, flea markets, auctions, and salvage pools.

Brokers cannot buy vehicles at auctions.

Class D is compatible with a Class G.

Class E (Distressed Vehicle Transporter)

The dealer may: 1) buy or acquire ownership of, 2) transport, and 3) sell scrapped or junked vehicles only. Vehicles may be sold at wholesale only to:

1. Used Vehicle Parts Dealers (Class C); or
2. Scrap Metal Processors (Class F); or
3. Automotive Recyclers (Class R).

This dealer may NOT dismantle vehicles or sell parts.

Note: A vehicle "crusher" is one type of distressed vehicle transporter.

Class E is compatible with A, B, and/or C; or C and/or F; or A, B, and/or R; or R and/or F.

Class F (Vehicle Scrap Metal Processor)

Allows dealer process vehicles into scrap metal by shearing, fragmenting, baling, shredding, etc. Crushing vehicles is not considered a scrap metal process since it is not the final step before remelting.

A scrap metal processor who acquires vehicles only from licensed dealers is not required to be licensed but must keep certain records and make them available for inspection.

Class F is compatible with C and/or E; or E and/or R.

Class G (Vehicle Salvage Pool)

The dealer engages in the business of storing and displaying damaged or

distressed vehicles for insurance companies.

Class G is compatible only with Class D.

Class W (Wholesaler)

The dealer engages in the business of selling used vehicles to or purchasing used vehicles from another licensed motor vehicle dealer and who does not sell or offer for sale motor vehicles of any classification to a person other than a licensed vehicle dealer.

A wholesaler shall not advertise vehicles for sale on the internet or any classified listing unless the advertisement clearly discloses the wholesaler's license classification and clearly states that any purchaser shall be a licensed vehicle dealer.

A wholesaler shall buy or sell not less than 24 vehicles in this state each year to retain possession of a wholesaler license.

Class W is compatible with a used or secondhand vehicle parts dealer (C) or automotive recycler (R).

6. CONTRACT OR FRANCHISE AGREEMENT (Class A only)

List the makes of new vehicles for which you have franchises or agreements to sell.

Enclose a copy of franchise agreement indicating that you hold a bonafide contract to act as a factory representative, factory distributor, or distributor representative to sell at retail the make(s) of vehicle(s) to be sold. Ensure these documents include the name and address of the manufacturer and the dealer, as well as a signature from the manufacturer or distributor.

NOTE: Conversion companies are manufacturers.

If you have questions about franchise agreements, contact the Business Licensing Section at 888-767-6424 or Licensing@Michigan.gov.

7. BUSINESS DAYS AND HOURS

List the specific days and hours the business will be open. Class A and Class B dealers are required to maintain a minimum of 30 business hours per

week.

Class W dealers are required to maintain a minimum of 15 hours per week between the hours of 8 am and 5 pm, Monday through Friday.

Class C, D, E, F, G, and R dealers are required to maintain a minimum of 15 hours per week. At least 5 of the hours must be between 8am and 5pm, Monday through Friday.

8. OWNERS, PARTNERS, CORPORATE OFFICERS, DIRECTORS

List the full name, home address, date of birth, social security number, date of prelicensure training for all owners, partners, corporate officers, members and directors. (The prelicensure training applies to Class B dealers only)

For corporations, “owners” also includes any stockholder holding 10% or more of the stock issued.

Limited Liability Companies must include information for all managers.

If the owner, partner or manager listed on the application form is itself a corporation, partnership or limited liability company, the individuals who are the owners, partners, corporate officers, directors, managers, or stockholders or members holding 10% or more of the stock issued for the company listed in Item 8 must be disclosed. Use a separate sheet to provide the full name, home address, home telephone and birthdate for each individual.

Each individual listed in Item 8 must have fingerprints on file with this department. Individuals disclosed under a corporation, partnership or limited liability company listed as a licensee who will have direct impact on the operation of the business must also have fingerprints on file. Please refer to the Fingerprints section of the instructions for more information.

9. SERVICING FACILITY REQUIREMENT (Classes A and B only)

New and used vehicle dealers are required to provide proper servicing facilities. The servicing facility must be located within 10 miles of the dealership's established place of business. **This requirement applies even if vehicles are sold “AS IS” or wholesale.**

This requirement may be met in one of two ways:

1. Register as a motor vehicle repair facility. A Motor Vehicle Repair

Facility Registration Application as well as a Zoning and Municipality approval form is enclosed. It is not necessary to register again if the business is currently registered and the ownership has not changed.

2. Enter into an agreement with a currently registered motor vehicle repair facility.

An agreement form is enclosed. Make sure the agreement shows the repair facility registration number and is signed by a repair facility representative.

10. BUSINESS LOCATION DESCRIPTION

Check the appropriate boxes.

A dealer's established place of business must meet all applicable zoning and municipal requirements.

