

2016

# New Vermont Dealer Information Packet

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## Definition of Motor Vehicle Dealers and Registration of Dealers

### §4. Definitions

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

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

- i. Has had no previous record of willful violations of dealer laws or regulations in this or any other jurisdiction.
- ii. For initial applications only, has had no previous record of criminal convictions for extortion, forgery, fraud, larceny or embezzlement in this or any other jurisdiction.
- iii. Has no unsatisfied judgment against him or her arising out of violations of consumer protection laws in this or any other jurisdiction.
- iv. Presents proof of compliance with the provisions of 23 V.S.A. § 800 at the time application for registration is made.
- v. Is open for business at least 146 days during the calendar year. When the application for registration as a new car dealer or used car dealer is made, the applicant shall provide the commissioner with the hours of operation of the business which the person shall maintain during the registration period.
- vi. Owns real estate (as defined in section 132 of Title 1) as his or her place of business or has a lease with an expiration date not earlier than the last day of the registration year for which registration is sought under the provisions of subchapter 4 of chapter 7 of this title which includes a building of at least 1,200 square feet in size used primarily for the business of the dealership. The building shall have adequate facilities for the maintenance of the records required by law to be kept including, but not limited to, those required by section 466 of this title and for the transfer of motor vehicles.

**Note:** Snowmobile, ATV and Boat dealers are exempt from (v) and (vi) above.

- (b) "New car dealer" shall mean a person who, in addition to satisfying all of the requirements set forth in subdivision (8)(A) of this section, has a valid sales and service agreement
- (c) Franchise or contract with a manufacturer, assembler, importer or distributor of new motor vehicles for the retail sale of new motor vehicles.
- (d) "Finance dealer" means a person who is authorized to do business in this state and is actively engaged in and devoting a principal portion of his or her time to the wholesale and retail financing of motor vehicle sales by and through direct wholesale loans to those who are registered motor vehicle dealers under chapter 7 of this title or the purchase of retail conditional sales contracts from the dealers. A person entitled to dealer registration under this subdivision shall be deemed a dealer only to the extent of moving or operating under dealer registration a motor vehicle which he or she is repossessing in the regular course of his or her business. A person entitled to dealer registration under this subdivision shall also be entitled to demonstrate repossessed motor vehicles.

*"Auction dealer" means a person who has an auctioneer license and is authorized to do business in this state and is engaged in the sale of motor vehicles at public auction subject to the provisions of sections 451, 458, 459, 463, 466, 467 and 468 of this title. A motor vehicle to be sold at public auction by the auction dealer may be transported to the place of auction for a period of up to 30 days prior to the date of auction on auction dealer plates and then only by the dealer or his or her employee. A motor vehicle sold by an auction dealer may only be operated on auction dealer plates on the date of sale and then only by the dealer or his or her employee or by the purchaser when accompanied by the dealer or employee within ten miles of the place of auction.*

- (e) As used in this subdivision, "person" shall include any individual or, in the case of partnerships, corporations or other entities, the directors, shareholders, officers or partners in these entities. The term "business use of the dealer" shall only mean the motor vehicle business of the motor vehicle dealer to which number plates have been issued pursuant to section 453 of this title.
- (f) For new and used car dealers, "engaged in the business" means selling 12 or more pleasure cars or motor trucks owned but not registered by the seller except for vehicles that are to be scrapped, dismantled or destroyed. "Engaged in the business" shall also mean selling, during the immediately preceding registration year, 12 or more pleasure cars or motor trucks which have been in lease or rental services, and persons so engaged shall meet all obligations required of dealers

## § 451. Dealer's certificate

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

(b) With the prior approval of the commissioner, a Vermont dealer may display vehicles on a temporary basis, but in no instance for more than 14 days, at fairs, shows, exhibitions and other off-site locations within the manufacturer's stated area of responsibility in the franchise agreement. No sales may be transacted at these off site locations. A dealer desiring to display vehicles temporarily at an off-site location shall notify the commissioner in a manner

prescribed by the commissioner no less than two days prior to the first day for which approval is requested.

