

1 Department of Public Safety

2

3 Adopted Permanent Rules Relating to Motor Vehicle Dealers

4

5 Rules as Adopted

6 7400.0100 DEFINITIONS.

7 Subpart 1. **Scope.** The terms used in this chapter have the
8 meanings given them in this part.

9 Subp. 2. **Automatic telephone answering service.**

10 "Automatic telephone answering service" means either a human
11 operator or an automatic device that answers the dealer's
12 telephone and is capable of taking messages.

13 Subp. 3. **Board member.** "Board member" means a director in
14 a corporation and a governor in a limited liability company.

15 Subp. 4. **Days.** "Days" means calendar days when referring
16 to the amount of time when the performance or doing of an act,
17 duty, matter, payment, or thing is ordered, directed, or
18 prescribed. A period of time measured in days, except as
19 otherwise provided, must be computed so as to exclude the first
20 and include the last day of the prescribed or fixed period or
21 duration of time. When the last day of the period falls on a
22 Saturday, Sunday, or legal holiday, that day must be omitted
23 from the computation.

24 Subp. 5. **Dealer.** "Dealer" has the meaning given it in
25 Minnesota Statutes, section 168.27, subdivision 1, clause (5).

26 Subp. 6. **Franchise.** "Franchise" has the meaning given it
27 in Minnesota Statutes, section 80E.03, subdivision 8.

28 Subp. 7. **High value vehicle.** "High value vehicle" means a
29 vehicle that is six years old or older as calculated from the
30 first day of January of the designated model year that had an
31 actual cash value in excess of \$5,000 before being damaged, or a
32 vehicle with a manufacturer's rating of over 26,000 pounds gross
33 vehicle weight.

34 Subp. 8. **Late model vehicle.** "Late model vehicle" means a
35 vehicle that is less than six years old as calculated from the

1 first day of January of the designated model year.

2 Subp. 9. **Motor vehicle.** "Motor vehicle" has the meaning
3 given it in Minnesota Statutes, section 168.27, subdivision 1,
4 clause (13).

5 Subp. 10. **Motor vehicle transaction.** A "motor vehicle
6 transaction" includes the transactions listed in Minnesota
7 Statutes, section 168.27, subdivisions 2, 3, 3a, 3b, 3c, 4, 6,
8 and 7, for which a person must be licensed as a motor vehicle
9 dealer in order to conduct the transaction.

10 Subp. 11. **New motor vehicle.** "New motor vehicle" has the
11 meaning given it in Minnesota Statutes, section 168.27,
12 subdivision 1, clause (11).

13 Subp. 12. **Officer.** "Officer" means an officer of a
14 corporation and a manager of a limited liability company.

15 Subp. 13. **Owner.** "Owner" means:

16 A. the sole proprietor of a proprietorship;

17 B. a partner in a partnership;

18 C. a corporation shareholder holding five percent or
19 more of voting power of the shares issued; or

20 D. a limited liability company member holding five
21 percent or more of the voting power of the membership interests
22 issued.

23 Subp. 14. **Primarily engaged in the business of.**

24 "Primarily engaged in the business of," as it applies to a used
25 vehicle parts dealer who buys or otherwise acquires vehicles for
26 dismantling and selling the used parts and remaining scrap
27 metals, means that the dealer has acquired more than five of
28 those vehicles in a 12-month period and that acquiring those
29 vehicles is not incidental to the dealer's business.

30 Subp. 15. **Registrar.** "Registrar" means the registrar of
31 motor vehicles of Minnesota, acting directly or through
32 authorized agents. Under Minnesota Statutes, section 168.33,
33 the commissioner of public safety is the registrar of motor
34 vehicles.

35 Subp. 16. **Sale, sells, selling, purchase, purchased, or**
36 **acquired.** "Sale," "sells," "selling," "purchase," "purchased,"

1 or "acquired" has the meaning given it in Minnesota Statutes,
2 section 297B.01, subdivision 7.

3 Subp. 17. **Sufficient cause to believe.** "Sufficient cause
4 to believe" means grounds put forth in good faith that are not
5 arbitrary, irrational, unreasonable, or irrelevant and that make
6 the proposition asserted more likely than not, provided the
7 grounds are based on at least one of the following sources:

8 A. written information from an identified person;

9 B. facts or statements supplied by the applicant or
10 dealer;

11 C. court documents and police records; and

12 D. facts of which the registrar or the registrar's
13 employees have personal knowledge.

14 Subp. 18. **Used motor vehicle.** "Used motor vehicle" has
15 the meaning given it in Minnesota Statutes, section 168.27,
16 subdivision 1, clause (10).

17 Subp. 19. **Vehicle.** "Vehicle" has the meaning given it in
18 Minnesota Statutes, section 168A.01, subdivision 24.

19 **DEALER LICENSING**

20 **7400.0200 CONTENTS OF APPLICATION FOR DEALER LICENSE.**

21 An initial application for a dealer license must be on a
22 form provided by the registrar and must contain the following
23 information:

24 A. The application must contain the name, street
25 address, and telephone number of the applicant. The application
26 must also contain each additional name and street address that
27 the applicant will use to conduct motor vehicle transactions.

28 B. The application must indicate whether the
29 applicant is an individual, partnership, corporation, or limited
30 liability company. The application must also list each owner,
31 officer, and board member.

32 C. The application must contain the full name, date
33 of birth, and driver's license number of each person named on
34 the application. If a person does not have a driver's license,
35 the application must contain the identification card number of

1 that person. If a person's driver's license or identification
2 card was issued by another state or country, the application
3 must list the name of the state or country.

4 D. The application must indicate the type of dealer
5 license sought.

6 E. The application must contain a history of dealer
7 licensure of each person, partnership, corporation, and limited
8 liability company named on the application. The history must be
9 of each dealer license applied for or issued by Minnesota or by
10 another jurisdiction and must include the issuance and
11 expiration dates of the license. If a dealer license
12 application was denied, or a dealer license was suspended,
13 canceled, or revoked, the history must give the date and the
14 reason.

15 F. The application must contain the criminal history
16 of each person named on the application and an authorization for
17 the registrar to conduct an investigation to verify this
18 information. The criminal history must include each injunction
19 or conviction for a violation listed in Minnesota Statutes,
20 section 168.27, subdivision 11.

21 G. The application must verify that the applicant
22 meets the established place of business requirements of parts
23 7400.4000 to 7400.4300 and Minnesota Statutes, section 168.27,
24 subdivision 10.

25 H. The application must give the name of the provider
26 and the policy number of the applicant's insurance required
27 under Minnesota Statutes, chapter 65B.

28 I. The application must list the applicant's normal
29 business hours. For a new motor vehicle dealer, normal business
30 hours are the hours personnel are normally available. For a
31 dealer other than a new motor vehicle dealer, normal business
32 hours are the hours personnel or a telephone answering service
33 are normally available.

34 J. Each person named on the application shall sign
35 the application, verifying that the information on the
36 application is true. The signatures must be notarized.

1 7400.0300 ITEMS FILED WITH APPLICATION.

2 Subpart 1. **Requirement.** The items described in this part
3 must be filed as part of an initial application for a dealer
4 license.

5 Subp. 2. **Fees.** The application must be accompanied by the
6 license fees and filing fees required by statute.

7 Subp. 3. **Surety bond.** This subpart applies to the
8 application for a new motor vehicle dealer, used motor vehicle
9 dealer, vehicle salvage pool, motor vehicle lessor, motor
10 vehicle wholesaler, or motor vehicle auctioneer license. The
11 application must be accompanied by a surety bond, as required by
12 Minnesota Statutes, section 168.27, subdivision 24. This
13 subpart does not apply to the application for a used vehicle
14 parts dealer license or a scrap metal processor license.

15 Subp. 4. **Statement of zoning compliance.** This subpart
16 applies to the application for a new motor vehicle dealer, used
17 motor vehicle dealer, vehicle salvage pool, motor vehicle
18 lessor, motor vehicle wholesaler, or motor vehicle auctioneer
19 license. The application must be accompanied by a statement
20 from each local zoning authority where the applicant owns or
21 leases a commercial building or commercial office space. The
22 statement must acknowledge that the commercial building or
23 commercial office space conforms to local zoning regulations.
24 This subpart does not apply to the application for a used
25 vehicle parts dealer license or a scrap metal processor license.

26 Subp. 5. **Tax information.** The application must be
27 accompanied by a completed tax information form required by the
28 commissioner of revenue under Minnesota Statutes, section 270.72.

