



How to Become a Dealer in Virginia

Checklist

Steps	Step Name	Process																			
Step One	Franchise or Independent Dealer?	If you are going to be an Independent or Franchise Dealer, you will need a qualified dealer-operator. You can find out how to become a qualified dealer-operator in either our Independent Dealer-Operators or Franchise Dealer-Operators section.	<input type="checkbox"/>																		
Step Two	Register (LLC or Corporation)	If you are an LLC or a Corporation, register your LLC or Corporation with the State Corporation Commission by click here	<input type="checkbox"/>																		
Step Three	ZONING: Your location must satisfy all zoning regulations.	<p>The board recommends that you make sure your desired dealership location satisfies all local zoning regulations before you sign a lease or purchase a facility. Your local zoning official must sign and date the MVDB 19 zoning form and be submitted as part of your application.</p> <p>Read more details on the MVDB website under step three ZONING located here.</p> <ul style="list-style-type: none"> • Have sales, service, and office space devoted exclusively to the dealership of at least 250 square feet in a permanent, enclosed building not used as a residence. • House all records the dealer is required to maintain by § 46.2-1529, Code of Virginia. • Equip your office space with a desk, chairs, filing space, a working telephone listed in the name of the dealership, and working utilities including electricity and provisions for space heating, an internet connection and an email address. • Display business hours and a sign as required by § 46.2-1533 and § 46.2-1534, Code of Virginia, respectively. A dealer must be open a minimum of 20 hours per week. 10 of these hours must be between 9am. – 5pm. Monday through Friday. • Have contiguous parking space designated for the exclusive use of the dealership adequate to permit the display of at least 10 vehicles. 	<input type="checkbox"/>																		
Step Four	Get Bonded!	Secure a \$50,000 surety bond and liability insurance that insures each dealer plate issued to your dealership.	<input type="checkbox"/>																		
Step Five	Complete and submit required forms to the MVDB	<table border="1" style="width: 100%;"> <thead> <tr> <th>Doc Name</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>MVDB 2</td> <td>Bond Application</td> </tr> <tr> <td>MVDB 9</td> <td>Application for Dealer plates (<i>you are eligible to receive up to 4 times the number of salespersons employed</i>) with a copy of your liability insurance showing the number of plates insured is required.</td> </tr> <tr> <td>MVDB 10</td> <td>License application for initial license/renewal/change and each license type</td> </tr> <tr> <td>MVDB 19</td> <td>Certification of Zoning Compliance: New and Used Car/Truck Dealer (dated 30 days of submission)</td> </tr> <tr> <td>MVDB 61</td> <td>Each Salesperson application and Criminal History Check Data Form</td> </tr> <tr> <td></td> <td>A copy of compliant Buyer's order, see the buyers Order Checklist and processing fee printed on Buyer's Order (if applicable)</td> </tr> <tr> <td></td> <td>SCC Documentation. Make sure the company and dealership name on the surety bond matches the MVDB 10 application name and the State Corporation Commission filing name EXACTLY.</td> </tr> <tr> <td></td> <td>Court filing documents of any "trading as" or fictitious name</td> </tr> </tbody> </table>	Doc Name	Description	MVDB 2	Bond Application	MVDB 9	Application for Dealer plates (<i>you are eligible to receive up to 4 times the number of salespersons employed</i>) with a copy of your liability insurance showing the number of plates insured is required.	MVDB 10	License application for initial license/renewal/change and each license type	MVDB 19	Certification of Zoning Compliance: New and Used Car/Truck Dealer (dated 30 days of submission)	MVDB 61	Each Salesperson application and Criminal History Check Data Form		A copy of compliant Buyer's order, see the buyers Order Checklist and processing fee printed on Buyer's Order (if applicable)		SCC Documentation. Make sure the company and dealership name on the surety bond matches the MVDB 10 application name and the State Corporation Commission filing name EXACTLY .		Court filing documents of any "trading as" or fictitious name	<input type="checkbox"/>
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<p>Step Five - continued</p>	<p>Required fees</p>	<p>Franchise dealers must attach a copy of the franchise agreement or original franchise letter, which includes the manufacturer or distributor's service agreement. The manufacturer or distributor must also be licensed by the DMV.</p> <p>All forms are available for printing from our website here.</p> <table border="1" data-bbox="506 331 1442 642" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Required Fees</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$225.00</td> <td>Dealer Certificate</td> </tr> <tr> <td style="text-align: center;">\$25.00</td> <td>Each Additional License Type Endorsement</td> </tr> <tr> <td style="text-align: center;">\$350.00</td> <td>Motor Vehicle Transaction Recovery Fund Paid Annually for the First 3-years of operation.</td> </tr> <tr> <td style="text-align: center;">\$60.00</td> <td>First 2 Dealer Plates</td> </tr> <tr> <td style="text-align: center;">\$26.00</td> <td>Additional Dealer Plates (each)</td> </tr> <tr> <td style="text-align: center;">\$30.00</td> <td>Salesperson's License (each)</td> </tr> </tbody> </table>	Required Fees		\$225.00	Dealer Certificate	\$25.00	Each Additional License Type Endorsement	\$350.00	Motor Vehicle Transaction Recovery Fund Paid Annually for the First 3-years of operation.	\$60.00	First 2 Dealer Plates	\$26.00	Additional Dealer Plates (each)	\$30.00	Salesperson's License (each)	
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<p>Step Six</p>	<p>Scheduling of your official "Open For Business" Appointment</p>	<p>After submitting your application (containing all signed documents required) to the MVDB, your license will be processed and the MVDB will mail all license items to your assigned Field Representative who will then set an appointment to come to your dealership.</p> <p>When and if the location complies with all Virginia Code requirements, the MVDB Field Representative will deliver all license items, your dealership will be open for business. Listed below are other important requirements and reminders for you to be aware of:</p> <p>Applicant Requirements:</p> <ul style="list-style-type: none"> • The applicant must secure and maintain a \$50,000 surety bond in the name of the dealership. At the time of your application for a dealer's license, the validity of the surety bond should be within 30 days of issuance from the bonding company. The bond must be maintained for the first 3 full years of dealership operations. (Form MVDB-2) • A qualified dealer-operator and salesperson is required for each dealership. This individual must be identified as the dealer-operator on the application MVDB 10. The Independent dealer-operator applicant must successfully complete and pass the two day study course, and then pass the dealer-operator's test at any Department of Motor Vehicles Customer Service Center (DMVCSC) location. Franchise dealer-operators need only take the Franchise Dealer-Operator Exam at the DMVCSC. Use the MVDB-57 Application for Salesperson /Dealer-Operator Test, and check the appropriate exam. • Remember, all dealer-operator's must have a salesperson's license. <p>Location Requirements:</p> <ul style="list-style-type: none"> • A dealership sign with no less than 6-inch lettering must be visible on the dealership location. • Processing fee sign (if applicable) 8 ½ X 11, posted within the dealership location where it can be seen by customers. Click HERE for a simple template. • A posted listing of all salesperson names in the dealership location where it can be seen by customers. • Business hours sign posted conspicuously on or near the entrance of the dealership. • The dealership location must be either owned or leased by the applicant. • The location cannot be a residence. 	<input type="checkbox"/>														

