24-7 Dealer Training Specialists

California Department of Motor Vehicles Approved

Dealer Education

AUTHOR: JESSICA BIARBE
FORMER DMV LICENSING INSPECTOR

24-7 Dealer Training Specialists ®

Vehicle Dealer Instruction Handbook

1185 Magnolia Ave #E-232

Corona, Ca 92879

Phone: (951) 833-8398

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The laws, rules, procedures and regulations regarding retail and wholesale only vehicle dealers change, be sure that you are aware of all the changes and are fully informed.

OCCUPATIONAL LICENSING INSPECTOR OFFICES

For Technical or Occupational Licensing Related Questions call 916-229-3126

Bakersfield%%: 5800 District Bl, Ste 100-C, 93313

Chico%%: 107 Parmac Rd. Ste 1, 95926

Covina:** 1365 N Grand Ave, Ste 102, 91724

El Cerrito##: 6400 Manila Ave 94530

Fairfield##: 4630 West America Dr. Ste H, 94533

Fresno**: 2510 S. East Ave, Ste 100A, 93706

Hayward##: 150 Jackson St., 94544

Los Angeles:** 3616 So Hope St, 90007

Orange:** 790 The City Drive South Ste 410, 92868

Sacramento**: 7226 Florin Mall Dr., 95823

San Bernardino:** 473 E Carnegie Dr. Ste 150, 92408.

San Diego:** 1455 Frazee Rd. Ste 420, San Diego, 92108

San Francisco##: 1377 Fell St., 94117

San Jose**: 90 Great Oaks Ste 104, 95119

Santa Maria##: 523 S. McClelland St., 93454

Van Nuys## 6150 Van Nuys Blvd. Ste 250, 91401

** Full Time Service Location

Limited Service

%% Designated Service

AB 68 Forms
Contract Cancellation Agreement - Law Form No CCOA
Condition of Vehicle – Law Form VCR
Vehicle Return Rejection
Notice to Vehicle Credit Applicant – Law Form NVCA
Optional Products & Services Disclosure – Law Form OPSD
California Foreign Language Acknowledgement – Law Form 542
Simple Interest Contract – Law Form 553 CA – English and Spanish
Buyers Guide – English and Spanish
Used Vehicle History Disclosure – Law Form 353
Identity Theft Prevention Program – Nationwide form #6126
Privacy Notice – Law Form PN1
Dealer Jackets
BPI - 800-339-9686, Nationwide (800) 221-0826, Reynolds & Reynolds 866-239-9841

Computer Program - DMS System for Retail Dealers:

AutoManager - Used car dealer software and websites. AutoManager provides DMS, Website, and CRM dealer software to help maximize profitability and optimize lead growth.
GET STARTED AT: www.automanager.com/247

How To Order Bulk DMV Forms: In particular REG 262
You must submit your request on letterhead, indicate form(s) by form number or form title, quantity needed, street address for delivery and telephone number. -*NO PO BOXES.* Mail request to:
Department of Motor Vehicles
Materials Management Section
Inventory Control Operations
4201 Sierra Point Drive Ste 112
Sacramento, Ca. 95834-1998
916 928-7901/Fax 916- 928-6817

Bond Company and Garage Liability Insurance:
Mike Gonzales - **Magic 98 Insurance 951-279-8060**

NMVTIS Provider: VinAudit.com – Use Promo code: 247 to ***receive 5 free reports***

Service Contracts/Gap Insurance Provider: Contact Jessica Biarbe for assistance 951-833-8398
Dealer Applications Completed: Contact Jessica Biarbe 951-833-8398

Auctions:

Hayward	510-786-4500
Anaheim	714-996-2400
Fresno	559-268-8051
Manheim	800-822-2886
Riverside	951-689-6000
Oceanside	760-754-3600
Fontana	909-822-2261

My Fresh Trades: 844-428-9638

Registration Services:
Ray's Registration Service: 951 203-0407
Quick Plates (Kelly): 714 965-7500

California Tax and Fee Admin: https://www.cdtfa.ca.gov/
Fictitious Name: Contact the County Registrar-Recorder
Ca Secretary of State: https://www.sos.ca.gov
DMV Web: https://www.dmv.ca.gov

Key Items To Remember For Your State Test

5 Days - refund $ for breach of contract

10 Days - Notice of Employment

10 Days - Notify DMV of Corp/Owner Change

20 Days - Pay a Consignor

20 Days- Post Registration fees for New Cars

$$ 30 Days - Pay ASF Fees

$$ 30 Days - Post Registration fees
$$ 30 Days - Grace period on <u>Renewal</u>
with <u>100%</u> penalty
48 Hours - Withdraw Advertisement

50 Days - Clear a Registration Item

Reminder: Any time you have to give the DMV Money: Pay, Post or Renew with 100% penalty your Answer for the DMV test will always be **<u>30 days,</u>** with the exception of posting fees on new vehicles (20 days)

NOTICE TO CUSTOMERS

IF THE SPANISH LANGUAGE IS USED DURING A CREDIT SALE, WE ARE REQUIRED BY LAW TO PROVIDE YOU WITH AN UNEXECUTED SPANISH LANGUAGE TRANSLATION OF THE CONTRACT OR AGREEMENT, PRIOR TO THE EXECUTION THEREOF.

AVISO AL CLIENTE

SI SE HABLA ESPANOL DURANTE UNA VENTA A CREDITO LA LEY NOS EXIGE PROPORCIONARLE, ANTES DE FIRMAR. UNA COPIA DEL CONTRATO O CONVENIO TRADUCIDO AL IDIOMA ESPANOL, DE ACUERDO CON LA EJECUCION PREVIA DE ELLO

NOTICE TO PUBLIC: INSPECTION OF VEHICLE

The prospective purchaser of a vehicle may, at his or her own expense and with the approval of the dealer, have the vehicle inspected by an independent third party either on or off these premises

11709.1 CVC

THERE IS NO COOLING-OFF PERIOD UNLESS YOU OBTAIN A CONTRACT CANCELLATION OPTION

California law does not provide for a 'cooling-off' or other cancellation period for vehicle lease or purchase contracts. Therefore, you cannot later cancel such a contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign a motor vehicle purchase or lease contract, it may only be canceled with the agreement of the seller or lessor or for legal cause, such as fraud.

However, California law does require a seller to offer a 2-day contract cancellation option on used vehicles with a purchase price of less than $40,000, subject to certain statutory conditions. This contract cancellation option requirement does not apply to the sale of a recreational vehicle, a motorcycle, or an off-highway motor vehicle subject to identification under California Law. See the vehicle contract cancellation option agreement for details.

California Vehicle Code Section 11709.2 Notice to Public: Contract Cancellation option.

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LESSON PLAN FOR THE NEW DEALER

Student Book

Department of Motor Vehicles Role

It is the intent of the Legislature to provide consumer protection. The Department of Motor Vehicles has been delegated to provide this consumer protection to the public. This protection is provided through the licensing, education, and regulation of all dealers.

Most Frequent Violations

1. Warranty: Dealers failing to repair or service vehicles properly while under warranty. Dealers have a duty to the purchaser to perform those services in a good and workmanlike manner.

2. Mechanical Condition: Dealers offering vehicles for sale which are in poor mechanical condition, i.e., brakes, tires, lights, horn, etc.

3. Failure to Transfer Title: Dealers failing or neglecting to transfer vehicles within the prescribed time period.

4. Misleading Advertising: Making any statement, whether in writing or orally, which is untrue or misleading.

Being a new dealer, this book will be a handy reference for you to keep for quick access for things that you need to know. Always remember that not knowing what to do is not an excuse.

California Car Buyer Bill of Rights Assembly Bill 68

1. Contract Cancellation Option

This contract modifies the existing "No Cooling off Period." It allows a retail buyer of a used vehicle that is for personal, family or household use to return a vehicle for any reason, two days after the day the vehicle has been delivered to the buyer and receives a full refund.

For example, your customer purchased a vehicle on Monday, which means they have till the close of business Wednesday to return the vehicle. If you are closed on Wednesdays, then the time would extend until Thursday at the close of your business and so on. The dealer has the choice to extend the time in which the customer must return the vehicle but cannot choose less than the second day after the vehicle was delivered to the buyer.

2. Contract Cancellation Option requirements

a. The customer needs to be asked if they wish to buy (can be offered at no cost) the Contract Cancellation Option.

b. If the customer declines the Contract Cancellation Option, then they will not be able to return the vehicle without the agreement of the seller or for legal cause, such as fraud.

c. It needs to be a retail sale.

d. The purchase price is $40,000 or less.

e. The vehicle is for personal, family or household use.

f. You need to give a full refund on the second day following the day that the buyer exercised the right to cancel the purchase.

g. This doesn't include motorcycles, off-road vehicles, or recreational vehicles.

h. It is not offered to a buyer who has exercised their rights under the contract cancellation option within the preceding 30 days.

i. A dealer is not required to give notice to a subsequent buyer of the return of a vehicle.

3. Contract Cancellation Option cost to a retail customer.

The term "cash price" excludes registration, transfer, titling, license, California tire and optional business partnership automation fees. The costs are as follows:

a. $75 or less for a vehicle with a cash price of $5,000 or less.

b. $150 or less for a vehicle with a cash price of $5,000 to $10,000.

c. $250 or less for a vehicle with a cash price of $10,000 to $30,000.

d. 1% or less for a vehicle with a cash price of $30,000 to $40,000.

4. Contract Cancellation Option restocking fees.

a. $175 or less for a vehicle with a cash price of $5,000 or less.

b. $350 or less for a vehicle with a cash price of $5,000 to $10,000.

c. $500 or less for a vehicle with a cash price of $10,000, but not more than 40,000.

Leased Vehicles: Allows a dealer to increase the restocking fee. The Increased amount shall be the amount the buyer would have been obligated to pay the Lessor, at the time of the termination of the lease for: * Excess Mileage, * Unrepaired damage * Excessive wear and tear.

5. You need to credit the price

The customer paid for the contract cancellation to the restocking fee. So, if the vehicle's contract cost $75 you would take it away from the restocking fee of $175. That would leave you with $100 the customer would need to pay.

6. What needs to be on a contract cancellation option?

a. The name of the buyer and seller.

b. Year, make, model, and Vehicle Identification Number.

c. A statement specifying the time within which the buyer must exercise the right to cancel the purchase under the contract cancellation option and return the vehicle to the dealer. The dealer shall not specify a time that is earlier than the dealer's close of business on the second day following the day on which the vehicle was delivered to the buyer by the dealer.

7. A statement that clearly and conspicuously specifies the dollar amount of any restocking fee the buyer must pay to exercise the right to cancel the purchase under the contract cancellation option.

8. A statement specifying the maximum number of miles that the vehicle may be driven after its original delivery by the dealer to the buyer to remain eligible for cancellation under the contract cancellation option**.** <u>A dealer shall not specify fewer than 250 miles.</u>

9. A statement that the contract cancellation option gives the buyer the right to cancel the purchase and obtain a full refund, minus the purchase price for the contract cancellation option agreement; and that the right to cancel will apply only if:

a. A written notice exercising the right to cancel the purchase signed by the buyer.

b. Any restocking fee specified in the contract cancellation option agreement minus the purchase price for the contract cancellation option agreement.

c. The original contract cancellation option agreement, vehicle purchase contract and all related documents. Basically, all the documents that were signed during the negotiations for the purchase of the motor vehicle.

d. The vehicle is free of all liens and encumbrances, other than any lien or encumbrance created by or incident to the conditional sales contract. This should include any type of lien that was created due to parking and toll road violations.

e. The vehicle needs to be in the same condition as when it was delivered by the dealer to the buyer, reasonable wear and tear and any defect or mechanical problem that manifests or becomes evident after delivery that was not caused by the buyer excepted. It would be a good idea to have some type of vehicle documentation showing the condition of the vehicle that you are selling. This could include digital photos. It would also be a good idea to document the condition of the vehicle that your customer is trading in if they have one. When you document information, the dealer and the customer should both sign and date all copies. All copies of signed documents need to be given to the customer.

f. The vehicle must not have been driven beyond the mileage limit specified in the contract cancellation option agreement.

g. The buyer needs to sign and date all documents that will be needed so the dealer can execute documents reasonably necessary to effectuate the cancellation and refund as reasonably required to comply with applicable law.

10. At the bottom of the contract cancellation option agreement, a statement that may be signed by the buyer to indicate the buyer's election to exercise the right to cancel the purchase under the terms of the contract cancellation option agreement, and the last date and time by which the option to cancel may be exercised, followed by a line for the buyer's signature. A particular form of statement is not required, but the following statement is sufficient: "By signing below, I elect to exercise my right to cancel the purchase of the vehicle described in this agreement." The buyer's delivery of the purchase cancellation agreement to the dealer with the buyer's signature and date following this statement shall constitute sufficient written notice exercising the right to cancel the purchase.

11. The dealer shall provide the buyer with the statement required by this paragraph in duplicate to enable the buyer to return the signed cancellation notice and retain a copy of the cancellation agreement.

12. How this works

Let's start with you selling a vehicle that costs $5,000 or less. While you are filling in the Conditional Sales Contract there will be a place where you need to ask your customer if they want to have a Contract Cancellation Option. For demonstration purposes let's say that the answer is yes. You will need to have a separate document from the conditional sales contract stating these things:

a. Name of the buyer and the seller.

b. Description of the vehicle and the Vehicle Identification Number.

c. You must state what day and time is required to have the vehicle returned to the dealer to remain eligible.

d. A statement that tells the customer that a contract cancellation option gives them the right to cancel the purchase and obtain a full refund minus the cost of the contract cancellation option.

e. A statement that plainly indicates the dollar amount of any restocking fee.

f. A statement of the maximum number of miles the customer may drive to remain eligible. This is no less than 250 miles.

g. The vehicle needs to be returned in the same condition as when it was delivered to the buyer. The customer is allowed reasonable wear and tear, and any mechanical problems that develop after the buyer takes possession of the vehicle.

h. You need to have a place on the contract for the customers to sign if they choose the option to cancel.

i. You need to supply two contract cancellation options for the buyer so when he/she returns the vehicle they can retain a copy for their records.

13. The sales contract must contain a disclosure next to the area that is used for the buyer signature explaining that a used vehicle can be returned, and the transaction cancelled if the vehicle is returned within the specified time that is stated in the Contract Cancellation Option. Referenced as "No Cooling Off Period." The No Cooling Off signs need to be posted in the showrooms, and all locations where terms and conditions of sales are taking place, including sales cubicles and finance offices.

14. You need to understand

The vehicle is sold as of the date that the buyer signs the contract and takes delivery. You cannot void the Report of Sale (Reg 51) after the vehicle has been driven on the streets. You cannot use dealer plates on a vehicle that has been sold. The vehicle still needs to be registered within 30 days of the date of sale. However, you do have a choice of posting the fees in the purchaser's name.

15. Returning a Vehicle when a Contract Cancellation Option is applied.

When a customer returns a vehicle under a contract cancellation option, they must give written notice of the cancellation to the dealer at the address that is stated on the conditional sales contract and return the vehicle to the dealer within the time required by the contract. Along with these other conditions:

a. The vehicle must be in the same condition at the time of delivery except for reasonable wear and tear.

b. The vehicle must not have been driven over 250 miles (or more if the dealer chose a higher number) that was listed on the contract cancellation option.

c. The buyer must return all the documentation that was given to them at the time of sale. Conditional sales contract, Report of Sale window copy, buyers guide, loan documents, and any other documents that were given by the dealer.

d. The vehicle must be free of all liens and encumbrances other than the ones created by the conditional sale contract, any loan arranged by the dealer, or any loan obtained by the buyer from a third party.

e. After a customer has returned a vehicle that has fulfilled all the requirements, the dealer must provide the buyer a full refund including that portion of the sales tax attributable to amounts excluded pursuant to Section 6012.3 of the Revenue and Taxation Code, no later than the second day following the day on which the buyer returned the vehicle to the dealer. Any portion of the money that the dealer keeps is taxable.

f. Full Refund" for the above purposes includes the return of any vehicle or property that was used as a down payment. These are the rules regarding trade-ins.

16. If the purchase included a trade-in

If you charge a buyer for a contract cancellation option or not, you must retain the trade-in until the contract cancellation expires, or the vehicle is returned for a full refund. If you have accidentally sold or otherwise disposed of their vehicle and you have safeguards to prevent that from happening it may not be deemed a violation. When the vehicle is accidentally disposed of, you must give your customer a "full refund that shall include retail market value of the motor vehicle left as a down payment or trade-in, or its value as stated in the contract or purchase order, whichever is greater."

Senate Bill 95 establishes a requirement that when a dealer purchases or obtains a vehicle in trade the dealer must pay off the prior credit or lease balance within 21 calendar days. Dealers are prohibited from selling or transferring any ownership interest until they have complied with this obligation. A copy of the bill can be obtained at http://www.leginfo.ca.gov.

17. This is the requirement for fees/registration/ documents – (Rollback)

When a vehicle is returned with a contract cancellation option you are required to mark in the electronic system as a rollback and the reason for the rollback. Any temporary license plate issued will be void. The dealership Owner or Manager will be required to approve the rollback in the system.

a. The Report of Sale–Used Vehicle (REG 51) cannot be voided if the buyer returns the vehicle after it has been operated so as to cause fees to become due, even if it is returned before the registration or transfer application is completed.

b. All fees are due within 30 days of the date of sale shown on the REG 51 to avoid any late penalty or ASF. The fees due may be posted in the dealer's name or the first buyer's name.

When the rollback vehicle is subsequently sold to a second buyer or registered in the dealer's name, the requirements are:

1. The California Certificate of Title endorsed by the first and second buyers.

2. A Statement to Record Ownership (REG 101) completed in the second owner's name showing the name of the legal owner/lienholder, if appropriate. NOTE: Electronic Lien and Title (ELT) Program lien holders are assigned specific name and address abbreviations which must be entered on the application exactly as shown in the latest ELT listing issued by the department. New listings are issued in a Vehicle Industry News Memo.

3. A Lien Satisfied (REG 166) from the lien holder, if any, for the first buyer. EXCEPTION: A lien satisfied is not required if financing was not approved for the first sale or the lien holder for the second buyer is the same as the first buyer.

4. A Statement of Facts (REG 256) completed which contains all the following:

a. The name of the buyer who returned the vehicle and the date returned.

b. The reason the vehicle was returned (for example, credit unavailable).

c. If the vehicle was voluntarily returned by the buyer.

d. How the vehicle was sold (under conditional contract, chattel mortgage, etc.).

e. If a trade-in was returned to the buyer.

f. If a down payment was returned and whether it was a cash down payment or cash in addition to a trade-in.

g. A bill of sale from the first buyer to the dealer. (Reg 262)

h. Two Reports of Sale–Used Vehicle (REG 51), one for the first and second buyer.

i. Odometer mileage disclosure for each buyer.

j. A smog certification. A smog certification issued to a dealer is valid for two years or until the vehicle is sold and registered to a retail buyer, whichever occurs first.

k. Two transfer fees and any other fees due.

18. The registration fees that were collected

Registration fees must be returned to the buyer when the contract cancellation option is used. If the vehicle was not currently registered at the time of sale, then those fees must be posted because the vehicle was operated causing the fees to become due. A dealer can collect prorated registration fees depending on the number of months left in the registration year from a succeeding buyer.

19. New Disclosure Requirements

Credit Score: If a dealer uses a credit score from a consumer reporting agency for use in connection with an application for credit started by a consumer for the purchase or lease of a motor vehicle for personal, family or household use, will give the following information in at least 10-point boldface type on a document separate from the sale or lease contract. This does not apply to motorcycles or off highway motor vehicles subject to identification.

a. Your Credit score: List the credit score, the source of the credit report and date the score was created.

b. Understanding your Credit Score: Your credit score is a number that reflects the information in your credit report. Your credit report is a record of your credit history and includes information about whether you pay your bills on time and how much you owe to creditors. Your credit score can change, depending on how your credit history changes.

c. How we use your credit score: Your credit score can affect whether you can obtain a loan and how much you will have to pay for the loan.

d. The range of scores: Generally, the higher your score, you are most likely to be offered better credit terms. List the credit range from the low to high numbers.

e. How your score compares to scores of other consumers: This is presented in the form of a bar graph containing a minimum of six bars that illustrate the percentage of consumers with credit scores within the range of scores reflected in each bar. Or you may inform the consumer how his or her credit score compares to the scores of other consumers.

f. What if there are mistakes in your credit report? You have the right to dispute inaccurate information in your credit report. Contact the consumer reporting agency to report any discrepancies.

g. How can you obtain a copy of your credit report? A free annual credit report from each of the reporting agencies may be obtained by telephone, on the web or by mail. Information about credit reports and your rights visit the Federal Reserve Board's web site at

www.federalreserve.gov or Federal Trade Commission web site at: www.ftc.gov

20. Pre-Contract Disclosure

Before the execution of a conditional sale contract, for the sale or lease of a vehicle, the dealer will give to the buyer, and obtain the buyer's signature on a written statement that has the following information:

1. A description and the price of each item sold if the contract includes a charge for the item.

a. A service contract.

b. An insurance product.

c. A debt cancellation agreement.

d. A theft deterrent device.

e. A surface protection product.

f. A vehicle contract cancellation option agreement.

2. The sum of all the charges disclosed under subdivision (a), labeled "total."

3. The amount that would be calculated under the contract as the regular installment payment if charges for the items disclosed pursuant to subdivision (a) are not included in the contract. The amount disclosed pursuant to this subdivision shall be labeled "Installment Payment EXCLUDING Listed Items."

4. The amount that would be calculated under the contract as the regular installment payment if charges for the items disclosed under subdivision (a) are included in the contract.
The amount disclosed pursuant to this subdivision shall be labeled "Installment Payment INCLUDING Listed Items."

5. The disclosures required under this section shall be in at least 10-point type and shall be contained in a document that is separate from the conditional sale contract and a purchase order.

THESE DISCLOSURES MUST BE PROVIDED; FAILURE TO COMPLY IS CAUSE FOR ACTION AGAINST A DEALER'S LICENSE AND A MISDEMEANOR CRIME

21. Cap on Finance Markup Rate

When assigning a conditional sales contract, a seller shall not receive or accept a finance charge from the assignee that does not exceed 2 ½ percent for a contract having an original scheduled term of 60 monthly payments or less, or 2 percent for a contract having an original scheduled term of more than 60 monthly payments. This does not apply in the following circumstances:

a. An assignment that is with full recourse or under other terms requiring the seller to bear the entire risk of financial performance of the buyer.

b. An assignment that is more than six months following the date of the conditional sale contract.

c. Isolated instances resulting from bona fide errors that would otherwise constitute a violation of subdivision (a) if the seller maintains reasonable procedures to guard against any errors and promptly, upon notice of the error, remits to the assignee any consideration received in excess of that permitted.

d. The assignment of a conditional sales contract involving the sale of a motorcycle or an off-highway motor vehicle.

22. Restriction in Advertising connected with Certified Used Vehicle.

Advertising the sale of a used vehicle as "Certified" or any other similar descriptive term, implies that the vehicle has been certified to meet the terms of a used vehicle certification program. You must give your customer a completed inspection report indicating all the components inspected.

These vehicles do not meet the terms of a used vehicle certification program if any of the following apply:

a. The dealer knows or should have known that the odometer on the vehicle does not indicate actual mileage, has been rolled back or otherwise altered to show fewer miles, or replaced with an odometer showing fewer miles than actually driven.

b. The dealer knows or should have known that the vehicle was reacquired by the vehicle's manufacturer or a dealer pursuant to state or federal warranty laws.

c. The title to the vehicle has been inscribed with the notation "Lemon Law Buyback," "manufacturer repurchase," "salvage," "junk," "non-repairable," "flood," or similar title designation required by this state or another state.

d. The vehicle has sustained damage in an impact, fire, or flood, which after repair prior to sale substantially impairs the use or safety of the vehicle.

e. The dealer knows or should have known that the vehicle has sustained frame damage.

f. Prior to sale, the dealer fails to provide the buyer with a completed inspection report indicating all the components inspected.

g. The dealer disclaims any warranties of merchantability on the vehicle.

h. The vehicle is sold "AS IS."

i. The term "certified" or any similar descriptive term is used in any manner that is untrue or misleading or that would cause any advertisement to be in violation.

j. This section does not void or limit any disclosure obligation imposed by any other law.

k. This section does not apply to the advertisement or sale of a used motorcycle or a used off highway motor vehicle subject to identification.

l. It is a violation of the provisions concerning advertisement of certified used vehicles and gives cause for legal action under **1.** The Consumer Legal Remedies Act. **2.** The Unfair Competition Law. **3.** Section 17500 of the Business and Profession Code prohibiting false or misleading advertising. **4.** Any other applicable state or federal law

23. New Causes of Action Created by Assembly Bill 68

It is unlawful and a violation of this code for the holder of any dealer's license issued under this article to do any of the following:

a. Negotiate the terms of a vehicle sale or lease contract and then add charges to the contract for any goods or services without previously disclosing to the consumer the goods and services to be added and obtaining the consumer's consent.

b. Inflate the amount of an installment payment or down payment or extend the maturity of a sale or lease contract for the purpose of disguising the actual charges for goods or services to be added by the dealer to the contract.

c. "Goods or services" mean any type of good or service, including, but not limited to, insurance and service contracts.

d. Not providing all the new disclosures required by Assembly Bill 68.

e. Not following the Finance Charge Rate by accepting over 2 ½ percent with contracts under 60 months and 2 percent with contracts over 60 months.

Conditional Sales Contract

1. In plain terms: A conditional sales contract is any contract for the sale of a motor vehicle between a buyer and a seller, a lien is created, and payments are to be made to a lien holder.

2. Signatures of the buyer and the seller:
A conditional contract or a purchase order must be signed by both the buyer(s) and the seller. The seller shall not obtain the signature of the buyer(s) on a contract when it contains blank spaces to be filled in after it has been signed.

3. Copies must be furnished to the buyer
An exact copy of the contract or purchase order shall be furnished to the buyer by the seller at the time the buyer and the seller have signed it. Every conditional sale contract subject to this chapter shall be in writing and, if printed, shall be printed in type no smaller than 6-point, and shall contain in a single document all the agreements of the buyer and seller with respect to the total cost and terms of payment for the motor vehicle, including any promissory notes or any other evidence of indebtedness. No motor vehicle shall be delivered pursuant to a contract subject to this chapter until the seller delivers to the buyer a fully executed copy of the conditional sale contract or purchase order and any vehicle purchase proposal and any credit statement which the seller has required or requested the buyer to sign and which he or she has signed during the contract negotiations.

Motor Vehicle Financing – California Civil Codes

1. Terms of Financing

a. "Seller" means a person engaged in the business of selling or leasing motor vehicles under conditional sale contracts.

b. "Buyer" means the person who buys a motor vehicle under a conditional sale contract.

c. "Person" includes an individual, company, firm, association, partnership, trust, corporation, limited liability company, or other legal entity.

d. "Cash Price" means the amount for which the seller would sell and transfer to the buyer title to the motor vehicle described in the contract, if the vehicle was sold for cash at the seller's place of business on the date the contract is executed, and shall include the appropriate taxes on the cash sale and the cash price of accessories or services related to the sale such as delivery, installation, alterations, modifications, improvements, document preparation fees, a service contract, and payment of a prior credit or lease balance remaining on property being traded in. e

e. "Down Payment" Cash portion paid by a buyer from his/her own funds, as opposed to that portion of the purchase price which is financed. Any payment which the buyer pays or agrees to pay to the seller in cash or property value or money's worth at or prior to delivery by the seller to the buyer of the motor vehicle described in the conditional sale contract. The term shall also include the amount of any portion of the down payment, the payment of which is deferred until not later than the due date of the second otherwise scheduled payment if the amount of the deferred down-payment is not subject to a finance charge. The term does not include any administrative finance charge charged, received or collected by the seller as provided in this chapter.

f. “Amount Financed" The dollar amount of the credit that is provided to you. The total amount of money that is left over after the down payment and other credits have been deducted from the total cost of the vehicle.

g. "Unpaid Balance" Is the dollar amount left over after all credits have been applied.

h. "Finance Charge." The finance charge is the dollar amount you pay to use credit. The amount depends in part on your outstanding balance and the APR. The meaning set forth for that term in Section 226.4 of Regulation Z. The term shall not include delinquency charges or collection costs and fees as provided by subdivision (k) of Section 2982, extension or deferral agreement charges as provided by Section 2982.3, or amounts for insurance, repairs to or preservation of the motor vehicle, or preservation of the security interest therein advanced by the holder under the term of the contract.

i. "Total of Payments” The sum of the periodic payments, the end-of-term disposition fee, any other charges, and all amounts due at lease signing or delivery, minus refundable amounts such as a security deposit and any monthly payments included in the amount due at lease signing or delivery.

j. "Motor Vehicle" means any vehicle required to be registered under the Vehicle Code which is bought for use primarily for personal or family purposes and does not mean any vehicle which is bought for use primarily for business or commercial purposes. "Motor vehicle" does not include any trailer which is sold in conjunction with a vessel, and which comes within the definition of "goods" under Section 1802.1.

k. "Purchase Order" means a sales order, car reservation, and statement of transaction or any other instrument used in the conditional sale of a motor vehicle pending execution of a conditional sale contract. The purchase order shall conform to the disclosure requirements of subdivision (a) of Section 2982 and Section 2984.1 and the provisions of subdivision (m) of Section 2982 shall be applicable thereto.

l. "Regulation Z" means any rule, regulation or interpretation published by the Board of Governors of the Federal Reserve System ("Board") under the Federal Truth in Lending Act, as amended (15 U.S.C. 1601, et seq.), and any interpretation or approval issued by an official or employee of the Federal Reserve System duly authorized by the board under the Truth in Lending Act, as amended, to issue such interpretations or approvals.

m. "Simple-interest basis" means the determination of a finance charge, other than an administrative finance charge, by applying a constant rate to the unpaid balance as it changes from time to time, it is calculated on the basis of a 365-day year and actual days elapsed (although the seller may, but need not, adjust its calculations to account for leap years).

n. "Pre-Computed Basis" means the determination of a finance charge by multiplying the original unpaid balance of the contract by a rate and multiplying that product by the number of payment periods elapsing between the date of the contract and the date of the last scheduled payment.

