# North Dakota Dealer Handbook





# Prepared by

# NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

BISMARCK, NORTH DAKOTA www.dot.nd.gov

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### Welcome!

As a licensed North Dakota dealer, there are many laws in North Dakota Century Code (NDCC) that you need to be knowledgeable about and adhere to. You will also be assisting customers to obtain title and license for their newly purchased vehicles and they will look to you as the expert. This handbook should help you get started on that path and please remember that the MVD is only a phone call away and we are happy to assist you.

Please contact the MVD anytime you have questions or need assistance. The NDDOT's Central Office is located on the North Dakota State Capitol Grounds in Bismarck. This is the office that holds our Dealer Services and who you should contact if you have questions about your dealer license, license renewal, dealer requirements, etc. Dealer Services may be reached at (701) 328-1285 or <a href="mvds@nd.gov">mvds@nd.gov</a>. If you have questions about completing paperwork you may contact Consumer Services, also located at Central Office in Bismarck, at (701) 328-2725. The MVD also has twenty contracted Motor Vehicle Branch Offices located throughout the state that may assist you with completing title transactions in Beulah, Bottineau, Bowman, Carson, Devils Lake, Dickinson, Ellendale, Fargo, Grafton, Grand Forks, Jamestown, Langdon, Linton, Lisbon, Minot, Rugby, Valley City, Wahpeton, Watford City, and Williston. Service fees may apply at branch and contracted offices.

# **Frequently Asked Questions**

Below you will find responses to some of the most common questions we receive from dealers.

#### Where can I obtain forms required by MVD to complete title transactions?

Most forms can be retrieved and printed directly from our website, <a href="www.dot.nd.gov">www.dot.nd.gov</a>. Some forms are not available online because they are on secure paper or have carbon copies such as the Reassignment/Odometer Disclosures and Secure Power of Attorney Documents. You may obtain Reassignment/Odometer Disclosures from the MVD for a fee. Secure Power of Attorney Documents may be obtained from the Auto Dealers Association of North Dakota for a fee.

#### What do I need to do to change my business/dealership name?

Your dealership license is issued in the business name that is on your dealer bond. If you wish to change your business name, you will need to contact your bonding company and have them change the name on your dealer bond. You must submit a bond rider to MVD reflecting the name change. At that time, MVD will update your dealer record and issue a new dealer license certificate.

#### How do I obtain duplicate dealer plates to replace lost or damaged plates?

Contact MVD, Dealer Services to request duplicate plates. A replacement fee of \$5 will be collected for each plate requested and payment must be received prior to MVD placing plates on order. It takes approximately four weeks to receive plates after they are placed on order.

#### How do I add additional dealer plates to my inventory?

The number of dealer plates issued is determined by the number of retail sales your dealership reported the previous calendar year and is at the discretion of MVD. Please contact MVD Dealer Services to request additional dealer plates. The fee for additional plates is \$20 per plate and payment must be received prior to an order being placed. It takes approximately 4 weeks to receive plates after they are placed on order.

#### Am I required to title vehicles in my dealership name that are in our inventory for resale?

No, dealers are excluded from the certificate of title requirement on vehicles that are for sale. (NDCC 39-05-02.2) However, we highly recommend that you do title vehicles in your dealership name before transferring ownership to a buyer if they will be completing the title work themselves.

#### Do I have to title & license vehicles in my Courtesy Transportation Program (CTP)?

No. Vehicles that are in a CTP fleet can use dealer plates since they are being used for demonstration purposes. No paperwork needs to be filed with NDDOT. When the vehicle comes out of the CTP fleet and is sold, the dealer will complete reassignments on the MCO like any other new vehicle sale. The CTP program is only available to franchised new dealers.

# Important Things to Know New Motor Vehicle Dealers

#### License

- A new motor vehicle dealer's license authorizes the buying, selling and exchanging of both new and used motor vehicles.
- Annual license fee is \$100 per calendar year at which time the department shall issue one dealer plate. The dealer license and dealer plates will expire December 31 of each year. The fee to renew additional dealer plates is \$20 per plate.
- A maximum of 2 dealer plates is allowed upon initial licensure. More plates may be ordered once additional sales criteria has been met.
- If a motor vehicle dealer license isn't renewed prior to the expiration of the current license, you will be charged a \$100 late fee in addition to the renewal and registration fees.
- Any person who engages in the business of buying, selling, or exchanging of motor vehicles
  without possessing a current motor vehicle dealer license may be assessed a \$100 fee for a
  first violation, \$200 fee for a second violation within two years of the first violation, or a fee of
  at least \$500 but not more than \$2,000 for a third or subsequent violation within five years of
  the first violation.

#### Franchise Requirements

- You must have a bona fide contract or franchise in effect with a manufacturer or distributor of the new motor vehicles which you sell. You may only sell new motor vehicles for which you are franchised to sell. A copy of the franchise agreement must be on record with the MVD Dealer Services.
- If a new motor vehicle dealer purchases, or holds for sale, a new motor vehicle for which the
  dealer does not have a contract or franchise, the vehicle becomes subject to tax, title, and
  registration fees requirements.
- Any time a motor vehicle dealer submits an application to title a vehicle in their dealership name from the MCO, it is to be presumed that the vehicle status has either changed from new to used or the dealer is using the vehicle in the direct function of their business and it is no longer in their retail inventory. Both circumstances make the vehicle subject to tax, title and registration fees requirements.
- Dealers selling vehicles for which they do not hold a franchise agreement may be assessed a \$250 fee for a first violation, or a \$500 fee for a second violation within 2 years of the first violation. The MVD may suspend the license of a dealer if a third or subsequent violation occurs within 5 years of the first violation.

#### **Bond & Insurance Requirements**

- New Motor Vehicle Dealers are required to hold a continuous surety bond in the amount of \$25,000. If there are any changes to the bond or if it is cancelled, MVD must be notified. Upon cancellation of the continuous surety bond, the dealer's license will be suspended.
- A continuous policy of liability insurance for the business operation of the dealership which includes general, business automobile, and sales, repair, or service operations liability as is appropriate to the business operation is a requirement of licensing. It is the dealer's responsibility to provide current insurance information to the MVD each year. Any motor vehicle dealer who fails to maintain the insurance coverage required by NDCC shall be required to return their dealer license and dealer number plates to the department. Failure to return the dealer license or dealer number plates results in automatic revocation by operation

of law. The department will reinstate the dealer license and dealer number plates only when proof of insurance coverage is received.

#### **Established Place of Business Requirements**

- New Motor Vehicle Dealers are required to maintain an established place of business adjacent to the primary motor vehicle display lot maintained by the dealer. An established place of business means a permanent enclosed building of at least 250 square feet either owned, rented, or leased at which a permanent business of bartering, trading, and selling of motor vehicles will be conducted and does not mean a residence, tents, temporary stands, or other temporary quarters.
- The established place of business and primary motor vehicle display lot must cover at least 2,500 square feet and be located on property zoned or otherwise approved for this purpose by the appropriate zoning authority.
- The established place of business must be adequately heated and lighted so as to be comfortable for customers and employees and be equipped with standard office equipment necessary to conduct business.
- All records related to the business, including titles or other documents showing ownership of the vehicles, must be kept and maintained at the established place of business.
- An established place of business must have a telephone publicly listed in the name of the dealership, be open to the public during normal business hours, and have a sign identifying the business to the public as a motor vehicle dealership. The sign must be at least 32 square feet in size, contain the name of the dealership in letters at least 10 inches high, and be clearly visible from the street. A business sign approved by a motor vehicle manufacturer may be used in lieu of the sign requirements.
- A dealer must first notify MVD and obtain permission to relocate the dealership to a new location from the established place of business occupied at the time of inspection when the license was granted. The motor vehicle dealer shall provide sufficient proof that the new premises conforms to NDCC requirements as stated above.
- The MVD may assess a motor vehicle dealer violating the established place of business requirements with a \$100 fee for a first violation, \$200 for a second violation within two years of the first violation, and suspend the license of a motor vehicle dealer if a third or subsequent violation occurs.

#### **Vehicle Sales & Vehicle Display**

- Motor vehicle sales are prohibited on Sunday.
- Dealers are required to furnish the buyer with a proper and valid certificate of title to the motor vehicle involved in any sale transaction. You are required to deliver the endorsed certificate of title to the MVD with tax, title, and registration fees and shall make application for a new certificate of title within 30 days of the date of purchase. The addition of a lienholder on the title to be transferred does not alter the title delivery requirements and these timelines are still applicable.
- A licensed motor vehicle dealer may establish secondary motor vehicle lots within five miles of the dealer's established place of business. Secondary lots must be identified as a part of the licensed dealer's operation with a sign displaying the name and telephone number of the licensed dealer. A licensed dealer may not display vehicles except on the dealer's primary and secondary lots and may be assessed a \$100 fee for a first violation, \$200 fee for a second violation within two years of the first violation, and at least a \$500 fee, but not more than a \$2,000 fee for a third or subsequent violation.

A Show and Sale Permit may be issued by the MVD to a dealer displaying vehicles off their
primary or secondary lots if they are participating in a bona fide automobile show or sales
promotion event in North Dakota. The MVD will deny an application for a permit if it is
determined the applicant does not intend to participate in a bona fide show or promotion. The
permit must be issued upon payment of a fee of \$25 and is valid for a period of time, not to
exceed seven days, to be determined by MVD.

