VERMONT AUTOMOBILE DEALER'S GUIDE

Prepared by the Vermont Department of Motor Vehicles
I hereby acknowledge receipt of the 2010 Motor Vehicle Dealer's Guide.

<table>
<thead>
<tr>
<th>Dealership Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dealership Number</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E-mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Dealer/Authorized Agent's Signature</th>
<th>Date Received</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table of Contents
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Introduction</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>Title 23 V.S.A. ~ General Dealer Laws And Regulations</strong></td>
<td></td>
</tr>
<tr>
<td>§4 (8) Definitions</td>
<td>3</td>
</tr>
<tr>
<td>§451 Dealer's Certificate (license)</td>
<td>5</td>
</tr>
<tr>
<td>§452 Expiration (Dealer Renewal Procedures)</td>
<td>6</td>
</tr>
<tr>
<td>§453 Fees and Number Plates</td>
<td>6</td>
</tr>
<tr>
<td>§3504 Registration Fees and Plates (All Terrain Vehicles)</td>
<td>8</td>
</tr>
<tr>
<td>§454 Dealer's Use of Motor Vehicle</td>
<td>8</td>
</tr>
<tr>
<td>Use of Dealer Plates on Different Vehicle Types</td>
<td>9</td>
</tr>
<tr>
<td>§455 Use by Other Than Dealer</td>
<td>9</td>
</tr>
<tr>
<td>§456 Employees’ Use of Vehicles Restricted</td>
<td>10</td>
</tr>
<tr>
<td>§462 Cancellation of Dealer's Registration</td>
<td>10</td>
</tr>
<tr>
<td>§464 Return of Number Plates by Dealer</td>
<td>10</td>
</tr>
<tr>
<td>Lost or Stolen Dealer Plates</td>
<td>11</td>
</tr>
<tr>
<td>§465 Loaning of Plates or Vehicles Prohibited</td>
<td>11</td>
</tr>
<tr>
<td>Renting and Hiring – Illegal Use of Dealer Plates</td>
<td>11</td>
</tr>
<tr>
<td>§466 Records</td>
<td>11</td>
</tr>
<tr>
<td>§467 Failure of Dealer to Report Sale of Vehicle</td>
<td>13</td>
</tr>
<tr>
<td>§468 General Prohibition</td>
<td>13</td>
</tr>
<tr>
<td>Inspection of Vehicles With Dealer Plates</td>
<td>14</td>
</tr>
<tr>
<td>§472 Evidence of Authorization</td>
<td>14</td>
</tr>
<tr>
<td>§473 Penalties</td>
<td>14</td>
</tr>
<tr>
<td>§1125 Obstructing Windshields</td>
<td>14</td>
</tr>
<tr>
<td>Federal Used Car Rule (Buyers Guide)</td>
<td>16</td>
</tr>
<tr>
<td>Diesel Tax Regulations</td>
<td>16</td>
</tr>
<tr>
<td><strong>Title 23 V.S.A. ~ Dealer Administrative Penalties</strong></td>
<td></td>
</tr>
<tr>
<td>§475 Administrative Penalties</td>
<td>19</td>
</tr>
<tr>
<td>Administrative Penalties and Duration of Suspension</td>
<td>21</td>
</tr>
<tr>
<td>Dealer License Requirements – Place of Business</td>
<td>24</td>
</tr>
<tr>
<td><strong>Title 23 V.S.A. ~ Laws Pertaining to VIN and Odometer</strong></td>
<td></td>
</tr>
<tr>
<td>§1701 Possession of Motor Vehicles With Serial or Motor Numbers Defaced</td>
<td>27</td>
</tr>
<tr>
<td>§1702 Assignment of New Number</td>
<td>27</td>
</tr>
<tr>
<td>§1703 Defacing Identifying Numbers</td>
<td>27</td>
</tr>
</tbody>
</table>

TOC 1
<p>| §1704       | Possession Prima Facie Evidence of Violation | 27 |
| §1704a      | Alteration of Odometers                     | 27 |
| B Section 23 V.S.A. ~ Title Laws |                          |    |
| §2001       | Definitions                                 | 31 |
| §2002       | Fees                                        | 32 |
| §2011       | Certificate of Origin                        | 33 |
| §2012       | Exempted Vehicles                           | 34 |
| §2013       | When Certificate Required                   | 34 |
| §2015       | Application for Certificate                 | 35 |
| §2018       | Information on Certificate                  | 36 |
| §2019       | Mailing Certificate                         | 37 |
| §2020       | Withholding of Certificate; Bond Required   | 37 |
| §2021       | Refusal of Certificate                       | 38 |
| §2022       | Duplicate Certificate                       | 38 |
| §2023       | Transfer of Interest in Vehicle             | 38 |
| §2024       | Resale by Dealer                            | 40 |
| §2025       | Involuntary Transfers                       | 40 |
| §2026       | Fee to Accompany Applications               | 41 |
| §2029       | Suspension or Revocation of Certificate     | 41 |
| §2041       | Certain Liens and Security Interests Not Affected | 41 |
| §2042       | Perfecting Security Interest                | 42 |
| §2043       | Duties on Creation of Security Interest     | 43 |
| §2044       | Assignment of Security Interest             | 43 |
| §2045       | Release of Security Interest                | 43 |
| §2046       | Lienholder to Furnish Information           | 44 |
| §2047       | Method of Perfecting Security Interest Exclusive | 44 |
| §2081       | Application of Subchapter                   | 44 |
| §2082       | Altering, Forging or Counterfeiting Certificates | 45 |
| §2083       | Other Offenses                              | 45 |
| §2091       | Dismantling or Destruction of Vehicle       | 46 |
| §2092       | Issuance of Salvage Title                   | 46 |
| §2093       | Salvaged, Totaled and Rebuilt Vehicles      | 46 |
| §2094       | Records; Inspection                         | 47 |</p>
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>§2095  Penalty</td>
<td>48</td>
</tr>
<tr>
<td><strong>Title 32 V.S.A. ~ Laws Pertaining to Purchase and Use Tax</strong></td>
<td></td>
</tr>
<tr>
<td>§8902  Definitions</td>
<td>51</td>
</tr>
<tr>
<td>§8903  Tax Imposed</td>
<td>53</td>
</tr>
<tr>
<td>§8904  Completion of Form</td>
<td>56</td>
</tr>
<tr>
<td>§8905  Collection of Tax</td>
<td>56</td>
</tr>
<tr>
<td>§8909  Enforcement</td>
<td>57</td>
</tr>
<tr>
<td>§8910  Penalties</td>
<td>57</td>
</tr>
<tr>
<td>§8911  Exceptions</td>
<td>57</td>
</tr>
<tr>
<td><strong>General Information</strong></td>
<td></td>
</tr>
<tr>
<td>A. Documents and Items Required to Register and/or Title</td>
<td>63</td>
</tr>
<tr>
<td>B. Requirements for Manufacturer's Certificate of Origin (MCO)</td>
<td>66</td>
</tr>
<tr>
<td>C. Vermont Certificate of Title</td>
<td>67</td>
</tr>
<tr>
<td>D. Title Requirements</td>
<td>67</td>
</tr>
<tr>
<td>E. Requirements For Salvage Title</td>
<td>68</td>
</tr>
<tr>
<td>F. Requirements to Title and Register a Homemade Vehicle</td>
<td>69</td>
</tr>
<tr>
<td>G. Requirements to Title and Register a Rebuilt Vehicle</td>
<td>70</td>
</tr>
<tr>
<td>H. Glider Kits</td>
<td>72</td>
</tr>
<tr>
<td>I. Lost Title Procedures</td>
<td>72</td>
</tr>
<tr>
<td>J. Over the Counter Duplicate Titles</td>
<td>74</td>
</tr>
<tr>
<td>K. Procedure for Assignment of Title and Authorization for Payoff</td>
<td>74</td>
</tr>
<tr>
<td>L. Bonding Procedure</td>
<td>74</td>
</tr>
<tr>
<td>M. Repossession</td>
<td>75</td>
</tr>
<tr>
<td>N. Requirements for Transferring Ownership on a Certificate of Title</td>
<td>75</td>
</tr>
<tr>
<td>O. Documents Required to Register / Re-Title Vehicle/Vessel When Owner is Deceased</td>
<td>76</td>
</tr>
<tr>
<td>P. Documents Required to Sell or Assign the Vehicle/Vessel Based on Rights Of Survivorship</td>
<td>77</td>
</tr>
<tr>
<td>Q. Procedure to Change Name – Vermont Title</td>
<td>79</td>
</tr>
<tr>
<td>R. Procedure to Change Name – Not Titled in Vermont</td>
<td>79</td>
</tr>
<tr>
<td>S. Procedure When Sale is Canceled</td>
<td>79</td>
</tr>
<tr>
<td>T. Procedure to Transfer From a Heavy Truck to Light Truck or Pleasure Car</td>
<td>80</td>
</tr>
<tr>
<td>U. Procedure to Transfer From a Light Truck or Pleasure Car to a Heavy Truck</td>
<td>81</td>
</tr>
</tbody>
</table>
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>V. Rental Vehicle Use Tax Exemption</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>§ Title 23 V.S.A. ~ Temporary Plates</td>
<td></td>
</tr>
<tr>
<td>§457 Temporary Plates</td>
<td>87</td>
</tr>
<tr>
<td>§458 Temporary Plate on Sold or Exchanged Vehicles</td>
<td>87</td>
</tr>
<tr>
<td>§459 Notice to Commissioner (Use of Temporary Plates)</td>
<td>87</td>
</tr>
<tr>
<td>§460 Dealer’s Use of Temporary Plates Restricted</td>
<td>88</td>
</tr>
<tr>
<td>§461 Destruction of Temporary Plates</td>
<td>88</td>
</tr>
<tr>
<td>Procedure for Issuing Temporary Plates</td>
<td>88</td>
</tr>
<tr>
<td>Temporary Plates Issued on Transfers</td>
<td>89</td>
</tr>
<tr>
<td>§ Permanent (Metal) Plates</td>
<td></td>
</tr>
<tr>
<td>Registration Plates Issued By Dealers</td>
<td>93</td>
</tr>
<tr>
<td>Memorandum of Understanding</td>
<td>93</td>
</tr>
<tr>
<td>Letter of Authorization</td>
<td>93</td>
</tr>
<tr>
<td>Ordering Plates On The Supply Order Form, Form TA-VG-17b</td>
<td>94</td>
</tr>
<tr>
<td>Procedures For Issuing Registration Plates</td>
<td>95</td>
</tr>
<tr>
<td>Completing The Dealer Report Of Sale Form, Form TA-VD-127</td>
<td>96</td>
</tr>
<tr>
<td>Completing The Dealer Log Sheet Form, Form TA-VN-60</td>
<td>97</td>
</tr>
<tr>
<td>Temporary “T” Stickers</td>
<td>97</td>
</tr>
<tr>
<td>Rules / Restrictions / Accounting Requirements for Issuance of Metal Registration Plates by Vermont New Car/Truck Dealers</td>
<td>98</td>
</tr>
<tr>
<td>Security</td>
<td>98</td>
</tr>
<tr>
<td>§ Title 23 V.S.A. ~ Use of Intransit Permits</td>
<td></td>
</tr>
<tr>
<td>23 VSA §463 Sale of Vehicle to Go Out of State</td>
<td>103</td>
</tr>
<tr>
<td>Procedures For Use Of Intransit Permits</td>
<td>103</td>
</tr>
<tr>
<td>§ Completing the Vermont Registration, Tax and Title Application</td>
<td></td>
</tr>
<tr>
<td>Section 1 Type of Transaction and Plate Type</td>
<td>107</td>
</tr>
<tr>
<td>Section 2 Description of Vehicle</td>
<td>109</td>
</tr>
<tr>
<td>Section 3 Description of Vehicle (Other Than Car)</td>
<td>110</td>
</tr>
<tr>
<td>Section 4 Owner(s) Information</td>
<td>112</td>
</tr>
<tr>
<td>Section 5 Lienholder and Seller Information</td>
<td>115</td>
</tr>
<tr>
<td>Section 6 Purchase and Use Tax Information</td>
<td>117</td>
</tr>
<tr>
<td>Section 7 Visual Verification of VIN</td>
<td>120</td>
</tr>
<tr>
<td>Section 8 Signature(s) of Registered Owner(s)</td>
<td>120</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>Page Number</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Section 9 Registration Fees</td>
<td>121</td>
</tr>
<tr>
<td>Vermont Registration Tax and Title Application</td>
<td>123</td>
</tr>
<tr>
<td><strong>Completing the Vermont Tax and Title Application</strong></td>
<td></td>
</tr>
<tr>
<td>Section 1 Type of Vehicle</td>
<td>135</td>
</tr>
<tr>
<td>Section 2 Description of Vehicle</td>
<td>135</td>
</tr>
<tr>
<td>Section 3 Description of Vehicle (Other Than Car)</td>
<td>136</td>
</tr>
<tr>
<td>Section 4 Owner(s) Information</td>
<td>137</td>
</tr>
<tr>
<td>Section 5 Lienholder and Seller Information</td>
<td>139</td>
</tr>
<tr>
<td>Section 6 Purchase and Use Tax Information</td>
<td>141</td>
</tr>
<tr>
<td>Section 7 Visual Verification of VIN</td>
<td>144</td>
</tr>
<tr>
<td>Section 8 Signature(s) of Registered Owner(s)</td>
<td>144</td>
</tr>
<tr>
<td>Section 9 Fees</td>
<td>145</td>
</tr>
<tr>
<td>Vermont Tax and Title Application</td>
<td>147</td>
</tr>
<tr>
<td><strong>Sample Title Documents</strong></td>
<td></td>
</tr>
<tr>
<td>Manufacturer's Certificate of Origin / Manufacturer's Statement of Origin</td>
<td>155</td>
</tr>
<tr>
<td>Vermont Certificate of Title ~ Current (2009)</td>
<td>157</td>
</tr>
<tr>
<td>Vermont Certificate of Title ~ 2006 – 2008</td>
<td>159</td>
</tr>
<tr>
<td>Vermont Certificate of Title ~ 2000 – 2005</td>
<td>161</td>
</tr>
<tr>
<td>Vermont Certificate of Title ~ 1999</td>
<td>163</td>
</tr>
<tr>
<td><strong>Catalog of Forms</strong></td>
<td></td>
</tr>
<tr>
<td>This Catalog of Forms contains a Table of Contents and instructions for ordering forms from the Department of Motor Vehicles as well as copies of forms that are most frequently used by Dealers. Most forms are also available online. We have also included a Fee Schedule Chart.</td>
<td>167</td>
</tr>
<tr>
<td><strong>Fee Schedules</strong></td>
<td></td>
</tr>
<tr>
<td>Gasoline and Diesel Vehicles (Goldenrod Section)</td>
<td>243</td>
</tr>
<tr>
<td>Other Than Gasoline, Diesel or Electric Vehicles (Buff Section)</td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

Any dealership needing assistance should contact the Department of Motor Vehicles between 7:45 a.m. and 4:30 p.m. Monday through Friday, except holidays. You may also contact District Inspector in your area. If the inspector isn't available, leave a message on the recorder and s/he will return the call.

<table>
<thead>
<tr>
<th>Unit</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law Enforcement and Dealer Regulations</td>
<td>(802) 828-2067</td>
</tr>
<tr>
<td>District Inspectors</td>
<td></td>
</tr>
<tr>
<td>Dealer Information, Temporary Plates</td>
<td>(802) 828-2038</td>
</tr>
<tr>
<td>Dealer Clerk</td>
<td></td>
</tr>
<tr>
<td>Registration, Tax and Title</td>
<td>(802) 828-2000</td>
</tr>
<tr>
<td>Information Section</td>
<td></td>
</tr>
</tbody>
</table>

VERMONT

State of Vermont
Agency of Transportation
DEPARTMENT OF MOTOR VEHICLES
120 State Street
Montpelier, Vermont 05603-0001
dmv.vermont.gov

Robert Ide, Commissioner

Revised 2012
General Dealer Laws And Regulations
Except as may be otherwise provided herein, and unless the context otherwise requires in statutes relating to motor vehicles and enforcement of the law regulating vehicles, as provided in this title and part 5 of Title 20, the following definitions shall apply:

(8) "Dealer" shall mean a person, partnership, or corporation who is engaged in the business of buying, selling, or exchanging new or used motor vehicles, as well as other types of motor vehicle dealers, except finance and auction dealer and transporter:

(A) Who may, as part of or incidental to such business, repair such vehicles, sell parts and accessories or lease or rent motor vehicles and who:

(i) Has had no previous record of willful violations of dealer laws or regulations in this or any other jurisdiction.

(ii) For initial applications only, has had no previous record of criminal convictions for extortion, forgery, fraud, larceny or embezzlement in this or any other jurisdiction.

(iii) Has no unsatisfied judgments against him or her arising out of violations of consumer protection laws in this or any other jurisdiction.

(iv) Presents proof of compliance with the provisions of section 800 of this title at the time application for registration is made.

(v) Is open for business at least 146 days during the calendar year. When the application for registration as a new car dealer or used car dealer is made, the applicant shall provide the commissioner with the hours of operation of the business which the person shall maintain during the registration period.

(vi) Owns real estate (as defined in section 132 of Title 1) as his or her place of business or has a lease with an expiration date not earlier than the last day of the registration year for which registration is sought under the provisions of subchapter 4 of chapter 7 of this title which includes a building of at least 1,200 square feet in size used primarily for the business of the dealership. The building shall have adequate facilities for the maintenance of the records required by law to be kept including, but not limited to, those required by section 466 of this title and for the transfer of motor vehicles.
(B) "New car dealer" shall mean a person who, in addition to satisfying all of the requirements set forth in subdivision (8)(A) of this section, has a valid sales and service agreement, franchise or contract with a manufacturer, assembler, importer or distributor of new motor vehicles for the retail sale of new motor vehicles.

(C) "Finance dealer" means a person who is authorized to do business in this state and is actively engaged in and devoting a principal portion of his or her time to the wholesale and retail financing of motor vehicle sales by and through direct wholesale loans to those who are registered motor vehicle dealers under chapter 7 of this title or the purchase of retail conditional sales contracts from the dealers. A person entitled to dealer registration under this subdivision shall be deemed a dealer only to the extent of moving or operating under dealer registration a motor vehicle which he or she is repossessing in the regular course of his or her business. A person entitled to dealer registration under this subdivision shall also be entitled to demonstrate repossessed motor vehicles.

(D) "Auction dealer" means a person who is authorized to do business in this state and is engaged in the sale of motor vehicles at public auction subject to the provisions of sections 451, 458, 459, 463, 466-468 of this title. A motor vehicle to be sold at public auction by the auction dealer may be transported to the place of auction for a period of up to 30 days prior to the date of auction on auction dealer plates and then only by the dealer or his or her employee. A motor vehicle sold by an auction dealer may only be operated on auction dealer plates on the date of sale and then only by the dealer or his or her employee or by the purchaser when accompanied by the dealer or employee within ten miles of the place of auction.