Section 2985.8 Civil Code: This applies to New and Used Car Dealers – Lease Contracts. A brief description of each vehicle or other property being traded in and the agreed upon value of the vehicle or property if the amount due at the time of signing the lease or upon delivery is paid in whole or in part with a net trade-in allowance or the "Itemization of Gross Capitalized Cost" includes any portion of the outstanding prior credit or lease balance from the trade-in property.

2. Allowable Interest Rates

a. All contracts entered into between a buyer and a seller on or after January 1, 1983, shall provide for the calculation of the finance charge contemplated by item (A) of paragraph (1) of subdivision (j) of Section 2982 on the simple-interest basis, if the date on which the final installment is due, according to the original terms of the contract, is more than 62 months after the date of the contract.

b. No contract shall provide for a finance charge which is determined in part by the pre-computed basis and in part by the simple-interest basis except for any finance charge permitted by subdivisions (a) and (c) of Section 2982.8 California Civil Code.

c. The interest rate is set by the dealer who is holding the contract or the financial institution who will make the loan on the vehicle. Dealers can also arrange to work with different financial institutions so you should check with several different ones to see what they can offer you.

3. Computation of Interest and Conversion to Annual Percentage Rate (APR). Programs are available

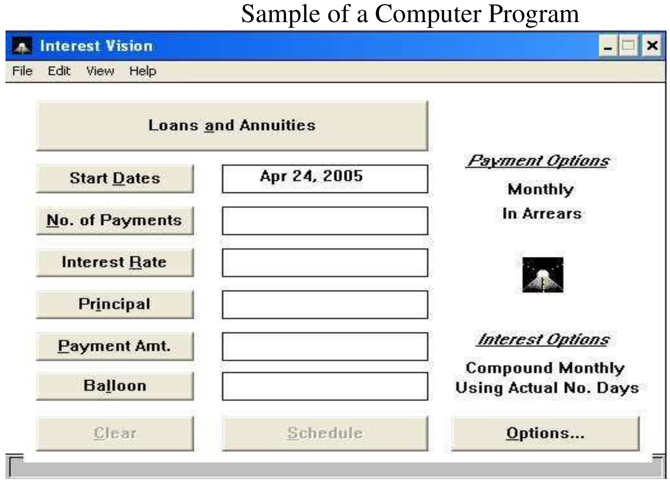
a. The annual percentage rate (APR) is the percentage calculation that reflects the total cost of a loan (interest plus all fees) on an annual basis.

b. Programs will compute the Annual Percentage Rate (APR) by simply filling in the blanks. You can do number of payments interest rate and principal and get your payment amount, or any other combination.

c. This program will also print an amortization schedule.

d. It would be a good idea for you to print 2 amortization schedule one for the customer and have the buyer sign the dealer's copy. That way the payoff is known for any given month. It is illegal to keep any unearned interest.

Sample of a Computer Program



Computation of monthly payments For Each $1,000

Annual %-B	Months-C				
	12	24	36	48	60
10.00%	$87.92	$46.14	$32.27	$25.36	$21.26
11.00%	$88.44	$46.64	$32.76	$25.86	$21.76
12.00%	$88.85	$47.07	$33.21	$26.33	$22.24
13.00%	$89.31	$47.54	$33.69	$26.82	$22.75
14.00%	$89.78	$48.01	$34.17	$27.32	$23.26
15.00%	$90.32	$48.52	$34.70	$27.86	$23.82
16.00%	$90.73	$48.96	$35.15	$28.34	$24.31
17.00%	$91.15	$49.35	$35.75	$28.91	$24.72
18.00%	$91.92	$49.93	$36.15	$29.37	$25.14
19.00%	$92.15	$50.40	$36.57	$29.79	$25.81
20.00%	$92.60	$50.76	$37.21	$30.45	$26.44

HOW TO CALCULATE PAYMENTS MANUALLY

A : The amount of the loan or financing amount $ ______A______
B : The interest rate ______B___%
C : Length of time that it is financed ______C_____
D : On the chart find out where the interest rate
(B) and the length of the loan (C) intersect. _____D______
E : Divide your loan/financing amount (A) by $1,000 _____ E______

Use the chart and lookup 10% interest for 60 months and the price of the car is $10,000
(A) is $10,000
(B) Is 10% (amount is $10,000 (A) divided by 1000 = 10) Insert
10 in the (E) column.
(D) The lines intersect at $21.26 Multiply amount per thousand $21.26 (D) by 10 (E) = $212.60, Your payment per month is $212.60

MULTIPLY (D) BY (E) = TOTAL MONTHLY PAYMENTS
$21.26 X 1000 = $212.60

Truth in Lending

1. Disclosures

a. The Truth in Lending Act is to assure the disclosure of consumer credit and lease terms, including those that are advertised. That way the consumer can compare terms and shop for credit. When a dealer has an advertisement that states consumer credit or consumer lease, Advertisers, Creditors, and Lessors, must comply with this law.

b. The contract shall disclose on its face, by printing the word "new" or "used" within a box outlined in red, that is not smaller than one-half inch high and one-half inch wide, whether the vehicle is sold as a new vehicle, or a used vehicle.

c. Disclosures must be legible and reasonably understandable. When a customer asks you the dealer about the cost of credit on a vehicle, you must tell them the annual percentage rate. With Closed-end Credit you give a periodic or simple interest rate that is applied to an unpaid balance. With Open-end Credit you are required to state the APR and give the Periodic Rate. All aspects of the credit are explained including things like pickup payments, balloon payments, and escalated payments.

d. The Truth in Lending Act requires that, before you sign a financing agreement, creditors give you written disclosure of important terms of the credit agreement such as APR, total finance charges, monthly payment amount, payment due dates, total amount being financed, length of the credit agreement and any charges for late payment.

e. The Equal Credit Opportunity Act prohibits discrimination related to credit because of your gender, race, color, marital status, religion, national origin or age. It also prohibits discrimination related to credit based on the fact that you are receiving public assistance or that you exercised your rights under the Federal Consumer Credit Protection Act.

f. <u>This regulation, known as Regulation Z, is issued by the Board of Governors of the Federal Reserve System to implement the Federal Truth in Lending Act.</u>

g. Purpose: The purpose of this regulation is to promote the informed use of consumer credit by requiring disclosures about its terms and cost.

h. Coverage: In general, this regulation applies to each individual or business that offers or extends credit when these conditions are met:

- The credit is offered or extended to consumers.
- The offering or extension of credit is done regularly.
- The credit is subject to a finance charge or is payable by a written agreement in more than 4 installments.

2. Liability for violations

Dealers must remain in compliance with the advertising requirements of this Act. Under the FTC's (Federal Trade Commission) jurisdiction advertisers of consumer credit and consumer leases are subject to enforcement actions.

a. Orders issued by the FTC to cease and desist from violating the Act. Subsequent violations of the FTC order may result in a civil penalty up to $11,000 for each day the violation continues or

b. An injunction is issued by federal district courts against future violations.

c. Anyone harmed by a noncomplying consumer lease advertisement may sue for:

- Actual Damages
- 25% of the monthly payments under the lease (Not less than $100, not more than $1000)
- Court Costs & Reasonable Attorney Fees

3. Contract not executed

A contract on a vehicle is not fully executed until the buyer and dealer have signed the contract, the buyer receives a copy of the contract and takes possession of the vehicle. Once the front tires hit the street the new owners have taken possession.

4. Breach of conditional sales contract

When credit cannot be obtained then it would be considered a breach of a conditional sales contract. Remember – there is a 10 day timeline that a customer must receive a rescission letter, this letter is binding.

NOTE: a dealer cannot keep the down payment as a service fee. The seller must reimburse all forms of the down payment within 5 business days.

5. Languages other than English

The buyer has the right to request contracts, purchase order and buyers guide in the languages they are negotiated, primarily in Chinese, Korean, Spanish, Tagalog, or Vietnamese. Display a notice in the language the contract is negotiated, stating the contract translation is required to be provided to the customer.

a. If a customer uses an interpreter, the interpreter:

- Must be able to fluently speak/read both English and the interpreted language.
- Be 18 years of age or older.
- Cannot be an employee of the business offering the contract.
- Cannot be a person whose service is made available by the business negotiating the contract.

b. Before a customer signs a contract/agreement negotiated in the above stated languages, give the customer time to review the document, and if necessary, consult with others about the terms.

c. When negotiations are in Spanish, a Spanish translation of the Buyers Guide must be posted/ displayed on the vehicle before the vehicle is discussed with the customer. The English language terms of the contract determine the rights and obligations of the parties.

6. Consignment Agreements

a. If a dealer takes a vehicle on consignment, they must follow the same rules as if they were selling one of their own vehicles from the dealer's inventory.

b. It is unlawful to consign a new vehicle for sale with another dealer.

c. A wholesale dealer may not consign their inventory to a retail dealer. You must complete a wholesale report of sale.

d. California Car Buyers' Protection Act of 2009 requires a dealer to pay the outstanding loan or lease balance, or other amounts specified in the purchase agreement when a vehicle is acquired through a purchase or trade-in within 21 calendar days. However, this does not apply when a dealer offers a vehicle for sale under consignment, which is not part of a purchase agreement.

e. Statements Required For A Consignment Sale.

A consignment agreement required by California Law, shall contain all of the following terms, phrases, conditions, and disclosures. The Date the agreement is executed and what is listed below.

I (we), the undersigned consigner (s), hereby consign and deliver possession of my (our) vehicle, which is a (year) ______ (make) _____________ (ID #) ________ (license) ________ (state) _______ (mileage) _________ , to (consignee) ________ (dealer #) _______for the sole purpose of selling the vehicle and paying, to the consignor or his or her designee from the proceeds of the sale of the vehicle, is effective and valid only for a period of ______ days from this date.

If a vehicle doesn't sell and the agreement is terminated the dealer shall return the vehicle to its owner unless they come to a new agreement and a new consignment contract is signed.

The following information shall be completed prior to the signing of this agreement:

1. Current market value: $_________, Source: __________________ Outstanding liens: $_________ Lien holder :___________, repairs to be made : $________ Work Order # _________.
2. Any difference between the outstanding amount shown and the actual payoff to the lien holder will be credited to the consignor.
3. Moneys to the consignor: _________ percent of sale price, flat fee of $_______ or the following specific formula: ______.
4. The consigned vehicle is delivered to the consignee (dealer) in trust for the exact terms set forth in this agreement. The consignee agrees to receive this vehicle in trust and not to permit its use for any other purpose other than contained in this agreement without the express written consent of the consignor.
5. Upon payment of the money due the consignor, the consignor agrees to furnish the consignee (dealer) those documents necessary to transfer the ownership of the vehicle to the purchase.
6. Notice to consignor: Failure of the consignee to comply with the terms of this agreement, or to pay the agreed amount to the consignor or his /her designee within 20 days after the date of sale may be a violation of statute which could result in criminal or administrative sanctions, or both. If you feel the consignee has not complied with the terms of this agreement, please contact an Investigator of the Department of Motor Vehicles.

7. Dealer carrying the contract

As the dealer, if you want to carry the contract on a car means that you are financing the cost of the vehicle. You would need to set up a down-payment and payment schedule. You need to decide what percentage interest you would charge and processing fees such as credit reports. Make sure of all the laws so you don't make any mistakes. Using the simple interest may be the safest way.

8. Federal Law - Gramm-Leach-Bliley Act (Privacy Policy)

The Financial Services Modernization Act of 1999. Federal law requires you to give a copy of your privacy policy to make sure your customer's private information stays secure and confidential. This rule ensures that any financial institution respect their customers privacy. It allows the customer the option to "opt-out" and not allow the sharing of their personal information. This Act became effective 11- 2000. Compliance was required effective 7-1- 2001. In short, if your customer completes a credit application that requires personal information such as their driver license number, social security number, home address and phone number, your customer has the right to know if their information will be shared. If your customer "opts-out" of your policy, federal law prohibits you from sharing their nonpublic personal information for purposes such as market research companies, finance service providers or other institutions the dealer may have agreements with. The business employees and agents are prohibited from giving information about their customers that would be in violation of any applicable law pertaining to their privacy policy. Under the law, a representative of a financial institution may choose not to provide a privacy statement or "opt out", if the financial institution or representatives provide the customer with the insurer's privacy statement and the agent of the financial institution does not share the customer's nonpublic personal information with anyone except the financial institution or its affiliates. These notices must be provided at the time the customer relationship is established and annually thereafter. Every entity must develop initial and annual privacy notices, even if they do not share information with nonaffiliated third parties. Safeguards Rule requires that financial institutions that collect or receive customer's information, implement and maintain safeguards to protect that information.
Liability For Violations: There are generally 3 categories of a potential resolution:

- Fines: In a number of states, violations of the privacy laws are punishable by fines levied against the company. The fines may be on a “per occurrence” basis.
- Unfair Trade Practices Act: In many states, violations of the privacy law are punishable under the state’s “Unfair Trade Practices Act”.
- Class Action Lawsuit: State privacy laws may specifically allow class action lawsuits thereby opening a company to significant damages both monetarily and to their reputation.

9. Red Flag and Discrepancy Rules:

Effective 1-1-2008, the Federal Trade Commission’s “Identify Red Flag Rules” were implemented. The term “Red Flag” refers to a pattern, practice or specific activity that indicates the possible existence of identity theft. The rules specifically identify types of organizations defined as creditors, which expand beyond financial institutions to include vehicle dealers. Identity theft results in billions of dollars in losses each year to individuals and businesses. Beginning December 2010, all vehicle dealers who engage in financing activities are required to comply with the Red Flag Rules, which require development and implement a written Identity Theft Detection Program. The four basic elements that must be included in the dealer’s program are “reasonable policies and procedures” to:

a. Identify relevant Red Flags for a covered amount and incorporate those Red Flags into the program.

b. Detect Red Flags that have been incorporated into the program.

c. Respond appropriately to any Red Flags that are detected to prevent and mitigate identity theft.

d. Ensure the program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the dealer from identity theft.

The rules also itemize steps that must be taken to administer the dealer’s program. These steps include obtaining approval of the initial written Programs by the Board of Directors, a committee of the board or a designated employee at the level of senior management, ensuring oversight of the development, implementation and administration of the Programs, and training staff. To achieve and maintain compliance, you should seek assistance from associations, attorneys or a compliance company. You may obtain complete information through the Internet at: https://www.ftc.gov/business-guidance/privacy-security/red-flags-rule .

10. Defaults on contract: If the buyer fails to make a scheduled payment or fails to ensure the vehicle as required the contract will be in default. If a default on a contract does occur, the vehicle can be repossessed. The DMV has rules and regulations regarding the repossession of the vehicle, prior to the vehicle being resold.
Pursuant to the Business & Professions Code Section 7502, no person shall engage within this state in the activities of a repossession agency as defined, unless the person holds a valid repossession agency license or is exempt from licensure pursuant to section 7500.2 or 7500.3. More information may be obtained at www.bsis.ca.gov/ (Bureau of Security & Investigative Services).

11. Documentation preparation fee (DOC): This is the fee that the dealer can charge for preparing the paperwork related to the sale of the vehicle. The prior DOC fee was $50.00. However, effective 1-1-2019, a dealer cannot charge more than $70.00 for a doc fee. If you charge one customer for a doc fee, then you must charge them all the same amount. A dealer may not represent the doc fee as a governmental fee.

Sales and Use Tax

1. Collection of taxes:

a. It is a violation of this code for a dealer to sell a motor vehicle on a retail basis, without collecting sales tax. Sales tax is calculated according to the county in which the buyer resides. If the buyer lives in another state or country and the dealer delivers the vehicle outside of California or to the docks for shipping the sales tax may be waived. Refer to the out-of-state delivery section.

b. The Military Person who is on active duty: (Reg 5045)

- The vehicle delivered or received in California must report sales tax even if the service person's residence is outside California.
- The vehicle delivered to a location outside California, sales tax doesn't apply. If the vehicle is brought into California 90 days of the purchase date (and subject to use tax) no tax is due if the military person moved to California because of an official transfer to California and the sale occurred prior to the date the person received the transfer order.

c. California American Indian Tribes: (CDTFA146-RES)

- When a dealer delivers a vehicle on the reservation to an American Indian purchaser who does not reside on the reservation, the dealer shall collect use tax. If the American Indian purchaser can establish that he or she used the vehicle on the reservation ½ or more of the time during a 12 month period following delivery, he or she may apply the California Tax and Fee Administration for a refund.
- If a dealer delivers a vehicle to an American Indian purchaser who resides on the reservation, and the use for the vehicle is for personal purposes, the dealer is not obligated to collect the tax. The vehicle must be used more than ½ of the time during the first 12 months after delivery on the reservation.

2. How to compute tax

There are programs available that will automatically compute the sales tax for any county. For example, Alpine County is 7.25% that would be filled in as .0725 in the sales tax % section.

Sales Tax Calculator		
Taxable Dollar Amount		Total Sales Tax
$	Example: .0725	$
		Click here for total

Sales Tax is charged on the following:

1. Vehicle Price-including any dealer accessories **2.** Smog Fee **3.** Doc Fee

<u>To Calculate sales tax: Add the vehicle price, accessories, smog and doc fee. Multiply the total amount by the percentage of sales tax due.</u> Use Riverside for an example. Sales Tax is 8.00%. The vehicle price, smog and doc fee is $8,000. Multiply $8,000 by 8.00% = $640.00. The subtotal price of the vehicle including smog, doc and sales tax is $8,640. Then add the smog certificate fee of $8.25.

All retail or wholesale dealers are required by DMV to obtain and maintain a Seller's permit From the California Tax and Fee Administration. The names on the permit must exactly match the application filed with the DMV. It is a misdemeanor to engage in business without the possession of the permit.

If you are in doubt about the correct rate because of ever changing tax rates or cannot find a community, please contact the California Tax and Fee Administration at 1-800-400-7115 or call your local California Tax and Fee Administration Office nearest you for assistance.

The Tax Guide for Motor Vehicle Dealers is a good resource for you and gives an overview of getting started, Industry Topics, Record Keeping and resources. This also includes publications that may be of interest to you. Please visit their web site at: https://www.cdtfa.ca.gov/industry/used-vehicle-dealers.htm

Tax Tip: Be sure to keep a personally owned and registered vehicle. Should you get audited the state will assume you are using only inventory vehicles for personal use. Your inventory would be subject to use tax.

To keep up to date you can receive emails from the California Tax and Fee Administration at: https://www.cdtfa.ca.gov/subscribe

California Vehicle Code Division 12- Equipment of Vehicles

1. All safety equipment must be in compliance with Division 12

It is against the law for any person to sell, offer for sale, lease, install or replace, either for himself or as a dealer, any glass, lighting equipment, signal devices, brakes, vacuum or pressure hose, muffler, exhaust, or any kind of equipment for use, or with the knowledge that any such equipment is intended for eventual use, in any vehicle, that does not conform with Division 12 Safety Equipment requirements.

2. Clarification of what is considered Division 12 equipment

a. Air Bags

b. Brakes, including parking brakes

c. Bumpers

d. Exhaust system

e. Horns

f. Lights, includes headlamps, stop lamps, tail lights, license plate lamp, back-up lamps, rear and side reflectors, parking lamps, turn signals, and side marker lamps.

g. Safety Belts – Classic Car Seat Belt Law: Vehicle Code 27314(a)(b)

h. Smog devices

i. Tires

j. Windshields and mirrors

k. Window tint can’t be darker than factory tint

l. Windshield wipers and rear wiper

3. Division 12 safety equipment cannot be waived

a. No dealer shall sell a new or used vehicle which is not in compliance with this code and departmental regulations, unless the vehicle is sold to another dealer, sold for the purpose of being legally wrecked or dismantled.

b. Listing the problems on the Buyers Guide does not allow the dealer to sell the vehicle with safety problems. The Division 12 safety requirements must be followed before the vehicle can be sold to the retail public.

Advertising

1. All media methods

Advertisements include, but are not limited to:

a. Magazines, newspapers, catalogs, brochures, or any other type of printed materials.

b. Computer sites, web pages, and any other type of source used by the computer.

c. Television, radio, cell phone messaging, or public address system.

d. Point-of sale price tags, literature, signs, and billboards.

2. Disclosure as a dealer in all forms of advertisements

A dealer must identify himself to the public when advertising, by the name that the dealer is licensed. The advertisement must be clear to the public, which vehicle is for sale that is advertised by a dealer. You can't advertise with just "Dlr", or Dealer.

3. Other things that the dealer is required to disclose.

a. Vehicles that have formerly been a rental, loaner, lease, taxicab, publicly owned, or insurance salvaged must clearly be advertised by the dealer.

b. The vehicle's condition must be described correctly to your best knowledge.

c. Photos must accurately show the vehicle's condition.

d. When you use a picture for advertising it must match the year, make and model. This is when you use stock photos. Stock photos come from an advertiser like Auto Trader. If you were to miss a deadline for putting your vehicle on ad you could use a stock photo of the same year, make and model as long as the vehicles look the same.

e. Any advertised credit terms shall include all necessary charges to complete the contract.

f. Dealers are not allowed to use the terms No Down Payment, Zero Down Delivers, or any other statement of that nature unless the vehicle will be sold to any qualified purchaser without any kind of trade in or prior payment.

g. Credit terms advertised will include all of the charges required to set up the transaction on a payment time basis. Advertisements of the terms that include escalated payments, balloon payments, or pick-up payments must clearly identify these payments as to the amount and time due.

h. Dealers are not to advertise or offer for sale or exchange in any manner, vehicles that are not actually for sale at the dealer's location.

i. Disclosures must be legible and reasonably understandable.

j. You may not at any time represent any used vehicle as a new vehicle.

k. Printed advertisements must not be printed in less than 10 point bold type.

4. Vehicle identified by Vehicle Identification Number (VIN)

a. A dealer may not advertise any specific vehicle for sale without identifying the vehicle by either its vehicle identification number or license number, and year, make or model.

b. The Vehicle Identification Number (VIN) is the positive identification of a vehicle. You should always compare this number on the paperwork and the vehicle to make sure it is the same vehicle.

c. Altering or changing vehicle number: No person shall intentionally deface, destroy or alter the VIN of a vehicle without written authorization from the DMV. Nor shall any person knowingly buy, sell, offer for sale, receive, or have in their possession any vehicle from which the VIN has been removed, altered, or destroyed. Always verify your VIN number with titling documents.
Make sure they match!

5. All terms of sale specified

a. You may not state that a down payment is not required, when it is.

b. A dealer can't advertise the total price of a vehicle without including all of the costs to the purchaser. This includes the cost of Doc fee, smog fee, DMV fees, finance charges, etc.

c. All advertising disclosures required by the Truth in Lending Act must be made clearly & conspicuously. Make sure all aspects of the credit are explained in the advertisement.

6. Illegal use of coupons or simulated checks

a. It is unlawful for any seller to induce or attempt to induce any individual to enter into a contract subject to this chapter by offering a rebate, discount, commission, or other consideration, contingent upon the happening of a future event, on the condition that the buyer either sells, or gives information or assistance for the purpose of leading to a sale by the seller of, the same or related goods.

b. This includes coupons or simulated checks for the purposes listed above.

c. Advertise free merchandise, gifts, or services provided by a dealer contingent on the purchase of a vehicle. The term “free” includes merchandise or services offered for sale at a price less than the seller’s cost of the merchandise or services.

7. Withdrawal of advertisement after vehicle sold

A dealer must withdraw any advertisement within 48 hours of a vehicle that has been sold or withdrawn from sale, even if you are getting a good response and wish to sell other vehicles with that advertisement.

8. Advertised price must be honored if buyer is not aware of advertisement

If you the dealer have a vehicle advertised at a specific price, and your customer wants to buy this car but has no knowledge that the car has an advertised sale price, you must honor the advertised sale price.

9. Vehicle Advertising and sales standards:

a. A licensed lessor-retailer must identify the vehicle model, model year and the portion of the vehicle number that distinguishes the vehicle from all other vehicles of the same make, model, and model year.

b. Advertisement terms are clearly and conspicuously disclosed.

c. Use a picture in connection with any advertisement of the price of a specific vehicle or class of vehicles, unless the picture is not of the year, make and model being offered for sale. The picture shall not depict a vehicle with optional equipment, or a design not actually offered at the advertised price.

Odometers

It is unlawful for anyone to advertise for sale, to sell, to use, or install on any part of a vehicle or an odometer in a motor vehicle any device which causes the odometer to display anything, but the true mileage driven. It is a crime for a dealer or any person to disconnect, turn back, or reset the odometer of any motor vehicle with the intent to alter the number of miles indicated on the odometer.

1. The odometer Must be in working condition at time of sale

a. It is mandatory to give odometer reading when a vehicle is ten years old or less.

b. It is not mandatory to give odometer reading when a vehicle is ten years old or more, but it is encouraged. Or:

- If a vehicle is commercial with an un-laden weight of more than 8,500 lbs (16,000 lbs plus gross vehicle weight).
- Reported as dismantled or originally manufactured primarily for off highway use and is being converted to on highway use.
- An unrecovered stolen vehicle being transferred to the Insurance Company.

c. When the odometer is correct the Certificate of Title will indicate Actual Miles.

d. When a dealer is required to disclose the odometer reading, enter it on the Certificate of Title. If the title doesn't have a section for the reading, then use the Vehicle/Vessel Transfer Form REG 262.

e. When a vehicle has exceeded the mechanical limits of the odometer the Certificate of Title will indicate that the miles exceed the mechanical limits. You must notify your customer as well that the odometer has exceeded the mechanical limits. If the odometer has been repaired or replaced, the Certificate of Title will indicate Not Actual Mileage or TMU (True Miles Unknown)

2. Required notification when repaired

If the new odometer can be set to the same mileage the vehicle Certificate of Title will state Actual Mileage. When the mileage cannot be matched then the odometer will be set to zero and a notice in writing shall be attached to the doorframe of the vehicle by the person doing the repair or replacement stating the date it was serviced. From then on that vehicle's mileage will be considered TMU (True miles unknown)

3. Odometer disclosure by legal owner of repossessed vehicle

When a vehicle is repossessed by the legal owner of the vehicle, they are the party that must provide the odometer disclosure. If the title has a separate odometer disclosure section, the legal owner may complete and sign that section for the disclosure. If the title doesn't have a separate signature line for disclosure, the odometer mileage must be reported on the Reg 262 Vehicle/Vessel Transfer and Reassignment Form.

Vehicle Licensing and Registration

1. Types of California Titles: Several versions exist

a. Complying Pink – (Revised 10/02). This title features:

- The front is pink with a blue border and a white opaque state seal.
- Indicates VOID if the title is photocopied.
- The vehicle history is displayed within a red box in the upper right corner of the title.

b. Complying Rainbow Title – Multi Colored features:

- Odometer disclosure statement on the front for the registered owner to report the vehicle's mileage.
- Language in the certification above the new buyer's signature acknowledging the reported mileage.
- Signature line in the dealer section on the back of the title for the new buyer to acknowledge the odometer reading.

NOTE: The 7/94 revision provides line 1c for the new buyer to sign acknowledging the mileage reported by the seller. The 12/94 revision provides a separate section for disclosure by the seller and acknowledgement by the buyer.

c. Non-Complying Rainbow Title – Features: This title has only an odometer disclosure statement on the face of the title for the registered owner to report the mileage. There is no language or signature line for acknowledging the mileage reported.

d. Non-Complying Certificate of Ownership – Also known as a "Pink Slip"

This type of Ownership Certificate has boxes on the side of the face of the certificate for the odometer mileage.

The following odometer mileage information appears on the face of the California Certificates of Title issued April 18, 1994 and later when odometer information was recorded for the vehicle.

Mileage (MI) or Kilometers (KM)

Date of Transaction (MM/DD/CCYY)

Odometer mileage reading

Code Explanation – Actual Miles, Exceeds mechanical limits, Not actual mileage.

A dealer can enter the mileage on the Certificate of Title in the designated section for the odometer reading. A Reg 262 Vehicle/Vessel Transfer Form must be used if the title you hold doesn't have a section designated for the odometer reading disclosure. Or :

- The section assigned for the disclosure has been completed by a prior seller and buyer.
- The section assigned for the disclosure does not have a place for the buyer to sign and the new registered owner section on the reverse of the title does not contain wording that the buyer "acknowledges" the odometer mileage reading disclosure made by the seller. The new Certificate of Title issued by DMV will have the odometer reading displayed.

e. The odometer mileage readings are mandatory on all vehicles if:

1. The vehicle is less than ten years old
2. You initially register a motor vehicle or transfer ownership.

f. Rush Title - previously known as a 72-hour special or a Quick Title. Requests must be submitted to:

Department of Motor Vehicles
Rush Title Processing MS D825
2415 1st Ave
Sacramento, Ca. 95818,

There is an additional processing fee of $15.00. Normal processing time is 8 - 10 business days, excluding Saturday, Sunday and Holidays. Attach a note to the top of the application indicating "Rush Title Processing". If you want the application returned by express mail delivery, you must include a prepaid express mail return envelope. These requests cannot be submitted to a DMV field office. If there is an error the application will be returned, and the processing time will start again. Questions are referred to the Special Processing Unit (916) 657-8035.

2. Transfer requirements: A dealer must transfer title. This can be a costly problem for a dealer. The transfer fees must be paid within 30 days even if you don't have all the required documents or you will have to pay transfer penalties, use tax penalties and administrative service fees. A dealer in violation of failing to transfer title to their customer is in violation of Section 5753 California Vehicle Code.

