

registration tips for retail car dealers from gotplates.com

Reply: becomeacardealer@gmail.com



It's no secret (or exaggeration); the topic of registration is ridiculously huge. Auto dealers have so many different laws, rules and regulations to contend with, it's easy to get confused. In fact, it's almost impossible to not get confused when dealing with the sea of registration headaches dealers must face today.

<http://gotplates.com> for car dealer education

In an effort to alleviate some of the stress caused by trying to understand the registration issues dealers must contend with, here are new 2015 california car dealer laws, rules and regulations summarized (along with potential penalties for breaking them and helpful links to useful information). Mind you, this list is not all-encompassing and does not cover all registration issues dealers face, and it is NOT LEGAL ADVICE. For legal advice, dealers should seek assistance from qualified legal counsel.

<http://www.hrozzolaw.com> for our dmv car dealer attorney

History

Vehicle registration is the (usually) compulsory registration of a vehicle with a government authority. Vehicle registration's purpose is to establish clear ownership and to tax motorists or vehicle owners.

While almost all vehicles are uniquely identified by a [vehicle identification number](#) only registered vehicles display a [vehicle registration plate](#) and carry a [vehicle registration certificate](#).

Regulations

Registration is handled by the [California Department of Motor Vehicles](#) (DMV). It is the responsibility of the automobile dealerships to register new and used vehicles sold by their dealership. Dealerships employ registration specialists to accumulate and complete the paperwork necessary to title and register the vehicle. Although many dealerships are run, technologically, by large [Dealership Management System's](#) (DMS), the vast majority of work performed at the registration desk is manual. Registration clerks, up until 2006, had to track each deal using paper calendars and logbooks, a relatively inefficient process that resulted in millions of dollars in DMV fines and penalties incurred by dealerships. Technology was introduced with the introduction of the Business Partner Automation program (BPA), which allowed participating dealerships to file registrations electronically.

The vast majority of vehicles registered in California are via third party transactions, where the vehicle is sold from one entity to another, without the use of a dealership. The registration of vehicles sold in this manner is done through local DMV branches or through the use of independent "Registration Service Providers". Anyone who has applied for or received a vehicle registration must notify DMV of a new residence within 10 days or face a typical fine of \$178..

Car dealers must familiarize themselves with the process.

Acquisition

When a vehicle is acquired the car dealer must obtain a title, or a duplicate title.

If a title is unavailable due to acquisition circumstances, repossession or lien sale, those documents must be used to transfer title. Bills of sale, commonly referred to as the REG262 accompany the title. The acquisition must include one or a series of bills of sale, showing a progression of transfers from the last registered owner to the selling retail dealer to the buyer.

The acquisition paperwork may contain required disclosures commonly made on an auction buyers sheet. These disclosures must be explained and made on a DMV statement of facts form, REG256.

Preparation

During the process of reconditioning the vehicle dealer obtains a smog certification, a division 12 safety compliance check, a retail buyers guide and a NMVTIS vehicle history report.

The preparation process may reveal past history disclosures, required in writing, commonly made on a DMV statement of facts form REG256.

The smog certification paperwork is valid for two years and must be presented in the application package sent or presented to DMV. A smog certificate previously used to register a vehicle is invalid and a fresh smog must be obtained prior to offering the vehicle for sale.

The division 12 safety compliance check certifies the federal required minimum safety standard has been met and that all working safety items, including seat belts and airbags are present and functioning. The inspection may only be conducted by a BAR certified mechanic and not at the dealership unless the dealership is also BAR certified. This provision does not preclude a dealer from working and repairing their own vehicles. Only the inspection is required to be done by BAR certified mechanics.

The buyers guide must be presented to the buyer, the buyer signs and receives a copy and the signed original must be held in the dealers licensed location for a minimum of 4 years. The dealer folder which holds such documents is created for each retail sale and known as the "jacket".

The NMVTIS vehicle history report sources a national government database and generates a report of up to 61 brands on a vehicle title. Such branding requires a DMV statement of facts REG256 disclosure and a red sticker on the vehicle prior to being offered for sale.

NMVTIS vehicle history reports are available at:

<http://vinaudit.com/gotplates>

Forms disclosures and buyers guides are available from Jody Forster:

<http://formslady.com>

Retail Sales Process Photo ID

The retail dealer must first obtain a photo id from each buyer.

We assign a Retail Report of Sale to the transaction.

On the copy of the buyers photo id we write the ROS number assigned and the date.

