April 26th, 2024



I. IMPORTANT: Incomplete title transactions will be systematically reversed after 60 days from the date of creation, and any associated fees will be refunded to the customer. Paperwork from the reversed transaction will remain digitally archived.

What does this mean for dealers?

- a) If all paperwork and payment was returned to the dealer, then there is no impact.
- b) If paperwork and money was retained by Motor Vehicle Division (MVD), then the dealer needs to resolve the issue within 60 days to avoid a transaction reversal and any monies refunded to the buyer.
- II. The Show & Sale Permit is now available for purchase online. This permit allows dealers to legally display any vehicle covered by the dealer license at a specific event such as at a sport show or the State Fair. The cost of the permit is \$25 for a 7-day period. Failure to obtain a permit when displaying vehicles offsite will potentially result in a \$100 fee for the first violation.
- III. The next Motor Vehicle Division (MVD) standard dealer training class is currently penciled in for late August. We may offer our Lease and/or Legal class beforehand. We also plan to post a video recording of the training (with no live audience) on the website later this spring. This will allow for the training to be available on-demand.



- I. A vehicle cannot be titled in an individual name <u>and</u> the dealership business name using the dealer resale tax exemption. The dealer resale exemption is only applicable to titles going exclusively in the dealership name. Example: A title assigned to *Joe Smith or Amazing Wheels* is subject to excise tax. The title would need to be assigned exclusively to *Amazing Wheels* to be tax exempt.
- II. By law, plate credits can only be applied to new registration and the credit transfer fee. They cannot be used to offset any other fee (e.g., duplicate plates).



- I. We strongly advise dealers submitting applications for title to document any applicable lienholder on the Application (<u>SFN 2872</u>) and the physical title/MCO. This makes it much less likely a processor will miss recording the lien on the new title.
- II. In the relatively uncommon event that a customer is trading in multiple vehicles at the same time, please document the VIN and value of each vehicle being traded in. This ensures your customer is receiving the maximum tax credit allowed for the trades. In addition, the customer can pick any applicable plate from the trades and use it on the replacement vehicle. This plate needs to be documented on the paperwork to avoid potential processing delays.
- III. It's been mentioned several times, but bears repeating; please document on the dealer invoice if an item is a taxable product/accessory or a bona fide warranty. This helps MVD process your paperwork more efficiently and assess tax accurately.
- IV. The Lease Tax Worksheet (<u>SFN 60399</u>) was designed to assist dealers and paperwork processors to quickly determine correct excise tax remitted to MVD. It is intended to be populated based <u>only</u> on the exact figures contained within the lease agreement. Populating the worksheet by any other method significantly slows down processing time.

Thank you!

Dealer Services
North Dakota Motor Vehicle Division

Email: mvds@nd.gov Phone: 701-328-1285 Fax: 701-328-0314



February 21st, 2024



- I. IMPORTANT: The North Dakota Department of Transportation Motor Vehicle Division (MVD) is updating the Reassignment/Odometer Disclosure (SFN 18773) to consist of a single page only. This change is the result continuous supply chain issues with the existing triplicate form. The new version of the form will be formatted like the current form but printed on secure white paper instead of green color. Dealers will need to make their own photocopies for record retention. The existing green form will remain perfectly acceptable indefinitely. Shipments of the white version will commence once MVD runs out of the green version. The cost will remain at 30 cents per form. Note: A dealer can always use an open reassignment on a title or MCO in lieu of using a supplemental form. Further, secure odometer disclosure statements are not required for off-highway vehicles, trailers, vehicles exceeding 16,000 pounds GVWR, and any vehicle model year of 2010 and older.
- II. The next Motor Vehicle Division (MVD) standard dealer training class is currently penciled in for April 11th. We will email registration information when that day draws closer.