(E) As used in this subdivision, "person" shall include any individual or, in the case of partnerships, corporations or other entities, the directors, shareholders, officers or partners in these entities. The term "business use of the dealer" shall only mean the motor vehicle business of the motor vehicle dealer to which number plates have been issued pursuant to section 453 of this title.

(F) For new and used car dealers, "engaged in the business" means selling 12 or more pleasure cars or motor trucks owned but not registered by the seller except for vehicles that are to be scrapped, dismantled or destroyed. "Engaged in the business" shall also mean selling, during the immediately preceding registration year, 12 or more pleasure cars or motor trucks which have been in lease or rental services, and persons so engaged shall meet all obligations required of dealers.
(a) Instead of registering each motor vehicle owned by him or her, a dealer may make application under oath to the commissioner, upon forms prescribed and furnished by the commissioner for that purpose, and accompanied by such additional information and certifications as the commissioner may reasonably require, for a general distinguishing number for such motor vehicles. If the commissioner is satisfied that the applicant meets all the requirements of section 4 and chapter 7 of this title and is qualified to engage in such business, the commissioner may issue to the applicant a certificate of registration containing the name, place of residence and address of such applicant, the general distinguishing number assigned, and such additional information as the commissioner may determine. If a dealer has a place of business or agency in more than one city or town, he or she shall file an application and secure a certificate of registration for each place of business or agency. The place of business or agency shall mean a place in any town where motor vehicles owned by a dealer are regularly kept or exposed for sale in the custody or control of the dealer or a salesman, employee or agent of such dealer. In his or her discretion, the commissioner may assign the same distinguishing number with more than one certificate to any dealer who has separate places of business within the same or an adjacent city or town within Vermont. The commissioner may allow a dealer having one distinguishing number with more than one certificate to maintain only one central area for the maintenance of records required by law to be kept, including, but not limited to those required by section 466 of this title and for the transfer of motor vehicles. This location must be in Vermont and must be disclosed on the application prior to approval and may be changed only with the approval of the commissioner or his or her agent. Dealer registration plates shall contain letters indicating the type of dealer certificate issued before the distinguishing number.

(b) With the prior approval of the commissioner, a Vermont dealer may display vehicles on a temporary basis, but in no instance for more than 10 days, at fairs, shows, exhibitions, and other off-site locations within the manufacturer's stated area of responsibility in the franchise agreement. No sales may be transacted at these off-site locations. A dealer desiring to display vehicles temporarily at an off-site location shall notify the commissioner in a manner prescribed by the commissioner no less than two days prior to the first day for which approval is requested.

(c) A new or used car dealer may temporarily transfer possession of a vehicle owned by the dealer on consignment to a registered auction dealer or Vermont licensed auctioneer to be sold at public or private wholesale auction by the auction dealer or Vermont licensed auctioneer.
23 V.S.A. §452 ~ Expiration

Unless otherwise specifically provided or unless canceled, revoked, or suspended, dealers' registrations and certificates shall become void one year from the first day of the month of issue. The commissioner may renew dealer registrations for two years and may stagger expiration dates.

RENEWAL PROCEDURES

NOTE: Dealers are requested to send for their registration renewals by the 15th of the month of renewal, to provide the Department of Motor Vehicles sufficient time for approval and processing. Send application by mail and include only the renewal fee. Do not include fees for temporary plates. Answer ALL questions on your renewal application, and if you lease the building where your business is located, please forward a copy of the lease agreement covering the dealership through renewal month of the following year. Also, all new and used car dealers are required to provide proof of required insurance, a schedule of their hours of operation and a surety bond or its equivalent. Failure to follow the above instructions could delay your application.

23 V.S.A. §453 ~ Fees and Number Plates

(a) An application for dealer's registration shall be accompanied by a fee of $370.00 for each certificate issued in such dealer's name. The commissioner shall furnish free of charge with each dealer's registration certificate five sets of number plates showing the distinguishing number assigned such dealer. In his or her discretion, he or she may furnish further sets of plates at a fee of $40.00 per set.

(b) Application by a "dealer in farm tractors or other self-propelled farm implements," which shall mean a person actively engaged in the business of manufacturing, buying, selling, or exchanging new or secondhand farm tractors or other self-propelled farm implements, for such dealer registration shall annually be accompanied by a fee of $40.00. The commissioner shall furnish free of charge with each such dealer registration certificate two sets of number plates showing the distinguishing number assigned such dealer and in his or her discretion may furnish further sets of plates at a fee of $12.00 per set; such number plates may, however, only be displayed upon a farm tractor or other self-propelled farm implement.

(c) Application by a "dealer in motorized highway building equipment and road making appliances," which shall mean a person actively engaged in the business of manufacturing, buying, selling or exchanging new or secondhand motorized highway building equipment or road making appliances, for such dealer registration shall annually be accompanied by a fee of $90.00. The commissioner shall furnish free of charge with each such dealer registration certificate two sets of number plates...
showing the distinguishing number assigned such dealer and in his or her discretion
may furnish further sets of plates at a fee of $30.00 per set; such number plates,
may, however, only be displayed upon motorized highway building equipment or
road making appliances.

(d) If a dealer is engaged only in the manufacturing, buying, selling, or exchanging of
motorcycles or mopeds, the registration fee shall be $45.00, which shall include
three sets of number plates. The commissioner may, in his or her discretion, furnish
further sets of plates at a fee of $10.00 for each set.

(e) If a dealer is engaged only in the manufacturing, buying, selling or exchanging of
trailers, semi-trailers, or trailer coaches, the registration fee shall be $90.00 which
shall include three number plates; such number plates may, however, only be
displayed upon a trailer, semi-trailer, or trailer coach. The commissioner may, in his
or her discretion, furnish further plates at a fee of $10.00 for each such plate.

(f) In any year that number plates are reused and validation stickers are issued, the
commissioner shall not be required to issue new number plates to persons renewing
registrations under this section.

(g) The commissioner of motor vehicles shall not issue a dealer's certificate of
registration to a new or used car dealer, unless the dealer has provided the
commissioner with a surety bond, letter of credit, or certificate of deposit issued by
an entity authorized to transact business in the same state. The amount of such
surety bond, letter of credit or certificate of deposit shall be between $5,000.00 and
$15,000.00, based on the number of new or used units sold in the previous year;
such schedule to be determined by the commissioner of motor vehicles. In the case
of a certificate of deposit, it shall be issued in the name of the dealer and assigned
to the commissioner or his or her designee. The bond, letter of credit or certificate of
deposit shall serve as indemnification for any monetary loss suffered by the state or
by a purchaser of a motor vehicle by reason of the dealer's failure to remit to the
commissioner any fees collected by the dealer under the provisions of chapters 7
and 21 of this title or by a dealer's failure to remit to the commissioner any tax
collected by the dealer under chapter 219 of Title 32. This state or the motor vehicle
owner who suffers such loss or damage shall have the right to claim against the
surety upon the bond or against the letter of credit or certificate of deposit. The
bond, letter of credit or certificate of deposit shall remain in effect for the pending
registration year and one year thereafter. The liability of any such surety or claim
against the letter of credit or certificate of deposit shall be limited to the amount of
the fees or tax collected by the dealer under chapters 7 and 21 of this title or chapter
219 of Title 32 and not remitted to the commissioner.
NOTE: The amount of the bond or collateral which is required by subsection (g) of this section shall be based on the number of new/used cars and/or trucks sold by a dealer during the prior year. If applicant was not a licensed car dealer in Vermont during the prior year, the amount shall be $15,000.00. The following schedule shall apply to all other car dealers:

(1) Under 25 vehicles – $5,000  
(2) 25 to 100 – $7,500  
(3) 101 to 250 – $10,000  
(4) 251 or more – $15,000

23 V.S.A. §3504 ~ Registration Fees and Plates (All-Terrain Vehicles)

(a) The registration fee for all-terrain vehicles other than as provided for in subsection (b) of this section is $25.00. Duplicate registration certificates may be obtained upon payment of $5.00 to the department.

(b) Any person engaged in the manufacture or sale of all-terrain vehicles shall obtain registration certificates and identifying number plates subject to rules which may be adopted by the commissioner which shall be valid for the following purposes only: testing; adjusting; demonstrating; temporary use of customers for a period not to exceed seven days; private business or pleasure use of the person or members of his or her immediate family; and use at fairs, shows, or races when no charge is made. Fees for registration certificates shall be $45.00 for the first certificate issued to any person and $5.00 for any additional certificate issued to the same person within the current registration period. Fees for temporary number plates shall be $3.00 for each plate issued.

23 V.S.A. §454 ~ Dealer’s Use of Motor Vehicles

(a) A motor vehicle owned by a dealer may be operated, while so owned, under the distinguishing number assigned to him or her as provided in this subchapter, for the following purposes and uses:

(1) For the purpose of testing or adjusting the vehicle in the immediate vicinity of his or her place of business;

(2) For some purpose directly connected with the dealer business, purchasing, selling or exchanging motor vehicles by the dealer. The words "directly connected" for the purposes of this subdivision shall not be construed to include towing service unless the disabled vehicle is being towed to or from the dealer's place of business for repair purposes, nor shall it include the transport of crushed vehicles unless all of the vehicles being so transported are properly recorded in the records of the dealer as required by section 466 of this title;
(3) For a demonstration when the prospective purchaser is operating the vehicle, and then only for a period not to exceed three days;

(4) For the temporary accommodation of a customer of the dealer when a motor vehicle properly registered under the law of the state of residence of the customer, because of accident or wear, is disabled and is left with the dealer for repairs and then only for a period not exceeding seven days;

(5) For the private pleasure use of the dealer and members of his or her immediate family, residing in the same household;

(6) For the use of the vehicles at funerals or in public parades when no charge or rental is made for the use.

(b) The word "dealer" for the purposes of subdivision (a)(5) of this section shall include such of the principal officers of a corporation registered as dealer and such of the partners in a co-partnership registered as dealer as are actively and principally engaged in the motor vehicle business and in any event shall include only those persons listed on the application for a registered dealer submitted to the department, but shall not include directors and stockholders nor inactive and silent partners.

**USE OF DEALER PLATES ON DIFFERENT VEHICLE TYPES**

New car dealers and used car dealers may use their dealer plates on any inspectable **motor vehicle** owned by the dealership.

Motorcycle/moped, trailer, farm tractor, highway building equipment, ATV and snowmobile dealers are permitted to use their dealer plates only on the types of vehicles for which the dealership is registered.

**Example:** A motorcycle dealer plate may be used on a motorcycle or moped only. A trailer dealer plate may be used only on a trailer.

**NOTE:** A dealer plate must be attached to the rear of the vehicle and only in the space provided so that it will be properly illuminated, visible and legible.

**23 V.S.A. §455 ~ Use By Other Than Dealer**

A person, other than a dealer, shall not operate a motor vehicle under the provisions of section 454 of this title unless such person carries a written authority so to do signed by the dealer whose motor vehicle such person is operating.
Employees of a dealer shall not operate, and a dealer shall not permit them to operate, motor vehicles, motorboats, snowmobiles, and all-terrain vehicles with dealer's registration number plates displayed thereon, except for business purposes of the dealer, or in traveling directly between their homes and the place of their employer's business.

(a) The commissioner may cancel, revoke, or suspend a registration certificate issued to a dealer under the provisions of this chapter, whenever, after the dealer has been afforded the opportunity of a hearing before the commissioner or upon conviction in any court in any jurisdiction, it appears that the dealer has willfully violated any motor vehicle law of this state or any lawful regulation of the commissioner, applying to dealers or when it appears that the dealer has engaged in fraudulent or unlawful practices related to the purchase, sale or exchange of motor vehicles. A dealer whose certificate has been canceled shall forthwith return to the commissioner the registration certificate and any and all number plates, or numbers or decals furnished him or her by the commissioner; and the privilege to operate, purchase, sell or exchange motor vehicles under his or her dealer's number shall cease. An application for a new dealer's license for that dealer will not be considered until the suspension period has been served.

(b) A fee of $30.00 shall be paid to the commissioner prior to the reinstatement of any dealer's license or registration certificate canceled, revoked or suspended for cause.

If a dealer comes into possession of a motor vehicle the registration of which has expired by reason of the provisions of section 321 of this title, and which has number plates attached thereto, he or she shall immediately return such number plates to the commissioner.

NOTE: All returned plates must be clean with no paper, metal or other material attached to them when returned to DMV.
**LOST OR STOLEN DEALER PLATES**

If a dealer plate is lost or stolen, the dealer should notify the nearest State Police office and **MUST** notify the Department of Motor Vehicles by calling the Dealer Clerk at 828-2038.

If the plate is reported to the State Police as lost or stolen, it will be entered into the National Crime Information Center (NCIC) system. When reported to the Department of Motor Vehicles, the registration will be canceled. If the lost or stolen plate is later recovered, it **MUST** be returned to the Department of Motor Vehicles and **CANNOT** be used again.

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**23 V.S.A. §465 ~ Loaning of Plates or Vehicles Prohibited**

A dealer shall not loan or lease registration certificates, validation stickers, numbers, or decals or number plates which have been assigned to him or her under the provisions of this chapter, nor shall he or she loan or lease a motor vehicle to which his or her dealer's decals, numbers, or number plates have been attached, nor loan or lease his or her dealer's decals, numbers, or number plates to a subagent.

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**RENTING and HIRING – ILLEGAL USE OF DEALER PLATES**

No dealer shall rent or lease vehicles with dealer plates attached.

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**23 V.S.A. §466 ~ Records**

On a form prescribed or approved by the commissioner, every licensed dealer shall maintain and retain for six years a record containing the following information, which shall be open to inspection by any law enforcement officer or motor vehicle inspector or other agent of the commissioner during reasonable business hours:

1. Every motor vehicle which is bought, sold, or exchanged by the licensee or received or accepted by the licensee for sale or exchange;

2. Every motor vehicle which is bought or otherwise acquired and dismantled by the licensee;

3. The name and address of the person from whom such motor vehicle was purchased or acquired, the date thereof, name and address of the person to whom any such motor vehicle was sold or otherwise disposed of and the date thereof, a sufficient description of every such motor vehicle by name and identifying numbers thereon to identify the same;
(4) If the motor vehicle is sold or otherwise transferred to a consumer, the cash price. For purposes of this section, "consumer" shall be as defined in subsection 2451a(a) of Title 9 and "cash price" shall be as defined in subdivision 2351(6) of Title 9.

NOTES RELATING TO MOTOR VEHICLE RETAIL INSTALLMENT SALES CONTRACTS

Dealers are allowed to finance on a motor vehicle retail installment sales contract the amount to discharge a security interest, lien interest, or lease interest on the traded-in motor vehicle (or negative trade equity) ONLY if the dealer assigns the contract to a bank, a credit union, or a sales finance company licensed with the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA). Only contracts that are assigned by the dealership to a bank, a credit union or a licensed sales finance company are exempt from Vermont’s licensed lender law. Dealers involved with “buy here, pay here” deals (i.e. the dealer intends to hold the paper) ARE NOT authorized by law to include negative trade equity in the retail installment sales contract unless the dealership is a licensed lender under Title 8, Vermont Statutes Annotated, Chapter 73.

The negative trade equity must be separately disclosed on the motor vehicle retail installment sales contract in compliance with state law and federal regulation Z.

Automobile dealers shall provide a new disclosure to ALL buyers that enter into a retail installment sales contract to finance a vehicle, regardless of whether there is positive or negative trade equity. THIS FORM MUST BE USED IN ALL TRANSACTIONS WHERE THE DEALER USES A MOTOR VEHICLE RETAIL INSTALLMENT CONTRACT. The unexecuted disclosure form must be given to the buyer prior to the consummation of the contract and signed by the buyer at the time the buyer signs the retail installment sales contract.

The law imposes a new record-keeping requirement on dealers. It requires dealers to maintain a written log for 6 years of the “cash price” of each vehicle the dealer sells to a consumer. The “cash price” on the Negative Equity Disclosure form (TA-VD-126) and the Dealer’s Vehicle Record log sheet (TA-VD-125) is the minimum price of the vehicle including any accessories that have been attached to the vehicle and reductions for rebates. (See, BISHCA Banking Bulletin #28.) Dealers must record the “cash price” for all vehicles sold to consumers even if they do not finance the sale on a motor vehicle retail installment sales contract. Currently, dealers are required to maintain a log for inspection by DMV or other law enforcement officials, which contains information about where vehicles
are purchased and to whom they are sold (23 V.S.A. §466). This law adds “cash price” to that log.

**NOTE:** The Commissioner has ruled that dealer vehicle records must be maintained on form TA-VD-125 or on a commercially available form that is commonly referred to as a "wash out" sheet. (See sample form in the Catalog of Forms section.) There are a number of these "wash out" forms available from different form vendors and you are free to select any one which meets the same criteria for information and general format as required on the TA-VD-125 form. You are expected to maintain this vehicle record even if your dealership has computerized records.

### 23 V.S.A. §467 ~ Failure of Dealer to Report Purchase and Sale of Vehicles

On a form prescribed by the commissioner, a dealer shall send the reports of sale to the commissioner upon the sale and relative to his or her sale or exchange of new or secondhand motor vehicles, return to the commissioner number plates coming into his or her possession through the sale or exchange of a motor vehicle, the registration of which has expired under the provisions of section 321 of this title.

### DEALER REPORT OF SALE / TEMPORARY REGISTRATION

This is a 3-part form that is to be distributed as follows:

1. **White Copy (DMV):** Mail immediately to the Department of Motor Vehicles. This may also be used as odometer disclosure statement.
2. **Canary Copy (Dealer):** Retain in dealer records.
3. **Pink Copy (Owner):** Owner’s copy.

**THE DEALER REPORT OF SALE MUST BE MADE OUT ON ALL SALES, WHOLESALE DEALER-TO-DEALER TRANSFERS, EVEN-TRADES, AUCTION SALES AND OUT-OF-STATE SALES.**

### 23 V.S.A. §468 ~ General Prohibition

A dealer shall not operate a motor vehicle nor permit the same to be operated under dealer's registration numbers, except as specifically permitted in this chapter. No charge shall be made for any permitted use.
INSPECTION OF VEHICLES WITH DEALER PLATES ATTACHED

A motor vehicle owned by a registered motor vehicle dealer in this state may be operated under such dealer registration without being currently inspected in Vermont for a period not to exceed (15) days from the date of its acquisition or possession by such dealer. An uninspected motor vehicle SHALL NOT, however, be used under dealer registration for demonstration purposes nor for the temporary accommodation of a customer of the dealer. (Inspection is not required for ATV's.)

