

## **PROCEDURES FOR SALVAGE MOTOR VEHICLE DEALERS**

This Law changes the existing Statute 319.30 pertaining to the purchasing of motor vehicles. This Law goes into effect on October 1, 2008. Giving the right to purchase Derelict Vehicles and creates a purchasing procedure to follow.

The Vehicle Affidavit mentioned in the 2007 Statute 319.30 has been removed and will no longer be used by an Owner to sell his vehicle after October 1st.

This new Law doesn't require you to acquire a Dealer License. But, to participate in purchasing Derelict Vehicle in this new procedure, you must acquire the SD License.

The purchaser of Derelict Vehicle without a title or C/D will need to be a Licensed Salvage Motor Vehicle Dealer (SD) or a Registered Secondary Metals Recycler. To become a SD, the business must be licensed with DMV with a SD License and will need to post a \$25,000 Bond, fingerprints, pass the Dealer Course, and corporate information. The Licensing Form can be printed at <http://www.flhsmv.gov/dmv/forms/BFO/86056.pdf>.

When a Licensed Independent Dealer wants to acquire a SD License, their Bond and Dealer Course is sufficient. They will have to apply for the rest of the SD License with all other requirements. After you have filled the Form out, you need to contact your Local DMV Office. They may ask you to bring in the Form or they may want to visit your Facility to inspect for qualifications and pictures of your Office.

### **Fill out the Dealer License:**

- Print clearly and never cross out letters or use white-out on Forms. Be sure that the PIP Limit-\$10,000 is listed on the Garage Liability Insurance Certificate.
- Page 1 – check Box for the SD License, Fill out the Business information
- Page 2 – Section 1 is for Owners or Partners to fill out Section 2 is for Corporate, LLC, LLP, LLLP to fill out. Every person listed on your Corporation with the Secretary of State must be listed.
- Page 3 – Your Officer Signature and the Date certifying your location
- Page 4 – Not for you. This is for Mobile Home and Recreational Licenses
- Page 5 – This page is to be filled out by each Partner, Officer, or Director of the Corporation. Check the boxes pertaining to any convictions of Felonies, or the denial of any Surety Bonds and Licenses. If you have a VI License, you need to check Yes for License and give State and Number on available line. Place your Signature and Date along with Notarial

Certificate. This page can't be notarized by an any Partner, Officer, or Director of the Corporation.

- Page 6 – this page is for DMV only

The Statute definition is a **“Derelict Motor Vehicle” means any motor vehicle or mobile home, with or with out all parts, major parts, or major component parts, that is valued under \$1,000.00 and at least ten model years old and is in such condition that its highest or primary value is for sale, transport or delivery to a licensed salvage motor vehicle dealer or registered secondary metals recycler for dismantling its component parts or conversion to scrap metal.**

When the Vehicle's Title, Salvage Title, or C/D is available, you are required to purchase the vehicle with one of those items and process according to the existing procedures in 319.30. The Derelict Form can only be used when the Vehicle's Title, Salvage Title, or C/D is not available. The Purchasing Procedure by the SMVD will require the Owner selling the vehicle to fill out a Derelict Vehicle Form. This Form will require the SD to enter the data into a DMV Database within 24 hours. The SD will be required to store the vehicle for at least another 3 days before they can process the vehicle for parts or scrap.

If the Vehicle becomes a reported stolen vehicle, the SD will be required to hold the vehicle OR Law Enforcement may seize the vehicle from your possession. In the event DMV or Law Enforcement discovers a problem with the vehicle you had completed a Derelict Vehicle Form on, they will notify you of the problem and an additional five-day hold is then required so that the status of the vehicle can be resolved. Failing to follow this Procedure is a 3<sup>rd</sup> Degree Felony. After this procedure, if you had destroyed the vehicle in any way, you could be financially responsible to the titled owner of the vehicle if stolen or other issues. You would not be charged with a criminal act if you did the proper procedure as in the Statute.