- I. Purchasers of semi-trailers and farm use trailers can either obtain a non-expiring permanent trailer plate for the duration of that specific ownership for \$120 or obtain standard plates with \$20 annual registration. Permanent trailer plates are not available for travel trailers.
- II. The best practice for pawn loans on vehicles is for the pawn operator to enter the pawn shop information as lienholder in Part 3 on reverse side of the certificate of title and have the owner sign in the space below. The pawn operator can then submit the title plus \$5 (plus any applicable branch fees) to MVD and have the pawn lien recorded on a new title. Should the owner pay off the loan, then the pawn operator can release the lien by signing and dating in the lien release area on bottom front of the title and present the certificate of title to the owner. Should the owner not satisfy the loan, then the pawn operator can present the title and notarized Repossession Affidavit (SFN 2880) and obtain title in pawn broker name without being subject to excise tax unless the operator also chooses to register the vehicle.

III. Only one seller and buyer signature are required for Federal odometer disclosure purposes. Some states including Minnesota and Montana require all owners to sign as seller, just like the AND conjunction on a North Dakota title. If we have one seller signature for secure odometer purposes and missing the other, then that other signature need not be on a secure form.



- I. Please remove stickers from titles before submitting them to MVD. If a sticker is not able to be removed without damaging the title, then don't remove it. Stickers are highly discouraged but, when used, should only be placed in empty areas of the title (areas free from printed or populated information).
- II. Staples are perhaps necessary to keep paperwork together, but staples should not be placed in critical areas of documents. Removing them does occasionally result in minor damage to the document and we don't want this damage to occur in areas containing important information such as a VIN or title number.
- III. Motorcycle season is quickly approaching, and the annual registration expires on March 31st. We encourage purchasers of motorcycles between now and the end of March to submit prorated registration fees for the current registration cycle <u>and</u> for the following year. This will spare your customer a trip to the MVD on a nice warm early spring day when that person could instead be cruising down a country road. Example: A rider purchases a motorcycle on Feb 28th. Registration for the current registration cycle through March 2024 is \$15 and an additional \$25 to renew through March 2025 resulting in a total recommended amount of \$40.

Thank you!

Dealer Services North Dakota Motor Vehicle Division Email: mvds@nd.gov

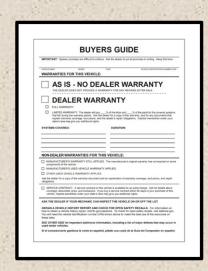


November 9th, 2023



- I. The Lease Tax Worksheet (SFN 60399) was revised to accommodate a less nontaxable space for, when paid at signing, refundable security deposits (rare) or disposition fees (exceptionally rare). This makes the worksheet mathematically correct for taxation when those situations do occur. As with any form update, we encourage use of the most recent revision as soon as possible and we will advertise, in advance, should a previous version of a form be rendered no longer acceptable. You may need to delete browser cookies should the newest version not pull up on your device.
- II. Dealer Compliance is rigorously enforcing open title violations. North Dakota Century Code (NDCC) 39-05-17(1) states: "The owner or transferor of a motor vehicle who transfers title to a vehicle shall endorse an assignment and warranty of title upon the certificate of title for the vehicle. The owner or transferor shall include on the assignment and warranty of title the name of the transferee and the selling price of the vehicle if applicable."
- III. Effective January 1st, 2024, a Show and Sale permit will be required for all vehicle types when a dealer is displaying vehicles off their primary or secondary lots in a bona fide automobile show or sales promotion event in North Dakota (e.g., State Fair, Sport Show, Home & Garden Show). The permit must be issued upon payment of a fee of \$25 and is valid for a period to not exceed seven days. (NDCC 39-22-30)
- IV. The next Motor Vehicle Division (MVD) sponsored general dealer training class offered through Microsoft Teams is tentatively scheduled the afternoon of December 7th. This class explains why and when we need various forms, how to populate them, and a plethora of paperwork tips. Expect to receive an email with registration information two or three weeks before the class. Additional classes will be offered in 2024. There is NO FEE to attend any MVD training class!
- V. Dealer Compliance and the Federal Government are rigorously enforcing 16 CFR Part 455 (Code of Federal Regulations) pertaining to display of the Federal Trade Commission Buyers Guide. This law, sometimes called the "Used Car Rule" requires dealers to disclose warranty information to all customers in advance of any selling activity. Dealers who fail to comply face penalties of up to \$50,120 per violation in Federal Trade Commission enforcement actions!

https://www.ftc.gov/businessguidance/resources/dealers-guide-usedcar-rule





I. Identity theft, including fake IDs, is leading to auto dealer losses across the country. North Dakota is not exempt from this criminal activity. Be especially suspicious of buyers demanding to complete a sale by phone. Faceless transactions are more common in recent years, however, the financial risk to a dealer is heightened when financing is involved.

