# **Vehicle Licensing Guide**

## Dealer-Operator/Salesperson Qualification Testing VLIC-7.005

**Original Date:** 05/01/1989 **Revision Date:** 07/13/2018

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# **POLICY**

Title: Dealer-Operator/Salesperson Qualification Testing

Effective Date: May 1, 1989 Revision Date: July 13, 2018

**Authority:** Code of Virginia §§ <<<<**REVISION** <u>46.2-100</u>; <u>46.2-1500</u>; <u>46.2-1508</u>; <u>46.2-1511</u>; <u>46.2-1512</u>; <u>46.2-1519</u> **END REVISION>>>>** 

## Policy:

Any person engaging in business as a motor vehicle dealer or salesperson in Virginia must first obtain a license.

A Salesperson license must be obtained from the Motor Vehicle Dealer Board (MVDB) to sell new or used cars, trucks, trailers, recreational vehicles, or motorcycles in Virginia.

A Dealer-Operator certificate of qualification must be authorized by the MVDB before a person can engage in business as a motor vehicle dealer-operator in Virginia.

Applicants for a Salesperson license or Dealer-Operator certificate of qualification must first pay a fee and pass the appropriate qualification test at a Customer Service Center (CSC) then apply for Salesperson license or Dealer-Operator certificate of qualification through the MVDB. DMV does NOT issue dealer licenses.

Exception: N/A

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# **DEFINITIONS**

**Franchise Motor Vehicle Dealer or Franchised Dealer**- A dealer in new and used motor vehicles (cars, trucks, motorcycles, trailers and recreational vehicles (RV)) that has a franchise agreement with a manufacturer or distributor to sell NEW or USED motor vehicles under the manufacturer's or distributor's trademark.

**Independent Dealer-Operator (IDO)** – The individual who works at an independent dealer's established place of business and who is responsible for and in charge of day-do-day operations for that place of business. Independent dealer-operators must successfully complete a two day course before they are allowed to take the dealer-operator qualification test.

**Independent Motor Vehicle Dealer** - A dealer in only USED motor vehicles (cars, trucks, motorcycles, trailers and recreational vehicles (RV)).

**Franchise Dealer-Operator (FDO)** - The individual who works at a franchise dealer's established place of business and who is responsible for and in charge of day-to-day operations for that place of business.

**Salesperson** - Any person who is qualified, licensed and employed as a salesperson by a dealer to sell or exchange cars and trucks, trailers, recreational vehicles or motorcycles (including ATV's and off road motorcycles), who supervises salespersons, or who negotiates or induces a customer to enter into a security agreement on behalf of a dealer (Franchise or Independent).

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## **BACKGROUND**

Effective July 1, 2015, to be eligible to sell either new or used motor vehicles in the Commonwealth of Virginia, a person must first pass a Salesperson qualification test at a CSC and then apply to the Motor Vehicle Dealer Board (MVDB) to receive the license.

Applicants for the Dealer/Operator qualification test must already hold a valid Salesperson's license to be eligible to take the Dealer/Operator test, or may apply for both qualification tests at the same time.

The fee to take a qualification test is \$50.00 each time a person tests.

Applicants are "Qualified" to apply for the desired license through MVDB as soon as the passed test results are recorded in DMV's system.

Applicants may take the test multiple times on the same day, but must pay the test fee each time they test.

The CSC Administered Qualification Tests table below describes the types of tests administered at the CSC, and applicant eligibility.

