

## HELPFUL TIPS ON OBTAINING YOUR DEALER LICENSE

- **You must have an established place of business.**  
An established place of business is defined as: A building or structure, separate from a residence, owned or leased, designated as an office or place to receive mail, keep records and conduct business. Everything must be delivered to your business address, nothing will be forwarded by UPS.
- **The Business Name MUST match the name you applied under for your Sales Tax Registration Number -** A copy of your Sales Tax Registration must be received by this office before your license will be issued. A Tax Clearance check will be done before issued.
- **You must have an operable telephone.**  
The telephone must be listed with the telephone company under the name of the licensed business.
- **You must have proper zoning for the vehicles you are selling.**  
Zoning approval must be secured from the appropriate zoning authority, and proof that the use complies with the applicable zoning law.
- **You must have a sign in the business name.**  
A sign with durable lettering at least 10 inches in height and easily visible from the street identifying the established place of business, unless prohibited by local zoning laws. If prohibited by zoning laws, verification from the zoning office must be provided.
- **Your County Treasurer must verify that you do not owe any Personal Property Taxes.**  
Our application must be signed by the County Treasurer where the dealership is located.
- **Three credit references are required.**  
To determine financial fitness three (3) credit references are required (with complete addresses) for an individual proprietorship or partnership to be submitted with your application.
- **You must have insurance on your place of business and on all inventory.**  
Public liability and property damage insurance **is mandatory**. Your insurance company must forward a Certificate of Insurance to this office before we can issue your license. The certificate must be issued in the dealership name.
- **New Vehicle or New Manufactured Home Dealers must have a franchise agreement on file for each make.**  
You must have a bona fide franchise agreement with a first or second stage manufacturer or distributor of the vehicle to sell, transfer, cause to be sold, exchanged or transferred. The D-100 Franchise Agreement form has been included in this packet for your convenience.
- **Salvage Vehicle Dealers are required to be in compliance with all Kansas Department of Transportation regulations.**  
If you are applying for a Salvage license, you are required to contact The Department of Transportation to verify salvage storage compliance (785/296-3501). Our D-35 form must be completed.

- **Sales Tax Clearance.**

All taxpayers, citizens, and businesses of the State of Kansas are expected to fulfill their legal responsibility to timely file and pay their share of state taxes. In accordance with K.S.A. 8-404 (c), once an application for license has been submitted to the Director of Vehicles, the owners(s) and/or corporate officer(s) and the business will be subject to a tax clearance prior to the issuance of a license. A tax clearance is a thorough review of all taxes administered by the Kansas Department of Revenue. A license can be granted or refused based on the results of the tax clearance.

For Sales Tax information, it is available on the Web at <http://www.ksrevenue.org/pdf/forms/pub> .

- **You may be required to obtain and maintain a \$30,000.00 Surety Bond. See below specifications.**

If you are required to furnish and maintain a \$30,000.00 Surety Bond., you may satisfy this requirement by depositing with the State Treasurer, cash, negotiable bonds of the United States or the State of Kansas. Exceptions to the bonding requirement are: Manufacturers, Distributors, Factory Branches, Lending Agencies, and Manufactured Homes Dealers. A bond, when issued is conditioned upon the applicant of licensee complying with the provisions of the applicable statutes. The bond may be used for an indemnity for any loss sustained, by any person, by reason of any act by the licensee which constitutes grounds for a suspension or revocation of the license.

**If you are filing as a Corporation:** The bond should be written in the corporate name only. A copy of your Secretary of State Corporation papers listing your corporate officers must accompany your bond.

**If you are filing as a Partnership:** The bond should be written in **ALL** owners names d.b.a. dealership name.

**If you are filing as an Individual:** The bond should be written in the owner name d.b.a. dealership name.

For any additional questions please contact the Dealer Licensing Bureau at 785/296-3621.