We have the buyer initial this dated photo id with ROS number assigned.

We include this document in the transfer package sent to the DMV.

Contract Preparation Spreadsheet

This spreadsheet is exclusive to TriStar Motors LLC

If you would like a copy for your dealership email to admin@gotplates.com

The spreadsheet allows the formation of the total sales price including document preparation fee, smog inspection and certification fees, sales tax, broker fees, registration, transfer & delivery fees. Document preparation fee is taxable and the maximum fee is \$ 65. The charge must be the same for all transactions. Smog inspection fee is taxable and the maximum fee is \$ 50. Smog certification fee is non-taxable and the maximum fee is \$ 8.25.

Registration fees must be collected if the registration is expired or about to expire with 60 days.

Back registration fees should be included in the price, if not, a statement of facts disclosure with buyers signature is required to collect back registration fees from the buyer.

We include this document in the transfer package sent to the DMV.

Car Buyers Bill of Rights Cancellation Option

The option to return the vehicle to the dealer for ANY reason is an option the buyer may purchase from the selling dealer. The cost of the option is set by the selling dealer and includes an option fee

and a restocking fee. The minimum and maximums are regulated by the selling price of the car up to \$ 40,000.

Our training package includes a brochure with details on this important option.

The buyer must sign YES or NO to this offer in writing.

The buyer must receive a copy of their signed offer.

We do not include this document in the transfer package sent to the DMV.

This document is stored in the selling dealers location in the deal jacket.

Federal Buyers Guide

The buyers guide was posted on the vehicle prior to sale indicating warranty offers and contact information included in the price of the car. BHPH car dealers with 10% in house contract sales must include a 30 day 1000 mile complete warranty on EVERY vehicle offered for sale.

Our training package includes a brochure on this important BHPH provision.

The buyers guide is removed from the vehicle at the point of sale. The buyers signs the guide and is given a copy. The dealer faces a potential fine of \$16K for no signed buyers guide in the deal jacket..

We do not include this document in the transfer package sent to the DMV.

This document is stored in the selling dealers location in the deal jacket.

Conditional Retail Sales Contract

All vehicles sold must use a conditional sales contract.

The required disclosures on this form are mandated even in all cash sales.

The TriStar Motors LLC spreadsheet is formulated to assist you in completing this document.

Once the buyer signs the numerous provisions on this contract the buyer is given a copy.

We do not include this document in the transfer package sent to the DMV.

This document is stored in the selling dealers location in the deal jacket.

Spanish Copy, Spoken Language Disclosures

If the buyer has a Spanish surname, whether the buyer speaks Spanish or not, the selling dealer must offer Spanish copies of the Car Buyer Bill of Rights Option Form, The Federal Buyers Guide and the Conditional Sales Contract.

We offer a Spanish copy offer in our forms starter kit.

The selling dealer provides blank Spanish forms.

We include this document in the transfer package sent to the DMV.

Click here to order the gotplates retail car dealer starter kit:

<http://www.gotplates.com/books.php>

When the seller speaks any of 30 languages to the buyer and the buyer also speaks that language the selling dealer must offer copies of the Car Buyer Bill of Rights Option Form, The Federal Buyers Guide and the Conditional Sales Contract in the spoken language.

Spoken Languages copies for 30 languages can be obtained from Jody Forster

<http://www.formslady.com>

If the buyer speaks the spoken language to the customer

The blank forms must now be completed

But the buyer does not sign them.

The English version of each document is signed as the document of record

If the selling dealer and the buyer speak one of 30 languages and the selling dealer does NOT have the required copies we suggest a DMV statement of facts REG256 describing the languages spoken and that both buyer and seller accept English only documents as a waiver to this regulation.

We include this document in the transfer package sent to the DMV.

If the selling dealer does NOT offer documents in the spoken language and does not prepare the waiver the entire sales transaction is at risk of an unwind with penalties.

Report of Sale

The REG 51 must be completed by the selling dealer for each retail sale'

This four part form must be signed by the selling dealer and the buyer.