#### **Derelict Form (This is a DRAFT, not original yet)**

- When filling out the Derelict Form, Section 1 is to be filled out with the Owners signature and this will be the person or Company that you are buying the Vehicle from. When the vehicle is being towed to your business, the Driver Name and Transport Company name will be entered.
- Section 2 is to be filled out by a Transporter of a Vehicle to your business. Example: is when the Seller has the vehicle towed to your business. This is not to used if the Tow Company is selling a vehicle to you.
- Section 3 is to be filled out by you with the information concerning your business with your signature and date of purchase. Keep this Form available for at least 3 years.

- Section 4 is to be filled out by a Secondary Metals Recycler if you transfer or sell the vehicle as Not-Prepared Material. Prepared Material is a vehicle that is not recognizable as the motor vehicle. Question has been asked “Is a vehicle with the roof crushed down Prepared Material, answer is NO, because it is recognizable as the vehicle. Crushed to about 2 foot is Prepared material. You are required to give this Form to them and you are required to maintain a copy for your records.

### **Other Recommendations**

- Assign Vehicle Stock Numbers to all purchased vehicles.
- Keep a Folder on all Purchased Vehicles in numerical order of the Stock Number or any order easy to locate questioned vehicles by Law Enforcement.
- Take pictures of all vehicles purchased with a Derelict Form so you can prove condition at time of purchase.

### **FOLLOWING ARE REQUIREMENTS FROM DMV**

- A Salvage Dealer License may be associated with an existing VI dealer license (in much the same way that an SF is associated with a VF license) or it may be a separate license.
- Form HSMV 86056 includes the SD license category. This is available on the internet.

### **A new SD license applicant must submit to the DMV Regional Office:**

- Completed form HSMV 86056 (Available on-line at the Department's website at [www.flhsmv.gov](http://www.flhsmv.gov));
- \$300.00 original license fee;
- Surety Bond/Irrevocable Letter of Credit (DMV forms only. Available on-line at the Department's website at [www.flhsmv.gov](http://www.flhsmv.gov));
- Garage Liability Insurance Certificate in the amount of \$25,000 combined single limit liability coverage including bodily injury and property damage protection, and \$10,000 personal injury protection;
- True copy of the lease agreement or proof of ownership;
- Dealer Training School Certificate (copy is sufficient);

- Article of Incorporation if the dealership is a corporation; Articles of Organization and Operating Agreement if the dealership is a Limited Liability Company; or a Partnership Agreement if the dealership is a Partnership;
- Copy of certification from the Division of Corporations showing current registration of business to conduct business in the State of Florida. (on-line access at [www.sunbiz.org](http://www.sunbiz.org));
- Copy of the fictitious name registration with the Division of corporations. (on-line access at [www.sunbiz.org](http://www.sunbiz.org)); and
- Fingerprint cards.(\$53.25 per fingerprint card).

**An existing VI dealer applying for a SD license must submit to the DMV Regional Office:**

- Completed form HSMV 86056 (Available on-line at the Department's website at [www.flhsmv.gov](http://www.flhsmv.gov));
- \$300.00 original license fee;
- Copy of the Surety Bond/Irrevocable Letter of Credit submitted with the VI license application;
- A Surety Bond rider if the SD license will be using a new fictitious name;
- Copy of the Garage Liability Insurance Certificate of Insurance in the amount of \$25,000 combined single limit liability coverage including bodily injury and property damage protection, and \$10,000 personal injury protection that was submitted with the VI license application;
- True copy of the lease agreement or proof of ownership;
- Copy of the Dealer Training School Certificate that was submitted with the VI license application. (copy is sufficient);
- Copy of the Article of Incorporation if the dealership is a corporation; Articles of Organization and Operating Agreement if the dealership is a Limited Liability Company; or a Partnership Agreement if the dealership is a Partnership that was submitted with the VI license application;
- Copy of certification from the Division of Corporations showing current registration of business to conduct business in the State of Florida. (on-line access at [www.sunbiz.org](http://www.sunbiz.org)); and

- Copy of the fictitious name registration with the Division of corporations.  
(on-line access at [www.sunbiz.org](http://www.sunbiz.org)).

**NOTE:** A VI dealer can apply for the SD license at the same location.  
Salvage Dealers cannot issue temporary license plates.