23 V.S.A. §472 ~ Evidence of Authorization

The commissioner shall issue suitable documents of authorization of dealership which shall be displayed at the dealer's place of business.

23 V.S.A. §473 ~ Penalties

(a) No person shall engage in the business of buying, selling, or offering for sale motor vehicles as defined in this subchapter except for vehicles that are to be scrapped, dismantled, or destroyed without a dealer registration and obtaining dealer plates in accordance with the provisions of this subchapter. A person who violates this section shall be subject to the penalties established pursuant to section 475 of this title. For the purpose of the subchapter "engaged in the business" means selling 12 or more pleasure cars or motor trucks owned but not registered by the seller except for vehicles that are to be scrapped, dismantled, or destroyed. "Engaged in the business" shall also mean selling, during the immediately preceding registration year, 12 or more pleasure cars or trucks which have been in lease or rental service and persons so engaged shall meet all obligations required of dealers.

(b) A person who misrepresents himself or herself as a dealer in the purchase, sale or exchange of a motor vehicle without obtaining a license or after the cancellation, suspension or revocation of the dealer's license shall be subject to the penalties established pursuant to section 475 of this title.

23 V.S.A. §1125 ~ Obstructing Windshields

(a) No person shall paste, stick, or paint advertising matter or other things on or over any transparent part of a motor vehicle windshield, vent windows, or side windows located immediately to the left and right of the operator, nor hang any object, other than a rear view mirror, in back of the windshield except as follows:

(1) In a space not over four inches high and 12 inches long in the lower right-hand corner of the windshield;
(2) In such space as the commissioner of motor vehicles may specify for location of any sticker required by governmental regulation;

(3) In a space not over two inches high and two and one-half inches long in the upper left-hand corner of the windshield;

(4) By persons employed by the federal, state, or local government and volunteer emergency responders operating authorized emergency vehicles who may place any necessary equipment in back of the windshield of the vehicle, provided the equipment does not interfere with the operator's control of the driving mechanism of the vehicle;

(5) On a motor vehicle that is for sale by a licensed automobile dealer prior to the sale of the vehicle, in a space not over three inches high and six inches long in the upper left-hand corner of the windshield, and in a space not over four inches high and 18 inches long in the upper right-hand corner of the windshield;

(6) The commissioner may grant an exemption upon application from a person required for medical reasons to be shielded from the rays of the sun and who attaches to the application a document signed by a licensed physician or optometrist certifying that shielding from the rays of the sun is a medical necessity. The physician or optometrist certification shall be renewed every four years. However, when a licensed physician or optometrist has previously certified to the commissioner that an applicant's condition is both permanent and stable, the exemption may be renewed by the applicant without submission of a form signed by a licensed physician or optometrist. Additionally, the window shading or tinting permitted under this subdivision shall be limited to the vent windows or side windows located immediately to the left and right of the operator. The exemption provided in this subdivision shall terminate upon the sale of the approved vehicle and at that time the applicable window tinting shall be removed by the seller. Furthermore, if the material described in this subdivision tears or bubbles or is otherwise worn to prohibit clear vision, it shall be removed or replaced.

(b) The rear side windows and the back window may be obstructed only if the motor vehicle is equipped on each side with a securely attached mirror, which provides the operator with a clear view of the roadway in the rear and on both sides of the motor vehicle.
FEDERAL USED CAR RULE (BUYERS GUIDE)

The Federal Trade Commissioner's USED CAR RULE requires car dealers to post a window sticker called the BUYER'S GUIDE on all used cars, light vans and light trucks offered for sale. This BUYER'S GUIDE must be given to the purchaser at the time of sale and information contained on the final version must be incorporated into the contract of sale for each vehicle sold. Dealer-to-dealer transfers are not covered under this USED CAR RULE. (See sample form in the Catalog of Forms section).

DIESEL TAX REGULATIONS

As sellers of diesel-powered vehicles, it is possible that a purchaser may make inquiries of you regarding tax, reporting forms, records and other related areas of the Diesel Tax Laws. If you are unsure of the answer(s), please contact the Department of Motor Vehicles, Commercial Vehicle Operations Section at 828-2074.

Diesel powered vehicles with a gross, or registered, weight of 26,001 lbs. and over, that travel outside the State of Vermont, must join the International Fuel Tax Agreement (IFTA). Fuel decals will be issued for all qualifying vehicles and diesel tax reports must be filed on a quarterly basis. For further information regarding Diesel Tax and IFTA, please contact the Commercial Vehicle Operations Unit at 802.828.2070.

If the dealership purchases its diesel fuel at the pump from a Vermont licensed dealer, the diesel tax will be collected at the time of purchase and no further records or user's license need be maintained. For this type vehicle, your present dealer's registration will serve as your fuel user's license.

If the dealership owns any vehicles displaying dealer's registrations while being operated on highways outside the State of Vermont, the dealership is responsible for complying with the laws of the foreign state; the information necessary for compliance can be obtained from the appropriate agency in that state.
Dealer
Administrative Penalties
(a) The commissioner may impose an administrative penalty of not more than $500.00 for each violation against a dealer or a transporter who violates the provisions of this subchapter.

(b) Each violation is a separate and distinct offense and, in the case of a continuing violation, each day's continuance may be deemed a separate and distinct offense. In no event shall the maximum amount imposed for a continuing offense exceed $1,000.00.

(c) The commissioner shall adopt rules establishing a schedule of administrative penalties to be imposed under this section. Penalties shall be based on the severity and frequency of the violation.

(d) The alleged violator shall be given notice and opportunity for a hearing. Service of the notice shall be sufficient if sent by first class mail to the address stated on the dealer's certificate of registration. The notice shall include the following:

1) A factual description of the alleged violation.

2) A reference to the particular statute allegedly violated.

3) The amount of the proposed administrative penalty.

4) A warning that the person will be deemed to have waived his or her right to a hearing, that the penalty will be imposed if no hearing is requested within 15 days from date of notice and that failure to pay a penalty may result in suspension of his or her license.

(e) A person who receives notice under subsection (d) of this section shall be deemed to have waived the right to a hearing unless, within 15 days from the date of the notice, the person requests a hearing in writing. If the person waives the right to a hearing, the commissioner shall issue a final order finding the person in default and imposing the penalty.

(f) The provisions of sections 105, 106, and 107 of this title shall apply to hearings conducted under this section.

(g) The commissioner may collect an unpaid administrative penalty by filing a civil action in superior court, or through any other means available to state agencies.
(h) If a penalty is not paid within 60 days after it is imposed, the commissioner may suspend any license, certificate, registration or permit issued under this subchapter.

(i) The remedies authorized by this section shall be in addition to any other civil or criminal remedies provided by law for violation of this subchapter.
ADMINISTRATIVE PENALTIES AND DURATION OF SUSPENSION

Category 1:

Dealer must serve the prescribed suspension before reinstatement.

a. *Misrepresentation of known vehicle defects to purchaser prior to sale;

b. Failure to accurately represent conditions or terms of loan or lease in writing;

c. Fraudulent record of information or signatures on dealer records or other Department of Motor Vehicle documents;

d. Willfully submitting fraudulent information or documentation on registration, transfer, tax or title documents or other documents submitted for filing;

e. Willful failure to produce dealer records on demand by and inspector, law enforcement officer or other agent of the Commissioner during posted business hours;

*Violation may be referred to the Attorney General’s office for action.*

Category 2:

Dealer must serve the prescribed suspension before reinstatement. In addition, for those violations marked with an asterisk (*) the dealer must show proof of compliance before reinstatement will be considered.

a. Failure to accurately represent ownership of a vehicle as indicated in bills of sale, title or similar documents to purchaser;

b. Signing customer’s or other person’s name without authorization;

c. Failure by dealer to retain records for the required six years;

d. Intentionally charging improper fees or misrepresenting “document” or other similar fees as Department required fees;

e. Charging for the use of dealer vehicle displaying a dealer plate;

f. Failure to immediately notify the Department in writing of a change in name, location, ownership or other required condition of the dealership;

g. Failure to return all Department materials to the Department immediately upon revocation, suspension, cancellation or discontinuance of business;
h. Altering expiration date on any plate or permit;

i. Providing false/inaccurate information or failing to disclose pertinent information on the dealer’s application or accompanying paperwork;

j. *For any violations of Title 32 V. S. A. Chapter 219; *(All taxes and penalties must be paid prior to reinstatement)

k. Failure to pay off existing lien on vehicle taken in trade as required by the contract with the customer.

β Category 3:

a. Failure to be or remain in compliance with any portion of Title 23 V. S. A. §4 (8), 42 or any of the conditions as defined in Part A of this rule, including the sign requirements and hours of operation;

b. For any violation of Title 23 V. S. A. §800 – Maintenance of financial responsibility;

c. Issuing the Department a non-negotiable (bad, insufficient funds, account closed or counterfeit) check;

d. Issuing temporary plate or Intransit Permit at other than date of sale;

e. Use of a recovered dealer’s registration plate after being reported lost or stolen;

f. Permitting or using customer’s returned plates;

g. For any violation of Title 23 V. S. A. §453 – Fees and number plates;

h. Failure to maintain dealer records including failure to maintain temporary and Intransit plate logs.

β Category 4:

a. Failure to display “Buyers Guide” as required by Federal Regulations;

b. Inaccurate, illegible or incomplete recording of information on records retained by the dealer;

c. Improper dealer plate, temporary plate or Intransit permit security;

d. Failure to conspicuously display license certificate;
e. Failure to issue proper type of plate or permit (upon receipt of fees);

f. Failure to assign correct expiration date to plate or permit;

g. Failure to account for voided temporary plate or Intransit Permit;

h. Failure to immediately report dealer’s registration plate as lost or stolen to the Department;

i. Failure to immediately return recovered lost or stolen dealer’s registration plate to the Department;

j. Failure to display proper validation sticker on dealer’s registration plate;

k. Failure to provide registration and insurance certificate with the dealer vehicle being used on the public highway;

l. Failure to properly update Dealer’s Guide;

m. Use of dealer plate on an unauthorized type of vehicle.
** DEALER LICENSE REQUIREMENTS – PLACE OF BUSINESS  
(Category 3 Regulations)**

**Building Requirements:**

1. The building shall be at least 1200 square feet in size. Measurements of the building shall be around the exterior of the building if single level. A multi-level or multi-use building shall be measured on the inside perimeter of all space to be used by the dealership.

2. The space occupied by a dealer within a building shall be used primarily for the dealer business.

3. The building shall contain a heated dealer office area, which shall be separate from any unrelated business quarters and must contain reasonable accommodations to conduct business with the public. Dealer records must be housed and maintained in the dealer office area. The Commissioner may grant written approval for records to be housed and maintained in a building other than the dealer’s office if located on the dealer’s premises. The dealer license certificate must be displayed in the office area and be visible to the public.

4. If the building is multilevel or multiuse, the dealership must have an entrance that is easily recognizable by the public.

**Outside Display Area Requirements:**

The outside display area must be located in the immediate proximity of the approved building and maintained for display purposes. Dealers owning property on both sides of a public highway located opposite the approved building may use the property for display purposes.

**Sign Requirements:**

A sign, visible to the public, displaying the business or trade name of the dealership must be in place prior to the first anniversary of the licensed dealership.

**Hours of Operation Requirements:**

The dealership shall be open for business a minimum of one hundred and forty-six (146), six (6) hour days during each registration year. The days and hours of business, some portion of which shall contain a minimum of four (4) consecutive hours between 6 AM and 6 PM, shall be posted in a place visible to the consumer. **Finance and Auction Dealers are exempt.**
VIN and Odometer Laws
A person shall not knowingly keep in his or her possession or ownership for more than 10 days a motor vehicle or vessel, the manufacturer's serial or motor numbers or identifying numbers assigned by the commissioner of which have been changed, tampered with, obliterated or defaced, unless the person has applied to the commissioner for the assignment of a new number to be placed on the vehicle or vessel or motor and the application has been granted.

The application shall not be granted by the commissioner of motor vehicles until he or she is satisfied that the person applying for the assignment of such new identifying number is the rightful owner of the motor vehicle described in the application.

A person who willfully changes or attempts to change, or who tampers with, obliterate, defaces, or in any manner interferes with the original or assigned motor number or manufacturer's serial number of any motor vehicle or vessel, or with any of the secret or identifying numbers placed by the manufacturer of a motor vehicle or vessel by the commissioner or any of the parts thereof upon the vehicle or vessel or parts, shall be fined not more than $1,000.00, or imprisoned not more than one year, or both for the first offense and fined not more than $5,000.00 or imprisoned not more than five years, or both, for each subsequent offense.

The possession by a person of a motor vehicle or vessel, the motor or manufacturer's serial or commissioner assigned identifying number of which has been changed, tampered with, obliterated or defaced, shall be prima facie evidence of a violation of the provisions of section 1703 of this title, unless the person applies to the commissioner for the assignment of a new number as provided in section 1702 of this title.

Any person who sells, attempts to sell, or causes to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile and has actual knowledge that the odometer, hubometer reading, or clock meter reading has been
changed, tampered with or defaced without disclosing same and a person who changes, tampers with or defaces, or who attempts to change, tamper with or deface, any gauge, dial, or other mechanical instrument, commonly known as an odometer, hubometer, or clock meter, in a motor vehicle, highway building appliance, motorboat, or all-terrain vehicle or snowmobile, which, under normal circumstances and without being changed, tampered with or defaced, is designed to show by numbers or words the distance which the motor vehicle, highway building appliance, motorboat, or all-terrain vehicle or snowmobile travels, or who willfully misrepresents the odometer, hubometer or clock meter reading on the odometer disclosure statement or similar statement, title or bill of sale shall be fined not more than $1,000.00 for a first offense and fined not more than $2,500.00 for each subsequent offense.
Title Laws
Except when the context otherwise requires, as used in this chapter:

(1) "Dealer" means a person as defined in subdivision 4(8) of this title.

(2) "Commissioner" means the commissioner of motor vehicles.

(3) "Identification number" means the numbers and letters, if any, on a vehicle designated by the commissioner for the purpose of identifying the vehicle.

(4) "Lienholder" means a person holding a security interest in a vehicle.

(5) "Owner" for certificate of title purposes, means a person, other than a lienholder, having the property in or title to a vehicle. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person, but excludes a lessee under a lease not intended as security.

(6) "Security agreement" means a written agreement which reserves or creates a security interest.

(7) "Security interest" means an interest in a vehicle reserved or created by agreement and which secures payment or performance of an obligation. The term includes the interest of a lessor under a lease intended as security. The term also includes a non-possessory attachment issued by a court of competent jurisdiction within this state. The term also includes liens obtained by the commissioner of taxes pursuant to the provisions of Title 32. Notwithstanding subdivision 2041(2) of this title, the term also includes arrearage liens obtained by the office of child support pursuant to the provisions of Title 15. A security interest is "perfected" when it is valid against third parties generally, subject only to specific statutory exceptions.

(8) "State" means a state, territory or possession of the United States, the District of Columbia, the commonwealth of Puerto Rico or a province of the Dominion of Canada.

(9) "Vehicle" means a motor vehicle as defined by section 4 of this title.

(10) "Manufacturer's or importer's certificate of origin" means the original written instrument or document required to be executed and delivered by the manufacturer to his or her agent or dealer, or a person purchasing direct from the manufacturer, certifying the origin of the vehicle.
(11) "Salvage dealer" means any person who, in a single year, purchases or in any manner acquires three motor vehicles as salvage or who scraps, dismantles or destroys three motor vehicles in a single year.

(12) "Rebuilt motor vehicle" means a vehicle upon which a salvage certificate of title, parts-only certificate or other document indicating the vehicle is not sold for re-registration purposes, has been issued and which has been rebuilt and restored for highway operation.

(13) "Salvaged motor vehicle" means a motor vehicle which has been scrapped, dismantled, destroyed or declared a total loss by an insurance company.

(14) "Totaled motor vehicle" means a motor vehicle which has been declared by an insurance company to be a total loss.

(15) "Title or certificate of title" means a written instrument or document that certifies ownership of a vehicle and is issued by the commissioner or equivalent official of another jurisdiction.

(16) "Secure assignment of title" means a form prescribed by the commissioner that must be used to transfer ownership of a titled vehicle if all space for assignments upon the title itself has been used.

(17) "Salvage certificate of title" means a title that is stamped or otherwise branded to indicate that the vehicle described thereon is a salvaged motor vehicle or has been scrapped, dismantled, destroyed or declared a total loss by an insurance company, or both.

(18) "Time of sale or transfer" or "date of sale" means the date when physical delivery of the vehicle to the purchaser occurs.

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### 23 V.S.A. §2002 ~ Fees

| NOTE: Fees are accurate as of July 1st 2012 |

(a) The commissioner shall be paid the following fees:

(1) For any certificate of title, including a salvage certificate of title, $33.00;

(2) For each security interest noted upon a certificate of title, including a salvage certificate of title, $10.00;

(3) For a certificate of title after a transfer, $33.00;
(4) For each assignment of a security interest noted upon a certificate of title, $10.00;

(5) For a duplicate certificate of title, including a salvage certificate of title, $33.00;

(6) For an ordinary certificate of title issued upon surrender of a distinctive certificate, $33.00;

(7) For filing a notice of security interest, $10.00;

(8) For a certificate of search of the records of the motor vehicle department, for each motor vehicle searched against, $20.00;

(9) For filing an assignment of a security interest, $10.00;

(10) For a certificate of title after a security interest has been released, $33.00;

(11) For a certificate of title for a motor vehicle granted a veteran by the veterans' administration and exempt from registration fees pursuant to section 378 of this title, no fee;

(12) For a corrected certificate of title, $33.00.

(b) If an application, certificate of title or other document required to be mailed or delivered to the commissioner under any provision of this chapter is not delivered to the commissioner within ten days from the time it is required to be mailed or delivered, the commissioner shall collect, as a penalty, an amount equal to the fee required for the transaction.

23 V.S.A. §2011 ~ Certificate of Origin

When a new vehicle is delivered in this state by the manufacturer to his or her agent or his or her franchised dealer, the manufacturer shall execute and deliver to his or her agent or his or her franchised dealer a certificate of origin in the form prescribed by the commissioner, and no person shall bring into this state any new vehicle unless he or she has in his or her possession the certificate of origin as prescribed by the commissioner. The certificate of origin shall contain the manufacturer's vehicle identification number of the motor vehicle, the name of the manufacturer, the make of the vehicle, the model year, number of cylinders, a general description of the body, if any, and the type of model. When a new vehicle is sold in this state, the manufacturer, his or her agent or his or her franchised dealer shall execute and deliver to the purchaser, in case of an absolute sale, assignment of the certificate of origin or if other than absolute sale, assignment of the certificate of origin subject to contract, signed or executed by the manufacturer, his or her agent or his or her dealer, with the genuine names and business or residence addresses of both stated thereon, and certified to
have been executed with full knowledge of the contents and with the consent of both purchaser and seller. For good cause shown, the commissioner may accept any other satisfactory evidence of the above required information.

