

CHAPTER 8
DEALERS, MANUFACTURERS, DISTRIBUTORS,
TRANSPORTERS, AND DISMANTLERS

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CHAPTER 8

DEALERS, MANUFACTURERS, DISTRIBUTORS, TRANSPORTERS, AND DISMANTLERS

1. DEALER DEFINITION. For enforcement purposes, a “dealer,” as defined in Sections 285 and 426 of the California Vehicle Code (CVC), and Title 13 of the California Code of Regulations (CCR) Section 201.00, is an individual who is the sole owner, general partner, or corporate officer, who is licensed by the California Department of Motor Vehicles (DMV) as a dealer and is engaged solely or in part in the business of selling, buying, or trading vehicles.

2. LICENSING.

a. License Requirement. It is unlawful for any person to act as a dealer, manufacturer, distributor, or transporter, without having first been issued a license or a temporary permit issued by the DMV as required by Section 11700 CVC.

b. Special Plate Issuance. Special plates will be issued to a dealer after the dealer is licensed to sell, buy, or trade vehicles, and an application has been submitted to the DMV for special plates. The dealer shall display their distinguishing assigned number on the plate (Section 11714 [d] CVC).

NOTE: For the purpose of this chapter, dealer plates, manufacturer plates, and transporter plates are synonymous with the term special plates.

c. Special Plate Use. Special plates may be used on any type of vehicle owned or lawfully possessed by the dealer as specified in Section 11715 CVC.

d. Special Vehicle Dealers. Dealers, manufacturers, or distributors of special equipment are not required to be licensed as dealers (Section 5016.5 CVC).

3. OPERATION OF VEHICLES BY DEALERS, MANUFACTURERS, AND DISTRIBUTORS.

a. Unregistered Vehicle Movement. Dealers, manufacturer’s representatives, or distributors may operate or move, for **any** purpose, unregistered vehicles owned or possessed by them, provided special plates are attached to the vehicle or special permits are obtained as provided in Sections 4002 and 11716 CVC. This privilege is not extended to agents or employees. They may operate such vehicles only when the operation falls within the scope of their employment, for example:

- (1) The secretary could operate a special-plated vehicle for transportation to the bank to make a bank deposit for the dealer.
- (2) An employee of the dealer may operate a dealer-plated vehicle to transfer vehicles between dealers or to a repair facility.
- (3) A family member, who resides in the immediate household of someone meeting the definition of a dealer (Sections 285 and 426 CVC), may solely operate the vehicle to drop off and pick up that individual, per Title 13, CCR, Section 201.00.
- (4) A transporter may operate or move any vehicle owned or lawfully possessed by any lawful means solely for the purpose of delivery for sale. The vehicles may be towed or used as a transporting vehicle.
 - (a) A manufacturer, remanufacturer, transporter, distributor, or dealer may operate or move any vehicle without obtaining registration, a moving permit, or special plates from a vessel, railroad depot, or warehouse, during the course of business.
- (5) A dealer, manufacturer or representative, or a distributor or representative, may use a special-plated vehicle for personal use (e.g., shopping, transporting a family member). This privilege is not extended to employees or family members.
- (6) A general manager, business manager, or sales manager who is actively engaged in the management and control of the business operations of the dealer, manufacturer, remanufacturer, or distributor, may operate a dealer-plated vehicle.

b. Vehicles Required to be Registered. The following vehicles are required to be registered:

- (1) Work and service vehicles owned by the dealer, including tow trucks, parts delivery vehicles, pick-up trucks, and vehicles assigned as loaners.
- (2) Vehicles owned and leased by the dealer, except those vehicles rented or leased to a vehicle salesperson in the course of their employment for the purpose of display or demonstration.
- (3) Vehicles operated by family members of the dealer, manufacturers or representatives, or distributors or representatives. However, if a family member is a corporate officer or general partner, they may operate a dealer-plated vehicle for any purpose.

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OCCUPATIONAL LICENSE PLATE RECIPROCAL AGREEMENTS (*continued*)

(a) California is a community property state pursuant to Section 760 of the California Family Code. Therefore, officers should exercise sound, professional judgment when encountering a spouse or registered domestic partner operating a dealer-plated vehicle.

(4) Unregistered vehicles with special plates loaned to the service customer.

(5) Vehicles stored pursuant to Section 22651(o) CVC shall be registered prior to being released.

4. OPERATION BY VEHICLE SALESPERSON.

a. Vehicles Leased or Rented to Vehicle Salespersons. Vehicle salespersons may use unregistered vehicles which are rented or leased to them for demonstration or testing purposes in the course of their employment. They are subject to the same privileges and restrictions applicable to dealers as specified in paragraph 3.a., provided special plates are attached to the vehicle or special permits are obtained as provided in Sections 4002 and 11716 CVC.

b. Vehicles Not Leased to Vehicle Salespersons. Vehicle salespersons may operate dealer-owned vehicles not leased or rented to them for demonstration and testing purposes and for incidental transportation purposes related to, or in conjunction with, the business. Transportation to and from home and to lunch would be included. Use of the vehicle for personal use (e.g., family shopping, pleasure trips, school) is prohibited.

