

[Read more about REAL ID](#)

June 2023

Dealer Connection

The South Carolina Department of Motor Vehicles (SCDMV) is proud to be a resource for the dealer community through the Dealer Connection newsletter.

Highlights of this issue:

- Changes are coming to dealer licensing laws – act now!
- All dealers **must** onboard with electronic vehicle registration (EVR) service providers by January 18, 2024
- Dealers will not be able to process customer transactions at SCDMV branches beginning January 18, 2024
- Single 45-day temporary tag soon to be the law

[Read Act #51 of 2023](#)

Dealer Licensing Laws are Changing. Act now to Remain Licensed!

The General Assembly recently passed, and Governor McMaster signed Senate Bill 549, now Act #51 of 2023, which modernizes the relationship between dealerships and the SCDMV, among other actions.

To remain licensed on and after January 1, 2024, you must increase your bond.

Each dealer, besides those holding only a motorcycle dealer license, must increase their bond amount from **\$30,000 to \$50,000** for each licensed dealership. **Motorcycle dealers** must increase their bond amount from **\$15,000 to \$25,000**.

If your bond is not increased by January 1, 2024, your dealer license will expire, and you may not sell vehicles nor motorcycles.

In the future, the SCDMV will also monitor your bond amount electronically via the Automobile Liability Insurance Reporting (ALIR) system. While this system exists, primarily, to ensure personally owned vehicles maintain the State's minimum insurance coverage to operate on the road, ALIR will now electronically verify bond amounts and statuses, as well. More information on this change will be released in the future.

Beginning January 1, 2024, the validity period for your dealer license will also change from an annual license to a three-year license.

If your dealer license is due for renewal January 1, 2024, or after, you will renew for a three-year license. The price of a dealer license changes from \$50 every year to \$150 every three years.

When you renew, the SCDMV will provide you with a list of what it will audit and inspect when a dealer agent visits your dealership. Please keep this on hand to ensure you are prepared for audits when they occur.

While many of the physical requirements for dealership locations remain the same, neither retail dealers nor wholesalers may have dealerships in a residence, tent, temporary stand, or other temporary quarters.

Dealers Must Cure Complaints Within Time Periods in Law

While this is always a good business practice, beginning January 1, 2024, dealers who receive written complaints from the SCDMV will have 60, 45, or 30 days to cure the complaint depending on the nature of the complaint.

Once the SCDMV provides you with the complaint, the clock to cure the complaint with the customer begins.

The list below is not an exhaustive list, but it does include the most common complaints the SCDMV receives.



Complaints that must be cured within 60 days are:

- Errors or omissions on transactions regarding incoming or outgoing documents;
- Incorrect acquisition or sale dates;
- Incorrect vehicle identification numbers;
- Incorrect make, model, or type of body;
- Incorrect incoming or outgoing odometer reading;
- Incorrect name and address of the person a vehicle was acquired from or transferred to;
- Issuance of a second temporary license plate to a purchaser.

Complaints that must be cured within 45 days are:

- Dealer selling at an address different than indicated on the dealer application and license;
- Failure to deliver a title to a buyer or the SCDMV within 45-days of the date of sale;
- Issuance of any temporary license plate to a person not authorized to have the plate;
- Operating or allowing the operation of a vehicle with a suspended dealer plate.

Complaints that must be cured within 30 days are:

- Selling a vehicle out-of-trust or breach-of-trust;
- Possession of an open title;
- Altering or changing documents to avoid or delay vehicle registration;
- Maintaining or producing fraudulent records;
- Licensure as a wholesaler dealer only, but selling vehicles retail;
- Dealer or auction facilitating a wholesaler selling retail;
- Failure to remit any state-owed fees within the time period prescribed by law to the SCDMV; or
- Use of fraudulent methods or practices.

Should you not cure the complaint in the proper amount of time or if you receive a complaint of the same type within 12 months of the first, the SCDMV may issue points against your dealer license.