29 Subp. 6. **Copy of contract or franchise.** The application
30 for a new motor vehicle dealer license must be accompanied by a
31 copy of or documentation of each contract or franchise required
32 under Minnesota Statutes, section 168.27, subdivision 10, clause
33 (1)(b).

34 Subp. 7. **Proof of ownership of building.** This subpart
35 applies to the application for a new motor vehicle dealer, used

1 motor vehicle dealer, vehicle salvage pool, motor vehicle
2 lessor, motor vehicle wholesaler, or motor vehicle auctioneer
3 license. The application must be accompanied by a copy of the
4 lease or proof of ownership covering each established place of
5 business of the applicant. The proof of ownership may be in the
6 form of a deed or tax identification statement or similar
7 document. This subpart does not apply to the application for a
8 used vehicle parts dealer license or a scrap metal processor
9 license.

10 7400.0400 TEMPORARY DEALER LICENSE.

11 The registrar shall grant a temporary dealer license to the
12 applicant unless the registrar determines there is a reason to
13 deny the temporary license. The registrar shall deny the
14 license if the registrar determines there is a reason to deny
15 the license. The registrar shall make this determination based
16 on the application and the items filed with the application.
17 The period of the temporary dealer license is 90 days. The
18 registrar may extend the temporary license 30 days.

19 7400.0500 GRANTING DEALER LICENSE.

20 The registrar shall grant a motor vehicle dealer license to
21 the applicant at the end of the temporary license period unless
22 the registrar determines there is a reason to deny the license.
23 If the registrar determines there is a reason to deny the
24 license, the registrar shall deny the license at the time of
25 making the determination. A denial does not preclude the
26 registrar from pursuing revocation or suspension. A temporary
27 license expires at the time a license is denied.

28 7400.0600 REASONS TO DENY DEALER LICENSE.

29 The registrar shall deny a temporary motor vehicle dealer
30 license and a motor vehicle dealer license for any of the
31 following reasons:

32 A. The application or the items filed with the
33 application do not meet the requirements of parts 7400.0200 and
34 7400.0300.

1 B. A person named on the application was an owner,
2 officer, or board member of a dealer whose license was revoked
3 under part 7400.1600 or 7400.1900. After the revocation period
4 has elapsed, an applicant is not disqualified from being
5 licensed.

6 C. A person named on the application has been
7 enjoined or convicted for a violation listed in Minnesota
8 Statutes, section 168.27, subdivision 11. An applicant is not
9 disqualified from being licensed if the applicant can show that
10 the person has met the conditions of Minnesota Statutes, chapter
11 364.

12 D. The applicant's established place of business does
13 not meet the requirements of parts 7400.4000 to 7400.4300 and
14 Minnesota Statutes, section 168.27, subdivision 10.

15 E. The commissioner of revenue notifies the registrar
16 under Minnesota Statutes, section 270.72, that the applicant
17 owes the state delinquent taxes, penalties, or interest.

18 F. The registrar has sufficient cause to believe that
19 the applicant, while holding a temporary dealer license, has
20 committed a violation that is grounds for revocation under part
21 7400.1600 or 7400.1900, suspension under part 7400.1700 or
22 7400.1900, or cancellation under part 7400.1800.

23 G. The registrar is unable to verify the applicant's
24 compliance with location or record keeping requirements because
25 the applicant has not given the registrar access to the location
26 or records after a request by the registrar under part
27 7400.4300, subpart 2.

28 7400.0700 DEALER LICENSE RENEWAL.

29 Subpart 1. Expiration of dealer licenses. A dealer
30 license expires at midnight on December 31 of each year. A
31 dealer license is valid upon renewal for the next calendar
32 year. A temporary dealer license expires at midnight on
33 December 31 of each year. A temporary dealer license is valid
34 upon renewal for the remainder of the temporary license period.

35 Subp. 2. Renewal application. A renewal application for a

1 dealer license must be on a form provided by the registrar and
2 must contain the following information:

3 A. The application must contain the dealer name and
4 dealer number.

5 B. The application must verify that dealer
6 information is accurate as of the date of the renewal. Dealer
7 information includes information or items submitted with the
8 dealer's initial license application, as amended by a notice of
9 change.

10 C. One person named on the application shall sign the
11 application, verifying that the information on the application
12 is true. The signature must be notarized.

13 Subp. 3. **Renewing dealer license; reasons for denial.** A
14 dealer license may be renewed any time on or before December
15 31. To renew a dealer license, the dealer shall submit a
16 completed license renewal application and the license and filing
17 fees required by statute. The registrar shall renew the dealer
18 license unless the registrar determines there is a reason to
19 deny the renewal. The registrar shall deny the renewal for any
20 of the following reasons:

21 A. The application does not meet the requirements of
22 subpart 2.

23 B. The license and filing fees required by statute
24 are not paid.

25 C. The license has been revoked under part 7400.1600
26 or 7400.1900 or canceled under part 7400.1800.

27 D. The commissioner of revenue notifies the registrar
28 under Minnesota Statutes, section 270.72, that the dealer owes
29 the state delinquent taxes, penalties, or interest.

30 Subp. 4. **Application after lapse.** Within 60 days after a
31 dealer license has lapsed, a former dealer may obtain another
32 dealer license by following the renewal procedures of this part.
33 A person who obtains a dealer license under this subpart shall
34 pay both the initial application fee and the annual fee. A
35 person loses all dealer privileges after the expiration of a
36 license and before a new license is granted.

1 Subp. 5. **Requirements when license not renewed.** When a
2 dealer license expires without being renewed, the dealer shall
3 immediately return to the registrar the dealer license
4 certificate, all dealer license plates, and all temporary
5 vehicle permits.

6 7400.0800 CHANGE IN DEALER LICENSE CONDITIONS.

7 Subpart 1. **Notice of change.** A dealer shall notify the
8 registrar of a change in dealer information. Dealer information
9 is the current information that the registrar has concerning a
10 dealer based upon the information or items submitted by the
11 dealer in its initial license application, as updated by any
12 notices of change.

13 Subp. 2. **Form of notice.** A notice of change must be made
14 on a form provided by the registrar and must meet the following
15 conditions:

16 A. A notice of change must indicate the dealer
17 information that has changed.

18 B. A notice of change must be accompanied by initial
19 license items that have changed.

20 C. One owner, officer, or board member shall sign the
21 notice, verifying that the information on the notice is true.
22 The signature must be notarized.

23 D. A person who is removed as an owner, officer, or
24 board member shall sign the notice, verifying that the person
25 has been removed. The signature must be notarized. If it is
26 not possible for this person to sign, the notice of change must
27 contain the reason.

28 Subp. 3. **Timing of notice.** The dealer shall submit a
29 notice of change so that it is received by the registrar before
30 the change occurs, unless this is not possible, in which case,
31 the dealer shall give notice as soon as reasonable. When a
32 dealer adds a new location, the dealer may not sell a vehicle at
33 that location until the registrar approves the location.

34 Subp. 4. **Approval of location.** The registrar shall
35 approve a location if it meets the established place of business

1 requirements of parts 7400.4000 to 7400.4300 and Minnesota
2 Statutes, section 168.27, subdivision 10. The registrar shall
3 make this determination based on the notice of change and the
4 items filed with the notice of change.

5 **Subp. 5. Dealer license not transferable.** A dealer
6 license may not be transferred from one person or organization
7 to another. Another dealer license must be obtained before a
8 successor dealer may engage in motor vehicle transactions. In
9 addition, if the successor dealer is required to have a bond,
10 the bond must be separate and distinct from the bond under the
11 original license.

12 A dealer license issued to a partnership becomes invalid
13 when an original partner leaves the partnership or a new partner
14 is brought into the partnership.

15 A dealer license issued to a corporation or limited
16 liability company becomes invalid when the entity is dissolved.
17 A dealer license remains valid when a shareholder of the
18 corporation or the name of the corporation is changed. A dealer
19 license remains valid when a member of the limited liability
20 company or the name of the limited liability company is changed.

21 A dealer license issued to an individual, partnership,
22 corporation, or limited liability company does not transfer to a
23 new business entity created by a change in the form of ownership
24 of the business.

25 7400.0900 CONSIGNMENT SALES.

26 **Subpart 1. New motor vehicles.** A person who solicits,
27 accepts, offers for sale, or sells new motor vehicles on
28 consignment must be licensed as a new motor vehicle dealer and
29 must have a franchise for each type of new motor vehicle sold on
30 consignment.

