START A BUSINESS - NEW YORK

How to start a salvage yard in New York

Register as a vehicle dismantler with the DMV, get local approval for the site, buy refrigerant recovery equipment and follow DEC's rules for fluids, batteries and tires.

Sources verified 2026-11-21 - Updated 2026-11-21

1 Is a salvage yard right for you?

Salvage yards buy wrecked and end of life vehicles, remove and sell parts, and send the rest for scrap. It suits people who like hands-on work, can manage heavy equipment and keep careful records for every vehicle.

2 Form the business and get a Certificate of Authority

1. Choose a structure. An LLC files Articles of Organization with the Department of State ($200), then within 120 days publishes notice of its formation in two newspapers and files a Certificate of Publication ($50); if it does not, its authority to do business is suspended. A sole proprietor or partnership using an assumed name files a business certificate with the county clerk.
2. Register for sales tax through New York Business Express at least 20 days before you start, and wait for your Certificate of Authority. Display it where you do business. Operating without one can cost up to $500 for the first day and $200 for each day after, up to $10,000.

3 DMV vehicle dismantler registration

Anyone who acquires vehicles to dismantle them for parts or scrap must register as a vehicle dismantler, and so must a dealer who classifies 25 percent or more of a month's sales as salvage. The registration is valid for 2 years and costs $100 for each business type. Operating as a dismantler without registration is a class E felony.

4 Local approval and the site

You need a permanent place of business that meets General Municipal Law section 136, plus a local license, certificate of occupancy, or a dated letter from the locality (not more than ten years old) saying you may operate there. In the five boroughs of New York City you also need city Secondhand Dealer General and Secondhand Dealer Auto licenses.

5 DEC environmental rules

Under Environmental Conservation Law Article 27 Title 23, dismantlers that receive more than 25 end of life vehicles a year or store 50 or more must drain all fluids on asphalt or concrete, remove batteries, mercury devices and refrigerants and deal with air bags before crushing, control access, keep no more than 1,000 waste tires without a permit, and file an annual report. The DMV also requires refrigerant recovery equipment before it registers you.

6 Signs and records

Show your facility number in ads, on stationery and on your vehicles, and post a sign at the main entrance with the number and your registered name in letters at least six inches high. Use the DMV salvage forms (such as the MV-907A) to document every vehicle.

7 Your first steps

1. Form the business and get your Certificate of Authority.
2. Get local approval for the site.
3. Buy refrigerant recovery equipment and plan fluid handling.
4. Apply to the DMV with Form VS-1JS.
5. Ask your DEC regional office about registration.
6. List your business on Nearby Car Care

Requirements at a glance

Form the business (Department of State or county clerk)

Required - State - New York Department of State; your county clerk

Corporations and LLCs file with the New York Department of State; an LLC files Articles of Organization and then, within 120 days, publishes notice of its formation in two newspapers and files a Certificate of Publication, or its authority to do business is suspended. Individuals or partnerships using an assumed name file a business certificate with the county clerk. The DMV asks facility applicants for the DOS filing receipt or the county business certificate.

Fees: LLC Articles of Organization: $200. Certificate of Publication: $50 (newspaper costs are extra).

Official application: https://dos.ny.gov/articles-organization-domestic-limited-liability-company-0

Sales Tax Certificate of Authority

Required - State - New York State Department of Taxation and Finance

If you will make sales subject to sales tax, register with the Tax Department through New York Business Express at least 20 days before you begin business and wait for your Certificate of Authority. Display it at your place of business (or in your vehicle if you have no fixed location). The rate depends on the location; use the Department's rate lookup by address.

Fees: Operating without a Certificate of Authority: penalty up to $500 for the first day and up to $200 for each later day, up to $10,000; $50 penalty for not displaying it.