For a Class A and/or Class B dealer, an established place of business must include the following:

- The premises must contain a permanently enclosed building or structure either owned, leased, or rented by a dealer, which is not a residence, tent, temporary stand, or any temporary quarters.
- The building or structure is required to be continuously occupied in good faith for the purpose of selling, buying, trading, leasing, or otherwise dealing in motor vehicles.
- All books, records, and files necessary to conduct the business of a Class A or class B dealer must be maintained in the building or structure.
- A building or structure housing an office of at least 150 square feet in size, equipped with:
 - o standard office furniture,
 - o working utilities,
 - o a working restroom, and
 - o a working telephone (a cellular phone is acceptable) listed in the name of the business on the dealer's license.
- Land space of no less than 1,300 square feet to accommodate the display of a minimum of 10 vehicles of the kind and type that the dealer is licensed to sell and an additional 650 square feet for customer parking. The display and

customer parking areas must be adequately surfaced and well-lit during business hours.

- An exterior sign displaying the name of the dealership that is permanently affixed to the building or land with letters clearly visible from a highway identifies the premises.
- Conspicuous posting of the dealer's regular hours of operation. The posted hours must be not less than 30 hours per week.
- The premises must contain a registered repair facility on site for the repair and servicing of motor vehicles of a type sold at the established place of business, unless the dealer has entered into a written servicing agreement with a registered repair facility at a location not to exceed 10 miles' distance from the established place of business. If repairs are conducted pursuant to a servicing agreement, the servicing agreement must be conspicuously posted in the office.

A dealer may not combine space and resources with another dealer to meet the minimum established place of business requirements for a new or used vehicle dealer. Each licensed new or used dealer must meet the established place of business requirements **separately**.

For a Class W dealer, an established place of business must include the following:

- The premises shall contain a permanently enclosed building or structure that is either owned, leased, or rented by a wholesaler, which is not a commercial mailbox, tent, temporary stand, or other temporary quarters.
- All books, records, and files necessary to conduct the business of the wholesaler shall be maintained in an office that meets all of the following requirements:
 - Is not less than 8 feet by 8 feet with a door.
 - Has no fewer than 4 rigid walls.
 - Has working utilities including, but not limited to, lighting and telephone that are listed in the name of the business on the wholesaler's license.
 - Has a working restroom.
 - Has standard office furniture including, but not limited to, a desk and a locking filing cabinet.
- The premises shall not be used for the display of vehicles. However, the premises may be used for the storage of vehicles purchased by the wholesaler prior to sale to a licensed vehicle dealer.

- The premises shall be identified by an exterior sign displaying the name of the wholesaler that is permanently affixed to the building or land with letters clearly visible from the roadway.
- The premises meet all applicable zoning requirements and any other applicable municipal requirements.
- The premises contain a conspicuous posting of the wholesaler's regular hours of operation that include at least 15 regular business hours each week between the hours of 8 a.m. and 5 p.m., Monday through Friday.
- The premises are not located within 200 feet of an established place of business for another licensed wholesaler.

For dealer Classes C, D, E, F and R, an established place of business must include the following:

- The premises shall contain a permanently enclosed building or structure that is either owned, leased, or rented by a wholesaler, which is not a commercial mailbox, tent, temporary stand, or other temporary quarters.
- All books, records, and files necessary to conduct the business of the wholesaler shall be maintained in an office that meets all of the following requirements:
 - Is not less than 8 feet by 8 feet with a door.
 - Has no fewer than 4 rigid walls.
 - Has working utilities including, but not limited to, lighting and telephone that are listed in the name of the business on the dealer's, processor's, operator's, transporter's, broker's, or recycler's license.
 - Has a working restroom.
 - Has standard office furniture including, but not limited to, a desk and a locking filing cabinet.
- The premises shall be identified by an exterior sign displaying the name of the wholesaler that is permanently affixed to the building or land with letters clearly visible from the roadway.
- The premises meet all applicable zoning requirements and any other applicable municipal requirements.
- The premises contain a conspicuous posting of the business's regular hours of operation. The posted hours must not be less than 15 hours per week for

not less than 48 weeks per year. Five of the 15 hours per week must be between the hours of 8 a.m. and 5 p.m., Monday through Friday.

11. DEALER PLATES AND FLEET INSURANCE (Class A, B, W only)

You must have 20/40/10 fleet-type Michigan no-fault insurance indicating coverage for “**ANY VEHICLE**” or “**ALL OWNED VEHICLES.**”

Enclose a copy of an ACORD 25 form from your insurance agent showing appropriate fleet insurance coverage for “**any**” or “**all owned**” vehicles. Your insurance certificate must have the exact business name as listed in Item 1. **If the ACORD 25 form does not indicate ANY VEHICLE or ALL OWNED VEHICLES, the application cannot be processed.**

Class A and Class B dealers are required by law to purchase a minimum of two dealer plates.

There is no minimum dealer plate purchase requirement for a Class W dealer. Please note that Department Policy only allows the issuance of one dealer plate for the first year of business for all Class W dealers. Class W dealers may apply for additional plates after one year.