#### **Annual License Renewal Requirements**

- License expires on December 31st of each year. A renewal application will be sent to each licensed dealer near the end of year (usually in early November).
- The MVD shall not renew the dealer license of any applicant who has made less than eight retail motor vehicle sales during the previous year. A retail motor vehicle sale is defined by NDCC 39-22-18 as a motor vehicle that requires titling and registration in order to operate on the roads.
- The renewal application must be signed and returned to MVD with renewal fee of \$100. Included in the \$100 renewal is registration for 1 dealer plate. Dealer plates expire at the same time of the dealer license. The cost of renewing registration for dealer plates is \$20 per plate. The renewal application must be postmarked on or before December 31 to avoid a late renewal fee of \$100.
- If the General Liability Insurance coverage will be expiring on or around the time of license renewal, please include a copy of the updated insurance policy with the renewal application. This will avoid delays in the processing of the dealer license renewal. MVD will be unable to renew the license if we do not have record of insurance for the year that we will be renewing the licensing.
- If your annual sales decreased from previous years, the MVD may reduce the number of dealer plates allowed to renew.

#### **Use of Dealer Plates**

- Dealer number plates may be used on any vehicle owned by the dealership and used in the direct functions of demonstrating, buying, or selling vehicles. A dealer plate displayed on a vehicle must be visibly displayed on the rear of the vehicle.
- Dealer plates may not be used on a service vehicle or a vehicle used in other functions of the business, sold units in the possession of the purchaser or by a person not directly involved in the operation of the dealership.
- Additional dealer number plates may be ordered through MVD upon payment of \$20 per plate.
   However, the maximum number of plates allowed is based on the motor vehicle sales history at the discretion of MVD.
- Any person violating laws pertaining to use of dealer plates may be assessed a \$100 fee for a first violation, \$200 fee for a second violation within two years of the first violation, or a fee of at least \$500 but not more than \$2,000 for a third or subsequent violation within five years of the first violation.

#### **Used Motor Vehicle Dealers**

#### License

- A used motor vehicle dealer's license authorizes the buying, selling, and exchanging of used motor vehicles.
- Annual license fee is \$100 per calendar year and for which the department shall issue one dealer plate. The dealer license and dealer plates will expire December 31 of each year. The fee to renew additional dealer plates is \$20 per plate.
- A maximum of 2 dealer plates is allowed upon initial licensure. More plates may be ordered once additional sales criteria has been met.
- If a motor vehicle dealer license isn't renewed prior to the expiration of the current license, you will be charged a \$100 late fee in addition to the renewal and registration fees.
- Any person who engages in the business of buying, selling, or exchanging of motor vehicles
  without possessing a current motor vehicle dealer license may be assessed a \$100 fee for a
  first violation, \$200 fee for a second violation within two years of the first violation, or a fee of
  at least \$500 but not more than \$2,000 for a third or subsequent violation within five years of
  the first violation.

#### **Bond & Insurance Requirements**

- Used Motor Vehicle Dealers are required to hold a continuous surety bond in the amount of \$25,000. If there are any changes to the bond or if it is cancelled, MVD must be notified. Upon cancellation of the continuous surety bond, the dealer's license will be suspended.
- A continuous policy of liability insurance for the business operation of the dealership which includes general, business automobile, and sales, repair, or service operations liability as is appropriate to the business operation is a requirement of licensing. It is the dealer's responsibility to provide up-to-date insurance information to the MVD. Any motor vehicle dealer who fails to maintain the insurance coverage required by NDCC shall be required to return their dealer license and dealer number plates to the department. Failure to return the dealer license or dealer number plates results in automatic revocation by operation of law. The department will reinstate the dealer license and dealer number plates only when proof of insurance coverage is received.

#### **Established Place of Business Requirements**

- Used Motor Vehicle Dealers are required to maintain an established place of business adjacent
  to the primary motor vehicle display lot maintained by the dealer. An established place of
  business means a permanent enclosed building of at least 250 square feet either owned, rented,
  or leased at which a permanent business of bartering, trading, and selling of motor vehicles
  will be conducted and does not mean a residence, tents, temporary stands, or other temporary
  quarters.
- The established place of business and primary motor vehicle display lot must cover at least 2,500 square feet and be located on property zoned or otherwise approved for this purpose by the appropriate zoning authority.
- The established place of business must be adequately heated and lighted so as to be comfortable for customers and employees and be equipped with standard office equipment necessary to conduct business.
- All records related to the business, including titles or other documents showing ownership of the vehicles, must be kept and maintained at the established place of business.
- · An established place of business must have a telephone publicly listed in the name of the

dealership, be open to the public during normal business hours, and have a sign identifying the business to the public as a motor vehicle dealership. The sign must be at least 32 square feet in size, contain the name of the dealership in letters at least 10 inches high, and be clearly visible from the street. A business sign approved by a motor vehicle manufacturer may be used in lieu of the sign requirements.

- A dealer must first notify MVD and obtain permission to relocate the dealership to a new location from the established place of business occupied at the time of inspection when the license was granted. The motor vehicle dealer shall provide sufficient proof that the new premises conforms to NDCC requirements as stated above.
- The MVD may assess a motor vehicle dealer violating the established place of business requirements with a \$100 fee for a first violation, \$200 for a second violation within two years of the first violation, and suspend the license of a motor vehicle dealer if a third or subsequent violation occurs.

#### Vehicle Sales & Vehicle Display

- Motor vehicle sales are prohibited on Sunday.
- Dealers are required to furnish the buyer a proper and valid certificate of title to the motor vehicle involved in any sale transaction. You are required to deliver the endorsed certificate of title to the buyer within 30 days of the transaction if the buyer will be handling the title transfer with MVD. Otherwise, you are required to deliver the endorsed certificate of title to the MVD with tax, transfer, and registration fees and shall make application for a new certificate of title within 30 days of the date of purchase. The addition of a lienholder on the title to be transferred does not alter the title delivery requirements and these timelines are still applicable.
- A licensed motor vehicle dealer may establish secondary motor vehicle lots within five miles of the dealer's established place of business. Secondary lots must be identified as a part of the licensed dealer's operation with a sign displaying the name and telephone number of the licensed dealer. A licensed dealer may not display vehicles except on the dealer's primary and secondary lots and may be assessed a \$100 fee for a first violation, \$200 fee for a second violation within two years of the first violation, and at least a \$500 fee but not more than a \$2,000 fee for a third or subsequent violation.
- A Show and Sale Permit may be issued by the MVD to a dealer displaying vehicles off their primary or secondary lots if they are participating in a bona fide automobile show or sales promotion event in North Dakota. The MVD will deny an application for a permit if it is determined the applicant does not intend to participate in a bona fide show or promotion. The permit must be issued upon payment of a fee of \$25 and is valid for a period of time, not to exceed seven days, to be determined by MVD.

#### **Annual License Renewal Requirements**

- License expires on December 31st of each year. A renewal application will be sent to each
  licensed dealer near the end of year (usually in early November). The MVD shall not renew
  the dealer license of any applicant who has made less than eight retail motor vehicle sales
  during the previous year. A retail motor vehicle sale is defined by NDCC 39-22-18 as a motor
  vehicle that requires titling and registration in order to operate on the roads.
- The renewal application must be signed and returned to MVD with renewal fee of \$100. Included in the \$100 renewal is registration for one dealer plate. Dealer plates expire at the same time as the dealer license. Cost of renewing registration for dealer plates is \$20 per plate. The renewal application must be postmarked on or before December 31 to avoid a late renewal fee of \$100.
- If the General Liability Insurance coverage will be expiring on or around the time of license

renewal, please include a copy of the updated insurance policy with the renewal application. This will avoid delays in the processing of the dealer license renewal. The MVD is not able to renew the license if we don't have record of insurance for the year that we will be renewing the licensing.

• If your annual sales decreased from previous years, the MVD may reduce the number of dealer plates allowed to renew.

#### **Use of Dealer Plates**

- Dealer number plates may be used on any vehicle owned by the dealership and used in the direct functions of demonstrating, buying, or selling vehicles. A dealer plate displayed on a vehicle must be visibly displayed on the rear of the vehicle.
- Dealer plates may not be used on a service vehicle or a vehicle used in other functions of the business, sold units in the possession of the purchaser or by a person not directly involved in the operation of the dealership.
- Additional dealer number plates may be ordered through MVD upon payment of \$20 per plate.
   However, the maximum number of plates allowed is based on motor vehicle sales history and the discretion of MVD.
- Any person violating laws pertaining to use of dealer plates may be assessed a \$100 fee for a
  first violation, \$200 fee for a second violation within two years of the first violation, or a fee of
  at least \$500, but not more than \$2,000 for a third or subsequent violation within five years of
  the first violation.