CALIFORNIA VEHICLES:

a. <u>If purchased from a licensed California dealer, the dealer is required to collect use tax and fees to title and register the vehicle.</u>

b. Dealers and Lessor-Retailers are responsible for itemizing and collecting the proper fee amount from the buyer and dispersing the fees to the proper agency.

c. Buyers may be charged all fees due to the Department including fees for duplicates/substitute, and fees/penalties that accrued prior to the vehicle entering dealer inventory, unless the fees/penalties accrued through untimely submission by the dealer. Fees paid by a dealer to avoid penalties may be charged to the buyer.

d. The fees and documents are submitted to DMV for processing. Dealers will be responsible for ensuring a temporary license plate is securely affixed to the vehicle, except where there is already the required number of plates on the vehicle. The temporary identification portion of the report of sale must be placed in the window at the time of sale. These procedures are required before the vehicle is driven off the lot.

FORMS NEEDED FOR THE BASIC TRANSFER:

a. Properly endorsed Title
b. The Report of Sale–Used Vehicle (REG 51).
c. Power of Attorney, bill of sale, and odometer statement which is also good for nonconforming titles. This would be found on REG 262
d. A smog certification, if appropriate.

There are many different types of transfer requirements please refer to the DMV Vehicle Industry Registration Procedures Manual. You can find this site on the internet at this address

https://www.dmv.ca.gov/portal/handbook/vehicle-industry-registration-procedures-manual-2/

FORMS NEEDED FOR EXTENUATED CIRCUMSTANCES

Refer to your Vehicle Industry Registration Procedures Manual

REG 17	Special Interest License Plate Application
REG 17A	Special License Plate Application
REG 101	Statement to Record Ownership/Statement of Error or Erasure
REG 102	Certificate of Non-Operation/Planned Non-Operation Certification
REG 135	Bill of Sale
REG 138	Notice of Transfer and Release of Liability
REG 139	Vehicle Emission System Statement (Smog
REG 156	Application for Replacement Plates, Stickers, Documents
REG 166	Lien Satisfied/Title Holder Release
REG 227	Application for Duplicate Title
REG 256	Statement of Fact
REG 260	Power of Attorney
REG 343	Application for Title or Registration
REG 3060	Disabled Person or Disabled Veteran License Plates 3060
REG 4008	Declaration of Gross Vehicle Weight/Combined Gross Vehicle Weight
	Vehicle Registration Industry Forms
REG 119	Certificate of Repossession Security Interest/Conditional Sale Contract
REG 168	Certificate of Lien Sale for Vehicle Valued over $4000 or From Self-Service Storage Facility
REG 168A	Certificate of Lien Sale for Vehicle Valued $4000 or Less
REG 477	Statement of Facts Dealer
REG 656	Application for Lien Sale Authorization and Lienholder's Certification
REG 668	Notice of Pending Lien Sale for Vehicle Valued $4,000 or Less

FORMS AND PROCEDURES

a. You have 30 days from the date of sale that is on the Report of Sale-Used vehicle (REG 51) to submit the transfer application and required fees without penalty and/or Administrative Service Fees (ASF). This also includes nonresident vehicles and vehicles that the registration expires while the vehicle is still in the dealer's inventory. This doesn't include vehicles that are taken into dealer inventory with expired registration.

b. Be sure to always verify the vehicle identification number that is on the vehicle with the California Certificate of Title.

c. The Statement of Error or Erasure (REG 101) must be completed by the person who made the error, this includes erasure, line out, or white out on the Certificate of Title. Corrections to the Reg 262's are not allowed, the Vehicle/Vessel Transfer and Reassignment form.

Transfer on Application for Duplicate Title (REG 227):

The Application for Duplicate Title may be used to transfer ownership when the Certificate of Title is lost, stolen, mutilated, illegible, or was never received by the owner. You need to turn in a mutilated or illegible title with the application.

a. The REG 227 must be properly completed and endorsed for transfer.

b. REG 262 the Vehicle/Vessel Transfer and Reassignment Form, must have the odometer mileage disclosure (if appropriate) completed.

c. The duplicate title fee is due with as well as any other applicable fees when it is used. If the title was never received and the department has the correct address, then there is no fee due for the duplicate title.

Transfer of Vehicles Issued a California (Goldenrod) Registration Only:

If the California registration card has the statement "This Vehicle Not Transferable," the outstanding out of state title must be submitted before you can receive a new California Certificate of Title. The transfer requirements are:

a. An Application for Registration or Title (REG 343) in the buyer's name.

b. The out-of-state title properly endorsed for transfer to the buyer. NOTE: A bill of sale from the owner shown on the title is acceptable in lieu of the owner's release on the title. A lien satisfied is satisfactory in lieu of the legal owner/lienholder release on the title.

c. Any bill(s) of sale needed to create a complete chain of ownership to the current buyer.

d. The Report of Sale–Used Vehicle (REG 51).

e. A smog certification, if appropriate.

f. Odometer mileage disclosure, if appropriate.

g. Vehicle Verification

h. Fees.

Transfer Requirements for out of state Goldenrod Coming back to California: Same as above, however #b would not be applicable. You need a letter from the other state advising there was No title issued from their state.

Transfer of Repossessed California-Registered Vehicle:

Along with the basic transfer requirements the following is required in addition:

a. Print "Repossession" on line l of the Certificate of Title (in lieu of owner's release).

b. A Certificate of Repossession (REG 119) completed by the repossessor is required.

c. If there are any renewal fees due they must be paid to the department within 60 days of the repossession date to avoid the penalty due for late payment. No repossession fee is due for a leased vehicle repossessed by the lessor and then released to another lessee.

Transfer Only:

Is the transfer of a vehicle not currently registered without payment of registration fees. With this type of transfer the vehicle must include a planned non-operational (PNO). The other requirement is that the vehicle cannot have been operated or moved in any manner that would cause fees to become due. The requirements for "transfer only" are:

a. The properly endorsed and completed Certificate of Title.

b. A Transfer Only Statement (REG 256) signed by the buyer.

c. A Certificate of Planned Non-Operation (REG 102) completed by the buyer.

d. Odometer mileage disclosure, if appropriate.

e. The original & operating copies of the Report of Sale–Used Vehicle (REG 51). The REG 51 must show how the vehicle was moved from the dealership. Print the One Trip Permit number used to move the vehicle or "Delivered on Dealer Plates".

f. The transfer fee.

3. Transfer with Power of Attorney:

A "power of attorney" is a written document whereby someone (the principal) conveys to another (the attorney-in-fact) the right to act on his/her behalf. You must assign someone to be the attorney in fact and also identify the vehicle. The attorney in fact can be an individual or a business/ company. These are the types of power of attorney that are acceptable:

a. The department's Power of Attorney (REG 262)

b. A restricted power of attorney is limited to a particular transaction.

c. A general power of attorney is just like it sounds, it is not limited to any transaction and doesn't require a vehicle description.

d. A photocopy or FAX of a REG 262 is not acceptable.

e. A photocopy or FAX of any other power of attorney is acceptable.

When you use a Reg 262, there can be no cross out, white out, or any other type of corrections made to the form. If you make an error, shred it, and start all over again.

Secure Power of Attorney

California doesn't have or use the secure power of attorney, but the DMV will accept a secure power of attorney when it is included with an application when:

1. The title is not obtainable at the time of sale.

2. A vehicle owner was out of state at the time of the sale and used a secure power of attorney provided by the other jurisdiction.

3. The secure power of attorney form is intended mainly to reveal the mileage that is on the odometer. You can also use a secure power of attorney to assign an attorney-in-fact to release/endorse the title when the form is necessary for odometer mileage disclosure.

4. Any employee of a business who is authorized as the appointed attorney-in-fact may countersign and exercise the attorney-in-fact privilege.

5. If you have a secure power of attorney used with a multiple transfer application the following odometer disclosure should be on the Vehicle/Vessel Transfer and Reassignment Form (REG 262). You need to turn in the secure power of attorney and the REG 262 forms with the application.

4. Signature requirements on documents: Signatures and Endorsements

Each person's signature is individual. A person may add things or take them away from their signature. For example: A person named John Michael Doe could also sign as J.M. Doe, or John M. Doe.

a. Different types of signatures:

1. Handwritten

2. Something unique to the individual like a script or handprint. This type of signature would require a Statement of Facts (REG 256) completed by the person stating that this is their signature.

3. A stamped signature can be used as an individual's signature but only when it is used on acceptable departmental forms that don't require a countersignature.

b. True Full Name Requirements:

True full names are required for the registered and legal owner(s) on the registration applications. This is in order to correctly identify the owner(s).

1. The true full name is your complete name that is used on legal documents like your driver license, this would include your first name/initial, middle name /initial, and last name.

2. A title like Sister Barbara Ann Smith is not used unless the person completes a Statement of Facts (REG 256) certifying that the title is part of their true full name.

c. Company or Business Endorsements:

Another type of name can be used is a company/business name which can be listed as a registered or legal owner. With that you must have a countersignature or initials of the authorized representative.

d. Leased Vehicles:

The registered owner of a leased vehicle is called a lessor and must sign the registration documents as such. The lessee's signature is optional.

e. Signature by Mark:

You need to have the mark witnessed by another individual as long as the witness prints the individual's name and signs their name.

1**.** It requires two witnesses to sign by the mark on a sworn statement like a Statement of Facts or for the release of ownership.

f. Electronic Signature: Notwithstanding any other provision of law, an application by a prospective customer to enter into a brokerage agreement with a broker-dealer, which application is transmitted electronically and is accompanied by the prospective customer's electronic signature or digital signature as described below, shall be deemed, upon acceptance by the broker-dealer to be fully executed, valid, enforceable and irrevocable written contract, unless grounds exist which would render any other contract invalid, unenforceable or revocable.

Electronic – means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

Electronic Record – means a record created, generated, sent, communicated, received, or stored electronically.

Electronic Signature – means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by an individual with the intent to sign the electronic record.

g. Digital Signature – means an electronic identifier, created by the computer that is intended by the individual using it to have the same force and effect as a manual signature. The use of a digital signature shall have the same force or effect as a manual signature if it embodies all of the following attributes:

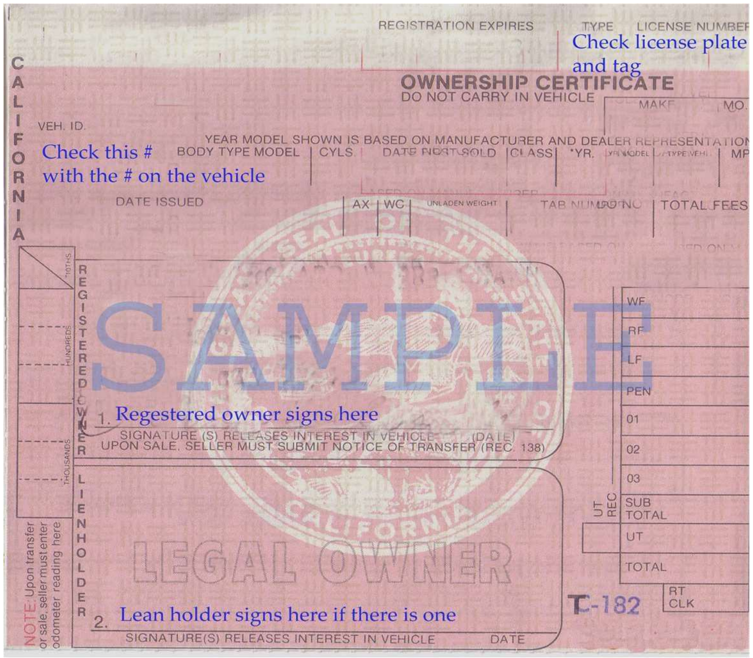
- It is unique to the person using it.
- It is capable of verification.
- It is under the sole control of the individual using it.
- It is linked to data in a manner that if the data is changed, the digital signature is invalidated.

The application that is transmitted electronically pursuant to subdivision (a) shall comply with all applicable federal and state securities laws and regulations relating to disclosures to prospective customers. Unless those laws and regulations currently require disclosures to be displayed or printed in bold, to be a specific type or font size, and to be placed prominently at specified locations within the application, the disclosures shall be displayed prominently and printed in capital letters, in bold type and displayed or printed above the signature line. Disclosures shall be written in plain English. (DMV Vehicle Industry News – VIN 2024-13)

h. Name Statement Requirement:

A Name Statement (REG 256) is required if the applicant's printed name and signature are so different that it appears to be two different people. For example: Jane Doe is on the Title, she has married and has a new name of Jane Smith. A name statement would be applicable as Jane Doe and Jane Smith are one in the same person.

Old style Pink Slip – You won't see many of these anymore



CALIFORNIA

REGISTRATION EXPIRES | TYPE | LICENSE NUMBER

Check license plate and tag

OWNERSHIP CERTIFICATE
DO NOT CARRY IN VEHICLE

MAKE | MO

VEH. ID.

Check this # with the # on the vehicle

YEAR MODEL SHOWN IS BASED ON MANUFACTURER AND DEALER REPRESENTATION

BODY TYPE MODEL | CYLS | DATE FIRST SOLD | CLASS | YR. | MP

DATE ISSUED | AX | WC | UNLADEN WEIGHT | TAB NUMBER NO | TOTAL FEES

REGISTERED OWNER

SAMPLE

1. Regestered owner signs here

SIGNATURE (S) RELEASES INTEREST IN VEHICLE (DATE)
UPON SALE, SELLER MUST SUBMIT NOTICE OF TRANSFER (REG. 138)

WF | RF | LF | PEN | 01 | 02 | 03 | SUB TOTAL | UT | TOTAL | RT CLK

UT REC

LIENHOLDER

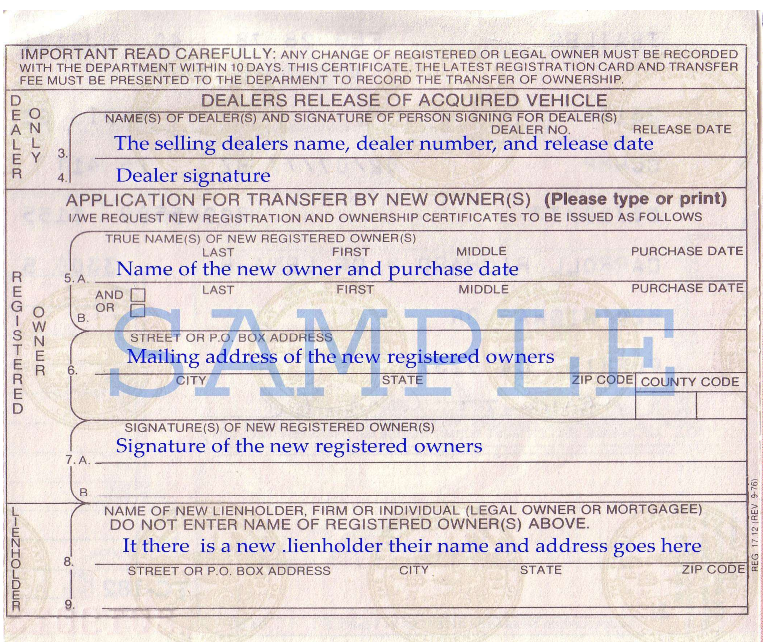
LEGAL OWNER

2. Lean holder signs here if there is one

SIGNATURE(S) RELEASES INTEREST IN VEHICLE DATE

T-182

NOTE Upon transfer or sale, seller must enter odometer reading here



IMPORTANT READ CAREFULLY: ANY CHANGE OF REGISTERED OR LEGAL OWNER MUST BE RECORDED WITH THE DEPARTMENT WITHIN 10 DAYS. THIS CERTIFICATE, THE LATEST REGISTRATION CARD AND TRANSFER FEE MUST BE PRESENTED TO THE DEPARMENT TO RECORD THE TRANSFER OF OWNERSHIP.

DEALER ONLY

DEALERS RELEASE OF ACQUIRED VEHICLE

NAME(S) OF DEALER(S) AND SIGNATURE OF PERSON SIGNING FOR DEALER(S) | DEALER NO. | RELEASE DATE

3. The selling dealers name, dealer number, and release date

4. Dealer signature

APPLICATION FOR TRANSFER BY NEW OWNER(S) **(Please type or print)**
I/WE REQUEST NEW REGISTRATION AND OWNERSHIP CERTIFICATES TO BE ISSUED AS FOLLOWS

REGISTERED OWNER

TRUE NAME(S) OF NEW REGISTERED OWNER(S)
LAST | FIRST | MIDDLE | PURCHASE DATE

5. A. Name of the new owner and purchase date

AND OR

B. LAST | FIRST | MIDDLE | PURCHASE DATE

SAMPLE

6. STREET OR P.O. BOX ADDRESS
Mailing address of the new registered owners
CITY | STATE | ZIP CODE | COUNTY CODE

SIGNATURE(S) OF NEW REGISTERED OWNER(S)
Signature of the new registered owners

7. A.

B.

LIENHOLDER

NAME OF NEW LIENHOLDER, FIRM OR INDIVIDUAL (LEGAL OWNER OR MORTGAGEE)
DO NOT ENTER NAME OF REGISTERED OWNER(S) ABOVE.

8. It there is a new .lienholder their name and address goes here

STREET OR P.O. BOX ADDRESS | CITY | STATE | ZIP CODE

9.

REG. 17 12 (REV. 9-76)

Rainbow Title

STATE OF CALIFORNIA
CERTIFICATE OF TITLE

VEHICLE ID NUMBER | YR MODEL | MAKE | PLATE NUMBER
BODY TYPE MODEL | AX | UNLADEN WEIGHT | FUEL | TRANSFER DATE | FEES PAID | REGISTRATION EXPIRATION DATE
YR 1ST SOLD | CLASS | YR | MO | EQUIPMT/TRUST NUMBER | ISSUE DATE
MOTORCYCLE ENGINE NUMBER | ODOMETER DATE | ODOMETER READING
REGISTERED OWNER(S)

SAMPLE

I certify under penalty of perjury under the laws of the State of California, that THE SIGNATURE(S) BELOW RELEASES INTEREST IN THE VEHICLE.

1a. DATE X Registered owners siginature SIGNATURE OF REGISTERED OWNER

1b. DATE X SIGNATURE OF REGISTERED OWNER

Federal and State law requires that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

The odometer now reads odometer reading (no tenths), miles and to the best of my knowledge reflects the actual mileage unless one of the following statements is checked.

WARNING ☐ Odometer reading is not the actual mileage. ☐ Mileage exceeds the odometer mechanical limits.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE | TRANSFEROR/SELLER SIGNATURE(S) X Must be signed and dated | DATE | TRANSFEREE/BUYER SIGNATURE(S) X

PRINTED NAME OF AGENT SIGNING FOR A COMPANY | PRINTED NAME OF AGENT SIGNING FOR A COMPANY

IMPORTANT READ CAREFULLY

Any change of Lienholder (holder of security interest) must be reported to the Department of Motor Vehicles within 10 days.

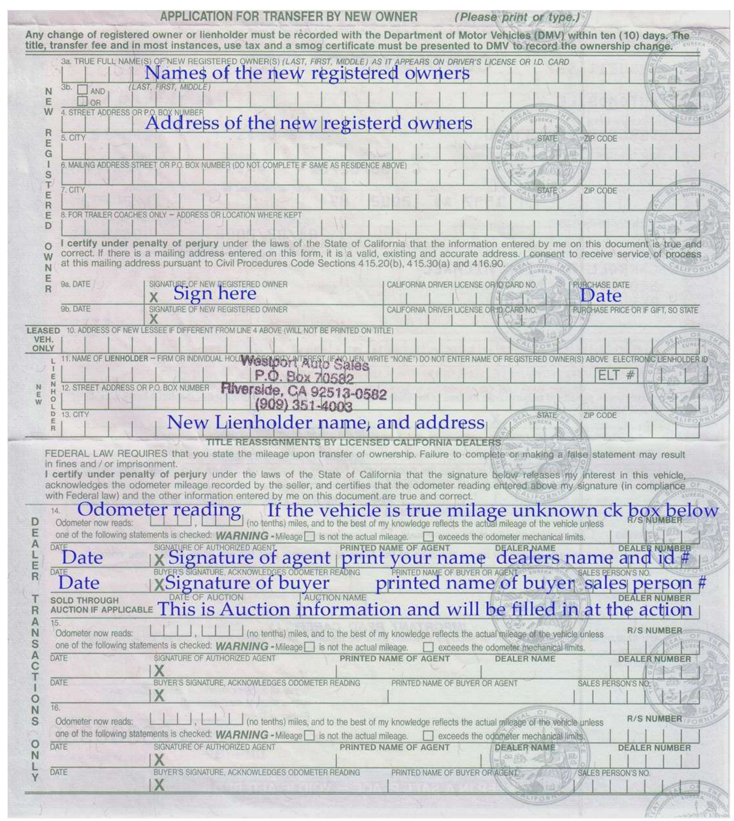
LIENHOLDER(S)

2. X Lienholder signature
Signature releases interest in vehicle. (Company names must be countersigned)
Release Date Date

CA

REV. 17.30 (REV.2/02)

KEEP IN A SAFE PLACE — VOID IF ALTERED



APPLICATION FOR TRANSFER BY NEW OWNER *(Please print or type.)*

Any change of registered owner or lienholder must be recorded with the Department of Motor Vehicles (DMV) within ten (10) days. The title, transfer fee and in most instances, use tax and a smog certificate must be presented to DMV to record the ownership change.

NEW REGISTERED OWNER

3a. TRUE FULL NAME(S) OF NEW REGISTERED OWNER(S) (LAST, FIRST, MIDDLE) AS IT APPEARS ON DRIVER'S LICENSE OR I.D. CARD
Names of the new registered owners

3b. ☐ AND ☐ OR (LAST, FIRST, MIDDLE)

4. STREET ADDRESS OR P.O. BOX NUMBER
Address of the new registerd owners

5. CITY | STATE | ZIP CODE

6. MAILING ADDRESS STREET OR P.O. BOX NUMBER (DO NOT COMPLETE IF SAME AS RESIDENCE ABOVE)

7. CITY | STATE | ZIP CODE

8. FOR TRAILER COACHES ONLY – ADDRESS OR LOCATION WHERE KEPT

I certify under penalty of perjury under the laws of the State of California that the information entered by me on this document is true and correct. If there is a mailing address entered on this form, it is a valid, existing and accurate address. I consent to receive service of process at this mailing address pursuant to Civil Procedures Code Sections 415.20(b), 415.30(a) and 416.90.

9a. DATE | SIGNATURE OF NEW REGISTERED OWNER X Sign here | CALIFORNIA DRIVER LICENSE OR ID CARD NO. | PURCHASE DATE Date

9b. DATE | SIGNATURE OF NEW REGISTERED OWNER X | CALIFORNIA DRIVER LICENSE OR ID CARD NO. | PURCHASE PRICE OR IF GIFT, SO STATE

LEASED VEH. ONLY 10. ADDRESS OF NEW LESSEE IF DIFFERENT FROM LINE 4 ABOVE (WILL NOT BE PRINTED ON TITLE)

NEW LIENHOLDER

11. NAME OF LIENHOLDER – FIRM OR INDIVIDUAL ... DO NOT ENTER NAME OF REGISTERED OWNER(S) ABOVE | ELECTRONIC LIENHOLDER ID

Westport Auto Sales
P.O. Box 70582
Riverside, CA 92513-0582
(909) 351-4003

ELT #

12. STREET ADDRESS OR P.O. BOX NUMBER

13. CITY | STATE | ZIP CODE

New Lienholder name, and address

TITLE REASSIGNMENTS BY LICENSED CALIFORNIA DEALERS

FEDERAL LAW REQUIRES that you state the mileage upon transfer of ownership. Failure to complete or making a false statement may result in fines and / or imprisonment.

I certify under penalty of perjury under the laws of the State of California that the signature below releases my interest in this vehicle, acknowledges the odometer mileage recorded by the seller, and certifies that the odometer reading entered above my signature (in compliance with Federal law) and the other information entered by me on this document are true and correct.

DEALER TRANSACTIONS ONLY

14. Odometer now reads: Odometer reading (no tenths) miles, and to the best of my knowledge reflects the actual mileage of the vehicle unless one of the following statements is checked: *WARNING* - Mileage ☐ is not the actual mileage. ☐ exceeds the odometer mechanical limits. R/S NUMBER
If the vehicle is true milage unknown ck box below

DATE Date | SIGNATURE OF AUTHORIZED AGENT X Signature of agent | PRINTED NAME OF AGENT print your name | DEALER NAME dealers name | DEALER NUMBER and id #

DATE Date | BUYER'S SIGNATURE, ACKNOWLEDGES ODOMETER READING X Signature of buyer | PRINTED NAME OF BUYER OR AGENT printed name of buyer | SALES PERSON'S NO. sales person #

SOLD THROUGH AUCTION IF APPLICABLE | DATE OF AUCTION | AUCTION NAME | DEALER NUMBER
This is Auction information and will be filled in at the action

15. Odometer now reads: (no tenths) miles, and to the best of my knowledge reflects the actual mileage of the vehicle unless one of the following statements is checked: *WARNING* - Mileage ☐ is not the actual mileage. ☐ exceeds the odometer mechanical limits. R/S NUMBER

DATE | SIGNATURE OF AUTHORIZED AGENT X | PRINTED NAME OF AGENT | DEALER NAME | DEALER NUMBER

DATE | BUYER'S SIGNATURE, ACKNOWLEDGES ODOMETER READING X | PRINTED NAME OF BUYER OR AGENT | SALES PERSON'S NO.

16. Odometer now reads: (no tenths) miles, and to the best of my knowledge reflects the actual mileage of the vehicle unless one of the following statements is checked: *WARNING* - Mileage ☐ is not the actual mileage. ☐ exceeds the odometer mechanical limits. R/S NUMBER

DATE | SIGNATURE OF AUTHORIZED AGENT X | PRINTED NAME OF AGENT | DEALER NAME | DEALER NUMBER

DATE | BUYER'S SIGNATURE, ACKNOWLEDGES ODOMETER READING X | PRINTED NAME OF BUYER OR AGENT | SALES PERSON'S NO.

DMV A Public Service Agency

VEHICLE/VESSEL TRANSFER AND REASSIGNMENT FORM

24-7 Dealer Training Specialists

INSTRUCTIONS ON REVERSE SIDE — ALL SIGNATURES MUST BE IN INK — PHOTOCOPIES NOT ACCEPTED

This form is not the ownership certificate. It must accompany the titling document or Application for Duplicate Title. For Car Buyer's Bill of Rights, visit www.dmv.ca.gov.

ACQUISITION NUMBER (*DISMANTLER ONLY*)

SECTION 1 — VEHICLE/VESSEL DESCRIPTION

IDENTIFICATION NUMBER	YEAR MODEL	MAKE	LICENSE PLATE/CF NO.	MOTORCYCLE ENGINE NUMBER
4 Vehicle Identification Number	Year	Make	License #	Motorcycle Only

SECTION 2 — BILL OF SALE

I/We Dealership Name (PRINT SELLER'S NAME(S)) sell, transfer, and deliver the above vehicle/vessel to Buyers Name (PRINT BUYER'S NAME(S)) on Sale Date (MO DAY YEAR) for the amount of $ Amount (SELLING PRICE)

If this was a gift, indicate relationship: ________ (*e.g., parents, spouse, friend, etc.*) $ ________ (GIFT VALUE)

SECTION 3 — ODOMETER DISCLOSURE STATEMENT (*Void if Mileage is Altered or Erased*)

Federal and State Law requires that you state the mileage upon transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment.

The odometer now reads Odometer Reading (10 ths) (**no tenths**) miles, and to the best of my knowledge reflects the **ACTUAL** mileage ***unless one of the following statements is checked.***

WARNING—ODOMETER DISCREPANCY

☐ Odometer reading is **NOT** the actual mileage ☐ Mileage **EXCEEDS** the odometer mechanical limits

Explain odometer discrepancy: If True Mileage unknown-put the reason here and check the box

SECTION 4 — BUYER AND SELLER (*MUST hand print his or her name, date and sign this section.*)

BUYER'S SECTION

I acknowledge the odometer reading and the facts of the transfer. I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

PRINT BUYER'S NAME	SIGNATURE	DATE	DL/ID OR DEALER/DISM #
Print Buyers Name	X Buyer Signs	Date	License or ID #
	X		
	X		

BUYER'S MAILING ADDRESS	CITY	STATE	ZIP CODE	DAYTIME TELEPHONE NO.
Buyers Mailing Address				Phone Number

SELLER'S SECTION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

PRINT SELLER'S NAME	SIGNATURE	DATE	DL/ID OR DEALER/DISM #
Dealership Name	X Sellers Signature	Date	Dealer Number
	X		
	X		

SELLER'S MAILING ADDRESS	CITY	STATE	ZIP CODE	DAYTIME TELEPHONE NO.
Dealer Address				Phone Number

SECTION 5 — POWER OF ATTORNEY

I/We Buyers Name (PRINT NAME(S)) appoint Dealership Name (PRINT NAME(S)) as my attorney in fact, to complete all necessary documents, as needed, to transfer ownership as required by law.

SIGNATURE REQUIRED BY PERSON APPOINTING POWER OF ATTORNEY	DATE
X Buyer signs	Date
X	

REG 262 (REV. 10/2011)

5. When registration fees are required

a. California registration fees are due and payable upon receipt of the registration renewal bill notice, which is mailed out approximately 60 days before the expiration date. The expiration date is the last day to renew without penalty.

b. Dealers are required to pay registration fees within 30 days of the date of sale. Current registration for the vehicles in inventory is not required but a special plate must be attached to the vehicle when it is operated on the streets prior to the sale.

c. At the time of sale a dealer must collect and pay registration fees if the registration is already expired, if the vehicle was from out of this state, or if the vehicle was a previously exempt status.