Class A and Class B dealers may apply for additional plates according to the following formula:

One plate for each five vehicles carried in highest inventory, up to and including 400 vehicles. ONE plate for each seven vehicles in excess of 400, up to a maximum of 100 plates.

Class W dealers may apply for any additional dealer plate(s) according to the following formula. Class W's must submit proof of inventory:

One plate for each five vehicles carried in highest inventory, up to and including 40 vehicles. One plate for each 10 vehicles in excess of 40, up to a maximum of 40 plates.

12. FEES

Calculate the fees based on the information provided on the application form. Make check or money order payable to **State of Michigan.**

Application fees are non-refundable.

13. WORKERS' COMPENSATION INSURANCE (Classes C and R only)

The Michigan Vehicle Code requires used or secondhand vehicle parts dealers and automotive recyclers to provide evidence of workers' compensation insurance for employees classified as automobile dismantlers.

To determine your eligibility for a form WC-337, contact the Department of Insurance and Financial Services at 517-284-8922.

14. APPLICANT HISTORY

Complete for each applicant listed in Item 8 following the instructions provided on the application form. Use separate sheets as necessary.

- A. Check the appropriate box. List the name of any applicant who has had a vehicle dealer license refused or revoked. Provide a detailed explanation.
- B. Check the appropriate box. List the name of any applicant who is related by birth or marriage to any dealer. List the name of any applicant who is or was employed by, or is or was an agent for, any dealer within the past five (5) years. List the name of the dealer and, if known, the dealer license number.
- C. Check the appropriate box. If the answer is YES, include a detailed explanation, including the alleged offense, the police department, the court of jurisdiction and, if known, the case number. Do not include traffic offenses.
- D. Each applicant must complete a work history for the past five (5) years.

15. SIGNATURES AND CERTIFICATIONS

Each applicant listed in Item 8 must sign the certifications.

This application is a legal document. **Please read each certification before signing.** Providing false information is a felony.

UNIFORM VEHICLE DEALER SURETY BOND

PLEASE READ INSTRUCTIONS ON REVERSE SIDE OF THIS SHEET BEFORE EXECUTING BOND

KNOW ALL MEN BY THESE PRESENTS, that**BOND NUMBER**

As principal, whose place(s) of business is/are located at the address(es) set forth above, and

_____ as surety are held and firmly bound unto any purchaser, seller, financing agency, or governmental agency for any monetary loss cause through fraud, cheating or misrepresentation in the conduct of the vehicle business by the named principal, or by an employee, agent, or salesperson of the principal, in the total penal sum of Twenty Five Thousand and NO/100 Dollars (\$25,000), lawful money of the United States of America, for which sum well and truly to be paid, said principal and surety bind themselves, their heirs, executors, administrators, and assigns, jointly and severally and each of them. The surety shall make indemnification or reimbursement for a monetary loss only after a judgment based on fraud, cheating, or misrepresentation is entered in a court of record against the principal or a final order that the principal has engaged in fraud, cheating, or misrepresentation is issued by the secretary of state after an administrative hearing.

The bond shall also indemnify or reimburse the state for any sales tax deficiency as provided in the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or use tax deficiency as provided in the use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in which the bond is in force. The surety shall make indemnification or reimbursement only after a final judgment is entered in a court of record against the principal or a final order is issued by the secretary of state after an administrative hearing.

WHEREAS, the principal is applying to the Secretary of State of Michigan to be licensed as a dealer in vehicles under Section 248 of Act 300, P.A. of 1949, as amended.

AND WHEREAS, the principal is required by Section 248 of Act 300, P.A. of 1949, as amended, to submit properly executed surety bond, conditioned as set forth herein, with said application for vehicle dealer license.

NOW THEREFORE, the condition of this obligation is such that the principal and surety shall indemnify or reimburse any party conditioned herein.

It is further understood and agreed that coverage is provided and extended without notification to the surety for any change of officers, if the principal is a corporation; for any additional locations or changes of address within the county for which the license is issued; or for any substitution of business name wherein ownership is not changed.

Provided further, that the aggregate liability of the surety for all such judgments shall, in no event, exceed the sum of the bond.

Coverage hereunder shall be effective as of 12:01 a.m. on _____ and shall remain in effect continuously, provided, however, that the said surety may cancel the bond upon giving thirty days notice in writing to the Secretary of State and thereafter shall be relieved of liability for any breach of condition occurring after the effective date of the cancellation.

Signed, sealed and dated this _____ day of _____, _____.

(Important: ALL Signatures Are Required)_____
Signature of Witness to Principal_____
Print or Type Name of Witness to Principal_____
Signature of Witness to Attorney-in-Fact_____
Print or Type Name of Witness to Attorney-in-Fact_____
Signature of Licensed Insurance Agent_____
Print or Type Name of Licensed Insurance Agent_____
Signature of Dealer Principal or Authorized Agent of Principal_____
Print or type Name and Title of Person Signing for Principal_____
Name of Surety Company_____
Signature of Attorney-in-Fact_____
Print or Type Name of Attorney-in-Fact

THIS BOND MUST BE CORRECTLY COMPLETED OR A DEALER LICENSE CANNOT BE ISSUED.