New and Used Dealer - License Plate Dispersal Guidelines		
ANNUAL SALES	PLATES ALLOWED	
1-7	0	
8-12	2	
13-25	4	
26-49	6	
50-100	12	
101-150	20	
151-Higher	As many as requested	

#### **Trailer Dealers**

#### License

- A trailer dealer's license authorizes the buying, selling, and exchanging of trailers. The term "trailer" includes every vehicle without motor power designed to carry property or passengers on its own and to be drawn by a motor vehicle, except that it does not include a house trailer or mobile home which are intended for use as living or sleeping quarters for people and which are not used for commercial hauling of passengers.
- Annual license fee is \$30 per calendar year at which time the department shall issue one dealer plate. The dealer license and dealer plates will expire December 31 of each year. The fee to renew additional dealer plates is \$10 per plate.
- If a trailer dealer license isn't renewed prior to the expiration of the current license, you will be charged a \$100 late fee in addition to the renewal and registration fees.
- Any person engaged in buying and selling of trailers without first being licensed is guilty of a Class B misdemeanor.

#### **Established Place of Business Requirements**

- Trailer dealers are required to maintain a primary established place of business and all business records must be maintained in one central location.
- A dealer must first notify MVD and obtain permission to relocate the dealership to a new location from the established place of business occupied at the time of inspection when the license was granted. The motor vehicle dealer shall provide sufficient proof that the new premises conforms to NDCC requirements as stated above.
- A licensed trailer dealer may establish secondary trailer display lots. Secondary lots must be identified as a part of the licensed dealer's operation
- The MVD may assess a trailer dealer violating established place of business requirements with a \$100 fee for a first violation, \$200 for a second violation within two years of the first violation, and suspend the license of a trailer dealer if a third or subsequent violation occurs.

#### **Bond Requirements**

• Trailer Dealers are required to hold a continuous surety bond, in the amount of \$10,000. If there are any changes to the bond or if it is cancelled, MVD must be notified. Upon cancellation of the continuous surety bond, the dealer's license will be suspended.

#### Vehicle Sales

 Trailer dealers are required to furnish the buyer a proper and valid certificate of title to the trailer involved in any sale transaction. You are required to deliver the endorsed certificate of title to the buyer within 30 days of the transaction. The addition of a lienholder on the title to be transferred does not alter the title delivery requirements and these timelines are still applicable.

#### **Annual License Renewal Requirements**

• License expires on December 31st of each year. A renewal application will be sent to each licensed dealer near the end of year (usually in early November) the renewal application should be signed and returned to MVD with renewal fee of \$30. Included in the \$30 renewal is registration for 1 dealer plate. Dealer plates expire at the same time as the dealer license. Cost of renewing registration for dealer plates is \$10 per plate. The renewal application must be postmarked on or before December 31 to avoid a late renewal fee of \$100.

#### **Use of Dealer Plates**

Dealer number plates may be used on any trailer owned by the licensed dealer. Trailers

bearing the dealer's license plates may be lawfully operated upon the public highways of this state by the dealer during the year of registration in the direct functions of demonstrating, buying, selling, or transporting trailers.

- Additional dealer number plates may be ordered through MVD upon payment of \$10 per plate.
- Any person violating laws pertaining to use of dealer plates may be assessed a \$100 fee for a first violation, \$200 fee for a second violation within two years of the first violation, or a fee of at least \$500, but not more than \$2,000 for a third or subsequent violation within five years of the first violation.

#### **Motor-Powered Recreational Vehicle Dealers**

#### License

- A motor-powered recreational dealer's license authorizes the buying, selling, and exchanging
  of motor-powered recreational vehicles such as; motorcycles, ATV's, UTV's, snowmobiles,
  and unconventional vehicles.
- Annual license fee is \$25 per calendar year at which time the MVD shall issue one dealer plate. The dealer license and dealer plates will expire December 31 of each year. The fee to renew additional dealer plates is \$10 per plate.
- A dealer who allows any other dealer to use their dealer's license or permits the use of the license for the benefit of any other dealer is guilty of an infraction and shall have their license revoked by the MVD.
- Any person who engages in business in buying and selling trailers without first being licensed is guilty of a Class B misdemeanor.

#### **Established Place of Business Requirements**

- Motor Powered Recreational Dealers are required to maintain an established place of business. An established place of business means a permanent enclosed building or structure either owned or leased at which a permanent business of bartering, trading, and selling of motor-powered recreational vehicles, the repair, maintenance, and servicing of motorpowered recreational vehicles and the storage of parts and accessories of such vehicles will be carried out in good faith. The place of business may consist of several buildings or structures, but those buildings or structures may not be located more than 1,000 feet from the central office. The central office must be located within North Dakota.
- All business records and files must be maintained at the central place of business.
- The MVD must assess a motor-powered recreational dealer violating established place of business requirements with a \$100 fee for a first violation, \$200 for a second violation within two years of the first violation, and suspend the license of a motor-powered recreational dealer if a third or subsequent violation occurs within five years of the first violation.

#### **Bond Requirements**

• Motor-Powered Recreational Dealers are required to hold a continuous surety bond in the amount of \$10,000. If there are any changes to the bond or if it is cancelled, MVD must be notified. Upon cancellation of the continuous surety bond, the dealer's license will be suspended.

#### **Annual License Renewal Requirements**

• License expires on December 31st of each year. A renewal application will be sent to each licensed dealer near the end of year (usually in early November).

#### **Use of Dealer Plates**

- Dealer plates may be displayed on any motor-powered recreational vehicle owned by the dealer.
- Additional dealer number plates may be ordered through MVD upon payment of \$10 per plate.

#### **Mobile Home Dealers**

#### License

- A mobile home and manufactured home dealer's license authorizes the buying, selling, and exchanging of mobile homes, manufactured homes, motor homes, and travel trailers.
- Annual license fee is \$35 per calendar year and for which the MVD shall issue one dealer plate. The dealer license and dealer plates will expire December 31 of each year. The fee to renew additional dealer plates is \$10 per plate.
- If a mobile home and manufactured home dealer license isn't renewed prior to the expiration of the current license, you will be charged a \$100 late fee in addition to the renewal and registration fees.
- Any person engaged in buying and selling of mobile homes, manufactured homes, motor homes or travel trailers without first being licensed is guilty of a Class B misdemeanor.

#### **Established Place of Business Requirements**

- Mobile home and manufactured home dealers are required to maintain a permanent office and place of business as well as an adequate service department. In addition, the dealer shall maintain business records in one central location.
- The MVD must assess a mobile home and manufactured home dealer violating established place of business requirements with a \$100 fee for a first violation, \$200 for a second violation within two years of the first violation, and suspend the license of a motor-powered recreational dealer if a third or subsequent violation occurs within five years of the first violation.

#### **Bond Requirements**

 Mobile Home and Manufactured Home Dealers are required to hold a continuous surety bond in the amount of \$50,000. If there are any changes to the bond or if it is cancelled, MVD must be notified. Upon cancellation of the continuous surety bond, the dealer's license will be suspended.

#### **Vehicle Sales**

- Mobile Home and Manufactured Home dealers are required to furnish to buyer a proper and valid certificate of title to the mobile home, travel trailer or motor home involved in any sale transaction. You are required to deliver the endorsed certificate of title to the buyer within 30 days of the transaction.
- In addition, you are required to furnish the buyer of a manufactured home within 30 days of purchase an affidavit of affixation, a letter of confirmation, and a bill of sale that includes a statement as to whether there are liens or encumbrances on the manufactured home. The addition of a lienholder does not alter the title delivery requirements and these timelines are still applicable.
- If there is a lienholder to be placed on the title, as a dealer you must send to the MVD the certificate of title along with an application for a new certificate of title with the purchasers and lienholder information.
- If you fail to present the certificate of title to the MVD as required NDCC 39-18-03, a penalty of \$10 will be imposed on the dealership.
- The addition of a lienholder on the title to be transferred does not alter the title delivery requirements and the same timelines are applicable.

#### **Annual License Renewal Requirements**

- License expires on December 31st of each year. A renewal application will be sent to each licensed dealer near the end of year (usually in early November).
- The renewal application should be signed and returned to MVD with renewal fee of \$35. Included in the \$35 renewal is registration for 1 dealer plate. Dealer plates expire at the same time of the dealer license. Cost of renewing registration for additional dealer plates is \$10 per plate.
- If a mobile home dealer license is not renewed prior to the expiration of the current license, you will be charged a \$100 late fee in addition to the renewal and registration fees.

#### **Use of Dealer Plates**

- Dealer number plates may be used on any mobile home, manufactured home, or travel trailer owned by the licensed dealer and may be operated upon the public highways of the state of North Dakota by the dealer and the dealer's agents.
- Additional dealer number plates may be ordered through MVD upon payment of \$10 per plate.
- Any person violating laws pertaining to use of dealer plates may be assessed a \$100 fee for a first violation, \$200 fee for a second violation within two years of the first violation, or a fee of at least \$500, but not more than \$2,000 for a third or subsequent violation within five years of the first violation.

# **Low Speed Dealers**

Low-speed dealers are not required by law to hold a North Dakota Dealer's License. One may elect to be licensed which then entitles the dealer to be issued license plates distinctively marked as dealer registration numbers. An application and payment of \$20 only need to be submitted to the MVD Dealer Services to obtain a license. Dealer number plates may be used only on low-speed vehicles owned by the dealership.

# Basic Title & Registration Guidelines Title Assessment

#### Type of vehicle

• The type of vehicle determines the documentation necessary.

