

AUTO DEALER LICENSE

The Essentials for California



Yvonne Bell

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INTRODUCTION

DEALER LICENSE

THE OCCUPATIONAL LICENSING (OL) BRANCH


The Occupational Licensing (OL) Branch is responsible for licensing and monitoring a wide range of motor vehicle related businesses and individuals.

The automobile industry is one of the largest in the United States. There are currently over 31 million vehicles with more than 24 million licensed drivers on the road in California today. The sale and use of automobiles in California has resulted in widely diversified industries that address the various needs of California drivers. The industries range from the initial sale of automobiles, boats, and other vehicles, training of drivers, traffic violator schools, and vehicle dismantlers.

“Quote”

“One’s mind, once stretched by a new idea, never regains its original dimensions” Oliver Wendell Holmes Sr.

TYPES OF LICENSES

- *There are four types of dealer licenses; that allows you to sell new or used vehicles. This guide will provide you with the foundation to obtain the three types of licenses listed below.*
 - *Used dealer can sell vehicles to the public and other dealers.*
 - *Wholesale sells vehicles only to other dealers*
 - *Autobroker arranges and assist the purchase of a vehicle they don't own to a person which is facilitated via the used car dealer license by adding this type as an endorsement.*
- *The DMV Occupational Licensing also provides licenses for the following: Car -Dismantler, Transporter, Manufacturer, Remanufacturer and lessor-retailer. For specific information see DMV link- <https://www.dmv.ca.gov>*
- *The dealer licensing process requires various forms, documentations, fees, applications and agencies license as well as permits.*
- *See below table for the types of licenses and what you can legally do or get per the DMV vehicle code. Application Checklist click link below *
 - [Dealer Checklist](#)

	Retail/ Used Dealer	Wholesale Dealer
Location	Commercial Property	Home Office
Start-up	\$25,000-\$150,000	\$400-\$600
Risk	High	Low
	99%	1%

RETAIL/USED

WHOLESALE

**Dealer only
auction**



Wholesale



Auto broker



Dealer Plates



Export



Dealer Plates



There are four basic steps to ascertaining your business license.

Step 1.


PRE-LICENSING COURSE

Complete the 6-hour pre-licensing course. Bell's Automotive Dealer offers this course see my website: www.bell2automotive.com. Once you have successfully completed the course you will receive your Pre-license certificate which is good for ONLY one year.

You will then need to contact the DMV Occupational Licensing Inspection Office and schedule your testing. At which time you will want to bring a check for the testing fees, your driver license and certificate. [Inspector office](#)

Step 2.

DMV REQUIRED DOCUMENTS

Now that you have successfully passed the exam. Complete all forms noted on the check list, reference previously; I have also attached the packet, click link below. 

[Dealer application packet](#)

Complete these additional documents:

- *Obtain an Employer Identification Number (EIN)*
 - *Apply via the IRS; required*
- *If filing as a Corporation, Limited Liability Company or Limited Liability Partnership owned businesses only: Statement of Information or Statement of Information filed with the Secretary of State.*
- *Copy of California Department of Tax and Fee Administration (CDTFA) Resale Permit or ie... Board of Equalization (BOE)*

- *Photograph of business location.*

Once you have completed the application based upon which business type you opted; schedule another appointment with the DMV Occupational office to submit your completed application and pay required fees.

Step 3.

PLACE OF BUSINESS INSPECTION

The DMV requires that all dealers are in compliance with location requirements; this is necessary part of the application approval process. As part of your application you will need to submit pictures of your business. The inspector will check your location for the following:

- *Branch or home business actually occupied either continuously or at regular periods by the dealer.*
- *Inspect all books and records pertinent to the business*
- *Inspection of display area*
- *Inspection of sign (not required if Wholesale Only Dealer)*

Step 4.

OTHER REQUIREMENTS

- *Business Partner Automation Program (BPA)*
 - *Used Vehicle Dealers – The department’s Business Partner Automation Program offers alternative for processing sale transactions electronically. Instruction are available on the DMV website.*
- *National Motor Vehicle Titling Information System (NMVTIS)*
Used vehicle dealer must obtain a NMVTIS report for any used vehicle offered or displayed for sale, and must display a warning

on the vehicle when the report indicates the state has branded the title. Further information regarding this report is available at: <https://vehiclehistory.gov>

CONCLUSION

- *Every two years your dealer licenses has to be renewed. A renewal application is mailed to all licensed dealers and lessor-retailers 45 days prior to the expiration date of the licenses. Renewal of the license must be accomplished on or prior to the license expiration date to avoid penalties.*
- *To avoid license or sticker delivery delays, please send the renewal application with appropriate fees directly to: Department of Motor Vehicles, Occupational Licensing Unit, P.O. Box 932342, Sacramento, CA 94232-3420 at least two weeks prior to the expiration date shown on the renewal application.*
- *Renewal Penalty Renewal fees and penalty fees can only be accepted for a period of 30 days after the expiration date of the license. Renewal cannot be accepted after 30 days from the expiration date of the license CVC Section.*
- *Continuing Education Program License renewal is done annually; however, after initial licensing, used dealers and dealer-wholesale only must attend an approved continuing educational program of not less than four (4) hours every two years in order to renew or maintain their license. The department will not accept application prior.*