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Welcome to the SCDMV

June 25, 2021

Dealer Connection - June 2021

The South Carolina Department of Motor Vehicles (SCDMV) continues to provide information about different ways in which dealers and business customers can process their transactions, from electronic vehicle registration (EVR) to in-person transactions.

In this issue, you'll find information on new legislation related to title brands and infrastructure maintenance fees, as well as best practices to ensure your paperwork processing with the SCDMV goes as smoothly as possible.

Title Brands

Governor McMaster signed H.3101 on April 28, 2021. It has an effective date of October 25, 2021.

Act #27 of 2021 puts the force of law behind the SCDMV's current policy on vehicle title brands such as salvage, salvage – flood, salvage – fire, salvage – rebuilt, and junk. Additionally, the Act creates two new brands of salvage flood – rebuilt and salvage fire – rebuilt.

This Act explicitly says that the State of South Carolina will not honor or participate in a deceptive practice called "title washing." This is where a vehicle's title is changed to remove information it previously contained, such as a brand meant to inform the consumer of the vehicle's history. For example: a vehicle owner can take an otherwise "junk" title to a state that allows people to rebuild a junk vehicle and retitle the vehicle in that state as "salvage – rebuilt." If that person was to bring the vehicle to South Carolina, their hope is that South Carolina will mirror the practice of the state that changed the brand to "salvage-rebuilt." This new law makes it explicitly clear that the State of South Carolina will not honor a less restrictive brand on a washed title and would instead honor the most restrictive brand, which in this case would be the "junk" brand.

The Act also says that a vehicle with a manufacturer certificate of origin, or other equivalent origin document, with the brand "off road only" (or equivalent) will be titled as such in South Carolina and not able to be legally operated on the state's roads.

To read the full Act, visit: <u>https://www.scstatehouse.gov/sess124_2021-</u> 2022/bills/3101.htm

Infrastructure and Maintenance Fee

Governor McMaster signed H.3505 on May 17, 2021. The SCDMV changed its operationalization of the collection of infrastructure maintenance fees at the start of business of May 18, 2021.

Act #70 of 2021 says that the infrastructure maintenance fee (IMF), which replaced vehicle sales tax under Act #40 of 2017 ("The Roads Bill"), is now due upon first **titling** or registering a vehicle in South Carolina. Previously, the law said that the IMF was due upon first registering the vehicle.

People who once only titled a vehicle (and did not take the steps to register it with a license plate to legally operate it on the state's roads) will now owe IMF like their counterparts who choose to title and register a vehicle.

There has been no change in the amount of IMF collected. It remains 5% of the purchase price of the vehicle, but no more than \$500.

The law now explicitly says that a dealer who titles or registers the vehicle for a customer must collect the IMF and remit it to the SCDMV. If a dealership does not title or register the vehicle for a customer, the customer must pay the IMF to the SCDMV when titling or registering the vehicle.

Additionally, the law now explicitly says that if a customer purchases a vehicle that he or she originally leased and the name on the registration has not changed, the customer only owes IMF one time – at the time of originally leasing the vehicle –

versus having to pay it again when the customer purchases the vehicle.

To read the full Act, visit: <u>https://www.scstatehouse.gov/sess124_2021-</u> 2022/bills/3505.htm

Dealer and EVR Transaction Tips

In an effort to better serve business customers, the following is a list of best practices for dealer and electronic vehicle registration (EVR) transactions:



- When hand-writing dealer work, please write hard enough to make it clear on all copies of the PTO.
- Ensure that all assignments are complete with names and addresses.
- Ensure that mileage is correct on all assignments.
- Ensure the information on the paperwork is clear, such as the cost of vehicle and whether the IMF was collected. Some customers don't know they have to pay IMF at the SCDMV.
- Verify prior title and title numbers before entering the title information into the EVR system.
- Finalize the deal in EVR. Branch offices are unable to process any dealer transaction that is in a "PENDING EVR" status.
- Include the prior title when finalizing deals and submitting the paperwork.
- Add Gross Vehicle Weight (GVW) to trucks.
- Mail EVR paperwork to:
 - SCDMV
 - Vehicle Compliance and Oversight
 - 10311 Wilson Blvd
 - Blythewood, SC 29016-0025

Transaction Limits for Dealer/Business Customers

Beginning June 1, 2021, the SCDMV is extending the time in which dealers and business customers can submit transactions on Tuesdays, Wednesdays, and Thursdays to 4:00 p.m. Each dealer or business customer can now process up to three transactions per day at SCDMV branches Tuesday and Thursday 8:30 – 11 a.m. and 1:30 – 4:00 p.m. and on Wednesday 9:30 – 11 a.m. and 1:30 – 4:00 p.m.

Each dealer or business customer is only allowed to have one transaction per day processed over the counter on Monday and Friday.

Seven SCDMV offices have a three-day turnaround (see list below) for dealer packets. These Dealer Central branches include the following locations:

- Greer
- Ft. Mill
- Columbia Shop Rd.
- Chester
- Ridgeland
- Irmo Ballentine
- Charleston Leeds Ave.

If a dealer or business customer drops off a transaction or packet at any other SCDMV office, there is a five-day turnaround time.



Strategic Communications & Community Affairs DMVCommunications@scdmv.net