6. Transfer fees required (<u>Basic Transfer Fee</u>)

1. Fees are due within 30 days.

2. Automobile, motorcycle: <u>$15.00</u> and registration fees plus late fees if any.

3. Trailer or commercial vehicle <u>$15.00</u> and registration fees plus late fees if any.

4. New Lien holder <u>$15.00</u> and registration fees plus late fees if any.

5. Note if the next years fees are due within 60 days you will need to pay for the following year registration.

6. What Fees Are Due When Registering a Vehicle?

There is a variety of fees that are due upon the initial registration and annual registration renewal. Assessment of other fees is based on:

a. Type of vehicle (auto, trailer, etc.)

b. Owner's county of residence

c. Special license plates

d. Unpaid Parking Violation/Toll Evasion Bail

7. Registration Fee

All fees are subject to changes in the law and may vary depending on your particular application or transaction. Use fee information for an estimation of fees due only.

a. Registration renewals and original registration is $73.00

b. Registration Fee Penalty for original applications:

1. Late one year or less: $30 Registration fee penalty, 40% of the License Fee due for that year, 40% of the Weight Fee for that year if any.
2. Late more than one year to (and including) two years $50 Registration fee penalty, 80% of the License Fee due for that year, 80% of the Weight Fee due for that year if any
3. Late more than two years $100 Registration fee penalty, 160% of the License fee due for that year, 160% of the Weight Fee due for that year if any.

c. Non-Original Penalty Fees - California Vehicles:

1. Late 1-10 days: $10 Registration fee penalty, 10% of the License Fee, 10% of the Weight Fee if any
2. Late 11-30 days: $15 Registration fee penalty, 20% of the License Fee, 20% of the Weight Fee if any
3. Late 31days – 1Year: $30 Registration fee penalty, 60% License Fee, 60% of the Weight Fee if any
4. Late more than 1 year – 2 years: $50 Registration Fee Penalty, 80% of the License Fee, 80% of the Weight Fee if any.
5. Late more than 2 years: $100 Registration Fee Penalty, 160% of the License fee, 160% of the Weight any. "Based on expiration or first operation Jan. 1, 2003."

Vehicle License Fee: The formula that was used is based upon the purchase price of the vehicle or the value or the vehicle when it was acquired. The amount decreases with each renewal for the first 11 years. Almost all vehicle license fee revenue goes to the city or county government officials. Most vehicles are also assessed a VLF (Vehicle License Fee). The registration fees are disbursed to:

a. Cities and Counties
b. California Highway Patrol
c. Department of Motor Vehicles
d. State Highways
e. Various State Agencies
f. State's General Fund

8. Time requirements for transfer

The transfer fees must be paid within 30 days even if you don't have all the required documents or you will have to pay transfer, use tax penalties and Administrative Service Fees.

9. Administrative Service Fees (ASF)

Administrative Services fee is a penalty for a violation charged by the DMV against the dealer's license.

a. A dealer or lessor/retailer who violates any subdivision of Section 4456 CVC may have action taken against their dealer license and in addition, shall pay Administrative Service Fees (ASF) on the following schedule:

1. <u>Failure to submit fees due and the application</u> to the Department of Motor Vehicles <u>within</u> <u>30 days</u> of the date of sale -- $5.00 <u>(new vehicle sales is 20 days)</u>
2. <u>Failure to clear the vehicle application within 50 days</u> from the date of sale or 30 days from the date the Department of Motor Vehicles first returned the application, whichever is later -$25.00.

b. Administrative Service Fee:

All retail vehicle sales made by Used or Lessor-Retailer Dealers, are subject to the Administrative Service Fee (ASF) law. ASF cannot be passed on to the buyer by the dealer or lessor-retailer.

c. Failure to clear an application for registration of a:

1. Used vehicle within 50 days of the date of sale or within 30 days of the date the department first returned the application, whichever is later. This includes used vehicles that are nonresident vehicles.

2. One day is added to the 40 (new) or 50 (used) days that the department holds an application for processing more than five working days.

3. Certificate of Title Unavailable: In order to avoid ASF fees on the sale of a vehicle where the Certificate of Title is not available, you must submit the incomplete application and all fees due within 30 days from the date of sale. This is known as a Report of Deposit of Fees (RDF).

d. Administrative Service Fee Exceptions:

1. Vehicles that are sold to public agencies (The application may be given the buyer)

2. Vehicles that are only to be used on private property

3. vehicles that are sold to be registered out of state

4. Customer demands certificate of title

e. ASF Billings and Payments:

If you are billed for outstanding ASF do not remit the ASF without the invoice that you receive from DMV Sacramento Headquarters. That way you can be sure that the proper credit is given to your account. Always use the address that is shown on the billing and keep a copy for future reference if necessary.

1. Dealers must pay ASF fees within 30 days or the DMV can put a claim on the dealer bond.

2. If the DMV puts a claim on your bond, even if the amount is just $5.00, that depleted amount will be cause for cancellation of your dealer license. Keep track of your ASF fees so you will not run into this problem.

3. When your Bonding Company is notified by the DMV that they have a claim, by law the Bonding Company must formally acknowledge the claim. The Bonding Company will write the dealer and ask if the claim is valid or has the ASF fee been paid. The Bond Company has the right and might cancel the Bond when it is acknowledged to the DMV that ASF fees are owed.

4. Remember the States Bond requirement is $10,000 or $50,000 depending on the type of license you hold, and if the Bonding Company has to pay a claim, the bond is now below the requirements. Without the correct Bond amount the DMV will close your business and require you to surrender your dealer supplies (Wall License, Dealer Plates and Registration Cards). If you want to remain in business, you must reapply for your dealer license and prove you cleared up your bond deficit. This includes taking another Dealer Training Course, application and all applicable fees.

5. Keep in mind the Bond Company may choose to increase the cost of your bond or they may deny bonding you all together.

6. If you are receiving ASF Billings regularly, you may want to look at the procedures you have in place and change your operational methods to ensure you won’t have future action taken against your license by DMV.

10. Out-of-state deliveries (Chapter 8 Vehicle Industry Registration Procedure Manual)

a. If the buyer lives in another state or country and the dealer delivers the vehicle outside of California.

1. Driven by the dealer over the California border:

On a dealer plate you must have gas receipts and form CDTFA 448 notarized in the state that the vehicle was delivered in. If the dealer takes the vehicle to the dock or airport for transport out of the country, they will give you documentation showing you delivered it to them.

2. You can hire a licensed transport company to transport the vehicle. They will give you a bill of lading showing you, the dealer as the shipper.

b. Used Vehicle Sold for Registration in Another State:

1. Complete the Report of Sale–Used Vehicle (REG 51) and mark it in the automated system as "Transfer Only".

2. Complete a Statement of Facts (REG 256) explaining how the vehicle was moved to retain in your dealer jacket if the registration is not valid. If moved by a Transport Company, keep a copy of the Bill of Lading.

3. Send the REG 256 and the window copy of the REG 51 to:

Department of Motor Vehicles
Incoming Mail MS A235
PO Box 944292
Sacramento, CA 94244-2920

4. When the buyer moves the vehicle it must be done using a One Trip Permit (REG 402) unless the owner has obtained registration prior to moving the vehicle. Note dealer plates can't be used to move the vehicle. Remember, if the buyer drives the vehicle off your lot, tax is due. Give the title and any supporting documents to the buyer if the vehicle is purchased free of any liens.

c. Used Vehicle Sold for Export to Another Country: You must present a Certificate of Exportation (REG 32) signed by the owner and presented in person at a DMV office. If the vehicle is being exported to another country by ship or air the owner must have a clear title.

d. This is the checklist of what is needed for exporting vehicles

1. Complete the Report of Sale–Used Vehicle (REG 51) as usual, mark it in the automated system as "Transfer Only".

2. Complete a Statement of Facts (REG 256) explaining how the vehicle was moved and retain a copy in your dealer jacket. If moved by a Transport Company, keep a copy of the Bill of Lading.
3. Do not affix the buyer's copy of the REG 51 to the vehicle. It is the buyer's responsibility to arrange transportation or move the vehicle on a One Trip Permit. If the dealer completes the sale after delivery, then the vehicle can be delivered using dealer plates.
4. Send the REG 256 and the window copy of the REG 51 to:

Department of Motor Vehicles
Incoming Mail MS A235
PO Box 944292
Sacramento, CA 94244-2920

5. You need to remove the license plates before you release the vehicle to the buyer. The plates need to be returned to the DMV. The department can issue a Temporary Operation Permit if the vehicle is currently registered. If you do not follow these procedures the sale is considered to be a retail sale and the taxes, registration fees, smog and safety certification are going to be required.
6. Advise the buyer that they need to contact the DMV before transporting the vehicle to another country if it is exported by ship or air.
7. If you are exporting on a military transport, you are exempt from this process. But military personnel exporting their vehicle by regular ship or air carrier then the form REG 32 must be submitted, and all export requirements must comply.
8. Wholesale Vehicles Exported to Another Country: Refer to Section 8.045 Vehicle Industry Registration Procedures.

Note: The selling dealer is responsible for obtaining verification that the buyer is a licensed dealer or exporter such as a business license or similar credentials

11. One Trip Permits: A One Trip Permit (Reg 402) is available from the DMV for movement of any vehicle except a crane. The permit must be obtained prior to movement of the vehicle upon the highways. The permit is valid for movement of:

a. An Unladen vehicle for one trip from a place:

- Within California to another place within California or
- Outside of California to a place within California.

b. A vehicle for one round trip from one place to another for the purpose of participating as a vehicular float or display in a lawful parade or exhibition. The total round trip cannot exceed 100 miles and must be completed within 60 days.

One Trip Permits Uses:

Moving an unladen commercial motor vehicle for one of the purposes specified above, with another vehicle mounted piggyback style on it so that either the front or rear wheels of the mounted vehicle rest upon the ground and support a portion of the weight of the mounted vehicle. A permit is required for the mounted vehicle if it is not properly registered. Note: The vehicle is laden if none of the mounted vehicle's wheels are resting on the ground and cannot be operated with a one trip permit.

One Trip Permit May Not Be Used For:

a. Operation of a loaded commercial vehicle unless the vehicle is being moved to participate in a parade or display.

b. Travel by a roundabout or indirect route. The trip must be made by the most direct route.

12. Refund of excess fees

If a purchaser of a vehicle pays the dealer an amount for licensing or transfer of title of a vehicle which amount is in excess of the actual fees due for the licensing or transfer, or which amount is in excess of what has been paid, prior to the sale, by the dealer to the state in order to avoid penalties that would have accrued because of late payment, the dealer shall return such excess amount to the purchaser, whether or not the purchaser requests the return of the excess amount.

Remember- If you didn't charge your customer enough for registration fees, you may not hold the title and registration from your customer. This would be a civil matter for you to resolve with your customer.

Policies, procedures and fees are continuously changing and updated in the Vehicle Industry Registration Procedures handbook. Please refer to the Manual for changes at https://www.dmv.ca.gov/portal/handbook/vehicle-industry-registration-procedures-manual-2/

Sample CDTFA 447

CDTFA-447 (FRONT) REV. 10 (12-24)

STATE OF CALIFORNIA
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

STATEMENT PURSUANT TO SECTION 6247
OF THE CALIFORNIA SALES AND USE TAX LAW

The timely acceptance in good faith by the seller of this CDTFA-447, properly completed, will relieve the seller of liability for failure to collect use tax from the purchaser. The seller must retain the original statements. Where the seller does not collect the use tax from the purchaser and it is determined that the vehicle was purchased for use in California, the purchaser must pay the applicable use tax to the California Department of Tax and Fee Administration (CDTFA). *Note:* This CDTFA-447 only relieves the seller of the duty to collect use tax from the purchaser and does not relieve the seller from sales tax, which will usually apply if the property is delivered to the purchaser in California. That is, this CDTFA-447 is useful only where the property is delivered to the purchaser outside California, and the seller will have the burden to show such out-of-state delivery. The seller may use CDTFA-448, *Statement of Delivery Outside California*, to help document actual delivery to the purchaser outside California.

NOTICE TO PURCHASER

Please note that if this vehicle is brought into California for any reason, other than qualifying warranty or repair service, within the first 12 months of its delivery, it shall be presumed that you have purchased the vehicle for use in California, and you may owe California use tax. If use tax applies, you must pay it directly to CDTFA. Since you are claiming that this vehicle is not purchased for use in California, *it is important that for the first 12 months of ownership, you obtain documentary evidence of the place of use of this vehicle (for example, proof of payment of tax to another state, gas and service receipts, credit card statements or bank statements).* Because CDTFA may have up to eight years to determine whether your vehicle was actually purchased for use in California, you should retain records for at least eight years showing your out-of-state use during the first 12 months after your purchase. For more detailed information, please contact our Customer Service Center at 1-800-400-7115 (TTY:711) or our Consumer Use Tax Section at 1-916-445-9524. You may find forms and publications on our website at *www.cdtfa.ca.gov.*

This form must be fully completed, or it will be subject to further examination. Sellers must retain documentation to substantiate delivery outside California. Purchasers must retain documentation supporting continued use outside California.

To be completed by the purchaser *(please type or print)*

I have an address or I am stationed in the military within the state of California. **My California address is:**

STREET	CITY	STATE	ZIP CODE

My California mailing address is *(if different from address above)*:

STREET	CITY	STATE	ZIP CODE

I certify that the vehicle described below is being purchased for use outside California and not for storage, use, or other consumption in California, and will be used at the following out-of-state address *(cannot be a P.O. Box or a third-party address with no affiliation to the purchaser, such as an unrelated business address)*:

STREET	CITY	STATE	ZIP CODE

This vehicle will be delivered to me at the following out-of-state address *(cannot be a P.O. Box)*:

STREET	CITY	STATE	ZIP CODE

DRIVER LICENSE NUMBER (please attach a copy of the driver license to this form)	STATE	DAYTIME TELEPHONE NUMBER

NAME OF PURCHASER, AUTHORIZED REPRESENTATIVE, OR MEMBER (please print; business names will not be accepted)	SIGNATURE	DATE

Fraudulent use of this statement to avoid the payment of California sales and use tax may result in severe civil and/or criminal penalties.

To be completed by the seller *(please type or print)*

Vehicle Description:

YEAR	MAKE	MODEL

VIN/LICENSE NUMBER	PURCHASE PRICE	DATE OF PURCHASE

Name and Address of California Seller:

NAME	CDTFA SELLER'S PERMIT NUMBER	DAYTIME TELEPHONE NUMBER

STREET	CITY	STATE	ZIP CODE

NAME OF AGENT (please print)	SIGNATURE	DATE

CDTFA-447 (BACK) REV. 10 (12-24)

NOTICE TO SELLER

Please provide a copy of this form to the purchaser and retain the original for your records. This transaction is subject to audit. We request that you send a copy of this form and attach a copy of the purchaser's driver license, a copy of the purchase contract, and a copy of the completed CDTFA-448, *Statement of Delivery Outside California*, and relevant shipping documentation to the address below within 30 days of the date of delivery to the purchaser.

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Consumer Use Tax Section
PO Box 942879
Sacramento, CA 94279-0037

Sample CDTFA 448

CDTFA-448 (FRONT) REV. 10 (12-24)

STATE OF CALIFORNIA
CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

STATEMENT OF DELIVERY OUTSIDE CALIFORNIA

When a vehicle is delivered to the purchaser outside California, the seller (or person making the delivery on behalf of the seller) and the purchaser should both be at the out-of-state delivery point at the time of delivery. *The seller must retain the original of this statement to support any claimed exclusion or exemption from the California sales and use tax.*

NOTICE TO SELLER

Please provide a copy of this form to the purchaser and retain the original for your records. This transaction is subject to audit. Send a copy of this form, a copy of the purchaser's driver license, and a copy of the purchase contract to the address below within 30 days of the date of delivery to the purchaser. *Note:* Even if you deliver the vehicle to a point outside California, you remain responsible for collecting and remitting California use tax if you are aware that the purchaser is a California resident, unless you can establish that the vehicle was not purchased for use in California, or you accept, in good faith at the time of the sale, a completed CDTFA-447, *Statement Pursuant to Section 6247 of the California Sales and Use Tax Law*. If you obtain a completed CDTFA-447 from the purchaser, send a copy of it when you send the documents noted above to the following address:

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION
Consumer Use Tax Section | PO Box 942879 | Sacramento, CA 94279-0037

This form must be fully completed and notarized outside California or it will be subject to further examination. Additional documentation may be requested from sellers to substantiate delivery and/or whether you sold the vehicle to a known California resident. Purchasers must retain documentation supporting continued use outside California.

To be completed by the seller or person making the delivery on behalf of the seller *(please type or print)*

I hereby certify, under penalty of perjury under the laws of the State of California, that the vehicle described below was delivered outside California on the date and at the place stated below.

YEAR	MAKE	MODEL	
VIN/LICENSE NUMBER		PURCHASE PRICE	PURCHASE DATE
OUT-OF-STATE DELIVERY STREET ADDRESS		CITY	STATE / ZIP CODE
NAME OF SELLING DEALER		CDTFA SELLER'S PERMIT NUMBER	DAYTIME TELEPHONE NUMBER
STREET ADDRESS OF SELLER		CITY	STATE / ZIP CODE
NAME OF SELLER (or person making delivery on behalf of the seller)	CHECK ONE: ☐ Salesperson ☐ Employee ☐ Partner ☐ Other (explain)		
SIGNATURE (I have delivered the above-described vehicle to the purchaser named below.)			DATE OF DELIVERY

Fraudulent use of this statement to avoid the payment of California sales and use tax may result in severe civil and/or criminal penalties.

NOTICE TO PURCHASER

Please note that if you are a California resident and this vehicle is brought into California for any reason, other than qualifying warranty or repair service, within 12 months after its purchase, it shall be presumed that you have purchased the vehicle for use in California, and you may owe California use tax. If use tax applies, you must pay it directly to the California Department of Tax and Fee Administration (CDTFA). If you are a nonresident and this vehicle is brought into California within 12 months of its delivery to you and is used or stored in California more than one-half the time during the first 12 months of ownership or is subject to registration in California within 12 months of its date of purchase, we shall presume that you have purchased the vehicle for use in California, and use tax *may* apply. If use tax applies, you must pay it directly to CDTFA. *It is important that for the first 12 months of ownership, you obtain documentary evidence of the place of use of this vehicle (for example, proof of registration in another state, gas and service receipts, credit card statements, check registers, travel logs, lodging, or campground receipts).* Because CDTFA may have up to eight years to determine whether your vehicle was actually purchased for use in California, you should retain records for at least eight years showing your out-of-state use during the first 12 months after your purchase. For more detailed information, please contact our Customer Service Center at 1-800-400-7115 (TTY:711) or our Consumer Use Tax Section at 1-916-445-9524. You may find forms and publications on our website at www.cdtfa.ca.gov.

To be completed by the purchaser *(please type or print)*

I hereby certify, under penalty of perjury under the laws of the State of California, that the vehicle described above was delivered to me on the date, by the person, and at the location outside California described above.

NAME OF PURCHASER, AUTHORIZED REPRESENTATIVE, OR MEMBER (please print; business names will not be accepted)	PURCHASER'S SIGNATURE	DATE
DRIVER LICENSE NUMBER (please attach a copy of the driver license to this form)	STATE	DAYTIME TELEPHONE NUMBER

NOTARY STATEMENT

On ____________ (date), before me, ______________________________ (notary name),

a Notary Public in and for the County of ____________________ (county),

State of ____________________ (state), duly commissioned and sworn, together, personally

appeared both ______________________________ (seller or seller's agent) and

______________________________ (purchaser), known to me to be the people whose

names are subscribed to the within instruments, and acknowledged that they executed the same in the authorized capacities, and that by their signatures on this instrument the people executed the instrument. WITNESS my hand and official seal.

NOTARY SEAL

SIGNATURE

CLEAR PRINT

DMV ONE TRIP PERMIT

(PERMIT MUST BE COMPLETED PRIOR TO OPERATION)

INDICATE TYPE OF TRIP:
ONE CONTINUOUS TRIP
ONE ROUND TRIP

NAME

ADDRESS

CITY STATE

This vehicle has not been driven, moved, towed, parked or left standing on public streets or highways so as to cause fees to become due.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATE SIGNATURE

REG. 402T (REV. 10/2010)

VEHICLE IDENTIFICATION NUMBER

MAKE OF VEHICLE

VEHICLE LICENSE NUMBER

LOCATION OF VEHICLE AT DEPARTURE

CITY STATE

DESTINATION OF VEHICLE

CITY STATE

DATE OF DEPARTURE

MONTH DAY YEAR

ANY ILLEGIBLE OR ALTERED DATE INVALIDATES PERMIT

5979547 OT

ORIGINAL

ONE TRIP PERMIT
INSTRUCTIONS FOR USE OF THE PERMIT

1. This permit is to be used only:
a. For moving an unladen vehicle for one continuous trip from a place within this state to a place within or without this state or from a place within this state to a place within this state.
b. For moving a vehicle for one round trip from one place to another for the purposes of participating as a vehicular float or display in a parade or exhibition provided the round trip is completed within 60 days and does not exceed 100 miles.
2. Travel is to be by the shortest practicle route and in no event circuitious. Indicate type Of trip on face of the permit.
3. Permit must be completed in duplicate and signed. Complete all information Requested on the face of the permit.
4. The original copy of the permit is to be affixed to the inside lower right hand corner Of the windshield with the face of the permit showing to the front of the vehicle.
5. the Customer Copy is to be retained by the applicant. Prorate operators must retain “Customer Copy” for four years.
6. The permit CANNOT be used for a trailer coach owner by a California resident. It May be used by a non resident to move a newly purchased trailer coach out of California or to bring a newly purchased trailer coach into California. (California Registration is due upon arrival at destination.) A non resident member of the armed forces who owns a trailer coach may use this permit to move an unregistered trailer coach into, out of, or within California.
7. This permit CANNOT be used for the movement of a crane

NOTE: Any violation of the above instructions will subject the vehicle to immediate Registration Sales or use tax may be due on this vehicle. Contact your local Board of Equalization office for further instructions.

AB1215 Electronic Processing of Documents

Effective July 1, 2012, the following information has been added to the California Vehicle Code:

Section 4456.5 (a) – (c):

This section authorizes a dealer under a contractual agreement with DMV as a private industry partner to charge a document processing fee not to exceed $85.00 per transaction. The fee charged by a dealer not under a contractual agreement shall not exceed $70.

The Electronic Registration System (EVR) filing charge may not exceed the actual amount the dealer is charged by a first-line service provider for providing license plate processing, postage and services/fees authorized pursuant to Section 1685 (a) and (d).

A dealer may charge the purchaser an electronic filing fee which does not exceed the actual amount the dealer is charged by a first line service provider. Regulations prohibit consumers from being charged more than $30.00 for this service. A dealer may not charge the electronic filing fee to the purchaser if the dealer uses a registration service to complete the electronic filing process. If the electronic transaction is unable to be completed for any reason, the dealer shall immediately refund these fees to the purchaser. No fee in this section shall be represented as a governmental fee.

Business Partner Automation enrollment is optional for Used Vehicle Dealers.

BUSINESS PARTNERSHIP AUTOMATION PROGRAM:

FIRST-LINE BUSINESS PARTNER:

A partner who receives information from DMV and uses it to complete registration and titling activities for the partner’s own business purposes.

Who can become a first-line business partner? Any company that has a business need to process vehicle registration and titling applications for their own business need and complies with the following requirements:

- Establish a communication link through the American Association of Motor Vehicle Administrators.
- Develop the programming necessary to process vehicle registration transactions.
- Develop a database to track inventory.

- Develop training and security awareness programs for their employees or Second-Line Partners.

The department holds the first-line business partner responsible for all fees due to the department and requires them to be paid via an Electronic Fund Transfer

FIRST-LINE SERVICE PROVIDER:

A partner who receives information from the DMV and transmits it to another authorized business partner. Who can become a First-Line Service Provider: Any company who can comply with the following requirements:

- Establish a communication link through the American Association of Motor Vehicle Administrators.
- Develop the programming necessary to process vehicle registration transactions.
- Develop a database to track inventory.
- Develop training and security awareness program for their employees or Second-Line Business Partners

A partner who receives information from DMV and uses it to complete registration and titling activities for the partner's own business purposes.

SECOND-LINE BUSINESS PARTNER:

A partner that receives information from a First-Line Service Provider. A Second-Line Business Partner must contract with a First-Line Service Provider and comply with the requirements. Who can become a Second-Line Business Partner:

- Registration Services
- New/Used Vehicle Dealers
- Vehicle Leasing Companies
- Vehicle Rental Companies
- Dismantlers and Salvage Pools

Unlawful Dealer Activities

1. Misuse of, or permitting unlawful use of, special plates:

a. A dealer is not to use special plates on work or service vehicles owned by the dealer. This also includes vehicles that are owned and leased by a dealer. You may not use special plates on unregistered vehicles used to transport more than one load of other vehicles for the purpose of sale.

b. Test driving a vehicle by a prospective buyer or lessee may not exceed seven days.

c. Not maintaining the registration card issued or a facsimile copy for special plate with the vehicle bearing the special plates.

2. Lending dealer supplies and permitting misuse of license:

Misuse of Dealer's Supplies: It is unlawful for anyone to permit the use of their dealer's license or supplies by any other person for the purpose of permitting that person to engage in the sale of vehicles.

3. Unlicensed location:

A dealer may not conduct business at an unlicensed location. An established place of business is a place actually occupied either continuously or at regular periods by any licensee of the Department of Motor Vehicles.

4. Submission of dishonored check to the Department:

The department, after notice and hearing, may suspend or revoke the license issued to a dealer, upon determining that the person to whom the license was issued is not lawfully entitled thereto, or has done the following:

a. Submitted a check, draft, or money order to the department for any obligation or fee due the state which was dishonored or refused payment upon presentation.

b. If your check is not honored by the bank, a dishonored check fee will be assessed.

5. Failure to transfer title:

Upon the sale of a vehicle, the dealer must transfer title. Transfer fees must be posted within 30 days from the sale date. Failure to transfer title to your retail customer will result in a violation of Section 5753 California Vehicle Code and cause for action against your dealer's license.

6. Employing unlicensed Salesperson:

A dealer cannot employ any person as a salesperson who has not been licensed pursuant to Article 2, and whose license is not displayed on the premises of the dealer, or willfully fails to notify the department by mail within 10 days of the employment or termination of employment of a salesperson (OL16A).

a. It is unlawful for any person:

1. To lend a salesperson's license to any other person or knowingly permit its use by another.

2. To display or represent any salesperson's license not issued to the person as being his or her license.

3. To fail or refuse to surrender to the department, upon its lawful demand, any salesperson's license which has been suspended, revoked or canceled.

4. To permit any unlawful use of a salesperson's license issued to him or her.

Salesperson License Display:

* A true and exact copy of a salesperson license may be posted in lieu of the original license. The original license must be surrendered to the dealer for the length of the salesperson's employment.
* Upon termination, the original license must be returned to the salesperson. All copies of the license on display must be destroyed.
* A salesperson is allowed to work for more than one dealership, if all the employing dealers share a common controlling ownership structure (at least 50%).

Salesperson Information: Vehicle Salesperson Handbook – Form OL303

Salesperson Application: www.dmv.ca.gov/portal/dmv/detail/forms/ol/ol16s

7. Bird dog fees:

Illegal Salesperson Activity (use of "Bird Dogs") It is unlawful for any licensed dealer to employ any person as a salesperson, who has not been licensed by the Department of Motor Vehicles. This includes the payment of "referral" or "finders" fee to any person who directs a potential customer to a dealer.

8. Bait and switch: Advertise, or offer for sale in any manner, any vehicle not actually for sale at the premises of the dealer or lessor/retailer or available within a reasonable time of the advertisement or offer. Violate any law prohibiting bait and switch advertising, including, but not limited to, the guides against bait advertising set forth in Part 238, Title 16, Code of Federal Regulations.

Additional Unlawful Activities:

- A dealer shall not allow unlawful use of his/her dealer plates.
- Misrepresenting the model year of a vehicle.
- Dealers must disclose in writing to the buyer, if the vehicle as stated by the manufacturer, may not be operated with tire chains.
- Fail to maintain an established place of business.
- Falsely adding license and/or transfer fees to the selling price.
- Dealer auctions that fail to identify a vehicle as seized by a federal, state or local public agency or authority before the bidding begins.

Air Pollution Control Requirements

1. <u>Smog test required prior to a vehicle being offered for sale</u>

a. A vehicle 4 or less model-years old will be exempt from the Smog Check inspection requirement upon change of ownership and transfer of title transactions with DMV. Including any vehicle that has had a Smog Check certificate in connection with registration renewal, and the transfer has occurred within 90 days of registration renewal. Don't forget to pick up your Smog Abatement Fee, the Smog Transfer Fee, or both, whichever is applicable to your registration transaction.

b. The 30-year rolling exemption will be repealed. Instead, vehicles 1975 model-year and older will be exempt. Therefore, 1976 model-year and newer vehicles will continue to be subject to biennial inspection indefinitely.

c. Vehicles being initially registered in California that were previously registered in another state will be exempt if the vehicle is a 1975 and older model-year vehicle. Newer vehicles, the first 6 model years, are not exempted upon initial registration in California. These vehicles are required to undergo a Smog Check Inspection.

2. No retail dealer or person holding a retail seller's permit shall sell a new or used vehicle which is not in compliance with the air pollution control requirements, unless the vehicle is sold to another dealer, sold for the purpose of being legally wrecked or dismantled or sold exclusively for off-highway use. Prior to the time of sale, the seller shall provide the purchaser with a valid smog certificate.

a. If a vehicle is in a dealer's inventory and has not been smog-certified, the vehicle must be clearly marked **"not for sale".**

b. If a dealer smog certifies the vehicle and it stays in his/her inventory, the smog certificate for that vehicle is valid for two years.

3. Exemptions:

Evidence of compliance or exemption is not required for the following classes of vehicle applications / transactions (except direct imports) which are exempt for the provisions of the law or by the resolution of the California Air Resources Board (ARB): * 1975 year model or older * Electric * Natural gas powered and has a Gross Vehicle Weight rating of 14,001 lbs. or more * Motorcycles or Motor driven cycles * Vehicles powered solely by electricity. Please Note: Hybrid vehicles are required to have a smog check inspection.