### 23 V.S.A. §2012 ~ Exempted Vehicles

No certificate of title need be obtained for:

1. A vehicle owned by the United States, unless it is registered in this state;

2. A vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing or demonstration, or used by an educational institution approved by the department of education for driver training purposes, or a vehicle used by a manufacturer solely for testing;

3. A vehicle owned by a nonresident of this state and not required by law to be registered in this state;

4. A vehicle regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;

5. A self-propelled wheelchair or invalid tricycle;

6. A motorcycle which has less than 300 cubic centimeters of engine displacement;

7. Any trailer with an unladen weight of 1,500 pounds or less.;

8. A moped;

9. Any other type of vehicle designed primarily for off-highway use and deemed exempt by the commissioner.

### 23 V.S.A. §2013 ~ When Certificate Required

(a) Except as provided in section 2012 of this title, the provisions of this chapter shall apply to all motor vehicles at the time of first registration or when a change of registration is required under the provisions of section 321 of this title by reason of a sale for consideration, except for vehicles that are more than 15 years old.

(b) The commissioner shall not require an application for a certificate of title upon the renewal of the registration of a vehicle.

(c) The commissioner shall note on the face of the registration of each vehicle for which a certificate of title has been issued a statement to that effect.
(a) The application for the first certificate of title of a vehicle in this state shall be made by the owner to the commissioner on the form he or she prescribes and shall contain:

(1) The name, residence and mail address of the owner;

(2) A description of the vehicle including, so far as the following data exist, its make, model, identification number, odometer reading, or hubometer reading or clock meter reading on all vehicles, type of body, the number of cylinders, and whether new or used;

(3) The date of purchase by the applicant, the name and address of the person from whom the vehicle was acquired, and the names and addresses of any lienholder’s in the order of their priority and the dates of their security agreements and, if a new vehicle, the application shall be accompanied by a manufacturer's or importer's certificate of origin;

(4) Any further information the commissioner reasonably requires to identify the vehicle and to enable him or her to determine whether the owner is entitled to a certificate of title and the existence or nonexistence of security interests in the vehicle.

(b) If the application refers to a vehicle purchased from a dealer, it shall contain the name and address of any lienholder holding a security interest created or reserved at the time of the sale and the date of his or her security agreement and be signed by the dealer as well as the owner, and the dealer shall promptly mail or deliver the application to the commissioner.

(c) If the application refers to a vehicle last previously registered in another state or country, the application shall contain or be accompanied by:

(1) Any certificate of title issued by the other state or country;

(2) Any other information and documents the commissioner reasonably requires to establish the ownership of the vehicle and the existence or nonexistence of security interests in it; and

(3) The certificate of a person authorized by the commissioner that the identification number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the commissioner reasonably requires.
(a) Each certificate of title issued by the commissioner shall contain:

(1) The date issued;

(2) The name and address of the owner;

(3) The names and addresses of any lienholder’s, in the order of priority as shown on the application or, if the application is based on a certificate of title, as shown on the certificate; however, no more than two lienholder’s may appear on a certificate. In the event that there are more than two lienholder’s on the vehicle, the certificate of title shall contain the legend "There are more than two lienholder’s on this vehicle. Contact the Vermont Department of Motor Vehicles for details.";

(4) The title number assigned to the vehicle;

(5) A description of the vehicle including, so far as the following data exist, its make, model, identification number, odometer reading or hubometer reading or clock meter reading on all vehicles, type of body, number of cylinders, whether new or used, and, if a new vehicle, the date of the first sale of the vehicle for use; and

(6) Any other data the commissioner prescribes.

(b) Unless a bond is filed as provided in subdivision (2) of section 2020 of this title, a distinctive certificate of title shall be issued for a vehicle last previously registered in another state or country the laws of which do not require that lienholder’s be named on a certificate of title to perfect their security interests. The certificate shall contain the legend "This vehicle may be subject to an undisclosed lien" and may contain any other information the commissioner prescribes. If no notice of a security interest in the vehicle is received by the commissioner within four months from the issuance of the distinctive certificate of title, he or she shall, upon application and surrender of the distinctive certificate of title, issue a certificate of title in ordinary form.

(c) The certificate of title shall contain forms for assignment and warranty of title by the owner and for assignment and warranty of title by a dealer, and may contain forms for applications for a certificate of title by a transferee, the naming of a lienholder and the assignment or release of the security interest of a lienholder.

(d) A certificate of title issued by the commissioner is prima facie evidence of the facts appearing on it.

(e) A certificate of title for a vehicle is not subject to garnishment, attachment, execution or other judicial process, but this subsection does not prevent a lawful levy upon the vehicle.
(f) If a vehicle has been returned to the manufacturer after final determination, adjudication or settlement pursuant to the provisions of chapter 115 of Title 9 or after final determination, adjudication or settlement under similar laws of any other state, any certificate of title for the vehicle shall contain the following legend: "This vehicle was returned to the manufacturer pursuant to motor vehicle arbitration board, or similar proceedings, 9 V.S.A. §4181."

### 23 V.S.A. §2019 ~ Mailing Certificate

The certificate of title shall be mailed or personally delivered, upon proper identification of the individual, to the first lienholder named in it or, if none, to the owner.

### 23 V.S.A. §2020 ~ Withholding of Certificate; Bond Required

If the commissioner is not satisfied as to the ownership of the vehicle or that there are no undisclosed security interests in it, the commissioner may register the vehicle but shall either:

(1) Withhold issuance of a certificate of title until the applicant presents documents reasonably sufficient to satisfy the commissioner as to the applicant's ownership of the vehicle and that there are no undisclosed security interests in it; or

(2) As a condition of issuing a certificate of title, require the applicant to file with the commissioner a bond in the form prescribed by the commissioner and executed by the applicant, and either accompanied by the deposit of cash with the commissioner or also executed by a person authorized to conduct a surety business in this state. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the commissioner and conditioned to indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of title of the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, and any deposit accompanying it, shall be returned at the end of three years or prior thereto if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the commissioner, unless the commissioner has been notified of the pendency of an action to recover on the bond.
23 V.S.A. §2021 ~ Refusal of Certificate

The commissioner shall refuse issuance of a certificate of title if any required fee is not paid or if he has reasonable grounds to believe that:

(1) The applicant is not the owner of the vehicle;

(2) The application contains a false or fraudulent statement; or

(3) The applicant fails to furnish required information or documents or any additional information the commissioner reasonably requires.

23 V.S.A. §2022 ~ Duplicate Certificate

(a) If a certificate is lost, stolen, mutilated or destroyed or becomes illegible, the first lienholder or, if none, the owner or legal representative of the owner named in the certificate, as shown by the records of the commissioner, shall promptly make application for and may obtain a duplicate upon furnishing information satisfactory to the commissioner. The duplicate certificate of title shall contain the legend "This is a duplicate certificate and may be subject to the rights of a person under the original certificate." It shall be mailed to the first lienholder named in it or, if none, to the owner.

(b) [Repealed.]

(c) A person recovering an original certificate of title for which a duplicate has been issued shall promptly surrender the original certificate to the commissioner.

(d) When a duplicate certificate of title is issued, the commissioner shall cause the original certificate of title for that vehicle to be revoked.

23 V.S.A. §2023 ~ Transfer of Interest in Vehicle

(a) If an owner transfers his or her interest in a vehicle, other than by the creation of a security interest, he or she shall, at the time of delivery of the vehicle, execute an assignment and warranty of title to the transferee in the space provided therefore on the certificate or as the commissioner prescribes, and of the odometer reading or hubometer reading or clock meter reading of the vehicle at the time of delivery in the space provided therefore on the certificate, and cause the certificate and assignment to be mailed or delivered to the transferee or to the commissioner. Where title to a vehicle is in the name of more than one person, the nature of the ownership must be indicated by one of the following on the certificate of title:
(b) Upon request of the owner or transferee, a lienholder in possession of the certificate of title shall, unless the transfer was a breach of his or her security agreement, either deliver the certificate to the transferee for delivery to the commissioner or, upon receipt from the transferee of the owner's assignment, the transferee's application for a new certificate and the required fee, mail or deliver them to the commissioner. The delivery of the certificate does not affect the rights of the lienholder under his security agreement.

(c) If a security interest is reserved or created at the time of the transfer, the certificate of title shall be retained by or delivered to the person who becomes the lienholder, and the parties shall comply with the provisions of section 2043 of this title.

(d) Except as provided in section 2024 of this title and as between the parties, a transfer by an owner is not effective until the provisions of this section and section 2026 of this title have been complied with; however, an owner who has delivered possession of the vehicle to the transferee and has complied with the provisions of this section and section 2026 of this title requiring action by him or her is not liable as owner for any damages thereafter resulting from operation of the vehicle.

(e) Notwithstanding other provisions of the law, whenever the estate of an individual who dies intestate consists principally of an automobile, the surviving spouse shall be deemed to be the owner of the motor vehicle and title to the same shall automatically and by virtue hereof pass to said surviving spouse. Registration of the vehicle in the name of the surviving spouse shall be effected by payment of a transfer fee of $7.00. This transaction is exempt from the provisions of the purchase and use tax on motor vehicles.

(1) Notwithstanding other provisions of the law, and except as provided in subdivision (2) of this subsection, whenever the estate of an individual consists in whole or in part of a motor vehicle, and the person's will or other testamentary document does not specifically address disposition of motor vehicles, the surviving spouse shall be deemed to be the owner of the motor vehicle and title to the motor vehicle shall automatically pass to the surviving spouse. Registration and title of the motor vehicle in the name of the surviving spouse shall be effected by payment of a transfer fee of $7.00. This transaction is exempt from the provisions of the purchase and use tax on motor vehicles.

(2) This subsection shall apply to no more than two motor vehicles, and shall not apply if the motor vehicle is titled in the name of one or more persons other than the decedent and the surviving spouse.
(f) Where the title identifies a person who will become the owner upon the death of the principal owner (Transfer On Death), the principal owner shall have all rights of ownership and rights of transfer until his or her death. The designated transferee shall have no rights of ownership until such time as the principal owner has died as established by a valid death certificate. At that time, the transferee shall become the owner of the vehicle subject to any existing security interests.

23 V.S.A. §2024 ~ Resale by Dealer

If a dealer buys a vehicle and holds it for resale and obtains the certificate of title from the owner or the lienholder within 10 days after receiving the vehicle, the certificate need not be sent to the commissioner. When the dealer transfers the vehicle to a person, other than by the creation of a security interest, he or she shall simultaneously execute the assignment and warranty of title by filling in the spaces on the certificate of title or as prescribed by the commissioner. The certificate shall be mailed or delivered to the commissioner with the transferee's application for a new certificate.

23 V.S.A. §2025 ~ Involuntary Transfers

(a) If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as provided in subsection (b) of this section, promptly mail or deliver to the commissioner the last certificate of title, if available, proof of the transfer, and his or her application for a new certificate in the form the commissioner prescribes.

(b) If the interest of the owner is terminated or the vehicle is sold under a security agreement by a lienholder named in the certificate of title, the transferee shall promptly mail or deliver to the commissioner the last certificate of title, his or her application for a new certificate in the form the commissioner prescribes, and an affidavit made by or on behalf of the lienholder that the vehicle was repossessed and that the interest of the owner was lawfully terminated or sold pursuant to the terms of the security agreement. If the lienholder succeeds to the interest of the owner and holds the vehicle for resale, he or she need not secure a new certificate of title but, upon transfer to another person, shall promptly mail or deliver to the transferee or to the commissioner the certificate, affidavit, and other documents required to be sent to the commissioner by the transferee.

(c) A person holding a certificate of title whose interest in the vehicle has been extinguished or transferred other than by voluntary transfer shall mail or deliver the certificate to the commissioner upon request of the commissioner. The delivery of the certificate pursuant to the request of the commissioner does not affect the rights of the person surrendering the certificate, and the action of the commissioner in issuing a new certificate of title as provided herein is not conclusive upon the rights of an owner or lienholder named in the old certificate.
23 V.S.A. §2026 ~ Fee to Accompany Applications

(a) An application for a certificate of title shall be accompanied by the required fee when mailed or delivered to the commissioner.

(b) An application for the naming of a lienholder or his or her assignee on a certificate of title shall be accompanied by the required fee when mailed or delivered to the commissioner.

23 V.S.A. §2029 ~ Suspension or Revocation of Certificate

(a) The commissioner shall suspend or revoke a certificate of title, upon notice and reasonable opportunity to be heard in accordance with section 2004 of this chapter, if he or she finds:

   (1) The certificate of title was fraudulently procured or erroneously issued; or

   (2) The vehicle has been scrapped, dismantled or destroyed.

(b) Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

(c) When the commissioner suspends or revokes a certificate of title, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, mail or deliver the certificate to the commissioner.

(d) The commissioner may seize and impound any certificate of title which has been canceled, suspended or revoked.

23 V.S.A. §2041 ~ Certain Liens and Security Interests Not Affected

This chapter does not apply to or affect:

(1) A lien given by statute or rule of law to a supplier of services or materials for the vehicle;

(2) A lien given by statute to the United States, this state, or any political subdivision of this state;

(3) A security interest in a vehicle created by a manufacturer or dealer who holds the vehicle for sale, but a buyer in the ordinary course of trade from the manufacturer or dealer takes free of the security interest.
(a) Unless excepted by section 2041 of this title, a security interest in a vehicle of a type for which a certificate of title is required is not valid against creditors of the owner or subsequent transferees or lienholder’s of the vehicle unless perfected as provided in this subchapter.

(b) A security interest is perfected by the delivery to the commissioner of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the lienholder and the date of his or her security agreement and the required fee. It is perfected as of the time of its creation if delivery is completed within 20 days thereafter, otherwise as of the time of the delivery.

(c) If a vehicle is subject to a security interest when brought into this state, the validity of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest attached, subject to the following:

(1) If the parties understood at the time the security interest attached that the vehicle would be kept in this state and it was brought into this state within 30 days thereafter for purposes other than transportation through this state, the validity of the security interest in this state is determined by the law of this state.

(2) If the security interest was perfected under the law of the jurisdiction where the vehicle was when the security interest attached, the following rules apply:

(A) If the name of the lienholder is shown on an existing certificate of title issued by that jurisdiction, his or her security interest continues perfected in this state.

(B) If the name of the lienholder is not shown on an existing certificate of title issued by that jurisdiction, the security interest continues perfected in this state for four months after a first certificate of title of the vehicle is issued in this state, and also thereafter if, within the four-month period, it is perfected in this state. The security interest may also be perfected in this state after the expiration of the four-month period; in that case perfection dates from the time of perfection in this state.

(3) If the security interest was not perfected under the law of the jurisdiction where the vehicle was when the security interest attached, it may be perfected in this state; in that case, perfection dates from the time of perfection in this state.

(4) A security interest may be perfected under subdivision (2)(B) or subdivision (3) of this subsection either as provided in subsection (b) of this section or by the lienholder delivering to the commissioner a notice of security interest in the form the commissioner prescribes and the required fee.
If an owner creates a security interest in a vehicle:

(1) The owner shall immediately execute the application, in the space provided therefore on the certificate of title or on a separate form the commissioner prescribes, to name the lienholder on the certificate, showing the name and address of the lienholder and the date of his or her security agreement, and cause the certificate, the application and the required fee to be delivered to the lienholder.

(2) The lienholder shall immediately cause the certificate, the application and the required fee to be mailed or delivered to the commissioner.

(3) Upon request of the owner or subordinate lienholder, a lienholder in possession of the certificate of title shall either mail or deliver the certificate to the subordinate lienholder for delivery to the commissioner or, upon receipt from the subordinate lienholder of the owner's application and the required fee, mail or deliver them to the commissioner with the certificate. The delivery of the certificate does not affect the rights of the first lienholder under his or her security agreement.

(4) Upon receipt of the certificate of title, the application and the required fee, the commissioner shall either endorse the certificate or issue a new certificate containing the name and address of the new lienholder, and mail the certificate to the first lienholder named in it.

(a) A lienholder may assign, absolutely or otherwise, his or her security interest in the vehicle to a person other than the owner without affecting the interest of the owner or the validity of the security interest, but any person without notice of the assignment is protected in dealing with the lienholder as the holder of the security interest and the lienholder remains liable for any obligations as lienholder until the assignee is named as lienholder on the certificate.

(b) The assignee may, but need not to perfect the assignment, have the certificate of title endorsed or issued with the assignee named as lienholder, upon delivering to the commissioner the certificate and an assignment by the lienholder named in the certificate in the form the commissioner prescribes.

(a) Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the lienholder, he or she shall, within 10 days after demand and, in any event, within 30 days, execute a release of his or her security interest, in the space provided therefore on the certificate or as the commissioner prescribes,
and mail or deliver the certificate and release to the next lienholder named therein, or, if none, to the owner or any person who delivers to the lienholder an authorization from the owner to receive the certificate. The owner, other than a dealer holding the vehicle for resale, shall promptly cause the certificate and release to be mailed or delivered to the commissioner, who shall release the lienholder's rights on the certificate or issue a new certificate.

(b) Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of a prior lienholder, the lienholder whose security interest is satisfied shall within 10 days after demand and, in any event, within 30 days execute a release in the form the commissioner prescribes and deliver the release to the owner or any person who delivers to the lienholder an authorization from the owner to receive it. The lienholder in possession of the certificate of title shall either deliver the certificate to the owner, or the person authorized by him, for delivery to the commissioner or, upon receipt of the release, mail or deliver it with the certificate to the commissioner, who shall release the subordinate lienholder's rights on the certificate or issue a new certificate.

23 V.S.A. §2046 ~ Lienholder to Furnish Information

A lienholder named in a certificate of title shall, upon written request of the owner or of another lienholder named on the certificate, disclose any pertinent information as to his or her security agreement and the indebtedness secured by it.

23 V.S.A. §2047 ~ Method of Perfecting Security Interest Exclusive

The method provided in this subchapter of perfecting and giving notice of security interests subject to this subchapter is exclusive. Security interests subject to this subchapter are hereby exempted from the provisions of law which otherwise require or relate to the filing of instruments creating or evidencing security interests.

23 V.S.A. §2081 ~ Application of Subchapter

(a) This subchapter does not apply to a self-propelled wheelchair or invalid tricycle.

