

322.4 Application for license.

1. Each person before engaging in this state in the business of selling at retail motor vehicles or representing or advertising that the person is engaged or intends to engage in such business in this state shall file in the office of the department an application for license as a motor vehicle dealer in the state in such form as the department may prescribe, duly verified by oath, which application shall include the following:

a. The name of the applicant and the applicant's principal place of business wherever situated, and the following, as appropriate:

(1) If the applicant is an individual, the name or style under which the individual intends to engage in such business.

(2) If the applicant is a partnership, the name or style under which the partnership intends to engage in such business and the name and bona fide address of two partners.

(3) If the applicant is a corporation, the state of incorporation and the name and bona fide address of two officers of the corporation.

b. The make or makes of new motor vehicles, if any, which the applicant will offer for sale at retail in this state.

c. The location of each place of business within this state to be used by the applicant for the conduct of the applicant's business.

d. If the applicant is a party to any contract or agreement or understanding with any manufacturer or distributor of motor vehicles or is about to become a party to such a contract, agreement, or understanding, the applicant shall state the name of each such manufacturer or distributor and the make or makes of new motor vehicles, if any, which are the subject matter of each such contract.

e. A statement of the previous history, record, and association of the applicant and if the applicant is a partnership, of each partner thereof, and if the applicant is a corporation, of each officer and director thereof, which statement shall be sufficient to establish to the department the reputation in business of the applicant.

f. A description of the general plan and method of doing business in this state, which the applicant will follow if the license applied for in such application is granted.

g. Before the issuance of a motor vehicle dealer's license to a dealer engaged in the sale of vehicles for which a certificate of title is required under chapter 321, the applicant shall furnish a surety bond executed by the applicant as principal and executed by a corporate surety company, licensed and qualified to do business within this state, which bond shall run to the state of Iowa, be in the amount of fifty thousand dollars and be conditioned upon the faithful compliance by the applicant as a dealer with all of the statutes of this state regulating or applicable to the business of a dealer in motor vehicles, and indemnifying any person who buys a motor vehicle from the dealer from any loss or damage occasioned by the failure of the dealer to comply with any of the provisions of chapter 321 and this chapter, including but not limited to the furnishing of a proper and valid certificate of title to the motor vehicle involved in a transaction. The bond shall also indemnify any motor vehicle purchaser from any loss or damage caused by the failure of the dealer to comply with the odometer requirements in section 321.71, regardless of whether the motor vehicle was purchased directly from the dealer. The bond shall be filed with the department prior to the issuance of a license. The aggregate liability of the surety, however, shall not exceed the amount of the bond.

h. Proof that the applicant has financial liability coverage as defined in section 321.1, except that such coverage shall be in limits of not less than one hundred thousand dollars because of bodily injury to or death of one person in any one accident and, subject to the limit for one person, three hundred thousand dollars because of bodily injury to or death of two or more persons in any one accident, and fifty thousand dollars because of injury to or destruction of property of others in any one accident.

i. If the applicant is applying for a used motor vehicle dealer license, certification that the applicant has met the educational requirements for licensure under section 322.7A. The certification may be transmitted to the department by the education provider in electronic format.

j. Such other information touching the business of the applicant as the department may require.

2. For the purpose of investigating the matters contained in such application, the department may withhold the granting of a license for a period not exceeding thirty days.

3. For purposes of this section, “*bona fide address*” means the same as defined in section 321.1.

[C39, §5039.04; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §322.4]

90 Acts, ch 1057, §1; 94 Acts, ch 1199, §80; 97 Acts, ch 139, §12, 17; 2007 Acts, ch 51, §1; 2007 Acts, ch 143, §22; 2008 Acts, ch 1032, §107