REG 51 Check List

<i>Section</i>	<i>Information Required</i>
Date Sold	The date the buyer paid the purchase price, signed a purchase contract or security agreement, and took possession or delivery of the vehicle. (CVC §5901[d])
Make	The make of the vehicle, not the model.
Year Model	The year model shown on the titling document. If the titling document does not show a year model, leave this blank.
Body Type	The body type. If the body type shown on the title is incorrect, a correction must be made. See Chapter 30, Inquiries for body types.
Motive Power	The motive power (must be shown for all vehicles). The fuel types are: G -Gasoline D -Diesel E -Electric M -Methanol N -Natural Gas P -Propane Q -Hybrid For all trailers, use motive power code "0" (zero) IMPORTANT: Hybrid vehicles are powered by gas and electricity and are exempt from smog certification by the Bureau of Automotive Repair (BAR) until 12/31/2010.
Number of Axles	The number of axles shown on the title for a commercial motor vehicle or trailer only. Do not enter any information for trailer coach (CCH) or camp (CMP) trailers
Unladen (empty) Weight	The unladen weight shown on the title for a commercial motor vehicle or trailer only. Do not enter any information for trailer coach (CCH) or camp (CMP) trailers.

Vehicle Identification Number (VIN)	The complete VIN shown on the title.
M/C Engine Number	If the vehicle is a motorcycle, the complete engine number shown on the title.
Last Registered in State of	The state, province, territory, or country where the vehicle was last registered.
Year Registered	The year the vehicle was last registered.
License Number	The license plate number for the last registration.
County of Residence	The buyer's county of residence. This may differ from the county of the mailing address. For leased vehicles, show the county of the lessee's address. For trailers coaches that will be located in a different county, show the county of the situs location.
Sold To	The true full name of each buyer (the name shown on the buyer's driver license or ID card). Check the "AND" or "OR" box if there is more than one buyer/owner. Refer to section 1.050 for Registration to Co-Owners information. Leased Vehicles: The name of the lessor followed by the abbreviation "LSR" and the name(s) of the lessee followed by the abbreviation "LSE." Do not join the names with "and" or "or." Refer to section 1.040 for Registration of Leased Vehicles information. Example: Jay Street Leasing, LSR John Doe, LSE See Chapter 1, General Registration Information for additional NAME information.
Driver License/ID Card No.	The driver license or ID card number (DL/ID#) for each buyer or lessee (if an individual). If a California DL/ID has not been issued, enter the person's out-of-state DL/ID# and write the state of issuance in the upper right corner of the REG 51. NOTE: A DL/ID# is not required for vehicles registered to an entity other than an individual, such as a company.
Buyer's Address	The buyer's residence or business address and mailing address (if different), including an apartment or space number if it is part of the address. When a post office box is the residence or business address, but is not the mailing address, then both addresses must be shown. The post office delivers mail to the second address. NOTE: Mailing Address Only on Registration Documents- The buyer/registered owner may request that the registration and title documents issued by the department show only his/her mailing address.

	Refer to Chapter 1, General Registration Information for all address requirements.
Dealer Name, By, and Address	The dealer name, an authorized agent's signature, and dealer's full address. An authorized representative must countersign for the dealership (This may be any authorized person of the dealership, not necessarily the salesperson).
Dealer and Salesperson Numbers	The dealer's license number and the salesperson's number. If the vehicle was sold by an owner or officer of the dealership, enter the title, such as "Owner" or "CEO" as the Salesperson's Number .
Signature(s) of Purchaser	The buyer's usual signature or the buyer's signature signed by the attorney-in-fact shown on a power of attorney must appear. Refer to Chapter 1, General Registration Information for power of attorney information. NOTE: Only one co-owner signature is required on the REG 51. Leased Vehicles- The lessor is the registered owner and must endorse/sign the REG 51. The lessee's signature is optional.
Odometer Reading	The actual odometer mileage reading.

The four parts are:

Dealer Copy

DMV Application Copy

Notice of Sale to the DMV

Temporary Operating Permit for the buyer.

Post Temporary in the lower right corner of the windshield.

We include this DMV Application Copy in the transfer package sent to the DMV.

This Dealer Copy is stored in the selling dealers location in the deal jacket.

Title Endorsements

The front of the title must have a release of registered owner and lien holders, if any.

The rear of the title must have buyers information clearly printed.

Any dealer transfers must be listed at the bottom of the back of the title.

We include this document in the transfer package sent to the DMV.

License Plates

We remove and destroy all plates from every vehicle we sell. We used DMV form REG156 to certify destruction and request new plates for the buyer. The registration cycle for the vehicle remains the same. We charge the buyer \$ 19. for new license plates. This practice is required if the front plate is missing but also prevents tickets from being sent to donors / previous owners.

We install dealer flashers and frames to the front and rear of each vehicle pending the delivery of new plates by the DMV.