Example 1: https://tinyurl.com/2edhcmhh Example 2: https://tinyurl.com/dwu5ts7k

- II. Enrolled tribal individuals must live within the borders of a reservation to qualify for a motor vehicle excise tax exemption. One resource available to determine if an address is located on a reservation is the North Dakota GIS Hub Explorer. https://www.nd.gov/gis/apps/HubExplorerV2/An enrolled tribal member with primary residence on tribal trust land (e.g., Trenton, ND) is also eligible for the tax exemption, however, MVD will need a letter from the Tribal Council acknowledging the primary residence is on tribal trust land to qualify.
- III. There is a \$5 fee for replacement license plates. By law, this fee cannot be deducted from available registration credits since the credit can only be applied toward registration fees. (NDCC 39-04-36)
- **IV.** Dealers should keep their corporate names and applicable trade (dba) names up to date with the Secretary of State.
- **V.** Active registration on an off-highway vehicle or snowmobile will automatically transfer to the new owner. If no registration exists, then registration fees are due, unless the vehicle will be used exclusively on private property. We recommend noting "private property" on the application when registration is not requested on these units.
- **VI.** Embossed plates are obsolete. Should a dealer have remaining embossed plates in their inventory, please contact Dealer Services for disposal and potential replacement.
- VII. A customer can use a Total Loss Statement (<u>SFN 53386</u>) to offset taxes due on a replacement vehicle. A dealer is not required to hold back paperwork waiting for a customer to provide this form since the dealer is required, by law, to deliver the MCO/title within 30 days. If necessary, a dealer can collect and remit taxes on the replacement purchase and the customer can apply for a motor vehicle tax refund (<u>SFN 2883</u>) when the loss statement arrives.
- VIII. There is no "dealer resale" tax exemption for vehicles acquired through the abandoned vehicle process or repair lien process. Tax is due on the fair market value of vehicles when acquired through either process.

IX. Use of Dealer Plates

- Dealer number plates may be used on any vehicle owned by the dealership and used in the
 direct functions of demonstrating, buying, or selling vehicles. A dealer plate displayed on a
 vehicle must be visibly displayed on the rear of the vehicle.
- Dealer plates may not be used on a service vehicle, or a vehicle used in other functions of the business, sold units in the possession of the purchaser or by a person not directly involved in the operation of the dealership.

- Additional dealer number plates may be ordered through MVD upon payment of \$20 per plate.
 However, the maximum number of plates allowed is based on motor vehicle sales history and the discretion of MVD.
- Any person violating laws pertaining to use of dealer plates may be assessed a \$100 fee for a
 first violation, \$200 fee for a second violation within two years of the first violation, or a fee of
 at least \$500, but not more than \$2,000 for a third or subsequent violation within five years of
 the first violation.



- I. When a vehicle is traded in with a title from a jurisdiction other than North Dakota, it is helpful when this is noted on the application or Part 3 next to the trade VIN (e.g., SD title). This alerts the processor that there is no plate or credit to be transferred from the trade.
- II. Occasionally, a vehicle is ordered and invoiced on one date, but the customer cannot take possession of it until a later date. Registration commences on the date of purchase unless a different date first used on North Dakota highways is documented. This should be clearly documented on the invoice or letterhead since we do not want to assess registration fees during the period the customer did not yet have possession of the vehicle.
- III. If the dealership is to be the lienholder, then the only way to ensure the lien is perfected is to document the lien on the application/Part 3 and submit title, taxes, and fees directly to MVD. There were several reported instances in the past year of buyers given the title with lien from the dealer who failed to complete the title transfer.
- IV. When it comes to fees, we often say, "it's better to be over than under". This remains true; however, any payment discrepancy will slow down title and registration processing since we need to research if it was an MVD data entry error or an oversight by the dealer (e.g., did not include the plate credit).
- V. Warranty items (non-taxable) versus accessory/add-ons (taxable) itemized on a dealer invoice are not always clear to a processor. We strongly encourage dealers to clearly delineate warranty items on the invoice.