(b) The provisions of this subchapter that apply to certificates of title shall also apply to salvage certificates of title, certificates of origin and secure assignments of title.
A person who, with fraudulent intent:

(1) Alters, forges, counterfeits or knowingly makes or causes to be made a false official certificate of title;

(2) Alters or forges an assignment of a certificate of title, or an assignment or release of a security interest, on a certificate of title or a form the commissioner prescribes;

(3) Has possession of or uses a certificate of title knowing it to have been altered, forged, counterfeited or fraudulently obtained or made; or

(4) Uses a false or fictitious name or address, or makes a material false statement, or fails to disclose a security interest, or conceals any other material fact in or alters information on or forges a signature on an application for a certificate of title or duplicate certificate of title, shall be fined not less than $500.00 or more than $5,000.00 or be imprisoned not less than one year or more than five years or be both fined and imprisoned.

A person who:

(1) With fraudulent intent, permits another, who is not entitled, to use or have possession of a certificate of title;

(2) Willfully fails to mail or deliver a certificate of title or application for a certificate of title to the commissioner within 20 days after the transfer or creation or satisfaction of a security interest;

(3) Willfully fails to deliver to his or her transferee a certificate of title within 20 days after the transfer;

(4) Willfully and without authority signs a name other than his or her own on any title or inaccurately states or alters the chain of ownership or other information required on any title, or fails to return a certificate of title that has been fraudulently made, or has unauthorized possession of blank certificates of title or manufacturer's certificates of origin;

(5) Willfully violates any provision of this chapter, except as provided in subdivision (6) of this subsection or section 2082 of this title, shall be fined not more than $2,000.00, or imprisoned for not more than two years, or both; or
(6) Willfully represents as his or her own, or sells a motor vehicle or vessel on which he or she does not hold legal title to or is not authorized to sell or transfer the vehicle or vessel by the titleholder shall be fined not more than $5,000.00, or imprisoned for not more than five years, or both, for each offense.

23 V.S.A. §2091 ~ Dismantling or Destruction of Vehicle

(a) Except for vehicles for which no certificate of title is required pursuant to section 2012 of this title and for vehicles which are more than 15 years old, any person who purchases or in any manner acquires a vehicle as salvage, who scraps, dismantles, or destroys a motor vehicle or any insurance company or representative thereof who declares a motor vehicle to be a total loss shall make application for a salvage certificate of title within 15 days of the time the vehicle is purchased or otherwise acquired as salvage, scrapped, dismantled, or destroyed, or declared a total loss. The application shall be accompanied by:

(1) Any certificate of title; and

(2) Any other information or documents that the commissioner may reasonably require to establish ownership of the vehicle and the existence or nonexistence of any security interest in the vehicle.

(b) When a vehicle is destroyed by crushing for scrap, the person causing the destruction shall immediately mail or deliver to the commissioner the certificate of title, if any, endorsed "crushed" and signed by the person, accompanied by the original plate showing the original vehicle identification number. The plate shall not be removed until such time as the vehicle is crushed.

(c) This section shall not apply to, and salvage certificates shall not be required for, unrecovered stolen vehicles or vehicles stolen and recovered in an undamaged condition, provided that the original vehicle identification number plate has not been removed, altered or destroyed and the number thereon is identical with that on the original title certificate.

23 V.S.A. §2092 ~ Issuance of Salvage Title

The commissioner shall file and maintain in the manner provided in section 2017 of this title each application received and when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of a salvage certificate of title, shall issue a salvage certificate of title to the vehicle.

23 V.S.A. §2093 ~ Salvaged, Totaled and Rebuilt Vehicles

(a) If a vehicle upon which a salvage certificate of title, a parts-only certificate or other document indicating the vehicle is not sold for re-registration purposes has been or
should have been issued by the commissioner or by any other jurisdiction or person and or both, a vehicle that has been declared a totaled motor vehicle is rebuilt and restored for highway operation, the owner thereof shall not apply for a certificate of title or registration, and none shall be issued until the vehicle has been inspected by the commissioner or his authorized representative. The inspection of the vehicle shall be conducted in the manner prescribed by the commissioner and shall include verification of the vehicle identification number and bills of sale or titles for major component parts used to rebuild the vehicle. When necessary, a new vehicle identification number shall be attached to the vehicle as provided by section 2003 of this title. Any new title issued for such vehicles shall contain the legend "rebuilt vehicle."

(b) Any person who sells, trades or offers for sale or trade any interest in a salvaged, salvaged and rebuilt, or totaled vehicle shall disclose the fact that the vehicle has been salvaged, salvaged and rebuilt or totaled to a prospective purchaser both orally and in writing before a sale, trade or transfer is made. Written disclosure that the vehicle has been salvaged, salvaged and rebuilt or totaled, in addition to being disclosed on the certificate of title as required by this subchapter, shall also be conspicuously disclosed on any bill of sale, transfer, purchase or other agreement.

(c) Failure of the seller to provide the notices required by this section shall result in the seller being required, at the option of the buyer, to refund to the buyer the purchase price, including taxes, license fees and similar governmental charges.

23 V.S.A. §2094 ~ Records; Inspection

(a) Each person who purchases or in any manner acquires a motor vehicle as salvage shall keep and maintain for a period of not less than five years such records as may be prescribed by the commissioner which are reasonably necessary to substantiate the information contained in the application required by sections 2091 and 2093 of this title. These records shall include but are not limited to parts and accessories obtained and used for the repair or rebuilding, or both, of a vehicle, and such financial records that will allow the commissioner to determine if the person qualifies to become or remain licensed as a "salvage dealer."

(b) The commissioner or his or her agents may inspect and examine the books, records, premises and vehicles on the premises of any salvage dealer during the usual business hours of the day to verify the truth and accuracy of any information furnished in connection with the provisions of this subchapter.

(c) Any salvage dealer who in any manner receives a motor vehicle which does not have a plate attached to said vehicle bearing the vehicle identification number shall notify the commissioner in writing that such a vehicle has been received within 7 days.
(a) A person who violates any provision of section 2094 of this subchapter shall be fined not more than $500.00 or imprisoned not more than six months, or both.

(b) A person who violates any provision of this subchapter other than section 2094 shall be fined not more than $1,000.00 or imprisoned for not more than one year, or both.
Taxation and Finance Laws
Unless otherwise expressly provided, the words and phrases used in this chapter shall be construed to mean:

(1) "Commissioner" means the commissioner of motor vehicles.

(2) "Resident" means resident shall include all legal residents of this state and in addition thereto any person who accepts employment or engages in a trade, profession or occupation in this state for a period of at least six months. Also in addition thereto any foreign partnership, firm, association or corporation doing business in this state shall be deemed to be a resident as to all vehicles owned or leased and ordinarily used by it in connection with its place of business in this state. Resident shall not include any person, firm, or corporation not required to register motor vehicles by reason of any reciprocity provision with any other state.

(3) "Purchase or purchasing, sale or selling" means any transfer of title or possession, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of a motor vehicle for a consideration, including leases and transactions whereby the possession of the property is transferred but the seller retains the title as security for the payment of the purchase price.

(4) "Purchase price" means the gross consideration, exclusive of the tax hereby imposed, which is to be paid for the motor vehicle, expressed in terms of United States currency as of the time of the sale, and shall include the cash consideration, if any, plus the value of any services or property given or to be given, or both, in exchange for the motor vehicle. In the case of a lease, the purchase price shall mean an amount computed by subtracting the lease end value of the motor vehicle from the original acquisition cost of the motor vehicle. For purposes of this subdivision, the original acquisition cost of a motor vehicle is the gross consideration which the lessee would pay for the motor vehicle if the lessee purchased the motor vehicle on the date of execution of the lease contract, as stated in the lease contract or worksheet, and the lease end value is the value of the motor vehicle at the end of the lease period, as stated in the lease contract or worksheet or as determined under section 8907 of this title.

(5) "Taxable cost" means the purchase price as defined in subdivision (4) of this section or the taxable cost as determined under section 8907 of this title. For any purchaser who has paid tax on the purchase or use of a motor vehicle that was sold or traded by the purchaser or for which the purchaser received payment
under a contract of insurance, the taxable cost of the replacement motor vehicle other than a leased vehicle shall exclude:

(A) the value allowed by the seller on any motor vehicle accepted by him as part of the consideration of the motor vehicle, provided the motor vehicle accepted by the seller is owned and previously or currently registered by the purchaser, with no change of ownership since registration, except for motor vehicles for which registration is not required under the provisions of Title 23 or motor vehicles received under the provisions of subdivision 8911(8) of this title;

(B) the amount received from the sale of a motor vehicle last registered in his or her name, the amount not to exceed the average book value of the same make, model and year of manufacture as designated by the manufacturer and as shown in the Official Used Car Guide, National Automobile Dealers Association (New England edition), or any comparable publication, provided such sale occurs within three months of the taxable purchase. Such amount shall be reported on forms supplied by the commissioner of motor vehicles;

(C) the amount actually paid to the purchaser within three months prior to the taxable purchase by any insurer under a contract of collision, comprehensive or similar insurance with respect to a motor vehicle owned by him or her, provided that the vehicle is not subject to the tax imposed by 32 V.S.A. §8903(d) and provided that one of these events occur:

(i) The motor vehicle with respect to which such payment is made by the insurer is accepted by the seller as a trade-in on the purchased motor vehicle before the repair of the damage giving rise to insurer's payment, or

(ii) The motor vehicle with respect to which such payment is made to the insurer is treated as a total loss and is sold for dismantling;

(D) A purchaser shall be entitled to a partial or complete refund of taxes paid under 32 V.S.A. §8903(a) or (b) if an insurer makes a payment to him or her under contract of collision, comprehensive or similar insurance after he or she has paid the tax imposed by this chapter if such payment by the insurer is either:

(i) On account of damages to a motor vehicle which was accepted by seller as a trade-in on the purchased vehicle before repairs of the damage giving rise to the insurer's payment, or

(ii) On account of damages for the total destruction of a vehicle arising from an accident which occurred within three months prior to the taxable purchase.
(E) The purchase price of a motor vehicle subject to the tax imposed by 32 V.S.A. §8903(a) and (b) shall not be reduced by the value received or allowed in connection with the transfer of a vehicle which was registered for use as a short-term rental vehicle.

(F) Notwithstanding any other provision of law, for leases in effect on June 30, 1995, no portion of the purchase and use tax paid at the time of lease shall be refunded; provided, however, for leases in effect on June 30, 1995, if the lessee purchases the leased vehicle, no tax shall be imposed on that purchase.

(6) "Motor vehicle" shall have the same definition as in section 4 of Title 23.

(7) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, estate, trust, fiduciary, receiver, trustee or corporation.

(8) "Title" shall include possession under a sale or purchase which reserves title as security to the seller.

(9) "Rental of pleasure cars on a short-term basis," or words of similar import, means rentals of pleasure cars for a rental period of less than one year. It shall also mean rentals of trailer coaches and trucks having a gross vehicle weight of 26,000 pounds or less; and of trailers and semi-trailers having a gross weight of 3,000 pounds or less; for a rental period of less than one year. It shall not apply to school buses.

(10) "Rental Company" means any person offering pleasure cars for rent on a short-term basis.

(11) "Motor home" means a new or used pleasure car designed to provide temporary living quarters, built into as an integral part of, or permanently attached to, a self-propelled motor vehicle chassis or van. The vehicle must contain at least four of the following facilities: cooking, refrigeration or ice box, self-contained toilet, heating and/or air conditioning, a portable water supply system including a sink and faucet, separate 110-125 volt electrical power supply, and/or an LP gas supply.

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32 V.S.A. §8903 ~ Tax Imposed

(a) (1) There is hereby imposed upon the purchase in Vermont of a motor vehicle by a resident a tax at the time of such purchase, payable as hereinafter provided. The amount of the tax shall be six percent of the taxable cost of a:

(A) Pleasure car as defined in 23 V.S.A. § 4;
(B) Motorcycle as defined in 23 V.S.A. § 4;

(C) Motor home as defined in subdivision 8902(11) of this title; or

(D) Vehicle weighing up to 10,099 pounds, registered pursuant to 23 V.S.A. § 367, other than a farm truck.

(2) For any other motor vehicle, it shall be six percent of the taxable cost of the motor vehicle or $1,850.00 for each motor vehicle, whichever is smaller, except that pleasure cars which are purchased, leased, or otherwise acquired for use in short-term rentals shall be subject to taxation under subsection (d) of this section.

(b) (1) There is hereby imposed upon the use within this state a tax of six percent of the taxable cost of a:

(A) Pleasure car as defined in 23 V.S.A. § 4;

(B) Motorcycle as defined in 23 V.S.A. § 4;

(C) Motor home as defined in subdivision 8902(11) of this title; or

(D) Vehicle weighing up to 10,099 pounds, registered pursuant to 23 V.S.A. § 367, other than a farm truck.

(2) For any other motor vehicle, it shall be six percent of the taxable cost of a motor vehicle, or $1,850.00 for each motor vehicle, whichever is smaller, by a person at the time of first registering or transferring a registration to such motor vehicle payable as hereinafter provided, except no use tax shall be payable hereunder if the tax imposed by subsection (a) of this section has been paid, or the vehicle is a pleasure car which was purchased, leased, or otherwise acquired for use in short-term rentals, in which case the vehicle shall be subject to taxation under subsection (d) of this section.

(c) The Vermont registration, transfer of Vermont registration or the issuance of a Vermont certificate of title of a motor vehicle shall be conclusive evidence that the purchase and use tax applies except as provided in section 8911 of this title.

(d) There is hereby imposed a use tax on the rental charge of each transaction, in which the renter takes possession of the vehicle in this state, during the life of a pleasure car purchased for use in short-term rentals, which tax is to be collected by the rental company from the renter and remitted to the commissioner. The amount of the tax shall be nine percent of the rental charge. Rental charge means the total rental charge for the use of the pleasure car, but does not include a separately stated charge for insurance, or recovery of refueling cost, or other separately stated charges which are not for the use of the pleasure car. In the event of resale of the
vehicle in this state for use other than short-term rental, such transaction shall be subject to the tax imposed by subsection (a) of this section.

(e) (1) Any person registering a pleasure car in this state subject to the tax imposed by subsection (d) of this section must pay the tax imposed by subsection (a) or (b) upon demand of the commissioner if:

(A) The vehicle is rented for less than 30 days in a continuous period of 365 days or for less than 60 days in a continuous period of 730 days; or

(B) The vehicle is no longer used in short-term rentals; and

(C) The vehicle has not been stolen, converted or abandoned.

(2) For taxation purposes, the value of the vehicle shall be fixed in accordance with section 8907 of this title as of the time the event causing the imposition of the tax under subsection (a) or (b) of this section occurs.

(f) There is hereby imposed a tax at the rate prescribed in subsection (a) of this section on any amount charged at the end of a motor vehicle lease contract resulting from excess wear and tear or excess mileage.

(g) There is hereby imposed upon the titling in this state a tax at the rate provided for in subsection (a) or (b) of this section of the taxable cost of a:

- Pleasure car as defined in 23 V.S.A. § 4;
- Motorcycle as defined in 23 V.S.A. § 4;
- Motor home as defined in subdivision 8902(11) of this title; or
- Vehicle weighing up to 10,099 pounds, registered pursuant to 23 V.S.A. § 367, other than a farm truck.

For any other motor vehicle, it shall be at the rate provided for in subsection (a) or (b) of this section and paid by a person at the time of obtaining a certificate of title to the vehicle, except no tax shall be payable hereunder if the tax imposed by subsection (a) or (b) of this section has been paid, or the vehicle is a pleasure car which was purchased, leased or otherwise acquired for use in short-term rentals, in which case the vehicle shall be subject to taxation under subsection (d) of this section.
(a) Every person selling or leasing a motor vehicle in Vermont shall at the time of selling or leasing a motor vehicle compute for the purchaser or lessee the tax imposed by subsections (a), (b), (f) or (g) of section 8903 of this title and complete in its entirety the tax form prescribed and furnished by the commissioner.

(b) When the seller or lessor of a motor vehicle fails to fill out the tax form as required in subsection (a) of this section he or she shall be subject to the penalties under section 8909 of this title or if he or she is a registered dealer, the commissioner may suspend the dealer registration. Such suspension shall be for a reasonable time and shall not exceed 10 days for each offense and shall be made only after a finding that the failure of such dealer is willful and intentional and not the result of inadvertence.

(a) Every purchaser of a motor vehicle subject to a tax under subsection (a) of section 8903 of this title shall forward such tax form to the commissioner, together with the amount of tax due at the time of first registering or transferring a registration to such motor vehicle as a condition precedent to registration thereof.

(b) Every person subject to a use tax under subsection (b) of section 8903 of this title shall forward such tax form and the tax due to the commissioner with the registration application or transfer, as the case may be, and fee at the time of first registering or transferring a registration to such motor vehicle as a condition precedent to registration thereof.

(c) If the tax due under subsections (a), (b), (e) or (f) of this section is not paid as provided, a penalty of an additional one percent of taxable cost or $150.00, whichever is smaller, shall be added to the tax due.

(d) Every person required to collect the use tax under section 8903(d) shall forward such tax and a report of same on forms prescribed and furnished by the commissioner at the frequency determined by the commissioner.

(e) Every lessor of a motor vehicle shall collect the tax imposed by subsection (a) or (b) of section 8903 of this title from the lessee and remit it to the commissioner at the time of registration of the motor vehicle, in the case of the first lease of a motor vehicle, and within 30 days after any extension of the lease or any subsequent lease of the motor vehicle. Every lessor of a motor vehicle shall collect the tax imposed by subsection (f) of section 8903 of this title from the lessee and remit it to the commissioner within 30 days after the end of the motor vehicle lease contract. If the lessor fails to collect the tax imposed by subsections (a), (b) or (f) of section 8903 of this title, the lessee shall pay the tax directly to the commissioner within the time prescribed for payment.
(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the commissioner along with the title application and fee at the time of applying for a certificate of title to such motor vehicle as a condition precedent to the titling thereof.

### 32 V.S.A. §8909 ~ Enforcement

If the tax due under subsections (a), (b) and (d) of section 8903 of this title is not paid as hereinbefore provided the commissioner shall suspend such purchaser's or rental company's right to operate a motor vehicle within the state of Vermont until such tax is paid, and such tax may be recovered with costs in an action brought in the name of the state on this statute.

### 32 V.S.A. §8910 ~ Penalties

Any person who willfully makes a false statement on such tax form prescribed and furnished by the commissioner or any person who willfully attempts to evade the tax herein imposed shall be fined not more than $500.00.

### 32 V.S.A. §8911 ~ Exceptions

The tax imposed by this chapter shall not apply to:

1. Motor vehicles owned or registered, or motor vehicles rented, by any state or province or any political subdivision thereof;

2. Motor vehicles owned and operated by the United States of America;

3. Motor vehicles owned or leased by religious or charitable institutions or volunteer fire companies;

4. Motor vehicles owned and operated by a dealer and registered and operated under the provisions of sections 451-468 inclusive of Title 23;

5. Nonregistered motor vehicles other than tow or repairman vehicles;

6. [Repealed.]