DMV vehicle dismantler registration

Required - State - New York State Department of Motor Vehicles

Anyone who acquires vehicles or trailers to dismantle them and sell parts or resell them as scrap must register as a vehicle dismantler, as must any dealer who classifies 25 percent or more of the vehicles it sells in a month as salvage. Salvage pools, mobile car crushers and itinerant vehicle collectors also register; scrap processors and scrap collectors are certified.

Fees: Business registrations are valid for 2 years, $100 for each type (Form VS-1JS, revision 2/26). Certifications have no fee.

Failure to register as a vehicle dismantler is a class E felony; failure to register as an itinerant vehicle collector, salvage pool or mobile car crusher is a class A misdemeanor.

Official application: https://dmv.ny.gov/forms/vs1js.pdf

Local approval and a place of business that meets General Municipal Law 136

Required - Municipal - Your city, town or village

Dismantlers and salvage pools need a permanent place of business that conforms to General Municipal Law section 136, and must send a local license, certificate of occupancy, or a dated letter on the locality's letterhead (not more than ten years old) saying the business may operate at that location.

Refrigerant recovery equipment

Required - State - New York State Department of Motor Vehicles

No vehicle dismantler registration is issued until you submit a manufacturer's certificate or an invoice with proof of payment for motor vehicle refrigerant recycling or recapturing equipment.

New York City Secondhand Dealer licenses

Required in some cases - Municipal - New York City Department of Consumer and Worker Protection

Dismantler and salvage pool applicants in Queens, Kings, Richmond, Bronx and New York counties must include valid New York City licenses for Secondhand Dealer General and Secondhand Dealer Auto.

DEC vehicle dismantling facility rules

Required in some cases - State - New York State Department of Environmental Conservation

Environmental Conservation Law Article 27 Title 23 applies to vehicle dismantlers that receive more than 25 end of life vehicles a year or store 50 or more on site. It requires an annual report, draining all fluids on asphalt or concrete, removing batteries, mercury devices and refrigerants and deploying or removing air bags before crushing, controlled access, and no more than 1,000 waste tires without a permit.

Ask your DEC regional office which registration or permit your site needs.

Facility number on signs, ads and vehicles

Required - State - New York State Department of Motor Vehicles

Show your facility identification number in all advertising and stationery and on your business vehicles. Dismantlers, salvage pools and scrap processors also post a sign at the main entrance with the facility number and registered name in block letters at least six inches high.

Forklift operator training (OSHA)

Required in some cases - Federal - Occupational Safety and Health Administration

If employees use forklifts, the employer must train and evaluate each operator before they operate one, except under supervision during training (29 CFR 1910.178(l)).

Official agencies and links

29 CFR 1910.178, Powered industrial trucks (operator training, paragraph (l))
Occupational Safety and Health Administration
https://www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.178

Articles of Organization for Domestic Limited Liability Company
New York Department of State, Division of Corporations
https://dos.ny.gov/articles-organization-domestic-limited-liability-company-0

Article 27 Title 23, Vehicle Dismantling Facilities
New York State Department of Environmental Conservation
https://dec.ny.gov/environmental-protection/waste-management/solid-waste-management-facilities/vehicle-dismantling/article-27-title-23

Information and Regulations for Junk and Salvage Businesses (CR-81, Part 81)
New York State Department of Motor Vehicles
https://dmv.ny.gov/forms/cr81.pdf

Junk and Salvage Facility Application (VS-1JS)
New York State Department of Motor Vehicles
https://dmv.ny.gov/forms/vs1js.pdf

How to Register for New York State Sales Tax (TB-ST-360)
New York State Department of Taxation and Finance
https://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/how_to_register_for_nys_sales_tax.htm

Frequently asked questions

Do I need a license to run a junkyard in New York?
Yes. Vehicle dismantlers register with the DMV ($100 for 2 years) and need local approval for the site. DEC rules apply to larger operations.

Is unregistered dismantling serious?
Yes. Failure to register as a vehicle dismantler is a class E felony.

This guide is general information, not legal advice. Rules change and can depend on your city or county, so confirm with the official agencies linked below before you apply.