5. OPERATION OF A SPECIAL-PLATED VEHICLE BY PROSPECTIVE BUYERS.

a. Prospective buyers may operate a special-plated, dealer-owned vehicle for demonstration for a reasonable period, not to exceed seven days provided the prospective buyer has not signed a purchase agreement, and there has been no deposit or down payment placed with the dealer. The prospective buyer shall have a letter of authorization from the dealer in the vehicle (this only applies when a salesperson is not present).

(1) This section does not apply to customers who are operating a dealer-plated vehicle while their vehicle is being serviced by the dealer.

b. Commercial vehicle prospective buyers may operate a special-plated, dealer-owned vehicle for a reasonable period, not to exceed seven days. The buyer may tow a trailer or carry a load from one destination to another. The prospective buyer shall carry a letter of authorization from the dealer in the vehicle.

(1) It would be considered reasonable to test drive a vehicle from Southern California to Washington State and back to California with a load. There are no mileage restrictions placed on the prospective buyer.

6. SPECIAL VEHICLE MOVEMENT. Vehicles referenced in Sections 36101 and 5011 CVC, when operated on the highway by a dealer or manufacturer for the purpose of delivery or demonstration for sale, are required to display an identification plate. The DMV may issue a special identification plate or a suitable device to a manufacturer or dealer. The dealer or manufacturer shall obtain a permit to operate any special equipment vehicle on the roadway, in conjunction with the identification plate or any suitable device issued to the manufacturer.

7. ENFORCEMENT.

a. Owner Responsibility. Enforcement action to require registration of vehicles operated in violation of special plate restrictions shall be directed to the dealer, manufacturer, or distributor, as specified for owner responsibility. The vehicle identification number (VIN) of the vehicle in question should be entered on the enforcement document.

b. Violation Reporting. All special plate violations and suspected violations shall be reported by memorandum to the Commercial Vehicle Section (CVS). The memorandum should contain the VIN of the vehicle in question. The CVS will forward the report to the DMV, Division of Compliance, for investigation and follow-up.

c. Stopping of Special-Plated Vehicles. Vehicles bearing special plates shall not be indiscriminately stopped and checked. Probable cause that indicates misuse must exist.

d. Registration Card. All dealer-plated vehicles are required to have a valid registration card or a copy of the registration card with the vehicle. If the vehicle is being operated without a registration card or copy, the dealer is in violation of Section 11715 (f) CVC and may be cited.

e. Seizure of Dealer Plates. When special plates issued to the dealer have expired, been revoked, cancelled, or there is probable cause the plates are being

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OCCUPATIONAL LICENSE PLATE RECIPROCAL AGREEMENTS (*continued*)

used unlawfully, the plates may be confiscated per Section 4460 CVC. All plates confiscated for any reason should be handled in accordance with Highway Patrol Manual 70.1, Evidence Manual.

8. OPERATION OF VEHICLES BY TRANSPORTERS.

a. Vehicles Exempt from Registration. The following vehicles are exempt from registration:

- (1) Unregistered vehicles operated or moved by any lawful method upon the highway, solely for the purpose of delivery, provided transporter plates and any other license plates issued to the vehicle are attached.
- (2) Vehicles moved from a vessel, railroad depot, or warehouse to another warehouse or salesroom, provided a written permit authorizing such operation is first obtained from the DMV.
- (3) Unregistered vehicles transporting not more than one load of vehicles when the transporting vehicle is being delivered for the purpose of sale.

b. Vehicles Required to be Registered. The following vehicles are not exempt from registration if operated on a highway and displaying transporter plates:

- (1) Service and work vehicles owned or lawfully possessed by transporters.
- (2) Commercial vehicles transporting a load except as provided in paragraph 5. or paragraph 8.a.(3).
- (3) Vehicles (except dollies without tongues or drawbars) used to transport modular homes. (See Chapter 4, Passenger Vehicles, of this manual, for details regarding identification of modular homes.)
- (4) Unless specifically exempted from registration as noted in Chapter 4 of this manual, commercial facilities and equipment trailer coaches must be registered if located within the state.

c. Enforcement. When the registration liability is the responsibility of the owner of the vehicle, all enforcement actions should be directed to the owner of the vehicle under the provisions of owner responsibility.

9. OPERATION OF VEHICLES BY DISMANTLERS.

- a. Vehicles Exempt from Registration. Unregistered vehicles owned or controlled by a dismantler, when moved by the dismantler to their place of business, are exempt from registration, provided special plates issued to the dismantler are displayed on the vehicle, in addition to other license plates or permits already assigned.
- b. Vehicles Required to be Registered. Vehicles owned or controlled by the dismantler but operated for general transportation purposes (including work or service vehicles owned by a dismantler).