#### **Model Year**

- If 8 years old or newer, a Damage/Salvage Disclosure Statement (<u>SFN 18609</u>) is required for passenger cars, pickups, trucks, motorcycles, motor homes, and unconventional vehicles (in 2019, model years 2012 and newer).
- If 10 years old or newer, a secure odometer disclosure is required for passenger vehicles, pickups, trucks, motorcycles, motor homes and unconventional vehicles (in 2019, model years 2010 and newer).

DAMA	GE DISCLOSURE
YEAR	YEAR MODEL
2022	2015 and newer
2023	2016 and newer
2024	2017 and newer
2025	2018 and newer
2026	2019 and newer
2027	2020 and newer

#### **Source Document**

- 1. Determine Ownership
  - a. On a Manufacturer's Certificate of Origin (MCO) the dealership listed on the face of the MCO must properly reassign the MCO.
  - b. On an Out-of-State title the vehicle owner(s) must have proper reassignments.
    - i. Liens must be released.
    - ii. Leased vehicles reassignment must be by the lessor.
    - iii. Conjunctions AND, AND/OR, and JTWROS (joint tenants with right of survivorship) require reassignment by all listed owners. If there are multiple owners without a conjunction between names, then all owners must sign and complete the reassignment.
  - c. On a North Dakota title the vehicle owner(s) must properly sign off.
    - i. Liens must be released.
    - ii. Leased vehicles reassignment must be by the lessor.
    - iii. Conjunctions AND or JTWROS require reassignment by all listed owners.
    - iv. Conjunction OR only requires one signature.
- 2. Ensure all subsequent dealer reassignments are properly completed to connect the chain of ownership.

#### **Branding**

- This may affect the ability to title and register in North Dakota.
- Some brands (i.e. CERTIFICATE OF DESTRUCTION, DISMANTLED, JUNK, NON-REBUILDABLE, PARTS ONLY, UNREPAIRABLE, SCRAP, etc.) are not titled or registered in

North Dakota. See Damaged Vehicles section for more information.

• <u>DO NOT</u> issue a temporary registration to a vehicle with a title branded SALVAGE.

#### Errors, alterations, or corrections

• When a part of any title, application for title, or any notarized form has been defaced or altered, a Statement of Error, Correction, or Alteration (SFN 2964) must be completed to explain the reason for the alteration or defacement and the form must be notarized. The use of white-out on documents will cause your paperwork to be rejected by the MVD; it is better to put one line through the incorrect information and then write the correct information above and complete a Statement of Error, Correction, or Alteration. If errors are made on an odometer disclosure, the entire document will need to be redone, as well as the Statement of Error, Correction, and Alteration. An error statement may not replace information that should be completed on the odometer disclosure.

#### Title Transfers (North Dakota title)

NDCC 39-04-02, 39-05-16.1, 39-05-17, 39-05-17.1

- 1. Seller must deliver title to purchaser within 30 days. Purchaser must submit title to the division for transfer within 30 days of receipt.
- 2. All liens (if any) on the front of title must be released.
- 3. Title fee of \$5 is due.
- 4. License fees are based on the type, weight, and year of a vehicle being registered. Please use the proper fee schedule, which may be accessed at www.dot.nd.gov.
- 1. Motor vehicle excise tax of 5% must be remitted when purchase constitutes a sale. "Sale" includes a transfer of title or ownership of a motor vehicle by way of gift, exchange or barter, or by any other manner or by any other means whatsoever for or without consideration.
- 2. Odometer disclosure (see Odometer Disclosure section for full regulations).
- 3. Damage disclosure (see Damage Disclosure section for full regulations).
- 4. Part 1 must be signed by seller(s) or transferor(s). Name and address of new owner or applicant must be typed or printed legibly. Seller must enter the date of sale and purchase price. Odometer certification must be completed, if applicable. New owner(s) must print and sign their name certifying the mileage stated. See chart below for examples of who needs to sign the title as seller to transfer ownership.

Ownership on Title	
John Jones	John Jones must sign
John Jones or Mary Jones	Either John Jones or Mary Jones must sign
John Jones and Mary Jones	Both John and Mary Jones must sign
John and Mary Jones, as joint tenants with right of survivorship (JTWROS)	Both must sign unless one is deceased, in which case the survivor must sign and attach a certified copy of the death certificate.
Northwest Trucking, Inc.	Agent of the company must sign and indicate their title and business name. For example: John Jones, President of Northwest Trucking Inc.
Name changes during ownership	Must sign using the name that appears on the title.

- 5. Part 2 must be completed if vehicle is sold by a dealer. Dealer must sign and indicate dealer license number. Proof of legal name and address of new owner must be typed or printed legibly. Date of sale and purchase price are required information. Odometer certification must be completed if applicable.
- 6. Part 3 must be completed and signed by new owner(s). If the new owner has a lien on the vehicle, lienholder name and address must be printed legibly in this section. Please be sure you are providing accurate and complete lienholder information. If corrections are required after title has been issued due to incorrect information being provided to the MVD, a \$5 title correction fee will be assessed.

#### **New Vehicles**

NDCC 39-04-02, 39-05-05

- The Manufacturer's Certificate of Origin (MCO) must be completed on the reverse side in addition to the odometer disclosure for retail sale. An Application for Certificate of Title & Registration of a Vehicle (<u>SFN 2872</u>) must be completed in full and signed by the applicant.
- 2. An application for certificate of title must be made by the owner using their legal name evidenced by a valid state-issued driver's license, non-driver identification card, or any other document confirming the true identity of the owner.
- 3. License fees are based on the type, year, and weight of a vehicle being registered. Please use the proper fee schedule, which may be accessed at <a href="https://www.dot.nd.gov">www.dot.nd.gov</a>.
- 4. Title fee of \$5 is due.
- 5. Abandoned motor vehicle disposal fee of \$1.50 is due upon initial application for North Dakota certificate or title.
- 6. Motor vehicle excise tax (5%) must be remitted. The tax is computed on the full purchase price less any trade-in and/or total loss allowances. The vehicle traded must be identified by year, make, and vehicle identification number (VIN). If there is a total loss allowance a Total Loss Statement (SFN 53386) must be submitted. Excise tax is calculated differently for lease transactions. Please see Leased Vehicles section for guidance.
- 7. Odometer disclosure and a damage disclosure are both required, please see Odometer and Damage discloser sections for requirements.
- 8. All assignments from the dealer listed on the face of MCO for each retail sale must be completed to show the chain of ownership.
- 9. Dealer must be franchised to sell the make of the vehicle specified on the MCO.
- 10. Dealerships that request title to be issued in their name from a MCO will be required to pay excise tax. The dealer resale tax exemption is not applicable for new vehicles.

#### **Out-of-State Vehicles**

NDCC 39-04-18 Subsection 2(c)(e), 39-04-21

- 1. Out-of-State title must be surrendered. If ownership is transferred, all reassignments must be completed. Application for Certificate of Title & Registration of a Vehicle (SFN 2872) must be completed in full and signed by the applicant and submitted with the out-of-state title.
- 2. An application for certificate of title must be made by the owner using their legal name evidenced by a valid state-issued driver's license, non-driver identification card, or any other document confirming the true identity of the owner.
- 3. Any lien or mortgage on an out-of-state title must be released if ownership is being transferred at the time of application for a North Dakota title. If ownership is not being transferred, any lien or mortgage shown and not released will be shown on the North Dakota title.
- 4. License fees are based on the type, year, and weight of a vehicle being registered. Please use the proper fee schedule which may be accessed at <a href="https://www.dot.nd.gov">www.dot.nd.gov</a>.
- 5. Title fee of \$5 is due.
- 6. Abandoned motor vehicle disposal fee of \$1.50 is due if the vehicle has never been titled in North Dakota.
- 7. Motor vehicle excise tax (5%) is due on all vehicles purchased outside the state of North Dakota for use in this state. Tax is computed on the full purchase price less any trade-in allowance. The traded vehicle must be identified by year, make, and VIN on the application.
- 8. Odometer disclosure and a damage disclosure are both required, please see Odometer and Damage discloser sections for requirements.

#### **Imported Vehicles**

NDC) 39-04-02 Subsection 2 & 3

- 1. The following documents are required to title and register imported vehicles:
  - a. An Application for Certificate of Title & Registration of a Vehicle (<u>SFN 2872</u>) must be completed by the owner using their legal name evidenced by a valid state-issued driver's license, non-driver identification card, or any other document confirming the true identity of the owner.
  - b. The original registration, a copy of the registration, or a letter of verification from the foreign government agency.
  - c. Proper chain of ownership from the registered owner to the purchaser. A bill of sale that transfers ownership from each seller to the next buyer must be provided.
  - d. U.S. Customs documentation is required to meet Federal Government Regulations covering the vehicle being imported. Acceptable forms include: 368, 7523, 3299, 3311, 7501, 7533, 60598, or 3461. If documents are written in a language other than English, documents translated to English must be included.
  - e. If the odometer has been converted from kilometers to miles, certification is required from the business and from the individual responsible for the change.
  - f. Odometer disclosure and damage disclosure are both required, please see Odometer and Damage disclosure sections for requirements.
  - g. A completed and signed Indemnifying Affidavit (<u>SFN 60662</u>) must be completed by the owner releasing the State of North Dakota and its agencies from any and all liability.
  - h. If you question if a document is acceptable, please call the Motor Vehicle Division at 701-328-2725.