4. Smog requirements for wholesale transactions: No smog certification is required for dealer to dealer or dealer to auction transactions.

5. Dealer is allowed to charge $50 for a smog test: <u>The maximum a dealer can charge for a smog fee is $50.00</u>. The $8.25 for the certificate should be listed as a separate fee itemized on the contract.

SMOG CERTIFICATION FOR DIESEL-POWERED VEHICLES: Effective 1-1-2010, smog emission inspections are required for diesel-powered vehicles manufactured in or after 1998, and have a gross vehicle weight rating of 14,000 pounds or less for original registrations and transfers. Biennial smog inspection requirements will be phased-in beginning with a registration renewal date of 4-30-2010. The 4 & 6 year exemption rule for gas-powered vehicles is not applicable to diesel powered vehicles, they must obtain a smog certificate. Exemptions applicable to gas-powered vehicles located in non-biennial counties, family transfers and obtaining a smog for a transfer within the past 12 months, will also apply to diesel-powered vehicles. Refer questions to Bureau of Automotive Repair www.smogcheck.ca.gov.

Air Resource Board – Dealer Disclosure Requirements:

Two new regulations were approved in December 2008 to: 1. Significantly reduce emissions from heavy-duty diesel-powered vehicles. 2. To improve fuel efficiency through improvements in tractor/trailer aerodynamics and the use of low rolling resistance tires. These regulations require any person residing in California, a California Licensed Vehicle Dealer or Lessor Retailer to disclose in writing the applicable regulation to the buyers.

Beginning January 2010, sellers of any on-road heavy-duty diesel-powered vehicles with a gross vehicle weight rating of more than 14,000 pounds, agricultural yard trucks with off-road certified engines, and certain diesel-fueled shuttle vehicles of any gross vehicle weight rating that are subject to this regulation must provide the following disclosure in writing to the buyer on the bill of sale:

"An on-road heavy-duty diesel or alternative-diesel vehicle operated in California may be subject to the California Air Resources Board regulation to reduce particulate matter and criteria pollutant emissions from in-use heavy-duty diesel vehicles. Therefore, it could be subject to exhaust retrofit or accelerated turnover requirements to reduce emissions of air pollutants. More information can be found on the California Air Resources Board website at: www.arb.ca.gov/dieseltruck.

Beginning January 2010, sellers of heavy-duty tractor or 53 foot or longer box-type trailer is subject to this regulation and must provide the following disclosure in writing to the buyer on the bill of sale:

"A heavy-duty tractor and 53 foot or longer box-type trailer operated in California may be subject to the California Air Resources Board Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Measure. These vehicles may be required to use low-rolling resistance tires and meet aerodynamic equipment requirements to reduce greenhouse gas emissions. More information can be found on the California Air Resources Board website at: www.arb.ca.gov/cc/hdghg/hdghg.htm.

Further questions can be referred to the Air Resources Board Hotline at 800-242-4450 or California Air Resource Board at https://ww2.arb.ca.gov/

Regulations of the Bureau of Automotive Repair (BAR)

1. When a dealer must register with BAR:

If a dealer repairs, diagnoses a problem, performs any maintenance, or body work, any type of service no matter how minor and receives compensation, you are required to be licensed by the BAR. The BAR was created to license and regulate the automotive repair industry. Through this program the consumer has a mediator to ensure that their problems and complaints will be addressed. The Bar takes action against licensees and unlicensed individuals who fail to comply with the laws and regulations of the Automotive Repair Act.

Stolen Vehicle Prevention

a. A dealer should always check the vehicle identification numbers with the paperwork.

b. A dealer can call DMV or Law Enforcement agency (non-emergency number) to verify the status of a vehicle.

c. No dealer should knowingly buy, sell, offer for sale, receive or have in their possession, any vehicle, or component part, from which the serial or identification number has been removed, defaced, altered, or destroyed, unless it has an attached identification number assigned or approved by the Department of Motor Vehicles.

If a vehicle of any type that requires registration has been stored in a garage, repair shop, parking lot, or trailer park for 30 days the keeper shall report this fact to the Department of Justice in Sacramento by receipted mail, which shall at once notify the legal owner of record.

Tips and Prevention from buying a stolen vehicle:

- Copy The persons Driver License (Suggest in Black and White only)
- Avoid buying a vehicle with an Application for Duplicate Title
- Obtain the current Registration Card
- Signature on a Bill of Sale (Reg 262)

Please remember: <u>Stolen vehicles are returned to the rightful owner</u> – dealers or other individuals will lose their interest they have paid to purchase the vehicle. <u>The Motor Vehicle Theft Prevention Act provides funding and awareness for California's Help Eliminate Auto Theft (HEAT) program and operates a toll-free hotline to report vehicle theft. These calls are received by California Highway Patrol's Fresno communication center and are referred to the appropriate state or local law enforcement agency.</u>

Handling, Completion, and Disposition of Departmental Forms

1. Report of Sale forms are used to report the sale of vehicles to your retail customer. At the time of sale all dealers must print a Report of Sale form from your selected vendor, which are stored electronically and automatically assigned to your deal. The Report of Sale is printed on standard 8.5 x 11inch paper. This service is provided by four-line service providers to those dealers who participate in the DMV's Business Partner Automation Program. The printed copy of the completed Report of Sale accompanies the application for registration. Copies must be kept by the dealer since they are an accountable item, subject to review and audits.

Window copy of Report of Sale:

A vehicle displaying a copy of the report of sale may be operated without license plates or registration card until either of the following, whichever occurs first:

a. The license plates and registration card are received by the purchaser.

b. A 90-day period commencing with the date of sale of the vehicle has expired.

c. The dealer or lessor-retailer shall attach for display a copy of the report of sale on the vehicle before the vehicle is delivered to the purchaser.

d. This window copy can be placed in the passenger side of the windshield in a place that will not block the drivers view or you can put it in the driver's side of the rear window also in a position that doesn't block the drivers view. THE SIDE THAT YOU FILL IN MUST BE ABLE TO BE READ BY A POLICE OFFICER FROM THE OUTSIDE OF THE VEHICLE.

Wholesale Report of Sale forms are used in reporting sales of used vehicles from dealer to dealer or dealer to dismantler. This form must be submitted to the department electronically by licensees in lieu of the Notice of Transfer form Reg. 138.

2. Storage and Security of Reports of Sales:

a. Retention Periods: DMV requires dealers to retain all business records relating to vehicle transactions for three years (DMV Industry News Memo OLIN2020-10). However, the Automobile Sales and Finance Act requires dealers to retain documents related to vehicles transactions for at least seven years or the duration of a contract which ever is greater. California New Car Dealer Association recommends dealers retain all documents pertaining to the sale or lease of a vehicle for at least 10 years as a best practice.

d. Access by Department Staff and Peace Officers, The Director, Deputy Director, Chief and Assistant Chiefs, Investigative Services, and Investigators of the Department of Motor Vehicles have the power of peace officers and may inspect any vehicle, in any new or used dealership, for the purpose of investigating the title and registration of the vehicle, consumer complaints, or locating stolen vehicles.

3. Location of Records: All supplies issued by the Department of Motor Vehicles remain the property of the Department and may be inspected at any time. All records pertinent to the type of business being conducted are to be kept at the established place of business and are open for inspection to all peace officers during normal working hours. You need to keep your records in a safe and secure place at all times. Amended regulations expand record maintenance/storage options that authorize a dealer to:

- Maintain hard copy records of transactions for 90 days onsite.
- Create an electronic copy of the original business records (must meet specified requirements)
- After 90 days, business records may be stored in an off-site storage facility within the state or a 3rd party vendor to maintain records for the remainder of the required 3-year period.

The amended regulations expanded the following record maintenance/storage requirements that vehicle dealers must implement:

- Retrieve business records within 3 days from the notice/request.
- Implement federal safeguard standards for storage.
- Take reasonable steps to dispose of customers' business records as per California Civil Code 1798.81.

4. Security of Confidential Information: A licensed vehicle dealer and their employees are responsible for compliance in all federal and state information security laws and regulations by the following:

- Maintaining the privacy of a password
- Protecting unauthorized access of the dealer's computer equipment
- Maintain all documents containing sensitive information in a secure location. These records include in whole or in part any personally identifiable consumer data, or the dealer's financial or other proprietary data.

Retail Report of Sale Form

A Public Service Agency

REPORT OF SALE—USED VEHICLE

53000046

FOR DEPARTMENT USE ONLY ______ CASHIER DATE LINE STAMP

DATE SOLD (MO./DAY/YR.)	COST	DATE OPERATED (MO./DAY/YR.)	NRM/ND	TEMPORARY LICENSE PLATE NUMBER	
11/14/2018	5900.00	11/14/2018			
MAKE	YEAR MODEL	BODY TYPE	MOTIVE POWER	NUMBER OF AXLES	UNLADEN WEIGHT
TOYT	2007	SD	G		

VEHICLE IDENTIFICATION NUMBER

MOTORCYCLE ENGINE NUMBER OR ADDITIONAL IDENTIFICATION NUMBER

LAST REGISTERED IN STATE OF	YEAR REGISTERED	LICENSE NUMBER	COUNTY OF RESIDENCE
CA	2018		

IF REVIVED JUNK OR SALVAGE—DISMANTLER NOTICE OF ACQUISITION NUMBER

GVWR (PICKUPS ONLY)

SOLD TO: PRINT TRUE FULL NAME AS IT APPEARS ON THE DRIVER LICENSE OR ID CARD IN THE ORDER SHOWN BELOW

(1) XXXXXXXXX (LAST) XXXXXXXXX (FIRST) XXXXX (MIDDLE) (SUFFIX)

DRIVER LICENSE/ID CARD NO.

☐ AND ☐ OR (2)

DRIVER LICENSE/ID CARD NO.

BUSINESS OR RESIDENCE ADDRESS	APT./STE. NO.	CITY	STATE	ZIP CODE
XXXXXXXXXXXXXXXXX	XXXX	XXXXXXXX	CA	
MAILING ADDRESS—IF DIFFERENT FROM ABOVE OR LOCATION (FOR TRAILER COACH/VESSEL)	APT./STE. NO.	CITY	STATE	ZIP CODE

DEALER'S NAME

SIGNATURE OF AUTHORIZED AGENT

ADDRESS

CITY

DEALER'S NUMBER

SALESPERSON'S NUMBER (IF OWNER, WRITE "OWNER") S0000000

SIGNATURE OF PURCHASER(S)

(1) X

(2) X

REMINDERS TO PERSONS PREPARING THIS REPORT

1. Purchaser **must** sign Report of Sale.
2. Make sure Used Vehicle Dealer Notice/Temporary Identification is affixed to the vehicle before delivery.
3. When necessary to void a Report of Sale, refer to instructions enclosed in the Report of Sale package.
4. Vehicle must have two license plates affixed (except motorcycles and trailers). If one or both license plates are missing, temporary license plates must be issued and affixed to the vehicle. Refer to the *Vehicle Industry Registration Procedures Manual*, available at ***www.dmv.ca.gov***, for instructions on obtaining replacement license plates.

REG 51 (REV. 1/2019) — *DMV copy* —

A Public Service Agency

USED VEHICLE DEALER NOTICE/TEMPORARY IDENTIFICATION

(Must be affixed to the vehicle before delivery to the purchaser)

XXXXXXXXXXXX

MAKE	YEAR MODEL	BODY TYPE	VEHICLE IDENTIFICATION NUMBER
TOYT	2007	SD	XXXXXXXXXXXXXXXXX

DATE SOLD (MO./DAY/YR.)	DEALER'S NUMBER	SALESPERSON'S NUMBER	TEMPORARY LICENSE PLATE NUMBER
11/14/2018	XXXXXX	S0000000	

SOLD TO: PRINT TRUE FULL NAME(S)

(1) XXXXXXXXXXXXXX

(2)

BUSINESS OR RESIDENCE ADDRESS	APT./STE. NO.	CITY	STATE	ZIP CODE
XXXXXXXXXXXXXXXXXX		XXXXXXXXXXX	CA	XXXXXXXXX

NOTE: UPON TRANSFER OR SALE, DEALER MUST ENTER ODOMETER READING HERE: 92,000

IMPORTANT! ENTER BOTH DEALER'S AND SALESPERSON'S NUMBERS. This is a notice of purchase of vehicle. Do not use as an application for registration or title.

REG 51 (REV. 1/2019)

5. How to void/cancel or unwind a vehicle report of sale:

Sales that are not completed or delivered to the buyer may be marked unwind (Void) in the electronic system.

a. The current unwind (Void) procedure is conducted in an automated format. The system may require approval by the dealership manager or owner when an employee voids a report of sale.

b. Voiding the report of sale will also void any temporary license plate. The dealership must confirm in the system that any TLP printed will be destroyed and acknowledged in the system.

c. Mark all parts of the REG 51 VOID and complete a statement of facts REG 256.

d. Retain all copies of the voided REG 51 and REG 256 at the dealer's primary place of business, so it is available in the event of an audit.

Roll Backs:

a. The Dealership must mark a Report of Sale form as a Rollback and select reasons for the rollback.

b. If a Temporary License Plate was issued and the ROS is marked as a rollback, the system will automatically void any corresponding temporary license plate.

c. The system may require approval by the dealership manager or owner when a dealership employee marks Report of Sale as a Rollback. Rollback Statement of Facts and ownership chain will still be required.

6. Submission of Report of Sale and other documents to the department

a. The dealer or lessor-retailer shall submit to the department an application accompanied by all fees and penalties due for registration or transfer of a used vehicle within 30 days from the date of sale, as required by CVC 9553(c). If the Department returns the application, the retail dealer shall submit a corrected application within 50 days from the date of sale or within 30 days from the date the application is first returned by the Department. An application received by the Department more than 50 days after the date of sale of a used vehicle is subject to penalties under CVC 9553(a) and 4456.1(b). Penalties due for noncompliance shall be paid by the dealer or lessor-retailer. The dealer or lessor-retailer may not charge the purchaser for the penalties.

b. As part of an application to transfer registration of a used vehicle, the dealer or lessor retailer shall include all of the following information on the certificate of title, application for a duplicate certificate of title, or form prescribed by the department:

1. Date of sale and report of sale number.

2. Purchaser's name and address.

3. Dealer's name, address, number, and signature or signature of authorized agent.

4. Salesperson number.

7. How To Register Your Dealership For The Automated System:

DMV has contracted with Fairfax Imaging, Inc. to provide California Dealers access to the Quick Tags System. Implementation of the automated system requires dealers, lessor-retailors, wholesale dealers and auto auctions to electronically report the sale of a vehicle to an electronic data base and print on demand the Report of Sale form and a Temporary License Plate (if applicable to the transaction) at the time of sale, thus providing a secure and state of the art system for the State of California. To be enrolled in the new automated system, send an email to mail to: cadmv-quicktags@fairfaxsoftware.com and provide the following information:

- Dealer Name
- Owner Name
- Owner Email Address
- Phone number

Registration, training and access to the system will be provided by subsequent email communication once the above information has been received. Any questions should be addressed directly to the email they provide.

Dealers that participate in the BPA program will have the option to use one of the following first line service provider systems for their services:

❖ American Driving Records, Inc. - https://www.sambasafety.com

❖ Automated Vehicle Registration Service, Inc - https://www.avrs.com

❖ Dealertrack Registration and Titling Solutions - https://us.dealertrack.com

❖ Motor Vehicle Software Corporation - https://www.mvscusa.com

Quick Tags and First Line Service Providers systems will house the information contained on the Report of Sale forms and Temporary License Plates that are issued, they also subsequently notify DMV nightly of each sale.

Temporary License Plates

Temporary License Plates will contain the following:

- Temporary License Plate number
- Report of Sale number
- Vehicle Identification Number
- Vehicle Make
- Vehicle Model
- Expiration date of 90 days from the date of sale
- Quick response code embedded with specified validation information.

Temporary License Plates are required to be printed on special paper by an inkjet printer that is durable in variable weather conditions and DMV approved. Please check with your system vendor for fees associated with the Temporary License Plates and paper.

Use of Special Plates

Every owner, upon receipt of a registration card issued for special plates, shall maintain the same or a facsimile copy thereof with the vehicle bearing the special plates. Special plates are not provided to lessor-retailers.

a. Appropriate Use of Dealer Plates:

1. The dealer plate permits operation of dealer inventory vehicles without registration or transfer to the dealer.

2. Any other license plates or permits currently attached to the vehicle must remain on the vehicle. Display a single dealer plate at the rear of the vehicle being operated.

3. Dealer plates may be used/displayed for business or pleasure purposes provided the vehicle is in the dealer's inventory for sale.

a. <u>The owner of the business.</u>

b. <u>On vehicles rented or leased to vehicle salespersons in the course of employment for purposes of demonstration.</u>

c. To deliver a vehicle when title does not pass to the purchaser until after delivery.

d. <u>Prospective buyers may test drive dealer-owned and plated vehicles. The period of time cannot exceed seven days under any circumstances</u>. A salesperson does not have to be present, the operator must carry a letter of authorization identifying the vehicle, duration and person(s) authorized to operate the vehicle.

e. <u>A Salesperson acting within the course of his/her employment.</u>

b. Misuse of Dealer Plates:

NOTE: Use of dealer plates does not extend to a licensee's family members unless the vehicle is used in conjunction with the firm's business activities.

1. After delivery of a vehicle.

2. On work or service vehicles. This includes tow cars, parts delivery vehicles, pickup vehicles, and vehicles loaned to service customers.

3. On vehicles owned by the dealer and rented or leased to individuals other than licensed salespersons except as shown in this section.

4. On a vehicle with current California registration owned and operated by a licensed dealer if the former owner has sent a Notice of Release of Liability (REG 138) to DMV and the customer copy of the report of sale is displayed on the vehicle.
5. On a vehicle with a permit issued by the department being moved over the highways from a vessel, railroad depot, or warehouse to a warehouse or showroom.
6. On unregistered vehicles used to transport more than one load of other vehicles for the purpose of sale.
Additional information regarding the Use/Misuse of Dealer Plates may be obtained from
Barclays Official California Code of Regulations
Title 13. Motor Vehicles
Division 1. Department of Motor Vehicles
Chapter 1. Department of Motor Vehicles
Article 3.3 Special Plates

c. Proper placement of dealer plates:

1. License plates shall at all times be securely fastened to the vehicle for which they are issued so as to prevent the plates from swinging, shall be mounted in a position so as to be clearly visible, and shall be maintained in a condition so as to be clearly legible.
2. When a dealer is issued a dealer plate it must be placed in the rear of the vehicle. A dealer plate should not be displayed in the rear window; it should be attached to the vehicle if at all possible. You only need one plate per vehicle.

How to Order: To procure additional plates, replacement plates, stickers or duplicate registration card, complete the form OL22. You may obtain the form from the DMV Web Site at https://www.dmv.ca.gov/portal/uploads/2020/06/ol22.pdf .
Your completed form may be submitted to:

Department of Motor Vehicles
Occupational Licensing Unit
PO Box 932342 L224
Sacramento, Ca. 94232-3420

Or you may submit the OL22 order form directly on the DMV Portal (recommended).

Federal Buyers Guide

https://www.ftc.gov/business-guidance/resources/dealers-guide-used-car-rule

1. Federally mandated program:

a. Used Car Rule: The Used Car Rule was instated by the Federal Trade Commission for all licensed dealers. This rule doesn't apply to motorcycles, vehicles sold for scrap, agricultural equipment, or vehicles that have a gross weight of more than 8,500lbs.

1. The vehicle must have the Buyers Guide posted in the side window.

2. You must list the vehicle make, model, year, and vehicle identification number.

3. A dealer is required to include a specific disclosure about the Buyers Guide in the Sales Contract.

4. Purchaser must sign and have a copy of the signed Buyers Guide.

5. A Buyers Guide shall be posted in Spanish prior to sale for any Spanish language transaction.

6. A dealer must indicate that the vehicle is As Is-No Warranty or if it has a Warranty.

7. The dealer must specify if the Warranty is Full or Limited.

8. The dealer must state if the manufacturer's warranty still applies.

9. You, the dealer can offer a Service Contract for an additional cost.

10. If a dealer violates the Used Car Rule you can be penalized up to $16,000 per incident.

2. Warranty:

a. Indicate if a vehicle is AS IS-NO WARRANTY or if it has a WARRANTY. When the dealer offers an Express Warranty, the dealer must check the box next to the heading WARRANTY and fill out the remaining portion of that section of the Buyers Guide.

b. The dealer is required to indicate if the Warranty is FULL or LIMITED. If the Warranty is FULL, it must meet all five of the following conditions.

1. Warranty service must be provided to anyone who owns the vehicle during the warranty period.

2. Warranty service must be provided free of charge, including such costs as returning the vehicle or removing and replacing a covered system when necessary.

3. The consumer must be able to choose either a replacement or the purchase price of the car if, after a reasonable number of tries, the vehicle cannot be repaired.

4. The duration of implied warranties must not be limited.

5. The buyer must not be required to take any action as a precondition for receiving service, except giving notice that service is needed, unless the dealer can show that the required action is reasonable.

c. When the dealer is filling in the percentage of parts and labor costs that the warranty covers if there is a deductible that applies, you must put an asterisk by the number like this (100*) and then explain the deductible in the blanks under the systems covered/duration section.

d. A limited warranty does not have to cover the entire vehicle, you may specify that only certain systems are covered. Some parts or systems may be covered by a full warranty, while others by a limited warranty.

e. When a manufacturer's warranty on the vehicle has not expired, you may disclose the fact by checking the Warranty box and include the systems that are covered and the duration. After that the dealer must state, Manufacturer's Warranty Still Applies. The manufacturer's original warranty has not expired on the vehicle. Consult the manufacturer's warranty booklet for details as to warranty coverage, service locations and other information.

3. Buyers Guide

a. If the buyer is required to pay a fee to get the manufacturer's warranty do not check the Warranty box. This type of coverage is considered a service contract. If you the dealer decides to pay the fee to the manufacturer you may check the box. If the dealer provides a warranty in addition to the unexpired manufacturer's warranty, then the dealer must explain the terms of his warranty on the Buyers Guide.

b. The dealer must fill in the name and address of his dealership and the name and telephone number of the person the consumer can contact for complaints about the vehicle.

c. AS IS NO-WARRANTY doesn't mean that the vehicle is not required to meet Division 12 Safety Equipment Requirements.

d. If the buyer and the dealer agree to make changes in the warranty coverage, the dealer must make changes to the Buyers Guide to show those changes.

Additional information may be obtained from the Federal Trade Commission.

4. Service Contracts

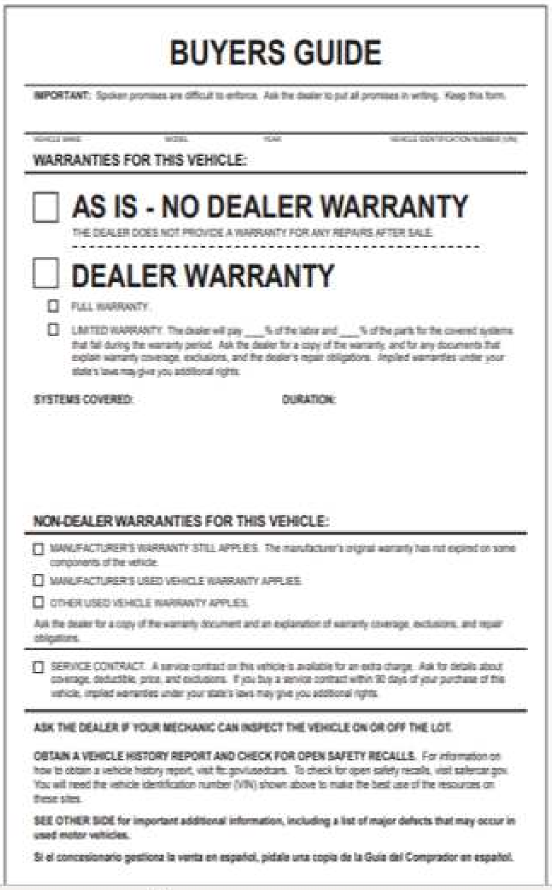
a. A Service Contract is like a Warranty it provides repair and/or maintenance for a specific period. The difference is that Warranties are included in the price of the vehicle and a Service Contract costs extra and is sold separately. The cancellation fee cannot exceed $25.00 during the first 30 days. If you offer a service contract, be sure to mark the box on the Buyers Guide.

b. If a customer buys a Service Contract from the dealer within 90 days of buying a used vehicle, federal law prohibits the dealer from eliminating Implied Warranties on the systems covered in the contract. Here is an example: you have a customer that purchases a vehicle that is as is which means that the vehicle is not covered by an Implied Warranty, but if the customer buys the Service Contract that covers that system the customer automatically gets an Implied Warranty on that system. Therefore, the customer may have more protection beyond the range of the Service Contract.

c. Here is an example of an Implied Warranty: The salesperson tells the customer that the car offered will do what it is supposed to do. Telling them that the car will run is an Implied Warranty that is an implied function; it doesn't cover all of the things that could go wrong.

d. If the buyer has a written warranty that does not cover their problems, they still may have coverage through Implied Warranties. Because when a dealer sells a vehicle with a Written Warranty or Service Contract, Implied Warranties are included automatically. Any limit on an Implied Warranty's time must be included in the written warranty.

Front and Back of the Buyers Guide



BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE MAKE MODEL YEAR VEHICLE IDENTIFICATION NUMBER (VIN)

WARRANTIES FOR THIS VEHICLE:

☐ **AS IS - NO DEALER WARRANTY**

THE DEALER DOES NOT PROVIDE A WARRANTY FOR ANY REPAIRS AFTER SALE.

☐ **DEALER WARRANTY**

☐ FULL WARRANTY.

☐ LIMITED WARRANTY. The dealer will pay ___% of the labor and ___% of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty, and for any documents that explain warranty coverage, exclusions, and the dealer's repair obligations. Implied warranties under your state's laws may give you additional rights.

SYSTEMS COVERED: **DURATION:**

NON-DEALER WARRANTIES FOR THIS VEHICLE:

☐ MANUFACTURER'S WARRANTY STILL APPLIES. The manufacturer's original warranty has not expired on some components of the vehicle.

☐ MANUFACTURER'S USED VEHICLE WARRANTY APPLIES.

☐ OTHER USED VEHICLE WARRANTY APPLIES.

Ask the dealer for a copy of the warranty document and an explanation of warranty coverage, exclusions, and repair obligations.

☐ SERVICE CONTRACT. A service contract on this vehicle is available for an extra charge. Ask for details about coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of your purchase of this vehicle, implied warranties under your state's laws may give you additional rights.

ASK THE DEALER IF YOUR MECHANIC CAN INSPECT THE VEHICLE ON OR OFF THE LOT.

OBTAIN A VEHICLE HISTORY REPORT AND CHECK FOR OPEN SAFETY RECALLS. For information on how to obtain a vehicle history report, visit ftc.gov/usedcars. To check for open safety recalls, visit safercar.gov. You will need the vehicle identification number (VIN) shown above to make the best use of the resources on these sites.

SEE OTHER SIDE for important additional information, including a list of major defects that may occur in used motor vehicles.

Si el concesionario gestiona la venta en español, pidale una copia de la Guía del Comprador en español.

Here is a list of some major defects that may occur in used vehicles.

Frame & Body
Frame-cracks, corrective welds, or rusted through
Dog tracks—bent or twisted frame

Engine
Oil leakage, excluding normal seepage
Cracked block or head
Belts missing or inoperable
Knocks or misses related to camshaft lifters and push rods
Abnormal exhaust discharge

Transmission & Drive Shaft
Improper fluid level or leakage, excluding normal seepage
Cracked or damaged case which is visible
Abnormal noise or vibration caused by faulty transmission or drive shaft
Improper shifting or functioning in any gear
Manual clutch slips or chatters

Differential
Improper fluid level or leakage, excluding normal seepage
Cracked or damaged housing which is visible
Abnormal noise or vibration caused by faulty differential

Cooling System
Leakage including radiator
Improperly functioning water pump

Electrical System
Battery leakage
Improperly functioning alternator, generator, battery, or starter

Fuel System
Visible leakage

Inoperable Accessories
Gauges or warning devices
Air conditioner
Heater & Defroster

Brake System
Failure warning light broken
Pedal not firm under pressure (DOT spec.)
Not enough pedal reserve (DOT spec.)
Does not stop vehicle in straight line (DOT spec.)
Hoses damaged
Drum or rotor too thin (Mfgr. Specs)
Lining or pad thickness less than 1/32 inch
Power unit not operating or leaking
Structural or mechanical parts damaged

Air Bags

Steering System
Too much free play at steering wheel (DOT specs.)
Free play in linkage more than 1/4 inch
Steering gear binds or jams
Front wheels aligned improperly (DOT specs.)
Power unit belts cracked or slipping
Power unit fluid level improper

Suspension System
Ball joint seals damaged
Structural parts bent or damaged
Stabilizer bar disconnected
Spring broken
Shock absorber mounting loose
Rubber bushings damaged or missing
Radius rod damaged or missing
Shock absorber leaking or functioning improperly

Tires
Tread depth less than 2/32 inch
Sizes mismatched
Visible damage

Wheels
Visible cracks, damage or repairs
Mounting bolts loose or missing

Exhaust System
Leakage
Catalytic Converter

DEALER NAME

ADDRESS

TELEPHONE EMAIL

FOR COMPLAINTS AFTER SALE, CONTACT:

IMPORTANT: The information on this form is part of any contract to buy this vehicle. Removing this label before consumer purchase (except for purpose of test-driving) violates federal law (16 C.F.R. 455).

