

SECTION 6
DEALER PLATES AND PERMITS

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There are a number of different vehicle/boat licenses that relate to a dealership.

Temporary Thirty-Day License Permit:

In the case of a vehicle/boat that is sold by a licensed dealer, the dealer may provide a temporary thirty-day license permit. The permit authorizes the operation of the vehicle/boat upon the highways/waters of this state for a period of thirty days after the date of sale or until the time the purchaser receives regular license plates from the county treasurer, whichever happens first.

The temporary thirty-day license permit for a vehicle is affixed to the inside windows, to the front at the lower right-hand corner of the windshield, and to the lower left-hand corner of the rear window or to the lower rear portion of the rear window. In the case of motorcycles or trailers, the permit shall be affixed in the manner provided for metal number plates. In the case of a boat, the license must be displayed on or carried in the boat.

The dealer shall write in the expiration date at the time of sale with a black indelible ink felt-tip marker with numbers one inch in height, the rest of the permit may be filled out with a ball point pen.

No dealer may use the temporary thirty-day license permits upon any vehicle/boat owned by the dealer for any purpose other than for vehicles/boats sold by the dealer. No person may renew the temporary thirty-day license permit, nor change or alter the date or other information thereon.

Dealers shall obtain their supply of temporary thirty-day license permits from their own source, but the permit shall conform to the requirements of the department.

If a dealership sells a vehicle and the purchaser uses the vehicle in a commercial venture, a commercial permit will need to be acquired by the purchaser until such time the permanent commercial license is obtained.

Dealer Demonstration/In-Transit Permit:

Any vehicle owned by a licensed dealer bearing dealers' demonstration or in-transit permits may be driven upon the streets and highways of this state for demonstration or in-transit purposes.

Demonstration is defined as: the noncommercial use of a dealer owned vehicle by an employee of the dealership for any purpose in the ordinary course of business relating to the sale of the vehicle within the trade or market area of the dealership or demonstration by any prospective buyer for a period of three days. The term includes vehicles donated by a dealership to a community or organization and used for a one-day parade or event.

In-transit is defined as: the noncommercial use of a dealer owned vehicle by any employee of the dealership for travel to and from any service facility, detail shop, repair shop, gas station, car wash, dealer auction, another lot owned by the dealer, a supplemental lot, temporary special event lot, temporary supplemental lot, or any other location to facilitate a dealer trade.

A dealer or their representative may not issue dealers demonstration/in-transit permits to any vehicle for any other purpose than those mentioned above.

The demonstration/in-transit permit shall not be used on service vehicles, loaners, or in place of regular license plates.

Dealers shall obtain their supply of (blue) demonstration/in-transit permits from their own source, but the permit shall conform to the requirements of the department.

Dealer Plates:

Motorcycle, trailer, and mobile home/manufactured home dealer plates: The department shall issue to every motorcycle dealer and trailer dealer upon application and payment of a \$20 for each plate and to every mobile home/manufactured home dealer, upon application and payment of a fee of \$10 for each plate, dealer's metal number plates. A mailing fee of \$5 per license plate or set of plates when mailed is assessed.

One license plate shall be displayed on the rear of any motorcycle or trailer, semitrailer, travel trailer, or mobile home/manufactured home owned by the dealer.

A prospective buyer may operate any vehicle owned by the licensed dealer and bearing the dealers' metal plate on the streets and highways of this state for any purpose, including demonstration.

Snowmobile dealer plates: The department shall issue license plates of a durable material to license dealers upon application and payment of \$10 for each set desired. A mailing fee of \$1 per decal or set of decals when mailed to a dealer is assessed.

Any new snowmobile or used snowmobile owned by a licensed dealer, bearing dealer's license plates may operate in this state. One plate shall be displayed on each side of the snowmobile. The license plate is transferable by the dealer from one snowmobile owned by the dealer to another snowmobile owned by the dealer.

Boat dealer plates: The department shall issue to a boat dealer, upon application and payment of a fee of \$20 per set, boat dealer license plates. A mailing fee of \$1 per decal or set of decals when mailed to a dealer is assessed.

The boat dealer plates must be displayed on or carried in the boat. Any boat owned by the licensed boat dealer and bearing the dealers' plates may be operated on the waters of this state for any purpose, except on boats that are leased or rented. The plates are transferable by the dealer from one boat owned by the dealer to another boat owned by the dealer.

Snowmobile, boat, trailer, motorcycle demonstration permits: Any snowmobile, boat, trailer or motorcycle owned by a licensed dealer bearing a demonstration permit may operate in this state for demonstration purposes only. Any prospective buyer may operate a snowmobile, trailer, or motorcycle for a period

not to exceed three days; a boat may be operated by any prospective buyer for a period not to exceed 7 days.