Thank you!

Dealer Services
North Dakota Motor Vehicle Division



September 1st, 2023



- I. The Tribal Claim for Tax Exemption (<u>SFN 18085</u>) was revised in July then quickly revised again to accommodate new interpretation. Please ensure you are using the most up to date form. Do not forget to complete the co-applicant section, when applicable. You may need to delete browser cookies should the newest version not pull up on your device.
- II. Dealer Compliance has received complaints from law enforcement regarding use of dealer plates on rental vehicles owned by used dealers. A rental vehicle is not exempt from tax, title, and registration. These vehicles must use standard plates. Violations will result in administrative action from Dealer Compliance. New vehicles enrolled in a Courtesy Transportation Program (CTP) available to franchised dealers are exempt from this requirement. Please contact Dealer Services should you have any questions.
- III. The next Motor Vehicle Division (MVD) sponsored general dealer training class offered through Microsoft Teams is tentatively scheduled the morning of September 6th. This class explains why and when we need various forms, how to populate them, and a plethora of paperwork tips. Please contact Dealer Services if you did not get an invitation email and would like to attend the class. Additional classes will be offered later this year. There is NO FEE to attend any MVD training class!



- I. A dealer invoice, bill of sale, or similar instrument is required to obtain title and registration for all purchases originating from a dealer. We strongly encourage all dealers to distinguish between physical add-ons (installed accessories) and warranty plans on the invoice. We understand there may be software limitations and you are free to annotate the invoice. This can significantly improve MVD processing time, particularly when complex invoices are involved.
- II. The Department of Transportation requires an application for dealers establishing a secondary display lot, as defined in 29-22-06 (NDCC). The lot is required to be inspected for compliance with Century Code and requirements pertaining to advertising adjacent to Federally Funded Highways. There is a \$100.00 inspection fee for secondary display lots.
- Use of Wite-Out® or correction tape on a title could potentially lead to an interpretation of a mutilated title. Best practice is to put one line through the erroneous information and enter the correct information next to it. A Statement of Error, Correction, or Alteration (<u>SFN 2964</u>) will likely be requested. When in doubt, please include the notarized statement.

- IV. Best practice for a person signing on behalf of a business is to sign his or her name followed by agent or positional title (e.g., Jane Honda agent). If Jane was signing per POA then she should sign her name on behalf of other person (e.g., Jane Honda for John Q. Public POA).
- V. When a North Dakota title is already in selling dealer name, the selling dealer should use Part 1 on front of title, instead of Part 2, and include the dealer number next to agent's name (so the retail sale is less likely to be missed by a processor) to complete the transfer. This prevents confusion should your customer decide to jump the title.
- VI. In general, vehicle auction houses are facilitators of a sale but not the actual seller. It remains the seller's responsibility to deliver a properly assigned title within 30 days of hammer. If the seller is a dealer, the dealer and <u>not</u> the auction house, will be assessed with any violation. Dealers can contact Dealer Services with any questions on how to handle the delivery of the title.
- VII. Documenting a common vehicle color (red, blue, green, etc.) is important for law enforcement purposes. A partial plate on a late model F150 might result in dozens of matches. A partial plate on a blue F150 will considerably narrow the list of suspects.



I. Ownership conjunctions are a critical component of the application process. Paperwork that fails to contain a conjunction on the title or application is likely to be returned. The MVD does not use a default option on the front end. Attention to conjunctions is also critical for transfer of ownership. Refer to the following table for signature requirements of original owners on a North Dakota title.