7. Motor vehicles, title to which on the effective date of this chapter is in the owner seeking registration thereof;

8. Motor vehicles transferred to the spouse, mother, father, child, grandparent or grandchild of the donor, or to a trust established for the benefit of any such persons or for the benefit of the donor, or subsequently transferred among such
persons provided such motor vehicle has been registered or titled in this state in the name of the original donor;

(9) Motor vehicles on which a state sales or use tax has been paid by the person applying for a registration in Vermont, or paid by a person who, at the time of tax payment to another state, was the spouse of the person now applying for Vermont registration. If the tax paid in another state is less than the Vermont tax the tax due shall be the difference. An applicant for credit under this subdivision shall bear the burden of proving the amount of tax paid in the other state, and acceptable proof shall include a valid certificate of title from that state and a cancelled check to that department of motor vehicles in an amount at least equal to the total purchase and use tax due to that state;

(10) Motor vehicles registered in Vermont by the transferor and transferred between that person and a business entity controlled by the transferor, if the transfer is exempt under Section 351 of the United States Internal Revenue Code, as amended;

(11) [Repealed.]

(12) One motor vehicle owned or leased and operated by a permanently physically handicapped person for whom the vehicle's controls have been altered to enable the person to drive, or owned or leased by a permanently handicapped person or by a parent or guardian of a permanently handicapped person for whom a mechanical lifting device has been installed to allow for entry and exit of the vehicle, provided that the handicapped person has been certified exempt from the tax by the commissioner of motor vehicles under the provisions of section 8901 of this title;

(13) Motor vehicles obtained from the government as excess government property, or vehicles purchased with 100 percent federal funds and used for federally supported local programs;

(14) A motor vehicle granted a veteran by the veterans' administration or a vehicle obtained as a replacement to one granted, when accompanied by a certificate issued by the veterans' administration center certifying the veteran to be entitled to the exemption;

(15) Motor vehicles registered in this state by nonresidents under the International Registration Plan;

(16) Motor vehicles registered or titled in Vermont and transferred from an individual to, or in trust for the benefit of, a former spouse if the transfer is incident to the divorce. A transfer of a motor vehicle is incident to the divorce if the transfer occurs within one year after the date on which the divorce becomes final;
(17) Any motor vehicle acquired by the owner for use in leases for a period of one year or longer, provided that the motor vehicle is not registered before it is leased;

(18) Motor vehicles, the titles of which have passed to the holder of a certificate of abandoned motor vehicle pursuant to section 2156 of Title 23;

(19) Motor vehicles for which salvage certificates of title are obtained pursuant to section 2092 of Title 23;

(20) Titles issued to the manufacturer of a vehicle which has been returned to that manufacturer pursuant to any proceeding brought under chapter 115 of Title 9;

(21) [Repealed.]

(22) Motor vehicles that have been registered to the applicant for a period of at least three years in a jurisdiction that imposes a state sales or use tax on motor vehicles. An applicant for exemption under this subdivision shall bear the burden of establishing to the satisfaction of the commissioner that the vehicle was registered in a qualifying jurisdiction for the requisite period.
General Information
When registering a vehicle, (except for state, municipal or leased vehicles) the registrants and titled owners of the vehicle shall be identical.

**New Vehicles:**

- **To Be Registered and Titled (Not Previously Registered):**
  1. Registration, Tax and Title Application (Form # TA-VD-119)
  2. Temporary plate, if not transferring valid plates.
  4. Report of Sale
  5. Proper fees
  6. Odometer disclosure statement (This is required on all vehicles sold to be registered in Vermont except trailers, trucks over 16,000 pounds registered weight, and any vehicle 9 years old or older.)

**NOTE:** If transferring, the registrant must submit the signed registration certificate of the previous vehicle showing transfer of ownership. If unavailable, use form TA-VR-105, Lost or Unavailable Registration Certificate, or complete section 6 on the application.

- **Vehicle Not Requiring Title:**
  Same as above, except no Manufacturer's Certificate of Origin is required.

- **To Be Titled Only (Not Previously Registered or Titled):**
  1. Vermont Title and Tax Application (Form # TA-VT-28).
  3. Report of Sale
4. Proper fees

5. Odometer disclosure statement (This is required on all vehicles sold to be registered in Vermont except trailers, trucks over 16,000 pounds registered weight, and any vehicle 9 years old or older.)

β Previously Registered and/or Titled Vehicles:

w To Be Registered and Titled

1. Registration, Tax and Title Application (Form # TA-VD-119)

2. Previous title, properly assigned.

3. Temporary plate, if not transferring valid plates.


5. Bills of Sale, if necessary to show continuity of ownership.

6. Proper fees.

7. Odometer disclosure statement. (This is required on all vehicles sold to be registered in Vermont except trailers, trucks over 16,000 pounds registered weight, and any vehicle 10 years old or older.)

If there is a lien listed on the title, the lien must be released by the lienholder. The previous owner(s) must assign ownership to the dealer; the dealer must assign ownership to the new owner(s). If there is no space available on the title to transfer ownership, a bill of sale must be used to show the proper chain of ownership and submitted along with the original title.

If the title includes the odometer statement that conforms to the new federal law and there is no space on the title to make the assignment you must use a "secure bill of sale" (Form # TA-VT-05a).
NOTE: Vehicles 10 years old or older - A number of states do not issue titles to vehicles which are 10 or more years old. Vermont, however, issues titles to vehicles which are 15 years old or newer, and as a result some questions have arisen. If you take in trade a vehicle from a state that does not title 10-year-old vehicles, e.g., New Hampshire, you must retain the last valid registration certificate properly assigned and the bill(s) of sale. If the last registration certificate is not available you must obtain a certified copy from the state where the vehicle was last registered.

If transferring, registrant must submit the registration certificate of the previous vehicle showing transfer of ownership. If unavailable use TA-VR-105 Form, Lost or Unavailable Registration Certificate, or complete section 6 on the application.

**Vehicles Not Requiring Title:**

1. Registration, Tax and Title Application. (Form # TA-VD-119)
2. Temporary plate, if not transferring valid plates
3. Bills of Sale, if necessary to show continuity of ownership
4. Dealer report of sale
5. Proper fees

**To Be Titled Only:**

1. Vermont Title and Tax Application. (Form # TA-VT-28)
2. Previous title, properly assigned
3. Report of Sale
4. Bills of Sale, if necessary to show continuity of ownership
5. Proper fees
6. Odometer disclosure statement (This is required on all vehicles sold to be titled in Vermont except trailers.)

If there is a lien listed on the title, the lien must be released by the lienholder. The previous owner(s) must assign ownership to the dealer; the dealer must assign ownership to the new owner(s). If there is no space available on the title to transfer ownership, a bill of sale must be used to show the proper chain of ownership and submitted along with the original title.
If the title includes the odometer statement that conforms to the new federal law and there is no space on the title to make the assignment you must use a “secure bill of sale” (Form # TA-VT-05a).

### B. Requirements For Manufacturer's Certificate of Origin (MCO)

In accordance with 23 V.S.A. §2011 and §2024, sale of a vehicle to be registered in Vermont requires the submission of documents by the dealer.

When a new vehicle is delivered to a purchaser and transfer of registration is applied for, or temporary registration is issued, the manufacturer's certificate of origin for that vehicle must be properly assigned by the dealer and immediately transmitted to the Department of Motor Vehicles along with the report of sale, application for registration, tax and title and fees.

Manufacturer’s Certificates of Origin must be printed on security paper which meets the following criteria:

- Intaglio steel plate border design.
- Positive-negative latent images.
- Two-color underlying fine line duplex tint.
- Fluorescent, erasure-sensitive inks.

Manufacturer’s Certificates of Origin which do not meet these guidelines will not be accepted.

Any alterations, erasures, errors, or voided transactions on the MCO will result in unnecessary delays in processing the registration in the Motor Vehicle office.

If any of the above occur, you can expedite the transaction by forwarding to the Motor Vehicle office, along with the other documents, a written explanation on Form TA-VN-20, Title/MCO Alteration Affidavit, to clarify the erasure or voided entry. This explanation must include a complete description of the vehicle in question, including the serial number or vehicle identification number.

**It is also mandatory that PRIOR to each sale, the MCO be checked against the VIN on the vehicle** to be positive that the proper documents are being sent to the Department of Motor Vehicles. Very often vehicles that are delivered to dealers have consecutive VIN’s and too often the wrong MCO is sent to this office as a source document to register and title the vehicle. This can be avoided if the dealer will take the time to physically examine each particular vehicle's VIN and match it to the appropriate MCO.
C. Vermont Certificate of Title

Vermont motor vehicle title certificates will be issued to vehicles 15 years old or newer based on calendar year. Liens will be recorded only on vehicles that qualify for a Vermont Certificate of Title.

No Vermont Certificate of Title will be issued for:

- Trailers with an empty weight of 1,500 or less;
- Motorcycles with less than 300 cc engine displacement;
- Mopeds;
- Tractors with a registered weight of 6,099 lbs. or less;

D. Title Requirements

If the vehicle is to be registered, the Registration, Tax and Title Application must be submitted with the required source documents and fees. Assignment of any Vermont registration can be withheld indefinitely pending compliance with the Vermont motor vehicle title requirements.

If the vehicle is to be titled only, the Vermont Title and Tax Application must be submitted with the required source documents and fees.

Unless and until you obtain the previous title from the seller, you CANNOT resell the vehicle. Remember, a title is the only negotiable document for the vehicle for which it is issued.

Any alterations, erasures, errors or voided transactions on a title will result in unnecessary delays in processing registrations in the Motor Vehicle office. If any of the above occur, you can expedite the transaction by forwarding written explanation on Form TA-VN-20, Title/MCO Alteration Affidavit, to clarify the erasure or voided transaction. This explanation must include a complete description of the vehicle in question, including the serial or vehicle identification number.

It is also mandatory that PRIOR to each sale the previous title be checked against the VIN on the vehicle to be positive that the proper documents are being sent to the Department of Motor Vehicles.

The statutes specifically prohibit a dealer from delivering either a new vehicle or a used vehicle which is 15 years old or newer without promptly executing the assignment of certificate of origin or the certificate of title and delivering it in the manner described.
When a vehicle is sold to be registered out of state, the Manufacturer's Certificate of Origin or Certificate of Title is to be delivered to the purchaser, after proper assignment by the dealer.

The penalties for noncompliance with sections 2011 and 2024 are outlined in Section 2083. Copies of the three sections of the statutes which apply are in the Dealer's Guide under Laws Relating to Registration, Tax and Title.

### E. Requirements for Salvage Title

For the purposes of salvage titles, the following definitions shall apply:

- **"Salvage Dealer"** means any person, who in a single year, purchases or in any manner acquires three motor vehicles as salvage or who scraps, dismantles or destroys three motor vehicles in a single year.

- **"Salvage Motor Vehicle"** means any vehicle which is damaged, dismantled, burned, stolen and recovered with VIN altered or removed, or otherwise rendered inoperable and requires the replacement of five or more component parts in order to completely restore such vehicle, or any vehicle declared a **"total loss"** by an insurer.

- **“Component Part”** means any of the following parts of a motor vehicle: engine, transmission, engine compartment when damaged by fire, passenger compartment when damaged by fire, truck cab, truck bed, hood, trunk lid, left or right front or rear doors, rear door, hatchback or tailgate, seats, frame, dash assembly, left or right front fenders, left or right rear quarter panels and roof.

When you acquire a vehicle which meets the definition of a salvage vehicle, you must apply to the Department of Motor Vehicles for a salvage title within 15 days. You must submit the following:

1. Application for Salvage Title, properly completed;
2. Previous title;
3. Bill of Sale, if non-titleable vehicle;
4. Proper fees.
YOU NEED NOT APPLY FOR A SALVAGE TITLE IF:

- Vehicle is more than 10 years old.
- Vehicle already has a salvage title issued by some other state. You must, however, notify the Department of Motor Vehicles if the VIN plate is missing.
- Vehicle is crushed within 15 days of date of purchase. No salvage title will be issued, but you must submit the previous title stamped or endorsed "CRUSHED" and signed by the person responsible for destruction of the vehicle, and the VIN plate showing the original number.
- Vehicle was stolen and recovered with no damage, provided the VIN plate has not been tampered with.

F. Requirements to Title and Register a Homemade Vehicle

Definition of a Homemade Vehicle: A combination of two or more vehicles which are different makes, models, or years of manufacture. The year the vehicle is constructed becomes the model year. Generally the only vehicle(s) that will be truly "homemade" would be a small trailer built from scratch. Most all others will be a vehicle being built from parts from other vehicles.

Any person registering a non-titleable homemade vehicle, as defined, must provide the Department of Motor Vehicles with the following:

1. Bills of Sale for all major component parts used to make the vehicle e.g. axles, steel, hitch.
2. The model year of the vehicle will be the year that construction of the vehicle was completed.
3. The make of the vehicle will be homemade (HMDE).

Any person registering a titleable homemade vehicle, as defined, must provide the Department of Motor Vehicles with the following:

1. Bills of Sale for all major component parts used to make the vehicle must be submitted. The bill of sale must include the VIN of the vehicle from which it came, if it came from a titled vehicle.
2. The title for the vehicle that the frame came from, if it is a frame from a titled vehicle.
3. Bills of Sale for any other parts, i.e. steel, fifth wheel mechanism, etc.

5. A completed Application for Assignment of Vehicle Identification Number, form TA-VT-03.

6. A Vermont Registration, Tax and Title Application accompanied by the appropriate fees. If a portion of the vehicle is presently registered, an application should still be completed; all documents must be attached and forwarded to the Department along with title and lien fees, if applicable.

"Component Part" means any of the following parts of a motor vehicle: engine, transmission, engine compartment when damaged by fire, passenger compartment when damaged by fire, truck cab, truck bed, hood, trunk lid, left or right front and rear doors, rear door, hatchback or tailgate, seats, frame, dash assembly, left or right front fenders,

**NOTE:** After processing a Homemade Vehicle Application, a Vermont Motor Vehicle Inspector will be assigned to examine the vehicle, and any documents provided, and attach the Vermont assigned number.

### G. Requirements to Title and Register a Rebuilt Vehicle

**Definition of a Rebuilt Vehicle**: A combination of two or more vehicles which are of identical make, model and year of manufacture, or any vehicle which is restored from salvage. Generally this will be a vehicle built from a combination of vehicles or from component parts taken from more than one vehicle.

Any person registering a **non-titleable** rebuilt vehicle, as defined, must provide the Department of Motor Vehicles with the following:

1. Bills of Sale for all major component parts used to make the vehicle.

2. If the major component part(s) come from a model year vehicle that is titled, the bill of sale should include the VIN of the vehicle from which the part came.

3. The model year of the vehicle will be determined by the model year of the body, i.e., if it is a 1990 Ford Escort body on a 1975 Jeep frame, the model year will be a 1990.

4. The make of the vehicle should be determined by the manufacturer's body, i.e., if the vehicle looks like a Ford, call it a Ford, if the vehicle looks like a Jeep, call it a Jeep.
Any person registering a titleable rebuilt vehicle, as defined, must provide the Department of Motor Vehicles with the following:

1. Titles to both the frame and the body if available or, at a minimum, the title to the frame and copies of the title or titles for other vehicles used to build this vehicle.

   w Example #1: Applicant has two titleable Ford Escorts and builds one vehicle from these – both titles should be surrendered.

   w Example #2: Applicant owns a titleable Chevrolet Blazer and buys parts from a second titleable Blazer – the title for the one owned Blazer and bills of sale (including VIN of the vehicle from which the parts were taken) for the other component parts and/or copies of the title to the second Blazer should be surrendered.

2. Bills of Sale for all other major component parts used to make the vehicle, i.e., purchased hood and front fenders from a salvage yard off a junked titled year Escort.

3. Bills of Sale for parts obtained from a junkyard to include the VIN from the vehicle from which parts are taken.


   w The model year of the vehicle will be determined by the model year of the body, i.e., if the vehicle is a 1990 Ford Escort body on a 1975 Jeep frame, the model year will be a 1990.

   w The make of the vehicle should be determined by the manufacturer's body; e.g. if it looks like a Ford, call it a Ford; if it looks like a Jeep, call it a Jeep.

5. A statement detailing the name and address of the person who rebuilt the vehicle and the location where the work was done.

6. A visual verification of the VIN(s) by a Vermont authorized enforcement officer.

7. A completed Application for Assignment of Vehicle Identification Number, form TA-VT-03.

8. A Vermont Registration, Tax and Title Application, accompanied by the appropriate fees. If a portion of the vehicle is presently registered, the application should be completed. All documents must be attached and forwarded to the Department of Motor Vehicles along with title and lien fees, if applicable.
"Component Part" means any of the following parts of a motor vehicle: engine, transmission, engine compartment when damaged by fire, passenger compartment when damaged by fire, truck cab, truck bed, hood, trunk lid, left or right front and rear doors, rear door, hatchback or tailgate, seats, frame, dash assembly, left or right front fenders, left or right rear quarter panels and roof.

Once the vehicle has been rebuilt/repaired and is ready to be sold, you must provide the purchaser with the properly endorsed Salvage Title (or the Salvage Title accompanied by a bill of sale), a TA-VT-03 form, Application for Assignment of Vehicle Identification Number, if necessary, and a Vermont Registration, Tax and Title Application providing all requested information, including the VIN verification which can be accomplished by utilizing Section 7 of the registration application, or a TA-VT-10 form, Verification of Vehicle Identification Number.

If it is necessary that a Vermont VIN number be assigned, this may be requested by the dealer prior to resale by submitting a TA-VT-03 form and all necessary supporting documents (salvage title(s), bill of sale(s), etc.). A Motor Vehicle Inspector will then visually verify the original VIN's and attach the Vermont VIN number to the vehicle. A copy of the VIN attachment form will be retained by the dealer to send in, or provide the purchaser and the Department of Motor Vehicles when the vehicle is sold and registered.

### H. Glider Kits

Definition of a glider kit—a vehicle rebuilding package having its own MCO and usually containing the component parts needed to replace a motor truck or tractor's frame rails, front end steering and suspension, cab, nose, exhaust system, wiring harness, and fuel tanks; if used alone, the kit could not qualify for re-registration purposes.

**NOTE:** Trucks rebuilt with a glider kit will be registered as the model year shown on the Manufacturer's Certificate of Origin, and will reflect the make and model of the manufacturer. The application for registration or transfer must be accompanied by the MCO and bills of sale for the other major component parts, or the previous title to the vehicle(s) the parts were taken from. Vehicle's title will show as a "Glider Kit".