Dealers Must Properly Title and Register Vehicles Within 45 Days

Beginning January 1, 2024, dealers who do not properly title and register vehicles they sell within 45 days of the sale may be subject to dealer points or

criminal penalties if the dealer knowingly did not meet the 45-day time period.

In order to meet the 45-day time period and avoid dealer points, you're encouraged to mail all paperwork to the SCDMV within 35 days after the sale. This provides the SCDMV ample time to review paperwork to ensure the customer receives vehicle documents and his or her metal license plate within the necessary time period.

Your EVR service provider will display information regarding titles in suspense should that be a factor. You're encouraged to work with your service provider if additional training is necessary to find that information within the provider's interface

Dealer Performance Evaluation System

You may be familiar with the existing SCDMV process that allows the agency to assess points against your dealer license due to certain infractions.

**This process is now in State law, effective January 1, 2024,
in Chapter 37 of Title 56.**

The Chapter outlines what point value is assigned to each violation and explains the appellate process.

Additionally, the law now provides for the Dealer Sanction Review Board, a first step in the appeals process to allow dealers an opportunity to appeal SCDMV decisions regarding points against a dealer license to a board consisting of your peers and agency personnel.

This Board will be seated and functional by July 1, 2024, and the agency will release more information on its process in the coming months.

Should you receive points against your dealer license, the law will allow for a point reduction class should an entity in the state (not the SCDMV) request to administer the course and have the curriculum approved by the agency. The SCDMV is not obligated to provide this course, so this option is only effective should an entity take the steps to receive course approval from the agency.

Dealer Performance Evaluation System

As of January 1, 2024, the law will say that any license in the name of the same person may be denied, suspended, or revoked in certain circumstances. While many of the disqualifying crimes are the same, the added crimes include:

- Violation of any requirement in Article 3, Chapter 19, Title 56 (laws related to vehicle titles)
- Accepting or delivering a title to any other dealer or person in which the title is not signed
- A violent crime as defined in Section 16-1-60 of the Code of Laws
- A crime involving illegal drugs, other than simple possession of marijuana
- A crime involving tax evasion or failure to pay taxes or fees as required by law
- A crime involving the illegal use, carrying, or possession of a dangerous weapon
- Any crime having an element of identity theft, misuse of another person's identity information, larceny, embezzlement, false statements, falsification of documents, false swearing or dishonest or deceitful dealing
- A crime having an element of criminal sexual battery or conduct of any type or degree with a minor or an adult
- Failed to pay on demand any civil penalty imposed by the SCDMV authorized by this chapter which the person or licensee has failed to appeal or for which the appeals have been exhausted
- Failure to surrender a dealer license as required by law or allowing any third party to sell vehicles or operate the dealership
- Had a previous dealer license revoked

The SCDMV may deny future dealer licenses for the same applicant if previous dealer licenses were revoked for that applicant under this section.

All Dealers Must Have EVR Service Providers

As of January 18, 2024, when you complete your application for a dealer license, you must provide the name of your EVR service provider, and your license will not be issued until you provide a copy of the executed contract or agreement between you and the service provider.

Beginning January 18, 2024, all dealer transactions must be completed through EVR – this includes both update 1 and update 2. You may no longer “backout” transactions in between updates.

Beginning January 18, 2024, all dealers must use an approved EVR service provider to issue traceable temporary license plates at the point of sale.

Beginning January 18, 2024, dealers may not complete dealer work at any SCDMV branch to include passing work to a customer to process on his or her own unless specifically requested by the customer. This includes both title work

and registration work. Dealers may not obtain certificates of title, temporary registrations, or temporary license plates at any SCDMV offices.

You will be turned away if you attempt to complete dealer work at SCDMV branches, however you are still required to meet the 45-day time period to properly title and register vehicles that customers have purchased from you.

CVR, DDI, and TitleTec are the three currently approved service providers. You may contact them directly to obtain information on pricing models and determine the best choice for your dealership.