DEALER: DOUBLE CHECK these points!

Follow the instructions and avoid unnecessary delay and expense.

- The **EXACT** business name and address of the dealership must appear on the face of the bond as it appears on the dealer license application.
- Individual owners and partners **MUST** be listed in addition to the business name and address.
- Corporate officers, etc. do not need to be listed for a corporation. **ONLY** the corporate name (d/b/a assumed name, any) and the address need to appear.
- **BOND NUMBER** must be on the face of the bond.
- Name of Surety must be listed.
- **SIGNATURES ARE REQUIRED** for:
 - Attorney-in-Fact for the Surety
 - Witness to the Attorney-in-Fact for the Surety
 - Licensed Insurance Agent (Agent licensed to sell insurance in Michigan)
 - Principal (dealer license applicant or an Authorized Agent of the Principal)
 - Witness to Principal
- A power of attorney for the Attorney-in-Fact **MUST** accompany the bond **OR** must **BE ON FILE** with the Michigan Department of State, Business Licensing Section, Lansing, MI 48918.

Remember, if the bond is not correctly completed, a dealer license cannot be issued.

UNIFORM VEHICLE DEALER SURETY BOND INSTRUCTIONS

1. Every applicant for a vehicle dealer license must file with such application an executed surety bond in the amount of Twenty Five Thousand and NO/100 Dollars (\$25,000.00). (Class "C", "E", "F", "G", "R", and "W" Dealers exempt.)
2. The Department of State has prescribed a standard form of bond for vehicle dealers which is set forth on the reverse side hereof. This bond must be executed by the principal and surety and filed with the Department of State at the time of filing application for vehicle dealer license.
3. This bond must be executed by the principal (dealer) and surety company and filed with the Department of State at the time of filing application for vehicle dealer license. Application for dealer license will not be acted upon until the application, bond and all other required documents are filed, and the appropriate fees paid to the Department of State in Lansing.
4. Each licensee, whether an individual, corporation, or partnership, must be named in the bond as principal. In the case of an individual proprietorship, the individual's name, as well as the name under which business is being conducted, must be listed. In case of partnerships, each individual partner, as well as the name of the partnership itself, must be listed. In the case of corporations, the corporation itself must be shown on the bond but, the officers whose names appear on the application for license need not be listed on the bond. The location of the business must also be listed. If a licensee is doing business at more than one location within a county, all such locations must be listed.
5. This is a continuous surety bond, the effective date of which may be the date of execution or a later date; however, the bond must be effective at the date of filing of application for a vehicle dealer license even though the license may not be issued until a subsequent date.
6. The bond must be executed by a surety company authorized to do business in Michigan. Every bond must be executed by an agent of the company licensed to do business in Michigan.
7. The attorney-in-fact who signs for the surety company must be authorized by the company. A certified copy of the appointment as attorney-in-fact must be attached to the surety bond, or a continuing copy of the appointment as attorney-in-fact must be on file with the Department.
8. The affidavit of the power of attorney must be executed on the same date as the bond, or after the date of the bond, but not before.
9. A dealer is only authorized to conduct business if a \$25,000 bond is in effect. Therefore, if the surety company pays any claim under this bond, it will have the effect of reducing the bond coverage afforded to the dealer by the amount of the claim that is paid. If this occurs, the dealer will no longer be covered by the full, required amount of \$25,000. Surety companies are requested to notify the Department of State of the payment of any claims under this bond.

Michigan Department of State Dealer Zoning Form

Section 1. Enter your dealership name, address, and dealer license number

Dealership name

(Street, city, and ZIP code)
Dealership address

Dealer license number (only if applicable)

Section 2. Specify your dealer license classification by selecting all license classes that apply

Class A – New vehicle dealer

Class B – Used vehicle dealer

Class C – Used vehicle parts dealer

Class D – Broker

Class E – Distressed vehicle transporter

Class F – Vehicle scrap metal processor

Class G – Vehicle salvage pool

Class R – Automotive recycler

Class W – Automotive wholesaler

Section 3. To be completed by the Zoning Authority

The license classification being applied for (as indicated by the checked box or boxes in Section 2) would permit **all business activities** as described in the accompanying Dealer Activities by Dealer Class Type form.

Please indicate whether the dealer location has been approved or not, complete the signature portion of this form, and return the completed form to the applicant.

If you have any questions or concerns, contact the Michigan Department of State, Business Licensing Section at Licensing@Michigan.gov or (888) 767-6424.

1. Location is **APPROVED** for the license classifications selected in Section 2.
2. Location is **DISAPPROVED** because location is not properly zoned.
3. Location is **APPROVED** because there is NO zoning ordinance in effect.

Signature of Zoning Authority

Date

Telephone number

Printed name of Zoning Authority

Jurisdiction (City, township, etc.)