CSC Administered Qualification Tests <sup>1</sup>		
Type of Test	Who Would Apply	Correct Answers Required
Salesperson Test	<ul> <li>Applicants for an original Salesperson's license,</li> <li>OR</li> <li>Applicants with a Salesperson's license expired for more than 12-months applying to re-qualify.<sup>2</sup></li> </ul>	20 Salesperson questions (Must get 16 correct to pass)
Dealer-Operator Test	Applicants holding a valid Salesperson's license applying to also qualify for a Dealer- Operator license.	80 Dealer-Operator questions (Must get 64 correct to pass)
Combined Dealer- Salesperson Test <sup>3</sup>	Applicants holding no Salesperson's or Dealer-Operator license applying to qualify for both.  (The entire test must be passed to qualify.)	<ul> <li>100 total questions<sup>3</sup>:</li> <li>20 Salesperson questions (Must get16 correct to pass.)</li> <li>80 Dealer-Operator questions (Must get 64 correct to pass.)</li> </ul>

<sup>&</sup>lt;sup>1</sup> An applicant must get at least 80% of the questions correct on each test to pass.

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# **DEALER OPERATOR QUALIFICATION**

Two types of Dealer-Operator Qualification exist:

- Franchise Dealer-Operator (FDO)
- Independent Dealer-Operator (IDO)

The same qualification test is given for all Dealer-Operator applicants regardless of whether the applicant is applying for Franchised Dealer Operator (FDO) qualification or an Independent Dealer Operator (IDO) qualification.

Before an applicant for an original IDO Qualification can take the qualification test at a CSC he must first successfully complete an outside course of study, required by the MVDB, from an authorized vendor. Upon successful completion of the course, the outside vendor updates the customer's record in DMV's system to indicate that the course has been successfully completed.

Applicants holding a current Franchise Dealer-Operator (FDO) qualification who work for a franchise motor vehicle dealer are not required to complete the outside course of study if they wish to work for an independent motor vehicle dealer. MVDB waives the outside course due to the applicant's training in franchise motor vehicle dealer operations.

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<sup>&</sup>lt;sup>2</sup> Applicants are required to re-qualify for a Salesperson license when the license is expired for more than 12 months. The applicant must pay the test fee and successfully pass the Salesperson Qualification test at a CSC.

<sup>&</sup>lt;sup>3</sup> If either portion of the combined Dealer-Salesperson test is failed, the entire test must be retaken.

If an applicant wants additional information on the Dealer Operator course or Independent Dealer Operator Licensing Requirements, they may visit the MVDB Website, which provides the latest course dates, registration information and licensing requirements.

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#### **CUSTOMER REQUIREMENTS**

- 1. Submit the "Dealer Operator/Salesperson Test Application", (MVDB 57).
  - Applicants for the used motor vehicle dealer IDO qualification test must successfully complete an outside course of study BEFORE being eligible for testing.
  - b. Check the appropriate box(es) on the MVDB 57 for the type of qualification testing desired.
- 2. Present a valid photo ID.
- Submit the \$50.00 nonrefundable test fee.

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# FRONT COUNTER CSR-QUALIFICATION TESTING (SALESPERSON/DEALER-OPERATOR)

- 1. Verify the applicant has completed the MVDB 57.
  - ASK THE APPLICANT WHICH QUALIFICATION TEST THEY ARE APPLYING FOR and verify
    applicant has checked the correct box for the type of qualification test desired on the MVDB 57.

**IMPORTANT:** Applicants who have taken the outside course of study are automatically flagged in the system for the IDO qualification. It is important to ask the applicant which qualification they are testing for to ensure they are set up for the correct test in the system.

- 2. Verify photo ID and enter ID type in the system.
  - The ID must be a valid photo ID (i.e., driver's license, passport, or military ID, etc).
- 3. Verify information on the photo ID with that on the MVDB 57.
  - Have the applicant correct the MVDB 57 if necessary.
- 4. Initiate the qualification transaction in the system.
  - An IDO record MUST exist in the system to be eligible for IDO testing. If no record is yet
    established in the system, advise the customer to contact the MVDB to find out when he may
    expect the record to be established.
  - Applicants ineligible for testing because NO IDO record exists in the system are advised NOT to
    opt for FDO testing instead. Applicant's qualification for an FDO DOES NOT qualify them to work
    for an independent dealer.
    - If the applicant tests for an FDO, and then returns for IDO testing, he must pay test fees and take the dealer-operator test again.
- 5. Collect the non-refundable \$50.00 test fee.
- 6. Administer the required test(s).
  - The qualification test is available through SecuriTest only; paper tests are not available.
  - Qualification tests may be retaken multiple times on the same day, but a new MVDB 57 and nonrefundable fee is due each time the test is administered.