#### **Odometer Disclosure**

NDCC 39-05-05 Subsection 1(h)

1. The Truth in Mileage Act (TIMA) is a federal law which requires the seller of a motor vehicle to make an odometer disclosure to the buyer at the time of sale or transfer of ownership. Under the federal law, the Motor Vehicle Division is required to refuse to transfer ownership of a motor vehicle unless the odometer disclosure is completed.

TIMA covers passenger cars, motor homes, motorcycles, pickup trucks, and trucks less than 10 years old (year of sale to model year). Trucks with a manufacturer's Gross Vehicle Weight Rating (GVWR) over 16,000 pounds are exempt from the TIMA.

ODOMETER DISCLOSURE		
Year	Year Model	
2020-2030	2011 and newer	
2031	2012 and newer	
2032	2013 and newer	
2033	2014 and newer	
2034	2015 and newer	
2035	2016 and newer	

- If you acquire a motor vehicle, the seller or transferor must complete the odometer disclosure on the certificate of title for the vehicle. If you sell a motor vehicle, you must complete the odometer disclosure on the certificate of title for the vehicle. A Reassignment/Odometer Disclosure (SFN 18773) may be used.
- 3. Odometer readings can be changed from kilometers to miles by multiplying the kilometers by .6214. When the odometer has been converted, the original certification is required from the business and individual responsible for the change.

Sample: 82,141 km X .6214 = 51,042 mi

4. Violation of this section is a Class C felony if the person has previously been convicted of violating this section or if the person has violated this section with respect to more than one vehicle: and a Class B misdemeanor in all other cases.

#### **Damage Disclosure**

NDCC 39-05-17.2 (See Damaged Vehicles and Salvage Certificate of Title)

- The damage disclosure law includes passenger cars, trucks, pickup trucks, motorcycles, and motor homes that are less than nine (9) years old. It EXCLUDES all trailers, off-highway vehicles, mopeds, and snowmobiles. A Damage Disclosure Statement (SFN 18609) must be completed.
- 2. Motor vehicle body damage disclosure requirements apply only to the transfer of title on vehicles of a model year released in the current calendar year and those vehicles of a model year manufactured in the seven years before the current calendar year. When a motor vehicle has been branded as PREVIOUSLY DAMAGED and more than eight years have elapsed since the date of manufacture, the holder of the certificate of title with the damage disclosure may have the brand removed and a new certificate of title issued for a fee of \$5. The brand can only be removed if the vehicle has no prior SALVAGE history.
- 3. As used in this section, "motor vehicle body damage" means a change in the body or structure of a motor vehicle, generally resulting from a vehicular crash or accident, including loss by fire, vandalism, weather, or submersion in water, resulting in damage to the motor vehicle which equals or exceeds the greater of \$10,000 or 25% of the pre-damage retail value of the motor vehicle as determined by the National Automobile Dealers Association Official Used Car Guide. The term does not include body or structural modifications, normal wear and tear, glass damage, hail damage, or items of normal maintenance and repair. Damages to a vehicle within these amounts will result in the title being branded as PREVIOUSLY DAMAGED.
- 4. A person repairing, replacing parts, or performing body work on a motor vehicle that is less than nine (9) years old shall provide a statement to the owner of the motor vehicle when the motor vehicle has sustained motor vehicle body damage requiring disclosure under this section. The owner shall disclose this damage when ownership of the motor vehicle is transferred. When a vehicle is damaged in excess of 75 percent of its retail value, as determined by the National automobile Dealers association Official Used Car Guide, the person repairing, replacing parts, or performing body work on the motor vehicle that is less than nine (9) years old shall also advise the owner of the motor vehicle that the owner of the vehicle must comply with section 39-05-20.2 of the North Dakota Century Code (NDCC). Damage to a vehicle within these amounts will result in the title being branded as SALVAGED. After an inspection is completed showing the vehicle has been repaired and meets all safety requirements the brand on the title may be changed to PREVIOUSLY SALVAGED.

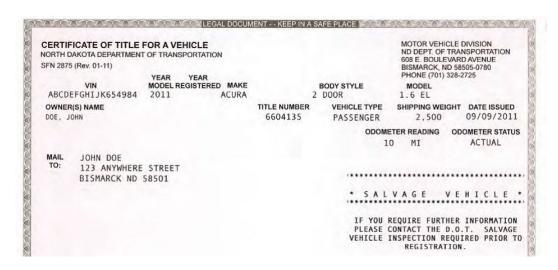
\*Please be advised that safety inspections must be conducted by a third party when changing the brand from salvage to previously salvaged. The business responsible for repairing the vehicle is not permitted to perform the inspection.\*

- 5. The amount of damage to a motor vehicle determined by adding the retail value of all labor, parts, and material used in repairing the damage. When the retail value of labor has not been determined by a purchase in the ordinary course of business (i.e. when the labor is performed by the owner of the vehicle) the retail value of the labor is presumed to be the product of the repair time, as provided in a generally accepted auto body repair flat rate manual multiplied by \$35.
- 6. A person who violates this section or rules adopted pursuant to this section is guilty of a Class A misdemeanor.

#### **Damaged Vehicles**

NDCC 39-05-17.2, 39-05-20.1, 39-05-20.2

- Any vehicle being transferred into North Dakota with a branded title will be issued a branded North Dakota title.
- 2. North Dakota will not accept titles for vehicle from any other state or foreign country that are branded CERTIFICATE OF DESTRUCTION, DISMANTLED, JUNK, NON-REBUILDABLE, PARTS ONLY, UNREPAIRABLE, or any other similar notation.
- 3. Titles branded as SALVAGE will be accepted.
- 4. Titles issued for damaged vehicles will have one of the following brands:
  - a. THIS VEHICLE HAS BEEN PREVIOUSLY DAMAGED, IF YOU REQUIRE FURTHER INFORMATION, PLEASE CONTACT THE DOT.
  - b. PREVIOUSLY SALVAGED THIS VEHICLE HAS BEEN PREVIOUSLY DAMAGED. IF YOU REQUIRE FURTHER INFORMATION, PLEASE CONTACT THE DOT.
- 5. SALVAGE TITLE VEHICLE INSPECTION REQUIRED PRIOR TO REGISTRATION. CAN NOT BE DRIVEN OR HAVE A TEMPORARY, NOTARY, OR REGISTRATION ISSUED UNTIL AFTER PASSING INSPECTION.
- 6. Titles issued for damaged vehicles will have one of the following brands:
  - a. THIS VEHICLE HAS BEEN PREVIOUSLY DAMAGED, IF YOU REQUIRE FURTHER INFORMATION, PLEASE CONTACT THE DOT.
  - b. PREVIOUSLY SALVAGED THIS VEHICLE HAS BEEN PREVIOUSLY DAMAGED. IF YOU REQUIRE FURTHER INFORMATION, PLEASE CONTACT THE DOT.
  - c. SALVAGE TITLE VEHICLE INSPECTION REQUIRED PRIOR TO REGISTRATION. CAN NOT BE DRIVEN OR HAVE A TEMPORARY, NOTARY, OR REGISTRATION ISSUED UNTIL AFTER PASSING INSPECTION.



### Personalized/Special Plate Requests

NDCC 39-04-10.3

- 1. Personalized plates are available for passenger cars, trucks, motor homes, motorcycles, trailers, travel trailers, and unconventional vehicles.
- 2. In addition to annual registration fees, \$25 is due when personalized plates are ordered. Personalized plates for vehicles classified as antique or collector vehicles have a higher, one-time fee (refer to chart below).
- 3. The number of characters allowed per plate is dependent on the type of plate you wish to personalize. Please refer to the chart below for character limitations.
- 4. All personalized plate requests must include the meaning of the plate characters. Requests must be approved by the MVD. Personalized/Special Plate Request Form (<u>SFN 53612</u>) can be accessed online at <u>www.dot.nd.gov</u>, completed, and submitted to the MVD with the appropriate fees. The Personalized/Special Plate Request Form must be completed and included with each new special request plate.
- 5. Duplicate personalized plates of the same characters may be obtained for \$5 if lost or damaged.
- 6. A change of characters on a replacement personalized plate may be obtained for \$25 or applicable fee for antique and collector plates.
- 7. If a customer request to keep their standard plate and it must be remade, the plate will then be considered a special request plate and the \$25 personalized plate fee will be due.

