

SECTION II

TITLING AND REGISTERING VEHICLES

SOUTH CAROLINA REQUIREMENTS

As a dealer, you may provide registration services to your customers. If you choose to provide these services, you must have a good understanding of South Carolina requirements. Errors can cause more work for you, as well as delays for your customer.

A South Carolina resident who purchases a new or used vehicle must obtain a South Carolina title and registration within 45 days of purchasing the vehicle. This time limit is the same whether customers are purchasing new license plates or transferring old ones. If you choose to process the title or registration for your customer, you must deliver the title or registration to the customer within the same 45-day period.

You may give the title and all the necessary documentation required to title the vehicle to the purchaser. **If you give your customer the title and other necessary documents, it is important that you maintain a “customer-signed receipt” specifying the customer accepts responsibility for titling and registering the vehicle. This receipt will verify you have complied with the law requiring that the title be delivered within 45 days. You must also maintain copies of all documents surrendered to the customer since customers will sometimes lose their records.** Providing these documents to the customer is considered the same as delivering the title.

For a financed sale, you must have the new owner's name and lien information recorded on the title and DMV Form 400, “Application for Certificate of Title and Registration for a Motor Vehicle or Manufactured Home/Mobile Home.”

Valid license plates that will not be transferred should be returned to the DMV immediately or on the same day of insurance cancellation. Customers who return their plates to the DMV will receive a receipt and may request a prorated refund if their plates are still valid for more than 12 months. If the vehicle is sold or used as a trade-in, county property taxes may also be refunded by the county treasurer's office.

Specific information is required for titling and registering new and used vehicles. As a dealer, you should be aware of the documents you need, as well as the requirements and fees for each type of transaction. If your dealership helps customers finance their newly purchased vehicles, customers may ask you to include the sales tax, title, and tag in the total financial agreement for the vehicle. Having that knowledge helps you help your customer.

TYPES OF TITLES & MANUFACTURER'S CERTIFICATE OR STATEMENT OF ORIGIN

SOUTH CAROLINA CERTIFICATE OF TITLE

A title is issued to an individual vehicle owner. When a vehicle is sold, the seller must provide the title and the title must be submitted to the DMV before a new title can be issued to the buyer. The back of the title must be completed and properly assigned to the buyer. If the title was issued before June 19, 1989, DMV Form 4031, "Secured Bill of Sale," or a Property Tax Odometer (PTO) Form must also be submitted, indicating the sale price of the vehicle and odometer information. Certificates of Title issued after June 19, 1989 include an area on the back of the form to list odometer information. If the vehicle owner's title is lost, the owner must obtain a duplicate title from the DMV. The DMV will not accept the title if you erase or "white out" any portion of the form.

OUT-OF-STATE TITLE

An out-of-state title is a legal document created by a state other than South Carolina. It lists the ownership and vehicle information. An out-of-state title is used to issue a South Carolina title to a vehicle entering South Carolina from another state. The vehicle could have been purchased by a South Carolina resident from an out-of-state dealer or individual, or it could be a vehicle owned by a new South Carolina resident. In combination with this title service, a new license plate can be issued or a plate can be transferred.

MANUFACTURER'S CERTIFICATE OF ORIGIN (MCO) OR MANUFACTURER'S STATEMENT OF ORIGIN (MSO)

The Manufacturer's Certificate of Origin (MCO) or Manufacturer's Statement of Origin (MSO) is a document issued by the manufacturer recording the first transfer of the vehicle from the manufacturer to the dealer or distributor. The MCO or MSO lists the vehicle identification number, vehicle description, and the dealer or distributor receiving the vehicle.

TRUTH IN MILEAGE REGULATIONS

The odometer mileage statement on South Carolina Certificates of Title issued after June 19, 1989, meets the Truth in Mileage standard. Certificates of Title issued before that date do not meet the Truth in Mileage standard. The odometer statement must be given for every vehicle.

The first assignment of a Certificate of Title must now be completed by the owner on the title document itself. A separate secured assignment will not be accepted.

Exceptions were written into the regulations for those persons signing the Certificate of Title using DMV Form 5047, Secured Power of Attorney – Odometer Disclosure. This form is only used by dealers, wholesalers, auto auctions and insurance companies when the buyer and the seller are one and the same. The Secured Power of Attorney – Odometer Disclosure can only be used:

- if the Certificate of Title is being held for a lien; and
- if the Certificate of Title is lost and a duplicate is needed.

In addition to stating the odometer reading at the time of sale, the odometer statement is a certification by the seller of the vehicle to the buyer that to the best of his or her knowledge:

- the odometer reading reflects the actual mileage;
- the odometer reading reflects the amount of mileage in excess of the vehicle's mechanical limits; or
- the odometer reading is not the actual mileage.

Dealers should follow the instructions listed on the back of the DMV form 5047. Odometer fraud is a violation of both state and federal law.