Lemon law – <u>Song-Beverly Consumer Warranty Act of 1970</u>

1. Lemon Law in simple terms and what you need to know if you sell one**.** Lemon Law Requires a manufacturer to replace a new motor vehicle or reimburse the buyer if the vehicle does not conform to the warranty after a reasonable number of attempts have been made to correct a non-conformity. The new warranty provisions apply only to warranted new motor vehicles purchased on or after January 1, 1983. The new warranty provisions presume that a manufacturer or its agent has made a reasonable number of attempts to conform a new motor vehicle to the applicable express warranties if, within 18 months from delivery to the buyer or lessee or 18,000 miles, whichever occurs first, either:

a. The same non-conformity has been subject to repair four or more times by the manufacturer or dealer without resolve; or

b. The vehicle's problem could cause death or serious bodily injury if it is driven and the manufacturer or dealer has made at least two unsuccessful repair attempts; or

c. The vehicle is out of service by reason of repair of nonconformities by the manufacturer or its agents for a cumulative total of more than 30 days since delivery of the vehicle to the buyer.

2. When you sell a Lemon Law Buyback vehicle:

<u>**a.** The dealer must notify the prospective buyer that this vehicle is a Lemon Law Buyback prior to the purchase of that vehicle</u>.

b. There must be a decal affixed to the vehicles: Left door frame, or frame of the major entry into a vehicle such as the right front frame of a motorhome or left side of a vehicle without doors, such as a motorcycle stating the term: Lemon Law Buy Back.

c. Inform the buyer of the vehicle what the problem was with the vehicle in writing, which includes year, make, model, and vehicle identification number.

d. Tell the buyer if the title is going to be marked Lemon Law Buyback.

e. Disclose what the original owner's problem was that couldn't be repaired.

f. Disclose what types of repairs were done by the manufacturer or shop to correct the problems.

g. The notification must be on white 8.5 x 11-inch paper in at least 10-point print.

You can start a statement something like this:

This vehicle was repurchased by its manufacturer due to a defect in the vehicle pursuant to consumer warranty laws. The title to this vehicle has been permanently branded with the

notation … LEMON LAW BUYBACK

Vehicle History Disclosure Requirements

NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM (NMVTIS)

California Assembly Bill 1215:

The National Motor Vehicle Title Information System is a national, federally mandated vehicle history database designed to protect consumers from fraud and unsafe vehicles, a tool that assists law enforcement agencies and states in deterring and preventing title fraud and other crimes, prevents introduction or reintroduction of stolen vehicles into interstate commerce, and reduces the use of stolen vehicles for illicit purposes. The U.S. Department of Justice has the responsibility for the oversight and operation of the program. In addition, NMVTIS is the only publicly available system in the United States which all insurance carriers, auto recyclers, junk/salvage yards are required to report to on a regular basis. Failure to file required reports is punishable and can result in civil penalties of $1,000 per violation.

NMVTIS SYSTEM OPERATOR:

The American Association of Motor Vehicle Administrators (AAMVA) is the current operator who maintains and implements the following:

For State Agencies: The program provides two methods for verifying title information using the system. It also enables participating states to share all information on a specific vehicle.

For Law Enforcement Agencies: The program gives access to title information via a VIN search

For Others: The program ensures consumer and insurer access to information.

VEHICLE DEALERS:

Effective July 1, 2012, all vehicle dealers licensed in California must obtain a NMVTIS vehicle history report for every used vehicle that will be offered for retail sale. Dealers must post a warning sticker on the vehicle and provide a retail purchaser with a copy of the report upon request prior to sale if the report indicates that:

- The vehicle's certificate of title contains a brand
- The vehicle is or has been a prior junk or salvage
- The vehicle has been reported as a junk, salvage or total loss automobile by a salvage entity or an insurance carrier.

NMVTIS Report Exceptions:

- Motorcycles, Recreational Vehicle or Off-highway vehicle subject to identification.
- An attempt to obtain a NMVTIS report, but NMVTIS doesn't have a record for the vehicle.
- Wholesale vehicle transactions.

<u>The warning sticker shall be at least 14 point bold black type, on at least a 4 x 5.5 inch in size, with a red background. The "WARNING" title on the sticker must be 18 point bold black type.</u> The warning sticker shall be posted in close proximity to the Federal Trade Commission Buyers Guide.

WARNING

According to a vehicle history report issued by the National Motor Vehicle Title Information System (NMVTIS), this vehicle has been reported as a total-loss vehicle by an insurance company, has been reported into NMVTIS by a junk or salvage reporting entity, or has a title brand which may materially affect the value, safety, and/or condition of the vehicle. Because of its history as a junk, salvage, or title branded vehicle, the manufacturer's warranty or service contract on this vehicle may be affected. Ask the dealer to see a copy of the NMVTIS vehicle history report. You may independently obtain the report by checking NMVTIS online at www.vehiclehistory.gov

A Dealer shall retain a copy of the NMVTIS report in their files. Do not submit a copy of the NMVTIS report with the ownership transfer application to DMV.

NMVTIS CONTAINS:

1. Vehicle data from participating state DMVs:

VIN
Title Issue date
Title brand
Odometer reading

2. Junk & Salvage data from salvage entities:

VIN
Date the vehicle was obtained
If the vehicle was crushed, sold or used for parts
If the vehicle is intended for export.

NMVTIS Junk & Salvage Data: Regulations require salvage entities handling five or more junk or salvage vehicles per year to report to NMVTIS. They include:

Salvage Pools	Pull or Pick-Apart Yards
Salvage Auctions	Crushers
Auto Recyclers	Shredders
Junk/Salvage Yards	Tow Companies
Auto Rebuilders	Wrecker Operators

3. Total-loss data from insurance entities:

VIN
Date of total-loss declaration

NMVTIS Insurance Total Loss Data: Regulations require insurers to report all total-loss declarations (by the carrier or the applicable jurisdiction) for vehicles of the current model year or four previous model years. Some insurers may voluntarily report all total-loss declarations regardless of model year, while others may not. * Note the presence of any salvage entity or total loss reporting for a vehicle in a NMVTIS report will require the application of the warning sticker by a California dealer.

VEHICLE HISTORY:

NMVTIS history reports are intentionally concise. It provides information on five key factors that are important to consumers:

- Current and last state of title issuance
- Brand History
- Odometer Reading
- Salvage History
- Total Loss History

Information on previous significant damage may not be included in the system if the vehicle was never determined by an insurance company or other appropriate entity, to be a "total loss" or branded by a state titling agency. The NMVTIS report does not contain detailed information regarding a vehicle's maintenance or repair history.

HOW NMVTIS DIFFERS FROM CARFAX/AUTOCHECK OR OTHER PRIVATE VEHICLE HISTORIES:

NMVTIS provides a unique service in terms of the source of its data and the timeliness in which the data is received. As opposed to purchasing information from specific businesses or companies, junk and salvage entities are required to provide specific information to NMVTIS.

Private vehicle history providers offer beneficial information to the public that is not intended to be included in NMVTIS, for example, vehicle repair histories, recalls information, and other care or maintenance data. California regulations do not preclude dealers from providing additional history reports or information.

WHAT STATES CURRENTLY PARTICIPATE?

The State Motor Vehicle Administration Overall Compliance reports that currently 99% of the U.S. DMV data is represented in the system, based on the most current Federal Highway Administration Data (2020). *50 States Participating (Includes the District of Columbia) – states that provide data and inquire into the system before issuing new titles. * 1 State in development.

Some states report and update the system's data in *Real Time* (as the title transactions occur). Other states send updates less frequently, such as a period of days or once every 24 hours. A copy of the map may be obtained on the National Motor Vehicle Title Information System, https://vehiclehistory.bja.ojp.gov

TITLE BRANDS: This chart indicates categories of title brands. Any vehicle that has the presence of any title brand in the NMVTIS report must have the red warning label affixed to the vehicle.

Flood Damage	Remanufactured	Vehicle Safety Defect Corrected
Fire Damage	Gray Market	VIN Replaced VIN Replaced by a new State assigned VIN
Hail Damage	Warranty Return	Manufacturer Buy Back
Salt Water Damage	Antique	Former Rental
Vandalism	Classic	Salvage Stolen
Kit	Agricultural Vehicle	Salvage Other than damage/stolen
Dismantled	Logging Vehicle	Disclosed Damage
Junk	Street Rod	Prior Non-Repairable/Repair
Rebuilt	Vehicle Contains Reissued VIN	Crushed
Reconstructed	Replica	Actual
Salvage	Totaled	Not Actual
Test Vehicle	Owner Retained	Exempt from Odometer Disclosure
Refurbished	Bond Posted	Exceeds Mechanical Limits
Collision	Memorandum Copy	Odometers May Be Altered
Reserved	Parts Only	Odometer Replaced
Salvage Retention	Recovered Theft	Reading at Time of Renewal
Prior Taxi	Undisclosed Lien	Odometer Discrepancy
Prior Police	Prior Owner Retained	Call Title Division
Original Taxi	Non-Conformity Uncorrected	Rectify exceeds mechanical limits
Original Police	Safety Defect Uncorrected	Junk Automobile-CARS.gov

NMVTIS CONSUMER ACCESS PROVIDERS – approved Consumer Access Providers who have agreed to provide NVMTIS reports to the public consistent with federal legal requirements.

Current Consumer Access Providers are:

- Auto Data Direct, Inc. www.add123.com
- Cargo Group. . . . . .www.checkthatvin.com
- InstaVIN. . . . . .www.instavin.com
- Rig Dig (Heavy Equip). . . . www.rigdig.com
- VinAudit. . . . . www.vinaudit.com

Agency Contact Information:

NMVTIS Program Office	AAMA
Bureau of Justice Assistance	4301 Wilson Bl Suite 400
US Department of Justice	Arlington, VA 22203
Washington, DC 20531	(703) 522-4200
nmvtis@doj.gov	www.aamva.org

1. Additional items a dealer must disclose in simple terms:

a. If a vehicle was damaged and required repairs having a value including parts and labor exceeding 3% of the manufacturer's suggested retail price or $500.00.

b. If there was damage to the frame or drive train of the vehicle.

c. If the damage occurred in connection with the theft of the vehicle.

d. If there was damage to the suspension of the vehicle requiring repairs other than wheel alignment or balancing.

e. If the odometer was replaced in the vehicle.

f. If the vehicle was a previous daily rental, taxicab, insurance salvage or law enforcement vehicle.

g. If the vehicle is a "low speed" vehicle the dealer must disclose to the buyer the vehicles' maximum speed and the potential risks of driving a "low speed" vehicle. (21 – 25 MPH).

2. Condition of vehicle

a. The vehicles condition must be described correctly to your best knowledge.

b. A dealer must disclose in writing to the prospective purchaser prior to the sale of the vehicle, any material damage known by the dealer or repaired by the dealer.

c. Telling a purchaser about what needs repair doesn't excuse you from Division 12 Safety Equipment Requirements.

Department of Motor Vehicles (DMV) Enforcement Actions

Department of Motor Vehicles Responsibility: The Department of Motor Vehicles is charged with all investigative and enforcement duties within their jurisdiction. It is the Department of Motor Vehicles' responsibility to ensure that licensees are complying with statutes and regulations, providing consumer protection. The Department of Motor Vehicles also has the responsibility of taking disciplinary action against a licensee who has violated any of the statutes or regulations enforced by the Department of Motor Vehicles.

1. Administrative:

The Department of Motor Vehicles can suspend or revoke the license of a dealer or lessor retailer who has violated terms or conditions of any statutes or regulations. Mandatory monetary penalties may be required of a licensee pursuant to an agreement between the Director of the Department of Motor Vehicles and the licensee.

2. Criminal:

a. A licensee is subject to arrest, fine, or imprisonment for willfully violating any of the terms and conditions of statutes or regulations.

b. Local District Attorney Fraud Units: Various District Attorneys' offices have a Consumer Fraud Unit which prosecutes criminal and/or civil cases of fraud and/or intentional or deliberate illegal activity which results in actual loss or damage to the consumer.

3. Civil:

The District Attorney or City Attorney can impose monetary penalties against a licensee who has willfully violated any of the terms and conditions of any statutes or regulations.

What type of disciplinary actions can the department impose on a licensee who violates a law? Cancellation, Fine, Probation, Revocation, Stayed Revocation or Suspension and Suspension. All applicants are afforded due process by way of a hearing presided by an Administrative Law Judge. Prior Administrative Actions related to fines and probations will be reported for one year after the disciplinary action has been successfully completed.

Consumer Protection – Motor Vehicle Dealer's Recovery Fund:

Effective July 1, 2008, DMV will collect one dollar from dealers/lessor-retailers for each vehicle sold, up to a maximum of $2500 a year. You may not in turn charge your customer for this fee. You will be billed on a monthly basis beginning September 2008, until the Consumer Motor Vehicle Recovery fund has reached five million dollars. The DMV will cease the collection upon it 5 million dollar goal and will resume collection when it is less than 2 million dollars. This fund is to provide payments to consumers who have suffered a financial loss as a result of a dealer or lessor-retailer who has ceased selling and or leasing vehicles or has filed bankruptcy and has failed to:

- Pay DMV for the license and registration fees.
- Pay Consignors the proceeds of a consignment sale.
- Discharge the obligations secured by liens on traded in vehicles, in connection with the purchase of another vehicle from the dealer or lessor-retailer.
- Pay amounts the dealer or lessor-retailer agreed with customers to pay the lessors of motor vehicles that the customers transferred as a trade into the dealer or lessor-retailer.
- Provide good title, free of liens or other claims.
- Pay third parties for insurance, service contracts, or goods or services purchased through the dealer.

If a claim has been paid because of the misconduct of a dealer or lessor-retailer, the Consumer Motor Vehicle Recovery Corporation may:

- Bring action to recover the amount of payment plus interest at a rate of 10% per year and shall be entitled to recover any costs and reasonable attorney fees.
- DMV will be informed of payment of a claim, and DMV may take disciplinary action to revoke or suspend the dealer or lessor-retailer's license, if the claim is not reimbursed with interest to the Consumer Motor Vehicle Recovery Corporation.

Dealers and lessor-retailers will be sent statements bi-monthly, however those who sell fewer than 20 vehicles per month may be sent statements semi-annually. Your Statements are due and payable upon receipt.

Basic Licensing Requirement of Dealers

1. <u>California Vehicle Code</u>

No person shall act as a Dealer, Remanufacture, manufacturer, or transporter, or a Branch without having first been issued a license as required in Section 11701 CVC or a temporary permit that is active.

2. Who is a Vehicle Dealer?

A vehicle dealer is anyone who buys, sells, or trades vehicles for compensation, either full or part time. Selling vehicles without a valid dealer license is prohibited and a misdemeanor crime.

Place of Business: Location actually occupied either continuously or at regular periods by a dealer where the books and records pertinent to the business being conducted are kept. <u>You must maintain your location the same as the day you were licensed.</u>

FORM REQUIREMENTS: A Vehicle Dealer Application Consists of:

a. OL248B – Used Dealer or Dealer Wholesale Only Application Checklist
b. OL 12 - Part C Application For Original Occupational License.

c. OL 21A - Part A Original Application For Occupational License.

d. OL 25 - Dealer Surety Bond of Dealer or Lessor / Retailer or OL 65/94 with the Cash Bond or OL 64/65 with the certificate of deposit made payable to DMV

e. OL 53 - Authorization to Release Financial Information

f. OL 29(B) - Part B Personal History Questionnaire (1 per each Corp Officer, Partner, sole owner)

*Note: DMV is no longer requiring work history on the portal

g. ADM 9050 - Appoint of Director as Agent for Service of Process.

h. DMV 8016 - Request For Live Scan Service (receipt) (1 per each Corp Officer, Partner, sole owner)

Additional documents required:

- Original Certificate of Completion – stamped with the written test score
- Corporation: Copy of Statement of Information SI 550 filed with the Secretary of State which identifies Officers and Shareholders.
- Limited Liability Company: Statement of Information LLC12 filed with the Secretary of State which Identifies Managing Member or Members.
- Fictitious business name (DBA if you have one)
- Copy of the California Tax and Fee Administration Resale Permit.
- Photograph(s) of business location

Required for most Cities and Counties : Business License.

BOND REQUIREMENTS

a. Before any dealer license is issued or renewed by the Department of Motor Vehicles, the applicant must file with the Occupational License Unit, a bond executed by an admitted surety insurer or cash CD in the same amount.

b. A dealer who only sells motorcycles or ATV's Bond is $10,000

c. A Wholesale Only Dealer who sells less than 25 vehicles per year, the bond is $10,000.

d. All others Dealer Bonds are $50,000

e. The Dealer Bond is not for the protection of the dealer, it is designed for the consumer, finance, and governmental agencies. Your Bond should read as follows:

**Sole Owner: True full name of that person & DBA if there is one. *Partnership: True full name of each partner & DBA if there is one. *LLC or Corporation: Full name of the LLC or Corporation and the DBA if there is one.

REQUIRED FEES

1. $175.00 Nonrefundable original application fee + 1.00 Family Support.

2. $100.00 Auto broker (plus original application fee)

3. $425.00 New Motor Vehicle Board Fee (New Franchise Dealers Only)

4. *$92.00 For each dealer plate. *$ 94.00 For each motorcycle plate. NOTE: Plates are optional.

* Plate fees may vary depending on the county where your business is located.

5. LIVE SCAN SERVICE FEES: Check with the facility for fees and payment method. Live Scan locations in California: https://oag.ca.gov/fingerprints/locations

*** Note:** falsifying information on your testimony declaration, deposition, or certification is a Penal Code violation.

RENEWAL REQUIREMENTS

1. Expiration and Renewal of Special Plates and License:

Every occupational license and special plates issued shall be valid for a period of one year from midnight of the last day of the month of issuance. Except as provided in subdivision (c) (30 day grace period), renewal of the occupational license and special plates for the following year may be obtained by the person to whom the occupational license and special plates were issued upon application to the department and payment of the fee.

BI-ANNUAL RENEWAL REQUIREMENTS

a. $250.00 Renewal fee per location (\$125 per year)

b. 4 hour Continuing Dealer Education Certificate – Wholesale dealers may complete an OL 257 exemption if applicable, (less than 49 vehicle sales per year).

c. Wholesale dealer with a 10 Thousand bond – complete the OL 56 for the $50,000 Bond exemption, (less than 25 vehicle sales per year).

d. Dealer Plate renewal (fees vary by County)

e. Auto Broker if applicable - $75.00.

Note: After the first year in business renewal is due, then renewal is done on a bi-annual basis only.

Renewal penalty is due during a 30 day grace period of 100% of the original licensing fee.

3. HOW DO I RENEW MY LICENSE?

About 45 days before the expiration of your license you should receive a courtesy notice for renewal. After you complete the courtesy notice, you may mail your renewal form and fees to:

Department of Motor Vehicles Occupational
licensing
PO Box 932342 MS L224
Sacramento, CA 94232-3420

If you do not receive a courtesy notice, the renewal form (OL 45) is available on the web at https://www.dmv.ca.gov/portal/uploads/2022/08/OL-45-R7-2022.pdf

***Renewal forms and fees can be completed on the DMV portal, which is preferred.**

Visit this link on how to get started creating your account. https://www.dmv.ca.gov/portal/vehicle-industry-services/occupational-licensing/login/

LOCATION REQUIREMENTS

1. Zoning

Your business location must be properly zoned for the type of business you wish to conduct. Before signing a lease or rental agreement, check with your City Zoning and Planning Department to ensure the proper zoning.

2. Office

The place of the business must have an office and display area situated on the same property where the business is located.

A wholesaler involved only in the sale of vehicles between licensed dealers, must have an office, but a display area or sign is not required.

a. Your office must be devoted exclusively for the use of your business with entry directly from the outside. Your office must have a telephone, desk, and a locking file cabinet.

b. All books and records pertinent to the business must be maintained at the office

c. Days and hours of operation must be posted. (Retail Dealers Only)

3. Display Requirements

a. Must be situated on the same property adjacent to the office.

b. Must be of a sufficient size to physically accommodate vehicles(s) of a type for which the dealership is licensed to sell.

c. Additional office/display areas are permitted within a radius of 1,000 feet from the principal place of business or any licensed branch location without being subject to separate licensing, this type of facility must meet sign requirements.

4. Office Sign Requirements

a. Not less than 2 square feet per side in size

b. Visible from a distance of at least 50 feet

c. Provide information as to the dealer's name and address

d. Permanent in nature, able to withstand weather conditions, and erected on the exterior of the office.

e. If a sign cannot be posted on the exterior of the building, the following is required:

- A photograph of the lobby directory or other sign posted to direct customers to an office within the building.
- A photograph of the sign posted on or near the office entrance door.

5. Notices required to be posted at the dealer's place of business

a. In a space conspicuous to the public in each and every location, the license issued by the department to the dealer and to each salesman employed by that dealer.

b. The Sellers Permit issued by the California Tax and Fee Administration, and the City Business License. (Some Counties do not require a Business License)

c. Display a listing of advertisements of vehicles offered for sale. (Newspaper, internet, TV. etc)

d. 11709.1 CVC: Every dealer who displays or offers one or more used vehicles for sale shall post a notice not less than 8 inches high and 10 inches wide, with text font size 10 point, in a place conspicuous to the public, which states the following:

NOTICE TO PUBLIC: INSPECTION OF VEHICLE

The prospective purchaser of a vehicle may, at his or her own expense and with the approval Of the dealer, have the vehicle inspected by an independent third party either on or off These premises"

11709.2 CVC: Every dealer shall conspicuously display a notice, not less than eight inches high and 10 inches wide, in each sales office and sales cubicle of a dealer's established place of business where written terms of specific sale or lease transactions are discussed with prospective purchasers or lessees, and in each room of a dealer's established place of business where sale and lease contracts are regularly executed, which states the following:

"THERE IS NO COOLING-OFF PERIOD UNLESS YOU OBTAIN A CONTRACT CANCELLATION OPTION

California law does not provide for a "cooling-off" or other cancellation period for vehicle lease or purchase contracts. Therefore, you cannot later cancel such a contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign a motor vehicle purchase or lease contract, it may only be canceled with the agreement of the seller or lessor or for legal cause, such as fraud."

However, California law does require a seller to offer a 2-day contract cancellation option on used vehicles with a purchase price of less than $40,000, subject to certain statutory conditions. This contract cancellation option requirement does not apply to the sale of a recreational vehicle, motorcycle or an off-highway motor vehicle subject to identification under California law. See the vehicle contract cancellation option agreement for details."

Civil Code 1632(f): The right to a Spanish language translation or other specified languages of the contract or agreement, prior to the execution thereof.

6. Photograph Procedures:

a. The department will perform onsite inspections to confirm the contents of photographs. Submission of fraudulent application form(s) and/or photograph(s) is grounds to refuse to issue this and any subsequent license.

b. Photographs must be clear enough to ensure compliance with requirements.

c. Each photograph must be dated and signed.

d. Photographs must be attached to a sheet of paper, labeled and numbered according to directions below.

7. License Type Photograph Requirements:

License Type	Photograph Requirements
Wholesale Only Dealer	Office and Location
New Vehicle Dealer	Office, Location, Sign and Display Area
Retail With Auto Broker Endorsement	Office, Location, Sign and Display Area
Used Vehicle Dealer	Office, Location, Sign and Display Area

8. Directions for Photograph Requirements:

a. Office - Photographs must clearly show an office set up to perform the duties required by the license type, including adequate storage for accountable materials and records.

b. Entrance - A photograph of the office entrance which includes the office address from the outside of the building.

If the office entrance is not directly accessible from the exterior, then a photograph from the corridor showing the direct entrance is also required.

c. Exclusive use of office - A full photograph from the entrance to the back wall which includes both side walls. Option: Two or more photographs that can be placed together covering the entire office area.

d. Signs - Photograph(s) must clearly show a sign permanently affixed to the exterior of the building, visible from 50 feet. If the address is not visible on the exterior of the building, then it must appear on the sign.

e. Sign from property entrance - A photograph of the sign from the nearest public entrance to the property.

f. Display Area - Photograph(s) must clearly show an area large enough for the type of vehicle for sale and must be for the exclusive use of the licensee.
g. Photograph that shows the proximity of the display area to the office. If the display area is not in the immediate vicinity of the office, another permanently installed sign is required to identify the business name and office address.
h. Photograph that includes display area signs. If utilizing designated parking spaces, a sign must be permanently installed designating the spaces for the exclusive use of the licensee (business name). The signs must be visible when vehicles are parked in the parking spaces to be acceptable. Designated display areas must be noted in your lease or rental agreement.

9. Change of Address Requirements: Every dealer who changes their established place of business or branch location, shall, immediately upon making the change, notify the Department of Motor Vehicles. Your new location shall comply with all applicable laws, the same as your old location complied. There is no such thing as a "limbo" status of your license. NOTE: You may not conduct business at your new location until your DMV Inspector has amended your license.

10. Change of Name Requirements: Dealers are also responsible for notifying Occupational Licensing within ten days by completing the appropriate forms should any of the following occur: Change to Corporate Officer, Limited Liability Members/Managers or Association Representatives. * Change to your business name. * Addition or deletion of business locations. * Type of license change, including addition or deletion of a franchise.

11. Change of Ownership Structure: Please be aware if you change the ownership structure of your dealership ie: Sole Owner to a partnership, Partnership to a Corporation, you will need to close down your dealership and completely re-apply under the new ownership structure. Note: For a deceased owner: DMV will give a Certificate of Convenience for one year providing regulations of California Vehicle Code 11720 are adhered to.

Please refer to the Modification Chart or the Ownership Changes Chart for additional information.

DEALER AND LESSOR-RETAILER LICENSE MODIFICATION

	MODIFICATION		FORMS	ADDITIONAL REQUIREMENTS	*FEE
Main Location	Change of Address	NEW	OL 21, OL 73C, OL 124	A copy of your lease, proof of property ownership, or rental agreement, BOE Permit, Fictitious Name Statement, location photos, and City/County Business License all of which must indicate the new address, and meet all signage requirements.	$70
Main Location	Change of Address	USED	OL 21		
Main Location	Change of Address	LESSOR-RETAILER	OL 21		
Main Location	Close Main Location		OL 79C	Out-of-Business **unless** moving main location business activity to an existing branch location	NO FEE
Branch Location	Add A Branch Location	NEW	OL 21, OL 73C, OL 124	A copy of your lease, proof of property ownership, or rental agreement, BOE Permit, Fictitious Name Statement, location photos, and City/County Business License all of which must indicate the new address, and meet all signage requirements.	$70/$300
Branch Location	Change An Existing Branch Location	USED	OL 21		$70
Branch Location	Change An Existing Branch Location	LESSOR-RETAILER	OL 21		
Branch Location	Closed A Branch Location		OL 79C	Must be submitted to a local inspection office within 10 days	NO FEE
Temporary Branch	Display Only	No on site sales activity & less than 30 days	No Application Required	Lease agreement and signage must comply with all regulatory and statutory requirements.	
Temporary Branch	On-Site Sales Activity — NEW	Auto, MC, ATV, Trailers & Snowmobile	OL 73, OL 124 OL 73C and or a OL 124	Must provide a lease agreement or promoter contract.	$70
Temporary Branch	On-Site Sales Activity — NEW	RV	OL 73A, OL 124, OL 73C and or a OL 124	Must provide a lease agreement or promoter contract, a Board/Market Area Franchise Notice is required. Applies to 10 or more RV Dealers within a ten mile market area (see CVC 507)	
Temporary Branch	On-Site Sales Activity — USED and LESSOR-RETAILER		OL 73	Must provide a lease agreement or promoter contract.	
	Establish or Change Your Mailing Address		OL 4000		NO FEE
	US Postal Service mandated firm address change		OL 21, OL 124	MUST NOT involve relocation to a new address. A copy of the BOE Permit, and City/County Business License that indicate the new address, compliance with all signage requirements and a copy of the Postal Service Notice must also accompany the OL 21 form. An OL 124 must also be provided if selling new vehicles.	
	Change Business Name (Doing Business As)	NEW	OL 21, ADM 9050 OL 73C and or a OL 124	Bond Rider, a new BOE Permit, City/County Business License, Fictitious Name Statement, and signage must comply with all regulatory and statutory requirements.	$70
	Change Business Name (Doing Business As)	USED and LESSOR-RETAILER	OL 21, ADM 9050	Bond Rider, a new BOE Permit, City/County Business License, Fictitious Name Statement, and signage must comply with all regulatory and statutory requirements.	
	Vehicle Category (Auto, RV., Motorcycle, etc.) **CATEGORY TYPES ARE PRINTED ON EACH LICENSE**	ADD — NEW	OL 21 OL 73C and or a OL 124	Must provide a Manufacturer's Letter of Approval and Board/Market Area Franchise Notice and include New Motor Vehicle Board fee.	$300
		ADD — USED and LESSOR-RETAILER	OL 21		NO FEE
		REMOVE A CATEGORY	OL 21	**NOTE:** At least one category of vehicle must remain	
	Change License Type	New to Used	OL 21	Surrender all new Report of Sale forms to your local inspector	
	Change License Type	Used to New	OL 21 OL 73C and or a OL 124		$300
	Change License Type	To Wholesale Only	OL 21, Optional OL 25B	Surrender new and/or used Report of Sale forms to your local inspector. The $50,000 surety bond may be replaced with a $10,000 surety bond, form OL 25B. If the downgrade is short term the dealer may choose not to change the bond.	NO FEE
	Change License Type	From Wholesale Only	OL 21	Must submit an OL 25 ($50,000 bond if not already in place)	
	Change License Type	To Lessor-Retailer	OL 21		
	Change License Type	Autobroker Endorsement — ADD	OL 21	Must submit an OL 25 ($50,000 bond if not already in place)	$100
	Change License Type	Autobroker Endorsement — REMOVE	OL 21		NO FEE

*CVC 3077 and 9262

		FORMS	ADDITIONAL REQUIREMENTS	*FEE
	Deceased Owner	OL 29B, ADM 9050	Must submit a Court Appointment as executor/administer, a DMV 8016, a Bond Rider and a certified copy of the death certificate. Once all requirements are satisfied DMV will issue a one year Certificate of Convenience (see CVC 11720).	NO FEE
	Change Your True Full Name	OL 12, OL 21, OL 29B, ADM 9050	Copy of your driver license or other official documents that substantiate the legal name change, BOE Permit, and City/County Business License.	
LINE-MAKE New Auto / RV Only	Addition of line-make to an existing established location and other same line-make dealers are within a ten mile radius	OL 21, OL 124	Must provide a Manufacturer's Letter of Approval and Board/Market Area Franchise Notice	NO FEE
LINE-MAKE New Auto / RV Only	Addition of line-make to an existing established location and other same line-make dealers are outside a ten mile radius	OL 21, OL 124	Must provide a Manufacturer's Letter of Approval	
LINE-MAKE New Auto / RV Only	Establish or relocate a satellite warranty facility from same line-make dealer	No Application Required	Board/Market Area Franchise Notice is required if your facility is within 2 miles of a same line-make dealer.	