		I
Antique plate	up to 7 characters	\$100 one-time fee
Antique plate (motorcycle)	up to 6 characters	\$100 one-time fee
Blackout plate	Up to 7 characters	
Blackout Mobility-Impaired	Up to 6 characters	
Blackout Motorcycle	Up to 6 characters	
Blackout Mobility-Impaired Motorcycle	Up to 5 characters	
Collector plate	up to 7 characters	\$160 one-time fee
Firefighter plate	up to 5 characters	
FFA plate	up to 5 characters	
Gold Star plate	up to 5 characters	
Military Sacrifice Plate	Up to 5 characters	
Mobility Impaired plate	up to 6 characters	
Mobility Impaired Motorcycle plate	up to 5 characters	
Motorcycle plate	up to 6 characters	
National Guard plate & Motorcycle	up to 4 characters	
Off-Highway plate	up to 5 characters	
Official plate	up to 6 characters	
Organizational plate	up to 5 characters	
Prisoner of War (POW)	up to 7 characters	
24		

Standard plate	up to 7 characters	
Trailer plate	up to 7 characters	
Unconventional plate	up to 5 characters	
Veteran non-branch of service plate	up to 5 characters	

#### Plate with Owner

NDCC 39-04-36

- 1. Plate with owner legislation applies to all vehicles except snowmobiles, off-highway, prorate trucks, antique, collector, DAV (Disabled American Veteran), POW (Former Prisoner of War), and government vehicles.
- 2. When the owner of a vehicle sells, trades, or otherwise transfers the ownership of the vehicle, the owner must remove the license plate(s) and the vehicle will be considered unlicensed. When the transferee (buyer) applies for a title transfer, a full-year license will be due on the vehicle, less any available credit.
- 3. The transferee (buyer) may operate the vehicle for a maximum of five (5) days from the date of acquisition without displaying any visible evidence of registration. However, the transferee must have dated evidence of ownership in the vehicle during these five (5) days. Dated evidence can be either a dated bill of sale or a dated copy of the certificate of title.
- 4. The Motor Vehicle Division has a self-issuing temporary registration permit for ND residents that can be used on vehicles for 75 days from the date of acquisition, during which time the transferee must obtain proper registration and title for the vehicle. To create and print a 75 Day Permit, please visit the NDDOT website at <a href="www.dot.nd.gov">www.dot.nd.gov</a> or use the following link: <a href="https://apps.nd.gov/dot/mv/mvrenewal.seventy-fiveDayRegWelcome.htm">https://apps.nd.gov/dot/mv/mvrenewal.seventy-fiveDayRegWelcome.htm</a>. All 75 Day Registration Permits printed or typed on SFN 51429 are no longer valid. The 75 Day Registration permits are not intended to replace the notary certificate issued by dealerships and others who submit an application on behalf of their customer. Transferred plates may not be displayed on the replacement vehicle until the vehicle has been registered with the Motor Vehicle Division and a new registration card has been received by the owner.
- 5. The owner who has removed license plates from a vehicle at the time it was transferred will be allowed a credit towards the registration fees on a replacement vehicle based on the number of unused months left on the registration. The license plate number from which the credit is calculated must be noted on the application for title and registration. The owner must use the license plates regardless of whether there is credit remaining. Credits are calculated from the month after the plates are transferred. If the plates are lost, replacement plates are \$5 and the customer will be issued a new standard numbered plate. If the customer wishes to keep the same plate number the replacement fee will be \$25 because the plate will then be considered a personalized plate/special request plate.
- 6. Available credit can be used towards only one replacement vehicle. If the available credit exceeds the registration fees, the balance of the credit will be lost. A credit transfer fee of \$5 is due. There are no refunds available.
- 7. To transfer license credits, the license type does not need to be the same (i.e. motorcycle license credit may be transferred to a passenger vehicle).
- 8. Only license fees are transferable. Special fees collected at the time of registration are not transferable.
- 9. License fee credits can be transferred from the transferor (seller) to the transferee (buyer) if the transferor is the spouse, a sibling, a lineal ancestor, or a descendant of the transferee.
- 10. Credit on vehicles repossessed by a recorded lien holder is available only to the registered owner.
- 11. Credit on a leased vehicle belongs to the lessee. Lessee(s) who have personalized plates will be allowed to retain the plate and the \$25 personalized plate fee.
- 12. If a corporation dissolves and a new corporation (business organization) is formed with the same stockholder(s), plates and registration can be retained.
- 13. Dealers must remove North Dakota license plates from any vehicles they have in inventory.

#### **Mobility Impaired Plates**

- 1. The applicant may obtain the mobility impaired license plates provided they do not possess more than one mobility impaired parking permit. License plates bearing the wheelchair emblem will be issued; the mobility impaired individual may be issued plates as the owner of the vehicle or a vehicle designated for the exclusive use of transporting the mobility impaired individual. Mobility impaired personalized plates are available for an additional \$25. Mobility Impaired DAV license plates are available; however, personalized license plates are not. The fee for replacing current license plates with a mobility impaired license plate is \$5.
- 2. Mobility impaired license plates must be transferred to a replacement vehicle upon selling or trading the vehicle.
- For additional information regarding mobility impaired plate and placard options, refer to the Motor Vehicle Registration Manual at <a href="https://www.dot.nd.gov">www.dot.nd.gov</a>.

#### **Permits**

NDCC 39-04-17, 39-04-18 Subsection 2e, 39-04-21, 39-04-36

#### 1. 75-Day Registration Permit

The following 75-day temporary registration permit may be completed online at <a href="https://apps.nd.gov/dot/mv/mvrenewal/seventy-five">https://apps.nd.gov/dot/mv/mvrenewal/seventy-five</a> DayRegWelcome.htm by a North Dakota resident who has recently purchased a vehicle.

The 75-day permit allows the purchaser to operate the vehicle for seventy-five days from the date of acquisition. An application and appropriate fees, for title and license, must be submitted to the Motor Vehicle Division or this permit is void.



#### 2. Notary public or Dealer Certificate of License (SFN 59087)

- a. Issued by dealership if fees for license are collected by the dealership and mailed to the Motor Vehicle Division.
- b. Certificate can be issued for new or used vehicle applications and is valid for 75 days from date of issuance.
- c. Violations are punishable by a fine of not less than \$50.

#### NOTARY PUBLIC OR DEALER CERTIFICATE OF LICENSE APPLICATION

North Dakota Department of Transportation, Motor Vehicle SFN 59087 (4-2016)

Moisten here and attach to window

Certificate must be completed by Notary Public or Authorized Agent of Dealership

608 E BOULEVARD AVE BISMARCK ND 58505-0780 Telephone (701) 328-2725 Website: https://dot.nd.gov

I HEREBY CERTIFY that the following has made proper application for registration of the below described vehicle.				
Date	Purchaser's Name	City		
Make	Model Weight		Year	
Vehicle Identification Number (	VIN)	HD		
Remittance covering the fee ha	on, NDDOT, Bismarck, ND.			
Dealership name	Dealer Number			
		_	Signature of Notary Public	
Address	City	Notary Seal		
Signature of Authorized Agent	I	_	My Commission Expires	

Display this in your vehicle. Good for only 75 days from date (NDCC Section 39-4-17)

Moisten here and attach to window

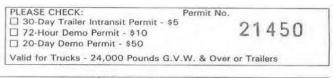
#### 3. Drive-Out Permit (SFN 2940)

- a. Permits are issued to non-residents who purchase vehicles in North Dakota and need a registration to return to their home state.
- b. Permits are valid for 30 days.
- c. Fee is \$5 per permit.
- d. Permits must be obtained online at https://apps.nd.gov/dot/mv/mvrenewal/ tempRegWelcome.htm

#### 4. Truck or Trailer Demonstration Permit

- a. Permit (SFN 2383) may be issued by new and used motor vehicle dealers and trailer dealers who have customers that would like to demo a truck or trailer prior to purchase.
- b. Dealer plates should not be used on the permitted vehicle.
- c. Permits may be used for any number of trips within the stated limit.
- d. Permits may be obtained online at https://apps.nd.gov/dot/mv/mvrenewal/tempRegWelcome.htm

# TRUCK OR TRAILER DEMO PERMIT ND DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE DIVISION SFN 2383 (Rev. 09-2001)



**Drive Out Permit** 

SFN 2940 (4-2016)

Date Issued

Issue To (Name)

WINDOW

REAR

SIDE OR

2

ATTACH

Vehicle (

Destination

Vehicle Identification Number

North Dakota Department of Transportation, Motor Vehicle

Permit Number

Note valid after 30 days! Not valid if erased or altered in any way. Not valid for residents of North Dakota.

(Section 39-04-21 or the North Dakota Century Code)

ATTACH TO SIDE OR REAR WINDOW

608 East Boulevard, Bismarck, ND 58505-0780 Phone (701) 328-2725

INSTRUCTIONS:	<ol> <li>Type or print in dark-colored ink.</li> <li>White copy shall be carried in the cab of the permitted or towing vehicle.</li> <li>Canary copy shall be kept by the dealer for their records.</li> <li>Pink copy must be mailed with the appropriate fee to the address above.</li> </ol> Motor Vehicle D Department of T 608 E Boulevard Bismarck ND 58				ransporta Ave			
Date Issued	Date Expires	Year	Make	VIN		1	Truck 0	Gross Weight
Customer			Fee Col	Fee Collected and remitter		Final Destination		
Address			City			State	Zip Code	
Dealer De				Signature of Autho	rized Agent			
Address		-		City			State	Zip Code
DISTRIBUTION:	WHITE - Carrier	d in cab	CANARY - Deale	er retains	PINK - Send to Moto	r Vehicle Division		