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## FRONT COUNTER CSR-TEST PASSED

- Record the passed test results in the system.
- 2. Stamp the bottom of the MVDB 57.
- 3. Give the "Certificate of Qualification for Dealer-Operator/Salesperson" receipt printed by the system to the applicant.
- 4. Give the MVDB 57 back to the customer for his records.
- Advise the customer that in order to apply for the salesperson's license or Dealer Operator certificate of qualification, he must mail, or deliver all of the following documents to the Motor Vehicle Dealer Board (MVDB).

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- Salesperson License Application (MVDB 61) signed by both the applicant and the hiring employer (dealership),
- Printed and stamped DMV receipt given to the customer after passing the test.

OR

The MVDB address is:

Motor Vehicle Dealer Board 2201 West Broad Street Suite 104 Richmond, Virginia 23220

**MVDB Office Hours:** 

8:30 AM to 4:30 PM Monday through Friday

IMPORTANT: CSCs are not authorized to process applications for Salesperson's Licenses.

Application for a salesperson's license must be submitted to the MVDB. Customers should be advised Salesperson's licenses will be sent directly to the Dealership where they will be employed if the application is approved.

**NOTE:** If the applicant has any questions regarding the application process or fees to be paid, instruct the applicant to call the MVDB at (804) 367-1100.

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#### FRONT COUNTER CSR-TEST FAILED

- 1. Record the failed test results in the system.
- 2. Stamp the MVDB 57.
- 3. Give the MVDB 57 back to the customer.

**NOTE:** The customer may submit the same MVDB 57 twice for testing. After the second failed test, the customer must complete and submit a new MVDB 57 when returning to test again.

- 4. Advise the applicant that a copy of the MVDB 34 and MVDB 35 study guide can be obtained from the CSC, the MVDB or the MVDB Website, <a href="https://www.mvdb.virginia.gov">www.mvdb.virginia.gov</a>.
- 5. Inform the applicant that he may retest at anytime (even the same day) but the test fee is due each time.

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## **POINTS TO REMEMBER**

- If an applicant wants additional information on the Dealer Operator course or Independent Dealer Operator Licensing Requirements, they may visit the <u>MVDB website</u>, which provides the latest course dates, registration information and licensing requirements.
- 2. The fee for taking a qualification test to obtain a Salesperson's or Dealer-Operator's is \$50.00 each time a person takes the test.
- 3. The customer may take the test multiple times on the same day, but must submit the MVDB 57 and pay the test fee each time they test.
- 4. The qualification test is available through SecuriTest only; paper tests are not available.
- 5. The qualification test has the following number of questions:
  - Salesperson test 20 questions (16 correct answers to pass)
  - Dealer-Operator test 80 questions (64 correct answers to pass)
  - Dealer-Salesperson test 100 questions (16 correct Salesperson answers and 64 correct Dealer-Operator answers to pass)

An applicant must get at least 80% of the questions correct on each test. Applicants are required to complete the entire test each time.

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6. If an applicant is not ready to test at the time of application, advise him test fees are nonrefundable. Offer the Virginia Motor Vehicle Dealer-Operator Study Guide (MVDB 34) and/or the Salesperson Study Guide, (MVDB 35) for further study.

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# **RELATED LINKS**

Virginia Motor Vehicle Dealer-Operator Study Guide (MVDB 34) Salesperson Study Guide, (MVDB 35)

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# CONTACT

For additional information contact:

- Your CSC Manager/Assistant Manager
- DMV Contact Center Help Desk at (804) 367-6646
- Motor Vehicle Dealer Board (804) 367-1100

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