To order license plate inserts, known as flashers as well as license plates frames and ROS holders for the selling dealer contact Jody Forster:

<http://formslady.com>

We include this document in the transfer package sent to the DMV.

Car Buyer Vehicle Delivery Request

When a selling dealer makes delivery of a SOLD vehicle to a buyer we prepare a written vehicle delivery request and we charge a fee of \$ 100.

We offer a copy offer in our forms starter kit.

Click here to order the gotplates retail car dealer starter kit:

<http://www.gotplates.com/books.php>

We include this document in the transfer package sent to the DMV

Scan or Copy the entire application package

We handle all transactions by mail to the DMV Service Center.

Make sure you copy or scan the complete transaction, including payment check in the event of document loss and the need for application reconstruction.

Title reconstruction can be timely and expensive.

We suggest Tanya Reeves for such complicated efforts

707-419-5700

We include instructions for mailing corrections along with a copy of our current dealer license.

We include this document in the transfer package sent to the DMV.

Sales Tax Reporting

We prepare a DMV statement of facts REG256 with our dealer sellers account number.

We include this document in the transfer package sent to the DMV.

Remember sales tax is reported according to the buyers county of residence.

We print and file a sales tax rate chart in the deal jacket for the zip code rate on the sale date.

Advancements

Vehicle Registration Quick Links

<https://www.dmv.ca.gov/portal/dmv/detail/vr/vr>

- [Registration Renewal](#)
- [Basic Registration Renewal Fees](#)
- [Vehicle Registration Fee Calculator](#)
- [More Registration Information](#)
- [Registration Forms](#)
- [Business Partner Locator](#)
- [California Vehicle Code](#)
- [Register to Vote](#)
- [Personalized Plates](#)
- [New to California](#)
- [Brochures](#)
- [Checklists](#)
- [Change Your Address](#)
- [Notice of Transfer and Release of Liability](#)
- [Industry Tools](#)
- [Electronic Lien and Title \(ELT\) Program](#)
- [Other State Motor Vehicle Departments](#)
- [Nonresident Commercial Vehicle Trip Permit](#)

Main Categories

<https://www.dmv.ca.gov/portal/dmv/detail/vr/vr>

- [DMV Videos](#) **NEW**
- [Changing Vehicle Ownership](#)
- [Vehicles Never Registered in California](#)
- [Renewals](#)
- [Insurance](#)
- [License Plates](#)
- [Off-Highway Vehicles](#)
- [Specially Constructed Vehicles](#)
- [Smog](#)
- [Fees](#)
- [Corrections/Replacements](#)
- [Dishonored Payments/Franchise Tax Board Collections](#)
- [Dishonored Payments FAQs](#)
- [Franchise Tax Board Collections \(Delinquent Registration\)FAQs](#)
- [Disabled Person Parking Placard/Plates](#)
- [Commercial Vehicles](#)
- [Salvage/Junked Vehicles](#)
- [Alternative Fuel Vehicles](#)
- [Veterans and Military Personnel Information](#)

Buying or Selling a Vehicle Changing Vehicle Ownership

<https://dmv.ca.gov/portal/dmv/detail/vr/topbuysell>

- [National Motor Vehicle Title Information System \(NMVTIS\)NEW](#)
- [Instructions for How to Request a Vehicle/Vessel Use Tax Clearance from the Board of Equalization](#)
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Unless an exemption applies, sales/use tax applies on the purchase of vehicles/vessels in California. If vehicle/vessel is purchased from someone who is engaged in business in California, (vehicle/vessel dealers) that person is responsible for reporting/paying the sales tax.

However, if the vehicle/vessel is purchased, or received as compensation, from someone who is not a California dealer, use tax is due for the use of that property.

As explained, the purchase may qualify for an exemption from use tax.

- [Requirements for Buying a Vehicle](#)
- [Requirements for Selling a Vehicle and Protecting Your Liability](#)
- [Video: Title Transfer - Where Do We Sign](#)
- [Car Buyer's Bill of Rights](#)
- [Buying an Out-of-State Vehicle](#)
- [Information on Storm Damaged Vehicles](#)
- [Smog Requirements](#)
- [Family Transfers](#)
- [Vehicles as Gifts/Inheritance](#)
- [Lien Sales](#)
- [What To Do After Paying Your Loan Off](#)
- [Financial Institution Listing \(e.g., bank, credit union and financial/lending institutions\)](#)
- [Vehicle Registration Forms](#)
- [Lemon Law Buyback Vehicles](#)

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