### I. Lost Title Procedures

If an individual is trading in a vehicle and states that the previous title has been lost, a duplicate title must be obtained. **You should not complete the transaction until the duplicate has been received.**
The following procedure should be followed:

1. Before making application for duplicate title, it is advised that you contact the Department of Motor Vehicles to determine if a lien is recorded on the vehicle. In most instances, the original lienholder will still be listed on the title even though the lien may have been paid off.

2. Check with the lienholder to see if they still have the title.

3. Complete a TA-VT-04 form, Application for Duplicate Title, and submit it with a $33.00 fee for duplicate title.

4. All owners are required to sign for the duplicate title.

5. If a lien is still in effect, only the lienholder may apply for a duplicate and MUST sign this application.

**NOTE:** If the lienholder no longer holds a lien on the vehicle, you should obtain a letter from the lienholder so stating. This will save the Department of Motor Vehicles from mailing the duplicate title application back to the lienholder for release of lien.

This letter must:

a. Identify the lending institution, i.e., letterhead paper;

b. Identify the vehicle owner(s);

c. Identify the vehicle by vehicle identification number (VIN), make, model and model year.

**NOTE:** Lien releases with the incorrect VIN information cannot be accepted.

d. Specifically state that the interest in the vehicle is satisfied;

e. Signature and title of an authorized individual. Name must be printed or typed if signature is not legible. We request you include a phone number for the person authorizing the lien release;

f. Date lien was released.
The duplicate title will be produced and mailed to the owner or lienholder, whichever the case may be. The duplicate title will cause the original certificate of title to be revoked and make the original a useless document.

The duplicate title will be mailed to the dealer if the application for duplicate, properly executed, fees, lien release and a bill of sale on Form TA-VT-05a from the titled owner to the dealer are mailed to the attention of the Mail Services Unit along with a request to have the title returned to them. The bill of sale from the original titled owner to the dealer will also be returned and may be used as the assignment of ownership from owner to dealer.

**J. Over the Counter Duplicate Titles**

It is possible for the TITLED OWNER ONLY to apply for and receive a duplicate title at the Department of Motor Vehicles, providing the TA-VT-04 form is properly completed and proper identification is provided and if there are no liens.

**K. Procedure for Assignment of Title and Authorization for Payoff**

On occasion, a dealer will accept a vehicle in trade which has a lien on it. On a form prescribed by the Commissioner (TA-VT-05a), the owner of the vehicle may assign the title to the dealer and authorize the dealer to satisfy the lien. Upon receipt of the form (TA-VT-05a), properly executed, and the satisfaction of the lien, the lending institution shall release the lien and forward the title certificate to the dealer. The title certificate with a duly executed copy of the form (TA-VT-05a) attached will be treated as though the owner had made the assignment on the title certificate itself. Upon receipt of the title, the new owner (usually the dealership) shall reassign ownership on the title document itself. The form (TA-VT-05a) must accompany the transaction paperwork in order to maintain the chain of ownership. In the event the dealership inadvertently makes additional reassignments of ownership on subsequent (TA-VT-05a) forms, the transaction shall be accepted and processed, providing that the chain of ownership is complete.

**NOTE:** The use of this form is restricted to use by dealers and authorized insurance companies so please do not abuse what we feel will be a time saving advantage to yourselves.

**L. Bonding Procedure**

If it is necessary to bond a vehicle, the following must be done:

Complete a Vermont bonding form, TA-VT-20, in the name of the party registering the vehicle. (See form TA-VT-20a - Bonding Instructions.)
The bonding form is to be accompanied by a registration, tax and title application, with Section 7, visual verification of VIN, completed plus the proper fees.

Regardless of the purchase price of the vehicle, the bond must be valued at 1½ times the NADA Average Trade-in Value of the vehicle.

The owner(s) of the vehicle requesting the bond must explain in detail the reason why proper ownership documents are not available including a detailed description of the efforts made to contact the previous titles owner and certify to the truth and accuracy of the explanation. If a false statement is made, the owner(s) face possible prosecution under Title 23 §202, §2082 and §2083.

The bond shall be executed by a person or firm authorized to conduct a surety business in Vermont.

If the Commissioner of Motor Vehicles or his or her assigned representative(s) are not satisfied with the explanation as to why the proper documents are not available, he or she may reject the application and return it for additional details or request an investigation be conducted before approving the bond request.

M. Repossession

When a lienholder repossesses a vehicle for which a Vermont Certificate of Title has been issued, he must complete an Affidavit of Repossession, TA-VT-11 form. The TA-VT-11 and the Vermont Certificate of Title must be delivered to the Department of Motor Vehicles with the next owner's application for registration and fees. The "Release of Lien(s)" section and the first "Assignment and Warranty of Title by Registered Owner" section must be completed by the lienholder(s).

N. Requirements for Transferring Ownership on a Certificate of Title

**NOTE:** All documents and fees for registration, tax and title must come in to the Department of Motor Vehicles at the same time. If these items come in separately, it causes unnecessary delays in registering and titling vehicles.

§ General Requirements

When transferring ownership of a titled vehicle, make sure the lien has been released and the owner(s) on the face of the title signs the appropriate section on the backside of the title, transferring ownership of the vehicle to the "new owner" whether it be a dealership or private party.
Title showing only one name:

**EXAMPLE:** Titled to John J. Jones

John J. Jones must sign the title over to the *new owner*.

Title showing more than one name:

**NOTE:** On any Vermont Certificate of Title issued to more than one person, the nature of co-owner must be indicated. (See definitions in section 4 of the Registration, Tax and Title Application section for owner/co-owner relationships.) The use of the word "OR" between owners on a title shall not be allowed where title is held as TENANTS IN COMMON.

**EXAMPLE 1:** Titled to John J. Jones, Mary K. Jones

Both John J. Jones and Mary K. Jones have to sign the title over to the dealership.

**EXAMPLE 2:** Titled to John J. Jones or Mark K. Jones

Either John J. Jones or Mark K. Jones may sign the title over to the "new owner". Both signatures are not necessary, if OR is on the face of the title.

**NOTE:** If there is nothing between the two names or if there is "and" between the two names or if there is "and/or" between the two names, both signatures are required to legally transfer ownership. If, however, there is only "or" between the two names, either party may sign-off without the other's signature. All applications will be processed and titles produced exactly the way we receive them from the dealer. We will not add to nor delete from the application.

THE DEPARTMENT DOES NOT PROCESS APPLICATIONS WITH "AND" or "AND/OR" BETWEEN CO-OWNERS' NAMES. A RETURN WILL BE MADE.

**O.** Documents Required to Register / Re-Title Vehicle/Vessel When Owner is Deceased

**Definitions:**

**Titled Owner:** Individual(s) shown as Owner(s) on the Title Certificate.
**Registered Owner:** Individual(s) shown as Owner(s) on the Registration Certificate.

**Intestate:** Died without a will.

**No Probate:** The estate will not be the subject of Probate Court proceedings.

**Probate:** The estate is the subject of Probate Court Proceedings.

**Officer Of The Court:** An attorney or an official court officer such as Court Clerk or Probate Judge.

<table>
<thead>
<tr>
<th>P.</th>
<th>Documents Required to Sell or Assign the Vehicle/Vessel Based Upon the Rights of Survivorship</th>
</tr>
</thead>
</table>

- **Vehicle/Vessel is jointly titled to husband and wife or to parties of a civil union (Nature of ownership not stated on Title):**
  1. A copy of the Death Certificate identifying the surviving spouse or party to a civil union.
  2. If the Death Certificate does not identify the surviving spouse or party to a civil union, then form TA-VT-21 must be completed.

- **Vehicle/Vessel is jointly titled and title states ownership to be Tenants by the Entirety, Joint Tenants, or Partners:**
  1. A copy of the Death Certificate.

- **Vehicle/Vessel titled to deceased only or jointly with persons other than surviving spouse or parties to a civil union (Nature of ownership not stated on title or title states nature of ownership to be Tenants in Common):**
  1. Intestate – No Probate:
    
    
    b. A letter from an officer of the court stating that the deceased died intestate, there is no estate to be probated or the estate need not be probated, and names the person who has the rights of ownership to the vehicle/vessel. If the officer of the court is from out-of-state, additional proof is required that the authority is a member of the Bar or a Court Official.
    
    c. Original title properly assigned with “Release of Liens” section completed by the lienholder, if applicable.
2. Intestate – Probate:
   a. A letter from the Probate Judge naming the Administrator of the estate.
   b. Original title properly assigned with the “Release of Liens” section completed by the lienholder, if applicable, and Section 1 completed by the Administrator and other owner(s), if they exist assigning the vehicle/vessel to the new owner(s).

3. Will – No Probate:
   b. A letter from the officer of the court stating the deceased died leaving a will that was not probated and naming the person with rights of ownership to the vehicle/vessel. If the officer of the court is from out-of-state, additional proof is required that the authority is a member of the Bar or a Court Official
   c. Original title properly assigned, with “Release of Liens” section completed by the lienholder, if applicable.

4. Will – Probate:
   a. A letter from Probate Court showing proof of appointment of Executor of the Will.
   b. Original title properly assigned with “Release of Liens” section completed by the lienholder, if applicable, and Section 1 completed by the Executor and other owner(s), if they exist, assigning the vehicle/vessel to the new owner(s).

Re-Registering the vehicle/vessel:

1. The deceased person’s name may be removed from the registration and title any time during the registration year, if specifically requested by a titled and registered owner of the vehicle/vessel. Names on the registration and title must now be the same; any changes to the names on the registration and/or title must be submitted at the same time.

2. If the new owner(s) are not currently registered owner(s), the vehicle/vessel must be re-registered. A completed Vermont Registration, Tax and Title Application, TA-VD-119, for vehicles (or Vermont Motorboat Registration Application, TA-VD-37 for vessels) must be submitted accompanied by the appropriate registration, title, and Purchase and Use Tax (unless exempt) fees for vehicles and Sales Tax, SU452 tax form or proof of exemption for vessels.
EXCEPTION: The surviving spouse or party to a civil union may have the vehicle registration/title transferred to his/her name if the deceased spouse or party to a civil union died intestate. No title or tax fees are due. The transfer fee is $7.00 and a Vermont Registration, Tax and Title Application form must be completed.

The surviving spouse or party to a civil union may have the vessel registration transferred to his/her name if the deceased spouse or party to a civil union died intestate. No title or tax fees are due. The transfer fee is $2.00 and a Motorboat Registration Application form must be completed.

Q. Procedure to Change Name – Vermont Title

If the customer has changed their name as a result of, for example, marriage, divorce, legal name change; to avoid a return, if a dealer takes a vehicle in trade and the individual has had a name change, e.g., title is in the name of Mary Smith who is now married and her new name is Mary Jones, but the title has not been corrected, it is required that the dealer have the customer complete the form TA-VL-15 and submit it as a source document when the vehicle is sold.

R. Procedure to Change Name – Not Titled in Vermont

To avoid a return, if a dealer takes a vehicle in trade where the individual has had a name change on an out-of-state title, the dealer must obtain a copy of the marriage certificate, divorce decree or court order to be forwarded to the Department of Motor Vehicles, along with the out-of-state title, TA-VL-15 (change of name form), and the Registration, Tax and Title Application, with the proper fees. The other alternative would be to obtain a corrected copy of the title from the other state in the individual's new name.

S. Procedure When Sale is Cancelled

If a sale is completed and the paperwork mailed to the Department of Motor Vehicles and then for some reason the customer refuses to take delivery or returns the vehicle to the dealer, the dealer should:

1. Immediately notify the Inspector who covers that District.
2. If there is a lien listed, secure a letter of lien release from the appropriate party.
3. Secure a statement from the customer transferring the ownership of the vehicle back to the dealer. This statement must include a description of the vehicle which includes the VIN number.
IF A TEMPORARY PLATE WAS ISSUED AND ATTACHED, OR PLATES TRANSFERRED FROM ANOTHER VEHICLE, THE VEHICLE IS LEGALLY REGISTERED; THEREFORE, THERE IS NO PROVISION FOR A REFUND.

T. Procedure to Transfer From a Heavy Truck to Light Truck or Pleasure Car

NOTE: Where the transfer involves either a change of fuel type or a weight change, please contact the Department of Motor Vehicles Information Section at 828-2000 for assistance in calculating fees.

When transferring from a truck registered for 6,100 lbs. or more to a pleasure car or truck registered for 6,099 lbs. or less, the following procedure should be used. The date of transfer will make a difference in the amount of refund or credit given. When the transfer is made prior to the 15th of the month, that month will be counted for credit or refund. When the transfer is made on the 15th of the month or later, there will be no refund given for that month. The date that the plates are attached to the new vehicle or temporary plate issued, if needed, will be considered the date the transfer is applied for.

EXAMPLE 1:

A large truck is registered for 10,000 lbs. The owner transfers ownership of the large truck and wishes to transfer the plates to a small truck of 6,000 lbs. or a pleasure car. The date the plates are attached to the new vehicle, or temporary plate is issued, is September 13, 2012 (sale made 15th of month or later), and the expiration date of the 10,000 lbs. truck was November 2012: this expiration date will not change.

Solution (use fee schedules):

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Months left on 10,000 lb. truck registration</td>
<td>$82.50</td>
</tr>
<tr>
<td>5 months fee for 6,000 lb. truck or pleasure car</td>
<td>$28.75</td>
</tr>
<tr>
<td>=</td>
<td>$53.75</td>
</tr>
<tr>
<td>Less transfer fee of</td>
<td>$23.00</td>
</tr>
<tr>
<td>=</td>
<td>$30.75</td>
</tr>
</tbody>
</table>

$30.75 would be used, if needed, for any tax, title and lien fees. The remainder would be refunded by DMV.
**EXAMPLE 2:**

The same as Example #1 except that we have a transfer date of June 10, 2013. A large truck is registered for 10,000 lbs. The owner transfers ownership of the large truck and wishes to transfer the plates to a small truck of 6,000 lbs. or a pleasure car. The date the plates are attached, or temporary plate is issued, is June 10, 2013 (sale made prior to the 15th of the month), and the expiration of the 10,000 lb. truck is April 2014: this expiration will not change. Since the sale was made prior to the 15th of the month, credit can be given for 11 months remaining.

\[
\begin{align*}
11 \text{ Months left on 10,000 lb. truck registration} & \quad \$181.50 \\
11 \text{ months fee for 6,000 lb. truck or pleasure car} & \quad \$63.25 \\
= & \quad \$118.25 \\
\text{Less transfer fee of } & \quad \$23.00 \\
= & \quad \$95.25
\end{align*}
\]

$95.25 would be used, if needed, for any tax, title and lien fees. The remainder would be refunded by DMV.

**NOTE:** For any questions about a change of fuel type or a weight change, please contact the Department of Motor Vehicles Information Section at 828-2000.

**U. Procedure to Transfer From a Light Truck or Pleasure Car to a Heavy Truck**

**NOTE:** Where the transfer involves either a change of fuel type or a weight change, please contact the Department of Motor Vehicles Information Section at 828-2000 for assistance in calculating fees.

When transferring from a 6,000 lb. or less truck or a pleasure car to a heavier truck, the following procedure should be used. This also includes a heavy truck registration transferred to a heavier truck registration.

In the case where you are transferring to a heavier weight and higher registration fee, the fee will be figured using the month of transfer (day of the month will not be used for credit).

**NOTE:** For any questions about a change of fuel type or a weight change, please contact the Department of Motor Vehicles Information Section at 828-2000.
V. Rental Vehicle Use Tax Exemption

The law [32 V.S.A. §8903 (d)], imposes a six percent (6%) use tax on each transaction involving a short term "rental charge". The definition "short term" means the rental of pleasure cars for a period of less than one year. This does not apply to school buses registered at the pleasure car rate. The term "rental charge" refers to the total charge for actual use of the vehicle, exclusive of separate charges for insurance, refueling costs, or any other charges which are not connected with the actual use of the car. In the event the vehicle is resold by the Rental Company for any use other than short term rental, it will be subject to the regular six percent (6%) Purchase and Use Tax under 32, V.S.A. §8903(a).

NOTE: Any person registering a pleasure car in Vermont must pay the six percent (6%) purchase and use tax if:

β The vehicle is not actually rented for at least 30 days in any single year;
β The vehicle is no longer used in short-term rentals, and
β The vehicle has not been stolen, converted or abandoned.

"Rental Company" refers to any person offering pleasure cars for rent on a short-term basis (less than one year). This shall also include rentals of trailer coaches and trucks having a gross vehicle weight of 26,000 lbs. or less; and of trailers and semi-trailers having a gross weight of 3,000 lbs. or less for a rental period of less than one year. This company must be licensed to do business in the State of Vermont by the Vermont Department of Motor Vehicles. On or before January 1 of each year, the rental company will have to renew its license. The license will be issued at no fee.

Collection of Rental Vehicle Use Tax is the responsibility of the Rental Company and shall be forwarded to the Commissioner of Motor Vehicles either monthly or quarterly depending on the amount of the tax liability. If the tax liability is $500 a month or more, the rental company will file monthly. If the tax liability is less than $500 a month, the rental company will file quarterly.

No person except the Commissioner, his or her representatives or a rental company licensed to do business in Vermont, may collect or accept payment of the Rental Vehicle Use Tax. Anyone doing so in violation of this provision will be subject to prosecution.

Each rental company will be required to maintain such records as prescribed by the Commissioner for a period of not less than three (3) years. At any time, the
Commissioner or his or her representatives shall have access to and may examine the records of any rental company during normal business hours. This is for the express purpose of verifying the truth and accuracy of any statement, report or return to substantiate whether or not the tax was paid in accordance with the law.

Failure to keep accurate reports or failure to file accurate and timely reports, may result in substantial tax assessments, penalties and interest, as well as a suspension of the rental company's right to operate a motor vehicle in the state of Vermont until such time as the tax and related costs are reimbursed to the state.
Temporary Plates
TEMPORARY PLATES

23 V.S.A. §457 ~ Temporary Plates

At the time of the issuance of a registration certificate to a dealer as provided in this chapter the commissioner shall furnish the dealer with a sufficient number of number plates and temporary validation stickers, temporary number plates or decals for use during the 60-day period immediately following sale of a motor vehicle by the dealer, as hereafter provided in general design the same as the number plates or decals furnished individual owners, but the plates and decals may be of a material and color as the commissioner may determine. The commissioner shall collect a fee of $3.00 for each temporary plate issued.

