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STATE OF INDIANA  
AUTO DEALER SERVICES  
DIVISION

RACHAEL EHLICH  
Division Director

**BACKGROUND CHECK REQUIREMENT**

**General**

In this document, the Auto Dealer Services Division of the Indiana Secretary of State's Office ("ADSD") aims to address who is considered to be a dealer owner or dealer manager. ADSD also intends to address who must submit to a national criminal history background check.

**Who Is a Dealer Owner?**

Effective July 1, 2017, the term "dealer owner" was added to Indiana Code (IC 9-32-2-9.9). The term "dealer owner" was amended effective July 1, 2019. The term means the following persons are dealer owners and must be disclosed:

Manufacturer

One (1) or more officers, directors, or shareholders designated in writing by the manufacturer.

All other license types

- Corporation
  - each officer, director, and shareholder having a ten percent (10%) or greater ownership interest in the corporation
  - if the corporation has no officer, director, or shareholder having a ten percent (10%) or greater ownership interest in the corporation - one (1) or more officers, directors, or shareholders designated in writing by the board of directors
- Sole proprietorship
  - proprietor
- Partnership
  - each partner
- Limited liability company
  - each member

**Who is a Dealer Manager?**

Effective July 1, 2017, the term "dealer manager" was added to Indiana Code (IC 9-32-2-9.7).

The term "dealer manager" means "an individual who works at the established place of business of a dealer and who is responsible for and is in charge of the day to day operations, including the management, direction, and control of the dealership."

**Who Must Submit to a Background Check?**

Each *dealer owner* and *dealer manager* must submit to a background check before the Division can issue a license to a dealer.

Dealer Manager

- The individual that meets the definition above.



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**Dealer Owner (Individual)**

- The individual(s) that meet(s) the definition above.

**Dealer Owner (Business Entity)**

- Corporation
  - one (1) or more officers, directors, or shareholders designated in writing by the board of directors
- Sole proprietorship
  - proprietor
- Partnership
  - each partner
- Limited liability company
  - One (1) or more members of the company designated in writing by all members

**Relevant Law**

Ind. Code § 9-32-2-9.9

Ind. Code § 9-32-16-11(d)

**Revision History**

1. April 15, 2020: Initial Release
2. August 26, 2020: Revised to include dealer manager