



BUSINESS QUICK START GUIDE FREIGHT TRUCKING



Free One-on-One Consulting is Available

Small business technical assistance centers are available throughout the state of California to provide you with direct one on one support **at no cost to you.**

To find your nearest center, visit calosba.ca.gov



BUSINESS QUICK START GUIDE FOR FREIGHT TRUCKING BUSINESSES

Freight trucking businesses may provide transportation services for large cargo between retailers, wholesalers, factories, and more. Below is a list of local, state, and federal requirements that may apply to this business types.

State & Federal Level

Obtain A Commercial Driver's License (CDL) & Related Endorsements

- Federal Entry Driver Training (ELDT) requirements for CDL
 - Applies to those seeking a:
 - Class A or Class B CDL for the first time;
 - Upgrade an existing Class B CDL to a Class A CDL; or
 - Obtain a school bus (S), passenger (P), or hazardous materials (H) endorsement for the first time
 - CA requires applicants to complete a minimum of 15 hours behind-the-wheel training & submit to DMV as proof of completion... this can be done by:
 - Private trucking school
 - Company owned training programs
 - Sponsorship from trucking company to attend a CDL school
- Federal Hazardous Materials (HazMat) Requirements
 - Any person applying or renewing a CDL with a HazMat endorsement is required to undergo a federal Transportation Security Administration (TSA) security threat assessment (background check) before the endorsement can be issued.
 - To apply for an original HazMat endorsement, you will need to start a CDL application with the Department of Motor Vehicles (DMV), be at least 21 years of age, and submit all required documentation and fees.
 - A commercial learner's permit (CLP) and/or temporary license will state "Not valid for carrying hazardous materials". After TSA completes the background check, one of the following will happen:
 - 1. You will be notified by TSA that you're ineligible for a HazMat endorsement.
 - 2. DMV will send you a new CDL with a HazMat endorsement when all applicable tests are completed.

Commercial Vehicle Registration

- Register your commercial vehicle with the DMV
 - <https://www.dmv.ca.gov/portal/vehicle-registration/new-registration/commercial-vehicle-registration/>

Permits

- California Secretary of State (SOS) Filing
 - Necessary for those who intent to form a corporation, limited liability, or company or partnership



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- Not necessary for sole proprietors
 - SOS Forms: <http://www.sos.ca.gov/business/be/forms.htm>
- U.S. Department of Transportation (USDOT) Number & Authority
 - Requires a unique identifier used to collect & monitor safety information, inspections, investigations, etc.
 - Motor Carrier permits, medical card for trucker
 - You are required to have interstate Operating Authority (MC Number) in addition to a DOT number if you will:
 - Transport passengers in interstate commerce (for a fee or other compensation, whether direct or indirect)
 - Transport federally regulated commodities owned by others or arranging for their transport, (for a fee or other compensation, in interstate commerce)
 - Apply for Authority
 - First time applicants who have never registered with Federal Motor Carrier Safety Administration (FMCSA)? before and haven't been issued a DOT number need to register via the new Unified Registration System:
 - <https://www.fmcsa.dot.gov/registration/fraudulent-and-misleading-marketing-new-fmcsa-applicants>
- Motor Carrier Permit (MCP)
 - MCP is a document issued by the California Department of Motor Vehicles which verifies that the motor carrier has complied with all the requirements for both registration and insurance
 - Its purpose is to provide proof of a Motor Carrier's CA# for operating legally on California Highways
 - MCP provides specific information about the motor carrier such as name, mailing address, USDOT number, CA#, and effective/expiration dates of the permit.
 - DOT filling will assist a carrier in obtaining this after receiving a USDOT Number
- Franchise Tax Board (FTB) and Internal Revenue Service (IRS) Registration
 - Required for all businesses
 - FTB: state tax
https://www.ftb.ca.gov/businesses/index.shtml?WT.mc_id=Global_Businesses_Tab
 - IRS: federal tax <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Business-Taxes>
- Hazardous Waste Transport Permit – California Highway Patrol (CHP) within the state
 - Transporters do not need a permit to transport hazardous waste if they comply with [Chapter 13](#), including obtaining a hazardous waste registration certificate



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- However, if the transporter stores hazardous waste longer than 10 days or treats or disposes of wastes at their facility, a permit would be required
 - Information on regulations if you're managing Hazardous Waste in CA
 - <https://dtsc.ca.gov/transporters/>
- Heavy Load Permit
 - California Vehicle Code requires an oversize load permit for any load exceeding legal weight or dimensions. That would be loads exceeding 14' high, 8'6" wide, 40' long (single), 65' (truck/trailer), 75' (multi trailers), or 20,000 lbs/axle
 - [Link to apply](#)
- Insurance
 - Types Required for transporting freight:
 - Primary Liability: \$750,000 in primary liability coverage required to cover damage or injury done in an accident where you're at fault
 - Cargo: \$100,000 is the most common request to cover cargo
 - Physical Damage: Covers truck damage in accidents where you're not liable
 - Non-trucking-use (bobtail): covers if you're liable for an accident when you're not hauling a load for someone else

Tax/Regulation

- Heavy Vehicle Use Tax
 - Funds highway programs, federal government charges annual tax on trucks exceeding 55,000 pounds
- International Registration Plan (IRP)
 - Distributes registration fees based on distance traveled in each state or Canadian province
 - Register via state's transportation website
- International Fuel Tax Agreement (IFTA)
 - Agreement between 48 US States and Canadian provinces to simplify reporting of fuel use by carriers who drive in multiple states
 - Carriers file a quarterly fuel tax that determines tax and distributes it to the states
- BOC – 3 Filing (Designation of Agents for Service of Process)
 - This is a federal filing in the United States that assigns a process agent to accept legal documents on behalf of a transportation or logistics company in each state in which the company is authorized to do business
- Drug Testing and FMCSA Clearinghouse
 - Manage your drug testing program and registering all drivers with the FMCSA



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Local Level

Permits

- Business License
 - Most local governments require a business license (or business tax registration)
 - If your business will be:
 - located in an incorporated city: contact city
 - located in an unincorporated area: contact the county
- Fictitious Business Name Statement aka Doing Business As (DBA) – County Recorder
 - Required when business name doesn't include surname of the individual owner(s); and each of the partners; or the business name suggests the existence of additional owners; or the nature of the business is not clearly evident by the name of the business
 - Obtained from county of location
- Small Business Development Center (SBDC)
 - Provides assistance to small businesses starting or growing and offer free advice and consulting
 - Based on zip code: <http://americassbdc.org/home/find-your-sbdc/>
- Zoning
 - Consult local planning department to make sure your business activities are permitted, based on city (incorporated city) or county (unincorporated area)

Online Permit Assistance Tool

CalGOLD may be used as an online permit assistant tool to identify local, state, and federal permit information for businesses. The online tool provides webpage links, application forms, and contact information for the various agencies that administer and issue these permits.

- <https://www.calgold.ca.gov/>

Considerations

This Quick Start Guide is only one source of information among the many sources that are available to you. You may wish to consider multiple sources in order to make an informed decision. You are solely responsible for deciding how to form and create your business. You are responsible for determining whether the information you obtain through your use of this guide is suitable for your purposes.