Examples: How names appear on the face of a certificate of title and how they must be signed off.						
John Jones	John Jones must sign.					
John Jones or Mary Jones	Either John Jones or Mary Jones must sign.					
John and Mary Jones	Both John and Mary Jones must sign.					
John and Mary Jones, as joint tenants with rights of survivorship	Both must sign unless one is deceased, in which case the survivor must sign and attach a certified copy of the death certificate.					
Northwest Trucking, Inc.	Agent of the company must sign and indicate their title and business name. For example: John Jones, President of the Northwest Trucking Inc.					
Name changes during ownership	Must sign using the name that appears on the title.					
<u> </u>	Agent of the company must sign and indicate their title and business name. For example: John Jones, President of the Northwest Trucking Inc.					

Thank you!

Dealer Services North Dakota Motor Vehicle Division



June 30th, 2023



- I. Motor Vehicle Division (MVD) has received clarifying information on **HB 1223** regarding tribal excise tax exemption for purchases on or after July 1st, 2023. To qualify, the following criteria must be met:
 - 1. The individual's <u>primary residence must be within the boundaries of any reservation</u> in the State of North Dakota.
 - 2. The individual must be an enrolled member of a federally recognized Indian Tribe.
 - 3. The sale of the vehicle must take place in North Dakota.
 - 4. Tribal Claim for Tax Exemption (SFN 18085) must be completed. Expect a revised version of the form to be available shortly. Until such time, please note that delivery to a reservation for individuals with a primary residence not within the boundaries of a reservation will no longer qualify for the excise tax exemption.

Important Note

Tribal governmental agencies and non-governmental tribal agencies (**casinos**) remain eligible for the tax exemption; however, these entities **must have the vehicle delivered** to the reservation to qualify for the excise tax exemption.

- **II. HB 1212**, effective July 1st, 2023, allows for Disabled American Veterans and surviving spouses to purchase vanity plates. Qualifying applicants maintain the exemption from base registration fees but would need to pay an additional annual \$25 fee for a special letter plate or \$50 for a combined special letter/organization plate.
- **III.** For auctions concluding on or after July 1st, 2023, **SB 2141** excludes miscellaneous auction fees from the definition of purchase price. In effect, only the auction hammer price will be taxable. We will still require an invoice from the auction house.
- IV. The next Motor Vehicle Division (MVD) sponsored general dealer training class offered through Microsoft Teams is tentatively scheduled the morning of September 6th. This class explains why and when we need various forms, how to populate them, and a plethora of paperwork tips. Registration information will be sent in a separate email. There is NO FEE to attend any MVD training class!



- I. Permanent trailer registration is available to owners of **farm <u>or</u> semi-trailers** only, and is non-transferable between owners or vehicles. The one-time fee for this registration is \$120.
- II. Dealers with vehicles specifically enrolled in a manufacturer's Courtesy Transportation Program (CTP) may use their dealer number plates on such vehicles. Additional information pertaining to CTP can be found on page 32 of the Dealer Manual available online.
- III. In 2012, the North Dakota Child Support Enforcement Division (CSED) presented a bill which was passed by legislation to assist in collecting delinquent child support payments. The law gives CSED the authority to place a lien on personal property (to include motor vehicles). Please be aware that the possibility exists that a lien could be placed on any North Dakota titled vehicle which would prevent the vehicle from changing ownership. The CSED developed a link to a website where a customer's name can be checked against this database for any delinquent child support payments. It is important that this website be checked prior to taking any vehicle in on trade.

The link is: https://apps.nd.gov/dhs/application/lienRegistry/.

You will need to click on the blue highlighted box at the bottom of the screen. If you should have any questions, you must contact Child Support, not the Motor Vehicle Division. The contact information for Child Support is Phone: 701-328-5440, Toll Free 1-800-231-4255 or by email at childsupport@nd.gov.



- I. Please use bold **blue** or **black** ink when completing paperwork. Additionally, only use limited amounts **yellow highlighter** on forms. Other colors can be difficult to read, archive, and may obscure essential information.
- II. Please document the relationship of persons if the trade vehicle is not in buyer's name. If the transfer of a trade vehicle qualifies for a tax exemption (e.g., mother to daughter) then it will qualify for excise tax credit on the new purchase. If the transfer of the vehicle between the parties does not qualify for an exemption (e.g., business to individual or vice versa) then no excise credit will be allowed on the new purchase. Failure to note the relationship, even if same last name, will result in processing delays.