[Read More About EVR](#)

Single, 45-day Traceable Temporary License Plate & Price Increase

Beginning January 18, 2024, the SCDMV will transition to a single 45-day traceable temporary license plate that must be issued by dealers at the point of sale via EVR (unless the customer is transferring an existing license plate).

Customers who are **transferring license plates** from one vehicle to a newly purchased vehicle do not receive 45-day traceable temporary license plates or temporary registration cards. Those customers should retain the bill of sale (or equivalent documentation) in the vehicle while waiting on the registration from the SCDMV that ties the old plate to the new vehicle.

Currently, a 45-day traceable temporary license plate is issued to South Carolinians purchasing cars from dealers in the State of South Carolina; a 30-day temporary license plate is issued to non-South Carolinians purchasing cars from dealers in the State. And the SCDMV issues a 15-day special permit in extenuating circumstances directly to customers.

Beginning January 18, 2024, the 30-day temporary license plate and the 15-day special permit will no longer be issued.

Dealers will issue 45-day traceable temporary license plates to any person who needs it – regardless of if the vehicle is being registered in this State or another, meaning out-of-state customers will also receive a 45-day traceable temporary license plate. Again, these must be issued via EVR, and dealers may not obtain them at SCDMV branches.

You may not issue any 30-day temporary tags as of January 18, 2024. You're encouraged to deplete your stock now and be mindful of the number you are ordering recognizing that soon this tag will no longer be valid.

SCDMV branches will not provide any 30-day temporary tags after Wednesday, January 17, 2024, and the SCDMV will pre-print an expiration date of February 16, 2024, as they will all be invalid after that date. At the same time, no dealers can bring paperwork to branches as of January 18, 2024 (see above), so you're encouraged to not overbuy 30-day temporary tags. Should you buy too many, the SCDMV will not buy them back nor will you receive any refund.

Any 30-day temporary tag on the road on February 17, 2024, or after is illegal.

The 45-day traceable temporary license plate will be traceable upon issuance and immediately tied to the customer and vehicle before driving off the dealership lot.

The price a dealer may charge for the 45-day traceable temporary license plate is as follows:

- The actual cost of the license plate (the dealer's cost for purchasing the paper stock for the plate) plus issuing and printing, as well as standing shipping and handling costs; and
- An **additional five dollars which must be remitted to the SCDMV.**

For example, if you purchase the 45-day traceable temporary license plate paper from a registered temporary license plate distributor (defined in the law as a "statewide motor vehicle dealer association in which at least 30 percent and no fewer than 200 members are licensed South Carolina dealers") for \$5, it costs you \$0.75 for issuing and printing, and the temporary license plate distributor charges you \$0.25 per sheet for shipping and handling, you would charge the customer \$11 for the tag. You can retain \$6, and the additional \$5 would be collected via ACH by the SCDMV when you submit the customer's transaction via EVR. The SCDMV then distributes that \$5 in accordance with the law.

In the future, and more information will be released in later Dealer Connections, there will be an additional charge (\$10) to customers who buy vehicles from you to provide for quality assurance of customer transactions submitted via EVR. The quality assurance program will take effect on November 18, 2024, and the SCDMV has initiated the procurement process to secure a Quality Assurance Entity for the State to perform this function.

Dealer Townhalls this Year

The SCDMV will present similar information at townhall-style meetings throughout the summer and fall of 2023 to ensure there is an opportunity for dealers to ask questions of the agency. More information on these will be forthcoming.



Lauren Phillips
Deputy Director, Legislative Affairs
Strategic Communications & Community Affairs
DMVCommunications@scdmv.net

Was this newsletter helpful for you?

Yes

No



South Carolina Department of Motor Vehicles | 10311 Wilson Boulevard, Blythewood, SC 29016

[Unsubscribe lauren.phillips@scdmv.net](#)

[Update Profile](#) | [Constant Contact Data Notice](#)

Sent by dmvccommunications@scdmv.net powered by



Try email marketing for free today!