#### **Leased Motor Vehicles**

NDCC 39-04-19, 57-40.3

- 1. Leases are subject to the following:
  - a. Qualifying vehicles (including trailers) must have an actual weight of ten thousand pounds or less.
  - b. Motor vehicle excise tax (5%) is imposed on the lease price of a vehicle that is operated and required to be registered in North Dakota.
  - c. A lease must be for a period of 12 months or more.
  - d. Tax computation is as follows:
    - i. Step 1 Add amount due at signing (to include non-cash items such as net trade-in and rebates) and the amount of total lease payments. Deduct non-taxable items from this amount and compute the taxable lease price. A Lease Tax Worksheet (<u>SFN 60399</u>) is a required document on lease transactions and will assist you with the above calculation.
    - ii. Step 2 Additional Charges: The tax will apply on additional charges that may occur after the inception of the lease, such as excess mileage charges, excess wear charges, damage or repair charges, lease cancellation charges, option to renew charges, and end-of-lease payments. The additional tax must be computed and paid directly to the North Dakota Tax Department.
  - e. If a vehicle is leased and later sold to the lessee (buyout), the motor vehicle excise tax will be due on the purchase price at the time the lessee registers the vehicle.
  - f. Leased vehicles entering North Dakota from another state are subject to tax on the remaining lease period from the date the vehicle enters North Dakota.
  - g. All lease transactions must include the lease agreement.
- 2. License fees are based on type of vehicle being leased. Please use the proper fee schedule which may be accessed at <a href="https://www.dot.nd.gov">www.dot.nd.gov</a>.
- 3. A title fee of \$5 is due.
- 4. An Abandoned Motor Vehicle Disposal Fee of \$1.50 is due upon initial application for North Dakota title.
- 5. Motor vehicle excise tax (5%) must be remitted.
- 6. Miscellaneous (Additional leased vehicle information)
  - a. New motor vehicle leases: A licensed motor vehicle dealer that leases a vehicle for which they do not have a franchise will continue to be subject to the motor vehicle excise tax on the purchase price and must also collect the tax on the total consideration of a qualifying lease agreement.
  - b. Re-lease: where a lease ends and the owner of the vehicle initiates a second lease agreement for a period of 12 months or more, the tax must again be computed at the inception of the second lease. Tax must be paid directly to the North Dakota Tax Department.
- 7. Tax credit on a leased vehicle that is stolen or totally destroyed may not exceed the total amount of motor vehicle excise tax paid.

#### Legal Name

NDCC 39-04-02 Subsection 1, 39-05-05 Subsection 1f

- 1. State law requires all applicants to use their legal name when making application for certificate of title and registration to a motor vehicle. Documentation of legal name must be provided with each transaction submitted to the Motor Vehicle Division.
- Documentation of legal name must be provided for applicants to include individuals, businesses, trusts, and corporations. Legal name can be verified by providing one of the following:
  - a. Individuals
    - i. A valid state-issued driver's license.
    - ii. A valid non-driver state issued identification card.
    - iii. A valid military identification card.
    - iv. A valid foreign country driver's license.
    - v. A valid foreign passport.
    - vi. A valid tribal identification card (tribal enrollment card is not acceptable).
    - vii. Other documentary evidence that confirms the true legal identity of the owner.
  - b. Business, Trust or Corporation
    - i. Secretary of State filing.
    - ii. Top section of the state or federal tax return in the business name.
    - iii. Appropriate page within a trust agreement confirming legal name.
- 3. Applicants with an out-of-state driver's license or non-driver identification must provide a legible copy of the front of the ID card.

#### Lienholders

- 1. If your customer has a lien on the vehicle they are purchasing, lienholder information must be submitted to MVD with the title application. MVD will then place the lienholder on the title perfecting (recording) the lien.
  - a. North Dakota Century Code mandates that titles with lienholders be issued to the lienholder.
  - b. The lienholder will hold the title until the lien is satisfied. At that time, the lienholder will issue a lien release and the title to the vehicle owner who then may remove the lien from the title.
- 2. If your customer is financing the vehicle with your dealership and the dealership will be acting as lienholder, you must submit the title to MVD to record the new owner and your dealership as lienholder.
  - a. This is necessary so the owner may acquire license and registration to legally operate the vehicle.
  - b. This protects your interest in the vehicle by perfecting the lien.
  - c. This ensures that you are adhering to the title delivery laws outlined in NDCC.
  - d. Original must be submitted.

# Power of Attorney (POA)

#### 1. General POA

- a. When a title or an application is signed by an individual for another and requires NO odometer certification, a general POA may be used.
- b. A copy of the original may be submitted

#### 2. Secure POA

- a. When a title or an application requiring a federal odometer certification is signed by an individual for another, a Secure POA must be submitted.
- b. A Secure POA is effective only for vehicle transfers if the original title has become lost or is being held by a lien holder.
- c. Original must be submitted.

#### **Courtesy Transportation Program Vehicles**

- 1. New Motor Vehicle Dealers that participate in manufacturer's Courtesy Transportation Programs (CTP) may use their dealer number plates on such vehicles.
  - a. Vehicles used in a CTP and displaying dealer number plates must be designated as CTP inventory with the manufacturer.
  - b. MVD will not issue title and registration for vehicles in these programs. When the vehicles come out of the CTP, you may transfer ownership using the MCO.
  - c. If your dealership wishes to title and license vehicles in a CTP, you will be required to pay excise tax, title and registration fees. The dealer resale tax exemption is not applicable in this situation.

#### **Tax: Motor Vehicle Excise**

NDCC 57-40.3

The tax laws impose an excise tax at the rate of (5%) on all vehicles purchased either in or outside the State of North Dakota for use in this state. The tax is payable to the Motor Vehicle Division at the time title application for the vehicle is made. The tax is computed on the full purchase price less any qualifying trade-in allowance, rebate, or total loss. The vehicle traded must be identified by year, make, and vehicle identification number.

#### **Tax Exemptions**

- 1. There are several circumstances in which an individual or business may be eligible for a tax exemption on a vehicle purchase. If you have a customer claiming they are eligible for a tax exemption, please contact MVD for instruction on what is required with your transaction. Here is a listing of the most common tax exemptions you may see:
  - a. Resident disabled veteran.
  - b. Vehicles owned by federal or state government or a political subdivision thereof
  - c. Transfer of a motor vehicle by way of gift between a husband and wife, parent and child, grandparent and grandchild, or brother and sister.
  - d. Native Americans who are enrolled members of a federally recognized Indian tribe residing within the boundaries of any reservation in this state.
  - e. personnel who claim North Dakota as their home state of residence but are stationed outside the state of North Dakota.
  - f. Casinos may receive a tax exemption if the vehicle is delivered on the reservation.
  - g. Tribal government entities also quality for the tax exemption.

# North Dakota Century Code

North Dakota Century Code (NDCC) is the current laws of North Dakota. There are many laws relating to dealer licensing requirements, dealer operations, title and registration requirements, and excise tax collection on vehicle purchases. As a licensed dealer in North Dakota you are expected to be knowledgeable about these laws and adhere to them.

Below is a listing of various sections of NDCC that pertain to dealers that may help you locate information quickly as you need it. The full laws may be viewed online at <a href="http://www.legis.nd.gov/general-information/north-dakota-century-code">http://www.legis.nd.gov/general-information/north-dakota-century-code</a>.

You may contact MVD, Dealer Services any time you need further explanation or help interpreting NDCC. We may be reached at (701) 328-1285 or <a href="mvds@nd.gov">mvds@nd.gov</a>.

#### **Title 39 Motor Vehicles**

#### Chapter 39-01 Definitions and General Provisions

#### **Chapter 39-02 Department to Register Motor Vehicles**

• 39-02-03	Powers and duties of director and department
• 39-02-03.1	Director to provide notice and opportunity for hearing prior to cancellation, revocation, suspension, or rescission of a motor vehicle registration or a certificate of title to a motor vehicle
• 39-02-05	Records of the department open to public inspection

#### **Chapter 39-04 Motor Vehicle Registration**

<ul><li>39-04-02</li><li>39-04-02.1</li></ul>	Application for the registration of a vehicle Change of Address
• 39-04-04	Register of applicants to be kept by the department
• 39-04-05	Grounds for refusing registration
• 39-04-05.1	Refusal to register vehicle - Revoking registration - Appeal
• 39-04-06	When registration rescinded or suspended
• 39-04-07	Department to suspend registration upon notice of theft or embezzlement
• 39-04-08	Number plates furnished by the department
• 39-04-08.1	Assignment of motor vehicle number plates
• 39-04-09	Director may design and issue number plates
• 39-04-10	Special plates for amateur radio station license holders
• 39-04-10.1	Manufacturer's plate - Fee
• 39-04-10.2	Special plates for mobility-impaired persons
• 39-04-10.3	Personalized plates
• 39-04-10.4	Antique motor vehicles - License and fee - Use
• 39-04-10.5	Prisoner of war plates - Transfer to certain surviving spouses - Retirement
• 39-04-10.6	Registration of motor vehicles owned by collectors
• 39-04-10.7	Special number plates for farm vehicles
• 39-04-10.8	National Guard number plates
• 39-04-10.9	Law enforcement plates