Thank you!

Dealer Services North Dakota Motor Vehicle Division



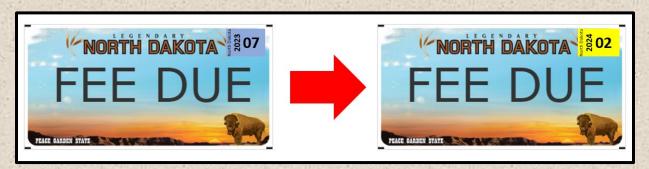
March 30th, 2023



- I. The Motor Vehicle Division created the Used Motor Vehicle Certified Appraisal (SFN 62281) that can be used by dealers to provide market value estimates with supporting information for their customers. Use of this specific form is not mandatory; however, we request dealers using their own letterhead to provide the same information. Note, we are defining the minimum value of a passenger vehicle or truck to be \$500 since the average vehicle weighs approximately 3000 pounds amounting to significant scrap metal value. An average vehicle will contain one ton of steel, 400 pounds of aluminum, 250 pounds of cast iron, 70 pounds of copper/brass, 9 pounds of zinc, and additional precious metals, particularly in the catalytic converter. Dealers retain the right to charge a fee for this optional service.
- II. The next Motor Vehicle Division (MVD) sponsored general dealer training class offered through Microsoft Teams is scheduled from 12:30-3:30pm CDT on Thursday May 18th. This class explains why and when we need various forms, how to populate them, and a plethora of paperwork tips. Registration information will be sent in a separate email. There is also a Leased Vehicle specific class on April 11th. There is NO FEE to attend any class!
- III. The 68th Legislative Assembly is in session. Please note that any pending legislation does not have legal force until the commencement date at some point after legislation is signed by the governor. We will pass along pertinent legislative changes that potentially impact dealers once the session is closed.



I. Any time a special request or organization plate is renewed, or expiration date extended when transferred to a replacement vehicle, will have the special plate renewal fees due. This impacts most trade vehicles with special plates. If the new decal will be later than the existing decal, then the fees are due (e.g., existing 7/23 decal to a 02/24 decal).



- II. The old, embossed dealer plates are no longer valid and subject to confiscation by law enforcement and, if displayed, subject to administrative action by Dealer Services. Please contact Dealer Services should you need **replacement** plates. Replacement plates are only \$5. Note that a replacement plate is merely replacing a missing plate from your existing roster of registered plates, and it takes approximately four weeks to receive the plate after the plate is ordered.
- III. The computation of tax on a qualifying motor vehicle lease (12 months or more on vehicles weighing less than 10,000 pounds) is strictly based by a proxy, the lease contract. In fact, the lease tax specific statute (57-40.3-02.1) doesn't even mention a trade vehicle. As such, any trade vehicle, regardless of ownership, that is specifically accounted for in the net-trade section of the itemization of "how the amount due at signing will be paid" contained within the lease agreement, can be reflected on the Lease Tax Worksheet. This includes previously leased vehicles. We want to stress this quirk is very specific to newly leased vehicles and not for bona fide purchases where ownership is required to take advantage of trade value for tax purposes.

A	o) Ho	Total w The Amount Due at Lease Signing or Delive	= rv Wi	\$ b	3,419.12	П
Alalal	I) II)	Net Trade-In Allowance Rebates and Non-Cash Credits Amount To Be Paid in Cash Total	++==	\$ \$ \$ \$	2,200.00 825.00 394.12 3,419.12	
BELOW						
	e)	DEPRECIATION AND ANY AMORTIZED AMOUNTS. The amount charged for the Vehicle's decline in				



I. Consider obtaining a Secure Power of Attorney for any trade vehicle, regardless of if you have the title or not. This is a very powerful document that allows a dealer to obtain a replacement title for the vehicle. This protects the dealer should a customer fail to hand over the title, hands over an invalid (not the most recent) title or obtains a duplicate on own accord to spite the dealer. All these scenarios have been reported to Dealer Services in the past year.

Thank you!

Dealer Services North Dakota Motor Vehicle Division

