



Iowa Department of Transportation

Office of Vehicle Services, P.O. Box 9278, Des Moines, IA 50306-9278
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515-237-3110

SUBJECT: Requirements For Obtaining A Motor Vehicle Dealer License To Sell At Retail In Iowa

- A. A \$50,000 surety bond must be filed with the department. This can be obtained through your insurance agent or an Iowa licensed bonding company. ***Surety Bond must accompany the application.**
- B. Establish a place of business separate from any other business which includes:
 1. An office with a telephone answered and listed in your dealership name where you maintain regular business hours and the public can contact you. Regular business hours are a minimum of 32 hours M-F. Dealers selling motorcycles exclusively are not required to maintain regular business hours.
 2. A repair facility - minimum space to repair and recondition one or more motor vehicles with adequate access, equipment and tools for repairing and reconditioning motor vehicles sold by the dealer. The interior walls and ceiling shall separate the repair shop from any area occupied for salesroom, display area or offices by floor to ceiling walls and solid, full length doors. Minimum space for repair to motorcycles and motorized bicycles shall be an unobstructed rectangular area measuring no less than 10 feet by 15 feet. Minimum space for repair of other motor vehicles shall be an unobstructed rectangular area measuring no less than 14 feet by 24 feet.
 3. A display facility:
 - a. A new motor vehicle dealer. A suitable space in a building, at the principal place of business, reserved for display purposes where motor vehicles may be viewed by prospective buyers. Minimum space for display of motorcycles and motorized bicycles shall be 10 feet by 15 feet. Minimum space for display of other vehicles shall be 18 feet by 30 feet.
 - b. Used motor vehicle dealers and new motor vehicle dealers selling new trucks or new motor homes exclusively. A suitable space in a building, at the principal place of business, meeting the requirements for a new motor vehicle dealer or an outside area, at the principal place of business with an all-weather surface which shall be reserved for the display of motorcycles and motorized bicycles and shall be 10 feet by 15 feet, exclusive of parking area. Minimum space for display of other vehicles shall be 18 feet by 30 feet, exclusive of parking area. (All weather surface does not include grass or exposed soil.)
 4. Zoning:

Written evidence, issued by the office responsible for the enforcement of zoning ordinances in the city, town or county where the place of business is located which states the place of business is in compliance with all applicable zoning provisions.
 5. Corporation:

It is your responsibility to ensure the corporation complies with all applicable state requirements for incorporation.
 6. Franchise:

If you are dealing in new makes of motor vehicles, you must be enfranchised by the manufacturer or distributor of each make and able to provide a copy of the franchise.
 7. On-Site Inspection:

You will also need to contact the County Treasurer's office in your area to obtain the name and phone number of the motor vehicle enforcement investigator in your area, to set up an appointment for an on-site inspection of your facilities.
 8. Financial Responsibility:

It is your responsibility to ensure the dealership is in compliance and has in force financial liability coverage. Financial liability coverage shall be in the limits of not less than one hundred thousand dollars because of bodily injury to or death of one person, three hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and fifty thousand dollars because of injury to or destruction of property of others in any one accident.
 9. Leasing:

A leasing license is required if you are leasing vehicles for longer than 60 days. A separate application must be completed and can be obtained from this office.
 10. Vehicle Recycler:

A vehicle recycler's license is required of dealers engaged in the business of vehicle salvage, vehicle rebuilder or selling used parts. This does not apply to new car dealers.

Separate applications are required if you will be selling travel trailers.