10. RECIPROCITY FOR OUT-OF-STATE SPECIAL PLATES.

- a. Registration Requirements. Registration requirements for vehicles properly displaying special plates issued by a foreign jurisdiction may be determined by referring to Annex A.

ANNEX A

OCCUPATIONAL LICENSE PLATE RECIPROCAL AGREEMENTS

STATE/PROVINCE	TYPE OF LICENSE PLATE		
	TRANSPORTER	DEALER	MANUFACTURER
Alabama	B	A	NO
Alaska	D	NO	NO
Alberta	D	NO	NO
Arizona	NO**	YES	NO
Arkansas	NO	NO	YES
British Columbia	D	NO	NO
Canal Zone	NO	NO	NO
Colorado	C	YES	YES
Connecticut	C	YES	YES
Delaware	C	A	NO
District of Columbia	D	YES	NO
Florida	D	A	NO
Georgia	C	A	YES
Hawaii	D	NO	NO
Idaho	D	NO	NO
Illinois	C	YES	YES
Indiana	C	A	YES
Iowa	C	YES	YES
Kansas	C	YES	YES
Kentucky	C	A	NO
Louisiana	C	A	YES
Maine	D	A	NO
Manitoba	NO	NO	NO
Maryland	C	A	NO
Massachusetts	C	YES	NO
Mexico	NO	NO	NO
Michigan	C**	YES	YES
Minnesota	C	YES	NO
Mississippi	D	A	YES
Missouri	C	A	YES

See Legend on page 8-11 for interpretations.

** See Additional Information on pages 8-11 and 8-12.

ANNEX A

OCCUPATIONAL LICENSE PLATE RECIPROCAL AGREEMENTS (continued)

STATE/PROVINCE	TYPE OF LICENSE PLATE		
	TRANSPORTER	DEALER	MANUFACTURER
Montana	D	NO	NO
Nebraska	C	YES	YES
Nevada	C**	YES	YES
New Brunswick	D	YES	NO
Newfoundland	NO	NO	NO
New Hampshire	C	YES	NO
New Jersey	B	YES	YES
New Mexico	D	YES	YES
New York	C	YES	NO
North Carolina	D	A	YES
North Dakota	C	YES	YES
Nova Scotia	D	A	NO
Ohio	C	YES	YES
Oklahoma	C**	A	NO
Ontario	C	YES	NO
Oregon	No	YES	NO
Pennsylvania	C	YES	YES
Prince Edward Island	D	NO	NO
Quebec	D	A	NO
Rhode Island	B	A	YES
Saskatchewan	D	YES	NO
South Carolina	C**	A	YES
South Dakota	B	YES	YES
Tennessee	C	YES	YES
Texas	C**	NO	YES
Utah	C	A	NO
Vermont	B	YES	YES
Virginia	C	A	NO
Washington	NO	YES	NO
West Virginia	D	A	YES
Wisconsin	C	YES	YES
Wyoming	D	NO	NO

See Legend on page 8-11 for interpretations.

** See Additional Information on pages 8-11 and 8-12.

ANNEX A

OCCUPATIONAL LICENSE PLATE RECIPROCAL AGREEMENTS *(continued)*

LEGEND	
A	A vehicle owned by the dealer may be used only for: <ul style="list-style-type: none">• Delivery.• Demonstration.• Storing.• Special testing.
B	Dealer plates are used as transporter plates. Refer to dealer plate column for permitted use in California.
C	Transporter plates may be used for transporting new or used vehicles: <ul style="list-style-type: none">• “Into” or “out of” California.• Through California.
D	State does not issue transporter plates.
YES	Fees are not due.
NO	Fees are due. The vehicle must be registered.

ANNEX A

OCCUPATIONAL LICENSE PLATE RECIPROCAL AGREEMENTS (*continued*)

ADDITIONAL INFORMATION

Arizona

Dealer and manufacturer license plates are not valid in California for:

- Work or service vehicles.
- Leased or rented vehicles owned by a manufacturer or dealer.
- Laden commercial vehicles.
- Vehicles which have been sold.

Michigan

Manufacturer plates and "Civic Event" plates are recognized for use in California.

Nevada

Dealer plates **are not** valid in California for:

- Work or service vehicles owned by the dealer.
- Privately owned vehicles of the dealer or an employee.
- Vehicles leased or rented to salespersons for the purposes of display or demonstration.

Oklahoma

Transporter plates recognized only when used on a new vehicle(s).

South Carolina

Transporter plates recognized only when used on house trailers towed by a common carrier.

Texas

Dealer plates recognized for movement of a vehicle from:

- The factory to the dealer's place of business.
- One dealer to another dealer.
- A distributor to a dealer.

Transporter plates recognized only when used on a new vehicle(s).