Michigan Department of State Dealer Municipality Approval Form

Section 1. Enter your dealership name, address, and dealer license number

Dealership name

Dealership address
(Street, city, and ZIP code)

Dealer license number (only if applicable)

Section 2. Specify your dealer license classification by selecting all license classes that apply

Class A – New vehicle dealer

Class B – Used vehicle dealer

Class C – Used vehicle parts dealer

Class D – Broker

Class E – Distressed vehicle transporter

Class F – Vehicle scrap metal processor

Class G – Vehicle salvage pool

Class R – Automotive recycler

Class W – Automotive wholesaler

Section 3. To be completed by the Municipality Authority

The license classification being applied for (as indicated by the checked box or boxes in Section 2) would permit **all business activities** described in the attached Dealer Activities by Dealer Class Type form. Municipal regulations may include requirements for building codes, land use, sign ordinances, and local licensure, among others.

Please check the appropriate category below, complete the signature portion of this form, and return this completed form to the applicant. If you have any questions or concerns, contact the Michigan Department of State, [Business Licensing Section](#) at Licensing@Michigan.gov or (888)767-6424.

1. Location **MEETS** the municipal requirements for the license classifications selected in Section 2.
2. Location is **DISAPPROVED** because it does not meet municipal requirements.
3. Location is **APPROVED** because there is NO municipality ordinance in effect.

Signature of Municipality Authority

Date

Telephone number

Printed name of Municipality Authority

Jurisdiction (City, township, etc.)

Michigan Department of State

Dealer Activities by Dealer Class

Note: Class A and Class B dealers must adhere to established place of business requirements as defined in Section 14 of the Michigan Vehicle Code, (MVC) [MCL 257.14].

Class A (New Vehicle Dealer)

- This dealer buys, displays, and sells new vehicles under a franchise agreement, or a contract with, a new vehicle manufacturer.

Class B (Used Vehicle Dealer)

- This dealer buys, displays, and sells used vehicles.

Class C (Used Vehicle Parts Dealer) and Class R (Automotive Recycler)

- These dealers buy or otherwise acquire late model major component parts for resale, either at wholesale or at retail, and/or acquire vehicles to dismantle for the resale of their parts, selling the remains as scrap. These are the only classes which can legally buy late-model distressed vehicles (salvage or scrap vehicles) or late-model major component parts from insurance companies, or through auctions, brokers, or salvage pools in Michigan.

Class D (Broker)

- This dealer "brokers" the sale of vehicles or late model major component (salvageable) parts by arranging (or offering to arrange) for the sale of the vehicles or parts between two parties. A broker may not take ownership of the vehicles or major component parts.

Class E (Distressed Vehicle Transporter)

- This dealer may: 1) buy or acquire ownership of, 2) transport, and 3) sell scrapped or junked vehicles only. Vehicles may be sold at wholesale only to:
 1. Used Vehicle Parts Dealers (Class C); or
 2. Scrap Metal Processors (Class F); or
 3. Automotive Recyclers (Class R).

This dealer class **may NOT dismantle vehicles or sell parts.** (Note: A vehicle "crusher" is one type of distressed vehicle transporter.)

Class F (Vehicle Scrap Metal Processor)

- This dealer processes vehicles into scrap metal by shearing, fragmenting, baling, shredding, etc. (Crushing vehicles is not considered a scrap metal process since it is not the final step before remelting.) A scrap metal processor who acquires vehicles only from licensed dealers is not required to be licensed but must keep certain records and make them available for inspection.

Class G (Vehicle Salvage Pool)

- This dealer engages in the business of storing and displaying damaged or distressed vehicles for insurance companies. Class G is compatible only with Class D.

Class W (Automotive Wholesaler)

- This dealer engages in the business of buying and selling used vehicles from and to licensed vehicle dealers. A wholesaler may not buy, sell or otherwise deal in vehicles to a person other than a licensed vehicle dealer.

Dealer Selection for Designated Secretary of State (SOS) Branch Offices

(Please complete all sections of this form)

Business Name		Dealer License No.
Business Street Address		City
Business Email Address		Date
Owner/Officer's Signature X	Owner/Officer's Printed Name	Title

List below up to a maximum 3 SOS branch offices where you will submit dealer transactions.

For a list of SOS Branch Offices refer to the Dealer Manual, Appendix B.

1st SOS Branch	Branch Number	Branch Name	
	Street Address		City
2nd SOS Branch	Branch Number	Branch Name	
	Street Address		City
3rd SOS Branch	Branch Number	Branch Name	
	Street Address		City

Return to: Michigan Department of State, Business Licensing Section, Lansing, MI
48918 Or email to Licensing@michigan.gov

ORIGINAL VEHICLE DEALER LICENSE APPLICATION

READ THE INSTRUCTION BOOKLET BEFORE COMPLETING THIS FORM

1. BUSINESS NAME (Include any assumed names or corporation names)

1a. EIN (Employer Identification Number, if applicable)

2. BUSINESS LOCATION – (RR or PO Box numbers alone will not be accepted, the actual location must be identified)

(Street)(City)(County)(Zip)

