

AMENDED IN ASSEMBLY MARCH 28, 2016

AMENDED IN ASSEMBLY MARCH 15, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 1777**

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**Introduced by Assembly Member Lackey**

February 3, 2016

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An act to add Section 11805 to the Vehicle Code, relating to vehicles.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1777, as amended, Lackey. Used vehicle sales: salespersons' licenses.

Existing law requires every manufacturer, distributor, transporter, and dealer of motor vehicles to obtain a license or temporary permit from the Department of Motor Vehicles before engaging in business. Under existing law, each person who applies for a dealer's license for the purpose of transacting sales of used vehicles is required to successfully complete a written examination before a license may be issued. Existing law also requires each applicant to successfully complete a preliminary educational program of not less than 4 hours before taking the examination. Existing law further requires a licenseholder to complete an educational program of not less than 4 hours every 2 years after issuance of the license.

Existing law also requires every vehicle salesperson to obtain a license or temporary permit before engaging in vehicle sales, and provides that the license is valid for 3 years from the date of issuance.

This bill would require an applicant for a vehicle salesperson's license or renewal of a salesperson's license who is employed by a dealer that sells only used vehicles for retail sale to complete the above-described

educational programs applicable to vehicle dealers, unless the dealer *owns a minimum of 10 branches of the business within the state and* provides a minimum of 10 hours of *educational* training per year to its salespersons. The bill would require the dealer to maintain a copy of the salesperson's evidence of completion of the educational requirements at the location where the salesperson is employed, subject to inspection by the department.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 11805 is added to the Vehicle Code, to  
2     read:  
3     11805. (a) An applicant for licensure who is employed by a  
4     dealer that sells only used vehicles for retail sale shall complete  
5     the educational program specified in subdivision (b) of Section  
6     11704.5.  
7     (b) An applicant for renewal of a license who is employed by  
8     a dealer that sells only used vehicles for retail sale shall complete  
9     the educational program specified in subdivision (c) of Section  
10    11704.5.  
11    (c) A salesperson shall provide evidence of completion of the  
12    educational requirements specified in subdivisions (a) and (b) to  
13    the motor vehicle dealer that employs the salesperson.  
14    (d) (1) The dealer shall maintain a copy of the evidence of  
15    completion at the location where the salesperson is employed.  
16    (2) A dealer's compliance with paragraph (1) is subject to  
17    inspection by the department.  
18    (e) This section does not apply to an applicant who is employed  
19    by a dealer that *owns a minimum of 10 branches of the business*  
20    *within the state and* provides a minimum of ~~ten~~ 10 hours of  
21    *educational* training per year to its salespersons.