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

## 452. Expiration

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

## §453. Fees and number plates

(a)(1) An application for registration as a dealer in new or used cars or motor trucks shall be accompanied by a fee of \$503.00 for each certificate issued in such dealer's name. The Commissioner shall furnish free of charge with each dealer's registration certificate three number plates showing the distinguishing number assigned such dealer. The Commissioner may furnish additional plates according to the volume of the dealer's sales in the prior year or, in the case of an initial registration, according to the dealer's reasonable estimate of expected sales, as follows: (A) under 20 sales: 0 additional plates;

(B) 20-49 sales: 1 additional plate;

(C) 50-99 sales: up to 5 additional plates;

(D) 100-249 sales: up to 12 additional plates;

(E) 250-499 sales: up to 17 additional plates;

(F) 500-749 sales: up to 27 additional plates;

(G) 750-999 sales: up to 37 additional plates;

(H) 1,000-1,499 sales: up to 47 additional plates;

(I) 1,500 or more: up to 57 additional plates.

(a) An application by a "dealer in farm tractors or other self-propelled farm implements", which shall mean a person actively engaged in the business of manufacturing, buying, selling or exchanging new or secondhand farm tractors or other self-propelled farm implements, for such dealer registration shall annually be accompanied by a fee of \$78.00. The commissioner shall furnish free of charge with each such dealer registration certificate and two sets of number plates showing the distinguishing number assigned such dealer and in his or her discretion may furnish further sets of plates at a fee of \$55.00 per set; such number plates may, however, only be displayed upon a farm tractor or other self-propelled farm implement.

(b) Application by a "dealer in motorized highway building equipment and road making appliances", which shall mean a person actively engaged in the business of manufacturing, buying, selling or exchanging new or secondhand motorized highway building equipment or road making appliances, for such dealer registration shall annually be accompanied by a fee of \$123.00. The commissioner shall furnish free of charge with each such dealer registration certificate two sets of number plates showing the distinguishing number assigned such dealer and in his or her discretion may furnish further sets of plates at a fee of \$55.00 per set; such number plates, may, however, only be displayed upon motorized highway building equipment or road making appliances.

(c) If a dealer is engaged only in the manufacturing, buying, selling or exchanging of motorcycles or mopeds, the registration fee shall be \$62.00 which shall include three sets of number plates. The commissioner may, in his or her discretion, furnish further sets of plates at a fee.

(d) If a dealer is engaged only in the manufacturing, buying, selling or exchanging of trailers, semi-trailers, or trailer coaches, the registration fee shall be \$123.00 which shall include three sets of number plates; such number plates may, however, only be displayed upon a trailer, semi-trailer or trailer coach. The commissioner may, in his or her direction, furnish further sets of plates at a fee of \$10.00 for each such set.

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

The commissioner of motor vehicles shall not issue a dealer's certificate of registration to a new or used car dealer, unless the dealer has provided the commissioner with a surety bond, letter of credit or certificate of deposit issued by an entity authorized to transact business in the same state. The amount of such surety bond, letter of credit or certificate of deposit shall be between \$20,000.00 and \$35,000.00, based on the number of new or used units sold in the previous year; such schedule to be determined by the commissioner of motor vehicles. In the case of a certificate of deposit, it shall be issued in the name of the dealer and assigned to the commissioner or his or her designee. The bond, letter of credit or certificate of deposit shall serve as indemnification for any monetary loss suffered by the state or by a purchaser of a motor vehicle by reason of the dealer's failure to remit to the commissioner any fees collected by the dealer under the provisions of chapters 7 and 21 of this title or by a dealer's failure to remit to the commissioner any tax collected by the dealer under chapter 219 of Title 32. This state or the motor vehicle owner who suffers such loss or damage shall have the right to claim against the surety upon the bond or against the letter of credit or certificate of deposit. The bond, letter of credit or certificate of deposit shall remain in effect for the pending registration year and one year thereafter. The liability of any such surety or claim against the letter of credit or certificate of deposit shall be limited to the amount of the fees or tax collected by the dealer under chapters 7 and 21 of this title or chapter 219 of Title 32 and not remitted to the commissioner.