3. BUSINESS CONTACT INFORMATION (Telephone and e-mail address are required for licensure)

Telephone ()Fax ()E-mail Address:

4. BUSINESS TYPE (Check only one)

☐ Individual Owner (one person or husband and wife)☐ Partnership (two or more persons or husband and wife)☐ Corporation☐ Limited Liability Company

5. LICENSE CLASSIFICATIONS (Check appropriate box or boxes)

☐ CLASS A - New Vehicle Dealer☐ CLASS B - Used Vehicle Dealer*☐ CLASS C - Used Vehicle Parts Dealer☐ CLASS D - Broker (Not compatible with Classes A or B)☐ CLASS E - Distressed Vehicle Transporter

☐ CLASS F - Vehicle Scrap Metal Processor☐ CLASS G - Vehicle Salvage Pool☐ CLASS R - Automotive Recycler☐ CLASS W - Wholesaler

*(Requires Prelicensure Training)

6. FRANCHISE AGREEMENT OR BONAFIDE CONTRACT (Class A only)

7. BUSINESS DAYS AND HOURS (Class A & B dealers require a minimum of 30 hours per week with 15 hours between 8am-5pm, M-F; Class W dealers require at least 15 hours per week between 8am-5pm, M-F; all other classes require 15 hours per week with 5 hours between 8am-5pm, M-F)

8. OWNERS, PARTNERS, CORPORATE OFFICERS, AND DIRECTORS (attach a separate sheet if necessary)

FULL NAMEHOME ADDRESS (Street)CITY/STATE/ZIPDATE OF BIRTH

SOCIAL SECURITY NUMBERDATE OF PRELICENSURE TRAINING (REQUIRED FOR CLASS B DEALERS ONLY)

FULL NAMEHOME ADDRESS (Street)CITY/STATE/ZIPDATE OF BIRTH

SOCIAL SECURITY NUMBERDATE OF PRELICENSURE TRAINING (REQUIRED FOR CLASSSS B DEALERS ONLY)

FULL NAMEHOME ADDRESS (Street)CITY/STATE/ZIPDATE OF BIRTH

SOCIAL SECURITY NUMBERDATE OF PRELICENSURE TRAINING (REQUIRED FOR CLASS B DEALERS ONLY)

FULL NAMEHOME ADDRESS (Street)CITY/STATE/ZIPDATE OF BIRTH

SOCIAL SECURITY NUMBERDATE OF PRELICENSURE TRAINING (REQUIRED FOR CLASS B DEALERS ONLY)

9. **SERVICING FACILITY REQUIREMENT** (Class A and B only)

- ☐ A completed Motor Vehicle Repair Facility Registration Application is enclosed.
- ☐ This business is currently a registered repair facility. REGISTRATION NUMBER: _____.
- ☐ This business has an agreement with a registered repair facility, a copy of which is enclosed. The servicing facility must be located within 10 miles of the dealership's established place of business.

10. **BUSINESS LOCATION DESCRIPTION**

Is this business location presently occupied by another licensed vehicle dealer?

☐ NO ☐ YES

If YES, give dealer number and name:

11. **DEALER PLATES AND FLEET INSURANCE** (Classes A and B only)

Number of REGULAR DEALER PLATES requested: _____

Number of MOTORCYCLE DEALER PLATES requested: _____

Total number of all DEALER PLATES requested: _____

Attach a copy of your fleet insurance certificate. See Instruction Booklet, Item 11

Greatest number of vehicles you expect to have on hand at one time:

12. **FEES**

A. License fee - All classes \$ 160

B. Dealer plate fees \$10.00 for each plate \$
Only Classes A and B qualify for plates and must purchase a minimum of 2 plates.

C. TOTAL FEES (A plus B) \$

LICENSE / APPLICATION FEES ARE NON-REFUNDABLE

13. **WORKERS' COMPENSATION INSURANCE** (Class C and R only)

Check the appropriate box:

INDIVIDUAL OWNERSHIP:

☐ I/we are not required to have workers' compensation insurance

PARTNERSHIP, CORPORATION OR LLC:

☐ Attached is form WC-337, Notice of Exclusion.

(To determine your eligibility for a form WC-337, contact the Department of Insurance and Financial Services at 517- 284-8922)

☐ Attached is a copy of a workers' compensation insurance certificate

14. APPLICANT HISTORY

- A. Have any of the applicants listed in Item 8 been refused the issuance of a vehicle dealer, vehicle wholesaler, salvage dealer, salvage vehicle agent, or broker license or had a vehicle dealer, vehicle wholesaler, salvage dealer, salvage vehicle agent, or broker license revoked or suspended in Michigan or any other state?

☐ NO ☐ YES If YES, give the name(s) of the applicant(s) involved and complete details on a separate sheet.

- B. Is any applicant listed in Item 8 related by birth or marriage to any currently or previously licensed Michigan vehicle dealer, vehicle wholesaler, broker, or salvage vehicle agent or was any applicant listed in Item 8 employed by or an agent for any dealer in Michigan or any other state within the past 5 years?