• 39-04-10.10	North Dakota veterans' number plates
• 39-04-10.11	Firefighter's association plates
• 39-04-10.12	North Dakota future farmers of America foundation number plates
• 39-04-10.13	Public or nonprofit organization number plate
• 39-04-10.14	North Dakota gold star number plates
• 39-04-10.15	Patriotic number plates
• 39-04-11	Display of number plates and tabs
• 39-04-13	Duplicates to be obtained of number plate, tab, sticker, or registration card if lost, mutilated, or illegible – Fee
• 39-04-14	Renewal of registration
• 39-04-14.1	Renewal of registration of motor vehicles under certain weight
• 39-04-14.2	Staggered registration for apportioned vehicles
• 39-04-14.3	Online registration renewal receipt showing compliance with registration is prima facie evidence
• 39-04-15	When registration fees become due and delinquent
• 39-04-17	Certificate of notary showing compliance with registration is prima facie evidence – Penalty
• 39-04-18	Motor vehicles exempt from registration fees – Reciprocal use of state highways by foreign licensed motor vehicles
• 39-04-18.1	Failure to register upon gainful employment
• 39-04-18.2	Temporary motor vehicle registration – Fees
• 39-04-19	Motor vehicle registration fees and mile tax
• 39-04-19.1	Registration of soil and water conservation vehicles
• 39-04-21	Fees for motor vehicles first registered in state
• 39-04-22	Motor vehicle exceeding registered gross weight for which licensed not to be operated on highway – Exception
• 39-04-23	Registered motor vehicle transporting property may change registration to higher or lower registered gross weight
• 39-04-24	Director to determine weight of motor vehicle when manufacturer's weight unknown
• 39-04-26	Registration of vehicles transporting property – Based on registered gross weight – Minimum gross weight – Exemption
• 39-04-36	Transfer of registered vehicle – Removal of number plates – Transfer of number plates
• 39-04-37	Violations of registration provisions
• 39-04-38	Taxes of fees provided for to be in lieu of other state or local personal property taxes
• 39-04-39.2	Refunds of registration fees
• 39-04-39.4	Refund of registration fees
• 39-04-40	Officers to enforce the provisions of chapter
• 39-04-41	Penalty for violation of provisions of chapter
• 39-04-44	Credits on destroyed vehicle
• 39-04-44.1	Transporter's license and registration card
• 39-04-54	Registration card – Issuance – Contents – Signing
• 39-04-55	Registration card to be carried in or on vehicle - Inspection of card - Penalty
• 39-04-56	Altering or forging registration card – Penalty

#### **Chapter 39-05 Title Registration**

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• 39-05-02.1	Certificate of title required
• 39-05-02.2	Exclusions from the certificate of title requirement
• 39-05-03	Department not to license vehicle until application is made for a
	certificate of title
• 39-05-05	Application for certificate of title - Contents - Fee
• 39-05-08	Application to be checked against certain indexes
• 39-05-09	Issuance, contents, delivery, and term of certificate
• 39-05-09.1	Lost stolen, or mutilated certificate of title
• 39-05-09.2	Suspension or revocation of certificate of title
• 39-05-11	Altering or forging certificate of title - Penalty
• 39-05-16.1	Release of a security interest
• 39-05-17	Transfer of title of vehicle - Endorsement required - Certificate of title delivered - New certificate obtained - Penalty
• 39-05-17.2	Body damage disclosure - Rules - When required - Penalty
• 39-05-19	Obtaining certificate of title for vehicle when ownership obtained by other than voluntary means
• 39-05-20	Transferee may obtain new certificate of title upon inability to obtain old certificate - Proof of ownership - Appeal
• 39-05-20.1	Salvage certificate of title
• 39-05-20.2	Issuance of salvage certificate of title
• 39-05-20.3	Grounds for refusing certificate of title
• 39-05-20.4	Titles for salvage and junk motor vehicles - Rules - Penalty
• 39-05-21	Refusal to issue certificate of title - Revoking certificate - Appeal
• 39-05-22	Department to maintain file of surrendered certificates of title -
	Purpose - Records
• 39-05-27	Vehicle dealer to have certificate of title or other documentary evidence to prove possession
• 39-05-28	Penalty for defacing, destroying, removing, or altering engine, serial, or identification numbers
• 39-05-32	Officers to enforce provisions of this chapter
• 39-05-33	General penalty.
• 39-05-35	Manufactured homes - Conversion to real property - Procedure - Rules
Chapter 39-18 N	Mobile Home Dealer Regulation
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• 39-18-01	Mobile home and manufactured home dealer's license - Fees - Dealer's plates - Penalty
• 39-18-02	Bond required
• 39-18-03	Titling and licensing of mobile homes, housetrailers, and travel trailers - License fee
• 39-18-03.2	Park model trailer fee
• 39-18-04	Safety devices and requirements
• 39-18-06	Suspension or revocation of dealer's license
• 39-18-08	Sales by real estate broker or salesperson of used mobile home or manufactured home - Penalty

#### **Chapter 39-21 Equipment of Vehicles**

#### **Chapter 39-22 Motor Vehicle Dealer Licensing**

• 39-22-04	Grounds for denial, suspension, cancellation, or revocation of
39-22-04	dealer's license
• 39-22-05	Bond required
• 39-22-06	Motor vehicle lots - Location
• 39-22-07.1	Motor vehicle sales prohibited on Sunday - Penalty
• 39-22-10	Powers of the director
• 39-22-11	Examination of books and records
• 39-22-12	Officers to administer chapter - House car dealer, manufacturer, and distributor exemption
• 39-22-13	Penalty for violation of chapter
• 39-22-14	Motor vehicle dealer license - Fees - Penalty
• 39-22-15	Established place of business - Penalty
• 39-22-16	Application for new motor vehicle dealer license - franchise required - Selling vehicles without a franchise - Penalty
• 39-22-17	Additional dealer plates - In-transit plates - Demonstration plates - Fees - Use of dealer plates - Penalty
• 39-22-18	Renewal of dealer license - Fees - Minimum sales requirement - Penalty
• 39-22-19	Garage liability insurance requirement
• 39-22-20	Display and sale of vehicles by out-of-state dealers - Offsite display and sale by instate dealers - Penalty
• 39-22-21	Consignment vehicles - Penalty
• 39-22-22	Operators of motor vehicle display lots - Permit required - Fee - Records required - Penalty
• 39-22-23	Auto auction operators - License required - Records required - Penalty
• 39-22-24	Factory store prohibited - Penalty
• 39-22-25	Direct manufacturer sales prohibited - Penalty
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### **Chapter 39-22.1 Trailer Dealer's Licensing and Bonding**

• 39-22.1-01	Trailer dealer's license - Fees - Plates - Definition
• 39-22.1-01.1	Primary established place of business - Penalty
• 39-22.1-02	Bond required
• 39-22.1-03	Suspension, denial, revocation, or cancellation of dealer's license - Penalty
• 39-22.1-04	Examination of books and records
• 39-22.1-05	Powers of the director
• 39-22.1-06	Penalty

#### **Chapter 39-22.3 Motor-Powered Recreational Vehicle Dealers**

• 39-22.3-01	Motor-powered recreational vehicle dealer's license - Fees -
	Additional number plates
• 39-22.3-02	Application required
• 39-22.3-03	Issuance of license - Conditions - Penalty

• 39-22.3-04	Grounds for denial, suspension, cancellation, or revocation of
00 00 0 05	dealer's license
• 39-22.3-05	Bond required
• 39-22.3-07	Dealer permitting license to be used by another dealer - License revoked - Penalty
• 39-22.3-08	Dealers to furnish information to director
• 39-22.3-09	Powers of the director
• 39-22.3-10	Examination of books and records
• 39-22.3-11	Officers to administer the provisions of chapter
• 39-22.3-12	Penalty for violation of provisions of chapter
Chapter 39-29 Off-	Highway Vehicles
• 39-29-01	Definitions
• 39-29-01.1	Safety fee - Imposition - Collection by dealer - Payment to
	department - Use of fee
• 39-29-02	Off-highway vehicle registration
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<ul><li>39-29-04</li><li>39-29-05</li></ul>	Exemption from registration - Exemption from fees
• 39-29-05 • 39-29-06	Disposition of registration fees and trail tax  Transfer or termination of off-highway vehicle ownership -
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• 39-29-07	Licensing by political subdivisions
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• 39-29-09	Operation of off-highway vehicles
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• 39-29.1-02	Applicability
• 39-29.1-03	Low-speed vehicle registration - Application - Issuance - Fees - Renewal
• 39-29.1-04	Low-speed vehicle dealers
• 39-29.1-05	Exemption from registration - Exemption from fees
• 39-29.1-06	Transfer or termination of low-speed vehicle ownership - Change of
	address of owner
• 39-29.1-07	Rules of operation
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• 39-29.2-02	Certificate of title for unconventional vehicle
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• 39-29.2-04	Operation of unconventional vehicle
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# **Title 57 Taxation**

# **Chapter 57-40.3 Motor Vehicle Excise Tax**

• 57-40.3-01	Definitions
• 57-40.3-02	Tax Imposed
• 57-40.3-02.1	Tax imposed on motor vehicle lease
• 57-40.3-04	Exemptions
• 57-40.3-05	Purchaser to furnish motor vehicle purchaser's certificate to director of The Department of Transportation
• 57-40.3-06	Presentation of motor vehicle purchaser's certificate to director
• 57-40.3-07	Title or license registration not to be issued unless tax paid
• 57-40.3-07.1	Lien for failure to pay tax
• 57-40.3-08	Presumption
• 57-40.3-09	Credit for excise tax paid in other states - Reciprocity
• 57-4011	Penalties
• 57-4012	Director to act as agent of tax commissioner in administration of motor vehicle use tax