23 V.S.A. §458 ~ Temporary Plate on Sold or Exchanged Vehicles

On the day of the sale or exchange of a motor vehicle, motorboat, snowmobile, or all-terrain vehicle which is to be registered in this state, a dealer may issue to the purchaser, for attachment to the motor vehicle, snowmobile, or all-terrain vehicle or to be carried in or on the motorboat, a number plate with temporary validation stickers, temporary number plate or decal, provided, that the purchaser deposits with such dealer, for transmission to the commissioner, a properly executed application for the registration of such motor vehicle, motorboat, snowmobile, or all-terrain vehicle and the required fee. The purchaser, if properly licensed, on attaching the number plate with temporary validation stickers, temporary plate or decal to the motor vehicle, motorboat, snowmobile, or all-terrain vehicle, may operate the same for a period not to exceed 60 consecutive days immediately following the purchase. A person shall not operate a motor vehicle, motorboat, snowmobile, or all-terrain vehicle with a number plate, with temporary validation stickers, temporary number plate or decal attached thereto or carried except as provided in this section.

23 V.S.A. §459 ~ Notice to Commissioner

(a) Upon issuing a number plate with temporary validation stickers, temporary number plate, or decal to a purchaser for attachment to a motor vehicle, a dealer shall, within three business days, forward to the commissioner the application and fee, deposited with him or her by the purchaser, together with notice of such issue and such other information as the commissioner may require.

(b) If a number plate with temporary validation stickers, temporary registration plate, or decal is not issued by a dealer in connection with the sale or exchange of a motor vehicle, the dealer may accept, from the purchaser, a properly executed registration, tax and title application and the required fees for transmission to the commissioner. The dealer shall, within three business days, forward to the commissioner the
application and fee together with such other information as the commissioner may require.

**23 V.S.A. §460 ~ Dealer’s Use of Temporary Plates Restricted**

A dealer shall not use, attach or issue temporary number plates except as provided in sections 458, 459, and 463 of this title.

**23 V.S.A. §461 ~ Destruction of Temporary Plates**

Unless otherwise directed by the commissioner, at the expiration of the period of 60 days, the purchaser shall destroy the temporary number plates.

**Procedure For Issuing Temporary Plates**

1. Issue plates in numerical sequence starting with the lowest number.


**NOTE:** It is extremely important the temporary plate number be recorded on the Dealer Report of Sale/Temporary Registration form before the plate and certificate are issued to the customer.

4. DO NOT fill out or complete the temporary plate until the sale is completed. Once the temporary plate is attached, the vehicle is registered and all fees must be collected and submitted; no fees can be refunded.

5. DO NOT issue more than one temporary plate per sale, unless the original was lost or stolen. If the plate is lost or stolen you may issue a duplicate but it must bear the same expiration date. The white copy of the duplicate dealer report of sale/temporary registration form should be mailed to the Department of Motor Vehicles immediately and should state the duplicate was issued “in lieu of” the original number, and enter that number from the original plate.

6. Temporary plates **CANNOT** be issued by a dealer to be used on a vehicle unless the vehicle was purchased from the dealer and **CANNOT** be issued at anytime other than at the time of sale.
NOTE: If the vehicle is a lease buyout, a temporary plate **CANNOT** be issued if the dealer does not own the vehicle.

w **EXCEPTION:** Courtesy Delivery

a. A courtesy delivery is one in which a new vehicle is purchased directly from a manufacturer. The vehicle is delivered to a dealer for preparation but is not sold to or by the dealer. The dealer is simply acting as a delivery point between the manufacturer and purchaser.

b. In such instances, a dealer may issue a temporary plate to the purchaser for the convenience of the purchaser. The dealer must collect and submit all required fees and documents to the Department in the same manner as for the sale of a dealer owned vehicle.

**NOTE:** The issuance of temporary plates in such cases will be restricted to those sales directly from manufacturer to purchaser.

7. In case a temporary plate is made out in error or a sale is canceled before the plate is used, maintain all copies of the dealer report of sale/temporary registration form and the plate with an explanation for future reference.

8. Each temporary plate, when issued, is stamped with a distinguishing dealership number. A temporary plate issued to one dealership may not be used by another dealership.

9. **ALL** records, temporary plates and registration certificates issued **will be audited at least once a year**. The dealership will be held accountable for all temporary plates.

**Temporary Plates Issued on Transfers**

1. If a temporary plate is issued in conjunction with a transfer of registration, the date the temporary plate was issued shall be the date the newly acquired vehicle was placed into use.

2. If a temporary plate is issued in conjunction with a registration transfer and the owner retains the plate(s) from the vehicle being disposed of, the transfer fee must be collected in addition to all other fees due.

3. If a temporary plate is issued in conjunction with a registration transfer and the owner does not wish to retain and use the plate(s) from the vehicle being disposed of, then the registration shall be considered a new registration for the purposes of
determining the expiration year and month of the registration of the newly acquired vehicle, and the registration fee.

4. If a temporary registration is issued as a result of a request for a special plate and in conjunction with a transfer of registration, the transfer fee must be collected and the month and year of expiration will not change.

**NOTE:** In addition to the dealer report of sale and temporary plate stub the department requires that you keep a log of the temporary plates received and used.

All log sheets must be returned to the Department of Motor Vehicles – Dealer Unit when a series is completed, or every 3 months (even if the series is not completed).
Permanent (Metal) Plates
PERMANENT (METAL) PLATES

Registration Plates Issued by Dealers

Dealerships who enter into a Memorandum of Understanding (contract) with the Department of Motor Vehicles may issue registration plates (metal plates) to their customers. This program allows for metal plates to be issued only for new registrations of vehicles registered at the pleasure car rate (includes motor homes and school buses), and trucks (GVWR of 25,999 lbs. or less).

If you are not currently enlisted in this program, but would like to be, contact the Director of Operations for information at (802) 828-2066.

These plates are issued with a temporary "T" in lieu of standard validation stickers. The plate remains temporary until the Department of Motor Vehicles processes the paperwork submitted by the dealer. Once processed, the customer will be mailed the standard validation stickers and a registration certificate.

NOTE: Temporary paper plates are still to be used to register all other plate types (i.e. special [vanity], handicapped, conservation, POW, etc. plates; and all other vehicle types (i.e. trailers, travel trailers [if registered as a trailer], contractor trailers, motorcycles, mopeds, ATV's, large trucks [trucks registered at 26,000 lbs. and over], etc.).

Memorandum of Understanding

The Memorandum of Understanding agreement between DMV and the participating dealers will outline the responsibilities within the program for all participants. DMV and each participating New Car/Truck Dealer will agree by their signature to comply with the requirements, rules and restrictions as outlined in this document. Should there be modifications to the agreement; DMV will submit an addendum to the original agreement to each participating dealer for their signature. This agreement will stand as written and signed until such time as a dealer requests to be released from the agreement, or DMV has identified that said dealer has abused the authorities imparted by this agreement, or DMV has suspended the dealer registration of said dealer.

Letter of Authorization

Participating dealers will be required to submit to DMV a letter of authorization on dealership letterhead, signed by the Owner/President/General Manager of the dealership, listing all persons authorized by each dealership to pick up plates.
Dealerships may order/pick up plates, by completing form TA-VG-17b - Supply Order Form. It is imperative that this list remain current. The list shall be updated and submitted to the DMV Stockroom with each change (adding or removing) of authorized personnel. The DMV Stockroom will not issue registration plates and stickers without this list. The Stockroom will ask for positive identification to verify the person picking up the plates is authorized to do so by the dealership. **There will be no exceptions.**

**NOTE:** All log sheets must be returned to the Department of Motor Vehicles – Dealer Unit when a series is completed, or every 3 months (even if the series is not completed).

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**Ordering Plates on the Supply Order Form ~ TA-VG-17b**

Plates are ordered on a Supply Order Form, TA-VG-17b. These orders can be submitted by fax or mail to be received **no less than 48 hours prior** to the requested pickup date. However, to insure availability of plates, fax your order giving a **4-day lead time**. The fax number for the Stockroom in Montpelier is (802) 828-3723. **The Stockroom will not accept phone orders for metal plates.** Plates are issued in sets of 25. Please specify the number of pleasure car and/or truck plates desired. The Dealer must complete the TA-VG-17b ~ Supply Order Form as follows:

- Dealer Name
- Dealer number
- Dealer address (street, city, state, zip)
- Dealer phone number
- Date form completed by dealer
- Form number (in this case the dealer will indicate "metal plates")
- Description of item (i.e. car metal plates, truck Metal Plates)
- Total number of plates or forms ordered
- Checkmark one of the following:
  1. **£** Will pick up. Date: __________; Regular plate orders require a 4-day lead time; Emergency plate orders require a 48-hr lead time.
  2. **£** Please Mail. All requests for supplies can be mailed except for metal plates that are issued to dealers only.

Emergency orders for permanent plates will be evaluated by DMV Stockroom personnel on a case by case basis but should occur rarely if ordering is planned, keeping the 4-day lead time in mind. **The process for emergency ordering will be**
strictly enforced. Habitual emergency orders may be grounds for DMV to rescind the specific dealer’s authorization to issue metal plates. All emergency orders must be approved verbally by the DMV Stockroom personnel prior to accepting the order as an emergency request. The Dealership may contact the DMV Stockroom at (802) 828-2090 for this approval.

### Procedures For Issuing Registration Plates

1. When a registration plate with a temporary "T" is issued by a dealer under Title 23 §458 and §459, the customer may operate the vehicle for a period not to exceed 60 consecutive days immediately following purchase. Inform the customer that they will receive validation stickers and a registration certificate from the Department of Motor Vehicles within the 60 day temporary registration period.

2. If for some reason the validation stickers are not received by the customer within 60 days, the dealer may not extend the temporary status. The dealer may issue only one 60 day temporary for the same transaction unless authorized by the Department. For authorization, the Dealer may contact Bonnie Rutledge, Director of Operations at (802) 828-2066.

3. Upon the finalized sale of a pleasure car or truck which is to be registered in Vermont, the dealer shall issue the purchaser one set of metal registration plates, one set of temporary "T" stickers attached to the metal plates and one "Report of Sale" (customer copy) to be used as proof of registration until the permanent registration is received by the customer.

4. Before issuing a set of plates, verify that the numbers on both the plates being issued match.

5. For each set of plates the dealer will verify that a temporary "T" is affixed to the bottom right corner of each plate.

6. When issuing metal plates, complete the application as follows:

   a. On the Registration, Tax & Title form (TA-VD-119) ~ Section 1 ~ Type of Transaction:

      i. Checkmark the “New Registration” box.

      ii. Write the plate number in space to right of box.

      iii. Checkmark the “TEMP PLATE DATE” box and indicate date of issue in the “DEPARTMENT USE ONLY” section at the top of the form

   b. Complete the remainder of application as instructed in this guide.
c. Remove page 6 of the application since the customer will receive a registration certificate with the validation stickers from DMV.

**NOTE:** If this sheet (page 6 of the application) is not removed prior to sending the application and fees to DMV, the customer will receive a second set of plates as the absence of this sheet is the indicator to DMV that metal plates were issued.

7. If metal registration plates with a "T" are issued to a new vehicle purchased in conjunction with a vehicle trade-in, in which the owner does not wish to retain and use the plate(s) from the vehicle being disposed of, the registration shall be considered a new registration and the applicable registration fees will be collected.

8. DO NOT attach the temporary "T" sticker to the plate until the sale is finalized. Once the sticker is attached and the registration number assigned, the vehicle is registered and all fees must be collected and submitted. No fees can be refunded. There will be no exceptions. Attaching temporary "T" stickers to the plates when they are received by the dealer prior to the finalization of a vehicle sale may be grounds for rescinding the dealer’s authorization to issue metal plates.

9. Both front and back plates are to be attached to the vehicle by the dealer.

**Completing the Dealer Report of Sale Form ~ TA-VD-127**

Complete the Dealer Report of Sale (TA-VD-127) as follows:

1. Indicate plate number on "REG PLT#/TEMP PLT" line.

2. Indicate type of plate issued at top of form (car or truck).

3. The 3 copies of form TA-VD-127 are to be distributed as follows:

   - The **white** copy is to be submitted to DMV Mail Services Unit along with the registration application.
   - The **canary** copy will be retained by the dealer for auditing purposes.
   - The **pink** copy is given to the customer as a temporary registration.
In addition to the Dealer Report of Sale, the Department of Motor Vehicles requires that each authorized dealer keep a log of the registration plates they received and used. DMV will issue only one Dealer Log Sheet, TA-VN-60, for each set of 25 plates issued. The log sheet received with your plate order will be completed by the stockroom as follows:

- Dealer number
- Dealer name
- Beginning plate number
- Ending plate number
- Car or truck box will be check-marked. A separate log sheet must be kept for cars and trucks.

**DMV will not accept erasure or white outs on the Dealer Log Sheet. There will be no exceptions.** The Dealer will complete the Log Sheet as follows:

1. Individual receiving the plates will sign "Received By" and indicate "Date" received.
2. Enter all the plate numbers assigned on the Log Sheet. Issue the plates in numerical order starting with the lowest number.
3. For each plate issued complete the Log Sheet by entering:
   a. Date the plate was assigned
   b. VIN of the vehicle to which plate is assigned
   c. To whom plates are assigned
   d. Date sent/delivered to DMV.

**Temporary “T” Sticker**

The temporary "T" identifies the plate as a temporary registration. The customer will have a copy of the dealer report of sale as proof of registration (canary copy).

Inform the customer that once the registration application is processed by DMV, s/he will receive validation stickers and a registration certificate with the appropriate expiration date. **Also instruct the customer to attach the permanent annual validation sticker over the temporary “T” on both plates, covering up the**
temporary "T", when they receive the validation stickers. This must be emphasized to the customer.

Upon issuing a set of registration plates with a temporary "T", the dealer shall immediately forward the application, fees received from the purchaser, and any other documents required for registration and title to the Department of Motor Vehicles.

Rules/Restriction/Accounting Requirements for Issuance of Metal Registration Plates by Vermont New Car/Truck Dealers

1. **DO NOT** attach orange "T" stickers to temporary paper plates.

2. Registration plates with a "T" **cannot** be issued by a dealer to be used on a vehicle unless the vehicle was purchased from the dealer, and **cannot** be issued at anytime other than at time of sale.

3. If the vehicle the customer is purchasing is a lease buyout, a temporary plate **cannot** be issued if the dealer does not own the vehicle. The leased vehicle must be owned by the dealership, not a separate leasing company.

4. If the customer applies for a special "vanity" plate, **do not** assign a metal registration plate. Use a temporary "paper" plate as instructed in this guide.

5. If the customer is trading to a different type of vehicle (car to truck) and is transferring the registration in-lieu, the Dealer may attach the car plate to a truck or vice versa. DMV will send the correct type of plates to the customer once the application is processed. The customer will have only 30 days under the transfer statute, 23 V.S.A. §321, to complete the transaction. The increase from 30 to 60 days for the issuance of a temporary applies to an in-lieu transfer only if a temporary is issued. In a car to car, or truck to truck transfer, no temporary is issued, therefore the 30 day transfer statute applies.

6. **Do not swap plates with other dealers.** Plates assigned to a dealer must be issued by the dealer to which they were assigned.

Security

1. Dealers are responsible for all plates and stickers assigned to them. The metal registration plates are to be stored in a secure area with no public access.

2. At time of audit, dealers must account for all metal plates assigned to them by the DMV Stockroom.

3. If a dealer goes out of business, all unassigned plates must be returned immediately to the DMV Dealer Clerk.
4. Misuse of metal plates will carry the same fines as the misuse of the temporary paper plates. Plates unaccounted for will result in the dealership paying for the set of plates ($64.00 original plate issue fee) in addition to any other action deemed necessary by the Department.

For more detailed instructions and information, refer to your "Vermont Dealer Procedures ~ Issuing Metal Registration Plates" publication that was provided to you upon enlistment into this program.
Intransit Permits and Plates
A registered motor vehicle dealer is authorized to issue an Intransit registration permit for the purpose of movement over the highways of certain motor vehicles otherwise required to be registered when these vehicles are sold in this state to be transported to and registered in another state or province. The commissioner of motor vehicles shall, upon request, provide registered motor vehicle dealers with such numbers of applications and special Intransit number plates for vehicles sold in this state to be transported to and registered in another state or province as shall be necessary. The commissioner is authorized to charge a fee of $5.00 for the processing of the plate application and the issuance of the plate. The dealer, upon the sale of a motor vehicle to be transported to and registered in another state or province shall cause the application to be filled out and transmitted to the commissioner and shall attach to the vehicle the Intransit number plate corresponding to the application. No registered motor vehicle dealer shall sell, exchange, give, or transfer any application or Intransit Plate to any person other than the person to whom the dealer sells or exchanges a motor vehicle to be registered in another state or province. The application shall be in a form prescribed and furnished by the commissioner. The special Intransit number plate to be attached to the vehicle will be issued in the form and design as prescribed by the commissioner and shall be valid for a period of 30 days from the date of issue.

**NOTE:** When requesting Intransit Permit Plates, mail the request to the Department of Motor Vehicles to the attention of the dealer clerk and include a fee of $3.00 for each plate requested. Do not include any other dealer fees. If you choose to pick up your Intransit Plates, you may do so at the Dealer & Inspection Unit.

**Procedures For Use of Intransit Permits**

**NOTE:** INTRANSIT PERMITS CANNOT BE ISSUED TO ATVs, BOATS OR SNOWMOBILES.

1. Issue plates in sequence, starting with the lowest number.

2. Fill out appropriate spaces on plate and permit application.
NOTE: It is extremely important that the Intransit Plate number be recorded on the Intransit Permit Application before the plate and application are issued to the customer.

3. The 3 copies of form are to be distributed as follows:

β White - Mail to the Department of Motor Vehicles.

β Pink - Give to purchaser.

β Yellow - Retain in dealer records.

4. **DO NOT** fill out or attach Intransit Plate until the deal is completed.

5. **DO NOT** issue more than one Intransit Permit per sale unless the original was lost or stolen. If the plate is lost or stolen you may issue a duplicate but it must bear the same issue date as the original. The white copy of the duplicate Intransit Permit Application should be mailed to the Department of Motor Vehicles immediately and should state duplicate was issued "in lieu of" original number and enter that number.

6. **DO NOT** issue an Intransit Permit for a vehicle unless the vehicle was purchased from your dealership and only if the vehicle is going to be registered out of state by the purchaser.

7. If an Intransit Permit is made out in error or a deal is canceled before the permit is used, maintain the permit and all copies of the application with an explanation for future reference.

8. Each Intransit Permit, when issued, is assigned to the individual dealership. An Intransit Permit issued to one dealership may not be used by another dealership.

9. **ALL** records and Intransit Permits issued will be audited at least once each year. The dealership will be held accountable for all Intransit Permits.

NOTE: If a dealer sells a vehicle that is required to obtain and display a fuel user permit under the provisions of §415(a) or §3007(d) and an Intransit Permit is issued to the purchaser to transport the vehicle to his or her home state for registration in that state, the purchaser is not required to obtain a fuel user permit before the vehicle can be driven out of Vermont to his or her home state. This does not allow the vehicle to be operated for any other purpose within Vermont.