

**2200 Division of Motor Vehicles
Vehicle Services**

2275 Requirements for Licensing of Vehicle Dealers (Formerly Reg. 74)

1.0 Pursuant to 21 Del. C. Section 302 and 21 Del.C. Section 6301 the following regulations are adopted for the licensing of vehicle dealers.

- 1.1 Forms MV 29A, B and C and MV 26 must be completed and submitted to the Division of Motor Vehicles prior to the approval of such dealership. Forms are available at any Division of Motor Vehicles office.
- 1.2 Division of Motor Vehicles must approve business name of dealership. This is required to prevent duplication of names and very similar names.
- 1.3 Zoning approval must be submitted to the Division when application is submitted. Zoning authority responsible for the location of the dealership must give this written approval. Addresses and telephone numbers are available at the Division's offices.
- 1.4 Dealership must have an office on the premises with a desk, chair and file cabinet adequate to maintain records.
- 1.5 Dealership must have a sign on the premises measuring at least 24" x 36" which lists the name of the business.
- 1.6 Dealership must have adequate display space for 5 or more vehicles.
- 1.7 The vehicle dealer's business license fee of \$100 must be paid to the Division of Revenue. Copy of the receipt must be attached to the application for dealership. License must be displayed in the office, visible to visitors.
- 1.8 Pursuant to regulations of the Delaware Department of Transportation, the applicant must obtain an entrance permit from the Department of Transportation if the place of business is located on a State maintained road. A copy of this permit must be attached and submitted with the completed application for dealership.
- 1.9 Dealership must have a telephone installed in its office and listed in its business name. A receipt from the telephone company confirming this is acceptable at the time of application.
- 1.10 With the exception of franchised, new vehicle dealers, the owner of a dealership must have been issued a Delaware driver's license at least 90 days prior to time of application.
- 1.11 A licensed Delaware dealer is not permitted to share a lot, office or location with another dealer.
- 1.12 Application must be approved prior to the issuance of dealer plates.
- 1.13 Proof of liability insurance must be submitted with the application. The insurance must cover all dealer plates issued to the dealership.
- 1.14 Franchised, new vehicle dealers must submit a copy of the franchise agreement or a letter from the manufacturer indicating that such dealer holds the franchise and the type of vehicles to be sold.
- 1.15 Place of business must be inspected by an agent of the Division prior to approval of application.

2.0 Wholesale dealer requirements.

- 2.1 Wholesale dealers must comply only with the above listed Paragraphs 1.1 - 1.4 (this may be in a home), 1.7, 1.8 (if applicable), 1.9 - 1.13 and 1.15.

3.0 Minimum sales.

- 3.1 Delaware dealers must sell a minimum of 5 vehicles between January 1st and December 31st of each year. Failure to comply with this provision will result in the suspension of the dealer's license. Proof of vehicles sold must be provided to Division of Motor Vehicles upon request.

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4.0 Applicants for dealerships who do not fulfill the above listed requirements will have their applications disapproved.

- 4.1 After approval by the Division, if the dealership fails to comply with the above listed requirements, the Division may withdraw its approval and suspend all dealer privileges or any portion thereof.