

Buyer Agent Application Information

Buyer Agent Definition

A buyer agent is any person that is retained or hired by a consumer for a fee or other thing of value to assist, represent or act on behalf of a consumer in purchasing or leasing a motor vehicle. A person whose business includes the purchase of motor vehicles primarily for resale or lease (i.e. a motor vehicle dealer) cannot be a buyer agent. Any person having an ownership or financial interest in or an employment relationship with a dealership cannot be licensed as a buyer agent. Licensed salespersons cannot obtain a buyer agent license because they receive compensation from a dealer. Buyer agents are strictly prohibited from being employed or receiving any fee from a dealer.

Submitting Applications

Applications may be submitted anytime throughout the year. The Auto Industry Division will review the application and grant or deny a license based on the fitness of the applicant and its owners. Fitness is defined by state law as relating to criminal, licensing and financial character or record. The decision is normally made within 30 days of receipt of the application. If the license is denied, the applicant will be notified in writing and then may request an administrative hearing before the Executive Director of the Department of Revenue or his/her designee.

Application Packet

The buyer agent application packet may be obtained by contacting the Auto Industry Division at:

SBG.Colorado.gov/AID

The application packet includes:

- DR 2105 Buyer Agent License Application
- CR 0100AP Colorado Sales Tax Withholding Account Application
- FYI - General 14 - Opening a Business in Colorado
- Verification of Fingerprints

Each application must be completed providing all information requested and answering each question. Note, it is the business entity that is applying for the license, not the individual owner(s). The license is issued in the name of the business entity. The owner, partner, corporate officer, or LLC manager must sign each application.

If the applicant is applying as a partnership, including husband and wife partnerships, the applicant must provide a copy of the partnership agreement.

If the applicant is a corporation or limited liability company (LLC), one copy of each document listed below must be submitted:

- Articles of Incorporation or Organization with the Secretary of State's annotation "Filed Copy" plus ID Number.
- Secretary of State's Certificate of Incorporation/ Certificate of Authority for foreign corporation.
- Secretary of State Certificate of Assumed or Trade Name, If DBA is different than corporate or company names.

Application Fees

See the fee schedule for the amount due. This and other licensing fees are subject to change on July 1 of each year. Checks may be made payable to the Colorado Department of Revenue.

Credit Bureau Reports

The Auto Industry Division will obtain a credit bureau report from Experian. This report is a reflection of the applicant's financial fitness similar to financial statements. Derogatory information on the credit report, such as bankruptcy, foreclosure, judgments, liens, charge-offs, repossessions and collection actions may result in a rejection of the application. If there is derogatory information on the credit report, the applicant must explain or resolve the action.

Surety Bond Requirements

Buyer agents are required to have a \$5,000 surety bond. Applicants must contact an insurance or bonding company to determine if they are bondable. The bond form used must be approved by the Attorney General's Office; most Colorado bonding companies have the proper form. The bond must remain in effect for the same 12 months as the license and may be continued from year to year.

The bonding company must indicate that the entity is being bonded as a buyer agent. Please ensure that the bonding company has indicated that the bond is for a buyer agent not a salesperson or dealer.

The full legal name and DBA of the applicant must appear on the "principal" line of the bond as follows:

Individual:

John T. Smith, DBA Smith Motors

Partnership:

John T. Smith and Thomas R. Jones, DBA Nice Cars

Corporation:

ABC Car Sales, Inc. Or: ABC Car Sales, Inc., DBA XYZ Car Sales (if operating under an assumed name).

Limited Liability Company:

ABC Car Sales, LLC
Or: ABC Car Sales, LLC., DBA XYZ Car Sales, LLC (if operating under an assumed name).

Verification of Fingerprints

Provide a Verification of Fingerprints form (DR 2197) AND either a receipt/confirmation from a 3rd party vendor OR two (2) fingerprint cards. See the Auto Industry Division website listed above for specific requirements that must be met by all applicants.

Copy Of Identification

For each owner to prove lawful presence. Please review emergency rules in order to understand what constitutes "Proof of Lawful Presence."
Visit our website at:

SBG.Colorado.gov/AID

Trade Name Registration

Trade names must be filed electronically through the Secretary of State's web site:

www.sos.state.co.us

Please provide a copy of the registration with your packet.

Buyer agents should guard against using a trade name that gives the false impression that they sell motor vehicles. All other entities, such as corporations and LLC's, must register their trade name with the Colorado Secretary of State.

New Business Start-Up

The Department of Revenue's Taxpayer Service Division and the Small Business Development Hotline offer one-stop assistance to persons who want to start a new business.

The Small Business Development Navigator Hotline is located at 1625 Broadway Suite 2700, Denver. The phone number is 303-592-5920. This office provides assistance and information in a number of areas. The staff also offers management and financial referral assistance. The web site address:

www.advancecolorado.com

Submit The Application Packet

The application packet may be delivered in person to the Auto Industry. The AID Mailing/Physical address can be found on our website:

SBG.Colorado.gov/AID

Additional Information

For additional information contact AID at (303) 205-5604. The AID homepage has information available for consumers and dealers:

SBG.Colorado.gov/AID

Walk-in assistance is available at the Department of Revenue. The AID mailing address is listed at the top of this form. The physical address can be found on the AID website.

The fax number is (303) 866-2597. The e-mail address for the Auto Industry Division is:

dor_dealers@state.co.us