31 **Subp. 2. Used motor vehicles.** A person who solicits,
32 accepts, offers for sale, or sells used motor vehicles on
33 consignment must be licensed as a new motor vehicle dealer, a
34 used motor vehicle dealer, a motor vehicle wholesaler, or a
35 motor vehicle auctioneer.

1 Subp. 3. **Auctioneers.** This part does not apply to a
2 licensed auctioneer selling motor vehicles at an auction if, in
3 the ordinary course of the auctioneer's business, the sale of
4 motor vehicles is incidental to the sale of other real or
5 personal property.

6 7400.1000 **MOTORIZED BICYCLE OR CERTAIN TRAILER DEALERS.**

7 Subpart 1. **Scope.** Subparts 2 to 4 apply to a seller of
8 motorized bicycles, boat trailers, horse trailers, or snowmobile
9 trailers.

10 Subp. 2. **Requirement.** The seller shall obtain a motor
11 vehicle dealer license under Minnesota Statutes, section 168.27.

12 Subp. 3. **Sales of other vehicles.** If the seller sells
13 other motor vehicles in addition to motorized bicycles, boat
14 trailers, horse trailers, or snowmobile trailers, the seller
15 shall obtain a new motor vehicle dealer, used motor vehicle
16 dealer, vehicle salvage pool, motor vehicle wholesaler, or motor
17 vehicle auctioneer license.

18 Subp. 4. **Contract or franchise.** The seller must have a
19 contract or franchise with a manufacturer or distributor of new
20 vehicles the seller proposes to sell, broker, wholesale, or
21 auction.

22 **LICENSE REVOCATION, SUSPENSION, OR CANCELLATION**

23 7400.1500 **LICENSE WITHDRAWAL; ACTS ATTRIBUTED TO DEALER.**

24 Subpart 1. **Acts of owner, officer, or board member.** The
25 registrar shall revoke, suspend, or cancel the dealer license of
26 a partnership, corporation, or limited liability company if an
27 owner, officer, or board member acts or fails to act as would be
28 cause for revoking, suspending, or canceling a dealer license of
29 that person as an individual.

30 Subp. 2. **Acts of employee or agent.** A dealer is
31 responsible for an act of a person while that person is acting
32 as an employee or agent of the dealer, if the dealer authorizes
33 or ratifies the act or if the dealer retains the benefits of the
34 act after actual knowledge of the act.

1 7400.1600 DEALER LICENSE REVOCATION.

2 Subpart 1. **Grounds for revocation.** Revocation is the
3 long-term withdrawal of a dealer license under Minnesota
4 Statutes, section 168.27, subdivision 12. The registrar shall
5 revoke a dealer license when there is sufficient cause to
6 believe that the dealer has been convicted of a crime, has been
7 enjoined due to a violation, has committed an act, or has failed
8 to perform a duty as follows:

9 A. The dealer is convicted of violating or is
10 enjoined due to a violation of Minnesota Statutes, section
11 325F.69.

12 B. The dealer is convicted of violating the Minnesota
13 odometer law, Minnesota Statutes, section 325E.14, 325E.15, or
14 325E.16, or the federal odometer law, United States Code, title
15 15, sections 1981 to 1991, as amended through December 31, 1984.

16 C. The dealer is convicted of a gross misdemeanor or
17 felony under Minnesota Statutes, section 609.53, for receiving
18 or selling stolen vehicles or stolen parts.

19 D. The dealer is convicted of a felony related to the
20 business of buying or selling motor vehicles or motor vehicle
21 parts. If the felony conviction is from another jurisdiction,
22 the registrar may not revoke unless the action or omission of
23 the dealer would constitute a felony under Minnesota Statutes.

24 E. The dealer fails to pay the registrar all taxes,
25 fees, and arrears due from the dealer within ten days after
26 notice that the taxes or fees are required to be paid.

27 F. The dealer commits an act or fails to perform a
28 duty that is grounds for suspension of a dealer license under
29 part 7400.1700 and there are three suspensions under part
30 7400.1700 on the dealer's record within the past five years.

31 G. The dealer violates a suspension imposed under
32 part 7400.1700.

33 H. The dealer submits a fraudulent license
34 application.

35 Subp. 2. **Revocation period and effect.** A dealer license
36 is not valid after it is revoked. An owner, officer, or board

1 member of a revoked dealer may not be an owner, officer, or
2 board member of another licensed dealer during the revocation.
3 When a dealer license is revoked, the dealer shall immediately
4 surrender the dealer license certificate, all dealer license
5 plates, and all temporary vehicle permits. The length of
6 revocation is as follows:

7 A. The registrar shall use this item to determine the
8 length of a revocation if the revocation is based solely or in
9 part on a conviction of crime or crimes as defined in Minnesota
10 Statutes, section 364.02, subdivision 5. The revocation lasts
11 until competent evidence is presented to the registrar that the
12 person convicted has been sufficiently rehabilitated under the
13 criteria of Minnesota Statutes, section 364.03, subdivision 3.

14 B. If the length of a revocation is not determined
15 under item A, the length of revocation is one year.

16 7400.1700 DEALER LICENSE SUSPENSION.

17 Subpart 1. **Grounds for suspension.** Suspension is the
18 short-term withdrawal of a dealer license under Minnesota
19 Statutes, section 168.27, subdivision 12. The registrar shall
20 suspend a dealer license when there is sufficient cause to
21 believe that the dealer has been convicted of a crime, has
22 committed an act, or has failed to perform a duty as follows:

23 A. The dealer willfully violates a provision of
24 Minnesota Statutes, chapter 168, or this chapter that is not
25 specifically set out in parts 7400.1600, 7400.1800, and
26 7400.1900.

27 B. The dealer willfully violates or refuses to comply
28 with a lawful request or order of the registrar.

29 C. The dealer is convicted of a gross misdemeanor
30 related to the business of buying or selling motor vehicles or
31 motor vehicle parts. If the gross misdemeanor conviction is
32 from another jurisdiction, the registrar may not revoke unless
33 the action or omission of the dealer would constitute a gross
34 misdemeanor under Minnesota Statutes.

35 Subp. 2. **Description of willfully.** For purposes of this

1 part, the term "willfully":

2 A. describes an intentional act or omission by a
3 dealer when the dealer knows or should reasonably know that the
4 act or omission violates a law, rule, request, or order and the
5 dealer is able to comply with the law, rule, request, or order;
6 and

7 B. also describes an act or omission by a dealer,
8 whether intentional or unintentional, when:

9 (1) the dealer uses a business practice that
10 makes it likely that the act or omission will occur;

11 (2) the registrar has given written notice to the
12 dealer within the past three years that the dealer license may
13 be suspended or revoked if the business practice is not
14 corrected;

15 (3) the dealer has failed to correct the business
16 practice within a reasonable time after receiving the notice;
17 and

18 (4) the dealer's failure to correct the business
19 practice is a significant factor in causing the act or omission.

20 Subp. 3. **Suspension period and effect.** A dealer license
21 is not valid during a suspension. When a dealer license is
22 suspended, the dealer shall immediately surrender the dealer
23 license certificate, all dealer license plates, and all
24 temporary vehicle permits. After a suspension period ends, the
25 registrar shall return the dealer license certificate, dealer
26 license plates, and temporary vehicle permits. A suspension
27 period ends after the last day of the period regardless of
28 whether this day falls on a Saturday or legal holiday. The
29 suspension period is as follows:

30 A. The suspension period is seven days, if there are
31 no suspensions under subpart 1 on the dealer's record within the
32 past five years. The suspension period may be shortened if
33 mitigating circumstances indicate that a shorter suspension
34 period is appropriate. The suspension period must be at least
35 three days.

36 B. The suspension period is 14 days, if there is one

1 suspension under subpart 1 on the dealer's record within the
2 past five years. The suspension period may be shortened if
3 mitigating circumstances indicate that a shorter suspension
4 period is appropriate. The suspension period must be at least
5 seven days.

6 C. The suspension period is 28 days, if there are two
7 suspensions under subpart 1 on the dealer's record within the
8 past five years. The suspension period may be shortened if
9 mitigating circumstances indicate that a shorter suspension
10 period is appropriate. The suspension period must be at least
11 14 days.

12 D. When a suspension period is shortened based on
13 mitigating circumstances, the registrar shall in writing
14 identify the mitigating circumstances and give the reason for
15 shortening the suspension period.