**NOTE:** The amount of the bond or collateral which is required by subsection (g) of this section shall be based on the number of new/used cars and/or trucks sold by a dealer during the prior year. If applicant was not a licensed car dealer in Vermont during the prior year, the amount shall be \$35,000.00. The following schedule shall apply to all other car dealers:

### Bonding Information:

New and Used Car Dealers are annually required to provide a surety bond, letter of credit or certificate of deposit. Refer to the bond information below to determine the amount required and attach item obtained to this application.

Use the following scale based on annual car/truck sales to determine the amount of the bond, letter of credit or certificate of deposit required to be posted before issuance of license or renewal.

- |                               |                              |
|-------------------------------|------------------------------|
| 1. New applicant \$35,000     | 4. 101-250 vehicles \$30,000 |
| 2. Under 25 vehicles \$20,000 | 5. 251 or more \$35,000      |
| 3. 25-100 vehicles \$25,000   |                              |

## §454. Dealer's use of motor vehicles

NOTE: THE USE OF DEALER PLATES ALSO APPLIES TO ATV DEALERS. (ATV's) may only be operated off-highway.

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

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

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

(3) For a demonstration when the prospective purchaser is operating the vehicle, and then only for a period not to exceed three days;

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

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

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

(b) The word "dealer" for the purposes of subdivision (a)(5) of this section shall include such of the principal officers of a corporation registered as dealer and such of the partners in a co-

partnership registered as dealer as are actively and principally engaged in the motor vehicle business and in any event shall include only those persons listed on the application for a registered dealer submitted to the department, but shall not include directors and stockholders nor inactive and silent partners.

**NOTE:** *Plates considered restricted in Vermont may not be recognized as so in other jurisdictions. If leaving the State of Vermont or purchasing a vehicle outside of Vermont for delivery to Vermont, and displaying a dealer plate, you must contact each state in which you anticipate travel in order to determine if they honor Vermont's dealer plate. Numerous jurisdictions do not honor dealer plates if the vehicle is hauling a load.*

## Dealer Plates Used on Different Types of Vehicles

New car dealers and used car dealers may use their dealer plates on any valid Vermont inspected motor vehicle owned by the dealership.

A motor vehicle owned by a registered motor vehicle dealer in this state may be operated under such dealer registration without being currently inspected in Vermont for a period not to exceed 15 days from the date of its acquisition or possession by such dealer. An uninspected motor vehicle shall not be used under dealer registration for demonstration purposes nor for the temporary accommodation of a customer of the dealer.

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

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

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

## §455. Use by others than dealer

A person, other than a dealer, shall not operate a motor vehicle under the provisions of section 454 of this title unless such person carries a written authority so to do signed by the dealer whose motor vehicle such person is operating.

### §456. Employees' use of vehicles restricted

Employees of a dealer shall not operate, and a dealer shall not permit them to operate, motor vehicles, motorboats, snowmobiles and all-terrain vehicles with dealer's registration number plates displayed thereon, except for business purposes of the dealer, or in traveling directly between their homes and the place of their employer's business.

## 457. Temporary plates

At the time of the issuance of a registration certificate to a dealer as provided in this chapter the commissioner shall furnish the dealer with a sufficient number of number plates and temporary validation stickers, temporary number plates or decals for use during the 60-day period immediately following sale of a motor vehicle by the dealer, as hereafter provided in general design the same as the number plates or decals furnished individual owners, but the plates and decals may be of a material and color as the commissioner may determine. The commissioner shall collect a fee of \$5.00 for each temporary plate issued.

NOTE: When requesting temporary plates, mail the request to the Department of Motor Vehicles to the attention of the dealer clerk and include a fee of \$5.00 for each plate requested. Do not include any other dealer fees. If you choose to pick up your temporary plates, you may do so, please call ahead and we will have them ready. (802) 828-2038 you may pick them up at the Dealer & Inspection unit.