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<p>Step Six continued</p>		<ul style="list-style-type: none"> • The dealership location must have space to accommodate the display of at least 10 vehicles. • A certificate of zoning (Form MVDB-19) must be obtained from the locality in which the dealership resides. This certificate must be issued within 30 days of your initial application submission to our office. • The location must have 250 square feet of permanently enclosed office space for exclusive use by the dealership. The office space must include a desk, chairs, filing cabinet(s), a working telephone in the name of the dealership, working utilities (to include electricity), provisions for space heating, an Internet connection, and an email address. <p>Operation Requirements:</p> <ul style="list-style-type: none"> • Prior to opening, the dealership must have a Board-approved buyer's order printed that shows the dealership name, address, and telephone number. See the Buyers order checklist (MVDB 44). • Virginia law requires that a dealership must be opened at least 20 hours a week. Ten (10) of those hours must be between the hours of 9:00am and 5:00pm, Monday through Friday. • Dealership must be open during posted business hours and those hours must be on record with the Board. • Dealer records must be available for inspection during posted business hours. • Know and understand Virginia Advertising laws. Advertising laws may be found under Virginia Code § 46.2-1581, Virginia Regulations and advertising guidance documents that may be found on our website HERE. <p>Dealership Employee Requirements:</p> <ul style="list-style-type: none"> • Each dealership salesperson must be licensed by the Board, employed by the dealership, and may not be classified as a "1099 independent contractor." • See Virginia Code § 46.2-1537, and § 46.2-1500 salesperson definition. <p>NOTE: The Dealer-Operator and Salesperson's Test is administered at your local DMV Customer Service Center for a \$50.00 fee paid at the time of testing.</p>	<input type="checkbox"/>
<p>Step Six continued</p>	<p>Take Those Extra Steps To Make Life Easier</p>	<ul style="list-style-type: none"> • In order to issue 30-day temporary tags (PoD), you must have an agreement with one of the following vendors. Click HERE to link to the DMV and the PoD vendors directly. • Visit our website at https://www.mvdb.virginia.gov/ for additional, pertinent and code section information. • While on our website, click HERE to sign up for electronic (email) issues of our newsletter Dealer Talk and other emailed information notifications. • Become an On-Line Dealer and perform many of your DMV-related dealer transactions from your office. • Visit http://www.dmv.state.va.us/webdoc/pdf/dmv25.pdf for more information. 	<input type="checkbox"/>

The information here and much more can be found on our [How to Become a Dealer](#) section of our website.