16 E. The suspension of a dealer license is on the
17 record of the suspended dealer. The suspension of a dealer
18 license is also on the record of another dealer if an owner,
19 officer, or board member of the other dealer was an owner,
20 officer, or board member of the suspended dealer at the time of
21 the acts leading to the suspension.

22 F. When a suspension is imposed for a continuing
23 violation, the suspension must last until the suspension period
24 determined under items A to E expires or until the violation is
25 corrected, whichever is later.

26 7400.1800 DEALER LICENSE CANCELLATION.

27 Subpart 1. **Grounds for cancellation.** Cancellation is the
28 withdrawal of a dealer license during the period of time the
29 dealer does not meet all dealer license requirements. The
30 registrar shall cancel a dealer license when there is sufficient
31 cause to believe that the dealer does not meet a dealer license
32 requirement as follows:

33 A. The dealer holds a new motor vehicle dealer, used
34 motor vehicle dealer, vehicle salvage pool, motor vehicle
35 lessor, motor vehicle wholesaler, or motor vehicle auctioneer

1 license and the dealer fails to have a surety bond as required
2 by Minnesota Statutes, section 168.27, subdivision 24.

3 B. The dealer fails to provide or maintain the
4 insurance required under Minnesota Statutes, chapter 65B.

5 C. The dealer pays its dealer license fee with a
6 negotiable instrument that is not honored by the financial
7 institution on which it is drawn.

8 D. The dealer's established place of business fails
9 to meet the requirements of parts 7400.4000 to 7400.4300 and
10 Minnesota Statutes, section 168.27, subdivision 10.

11 E. An owner, officer, or board member of the dealer
12 is an owner, officer, or board member of another licensed dealer
13 whose license is revoked. The registrar shall not cancel a
14 license if the revocation period has elapsed.

15 F. A person is added as an owner, officer, or board
16 member of the dealer and the person has been enjoined or
17 convicted for a violation listed in Minnesota Statutes, section
18 168.27, subdivision 11. If the dealer can show that the person
19 has met the conditions of Minnesota Statutes, chapter 364, the
20 registrar shall not cancel the license.

21 Subp. 2. Cancellation period and effect. A dealer license
22 is not valid after it is canceled and before it is reinstated.
23 When a dealer license is canceled, the dealer shall immediately
24 surrender the dealer license certificate, all dealer license
25 plates, and all temporary vehicle permits. The registrar shall
26 reinstate the dealer license if the dealer, within 60 days of
27 the license cancellation, corrects the problem that caused the
28 registrar to cancel the license.

29 7400.1900 SALE OF MOTOR VEHICLES ON SUNDAY.

30 The registrar shall use Minnesota Statutes, section
31 168.276, to revoke or suspend a dealer license for a violation
32 of Minnesota Statutes, section 168.275. The registrar shall not
33 use parts 7400.1600 and 7400.1700 to revoke or suspend a dealer
34 license for a violation of Minnesota Statutes, section 168.275.

35 7400.2000 SALE OF VEHICLES AFTER DEALER LICENSE WITHDRAWAL.

1 Except as provided in this part, a dealer whose license has
2 been revoked, canceled, or surrendered shall not do business as
3 a motor vehicle dealer after the license is no longer valid.
4 Upon a written request by a dealer whose license has been
5 revoked, canceled, or surrendered, the registrar shall issue a
6 permit to allow the dealer up to 30 days after the license is no
7 longer valid to sell motor vehicles owned by the dealer,
8 provided the conditions of items A to G are met. During the
9 30-day period, the registrar shall immediately rescind the
10 dealer's permit when there is sufficient cause to believe that
11 the dealer has violated any of the conditions of items A to G.

12 A. The dealer agrees in writing to observe the
13 conditions of items B to G and any special conditions imposed by
14 the registrar, such as inspection of vehicles or other
15 conditions imposed to protect the interests of the registrar or
16 the public.

17 B. The dealer's written agreement includes a list of
18 the motor vehicles that the dealer wishes to sell during the
19 30-day period, including the vehicle identification number of
20 each.

21 C. The dealer physically possesses the title
22 certificate for each vehicle to be offered for sale and each
23 title certificate is in the dealer's name or is properly
24 assigned to the dealer.

25 D. Each vehicle to be offered for sale was owned by
26 the dealer while the license was valid.

27 E. The vehicles are sold only to licensed dealers.

28 F. The dealer does not offer or sell motor vehicles
29 held by the dealer for consignment sale.

30 G. The dealer does not buy vehicles or accept motor
31 vehicle trade-ins.

32 DEALER LICENSE WITHDRAWAL PROCEDURES

33 7400.2200 WITHDRAWAL PROCEDURES; DEFINITIONS.

34 Subpart 1. Scope. The terms used in parts 7400.2200 to
35 7400.3700 have the meanings given them in this part.

1 Subp. 2. **Party.** "Party" means each person named as a
2 party by the registrar in the notice of and order for hearing.
3 The term party includes the registrar and the registrar's
4 employees and agents, except for the hearing examiner.

5 Subp. 3. **Person.** "Person" means an individual,
6 partnership, corporation, limited liability company, joint stock
7 company, unincorporated association or society, municipal
8 corporation, or any government or governmental subdivision,
9 unit, or agency other than a court of law.

10 Subp. 4. **Service or serve.** "Service" or "serve" means
11 personal service or service by first class United States mail.
12 An affidavit of service must be made by the person making the
13 service. Personal service may be accomplished either by
14 delivering a document to the dealer or by leaving a document
15 with someone of suitable age and discretion at the address of
16 the dealer as listed in the dealer records of the registrar.
17 Service by mail must be addressed to the dealer at the address
18 of the dealer as listed in the dealer records of the registrar.
19 Service by mail is complete upon placing the item to be served
20 in the mail with postage prepaid or depositing the item with the
21 Central Mailing Section, Publications Division, Department of
22 Administration.

23 7400.2300 HEARING; SERVICE OF NOTICE.

24 Subpart 1. **Scope.** This part governs whether a hearing
25 must be held to revoke, suspend, or cancel a motor vehicle
26 dealer license and, if so, when the notice of and order for
27 hearing must be served.

28 Subp. 2. **Summary cancellation.** When the registrar has
29 grounds for cancellation under part 7400.1800, subpart 1, item A
30 or B, the registrar shall cancel the dealer license without a
31 hearing.

32 Subp. 3. **Summary revocation; request for hearing, notice.**
33 When the registrar has grounds for revocation under part
34 7400.1600, subpart 1, item A, B, or C, the registrar shall
35 immediately revoke the dealer license. If a hearing is

1 requested by the dealer within 15 days after the summary
2 revocation, the registrar shall hold a hearing within 30 days
3 after the summary revocation. If a hearing is requested by the
4 dealer more than 15 days after the summary revocation, the
5 registrar shall hold a hearing within 15 days after the request
6 for hearing. The registrar shall serve a notice of and order
7 for hearing on the dealer within a reasonable time before the
8 hearing.

9 Subp. 4. Hearing and notice. Except as provided in
10 subparts 2 and 3, the registrar shall conduct a hearing before
11 revoking, suspending, or canceling a dealer license under parts
12 7400.1600 to 7400.1800. The registrar shall serve a notice of
13 and order for hearing on the dealer to commence the
14 proceedings. The notice must be served not less than 30 days
15 before the hearing if the notice is personally served and not
16 less than 34 days before the hearing if the notice is served by
17 mail. However, a shorter time may be allowed when it can be
18 shown to the registrar that a shorter time is in the public
19 interest and that interested persons are not likely to be
20 prejudiced.

21 7400.2400 HEARINGS BEFORE HEARING EXAMINER.

22 Dealer license revocation, suspension, and cancellation
23 hearings required to be conducted under part 7400.2300 must be
24 conducted by a hearing examiner appointed by the registrar.

25 7400.2500 NOTICE OF AND ORDER FOR HEARING; CONTENT.

