



PREVENTIVE LAW SERIES

CALIFORNIA CAR BUYING INFORMATION



Prepared by:
Legal Assistance Department
Region Legal Service Office Southwest
3395 Sturtevant Street Suite 9
San Diego CA 92136-5072
(619) 556-2211

A dealership must properly endorse, date, and deliver the title and registration card to a buyer who is lawfully entitled to the transfer of registration. Cal. Veh. Code § 5753.

REGISTRATION

Dealerships are required to submit to the Department of Motor Vehicles (DMV) an application for registration or transfer of registration for vehicles they have sold under specific timelines. The timeline depends on whether the vehicle is sold new or used. In California, a dealership has 20 days after the sale of a new car to submit an application for registration. If the vehicle is used, the dealership has 30 days from the date of the sale to submit the application, which must be accompanied by all fees and penalties due for registration or transfer of registration. Penalties due for noncompliance are to be paid by the dealership, and the dealership cannot charge the purchaser for the penalties. Cal. Veh. Code §4456 (a)(2).

If the DMV returns an application for registration and the application was first received by the DMV within 20 days of the date of sale of a new vehicle, the dealer must submit a corrected application within 40 days from the date of sale of the vehicle or 20 days from the date that the application is first returned by the DMV, whichever is later. If the vehicle is used and the application was first received by the DMV within 30 days of the date of sale of the vehicle, then the dealer must submit a corrected application within 50 days from the date of sale or within 30 days from the date that the application is first returned, whichever is later. Cal. Veh. Code §4456(a)(4). This means that the maximum time between the date of sale and the receipt of registration should be approximately 40 days for a new vehicle and 60 days for a used vehicle.

If an application is received by the DMV more than 40 days after the sale of a new vehicle, the dealer must pay the DMV a service fee of \$25 for each violation. The same penalty applies if an application is first received by the DMV more than 50 days after the sale of a used vehicle. Cal. Veh. Code § 4456.1(b).

TITLE

The dealership must turn over the title to the vehicle no later than 15 business days after the dealership has received full payment for the vehicle. The payment can be made by the buyer or the buyer's bank. The dealership must mail, transfer, or deliver the title to the buyer who is lawfully entitled to transfer of ownership. Cal. Veh. Code § 5753(c)(1).

If the dealership fails to deliver the title within 15 business days, the dealership, upon written demand by the buyer, must pay the buyer \$25 per day for each day that exceeds the 15 business day deadline up to a maximum of \$2,500. However, if the dealership fails to pay this amount within 60 days following a written demand by the buyer, the amount can be tripled, and the buyer could receive a maximum payment of \$7,500. In addition, the buyer shall be entitled to costs and reasonable attorney fees incurred in any court action brought to collect the payment. Cal. Veh. Code § 5753(e).

WHAT TO DO IF DEALERSHIP IS LATE WITH REGISTRATION AND/OR TITLE

If a dealership delays providing title and/or registration, the buyer should contact the dealership to ascertain the cause of the delay. Although it is the dealership's responsibility, the buyer of the car may also start the registration process with the DMV. Thus, if there is any inappropriate delay in the delivery of title or registration, the buyer should consider filing a complaint with an investigation office of the DMV. To find the investigation office that services your area, go to <http://www.dmv.ca.gov/portal/dmv/dmv/offices/investigationsoffice>. Finally, the buyer may wish to report the dealership to the Better Business Bureau.

LEGAL ASSISTANCE SERVICES

A legal assistance attorney is available by appointment Monday through Thursday from 0800 - 1100 and 1300 - 1500, and Friday from 0900 - 1045. Powers of attorney and notaries are available Monday through Friday at the same times. For more information, please contact the Legal Assistance Office, located in Building 56, 32nd Street Naval Station, San Diego, CA, by telephone at (619) 556-2211, or our office at Naval Air Station North Island – Coronado, Building 318 – Second Deck, above the Fleet and Family Support Center, Saufley Road, by telephone at (619) 545-6437.

RESOURCES

California Department of Motor Vehicles: (800) 777-0133; www.dmv.ca.gov

Better Business Bureau San Diego Field Office: (858) 496-2131; www.sandiego.bbb.org

California Vehicle Code §§ 4456(a), 4456.1(b), 5753 (2015).