*CVC 3077 and 9262

REV 5/2017

MODIFICATION				FORMS	ADDITIONAL REQUIREMENTS	FEE
PARTNERSHIP / CO-PARTNERSHIP	To A Sole Owner, Corporation, or LLC			N/A	**This type of change automatically cancels the existing license and requires submission of an original application.**	**N/A**
SOLE OWNER	To A Partnership , Corporation, or LLC					
CORPORATION	Add A Officer / Director/ Stockholder			OL 15, OL 29B, ADM 9050	Must submit a DMV 8016 and provide a copy of Corporate Minutes or Statement of Officers stamped by Secretary of State office. (**NOTE**: fingerprints required only if person participates in business decisions)	**$70.00**
	Remove A Officer / Director			OL 15		
	Change Corporate Name	Dealer	NEW VEHICLES	OL 21, OL 124, and or an OL 73C	Provide a Bond Rider, a new BOE Permit and a copy of the Corporate Minutes or Articles of Incorporation stamped by Secretary of State office. (**NOTE**: Registration Services and Driving Schools are not required to provide a BOE Permit)	
			USED VEHICLES	OL 21		
		Registration Service		OL 600		
		Driving School		OL 226		
		All other Licensees		OL 21		
LIMITED LIABILITY COMPANY (LLC)	Add A Member / Manager			OL 15, OL 29B, ADM 9050	Must submit a DMV 8016 and provide a copy of the Corporate Minutes or Statement of Officers stamped by Secretary of State office. (**NOTE**: fingerprints required only if person participates in business decisions)	
	Remove A Member / Manager			OL 15		
	Change LLC Name	Dealer	NEW VEHICLES	OL 21, OL 124, and or an OL 73C	Provide a Bond Rider, a new BOE Permit and a copy of the Corporate Minutes or Articles of Organization stamped by Secretary of State office. (**NOTE**: Registration Services and Driving Schools are not required to provide a BOE Permit)	
			USED VEHICLES	OL 21		
		Registration Service		OL 600		
		Driving School		OL 226		
		All Other Licensees		OL 21		
DECLARATION OF OFFICER / MANAGING MEMNBER				OL 107	Must be attached to an OL 15 form or OL 12 form. A corporation or limited liability company may include officers, managers or members, who do not direct, control or manage the affairs of the licensed business. This person(s) may be excluded from the department's application forms and fingerprint requirements by submitting form OL 107, Declaration of Participation. However, this person will not appear in department records as an owner, nor will licensed privileges be extended to this person(s).	NO FEE When Attached

REV 9/2012

12. Automatic Cancellations of a Dealer License

The special plates and licenses provided for in this article shall be automatically cancelled upon the happening of any of the following:

1. The abandonment of the established place of business or the change thereof without notice to the department.

2. The failure of the licensee to maintain an adequate bond or to procure and file another bond, prior to the effective date of the termination by the surety company of any existing bond.

3. The voluntary or involuntary surrender for any cause by the licensee of the special plates and license, except that the surrender of the special plates and license, the cessation of the business by the licensee, or the suspension or revocation of the corporate status of the licensee, does not preclude the filing of an accusation for revocation or suspension of the surrendered license, and does not affect the department's decision to suspend or revoke the license. The department's determination to suspend or revoke the license may be considered in issuing or refusing to issue any subsequent license authorized by this division to that licensee or to a business representative of that prior licensee.

4. Notification to the department that the person designated as licensee has changed, except that the special plates issued to the original licensee may be transferred and the newly designated licensee as transferee shall succeed to the privileges evidenced by the plates until their expiration.

5. The suspension or revocation of the corporate status of the license.

6. The suspension or revocation of the seller's permit of the licensee by the California Tax and Fee Administration. AB1424 Requires all agencies that license businesses or individuals to suspend the license whose name appears on the top 500 list of delinquent tax cases prepared by the Franchise Tax Board & California Tax and Fee Administration. This also includes the suspension of driver licenses. * DMV will receive quarterly lists from CDTFA and two lists per year from FTB. The first list will be compiled in October 2011 and sent to DMV after July 1, 2012. * Upon receipt of the list, DMV will try to match the information with a Driver License, Occupational Licensee or Motor Carrier Permit holder. * The licensee will have 90 days to resolve the issue with FTB or CDTFA prior to suspension taking place. * Once suspended, FTB or CDTFA must provide a clearance notice to authorize the license to be reinstated. An administrative fee will also be required.

A Public Service Agency

DMV USE ONLY
OCCUPATIONAL LICENSING NUMBER

USED DEALER OR DEALER WHOLESALE ONLY APPLICATION CHECKLIST

Instructions:

- Application forms may be completed online and printed or they can be printed and completed manually in ink.
- Each form must be submitted with an original signature.
- To be acceptable, they must be free from whiteout (fluid or tape). All information requested must be complete and accurate.
- Submit the above required forms and documents to a local Occupational Licensing Inspections Office. For office locations refer to Occupational Licensing webpage at ***dmv.ca.gov***.

STOP **Applicants applying for a used dealer or dealer-wholesale only license must attend a dealer education program and pass a written examination administered by the Department of Motor Vehicles before submitting the original Certificate of Completion with their application.**

SECTION 1 — FEES REQUIRED

$175 Application Fee
Non-Refundable

$70 For Each Branch Location

$90 Each Dealer Plate (Auto) $92 (Motorcycle) Plus County Fees
County fees vary depending on the county where your business is located.
Dealer plates are optional.

$100 Autobroker Endorsement
Required only if adding autobroker endorsement to your retail license. (Not applicable for wholesale only license.)

$1 Family Support Program

$42 For Each Person Submitting ADM 1316 Fingerprint Card
Out-of-state applications only.

$16 Examination
Each retest will be an additional $16.

SECTION 2 — FORMS REQUIRED ***(Attach documents in the following order.)***	✓
Application for Original Occupational License, Part C (OL 12)	☐
Original Application for Occupational License (OL 21A)	☐
Surety Bond of Dealer (OL 25), **OR** Surety Bond of Motorcycle Dealer, Motorcycle Lessor-Retailer, All-Terrain Vehicle Dealer, or Wholesale-Only Dealer [less than 25 vehicles per year] (OL 25B) **OR** Deposit Agreement and Assignment (OL 25E) **AND** Payee Data Record (STD 204)	☐
Authorization To Release Financial Information (OL 53)	☐
Application for Occupational License Personal History Questionnaire (OL 29B) *Required for each person listed under ownership on form OL 12.*	☐
Appointment of Director as Agent for Service of Process (ADM 9050) *Required for each person listed under ownership on form OL 12.*	☐
Request for Live Scan Service [copy] (DMV 8016) *Required for each person completing form OL 29B.* Out-of-state residents call Occupational Licensing at (916) 229-3126 for Fingerprint Card (ADM 1316) and Request for Exemption from Mandatory Electronic Fingerprint Submission Requirement (BCII 9004). **NOTE:** Refer to Fingerprinting/Live Scan information on the Occupational Licensing webpage.	☐

OL 248B (REV. 4/2020) WWW

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(these samples are of the basic information required for your application on the DMV Portal)

SECTION 3 — ADDITIONAL DOCUMENTS REQUIRED *(Attach documents in the following order.)*	✓
Evidence of successful completion of the Vehicle Dealer Written Examination. *Applicants will take the written examination with their local Occupational Licensing Inspector.* *A current California driver license or identification card is required.*	☐
The original Dealer Education Certificate of Completion issued by the public provider. *Certificate is valid for one year from course date.*	☐
If filing as a Corporation • Most recent Statement of Information filed with the Secretary of State. **If filing as a Limited Liability Company or Limited Liability Partnership** • Most recent Statement of Information (Limited Liability Company) filed with the Secretary of State.	☐
A copy of your Fictitious Name Statement. *Not required if your surname is included in your business name.*	☐
A copy of your State Board of Equalization Resale Permit.	☐
Photograph(s) of business location. **NOTE:** Refer to Photograph Procedure information on the Occupational Licensing webpage.	☐
SECTION 4 — ADDITIONAL REQUIREMENTS ONCE LICENSED	✓
Effective 7/1/2012 the seller must obtain a **National Motor Vehicle Titling Information System (NMVTIS)** report for any used vehicle offered or displayed for sale, and must display a warning on the vehicle when the report indicates the states have branded the title. Further information regarding NMVTIS or to locate a vendor to access these reports is available at ***https://www.vehiclehistory.gov/***.	☐
SECTION 5 — IMPORTANT INFORMATION *(Incomplete applications will be returned.)*	✓
Make and keep a copy of all documents for your records. *The department does not provide photocopies.*	☐
The department's Business Partner Automation program offers alternatives for processing transactions electronically. Information is available on the Occupational Licensing webpage.	☐

Pursuant to *California Vehicle Code* (CVC) §11704 (b); upon receipt of an application for a license which is accompanied by the appropriate fee, the department shall, within 120 days, make a thorough investigation of the information contained in the application.

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STATE OF CALIFORNIA
DMV
Department of Motor Vehicles

FIRM NUMBER
NAME

APPLICATION FOR ORIGINAL OCCUPATIONAL LICENSE (PART C)

SECTION A — OWNERSHIP INFORMATION

List true full name, title of individual, and date of birth; each partner (designate whether general or limited); each principal Officer and Director, or Stockholder of the corporation participating in the direction, control and management of the policy of the business; each Member and Manager of the limited liability company participating in the direction, control and management of the policy of the business; and each member of the association participating in the direction control and management of the association (attach separate sheet if additional space is needed).

PRINT TRUE FULL NAME *(Last, First, Middle)*	EMAIL ADDRESS	TITLE	DATE OF BIRTH

SECTION B — CERTIFICATION

INSTRUCTIONS: **Complete Section 1, 2, 3, 4, or 5 below depending on whether ownership is an individual, partnership, corporation, limited liability company, or association.**

SECTION 1 — INDIVIDUAL

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I further certify that I am the sole owner of (print firm name) ____________________ and that all answers and information contained within Part A and Part B of this application are true and correct.

SIGNATURE	TITLE	DATE
X		

SECTION 2 — PARTNERSHIP

We certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

We further certify that we are co-partners (print firm name) ____________________ and that no other person is associated in the ownership of the business, and that all answers and information contained within Part A and Part B of this application are true and correct.

SIGNATURE	SIGNATURE	SIGNATURE	DATE
X	X	X	

SECTION 3 — CORPORATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I further certify that (print corporate name) ____________________ is incorporated in the State of __________ and our corporate number is __________ , and is authorized by the State of California to transact business in California, and that all answers and information contained within Part A and Part B of this application are tr corporate ue and correct.

SIGNATURE OF CORPORATE OFFICER AUTHORIZED TO SIGN FOR CORPORATION	TITLE	DATE
X		

SECTION 4 — LIMITED LIABILITY COMPANY

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I further certify that (print Limited Liability Company name) ____________________ is incorporated in the State of __________ and our LLC number is __________ , and is authorized by the State of California to transact business in California, and that all answers and information contained within Part A and Part B of this application are true and correct.

SIGNATURE OF MEMBER OR MANAGER AUTHORIZED TO SIGN FOR LLC	TITLE	DATE
X		

SECTION 5 — ASSOCIATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I further certify that (print firm name) ____________________ is an association and that all answers and information contained within Part A and Part B of this application are true and correct.

SIGNATURE OF MEMBER AUTHORIZED TO SIGN FOR ASSOCIATION	TITLE	DATE
X		

DL 12 (REV. 7/2022) WWW

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STATE OF CALIFORNIA
DMV
Department of Motor Vehicles

ORIGINAL APPLICATION FOR OCCUPATIONAL LICENSE

DMV USE ONLY	
OL NUMBER	DATE APPLICATION RECEIVED
ACR NUMBER	DATE PERMIT ISSUED
ORIGINAL APPLICATION FEE	DATE PERMIT EXPIRES
NVMB FEE	REGION CC
FINGERPRINT FEE	INSPECTOR NAME/ID NUMBER
OTHER FEE	TOTAL FEE
SUSPENSE RECEIPT NUMBER	

SECTION 1 — BUSINESS INFORMATION

Dealer *(Business Model) (Check one box.)*
- ☐ Retail New
- ☐ Retail Used
- ☐ Wholesale

Autobroker Endorsement
☐ Yes ☐ No

NOTE: Wholesale only dealers are not eligible for an Autobroker Endorsement.

OR

Other Type of License *(Check one box.)*
- ☐ Dismantler
- ☐ Lessor-Retailer
- ☐ Transporter
- ☐ Distributor
- ☐ Manufacturer
- ☐ Remanufacturer

SECTION 2 — MAIN OFFICE *(Complete OL 21 for Branch Locations.)*

TRUE FULL NAME OF SOLE OWNER, ALL PARTNERS, CORPORATION, LIMITED LIABILITY COMPANY, OR ASSOCIATION

FIRM NAME | TELEPHONE NUMBER ( )

FIRM ADDRESS

CITY | STATE | ZIP CODE

SECTION 3 — CHECK THE VEHICLES TO BE SOLD AT THIS LOCATION (DEALERS ONLY)

NEW
- ☐ Automobile/Commercial*
- ☐ Recreational Trailer*
- ☐ Motorcycle* *(including Off-Highway)*
- ☐ Trailer *(Letter of Authorization required.)*
- ☐ All-Terrain Vehicle*
- ☐ Snowmobile*
- ☐ Motorhome*

**OL 124 required.*

USED
- ☐ Automobile/Commercial
- ☐ Recreational Trailer
- ☐ Motorcycle *(including Off-Highway)*
- ☐ Trailer
- ☐ All-Terrain Vehicle
- ☐ Snowmobile
- ☐ Motorhome

SECTION 4 — PLATE(S) REQUEST

Enter number of plates only. Please visit our website at ***dmv.ca.gov*** *for current fees. The Licensing Inspector will complete county fees and total.*

Auto $____ (Each Plate) **+ $**____ (County Fees) **= $**____ **x** ____ (No. of Plates) **= $** 0.00 (Total) **MOTORCYCLE $**____ (Each Plate) **+ $**____ (County Fees) **= $**____ **x** ____ (No. of Plates) **= $** 0.00 (Total)

Auto also applies to trailers and motorhomes.

SECTION 5 — FOR DISMANTLER ONLY *(Must also complete OL 21D.)*

All plates acquired from vehicles will be:.. ☐ Destroyed ☐ Turned into the department.

Initials

Pursuant to *California Vehicle Code* §11520(4), I agree to deliver to the department within 90 calendar days of the date of vehicle acquisition, the last issued license plates or a certificate of license plate destruction (form REG 42 serves as the certificate). ________

SECTION 6 — FOR MANUFACTURER OR REMANUFACTURER ONLY

Attach pictures and detailed description adequate to identify vehicle to be manufactured. List the 17-digit VIN number or sample configuration from the Society of Automotive Engineers ____________________.

OL 21 A (REV. 3/2022) WWW

Page 1 of 2

Print | Clear Form

	OL NUMBER
	NAME

SECTION 7 — FINANCIAL INSTITUTION BUSINESS ACCOUNT INFORMATION

NAME OF FINANCIAL INSTITUTION		ACCOUNT NUMBER	
ADDRESS OF FINANCIAL INSTITUTION	CITY	STATE	ZIP CODE
NAME OF PERSON AUTHORIZED TO DRAW FUNDS OR ISSUE CHECKS FROM ACCOUNT		TELEPHONE NUMBER ( )	
IF ACCOUNT IS NOT CARRIED UNDER SAME NAME AS SHOWN ON THIS APPLICATION, UNDER WHAT NAME IS IT CARRIED?			

SECTION 8 — PROPERTY USE APPROVAL

(Must be completed by applicant. Excludes out-of-state Manufacturers and Distributors.)

Does location meet all city and county property use requirements? .... ☐ Yes ☐ No

SECTION 9 — PROPERTY DATA

PROPERTY IS: *(Check one box.)*			**APPROXIMATE SQUARE FEET**			
☐ Leased	☐ Rented	☐ Owned	Office Area	Building Area	Display Area	Total Area
LEASE OR RENTAL PERIOD						0

PROPERTY OWNER FULL NAME		TELEPHONE NUMBER ( )	
PROPERTY OWNER ADDRESS	CITY	STATE	ZIP CODE

SECTION 10 — APPLICANT CERTIFICATION

Initials

1. I have an established place of business where I agree to keep all books and records relating to the business, available for, and open to inspection by any peace officer during regular business hours. ________
2. I understand that all Report of Sale or Notice of Acquisition Books and Special Plates issued to me by the Department of Motor Vehicles are property of the State of California and must be surrendered to any authorized, identified Department employee on demand. ________
3. The main place of business and all branches have offices and display or dismantling areas situated on the same property where business related to the type of license issued is transacted. (Except Wholesale-Only and Autobroker dealers.) ________
4. The place of business is properly identified by a sign posted in a conspicuous place in each and every location. Such signs shall provide information relating to the business name and address so as to enable any person doing business with me to properly identify the business. (Except Wholesale-Only dealers.) ________
5. I agree to notify the Department in writing immediately of any change in location of this business or any addition or deletion of branch offices and to provide simultaneously a complete description of the new location of this business and the name of the manager there. ________
6. I agree to notify the Department in writing immediately of any change in the ownership or in the legal structure of this business and on request from the Department will submit new application papers properly reflecting the changes together with the required fees. ________
7. I will maintain on file with the Department an authorization to sell each make of new vehicle that I sell and report on new vehicle reports of sale. ________

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

PRINTED NAME OF SOLE OWNER, ALL PARTNERS, CORPORATE OFFICER, LLC MEMBER, OR ASSOCIATION REPRESENTATIVE		TITLE
SIGNATURE OF SOLE OWNER, ALL PARTNERS, CORPORATE OFFICER, LLC MEMBER, OR ASSOCIATION REPRESENTATIVE **X**		DATE
PRINTED NAME OF INSPECTOR/NUMBER	INSPECTOR SIGNATURE **X**	DATE

Page 2 of 2 Print Clear Form OL 21 A (REV. 3/2022) WWW

STATE OF CALIFORNIA
DEPARTMENT OF MOTOR VEHICLES
A Public Service Agency

DMV USE ONLY
OCCUPATIONAL LICENSING NUMBER

OCCUPATIONAL LICENSING SECTION

AUTHORIZATION TO RELEASE FINANCIAL INFORMATION

As an applicant for a dealer license with the Department of Motor Vehicles, I/we am/are required, pursuant to Section 11703.4 of the California Vehicle Code, to endorse an authorization for disclosure of account(s) relating to the operation of the dealership.

TRUE FULL NAME OF SOLE OWNER, ALL PARTNERS, CORPORATION, LIMITED LIABILITY COMPANY, OR ASSOCIATION

FIRM NAME

I/we hereby authorize release of financial information concerning the dealership account(s) as follows: account number; name(s) of person(s) establishing account; date each account established; name under which account(s) are held; name and address where statements are sent; name(s) of person(s) authorized to withdraw funds from account(s); and, copies of signature card(s).

I hereby release, discharge, exonerate the ____________________ (FINANCIAL INSTITUTION), their agents and representatives and any person furnishing information from any and all liability of every nature and kind arising out of the furnishing and inspection of such documents, records and other information, and this release shall be binding on my legal representatives, heirs, and assignees.

This release will expire 120 days after the date signed.

A photocopy of this release is to be considered as valid as an original.

SIGNATURE X	SIGNATURE X
TITLE	TITLE
DATE	DATE

SIGNATURE X	SIGNATURE X
TITLE	TITLE
DATE	DATE

OL 53 (REV. 4/2013) WWW

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STATE OF CALIFORNIA
DMV
Department of Motor Vehicles

DMV USE ONLY
OCCUPATIONAL LICENSING NUMBER

APPLICATION FOR OCCUPATIONAL LICENSE
PERSONAL HISTORY QUESTIONNAIRE
BUSINESS LICENSING UNIT

IMPORTANT — Read Carefully: Each person applying for an occupational license issued by the Department of Motor Vehicles must complete this questionnaire. Before you submit this questionnaire with your application, be sure that you have signed it and that you have fully answered each question. ***Incorrect information is grounds for refusal to issue a license.***

SECTION 1 — APPLICANT INFORMATION *(Type or print your true full name.)*

NAME (LAST, FIRST, MIDDLE)		EMAIL ADDRESS		DAYTIME TELEPHONE NUMBER ( )	
RESIDENCE ADDRESS (NUMBER AND STREET)	CITY	STATE	ZIP CODE	EVENING TELEPHONE NUMBER ( )	
DATE OF BIRTH	SEX ☐ Male ☐ Female ☐ Nonbinary	HAIR COLOR	EYE COLOR	HEIGHT	WEIGHT
DRIVER LICENSE/IDENTIFICATION CARD NUMBER		STATE	EXPIRATION DATE	SOCIAL SECURITY/INDIVIDUAL TAXPAYER ID NUMBER	

SECTION 2 — EMPLOYMENT HISTORY FOR THE PAST THREE YEARS *(Begin with your most recent job. List each separately.)*

FROM MO	FROM YR	TO MO	TO YR	EMPLOYERS: NAMES, ADDRESSES, TYPE OF BUSINESS	JOB TITLE/DUTIES PERFORMED

(ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED)

SECTION 3 — EDUCATION *(for Traffic Violator Schools Only)*

	NAME AND ADDRESS OF SCHOOL	NUMBER OF YEARS	GRADUATED? YES OR NO	DATE COMPLETED
HIGH SCHOOL				
COLLEGE OR UNIVERSITY				
OTHER				

SECTION 4 — BACKGROUND INFORMATION

1. Have you ever been known by or used any name other than the name appearing on this questionnaire? ..... ☐ Yes ☐ NO
   IF YES, LIST NAME(S)

2. Have you previously been or are you now licensed or have you ever applied in this state as a vehicle salesperson, representative, distributor, dealer, registration service, dismantler, manufacturer, remanufacturer, transporter, vehicle verifier, lessor-retailer, driving school owner, operator, or instructor, traffic violator school owner, operator or instructor or all-terrain vehicle safety training organization or instructor? .... ☐ Yes ☐ NO
   IF YES, LIST LICENSE NUMBER

OL 29B (REV. 6/2022) WWW

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*Note DMV is no longer requiring Work History

DMV USE ONLY
OCCUPATIONAL LICENSING NUMBER

3. Have you ever had a business or occupational license issued by this department or an application for such license refused, revoked, suspended or subjected to other disciplinary action or were you ever a partner, managerial employee, officer, director, or stockholder in a firm licensed by this department, and the license was revoked, suspended or subject to other disciplinary action? ☐ YES ☐ NO

IF YES, LIST LICENSE NUMBER, TYPE OF LICENSE, ACTION BY DEPARTMENT, AND DATE OF ACTION.

4. Were you ever the holder of an occupational license issued by another state, authorizing the same or similar activities of a license, and that license was revoked or suspended for cause and was never reissued, or was suspended for cause, and the terms of suspension have not been fulfilled? ☐ YES ☐ NO

IF YES, DESCRIBE TYPE OF LICENSE, LIST LICENSE NUMBER, STATE LICENSE WAS ISSUED

5. Have you ever had a civil judgment rendered against you, or as a sole owner, partner, managerial employee, public administrator, officer, director, stockholder, or LLP/LLC managing member? ☐ YES ☐ NO
If yes, was it a result of a state issued licensed activity? ☐ YES ☐ NO

IF YES, STATE THE AMOUNT AND WHETHER PAID OR UNPAID

IF YES, DESCRIBE TYPE OF LICENSE, LIST LICENSE NUMBER, STATE LICENSE WAS ISSUED, NAME AND LOCATION OF COURT OF JURISDICTION

6. Have you as a sole owner, partner, managerial employee, officer, director, stockholder, or LLP/LLC managing member sought relief from creditors due to financial hardship in either state or federal court? ☐ YES ☐ NO

IF YES, DESCRIBE TYPE OF LICENSE, LIST LICENSE NUMBER, STATE LICENSE WAS ISSUED, GIVE DATE BANKRUPTCY FILED, NAME AND LOCATION OF COURT OF JURISDICTION

7. Do you currently have any criminal charges pending against you in any jurisdiction? ☐ YES ☐ NO

IF YES, STATE THE COURT, CASE NUMBER AND THE NATURE OF THE CHARGES.

8. Have you ever: (If "YES", give details below.)
   (a) Been dismissed, fired, demoted, had your salary or compensation reduced or had any other adverse action taken against you, for any reason? ☐ YES ☐ NO
   (b) Resigned from or quit a position while you were under investigation or after being informed discipline would be taken against you, or during an appeal from a disciplinary action? ☐ YES ☐ NO
   (c) Been rejected or told you would not receive permanent or continued employment during any type of probationary or trial period on the job? ☐ YES ☐ NO
   (d) If the termination, demotion or other adverse action from employment involved any civil or administrative case, please state court or agency and case number. ☐ YES ☐ NO

DETAILS: (ATTACH SEPERATE SHEET IF ADDITIONAL SPACE IS NEEDED)

9. **ALL APPLICANTS:**
EXCLUDING* TRAFFIC OFFENSES**, have you ever been CONVICTED, PLACED ON PROBATION, OR RELEASED FROM INCARCERATION FOLLOWING CONVICTION for any crime or offense, either Felony or Misdemeanor, of ***ANY jurisdiction, **within the last ten years?** Read **Important Notice** on the next page and complete Section 5. ☐ YES ☐ NO

10. **APPLICANTS FOR DRIVING SCHOOL OWNER, TRAFFIC VIOLATOR SCHOOL OWNER, ALL-TERRAIN VEHICLE SAFETY TRAINING ORGANIZATION OWNER:**
INCLUDING* TRAFFIC OFFENSES**, have you ever been CONVICTED, PLACED ON PROBATION, OR RELEASED FROM INCARCERATION FOLLOWING CONVICTION for any crime or offense, either Felony or Misdemeanor, of ***ANY jurisdiction, **within the last ten years?** Read **Important Notice** on the next page and complete Section 5. ☐ YES ☐ NO

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OL 29B (REV. 8/2022) WWW

DMV USE ONLY
OCCUPATIONAL LICENSING NUMBER

IMPORTANT NOTICE **IMPORTANT NOTICE** **IMPORTANT NOTICE**

*Even if you were pardoned, pled nolo contendere, or if the conviction was later expunged from the record of the court or set aside under *California Penal Code* (CPC) §1203.4, or any other federal or state law equivalent, you must disclose the conviction. If you are awaiting judgment and sentencing following entry of a plea or jury verdict, **you must still disclose the conviction.** ***Applicants need NOT disclose a conviction for violation of California Health and Safety Code (CHSC) §§11357(b), (c), (d) and (e); or 11360(b), if the conviction is more than two years old.***

Failure to disclose all convictions, including those out-of-state or out-of-county **may result in the cancellation** of the temporary permit and may result in the refusal of the occupational license. Listing all conviction information may not necessarily preclude you from receiving a license.

Applicant Initials Required ___________

FAILURE TO INITIAL WILL DELAY PROCESSING OF THIS APPLICATION

SECTION 5 — CONVICTIONS

If you answered "Yes" to questions #9 or #10, list each separate offense, the date of conviction, offense, court of jurisdiction and disposition in the appropriate columns.

TO EXPEDITE A REVIEW OF YOUR APPLICATION, THE FOLLOWING EVIDENCE MUST BE SUBMITTED:

- Certified copy of the arresting agency report;
- Certified copy of the court documents.
- CPC §1203.4, expungement of your conviction(s);*
- Written receipts for payment of court-ordered restitution, fines and fees;
- Character letters attesting to your honesty and integrity by persons who know the circumstances of your conviction(s);
- Evidence of completion of a drug or alcohol abuse program.

DATE OF CONVICTION	CONVICTED OF	MISDEMEANOR OR FELONY	COURT OF JURISDICTION (FULL NAME AND ADDRESS)	DISPOSITION OF OFFENSE (DESCRIBE SENTENCE)			
				Amount Fined	Term of Probation	Jail or Prison Term	Date Released

(ATTACH SEPARATE SHEET IF ADDITIONAL SPACE IS NEEDED)

FAILURE TO PROVIDE COMPLETE INFORMATION ON THIS APPLICATION, INCLUDING INFORMATION RELATING TO EMPLOYMENT HISTORY AND CRIMINAL CONVICTIONS, IS GROUNDS TO DENY ISSUANCE OF A LICENSE BY THE DEPARTMENT OF MOTOR VEHICLES.

SECTION 6 — APPLICANT CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE	TITLE	DATE
X		

DL 298 (REV. 6/2022) WWW

Print Clear Form

IT IS IMPORTANT THAT YOU READ AND UNDERSTAND THE FOLLOWING INFORMATION

ADVISORY STATEMENT

The information required on this form pertains to eligibility for issuance of an occupational license. It is required under authority of Division 5 of the *California Vehicle Code* (CVC). Failure to provide the information is cause for refusal to issue an occupational license.

This information is public record, regularly used by law enforcement agencies, and is open to inspection by the public. Information contained in these records, classified as confidential or personal pursuant to the Information Practices Act of 1977 and the Public Records Act, is exempt from disclosure. Individuals are entitled to inspect or obtain copies of information contained in their records during regular office hours by prior arrangement.

The Occupational Licensing Branch, P.O. Box 932342, Sacramento, CA 94232-3420, is responsible for maintaining this information.

DISCLOSURE STATEMENT

SOCIAL SECURITY NUMBER COLLECTION DISCLOSURE — You are required by law to provide your social security number or your application will be denied.