26 The notice of and order for hearing must contain, among
27 other things, the following:

28 A. a caption that includes the proposed action and
29 the name and dealer license number of the dealer;

30 B. the time, date, and place for the hearing;

31 C. the name, address, and telephone number of the
32 hearing examiner;

33 D. a citation to the registrar's statutory authority
34 to hold the hearing and take the action proposed;

35 E. a statement of the allegations or issues to be

1 determined together with a citation to the relevant statutes or
2 rules allegedly violated or that control the outcome of the
3 case, and the corrective action considered appropriate;

4 F. a statement that if corrective action is
5 considered appropriate and corrective action is not taken, the
6 dealer's license may be revoked, suspended, or canceled;

7 G. a statement that the registrar's proposed action
8 may affect other motor vehicle dealer licenses in which the
9 dealer or an owner, officer, or board member of the dealer is
10 involved;

11 H. notification of the dealer's right of
12 representation:

13 (1) personally;

14 (2) by an attorney; or

15 (3) by a person of the dealer's choice, if not
16 otherwise prohibited as the unauthorized practice of law;

17 I. a citation to the procedural rules of the
18 registrar in parts 7400.2200 to 7400.3700 and to the contested
19 case provisions of Minnesota Statutes, chapter 14, and
20 notification of how copies may be obtained;

21 J. a brief description of the procedure to be
22 followed at the hearing;

23 K. a statement advising the dealer to bring to the
24 hearing the documents, records, and witnesses needed to support
25 the dealer's position;

26 L. a statement that subpoenas may be available to
27 compel the attendance of witnesses or the production of
28 documents, referring the dealer to Minnesota Statutes, section
29 168.27, subdivision 13;

30 M. a statement advising the dealer of the name of the
31 registrar's staff member or attorney general's staff member to
32 contact to discuss informal disposition;

33 N. a statement advising the dealer that failure to
34 appear at the hearing may result in the allegations of the
35 notice of and order for hearing being taken as true, or the
36 issues set out being deemed proved, and a statement that

1 explains the possible results of the allegations being taken as
2 true or the issues proved; and

3 O. a statement advising the dealer that if not public
4 data is admitted into evidence it may become public unless the
5 dealer objects and asks for relief under Minnesota Statutes,
6 section 14.60, subdivision 2.

7 7400.2600 RIGHT TO COUNSEL.

8 In a dealer license revocation, suspension, or
9 cancellation, each party may be represented throughout the
10 proceedings personally, by an attorney, or by a person of the
11 party's choice if not otherwise prohibited as the unauthorized
12 practice of law.

13 7400.2700 CONSENT ORDER, SETTLEMENT, OR STIPULATION.

14 Informal disposition may be made of a dealer license
15 revocation, suspension, or cancellation or any issue by
16 stipulation, agreed settlement, or consent order at any point in
17 the proceedings.

18 7400.2800 DEFAULT.

19 The registrar or the hearing examiner may dispose of a
20 dealer license revocation, suspension, or cancellation adverse
21 to a dealer that defaults. Upon default, the allegations of or
22 the issues set out in the notice of and order for hearing may be
23 taken as true or deemed proved without further evidence. A
24 default occurs when a dealer fails to appear at a hearing
25 without the prior consent of the hearing examiner.

26 7400.2900 RIGHTS AND RESPONSIBILITIES OF PARTIES.

27 Parties have the right to present evidence, rebuttal
28 testimony, and argument with respect to the issues, and to
29 cross-examine witnesses. A party shall have all evidence that
30 the party wishes to present at the hearing, both oral and
31 written, available on the date for hearing.

32 7400.3000 WITNESSES AND TESTIMONY.

33 A party may be a witness and may present witnesses on the

1 party's behalf at the hearing. Oral testimony at the hearing
2 must be under oath or affirmation. At the request of a party or
3 upon the hearing examiner's own motion, the hearing examiner
4 shall exclude witnesses from the hearing room so that they
5 cannot hear the testimony of other witnesses.

6 7400.3100 BURDEN OF PROOF.

7 The party proposing that certain action be taken must prove
8 the facts at issue by a preponderance of the evidence. A party
9 asserting an affirmative defense has the burden of proving the
10 existence of the defense by a preponderance of the evidence.

11 7400.3200 HEARING RECORD.

12 The hearing examiner shall maintain the official record in
13 each dealer license revocation, suspension, or cancellation
14 until issuance of the hearing examiner's final report, at which
15 time the record must be certified to the registrar.

16 The record in a dealer license revocation, suspension, or
17 cancellation must contain the evidence offered or considered;
18 the documents, memoranda, or data submitted by any party in
19 connection with the case; the audiomagnetic recording of the
20 hearing; the transcript of the hearing, if one was prepared; and
21 the hearing examiner's report.

22 7400.3300 HEARING EXAMINER'S CONDUCT.

23 The hearing examiner shall not communicate, directly or
24 indirectly, in connection with an issue of fact or law with a
25 person or party, including the registrar, concerning a pending
26 case, except upon notice and opportunity for all parties to
27 participate. The hearing examiner may respond to questions
28 relating solely to procedures for the hearing without violating
29 parts 7400.2200 to 7400.3700.

30 7400.3400 HEARING EXAMINER'S REPORT.

31 No factual information or evidence that is not a part of
32 the record may be considered by the hearing examiner or the
33 registrar in determining a dealer license revocation,
34 suspension, or cancellation.

1 Following the close of the record, the hearing examiner
2 shall report the findings of fact, conclusions, and a
3 recommendation, taking notice of the degree to which the
4 registrar has documented the statutory authority to take the
5 proposed action and fulfilled the relevant substantive and
6 procedural requirements of law or rule. Upon completion, the
7 report must be delivered to the registrar who shall serve a copy
8 of the report upon the parties.

9 7400.3500 TIMING OF REGISTRAR'S DECISION.

10 The registrar shall not make a final decision until at
11 least ten days after service of the hearing examiner's report if
12 the report was personally served or 14 days after service if the
13 report was served by mail.

14 7400.3600 REGISTRAR'S DECISION; EFFECTIVE DATE.

15 In each dealer license revocation, suspension, and
16 cancellation, the registrar shall render a written decision and
17 order and serve the decision and order on all parties. Part
18 7400.2200, subpart 4, notwithstanding, the registrar shall serve
19 the decision and order in the manner provided by Minnesota
20 Statutes, section 168.27, subdivision 13. Unless a later date
21 is stated in the order, the order is effective upon service.

22 7400.3700 REGISTRAR'S DECISION; CONTENT.

23 The registrar's decision and order must contain, among
24 other things, the following:

25 A. a caption that includes the proposed action and
26 the name and dealer license number of the dealer;

27 B. findings of fact and conclusions on the material
28 issues;

29 C. the action taken by the registrar; and

30 D. when the license has been revoked without a
31 hearing, notice of any rights that the dealer may have to a
32 postrevocation hearing.

33 ESTABLISHED PLACE OF BUSINESS

34 7400.4000 POOLS, USED PARTS DEALERS, AND SCRAP PROCESSORS.

1 Subpart 1. **Vehicle salvage pool.** A vehicle salvage pool
2 licensee must have an established place of business, which must
3 include as a minimum a commercial building owned or under lease
4 by the licensee. The lease must be for a minimum term of one
5 year. The building must contain office space where the books,
6 records, and files necessary to conduct the business are kept
7 and maintained with personnel available during normal business
8 hours or automatic telephone answering service during normal
9 business hours. Dealership business hours must be conspicuously
10 posted on the place of doing business and readily viewable by
11 the public. The licensee must have an area to display motor
12 vehicles that is owned or under lease by the licensee. The
13 display area may be either indoors or outdoors. The licensee
14 must have a sign that clearly identifies the dealership by name
15 and that is readily viewable by the public.

16 If a salvage pool maintains more than one place of doing
17 business in a county, the separate places must be listed on the
18 application. If additional places of business are maintained
19 outside of one county, separate licenses must be obtained for
20 each county.

21 Subp. 2. **Used parts dealer or scrap processor.** A used
22 vehicle parts dealer or scrap metal processor licensee must have
23 an established place of business, which must include as a
24 minimum a street address where the books, records, and files
25 necessary to conduct the business are kept and maintained and
26 where there is available during normal business hours either
27 personnel or an automatic telephone answering service.

28 If a used vehicle parts dealer or scrap metal processor
29 maintains more than one permanent place of doing business,
30 either in one or more counties, the separate places must be
31 listed in the application, but only one used vehicle parts
32 dealer or scrap metal processor license is required.

33 7400.4100 LOCATION.

34 Subpart 1. **Commercial building.** This subpart applies to a
35 dealer licensed as a new motor vehicle dealer, a used motor

1 vehicle dealer, a motor vehicle auctioneer, or a vehicle salvage
2 pool. The dealer shall own or lease a commercial office space
3 that must be enclosed with floor to ceiling walls. The office
4 space must be for the exclusive use of the dealer. No person,
5 partnership, corporation, or limited liability company other
6 than the dealer may conduct business in the office space unless
7 the other business is in a separate office space enclosed with
8 floor to ceiling walls. The dealer may, however, conduct any
9 business in the office space, provided the dealer maintains
10 separate records for purchasing or selling motor vehicles or for
11 other motor vehicle transactions. The dealer shall maintain a
12 separate and identifiable doorway to the office space that leads
13 directly to the office space from the outdoors or from a public
14 area. The dealer may maintain other doorways to the office
15 space. If any of the other doorways leads from commercial or
16 residential space in the same building, there must be a door
17 that can be shut and locked to close off the entire doorway.
18 The dealer shall maintain an address that is separate from the
19 address of any other business or entity in the building.

