





June 22, 2022

Dealer Connection - June 2022

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 the Infrastructure Maintenance Fee (IMF), military license plates, electronical dealer license renewal, titling classes, clarification on salvage certificates, and EVR tips.

Infrastructure Maintenance Fee (IMF) for Rental Car Companies

On March 28, 2022, the South Carolina Attorney General's Office issued a formal opinion providing additional guidance regarding the infrastructure maintenance fee (IMF). You can see the official opinion at https://www.scag.gov/media/sopno0b2/02939131.pdf.

This opinion advised that IMF should not be charged to licensed motor vehicle, motorcycle dealers, or retailers that purchase vehicles for the purpose of resale, to include vehicles used as short-term rentals. The SCDMV has updated the <u>SC Title Application (SCDMV Form 400)</u>, and procedures, such as the TI- 002 Infrastructure Maintenance Fee (IMF) and Sales Tax and the TI-017 Title Application – Form 400 to be consistent with this opinion.

Beginning June 8, 2022, licensed motor vehicle, motorcycle dealers, or retailers who title or register vehicles for short-term rental use will not be charged the IMF.

Military License Plates Updates

Due to a change in law, EVR dealers may no longer issue first-time military license plates through the EVR system.



Dealers cannot transfer certain military plates, nor transfer any permanent military plates for a customer.

In these cases, the dealer may issue a 45-day traceable temporary license plate to customers who want to transfer a military plate (via Update 1), void out the transaction, and then submit the dealer work to a branch office. Dealers must ask the customer to mail the <u>Application for Military License Plate (SCDMV Form MV-37)</u> and supporting documents to SCDMV Headquarters to receive a military plate.

See below for a list of military plates and the corresponding plate classes that are not eligible for transfer via EVR:

- Disabled Veteran: DV, DV1, DV2, DVM, DVM1, DVM2, DVM3
- Handicap Veteran: HV, HV1, HV2, HV3
- Prisoner Of War: PW, PW1, PW2, PWM
- Medal Of Honor: MH
- Medal Of Honor Army: MOHA, MOHA1
- Medal Of Honor Navy: MOHN, MOHN1
- Medal Of Honor Air Force: MOHF, MOHF1
- Purple Heart: PH3
- Palmetto Cross: PA3
- World War II: WW1, WWM

Dealer Forms Found Online

Effectively immediately, SCDMV Branch Offices and the SCDMV warehouse will no longer have forms on hand for dealers. The only forms that the SCDMV will provide are the Secured Power of Attorney and Secured Bill of Sale forms.

For all other forms, dealers can navigate to the Forms and Manuals page online to download and print SCDMV forms as needed.

Electronic dealer license renewal updates

As you may know, the SCDMV has been working on a project for the electronic renewal of dealer and wholesaler licenses. You can read about the Electronic Dealer Renewal Project (EDRP) background and history in previous Dealer Connections – <u>Issue 21</u>, <u>Issue 22</u>, and <u>Issue 23</u>.

The timeline for the EDRP is being modified due to project additions and the previously announced implementation dates are currently on hold. However, the agency asks that dealers continue to be aware of the following phases.

- Phase I: Pilot (for pilot dealers to test the system)
- Phase II: Full rollout (for all dealers to operate the new system)
- Phase III: Mandatory online renewal

The agency will provide an update upon confirmation of the new implementation dates for each phase.

One of the project's additions includes security protocols that ensures that all users' information is correct and secured. The new online process will allow authorized users to renew a dealer license on behalf of the dealership, so each user must authenticate themselves via a PIN verification system. It is strongly recommended that every dealership obtain a business email mailbox, as the PIN will be emailed to whatever email address in on file with the SCDMV.

Please continue to update your contact information and employee list on a regular basis with the agency's Dealer License Unit.

Having accurate contact and employee information for your dealership is essential as it dictates who is authorized to renew your dealership's license. Anyone not listed in the SCDMV system as an owner, corporate officer, sales manager, or employee will not have authorization to renew.

To update your dealership's contact information or employee list, you may email a completed letter of request on business letterhead to <u>dealerdocuments@scdmv.net</u> or fax it to (803) 896-8172. In the letter of request, include the following information:

- A request to add/remove the individual(s) who are authorized to make changes or updates to your dealer license.
- The individual(s) full name, driver's license number, address, and date of birth.
 - If the individual resides out of state, include a copy of the front of their driver's license.

To add or remove an owner, please contact Dealer License Unit at (803) 896-2611 or <u>dealerdocuments@scdmv.net</u> to inquire which documents are needed.

Training and testing opportunities will be available to all dealers. Updated training

dates will also be announced upon confirmation of the modified project timeline.

Dealers can also find information online at - scdm/online.com/Business-
Customers/Dealers/Renewing-a-Dealer-License

Changes with Renewing and Purchasing Dealer Plates In Preparation for EDRP

A part of the forthcoming EDRP includes modifying the portion of the current process used in purchasing and renewing your dealer plates (XX1, XZ1, XP, WA, and XA).

The agency plans to transition from issuing plates in the Branch offices to issuing plates on-demand. This process will ensure a seamless changeover for the upcoming electronic dealer license renewal implementation.

Effective immediately:

- For Renewing Existing Plates Each decal and registration card for an existing dealer plate will be mailed to your address on file upon renewal.
- For Purchasing New Plates If you are requesting new dealer plates at renewal or as a first-time dealer, the Branch office will issue the appropriate number of plates on hand. However, if your quantity of plates is more than the inventory in the SCDMV branch office, your additional plates will be mailed to your address on file.

Note: Although your dealer decals, registration cards, and new plates will be mailed to you through our vendor companies, your license will continue to be printed in the branch office until further notice.

