

Chapter 5

Smog, ASF Fees and Dealer Plates



Smog Requirements for Car Dealers

California car dealers must comply with certain smog requirements when selling vehicles in the state. The requirements are enforced by the California Department of Motor Vehicles (DMV) and the California Air Resources Board (CARB).

Some of the key smog requirements for California car dealers include:

1. **Smog inspections:** In most cases, dealers are required to have vehicles undergo a smog inspection prior to selling them. The smog inspection must be conducted at a licensed smog station and the vehicle must pass the inspection before it can be sold.
2. **Smog certificates:** If a vehicle passes a smog inspection, the dealer must obtain a smog certificate from the smog station. The smog certificate must be provided to the buyer at the time of sale.
3. **Smog exemptions:** Some vehicles are exempt from smog requirements in California.
 1. Vehicles that are four model years old or newer are generally exempt from smog inspections as long as they are California vehicles.
 1. If a vehicle is being brought into California, 1976 and newer, it must be smogged upon initial registration.
 2. Additionally, certain types of vehicles:
 - Electric vehicles
 - Natural gas vehicles of a certain weight
 - Powersports
 4. **Smog testing fees:** Dealers may charge customers for the cost of a smog inspection and certificate, but the fee cannot exceed the amount charged by the licensed smog station. As of 2021, the maximum smog inspection fee that a licensed smog station can charge is \$50.

It is important for California car dealers to comply with smog requirements to avoid legal liability and ensure that vehicles are safe and environmentally friendly. Dealers should be aware of the specific smog requirements for the vehicles they sell, as well as any exemptions that may apply.

When a vehicle is smogged in California and it stays in the dealer's inventory, the smog certification is good for two years. It is also important to understand a vehicle does not have to pass smog in order to be sold in a wholesale transaction, however if a vehicle doesn't pass smog, it will not be able to get top dollar at a wholesale marketplace.

Administrative Service Fees

Administrative Service Fees or ASF's are penalties that car dealers may incur in California who do not do their job correctly or in the allotted amount of time. Examples of this would be:

- Failure to post fees within a 30-day time period of the sale of a used vehicle.
- Failure to clear an application (ensuring both money and paperwork) are to the DMV within a 50-day time period as well.

The DMV will issue the dealership an invoice if ASF fees are due and the dealer will be responsible for paying the invoice within a 30-day time period.

Pro Tip

Retain a copy of your invoice and payment method and make sure to keep it on file in the event that the DMV misplaces it.

If the invoice is not paid in a timely manner, the DMV can put a claim against your bond that will need to be resolved before the dealer can continue to conduct business.

Dealer Plates

In California, dealer plates are special license plates issued to car dealerships by the California Department of Motor Vehicles (DMV). These plates are used for testing and demonstrating vehicles, transporting vehicles to and from auction or repair facilities, and for general dealership operations.

The following are some key facts about dealer plates in California:

- Only authorized employees of a licensed car dealership can operate a vehicle with dealer plates.
 - It is important to note that anyone outside of the ownership structure must be while conducting business.
- If the owner is using a dealer plate, the owner can drive anytime, anywhere, for whatever reason.
- Vehicles with dealer plates are exempt from registration fees and are not required to display registration stickers.

To obtain dealer plates in California, a car dealership must first obtain a Dealer License from the DMV. Once the dealership is licensed, it can apply for dealer plates by applying and paying the required fees.

The cost of dealer plates in California varies depending on the type of plate and the length of time for which it is issued. As of 2023, the fee for a single set of standard dealer plates is:

- \$92 for each passenger vehicle dealer plate
- \$94 for each motorcycle dealer plate
 - Important to note that this does not include the county fees depending on where the dealership is located.

It is important to note that dealer plates are not intended for personal use and using them for non-business purposes can result in fines and other penalties. Car dealerships must keep accurate records of all vehicles using dealer plates and ensure that the plates are used in compliance with all applicable laws and regulations.

Always remember that a dealer plate must be firmly attached to the back of the vehicle.