Your social security number will be collected pursuant to *California Business and Professions Code* (CBPC) §30. It is used in the administration of occupational licensing laws to determine eligibility for issuance or renewal of an occupational license subject to the applicable provisions of the CVC, CBPC §§29.5, 30 and 31, as well as *California Welfare and Institutions Code* (CWIC) §11350.6. It is also used to aid in the collection of monies owed in connection with failure to pay a fine or failure to appear in court by an applicant; and to aid in the collection of monies owed by an applicant in connection with Aid to Families with Dependent Children, Child Support and Establishment of Paternity and Federal Payments for Foster Care and Adoption Assistance Programs, pursuant to 42 U.S.C. §§405 and 42 U.S.C. §651 et seq.

Your social security number is not provided for public inspection; however, it will be provided in response to requests for information from state and federal agencies operating and involved in the collection of taxes and child support payments pursuant to 42 U.S.C. §601 et seq., and CBPC §30.

Collection of your social security number is mandatory. Failure to furnish the information requested will result in denial of processing an application for issuance or renewal of an occupational license or permit, pursuant to CBPC §30, Subdivision(c).

DELINQUENT TAX DEBT

DELINQUENT TAX DEBT (Effective July 1, 2012) — California state law allows the California Department of Tax and Fee Administration and the Franchise Tax Board to share taxpayer information with the DMV and requires you to pay a delinquent state tax obligation. Failure to pay this delinquent tax obligation may result in the suspension of your All-Terrain Vehicle Safety Training Organization, Dealer, Dismantler, Distributor, Driving School Owner, Lessor-Retailer, Manufacturer, Registration Service, Remanufacturer, Traffic Violator School Owner, or Transporter license(s).

Please be advised that you may not reapply for a license until a period of one year has elapsed since a previous license for which you are applying now has been revoked, refused, or denied pursuant to CVC §§11810(d), 11903(c), and 11107(c).

APPLICANT SHOULD RETAIN THIS PAGE FOR THEIR INFORMATION IF DOWNLOADED FROM THE INTERNET.

DO NOT SUBMIT WITH APPLICATION.

Print Clear Form

OL 29B (REV. 6/2022) WWW

STATE OF CALIFORNIA
DMV
Department of Motor Vehicles

APPOINTMENT OF DIRECTOR AS AGENT FOR SERVICE OF PROCESS

DMV USE ONLY
D L NUMBER

KNOW ALL MEN BY THESE PRESENTS: That I/We ______________________________
PRINCIPAL'S TRUE FULL NAME(S) AND DBA(S)

As Principal, who has applied for a license as a ______________________ hereby appoint(s) the Director of Motor Vehicles
TYPE LICENSE

as principal's true and lawful agent upon whom all process may be served in any action, or actions which may hereafter be commenced against said principal, arising out of any claim for damages suffered by any firm, person, association, organization, corporation or limited liability partnership, or company, by reason of the violation by said principal of any of the terms and provisions of the California Vehicle Code or any condition of the bond.

Principal further stipulates and agrees that, when personal service of process upon principal cannot be made in this State after due diligence, that service can be made upon the Director of Motor Vehicles. In the event of the Director's absence from his/her office, that service can be made upon any employee of the State of California in charge of the Director's office, and that such service of process shall be of the same legal force and effect as if served upon the principal personally.

The principal further stipulates and agrees that the agency created by said appointment shall continue for and during the period covered by any license that may be issued by the Department of Motor Vehicles, and so long thereafter as the principal may be made to answer in damages for a violation of the California Vehicle Code, or any condition of principal's bond. The principal further agrees that for purposes of venue, whenever service is made upon the Director, the service shall be deemed to have been made upon principal in the county in which principal has or last had his/her established place of business.

IN WITNESS WHEREOF, the said principal has hereunto set his hand the ______________________
DATE

X ______________________
SIGNATURE OF PRINCIPAL

NOTARY CERTIFICATE OF ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)

County of ______________________)

On ______________________ before me, ______________________

personally appeared ______________________ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY (SEAL)

OR DMV/CHP OFFICER ACKNOWLEDGEMENT OF SIGNATURE

On this day, ______________________ at this city, ______________________ I witnessed the signature of the Principal, who based on satisfactory identification, executed under authorized capacity their signature before me.

I certify under penalty of perjury under the laws of the State of California that the foregoing paragraph is true and correct.

____
DEPARTMENT OFFICIAL NAME & TITLE

*NOTE:
Officers and employees of the Department of Motor Vehicles (DMV) and the Department of the California Highway Patrol (CHP) are, for the purposes of this code, authorized to administer oaths and acknowledge signatures, for which no fee shall be charged. CVC section 18
The instrument appointing the director as agent for the applicant for service of process shall be acknowledged by the applicant before a notary public. CVC sections 11102(a)(5)(C), CVC 11202(a)(6)(C), 11403(d), 11710(d)

ADM 9050 (REV. 7/2015) WWW

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Branch Locations

1. When required

a. A Branch Location is defined as "an offshoot, lateral extension, or division of an institution with a separate physical location."

b. A Dealer Branch is any location, other than the principal place of business, maintained for the sale or exchange of vehicles. A Branch Location must be operating under the same corporate number or occupational license.

2. **Application and fees required**

a. $70 For each branch location and $125 per year for each branch location renewal.

b. Forms include the OL 21, Modification to an Occupational License.

c. Copy of: lease/rental agreement, CDTFA permit, Fictitious Name (if applicable), City License.

d. Photograph(s) of location. Follow Photo procedures.

3. **When a Branch License is not required**

a. When a dealer displays a vehicle at a fair, exposition, public shopping area, or similar exhibit when actual sales are not made, and the display does not exceed 30 days. No sales can be offered, solicited or otherwise transacted from such locations. This includes Accepting cash deposits, trade-ins, or anything that would be binding to the sale of a vehicle.

b. Dealers participating at such locations are required to post a sign on each vehicle with letters not less than three inches in height, and must show the dealer's name, location, and address of his place of business and the following statement:

NO SALES PERMITTED, OR DEPOSITS ACCEPTED AT THIS LOCATION

Temporary Branch Locations/Offsite Sales

1. Requirements: The following site requirements will be enforced:

a. Sign requirements - The sign must be two square feet per side with lettering sufficient to be read from a distance of fifty feet. The sign is required to identify the licensed name and address of the dealer.

b. Office - A clearly identified table, recreational vehicle or portable building.

c. Salesperson license must be on display while working at the site.

d. Signs – “No Cooling Off Period Unless you obtain a contract cancellation option", 3rd Party Inspection Notice, Right to a Spanish or specified languages of the Contract Translation displayed.
e. Display - Vehicles must be clearly and physically separated from all other dealers participating at the same location. The public cannot be allowed to park in the display area.
f. Licenses - Salesperson licenses must be visibly posted.
g. Offer a minimum stipulated by the Car Buyer Bill of Rights. You may enhance the minimum required by increasing the mileage allowed or extending time allotted for the return.
h. Maintain the sales location, if the buyer has obtained a contract cancellation, until the latest possible date and time the buyer may return the vehicle.

2. Common Violations: The following are some of the most common violations for which you may be cited and/or violations which the site may be closed.
1. No sign visibly posted in the name and address of the licensed business.
2. Vehicle Salesperson license not on display at temporary branch site.
3. Vehicle Salesperson selling vehicles for more than one dealer at the temporary branch.
4. Vehicles of multiple dealers are not clearly separated.
5. Failure to comply with advertising requirements.
6. Customer and employee vehicles parked in same area as vehicles for sale.

3. Application and fees required
1. DMV needs the applications at least ten days prior to the show.
2. Submit online a completed OL73 application.
3. Off-site sales license is $70.00
4. Copy of a lease or rental agreement or copy of the promoters notice

Recreational Vehicle Dealer – OL73A
1. The location of the show is 50 miles or more from the dealer’s place of business or that dealer’s branch locations, or both.
2. Ten or more dealers need to apply for a temporary branch license for the same show.
3. Additional documents as stipulated above. Applications can be submitted on line and their status can be viewed on the Digital eXperience Platform.

STATE OF CALIFORNIA
DEPARTMENT OF MOTOR VEHICLES
A Public Service Agency

APPLICATION FOR MODIFICATIONS TO AN OCCUPATIONAL LICENSE

(*Submit a separate form for each business location*)

Instructions: *Complete online or print and complete by hand using black or blue ink.*

FOR DMV USE ONLY	
OL NUMBER	DATE APPLICATION RECEIVED
ACR NUMBER	DATE PERMIT ISSUED
NVMB FEE	DATE PERMIT EXPIRES
OTHER FEE	REGION CC
TOTAL FEE	INSPECTOR NAME/ID NUMBER
SUSPENSE RECEIPT NUMBER	

SECTION 1 — CURRENTLY LICENSED AS *Check one box.*

- ☐ Dealer - *Complete information on right side.*
- ☐ Dismantler
- ☐ Lessor-Retailer
- ☐ Transporter
- ☐ Distributor
- ☐ Manufacturer
- ☐ Remanufacturer

FOR DEALERS ONLY (Business Model) – Check one box in each section.

Type of Dealer	Autobroker Endorsement
☐ Retail New ☐ Retail Used ☐ Wholesale	☐ Yes ☐ No **NOTE**: Wholesale only dealers are not eligible for an Autobroker endorsement.

SECTION 2 — REASON FOR SUBMISSION *Check all that apply and complete the sections indicated.*

	COMPLETE SECTIONS							
☐ Add Branch Location	3	5			9	10	11
☐ Add Dismantler Location	3			8		10	11
☐ Add Business Name	3						11
☐ Add or Delete Make or Line	3		7				11
☐ Add or Delete Catagory	3		7				11
☐ Add Autobroker	3						11

	COMPLETE SECTIONS						
☐ Change Branch Location	3	4	5		9	10	11
☐ Change Corporate Name	3	4					11
☐ Change Business Address	3	4	5		9	10	11
☐ Change Business Name	3	4					11
☐ Dealer Type License Change	3		5	6			11
☐ Delete Autobroker	3						11

SECTION 3 — BUSINESS INFORMATION

TRUE FULL NAME OF SOLE OWNER, ALL PARTNERS, CORPORATION, LIMITED LIABILITY COMPANY, OR ASSOCIATION		OL NUMBER	
BUSINESS NAME (IF CHANGING OR ADDING NAME, LIST NEW NAME)		TELEPHONE NUMBER ( )	
BUSINESS ADDRESS (IF CHANGING ADDRESS OR ADDING BRANCH, LIST NEW ADDRESS)	CITY	STATE	ZIP CODE

SECTION 4 — FORMER NAME OR ADDRESS

FORMER NAME

FORMER ADDRESS

SECTION 5 — CHECK THE VEHICLES TO BE SOLD, MANUFACTURED OR DISTRIBUTED AT THIS LOCATION

NEW	☐ Automobile/Commercial* ☐ Recreational Trailer* *OL 124 required.	☐ Motorcycle* *(including Off-Highway)* ☐ Trailer+ *+Letter of Authorization required.*	☐ All-Terrain Vehicle* ☐ Snowmobile*	☐ Motorhome*
USED	☐ Automobile/Commercial ☐ Recreational Trailer	☐ Motorcycle *(including Off-Highway)* ☐ Trailer	☐ All-Terrain Vehicle ☐ Snowmobile	☐ Motorhome

SECTION 6 — DEALER ONLY *Type of license change.*

CHANGING FROM	☐ Retail New	☐ Retail Used	☐ No Retail Sales (CVC §1671)	☐ Wholesale Only
CHANGING TO	☐ Retail New	☐ Retail Used	☐ No Retail Sales (CVC §1671)	☐ Wholesale Only

OL 21 (REV. 6/2021) WWW

OL NUMBER
NAME

SECTION 7 — ADD OR DELETE MAKE OR LINE	ADD OR DELETE CATEGORY
EXAMPLE: New dealer adding a new make or line.	*EXAMPLE: Authorized to sell autos/commercials and adding motorcycles.*
ADDING	**ADDING**
DELETING	**DELETING**

SECTION 8 — DISMANTLER ONLY

ALL PLATES ACQUIRED FROM VEHICLES WILL BE: ☐ **DESTROYED** ☐ **TURNED INTO THE DEPARTMENT**

1. Is a storm water permit required for this location? ☐ YES ☐ NO
2. Has an application been filed to obtain a storm water permit for this location? ☐ YES ☐ NO
3. Has a hazardous materials business plan been filed for this location? ☐ YES ☐ NO
4. Is a hazardous materials business plan required for this location? ☐ YES ☐ NO
5. Does location meet all city and county zoning requirements? ☐ YES ☐ NO

   If yes, attach the Zoning Verification for Vehicle Dismantler's License, form OL 62 completed by an official responsible for this location.

SECTION 9 — PROPERTY USE APPROVAL
Must be completed by applicant. Excludes out-of-state Manufacturers and Distributors.

Does location meet all city and county property use requirements? ☐ YES ☐ NO

SECTION 10 — PROPERTY DATA

PROPERTY IS: ***(Check one box.)*** ☐ Leased ☐ Rented ☐ Owned	**APPROXIMATE SQUARE FEET**			
	Office Area	Building Area	Display Area	Total Area
LEASE OR RENTAL PERIOD				0

PROPERTY OWNER'S FULL NAME		TELEPHONE NUMBER ( )	
PROPERTY OWNER'S ADDRESS	CITY	STATE	ZIP CODE

SECTION 11 — APPLICANT CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

PRINTED NAME OF SOLE OWNER, ALL PARTNERS, CORPORATE OFFICER, LLC MEMBER, OR ASSOCIATION REPRESENTATIVE	TITLE
SIGNATURE OF SOLE OWNER, ALL PARTNERS, CORPORATE OFFICER, LLC MEMBER, OR ASSOCIATION REPRESENTATIVE **X**	DATE

DMV
A Public Service Agency

DMV USE ONLY
ACR NUMBER
DATE PERMIT ISSUED
DATE PERMIT EXPIRES
APPLICATION FEE
SIR NUMBER

APPLICATION FOR TEMPORARY BRANCH LOCATION
(30 days or less)

Instructions: Type or print clearly in black ink. **Ten (10) business days prior to the event,** submit the following to the Inspector having jurisdiction over the temporary branch location.

1. Completed Application for Temporary Branch Location, OL 73
2. New product sales only, must submit appropriate manufacturer authorization for each line/make being sold at the temporary location. The authorization must show the Temporary Branch address.
   - OL 124 Auto/Commercial, Motorcycle and All-Terrain Vehicle Dealers
   - OL 73C Trailer and Snowmobile
3. $70.00 Temporary Branch Application Fee
4. Copy of lease/rental agreement or copy of the promoter's contract
5. Property Use Verification for Vehicle Dealer's License, OL 902 *(may be required for some locations).*

A list of Inspector Offices and forms are available at www.dmv.ca.gov

A. FIRM INFORMATION:

NAME OF INDIVIDUAL, PARTNERS, CORPORATION, OR LLC COMPANY		FIRM NUMBER	
FIRM NAME		AREA CODE/TELEPHONE NUMBER ( )	
ADDRESS OF MAIN LOCATION			
CITY		STATE	ZIP CODE

B. TEMPORARY BRANCH LOCATION INFORMATION:

NAME AND PLACE OF TEMPORARY BRANCH LOCATION		LOCATION MEETS LOCAL PROPERTY USE REQUIREMENTS ☐ Yes ☐ No	
TEMPORARY BRANCH ADDRESS			
CITY		STATE	ZIP CODE

CHECK THE VEHICLES TO BE SOLD AT THIS LOCATION

NEW ☐ Auto/Commercial ☐ Motorcycle *(including Off-Highway)* ☐ All-Terrain Vehicle ☐ Trailer ☐ Snowmobile
USED ☐ Auto/Commercial ☐ Motorcycle *(including Off-Highway)* ☐ All-Terrain Vehicle ☐ Trailer ☐ Snowmobile

DATE(S) OF EVENT
From: To:

C. MINIMUM BRANCH LOCATION REQUIREMENTS: (Must be met prior to start of event)

1. SIGN - 2 sq. ft. sign per side displayed to identify dealer
2. OFFICE - Recreational vehicle or properly identified table will suffice
3. DISPLAY - Display area separated from other dealers

D. LICENSEE CERTIFICATION:

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I further certify that all minimum requirements will be met prior to start of event and that all the foregoing information contained herein is true and correct to the best of my knowledge and belief. I also understand should these minimum requirements not be met prior to the commencement of the event, my occupational license could be subject to disciplinary action.

NAME (PRINT)	TITLE
SIGNATURE OF LICENSEE X	DATE

OL 73 (REV. 7/2007) WWW

Go To Page 2

NOTICE TO PUBLIC: INSPECTION OF VEHICLE

11709.1. Every dealer who displays or offers one or more used vehicles for sale at retail shall post a notice not less than 8 inches high and 10 inches wide, in a place conspicuous to the public, which states the following:

"The prospective purchaser of a vehicle may, at his or her own expense and with the approval of the dealer, have the vehicle inspected by an independent third party either on or off these premises."

NOTICE TO PUBLIC: CONTRACT CANCELLATION OPTION

11709.2. Every dealer shall conspicuously display a notice, not less than eight inches high and 10 inches wide, in each sales office and sales cubicle of a dealer's established place of business where written terms of specific sale or lease transactions are discussed with prospective purchasers or lessees, and in each room of a dealer's established place of business where sale and lease contracts are regularly executed, which states the following:

"THERE IS NO COOLING-OFF PERIOD ***UNLESS YOU OBTAIN A CONTRACT CANCELLATION OPTION***"

California law does not provide for a "cooling-off" or other cancellation period for vehicle lease or purchase contracts. Therefore, you cannot later cancel such a contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign a motor vehicle purchase or lease contract, it may only be canceled with the agreement of the seller or lessor or for legal cause, such as fraud."

However, California law does require a seller to offer a 2-day contract cancellation option on used vehicles with a purchase price of less that $40,000, subject to certain statutory conditions. This contract cancellation option requirement does not apply to the sale of a motorcycle or an off-highway motor vehicle subject to identification under California law. See the vehicle contract cancellation option agreement for details."

ADVERTISING REQUIREMENTS: VEHICLES FOR SALE

11709.3. (a) Every dealer shall clearly and conspicuously display in its showroom at its established place of business, in a place that is easily accessible to prospective purchasers, a clear and conspicuous listing of each vehicle that the dealer has advertised for sale if the vehicle meets all of the following requirements:

(1) The vehicle is advertised for sale in a newspaper or other publication of general circulation, or in any other advertising medium that is disseminated to the public generally, including, but not limited to, radio, television, or the Internet.
(2) The vehicle is advertised at a specific price and is required pursuant to subdivision (a) of Section 11713.1 to be identified in the advertisement by its vehicle identification number or license number.
(3) The vehicle has not been sold or leased during the time that the advertised price is valid.
(4) The vehicle does not clearly and conspicuously have displayed on or in it the advertised price.

(b) The listing required by subdivision (a) may be satisfied by clearly and conspicuously posting in the showroom a complete copy of any print advertisement that includes vehicles currently advertised for sale or by clearly and conspicuously displaying in the showroom a list of currently advertised vehicles described by make, model, model-year, vehicle identification number, or license number, and the advertised price.

LICENSEE CERTIFICATION

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I further certify that I have been advised of the above notices and the minimum advertising requirements at a temporary branch location. Any additional advertising will be in compliance with California Vehicle Code Sections 11713, 11713.1, 11.713.11 and Article 4.1 of the California Code of Regulations.

I also certify that I will comply with the provisions specified in the Car Buyer's Bill of Rights (Assembly Bill 68), including but not limited to, providing purchasers with the opportunity to obtain a contract cancellation option and return the vehicle to the site of purchase. I will clearly identify the location with signs and maintain staff authorized to accept return of vehicles at the temporary sales location until the latest date/time a buyer may return a vehicle.

NAME (PRINT)	TITLE
SIGNATURE OF LICENSEE X	DATE

Go To Page 1 | Print | Clear Form

DL 73 (REV. 7/2007) WWW

Autobroker:

Brokering is an arrangement for a fee or other consideration, whereby a dealer provides or offers to provide the service of arranging, negotiating or assisting, the purchase of a new or used motor vehicle not owned by the dealer for others.

Unlawful Acts:

a. Fail to execute a brokering agreement in writing and provide a copy to any consumer entering into the brokering agreement. A copy needs to be provided prior to the signing of the agreement for the purchase of a vehicle by the consumer, or prior to accepting a fee of $100.00 or more, whichever occurs first.

b. To accept a deposit from the consumer that exceeds 2.5% of the selling price of the vehicle as described in the agreement. These funds must be deposited into a Federally Insured Trust Account.

c. Fail to cancel the agreement, and refund upon demand any money paid by the consumer prior to signing a vehicle purchase agreement with a selling dealer and taking delivery of said vehicle. Vehicle brokering agreement cannot exceed the final purchase price of the vehicle.

d. To act as the Seller and Autobroker in the same transaction.

e. Failure to disclose to the consumer and selling dealer, whether or not the Autobroker receives compensation for the transaction, no matter what form of compensation.

f. Failure to record in the Autobroker log (OL 75), each brokered sale, and maintain appropriate records no less than three years, to include any other related documents for each transaction. Contents of a brokering agreement are described in Section 11738 Vehicle Code.

g. Fail to notify the consumer prior to accepting a deposit that a full refund will be applicable if the vehicle ordered is not obtained for the consumer within a specified period of time.

Autobroker is also considered a Dealer. Remember that the AB68 Laws apply to an Autobroker the same as it applies to a Retail Dealer who doesn’t hold the endorsement. A dealer who obtains a broker’s endorsement to their license is subject to all licensing, advertising and other statutory and regulatory requirements and prohibitions applicable to a dealer, regardless of whether the dealer acts as the buyer or seller, or provides brokering services on behalf of others for the purpose of arranging, negotiating, assisting or effectuating the sale of a vehicle not owned by that dealer.

Buy Here Pay Here (BHPH) Dealer

Effective 1-1-2013 legislation has enacted this bill to curb unfair and deceptive practices by a BHPH dealer and to protect the consuming public. As defined, a Buy Here Pay Here Dealer or Lessor does both of the following:

- Enters into conditional sale or lease contracts. A conditional sale contract does not include a contract for the sale of a motor vehicle if all the amounts owed under the contract are paid in full within 30 days.
- Assigns less than 90% of all un-rescinded conditional sale contracts and lease contracts to unaffiliated third-party finance or leasing sources within 45 days of the consummation of the contract.

The term Buy Here Pay Here does not apply to the following:

- A Lessor who primarily leases vehicles that are two model years old or newer.
- A dealer that certifies 100% of its vehicles and maintains an on-site service and repair facility that is licensed by the Bureau of Automotive Repair and employs a minimum of five master automobile technicians who are certified by the National Institute for Automotive Service Excellence.

Additional requirements of BHPH Dealer or Lessor:

a. Limits the use of GPS:

After the sale of a vehicle the dealer must comply with the following:

1. The buyer is specifically made aware of the existence & use of the tracking technology. The buyer's written consent is obtained by A or B or both.

- The electronic tracking device is used to verify and maintain the tracking status, to repossess the vehicle, or locate the vehicle to service the loan or keep the loan current.
- The electronic tracking device is used for any optional service to the buyer and the following conditions are met:

The use of the electronic device for the optional service is separate from the vehicle purchase agreement and is not a condition of the sale or lease. This optional service is executed only after the completion of the vehicle sale or lease. The buyer is permitted to cancel the optional service at any point in the future without affecting the sale and is informed of his/her ability to do so.

b. Limits the use of starter interrupt technology: At the time of sale, the dealer must notify the buyer in writing that the vehicle is equipped with a starter interrupt technology which can be used to shut down the vehicle remotely by the BHPH dealer.

1. The written disclosure informs the buyer that a warning will be provided no less than 48 hours before the use of the system to shut down the vehicle remotely & discloses the method in which the warning will occur. The warning methods are telephone call, email, or text message, provided the warning method does not violate applicable state or federal laws.
2. In the event of an emergency, the buyer shall be provided with the ability to start a dealer disabled vehicle for no less than 24 hours after the vehicles' initial disablement.

c. Issue a 30 day or 1,000 Mile Warranty to the buyer covering specified parts and systems. Warranty to cover the following: Engine, transmission, drive axle, front & rear drive components, engine cooling system, brakes, front & rear suspension systems, steering, seat belts, inflatable restraint systems, catalytic converter, or other emissions components, heater, seals & gaskets, electrical, electronic & computer components, alternator, generator, starter, and ignition systems.

d. The dealer must either repair the covered parts that fail or cancel the sale or lease and reimburse the buyer or lessee as specified.

- The BHPH dealer may elect to refund the buyer or lessee a full refund, less reasonable amounts for any damage of the vehicle, excepting damage caused by a nonconformity with a written warranty rather than performing a repair.
- In the event the BHPH dealer cancels the sale or lease, the following shall apply: The BHPH dealer shall give written notice to the buyer or lessee of the election to cancel the sale or lease by personal delivery or first-class mail.

e. The dealer pays 100% of the cost of labor and parts for any repair under the warranty.

f. Void the purchase or lease agreement that waives limits or disclaims these requirements.

g. Provide that a warranty is deemed to have been issued if the dealer fails to issue a warranty pursuant to these provisions.

Prohibitions:

- Requiring the buyer to make payments in person.
- Repossessing the vehicle or charging a penalty following timely payment of a deferred down payment as specified.

Violation of these prohibitions is a misdemeanor and is punishable by a fine of up to $1,000.

If a BHPH dealer fails to give a buyer a written warranty pursuant to this section, the BHPH dealer shall be deemed to have provided the warranty as a matter of law.

Label Requirements AB1534

a. A buy-here-pay-here dealer shall affix a label on any used vehicle being offered for retail sale that states the reasonable market value of that vehicle. The label shall meet all of the following conditions:

1. Be in writing.
2. Be printed with a heading that reads "REASONABLE MARKET VALUE OF THIS VEHICLE" in at least 16 point bold type and text in at least 12-point type.
3. Be located adjacent to the window sticker identifying the equipment provided with the vehicle, or if none, it shall be located prominently and conspicuously on the vehicle so that it is readily readable.
4. Identify all Equipment included with the vehicle.
5. Contain the information used to determine the reasonable market value of the vehicle, including, but not limited to, the use of a nationally recognized pricing guide for used vehicles.
6. Contain the date the reasonable market value was determined.
7. Indicate that the reasonable market value is being provided only for comparison shopping and is not the retail sale price or the advertised price of the vehicle.

b. "Reasonable market value" means the average retail value of a used vehicle based on the condition, mileage, year, make, and model of the vehicle, as determined within the last 60 days by a nationally recognized pricing guide that provides used vehicle retail values or pricing reports to vehicle dealers or the public.

c. "Nationally recognized pricing guide" includes, but is not limited to, Kelley Blue Book (KBB), Edmunds, Black Book, or National Automobile Dealers' Association (NADA) Guide.

New legislation requires BHPH dealer to adhere to certain requirements on every vehicle sold or leased as follows:

- Requires a licensed repossession agency (LRA) to only transact business with another person or entity as an independent contractor and prohibits an LRA from allowing anyone other than a qualified certificate holder, its owner, or its officer to manage its operations or transact business.
- Makes it a misdemeanor, punishable by a fine up to $5000, for a BHPH dealer to knowingly engage a non-exempt unlicensed person to repossess collateral on its behalf.
- Authorizes DMV to suspend or revoke the license issued to BHPH dealer if it violates the act.
- Clarifies that a repossessor shall not appraise or determine the value of any collateral whether damaged or not.
- Authorizes a repossessor to complete a condition report for collateral that makes a general assessment of the collateral but does not include all damage or missing parts as specified.
- Authorizes the Bureau of Security and Investigative Services (BSIS) to assess a $25 administrative fine against a repossessor for knowingly submitting a false report, not just reports submitted to an employer.
- Requires a repossessor to contact law enforcement within one hour after taking possession of a vehicle and continue to attempt notification until the repossessor provides notification.
- Prohibits a person, other than a peace officer acting in an official capacity, from interfering with the transport of a vehicle to a storage facility, auction, or dealer by an individual employed by a LRA or repossessor once repossession is complete, as specified, and makes a violation of that provision an infraction.
- Prohibits a tow yard, impounding agency, government agency, or person acting on behalf of these entities from refusing to release a vehicle or collateral to anyone legally entitled to that vehicle or collateral, except a vehicle being held for evidence by a law enforcement or prosecuting attorney.

NOTE: To verify a repossessor’s license go to https://www.bsis.ca.gov/

What's New:

*Subscribe to DMV Email Alert at: https://www.dmv.ca.gov/portal/vehicle-industry-services/vehicle-industry-news-memos/ to get immediate notification of vehicle industry news letters.

*Vehicle Registration Fee Calculator Link on the DMV Web – Check it out !

*Red Flags Rules (page 24)

*Electronic Processing of Documents/Business Partnership Automation Program (page 55)

*Air Pollution Control Requirements (Diesel) (page 59)

*NMVTIS (page 76)

*Consumer Motor Vehicle Recovery Corporation (page 83)

*BHPH Dealers/Lessors (Page 113)

*Electronic Report of Sales / Temporary License Plates (page 67)

DMV has now launched their Occupational Licensing Online Portal which allows applications to be processed more efficiently for original applications, renewals, modifications and manage your Occupational License. To get started use this link: https://www.dmv.ca.gov/portal/vehicle-industry-services/occupational-licensing/login/ .

The completion certificate issued to you is valid for 1 year. To take your DMV test you will need: The Original Completion Certificate for Pre-Licensing and your valid California Driver License or California ID. The testing fee, $16.00 is paid on the DMV portal. The test has 40 questions, multiple choice, you must pass with a score of 70% or higher. If you don't pass, you must wait 1 week between tests and pay an additional $16.00 for each supplemental test. If you do not pass after the 3rd test, you must attend dealer class again and be re-certified.