20 Subp. 2. **Commercial office space.** This subpart applies to
21 a dealer licensed as a motor vehicle lessor or a motor vehicle
22 wholesaler. The dealer shall own or lease a commercial office
23 space that is enclosed with floor to ceiling walls. The office
24 space must be for the exclusive use of the dealer. No person,
25 partnership, corporation, or limited liability company other
26 than the dealer may conduct business in the office space unless
27 the other business is in a separate office space enclosed with
28 floor to ceiling walls. The dealer may, however, conduct any
29 business in the office space, provided the dealer maintains
30 separate records for purchasing or selling motor vehicles or for
31 other motor vehicle transactions. The dealer may have any
32 number of doorways to the dealership. If a doorway leads from
33 commercial or residential space in the same building, there must
34 be a door that can be shut and locked to close off the entire
35 doorway.

36 Subp. 3. **Display area.** This subpart applies to a dealer

1 licensed as a new motor vehicle dealer, a used motor vehicle
2 dealer, or a vehicle salvage pool. The area for the display of
3 motor vehicles offered for sale by the dealer must be at least
4 large enough for the reasonable display of five of the vehicles
5 the dealer is selling. The display area boundaries or markings
6 must make it readily apparent that the dealer is separate and
7 distinct from other businesses.

8 Subp. 4. **Additional location.** If a dealer has an
9 additional location in a commercial building or commercial
10 office space, the location must conform to all of the commercial
11 building or commercial office space requirements that apply to
12 the dealer's original location. If the dealer has an additional
13 location that is outdoors or in a public area, the dealer shall
14 own or lease the location and it must be readily apparent that
15 the dealer is separate and distinct from other businesses.

16 Subp. 5. **Phase-in.** The registrar shall waive the location
17 requirements in this part for a licensed dealer whose location
18 met the registrar's requirements at the time it was approved by
19 the registrar, but whose location does not meet the requirements
20 contained in this chapter. The waiver ends two years after the
21 effective date of this chapter. Until the waiver period ends,
22 the location must meet either the requirements under which it
23 was approved or the requirements of this part.

24 7400.4200 SIGNS.

25 Subpart 1. **Locations.** This subpart applies to a dealer
26 licensed as a new motor vehicle dealer, a used motor vehicle
27 dealer, or a vehicle salvage pool. There must be a sign clearly
28 identifying the dealership by name at each location of the
29 dealer. If the dealer's display area is not adjacent to the
30 sign for the dealer's commercial building, the sign at the
31 display area must also indicate where the commercial building is
32 located. The sign must be in letters that contrast sharply in
33 color with the background on which the letters are placed. If
34 the sign is on a commercial building or a display area, it must
35 be readily legible during daylight hours from the nearest road

1 or street. If the sign is on a commercial office space, the
2 sign must be readily legible in the lighting commonly used in
3 the area of the sign from the nearest access to the sign.

4 Subp. 2. **Vehicles.** This subpart applies to a dealer that
5 acquires vehicles to dismantle or destroy. There must be a sign
6 clearly identifying the dealer by name on each vehicle of the
7 dealer used to transport another vehicle that the dealer has
8 acquired to dismantle or destroy. The sign must appear on both
9 sides of the vehicle while it is being used to transport a
10 vehicle that will be dismantled or destroyed. The sign must be
11 in letters that contrast sharply in color with the background on
12 which the letters are placed and must be readily legible during
13 daylight hours from a distance of 50 feet while the vehicle is
14 stationary.

15 7400.4300 NORMAL BUSINESS HOURS.

16 Subpart 1. **Absence during normal business hours.** If a new
17 motor vehicle dealer will not have personnel available during
18 normal business hours or if any other dealer will not have
19 personnel available or an automatic telephone answering service
20 during normal business hours, the dealer shall notify the
21 registrar. The dealer shall give notice so that it is received
22 by the registrar at least seven days before the absence will
23 occur, unless the reason for the absence is not known at that
24 time, in which case, the dealer shall give notice as soon as
25 reasonable. The dealer may notify the registrar in writing or
26 by telephone. If the dealer notifies the registrar by
27 telephone, the registrar shall give the dealer a verification
28 number.

29 Subp. 2. **Records and location availability.** The
30 limitations of this subpart apply only to routine dealer
31 inspections conducted by dealer examiners of the Driver and
32 Vehicle Services Division of the Department of Public Safety. A
33 dealer shall make its records and location available to the
34 registrar for inspection, upon the request of the registrar. If
35 the request is made when personnel responsible for maintaining

1 the records and location are available to assist the registrar
2 at a dealer's established place of business during business
3 hours, the dealer shall make the records and location available
4 for inspection at that time. If the request is made when
5 personnel responsible for maintaining the records and location
6 are not available to assist the registrar, the dealer shall
7 inform the registrar and shall make arrangements to make the
8 records and location available to the registrar within 30 days
9 of the request. If the request is made by a written notice or
10 by leaving a message with the automatic telephone answering
11 service of the dealer, the dealer shall respond by contacting
12 the registrar within 14 days of the request and shall make the
13 records and location available for inspection by the registrar
14 within 30 days of the request.

15 For nonroutine dealer inspections, a dealer shall make its
16 records and location available for inspection upon request as
17 required by Minnesota Statutes, section 168A.11, subdivision 3.
18 Nonroutine inspections include inspections by:

19 A. a peace officer;

20 B. a dealer examiner conducted to follow up on
21 findings of noncompliance from a previous inspection; and

22 C. a dealer examiner conducted in conjunction with an
23 inspection by a peace officer.

24 VEHICLE TRANSACTIONS; RECORDS

25 7400.5000 ACQUIRING NEW MOTOR VEHICLE; DOCUMENTATION.

26 Subpart 1. Documentation required on file. For each new
27 vehicle acquired and held for resale by a dealer, the dealer
28 must have on file the originals or copies of the purchase
29 agreement or dealer invoice and of the manufacturer's statement
30 or certificate of origin.

31 Subp. 2. Purchase agreement or dealer invoice. The
32 purchase agreement or dealer invoice must be maintained and made
33 available for the registrar's inspection for three years after
34 the vehicle is sold or otherwise disposed of by the dealer. The
35 purchase agreement or dealer invoice must contain the following

1 information:

2 A. the name and address of the dealer and every
3 seller;

4 B. a complete description of the vehicle, including
5 the model year, make, model, body style, and vehicle
6 identification number;

7 C. the date of acquisition; and

8 D. where applicable, signatures on behalf of the
9 sellers and the dealer.

10 Subp. 3. **Manufacturer's statement or certificate of origin.**

11 The manufacturer's statement or certificate of origin must be
12 maintained and made available for the registrar's inspection
13 until the vehicle is sold or otherwise disposed of by the dealer.

14 7400.5100 ACQUIRING USED MOTOR VEHICLE; DOCUMENTATION.

15 Subpart 1. **Documentation required on file.** For each used
16 vehicle acquired and held for resale by a dealer, the dealer
17 must have on file the originals or copies of the purchase
18 agreement, an odometer statement, the certificate of title, and,
19 if the vehicle has a Minnesota certificate of title, a dealer
20 purchase receipt as required by Minnesota Statutes, section
21 168A.11.

22 Subp. 2. **Purchase agreement.** The purchase agreement must
23 be maintained and made available for the registrar's inspection
24 for three years after the vehicle is sold or otherwise disposed
25 of by the dealer. For a purchase from a licensed dealer or
26 motor vehicle owner, this information does not need to be on a
27 document separate from the certificate of title. The purchase
28 agreement must contain the following information:

29 A. the name and address of the dealer and every
30 seller;

31 B. a complete description of the vehicle, including
32 the model year, make, model, body style, vehicle identification
33 number, license plate number, and state of registration;

34 C. the date of acquisition; and

35 D. signatures on behalf of the sellers and the dealer.

1 Subp. 3. Odometer statement. The odometer statement must
2 meet the requirements of chapter 7402, and Minnesota Statutes,
3 section 325E.15. The odometer statement must be maintained and
4 made available for the registrar's inspection for three years
5 after the vehicle is sold or otherwise disposed of by the
6 dealer. The odometer statement does not need to be on a
7 document separate from the certificate of title.