☐ NO ☐ YES If YES, give the name(s) of the applicant(s) and complete details on a separate sheet. Include dealer license number(s), if known.

- C. Have any of the applicants listed in Item 8 been arrested or convicted of a crime other than traffic violations within the past ten years?

☐ NO ☐ YES If YES, give the name(s) of the applicant(s) and complete details on a separate sheet. Include the arresting police agency, court of jurisdiction, and case number, if known.

- D. For each applicant listed in Item 8, list names, addresses, and telephone numbers of employers **for the past 5 years** other than the dealers listed above. Also, include the job title and dates of employment for each applicant. If an applicant was self-employed, list names and addresses of businesses and type of business. If unemployed, list name, "UNEMPLOYED", and dates of unemployment. Use a separate sheet, if necessary.

APPLICANT #1:		EMPLOYER NAME	
EMPLOYER ADDRESS		EMPLOYER TELEPHONE	
JOB TITLE		DATES EMPLOYED	
		FROM	TO
APPLICANT #2:		EMPLOYER NAME	
EMPLOYER ADDRESS		EMPLOYER TELEPHONE	
JOB TITLE		DATES EMPLOYED	
		FROM	TO
APPLICANT #3:		EMPLOYER NAME	
EMPLOYER ADDRESS		EMPLOYER TELEPHONE	
JOB TITLE		DATES EMPLOYED	
		FROM	TO
APPLICANT #4:		EMPLOYER NAME	
EMPLOYER ADDRESS		EMPLOYER TELEPHONE	
JOB TITLE		DATES EMPLOYED	
		FROM	TO

DEALER SIGNATURES AND CERTIFICATION PAGE

(For new dealer and change of officer applications only)

Each individual listed as an owner/officer must sign. Attach more than one sheet if necessary.

I hereby certify that I have read: Chapter 2 of the Michigan Vehicle Code, other applicable laws that pertain to my dealer license and the department's Dealer Manual (Michigan.gov/dealermanual) and understand the requirements of the license type for which I am applying.

I hereby certify that the business named in this application maintains an established place of business as required by MCL 257.14.

I hereby certify that the business named in this application will maintain records only at the established place of business, or a location pre-approved by the Department and will provide the records for inspection upon request by an agent of the Secretary of State or law enforcement.

I hereby certify that the business named in this application maintains records as required by law and/or prescribed by the Secretary of State, which may include, but is not limited to, a police book, temporary registration log, vehicle parts purchase and sales records.

I hereby certify that the person(s) named in this application, if maintaining an electronic police book, will ensure that a paper copy is available upon request by an agent of the Secretary of State or law enforcement.

I hereby certify that I will take the necessary precautions to ensure the protection of the required records from fire, water damage or malfeasance.

I understand that the Secretary of State is not responsible for the validity of documents that I complete and file with the Secretary of State. I further understand that I am responsible for any false information, errors, or omissions in regard to documents presented to the Secretary of State for processing.

I hereby certify that I am not acting as the alter ego, in the place of, or on behalf of, any other person or persons in seeking this license.

If granted a license, I hereby certify that I will not sublet the dealer license to other persons and/or allow unlicensed individuals to use the license to conduct their own business/transactions. I understand that I am fully responsible for all transactions conducted with my dealer license number. I will take the necessary measures to prevent the unauthorized use of my dealer license number including properly completing all paperwork, forms, police book entries, temporary registration log entries, inspection of auction sales and inventory control records.

I hereby grant any employers named in this application authority to release information concerning my employment history to the Secretary of State or his/her agents.

I hereby grant the licensing authority in any state or jurisdiction the authority to release information to the Secretary of State or his/her deputies regarding any previous license applications, licensing history, and disciplinary actions or sanctions.

I stipulate and agree that any legal process affecting this business served on the Secretary of State or his/her deputies shall have the same effect as if personally served on me. I agree that this appointment shall remain in force as any liability of this business remains outstanding within the State of Michigan.

I authorize the Secretary of State to receive and review my criminal history from the Michigan State Police and the FBI via Livescan.

I hereby certify that I have completed any required prelicense training as required by MCL 257.248(2) (if a new Class B application) and will adhere to continuous training requirements as required by MCL 257.248(3) and/or (5) as applicable.

If granted a Class A, Class B or Class W, I/we certify that I/we have and will maintain security for payment of benefits under personal protection insurance, property protection insurance, and residual liability insurance as required by Public Act 294 of 1972 (no-fault insurance) for as long as this license is in effect. (Only applicable to Class W if issued plates).

If granted a Class A, Class B, or Class D vehicle dealer license, I certify that I have and shall maintain a surety bond in the amount of \$25,000 (twenty-five thousand dollars) for as long as this license is in effect.

I acknowledge that by being added to the dealer license I assume responsibility for any outstanding judgements, fines, administrative actions, complaints, findings of non-compliance and other potential liabilities incurred under this license since its initial issuance. I understand that any previous administrative actions taken against the license will continue with the new license.

