



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

DEALER CHECKLIST (Class A & B Dealers Only)

Established Place of Business Requirements. See Dealer Manual, Chapter 1 for more information:

- Licensed location isn't a residence or any temporary quarters.
- All books, records, and files necessary to conduct the business are maintained in the licensed location. *
- The dealership is contained within a permanently enclosed building or structure.
- There is at least 150 square feet of office space.
- There is a working restroom and working utilities within the building or structure.
- There is a working telephone listed in the name of the business on the dealer's license.
- The premises must meet all applicable zoning and municipal requirements.
- There is a minimum of 1,300 square feet of land space allocated for the display of at least 10 vehicles.
- There is at least 650 square feet for customer parking that is adequately surfaced and well-lit during business hours.
- There is an exterior sign displaying the name of the dealership permanently affixed to the building or land with letters clearly visible from a highway.
- There is a repair facility on the premises, or the dealer has a written agreement with a local repair facility, within a 10 mile radius, to provide repair services and has posted the servicing agreement at the dealership.
- There are posted business hours of no less than 30 hours per week.**
- Only one dealer has established a place of business at the location.

* Dealers may store records at a secondary location owned by the dealer that is located within a 15-mile radius of the dealership after submitting a request through e-Services and receiving department approval. At least 15 business hours must be held between 8am-5pm, Monday through Friday.

** Dealers may reduce their hours for up to 4 weeks per year by submitting a request through their e-Services account.

Dealer Plate Use. See Dealer Manual, Chapter 1 for more information:

- Dealer-owned vehicles may be driven to and from repair facilities, storage lots and other locations where vehicles are being held prior to sale.
- Dealer-owned vehicles may be moved to locations where they may be bought or sold.
- Dealer-owned vehicles may be driven by employees, servants or agents of the dealership for any use related to the dealership's primary business of selling vehicles, **except as a service vehicle.**
- Dealer-owned vehicles may be driven by a prospective customer of a dealership for testing or demonstration purposes for up to 72 hours.
- A person who has purchased a vehicle from a dealership may operate the vehicle with a dealer plate for up to 72 hours after taking delivery of the vehicle.

Record Keeping Requirements. See Dealer Manual, Chapter 2 for more information:

- Maintain records for each vehicle bought, sold, leased or exchanged by the dealer or received or accepted by the dealer for sale, lease or exchange.
- Records must be available for inspection by law enforcement and Michigan Department of State investigative staff upon request.
- Dealer records must be maintained and available for inspection for five years after the sale of the vehicle during established business hours at the licensed location. ***
- Dealers who maintain an electronic Police Book or other required records must be prepared to print a paper copy of the records if requested by law enforcement or Michigan Department of State investigative staff.

*** Dealers will receive notice for all general compliance inspections at least 36 hours in advance at the email address on record with the department. Notice will not be provided for complaint or disciplinary follow-up inspections.

Class A and B Dealers Specific Records Maintained, depends on the activities in which a dealer engages:

- Title or other ownership documents (TR-42, TR-52L, BDVR-141, TR-208, etc.).
- Black-and-white** copies of front and back of conforming titles for odometer disclosure records; both incoming (bought) and outgoing (sold) copies must be maintained.
- Copies of processed RD-108s, RD-108Ls or RD-108s prepared for exported vehicles (see Chapter 8 for more information).
- Police Book or washout system (see specific requirements below and in Chapter 2 of the Dealer Manual).
- Copies of salvage disclosure statements.
- Copies of Application for Original Michigan Salvage Title or Scrap Title (TR-12).
- Copies of Salvage Vehicle Recertification Inspection forms (TR-13A, TR-13B).
- Dealer portion of the printed BFS-4 Temporary Registration.
- BFS-4 Temporary Registration log (now retained in the dealership's e-Services account).
- Color copies are needed for titles subject to inventory loans.
- Copies of purchase agreements.
- Copies of installment sales or lease contracts.
- Copies of Major Component Parts Record (SOS-426).
- Copies of broker fee agreements and broker purchase agreements.
- Signed copies of the Vehicle Dealer Inventory Loan Notices (BLRD-1).
- Copies of separate odometer disclosure statements used only when the title is held by an inventory lender or if the vehicle has a rebuilt salvage title.
- All documents related to the inventory loan transaction.

Police Book Entry Requirements – Hardbound, Washout or Electronic:

- Date vehicle acquired.
- Vehicle Identification Number (VIN).
- Who you purchased the vehicle from: Name, address, city, state and ZIP code (auctions are a special case).
- Date vehicle sold.
- Purchase number/ stock number.
- Title number.
- Identification information, including: Make, model, body style, color and, year.
- Who you sold the vehicle to: Name, address, city, state, ZIP code.

Police Book Quick Tips:

- Vehicles must be kept in date order.
- The date the vehicle is acquired is the date monetary value was exchanged and ownership changed.
- If you are waiting for a title from an auction, enter any identifying information into your Police Book the day the vehicle was purchased, and go back to that entry after you receive the title to complete the entry. It is important not to forget this step.
- Use the "Remarks" section when waiting for a title.
- If a vehicle was purchased at an auction, the "Bought From" entry in your Police Book should be the last person on the title, not the name of the auction.