STATE AND COUNTY TAXES

SALES TAX

In South Carolina, the law requires that everyone, including individuals, pay sales or excise tax on every motor vehicle or motorcycle for which a new South Carolina Certificate of Title is issued. Sales tax is due when the vehicle is sold to a consumer. The amount of the tax is five percent (5%) of the fair market value, or total purchase price, of the vehicle. However, the amount cannot exceed \$300. For out-of-state sales, you must complete Form ST-385, Department of Revenue Affidavit, and collect sales tax up to \$300 if the state charges sales tax and has a reciprocity agreement with South Carolina. For further information regarding sales taxes, contact the South Carolina Department of Revenue at (803) 898-5800 or in writing to 301 Gervais Street, Columbia, SC 29214.

PERSONAL PROPERTY TAX

In South Carolina, counties must receive yearly property tax payments for vehicles before registrations and decals can be issued.

PURCHASING NEW PLATES

As a dealer in South Carolina, you have the option of giving your customers extra time to pay their property taxes for vehicles purchased by South Carolina residents by completing DMV Form 4031 Bill of Sale Form with a Property Tax Odometer (PTO) section. This form will defer the property tax on the vehicle for 120 days. The DMV does not provide Property Tax Odometer (PTO) Forms. To order Bill of Sale Forms with a Property Tax Odometer (PTO) section, contact the Carolinas Independent Automobile Dealers Association (CIADA) by calling 1-800-432-4232.

You must disburse the above copies in the following manner:

1. keep a copy for your files;
2. give one copy to the customer; and
3. send the top copy (secured sheet) and the pink copy to the DMV along with the title and registration paperwork.

Please note that this extension for the payment of property taxes does not apply to the titling and registration of vehicles. Vehicles must still be titled and registered in South Carolina within 45 days from the date of purchase.

TRANSFERRING PLATES

Customers who transfer a license plate from one vehicle to a newly purchased vehicle are not required to pay property taxes at the time of the transfer. They will be billed by their county treasurer's office when the taxes are due again. Any person who willfully or knowingly makes a false statement for the purpose of avoiding any tax is guilty of a misdemeanor in this state and may be fined up to \$3,000 and/or imprisoned for up to one (1) year.

OUT-OF-STATE BUYERS

An out-of-state customer who purchases a vehicle in South Carolina has different titling and registration needs. To provide better customer service, you should be aware of the options available to you and your customers.

TEMPORARY PLATES

Many states do not allow new vehicles to be driven on the road without proper registration or tags. In these states, the proof of purchase paperwork and a dealership paper tag is not enough. They require official registration.

In South Carolina, the law allows for this instance and offers the customer a temporary plate and registration through the DMV. As a dealer, you have the option of processing this paperwork for your customer just as you would process South Carolina title and registration paperwork, or you may purchase temporary license plates from the DMV and issue them from your office.

The temporary plate and registration is good for 30 days and may be used to transport the vehicle back to the customer's resident state. You can issue these plates only to customers who purchased their vehicles from you and who will be permanently licensing their vehicles in another state. The plate is not transferable to any other person or vehicle.

South Carolina law requires that you maintain a permanent record of all the temporary plates and registrations you issue. Each record should be kept for at least one (1) year from the date of issue. If you choose to issue the plates and registrations from your dealership, you should request the following form from the DMV:

- DMV Form 433, 30-Day Temporary Plate Registration

If you do not wish to issue these plates from your place of business, you may inform your customers of the proper procedures and refer them to your local DMV branch office.

PENALTY

Any person found guilty of the misuse of a temporary license plate or permit is guilty of a misdemeanor in this state and may be fined up to \$200 and/or imprisoned for up to 30 days.

WORKING WITH OTHER STATES

If your place of business is located near the state line, you may have more out-of-state purchases than other dealerships. If this is the case, you may wish to contact the other state and find out more about their titling and registration procedures. You may be able to prepare the paperwork from that state for your customer.

COURTESY VEHICLES

A South Carolina resident can purchase a vehicle from an out of state dealer, who will be responsible for transporting the vehicle to a S. C. dealer so that the customer can pick the vehicle up from a local dealership.

SC Code of Law §2-37-2610 allows the use of a property tax odometer (PTO) form for this situation, and states that taxes are not due on these vehicles for 120 days. When this type of transaction occurs, the dealer should write on the PTO form "courtesy delivery" so that DMV and the County will know that the owner has 120 days to pay his/her property taxes.

Courtesy deliveries DO NOT require a paid tax receipt, provided that the PTO clearly indicates "courtesy delivery." In addition, courtesy deliveries are also subject to the same requirements for use tax as other out of state sales: the owner must show that sales tax has already been paid, or that the out of state dealer has a S. C. sales tax number, OR that the vehicle is exempt from sales taxes in S. C. If the owner does not meet one of these requirements, DMV will collect any S. C. use tax due.