8 Subp. 4. Certificate of title. The dealer shall ensure
9 that the certificate of title is properly assigned to the dealer
10 and signed by all sellers. The original or a copy of the
11 certificate of title must be maintained and made available for
12 the registrar's inspection until the vehicle is sold or
13 otherwise disposed of by the dealer.

14 Subp. 5. Dealer purchase receipt. The dealer purchase
15 receipt must be maintained and made available for the
16 registrar's inspection for three years after the vehicle is sold
17 or otherwise disposed of by the dealer. The dealer purchase
18 receipt must contain the following information:

19 A. the title number of the vehicle, when it is
20 available, or the license plate number and state of
21 registration, when the title number is not available;

22 B. a complete description of the vehicle, including
23 the model year, make, model, body style, and vehicle
24 identification number;

25 C. the names and street addresses of all sellers and,
26 if applicable, the seller's dealer number;

27 D. the name, street address, and dealer number of the
28 dealer submitting the dealer purchase receipt;

29 E. the date of acquisition; and

30 F. a signature on behalf of the dealer.

31 7400.5200 SELLING NEW OR USED MOTOR VEHICLE.

32 Subpart 1. Documentation required on file. For each
33 vehicle sold by a dealer, the dealer must have on file copies of
34 the sales agreement, an odometer statement, and, if the vehicle
35 is sold to a Minnesota retail customer, evidence that taxes and

1 fees have been collected from the customer and paid to the
2 registrar and that an application for a Minnesota certificate of
3 title has been completed and filed.

4 **Subp 2. Sales agreement.** The sales agreement must be
5 maintained and made available for the registrar's inspection for
6 three years after the sale of the vehicle. For a sale to a
7 licensed dealer, this information does not need to be on a
8 document separate from the manufacturer's statement or
9 certificate of origin or the certificate of title. The sales
10 agreement must contain the following information:

11 A. the name and address of the dealer and every
12 purchaser;

13 B. a complete description of the vehicle, including
14 the model year, make, model, body style, vehicle identification
15 number, and, if a used vehicle, the license plate number and
16 state of registration;

17 C. if the vehicle is sold to a retail customer, the
18 sale price of the vehicle;

19 D. the allowance for and the description of any
20 trade-in;

21 E. an itemized list of all fees and taxes collected
22 in connection with the vehicle transaction;

23 F. the date of sale; and

24 G. signatures on behalf of the purchasers and the
25 dealer.

26 **Subp. 3. Odometer statement.** The odometer statement must
27 meet the requirements of chapter 7402, and Minnesota Statutes,
28 section 325E.15. The odometer statement must be maintained and
29 made available for the registrar's inspection for three years
30 after the sale of the vehicle. The odometer statement does not
31 need to be on a document separate from the certificate of title.

32 **Subp. 4. Taxes, fees, and title application.** Except as
33 provided in items A to D, the dealer shall complete a title and
34 registration application and shall submit the application along
35 with the excise and registration taxes and all applicable fees
36 to the registrar within ten days of the sale of the vehicle.

1 The dealer must have on file an itemized receipt showing a
2 breakdown of the taxes and fees paid. The receipt must be
3 stamped as paid by a deputy registrar. The receipt must be
4 maintained and made available for the registrar's inspection for
5 three years after the sale of the vehicle.

6 A. If the purchaser is not a Minnesota customer, the
7 dealer is not required to complete an application or submit the
8 application, taxes, and fees.

9 B. If the purchaser is eligible to pay a prorated tax
10 and provides a prorate account number to the dealer, the dealer
11 shall complete and file a title application, but the dealer is
12 not required to collect and submit either the excise or
13 registration tax.

14 C. If the vehicle is currently registered in
15 Minnesota, the dealer is not required to collect and submit the
16 registration tax.

17 D. If the vehicle must have an emissions inspection
18 before registration, the dealer is not required to collect and
19 submit the registration tax.

20 7400.5300 HOLDING VEHICLE FOR CONSIGNMENT SALE.

21 Subpart 1. Consignment agreement required; content. When
22 a dealer has possession of a vehicle belonging to another person
23 and the dealer is holding the vehicle for sale, the dealer must
24 have on file an original or copy of a written consignment
25 agreement. The dealer shall give one copy of the consignment
26 agreement to each owner of the vehicle. The consignment
27 agreement must be maintained by the dealer and made available
28 for the registrar's inspection for three years after the vehicle
29 is sold or otherwise disposed of by the dealer. The consignment
30 agreement must contain the following information:

31 A. the beginning date and termination date of the
32 agreement;

33 B. the full name, address, and phone number of each
34 owner of the vehicle;

35 C. the full name, address, phone number, and dealer

1 number of each dealer involved in the agreement;

2 D. a complete description of the vehicle, including
3 the model year, make, model, body style, vehicle identification
4 number, license plate number, and state of registration;

5 E. the vehicle odometer reading at the time the
6 agreement is signed, unless the vehicle is reported to the
7 registrar under part 7400.5700;

8 F. the terms of the agreement, including the method
9 of calculating the dealer's compensation;

10 G. a statement specifying which party is responsible
11 for maintaining insurance on the vehicle in accordance with
12 Minnesota Statutes, chapter 65B, during the time the dealer is
13 holding the vehicle for sale;

14 H. the policy number and the name of the insurance
15 company providing insurance on the vehicle;

16 I. signatures on behalf of each owner and the dealer;
17 and

18 J. if the vehicle is returned to the owner, the date
19 of return and a signature on behalf of each owner acknowledging
20 the return.

21 **Subp. 2. Multiple vehicles under one consignment**
22 **agreement.** A consignment agreement may cover multiple vehicles
23 owned by the same person or persons and consigned to the same
24 dealer. The description, odometer reading, and insurance
25 information for each vehicle must be contained in the agreement
26 or in an addendum to the agreement. An addendum to the
27 agreement must clearly refer to the agreement and must be signed
28 on behalf of each owner and on behalf of the dealer. The
29 agreement and each addendum to the agreement must be maintained
30 by the dealer and made available for the registrar's inspection
31 for three years after the last vehicle covered by the agreement
32 is sold or otherwise disposed of by the dealer.

33 **Subp. 3. Selling junked vehicle.** Before selling on
34 consignment an unrepairable total loss vehicle with a junking
35 certificate, a dealer licensed as a vehicle salvage pool or
36 acting as an agent of an insurance company shall verify that the

1 purchaser holds a used vehicle parts dealer license from
2 Minnesota.

3 Subp. 4. **Salvage vehicle sold on consignment.** If a
4 vehicle sold on consignment is subject to the requirements of
5 Minnesota Statutes, section 168A.151, subdivision 1, a dealer
6 may not deliver the title to the buyer unless the title is a
7 salvage certificate of title.

8 7400.5400 TEMPORARY VEHICLE PERMITS FOR BUYERS.

9 Subpart 1. **Permits issued to dealers.** A temporary vehicle
10 permit is a permit issued under Minnesota Statutes, section
11 168.091 or 168.092, to a purchaser of a motor vehicle. Permits
12 may be distributed to a dealer for issuance to purchasers of
13 motor vehicles from the dealer. When the dealer sells a motor
14 vehicle, the dealer shall not issue more than one permit for the
15 vehicle. When requested by the registrar, the dealer shall
16 submit to the registrar the dealer's copy of a permit.

17 Subp. 2. **Contents of permit.** The dealer's copy of a
18 temporary vehicle permit must be maintained and made available
19 for the registrar's inspection until the copy is submitted to
20 the registrar under subpart 1 or for three years, whichever
21 comes first. The permit must contain the following information:

22 A. the issue date and the expiration date of the
23 permit;

24 B. a description of the vehicle, including the model
25 year, make, and vehicle identification number;

26 C. when applicable, the registered gross weight of
27 the vehicle;

28 D. either the name and address or the Minnesota
29 driver's license number of the purchaser;

30 E. the name of the insurance company with which the
31 purchaser holds an automobile insurance policy conforming to
32 Minnesota Statutes, chapter 65B, and either the policy number or
33 a statement that the policy number has not yet been issued;

34 F. the name and dealer number of the dealer; and

35 G. for a resident permit, the address of the dealer

1 and a signature on behalf of the dealer.

2 7400.5500 LEASING VEHICLES.