Dealers shall obtain their supply of (blue) demonstration permits from their own source, but the permit shall conform to the requirements of the department.

“77” Dealer license plates: Any new vehicle or used vehicle owned by a licensed dealer bearing a dealer’s “77” plate may be driven on the streets and highways of this state for any purpose.

The dealer “77” plate is transferable by the dealer from one vehicle owned by the dealer to another vehicle owned by the dealer.

The dealer “77” plate may not be used on vehicles for lease or hire or on wreckers or service vehicles.

Licensed dealers shall make application and payment of \$84 for each set of license plates desired at the county treasurer’s office. A mailing fee of \$5 per license plate or set of plates when mailed to a dealer is assessed.

“88” Dealer Commercial license plates: Effective July 1, 2004, a dealer may purchase “88” commercial plates that can be used to transport any inventory replacement vehicle. Effective July 1, 2013, these plates can also be used by a prospective purchaser for demonstration purposes for a period of 3 days.

The dealer “88” plate is transferable by the dealer from one vehicle owned by the dealer to another vehicle owned by the dealer.

The actual gross weight of the combination cannot exceed the licensed gross weight.

The dealer is exempt from paying 3% motor vehicle excise tax.

The fee for the plates is based on the commercial declared gross weight fee schedule. A mailing fee of \$5 per license plate or set of plates when mailed to a dealer is assessed.

The gross weight tonnage fee must be paid and the tonnage sticker affixed to the “88” plate prior to operation.

The vehicle must comply with all provisions pertaining to overweight operation.

The dealer must comply with the requirements set out in federal guidelines pertaining to the filing and payment of the federal heavy vehicle use tax (HVUT) on any registration in excess of 27 tons. Before DMV will issue dealer 88 commercial license plates or renew the registration on a dealer 88 commercial plate, the dealer must provide the DMV with a copy of the HVUT Form 2290 stamped and verified by the IRS.

There are exemptions to the HVUT; however, a Form 2290 Schedule is still required to be filed. The exemptions include:

Pertaining to the transportation of inventory replacement vehicles, under the federal regulations, liability for the tax is suspended during a taxable period if the vehicle will be used for 5,000 or fewer miles during the taxable period. A Form 2290 must be filed during the taxable period to support the suspension of the tax.

Pertaining to the transportation of new motor vehicles on a public highway, if such operation is merely for the purpose of transporting the vehicle from the point of manufacture or assembly to a consumer, whether direct or with intermediate deliveries to such points as are involved in the distribution process. A Form 2290 must be filed.

Pertaining to the demonstration of a new or used vehicle, if the operation is exclusively for the purpose of demonstration of the vehicle by a dealer in, or distributor of, new or used vehicles. A Form 2290 must be filed.

If used for demonstration purposes, the dealer must maintain a log detailing use. The log must include: the name and address of the prospective purchaser, the dates of use, and the description of the vehicle including the VIN, make and model. The log must be available for inspection, during normal business hours, by any law enforcement officer or dealer inspector.

Dealer "99" Auction Agency Plates: These plates can be used on any vehicle being transported to or from the auction agency's place of business for the purpose of transporting a vehicle that will be sold or has been sold by the auction agency.

The plates are transferable by the auction agency from one vehicle to another vehicle for transporting purposes.

The annual fee for a set of auction plates is \$84. A mailing fee of \$5 per license plate or set of plates when mailed to a dealer is assessed.

The plates are consecutively numbered and bear as a prefix the number “99.”

Dealer Plate Information:

All dealer plates and temporary permits shall be displayed on the front and back of the vehicle. Trailers and motorcycles are required to have only one permit displayed on the back of the vehicle. Boat licenses are to be carried on or in the boat.

On an out-of-state licensed vehicle that is being placed on a dealer’s lot, the dealer must remove the out-of-state license plates before displaying the vehicle.

If a South Dakota licensed vehicle is placed on the dealer’s lot, the license plates should remain on the vehicle or in the event the dealer chooses to remove the plates while the vehicle is on the dealer lot, the plates must be reinstated on the vehicle upon its sale.

Dealer plates/permits cannot be used on consigned vehicles.

A vehicle used by a dealer to transport inventory replacement vehicles to the dealer’s principal place of business must display commercial license plates, unless dealer “88” commercial plates are used. The only exception is if the vehicle used to transport the inventory is a tow dolly.

Effective July 1, 2008, our current licensing system changed from plate with vehicle to plate with owner. On a consigned vehicle, the plates remain on the vehicle until the vehicle is sold at which time the seller retains the plates and provides the purchaser with a seller’s permit.

Mailing Fees (effective July 1, 2010):

A mailing fee of \$1 per decal or set of decals and a \$5 mailing fee per license plate or set of plates when mailed to a dealer is assessed.