

SECTION 17
PLATE WITH OWNER LICENSING SYSTEM

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In July 2008, the state's vehicle registration system changed from license plate with vehicle to license plate with owner.

The ownership of a vehicle, as stated on the title, determines ownership of a plate. All owners on a vehicle's current title record or a pending title record are also owners of any plate attached to that vehicle and any individual listed as an owner on the title can take action affecting the plate.

Exceptions as to who actually owns the plates apply to special and distinctive plates that require qualification (firefighter, veteran, etc.). The person who qualifies for the plate is the plate owner and the only one that can take action affecting the plate.

A person cannot move a plate from vehicle to vehicle. The vehicle ownership must transfer before a plate can be detached from the system and removed from the vehicle. So, under most circumstances, the plate can only be detached if:

- 1) the plate owner no longer owns the vehicle that was originally attached to the plate;
- 2) the vehicle originally attached to the plate is junked; or
- 3) the vehicle originally attached to the plate is titled out-of-state.

Similarly, an unattached plate cannot be moved from vehicle to vehicle and can only be attached to an acquired vehicle.

Plate with owner will apply to commercial vehicles (which will be renewed under our staggered registration renewal system) and noncommercial vehicles, trailers, motorcycles and historical plated vehicles. It will not apply to boats, snowmobiles, trailer ID plated vehicles or construction plates.

There will be situations when plates may stay with the vehicle when ownership of a vehicle is being transferred. A plate can remain attached to the vehicle when the ownership is transferred if one of the following exemptions apply: inheritance; transfer between immediate family members; transfer of ownership as the result of a transfer of a business ownership (exemptions 5-11).

Plus, a historical plate or a personalized plate can stay attached upon transfer of vehicle ownership provided the former owner of both the vehicle and the plate authorize the reassignment of ownership of the plate to the new owner.

Our specialty and distinctive plates (personalized, veteran or military, radio, fire fighter, etc.), will no longer be secondary plates but will now be the primary plate; 2 sets of plates will no longer be issued. Upon initial application for a special/distinctive plate, a permit will be used in the interval between ordering and receiving the plates.

An expired plate that is attached to a vehicle on the system will remain valid and may be renewed at any time within the plate period. However, an expired plate that is unattached is no longer valid and the plate cannot be used.

A license plate transfer can only be made between similarly plated vehicles – example: a license plate transfer from a motorcycle to an automobile is not allowed. A license plate transfer is allowed between vehicles registered as noncommercial, noncommercial gross weight or a motor home.

A plate cannot physically be attached to a vehicle until the owner goes to the county treasurer and completes the registration. In situations where a vehicle is sold and a plate is not immediately used, no refund is allowed, but a credit for the remaining months left on the plate will be given when it is attached to a newly acquired vehicle. If the plate expires before attachment, the plate is no longer valid.

Attach/Detach

Because we so often refer to a plate that is attached or detached within the system, the definitions of “attach” and “detach” are worth mentioning.

Attach – Refers to action affecting a vehicle’s record within the system. Attaching a plate associates, or ties, a specific license plate number with a specific vehicle within the DMV system records, as opposed to physically securing the actual license plate to a vehicle. A license plate number may be “attached” to a specific vehicle. Under certain conditions, a plate number, which is attached, may be “detached” from a vehicle. A plate that is not attached to a vehicle is an “unattached” plate.

Detach – Refers to action within the system that removes the attachment between a vehicle and a specific license plate number.

Report of Sale

A very important part of the new system is the report of sale (ROS). A report of sale must be completed by the seller when a vehicle is sold or transferred. The

ROS is a notification that a sale has occurred. It will also be used as a means to make a license plate eligible for attachment to another vehicle.

The report of sale can be accomplished in several ways:

1. A new certificate of title has been designed that contains a tear-off form attached to the bottom of the title, the seller is responsible for completing the information and forwarding the form to the county within 15 days of the sale of the vehicle. The form is bar-coded, which allows it to be scanned and the vehicle information and seller information automatically populated on to the ROS screen. Information that has to be entered includes: purchaser information, date of sale, selling price, purchaser's name and identification.
2. Internet Notification: A seller may go online (SDcars.org) to the state's website and enter this information.
3. During the registration process, if the plate that is selected for attachment to a new vehicle is currently attached to another vehicle, the system activates the ROS screen for updating (detaching the plate) before the registration can be completed.
4. For dealers online to the states' computer system, when the transaction is entered online (entry must be completed within 15 days of the date of sale), a pending title record is created, which replaces any need for a ROS form. If, however, a vehicle is sold and the title is not available within 15 days of the date of sale, the dealer is required to create a report of sale on the system. Once the title is received, the transaction should immediately be processed online. If the sale involves a trade-in, the system will capture the trade-in information and automatically create a ROS on the vehicle that was traded in. [NOTE: Transactions involving out-of-state residents are not processed online and no report of sale is required.]

The ROS serves only as notification of a sale and does not generate any action against the title or registration record, other than to make a plate previously attached to a vehicle eligible for attachment to a different vehicle.

A ROS between private parties will be regarded as mandatory and must be filed within 15 days of date of sale. Failure of a seller to do so is a Class 2 misdemeanor. It is also important that we stress why a ROS is required:

1. Seller must remove the plate from the sold vehicle and, if the buyer has not yet transferred title, file a ROS before the plate that was removed may be registered and attached to another vehicle.

2. Upon receipt of the ROS, the motor vehicle record is updated to reflect the sale of the vehicle and the seller's plate is eligible to be detached.
3. Filing a report of sale may protect the seller from liability that may result from moving or operating a vehicle after the date of sale.

Based on the ROS, the system generates an alert in the event a pending title is not created within 45 days of the date of sale. This alert is used to automatically generate a letter to the new purchaser advising the purchaser of the requirements to transfer title and that penalty and interest is accruing. If no action is taken after that contact, further steps can be taken.

Secondary Plates:

A plate ordered permit is available for an applicant to use during the interim of plate production of a distinct or specialty plate. Like the regular county plate, all owners of the vehicle own the specialty plate, unless it is a plate that the applicant must qualify for in order to receive it, such as National Guard, physically disabled person, prisoner of war, etc.