I acknowledge that the changes made on this form are not valid until approved by the Business Compliance and Regulation Division.

I hereby certify that the statements contained in this application are true to the best of my knowledge and belief and any misleading, incomplete, or false statement may be grounds for denial of this application or suspension or revocation of the license.

Failure to notify the Michigan Department of State of material changes may be grounds for suspension or revocation of the license. Please note section 903 of the Code [MCL 257.903] states that a person who makes a false certification on an application for a dealer license is guilty of a felony.

Printed Name	Signature	Title	Date
Printed Name	Signature	Title	Date
Printed Name	Signature	Title	Date
Printed Name	Signature	Title	Date

Not valid until approved by the Business Compliance and Regulation Division

APPLICATION CHECKLIST:

Be sure to include the following items, if applicable:

- ☐ A completed zoning approval form for all license classifications being applied for signed within 90 days of receipt of application by the zoning authority.
- ☐ A completed municipality approval form for all license classifications being applied for signed within 90 days of receipt of application by the municipality authority.
- ☐ A completed Dealer Selection for Designated Branches Form for Class A and Class B dealer applicants.
- ☐ A copy of the business creation document or assumed name filing as specified in Item 4 of the instruction booklet.
- ☐ One copy of the signed Livescan Fingerprint Background Check Request (RI-030) for each applicant listed in section 8.
- ☐ Franchise agreement(s) for Class A dealers.
- ☐ A certificate of insurance for workers' compensation insurance or a notice of exclusion form (Class C and Class R dealers only).
- ☐ A repair facility registration application or an agreement with a registered repair facility for Class A and Class B dealer applicants.
- ☐ An ACORD 25 form showing fleet-type Michigan no-fault liability insurance for any or all owned vehicles for dealer Classes A and B. Class W dealer applicants need to submit only if requesting a plate.
- ☐ A check or money order payable to STATE OF MICHIGAN for the license and plate fees.
- ☐ An original copy of a dealer surety bond for Class A, Class B, and Class D dealer applicants. Instructions for completing the bond are located on the back of the bond form.

PLEASE NOTE:

Not submitting the required checklist items or submitting an incomplete application will delay the processing of your dealer license application.

Please allow 30 days from receipt of completed application for processing.

SERVICING REPAIR FACILITY AGREEMENT

(Class A and B Dealers Only)

This agreement is for any Class A or B dealer licensees or applicants that do not have their own repair facility and must have a Servicing Repair Facility Agreement on file to be compliant with the Michigan Vehicle Code. It is the responsibility of a Dealer that does not have their own Repair Facility to maintain an agreement on file with an active, registered Repair Facility located within 10 miles of the dealership's established place of business. The Dealer or Repair Facility may cancel this agreement at any time for any reason.

I, _____, of _____,
(Owner/Partner/Officer) (Repair Facility Name)

located at _____,
(Business Address)

repair facility registration number F_____, agree to perform vehicle repairs
(Registration Number)

for _____
(Dealership Name) (Dealer Number)

My repair facility is currently registered with the Michigan Department of State and will remain registered as long as this agreement remains in effect.

We will inform the Michigan Department of State if this agreement is canceled.

(Signature of repair facility Owner/Partner/Officer)

(Date)

(Signature of dealership Owner/Partner/Officer)

(Date)

ORIGINAL VEHICLE DEALER APPLICATION REQUIREMENTS CHART

ALL CLASSES NEED THE FOLLOWING:			
√ Original application	√ License Fee	√ Assumed Name and/or Corporate Filing	√ Fingerprints

Class Code	Copy of Franchise Agreement	Repair Facility Registration or Service Agreement	Municipality Approval	Zoning Approval	Fleet Insurance Certificate	Dealer Plates	License Fee	Workers Compensation Insurance	\$25,000 Vehicle Dealer Surety Bond	Designated Branch Office Form	Pre-License Inspection
CLASS A	√	√	√	√	√	Minimum 2	\$160	N/A	√	√	√
CLASS B	N/A	√	√	√	√	Minimum 2	\$160	N/A	√	√	√
CLASS C	N/A	Required only if parts installed	√	√	N/A	N/A	\$160	√	N/A	N/A	√
CLASS D	N/A	N/A	√	√	N/A	N/A	\$160	N/A	√	N/A	√
CLASS E	N/A	N/A	√	√	N/A	N/A	\$160	N/A	N/A	N/A	√
CLASS F	N/A	N/A	√	√	N/A	N/A	\$160	N/A	N/A	N/A	√
CLASS G	N/A	N/A	√	√	N/A	N/A	\$160	N/A	N/A	N/A	√
CLASS H	N/A	N/A	N/A	N/A	N/A	N/A	\$160	√	N/A	N/A	√
CLASS R	N/A	Required only if parts installed	√	√	N/A	N/A	\$160	√	N/A	N/A	√
CLASS W	N/A	N/A	√	√	Only if dealer plates are requested	1 Allowed the 1st year	\$160	N/A	N/A	N/A	√