

DEALER PLATES VS. PERSONAL USE

California Dealer Academy

DMV Rules for Using Dealer Plates at Auctions and During Transport

DEALER PLATES OVERVIEW

Official name: Dealer's License Plates (also called "dealer plates" or "temporary plates")

Purpose: Allows licensed dealers to operate vehicles for business purposes

Validity: Typically 30 days per plate set

Cost: Included with dealer license (no additional fee per plate)

Quantity: Usually 3-5 plates per licensed dealer

WHO CAN USE DEALER PLATES

- ☐ Licensed California auto dealers (retail, wholesale, etc.)
- ☐ Dismantlers
- ☐ Manufacturers
- ☐ Salespersons (under dealer supervision)
- ☐ NOT private individuals or unlicensed operators

WHO CANNOT USE DEALER PLATES

- ☐ Personal use (family members, friends)
- ☐ Private individuals without dealer license
- ☐ Unlicensed operators
- ☐ Dealers from other states
- ☐ Expired or revoked licenses

LEGITIMATE DEALER PLATE USES

- ✓ Transporting vehicles to/from auctions
- ✓ Transporting vehicles for service/recon
- ✓ Transporting vehicles to buyer
- ✓ Test drives for potential buyers
- ✓ Moving inventory between lots
- ✓ Attending auctions (if vehicle owned by dealer)

PROHIBITED DEALER PLATE USES

- ✗ Personal commuting
- ✗ Family member driving (unless they're licensed salesperson)
- ✗ Pleasure driving
- ✗ Loaning plates to non-dealers
- ✗ Using plates on vehicle not owned by dealer
- ✗ Using plates after license expiration
- ✗ Using plates on vehicles being sold to customer

AUCTION-SPECIFIC RULES

USING DEALER PLATES AT AUCTIONS

- ☐ Vehicle must be owned or consigned to your dealership
- ☐ Plate must be current (not expired)
- ☐ You must have valid dealer license
- ☐ Plates must match your dealer license number
- ☐ Use only for transporting vehicle to/from auction

AFTER WINNING AT AUCTION

- ☐ Keep dealer plates on vehicle until title transferred
- ☐ Remove plates immediately after sale to customer
- ☐ Do not use plates for customer test drives (use personal plates or temp tags)
- ☐ If transporting to another dealer, use plates only for transport

TRANSPORT & COMPLIANCE

DURING TRANSPORT

- ☐ Plate must be visible (front and rear where required)
- ☐ Plate must match vehicle registration
- ☐ Vehicle must have current insurance (dealer's policy)
- ☐ Driver must carry proof of license and dealer authorization
- ☐ Vehicle must pass safety inspection (lights, brakes, tires, etc.)

DEALER'S INSURANCE REQUIREMENTS

- ☐ Garage liability insurance (\$1M/\$2M typical)
- ☐ Coverage for all vehicles with dealer plates
- ☐ Insurance certificate on file with DMV
- ☐ Coverage must be active and current

COMMON VIOLATIONS & PENALTIES

VIOLATION: Personal use of dealer plates

Penalty: ☐ \$250-\$1,000 fine ☐ License suspension/revocation

VIOLATION: Using expired plates

Penalty: ☐ \$100-\$500 fine ☐ Vehicle impound possible

VIOLATION: Loaning plates to non-dealer

Penalty: ☐ \$500-\$1,500 fine ☐ License suspension

VIOLATION: Using plates on sold vehicle

Penalty: ☐ \$250-\$1,000 fine ☐ License suspension

VIOLATION: Failing to remove plates at sale

Penalty: ☐ \$100-\$500 fine ☐ Customer liability

AUDIT & COMPLIANCE CHECKLIST

- ☐ Dealer plates are current (not expired)
- ☐ Plates match your dealer license number
- ☐ All vehicles using plates are owned by dealership
- ☐ Insurance is active and covers all vehicles
- ☐ Records document business purpose of each trip
- ☐ No personal use of plates
- ☐ Plates removed immediately upon vehicle sale
- ☐ Driver has valid driver's license
- ☐ Vehicle passes safety inspection

BEST PRACTICES FOR AUCTION COMPLIANCE

1. Keep detailed records of all dealer plate usage
2. Document date, time, vehicle, and purpose of each trip
3. Remove plates immediately after sale to customer
4. Verify plate expiration before each use
5. Ensure insurance covers all vehicles with plates
6. Train all drivers on proper plate usage
7. Conduct regular compliance audits
8. Never loan plates to anyone

PLATE EXPIRATION & RENEWAL

Typical validity: 30 days per set

Renewal: Apply through DMV or dealer portal

Cost: Included with license renewal (no separate fee)

Expired plates: Cannot be used; must apply for new set

TEMPORARY TAGS FOR CUSTOMERS

If customer needs to drive vehicle:

- ☐ Remove dealer plates
- ☐ Issue temporary registration (temp tags)
- ☐ Provide bill of sale
- ☐ Ensure customer has valid insurance
- ☐ Do NOT use dealer plates for customer use

DISCLAIMER: This is an online guide and educational reference only. DMV rules change frequently and vary by situation. Always verify current regulations with the California DMV. Violations can result in fines, license suspension, or vehicle impound. When in doubt, contact

the DMV directly.

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www.californiadealeracademy.com