TIPS TO REMEMBER WHEN TITLING AND REGISTERING VEHICLES:

- Use clear and legible handwriting. If rubber stamps are used, they must be properly aligned.
- Properly assign the back of the title.
- Type within the spaces provided on DMV Form 400, Application for Certificate of Title and Registration for Motor Vehicle or Manufactured Home/Mobile Home – not on the lines.
- Verify that the information on DMV Form 400, Application for Certificate of Title and Registration for Motor Vehicle or Manufactured Home/Mobile Home, and the title match.
- Verify the vehicle identification number on the vehicle against the number on the title.
- Verify the owner's name and signature.
- Before choosing an option, read the instructions on the odometer statement carefully on DMV Form 400, Application for Certificate of Title and Registration for Motor Vehicle or Manufactured Home/Mobile Home.
- Properly complete all lien information.
- Abbreviate the owner's address on the form if it is more than 30 characters long.
- Provide the correct dealer and sales tax number.

Title and Registration Documents Required for Various Transactions

SCENARIO	TYPE OF TRANSACTION	DOCUMENTS REQUIRED
A S.C. resident purchases a brand new vehicle from a S.C. dealer.	Title with New Registration	<ul style="list-style-type: none"> ▪ DMV Form 400 ▪ MCO (Manufacturer's Certificate of Origin) or MSO (Manufacturer's Statement of Origin) ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle)
A S.C. resident purchases a used vehicle previously titled and registered in another state.	Title with New Registration	<ul style="list-style-type: none"> ▪ Form 400 ▪ Out-of-State Title ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle)
A S.C. resident purchases a used vehicle previously titled and registered in South Carolina.	Title with New Registration	<ul style="list-style-type: none"> ▪ Form 400 ▪ S.C. Title ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle)
A S.C. resident purchases a brand new vehicle from a S.C. dealer.	Title with a Transfer Plate	<ul style="list-style-type: none"> ▪ DMV Form 400 ▪ MCO (Manufacturer's Certificate of Origin) or MSO (Manufacturer's Statement of Origin) ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle) ▪ Valid License Plate
A S.C. resident purchases a used vehicle previously titled and registered in another state.	Title with a Transfer Plate	<ul style="list-style-type: none"> ▪ DMV Form 400 ▪ Out-of-State Title ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle) ▪ Valid License Plate

SCENARIO	TYPE OF TRANSACTION	DOCUMENTS REQUIRED
A S.C. resident purchases a used vehicle previously titled and registered in South Carolina.	Title with a Transfer Plate	<ul style="list-style-type: none"> ▪ DMV Form 400 ▪ S.C. Title ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle) ▪ Valid License Plate
A S.C. resident purchases a used vehicle previously titled and registered in another state.	Title with Transfer & Replace Plate	<ul style="list-style-type: none"> ▪ DMV Form 400 ▪ Out-of-State Title ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle) ▪ Form 452 (Lost/Stolen or Destroyed License plate Affidavit Form)
A S.C. resident purchases a used vehicle previously titled and registered in South Carolina.	Title with Transfer & Replace Plate	<ul style="list-style-type: none"> ▪ DMV Form 400 ▪ S.C. Title ▪ PTO (Affidavit & Notification of Sale of Motor Vehicle) ▪ Form 452 (Lost/Stolen or Destroyed License plate Affidavit Form)
A S.C. resident wants to purchase a vehicle and wants to trade in the currently owned vehicle. The customer has lost the S.C. title.	Duplicate Title	<ul style="list-style-type: none"> ▪ DMV Form 400 ▪ Satisfaction of Title Lien form (if applicable)

ELECTRONIC VEHICLE REGISTRATION (EVR) PROGRAM

The South Carolina Electronic Vehicle Registration (EVR) Program allows authorized business partners to apply for registrations and titles electronically. The EVR system is supplied through a Service Provider (third party) who works with the DMV to provide licensed South Carolina auto dealers with a computer-based system that provides the ability to register and title vehicles by electronic means. The DMV provides dealer/business partners with materials and authorization to process customers' vehicle registrations and make initial applications for their vehicle titles. This allows an auto dealer/business partner to register the vehicle and put it on the road with valid registration in the same day, which minimizes the need for temporary plates.

With EVR, everyone is a winner. Dealers and other partners win because they save time and money; customers win because they get one-stop shopping without the wait for registration and title application processing. DMV wins because customers can be served efficiently.

Some of the requirements to participate in the EVR program are as follows:

- the dealer must be in active licensed status with the DMV;
- The dealer must have and maintain a sales volume of 420 units per year;
- The dealer must agree to process a minimum of 90% of his or her eligible transactions through the EVR program; and
- The dealer must maintain an error ratio of no more than 2%.

For further information related to this program, you may review the SCDMV Electronic Vehicle Registration Program Standards at www.scdmvonline.com or contact the service provider listed below:

Computerized Vehicle Registration (CVR) at www.cvrreg.com or 1-800-333-6995.

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