3 Subpart 1. Documentation required on file. For each
4 Minnesota-registered vehicle leased by a dealer, the dealer must
5 have on file copies of the purchase agreement or dealer invoice,
6 the certificate of title or the registration card, and all lease
7 agreements transacted in Minnesota. For each leased vehicle
8 with out-of-state registration, the dealer must have on file
9 records indicating the state of title and registration, the date
10 that a licensed location of the dealer took delivery of the
11 vehicle in Minnesota, and copies of all lease agreements
12 transacted in Minnesota. These documents must be maintained and
13 made available for the registrar's inspection for three years
14 after the vehicle is sold or otherwise disposed of by the dealer.

15 Subp. 2. Selling leased vehicle. For each leased vehicle
16 that is subsequently sold by the dealer, the dealer shall meet
17 the requirements of part 7400.5200.

18 7400.5600 ACQUIRING SALVAGE VEHICLE.

19 If a dealer acquires a damaged motor vehicle with an
20 out-of-state title and the cost of repairs exceeds the value of
21 the damaged vehicle, the dealer shall apply for a salvage
22 certificate of title. If a dealer acquires a motor vehicle with
23 an out-of-state salvage title or certificate as proof of
24 ownership, the dealer shall apply for a salvage certificate of
25 title. The dealer shall apply for the salvage certificate of
26 title within 48 hours of receiving the out-of-state title. If
27 the dealer sells the vehicle before the 48-hour period lapses,
28 the dealer shall nevertheless apply for the salvage certificate
29 of title and shall not deliver the out-of-state title to the
30 buyer.

31 7400.5700 ACQUIRING VEHICLE TO DISMANTLE OR DESTROY.

32 Subpart 1. Older model vehicle. When a dealer buys an
33 older model vehicle to be dismantled or destroyed, the dealer
34 shall report to the registrar and shall surrender the

1 certificate of title to the registrar. Completion of the title
2 in the name of the seller is not required. The dealer shall
3 complete the report and shall submit it to the registrar within
4 30 days of taking delivery of the vehicle. A dealer's
5 obligation to report the vehicle is met if the title has
6 previously been surrendered to an appropriate titling authority.

7 Subp. 2. Late model or high value vehicle. When a dealer
8 buys a late model or high value vehicle to be dismantled or
9 destroyed, the dealer shall report to the registrar and shall
10 surrender the certificate of title to the registrar. The
11 "Assignment by Seller" portion of the title must be completed
12 and all security interests must be released. A dealer's
13 obligation to report the vehicle and surrender the title is met
14 if the title has previously been surrendered to an appropriate
15 titling authority.

16 A. This item applies to a dealer licensed as a used
17 vehicle parts dealer or a scrap metal processor, but not
18 licensed as any other type of dealer. Within ten days of taking
19 delivery of the vehicle, the dealer shall either complete the
20 report or have an authorization from the owner or insurer of the
21 vehicle. The dealer shall submit the report and the title to
22 the registrar within ten days of receiving the title.

23 B. This item applies to a dealer that is licensed as
24 a new motor vehicle dealer, used motor vehicle dealer, vehicle
25 salvage pool, motor vehicle lessor, motor vehicle wholesaler, or
26 motor vehicle auctioneer. Within 48 hours of taking delivery of
27 the vehicle, the dealer shall either complete the report as set
28 out in subpart 3 or meet all the requirements of part 7400.5100
29 for holding a vehicle for resale.

30 (1) If the dealer completes the report in subpart
31 3, the dealer shall submit the report and the title to the
32 registrar within ten days of receiving the title.

33 (2) If the dealer meets all the requirements of
34 part 7400.5100 for holding a vehicle for resale and later
35 decides to dismantle or destroy the vehicle, the dealer shall
36 complete a report and shall submit the report and the title to

1 the registrar within ten days of making the decision or within
2 ten days of receiving the title, whichever is later.

3 Subp. 3. **Report.** The dealer shall make the report on a
4 form created or approved by the registrar. A copy of the report
5 must be maintained and made available for the registrar's
6 inspection for three years after the decision to dismantle or
7 destroy the vehicle. The report must include the following
8 information:

9 A. the dealer's name and dealer number;

10 B. a complete description of the vehicle, including
11 the model year, make, model, body style, vehicle identification
12 number, license plate number, and state of registration; and

13 C. the seller's name and driver's license number.

14 When the seller is a corporation, limited liability company, or
15 partnership, the dealer shall include on the report the full
16 name of the seller and of the person authorizing the sale in
17 place of the seller's driver's license number. When the person
18 selling the vehicle does not have a driver's license number
19 available, the dealer shall include on the report the seller's
20 full name and date of birth. When a dealer holds a vehicle for
21 resale and later decides to dismantle or destroy the vehicle,
22 the dealer may write "NOT AVAILABLE" in place of the seller's
23 driver's license number. The registrar's acceptance of
24 information on the report in place of the driver's license
25 number is only for meeting the reporting requirements of
26 subparts 1 and 2. The reporting does not serve to relieve the
27 dealer of liability to the owner of the vehicle if the seller of
28 the vehicle did not have authority to sell the vehicle.

29 Subp. 4. **Title.** A title acquired by the dealer must be
30 maintained and made available for the registrar's inspection
31 until the title is surrendered to the registrar.

32 7400.5800 SELLING SALVAGE VEHICLE TAKEN OUT OF STATE; REPORT.

33 When a dealer sells a salvage vehicle to a buyer who
34 intends to remove the vehicle from the state, the dealer shall
35 report to the registrar. The report must be on a form created

1 or approved by the registrar. The report must be submitted to
 2 the registrar within ten days of the buyer receiving the title
 3 or of the buyer removing the vehicle from the state, whichever
 4 is earlier. A copy of the report must be maintained by the
 5 dealer and made available for the registrar's inspection for
 6 three years after the sale of the vehicle. The report must
 7 include:

8 A. the dealer's name and dealer number;

9 B. a complete description of the vehicle, including
 10 the model year, make, model, body style, vehicle identification
 11 number, license plate number, and state of registration; and

12 C. the buyer's name and address.

13 7400.5900 RECORD KEEPING.

14 Subpart 1. Records kept on paper. This part applies to
 15 all records required to be maintained by a dealer under this
 16 chapter. Except as otherwise provided in subpart 2, a dealer
 17 shall make all records on paper of a quality to ensure permanent
 18 records.

19 Subp. 2. Records kept on other media. A dealer may make
 20 records using a medium other than paper if the dealer applies
 21 for and receives approval from the registrar. The registrar
 22 shall approve the use of an alternate medium for maintaining
 23 records if the registrar determines that the following
 24 conditions are met:

25 A. those authorized by law to have access to
 26 information contained in the records will have access to the
 27 information;

28 B. the accuracy, security, and permanency of
 29 information contained in the records will be adequately
 30 protected; and

31 C. the records are not otherwise required by law or
 32 rule to be an original document.

33 DEALER LICENSE PLATES

34 7400.6000 DEALER LICENSE PLATES.

35 Subpart 1. Use by dealer. Under Minnesota Statutes,

1 section 168.27, subdivision 16, clause (1), a motor vehicle
2 owned by a dealer and bearing a dealer demonstration plate may
3 be used by the dealer, or by the dealer's spouse, or by a
4 full-time employee of the dealer for either private or business
5 purposes. All owners, officers, and board members are dealers
6 for purposes of the use of dealer demonstration plates.

7 Subp. 2. Use by prospective buyer. Under Minnesota
8 Statutes, section 168.27, subdivision 16, clause (3), a dealer
9 demonstration plate may be used for demonstration purposes by a
10 prospective buyer of a motor vehicle. During the demonstration
11 period, the vehicle may be used for private or business purposes
12 by the prospective buyer.

13 Subp. 3. Improper use of dealer plate. The registrar
14 shall immediately revoke a dealer demonstration plate or a
15 dealer in-transit plate when the registrar has sufficient cause
16 to believe that the plate was used on a vehicle other than as
17 provided in subparts 1 and 2 or Minnesota Statutes, section
18 168.27, subdivisions 16 and 17. When a dealer plate is revoked,
19 the dealer shall surrender the plate to a peace officer or to
20 the registrar at the time notice of revocation is delivered to
21 the dealer. If a revoked dealer plate is not at the dealer's
22 place of business when a notice of the revocation is served, the
23 dealer shall surrender the plate to the registrar within 48
24 hours after notice of the revocation is served. The vehicle on
25 which the dealer plate was misused must be titled and registered
26 within ten days of the revocation of the plate.