Please prepare for 7-15 days to receive your decals, registration cards, and/or new plates. It is highly encouraged that you renew before your expiration date and do not wait until the last minute.

If you have any questions, please contact Dealer License Unit at (803) 896-2611 or dealerdocuments@scdmv.net.

Dealer Titling Classes and Online Resources

The SCDMV provides training sessions to dealers on titling and registering vehicles in South Carolina.

Below are dates for the next two dealer titling classes offered at SCDMV

Headquarters:

- July 22, 2022 10 a.m. to 3 p.m.
- September 9, 2022 10 a.m. to 3 p.m.

To register for a Dealer Titling and Registration class, send an email request to training@scdmv.net.

If you have already signed up to attend an in-person class and will no longer attend, please send a cancellation notice to training@scdmv.net.

The <u>Basic Title and Registration Requirements for Dealerships</u> can be viewed in lieu of attending a class in person.

Salvage Certificates

Effective immediately, the SCDMV will no longer accept a salvage certificate to title a vehicle in the State of South Carolina.

While it appears that exceptions have been made previously using a salvage certificate, the agency wants to clarify that a certificate of title is necessary to process a title application. The SCDMV will not make any exceptions to this requirement under any circumstances.

EVR Corner

Below are some general EVR tips to help dealers process EVR transactions as smoothly as possible.

- EVR dealers should contact their EVR service provider with technical questions regarding the provider's software.
- When creating customer numbers, the EVR dealer should ensure the customer's name, birthdate, and social security number is entered as shown on the official documentation presented to the dealer.
- If a business customer's name includes LLC, LLP, or INC in the name, the abbreviation is added to the business name format.
- If an error occurs in the initial customer number setup for an individual or a business customer, whereas the name is entered incorrectly, misspelled, or reversed in a different order than shown on the credential, the dealer must submit one of the following EVR Forms:
 - New Customer Application (SCDMV Form EVR-1)
 - New Business Customer Application (SCDMV Form EVR-2)
 - Information about Multiple Customer Numbers (SCDMV Form CM-002)
 - Along with the appropriate form, dealers must include a copy of the customer's out-of-state credential or a printout from the South Carolina

- Secretary of State portal indicating the business name to have corrections completed.
- Dealers may email their requests to <u>EVR@scdmv.net</u>.
- Dealers are advised to create only one customer number per individual or business customer.
- EVR dealers need to void the UPD1 for transactions with no forward progress within the 45 days required to title and register a vehicle (such as vehicle returns, insufficient funding, or unable to obtain the title to the vehicle)
- All EVR transactions finalized must have a title or MCO accompanying the <u>SC</u> <u>Title Application (SCDMV Form 400).</u>
- EVR transactions finalized in error must be voided on the same day the transaction is completed. Transactions cannot be voided the next business day.
- All titles must show the reassignment of ownership with an odometer reading, or an odometer reading with one of the following legends on the title and the SC Title Application (SCDMV Form 400):
 - not actual mileage or
 - exceeds mechanical limits.
 - Customers must sign all relevant documents for a vehicle title and registration to include their initials on the Buyer's Invoice or Buyer's Order.
- All EVR dealers should print a bundle report for each separate completion date.
- All transactions must be in order of the printed bundle report.
- Before finalizing transactions accompanied by an out-of-state title, ensure the
 current out-of-state title number and correct state abbreviation have been
 entered into the EVR system accurately. (Please consult with your EVR service
 provider on the guide to selecting out-of-state title numbers.)
- Finalized EVR transactions must contain the following required documents:
 - Coversheet with barcode
 - SC Title Application (SCDMV Form 400) revised date 03/2022
 - Title (SC, out-of-state, MCO)
 - · Odometer disclosure
 - Bill of Sale (blue secured document), if not using a buyer's invoice/order
 - Buyer's Invoice/Order, if not using the blue secured Bill of Sale
 - Affidavit & Notification of Sale of Motor Vehicle (PTO), must be submitted along with the Buyer's Invoice/Order, or the blue secured Bill of Sale
- Finalized EVR transactions may also require the following additional documents if warranted:
 - Dealer reassignments
 - Power of Attorney
 - Certificate of Trust
 - Lease Agreement, if lease vehicle transaction
 - Repossession Affidavit
 - Lien Release Statement, if the lien isn't satisfied on the submitting title
 - Form TI-006, if the customer presents an out-of-state credential without a co-buyer with a SC DL, ID, or BP
 - Proof of Residency (Reference SCDMV Form MV-93)

- Copy of the out-of-state driver's license, valid passport, etc., (document is to be submitted with the <u>Statement of Vehicle Operation (SCDMV</u> <u>Form TI-006)</u> and proof of residency)
- · All paperwork should be free of staples
- All completed EVR transactions are to be mailed no later than 2 business days after the transactions have been finalized. The mailing address for certified and regular mail is as following:
 - Certified Packaging
 - SCDMV
 - Attn: Vehicle Compliance & Oversight
 - 10311 Wilson Blvd
 - Blythewood SC 29016-0025
 - Regular Mail
 - SCDMV
 - Attn: Vehicle Compliance & Oversight
 - PO Box 1498
 - Blythewood SC 29016-0025
- EVR dealers should refer to the <u>SCDMV Dealer Connection</u>, <u>Issue 17</u>, <u>October 2020</u>, for information on MCO/MSO backlog requests. The process is only for new and never titled vehicles.

For further assistance processing EVR transactions, contact your respective EVR Service Provider.

Online Resources

Dealer communications and previous Dealer Connection Newsletters scdmvonline.com/dealer-communications

General dealer information – scdmvonline.com/dealers



Strategic Communications & Community Affairs DMVCommunications@scdmv.net