### §458. Temporary plate on sold or exchanged vehicles

On the day of the sale or exchange of a motor vehicle, motorboat, snowmobile or all-terrain vehicle which is to be registered in this state, a dealer may issue to the purchaser, for attachment to the motor vehicle, snowmobile or all-terrain vehicle or to be carried in or

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

#### §458. Temporary plate on sold or exchanged vehicles

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

#### §459. Notice to commissioner

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

(b) If a number plate with temporary validation stickers, temporary registration plate or decal is not issued by a dealer in connection with the sale or exchange of a motor vehicle, the dealer may accept, from the purchaser, a properly executed registration, tax and title application and the required fees for transmission to the commissioner. The dealer shall, within 15 calendar days, forward to the commissioner the application and fee together with such other information as the commissioner may require.

NOTE: No paperwork can be given to the customer. The paperwork must be mailed to the Department of Motor Vehicles within 15 calendar days of the date of sale.

#### §460. Dealer's use of temporary plates restricted

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

#### §461. Destruction of temporary plates

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

#### §462. Cancellation of dealer's registration

(a) The commissioner may cancel, revoke or suspend a registration certificate issued to a dealer under the provisions of this chapter, whenever, after the dealer has been afforded the opportunity of a hearing before the commissioner or upon conviction in any court in any jurisdiction, it appears that the dealer has willfully violated any motor vehicle law of this

state or any lawful regulation of the commissioner, applying to dealers or when it appears that the dealer has engaged in fraudulent or unlawful practices related to the purchase, sale or exchange of motor vehicles. A dealer whose certificate has been canceled shall forthwith return to the commissioner the registration certificate and any and all number plates, or numbers or decals furnished him or her by the commissioner; and the privilege to operate, purchase, and sell or exchange motor vehicles under his or her dealer's number shall cease. An application for a new dealer's license for that dealer will not be considered until the suspension period has been served.

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

#### §463. Sale of vehicle to go out of state

A registered motor vehicle dealer is authorized to issue an in-transit registration permit for the purpose of movement over the highways of certain motor vehicles otherwise required to be registered when these vehicles are sold in this state to be transported to and registered in another state or province. The commissioner of motor vehicles shall, upon request, provide registered motor vehicle dealers with such numbers of applications and special in-transit number plates for vehicles sold in this state to be transported to and registered in another state or province as shall be necessary. The commissioner is authorized to charge a fee of \$6.00 for the processing of the plate application and the issuance of the plate. The dealer, upon the sale of a motor vehicle to be transported to and registered in another state or province shall cause the application to be filled out and transmitted to the commissioner and shall attach to the vehicle the in-transit number plate corresponding to the application. No registered motor vehicle dealer shall sell, exchange, give or transfer any application or in-transit plate to any person other than the person to whom the dealer sells or exchanges a motor vehicle to be registered in another state or province. The application shall be in a form prescribed and furnished by the commissioner. The special in-transit number plate to be attached to the vehicle will be issued in the form and design as prescribed by the commissioner and shall be valid for a period of 30 days from date of issue.

#### §464. Return of number plates by dealer

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

#### §465. Loaning of plates or vehicles prohibited

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

#### §466. Records

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

- (1) Every motor vehicle which is bought, sold or exchanged by the licensee or received or accepted by the licensee for sale or exchange;
- (2) Every motor vehicle which is bought or otherwise acquired and dismantled by the licensee;
- (3) The name and address of the person from whom such motor vehicle was purchased or acquired, the date thereof, name and address of the person to whom any such motor vehicle was sold or otherwise disposed of and the date thereof, a sufficient description of every such motor vehicle by name and identifying numbers thereon to identify the same.

(4) If the motor vehicle is sold or otherwise transferred to a consumer, the cash price. For purposes of this section, "consumer" shall be as defined in subsection 2451a(a) of Title 9 and "cash price" shall be as defined in subdivision 2351(6) of Title 9.

#### §467. Failure of dealer to report purchase and sale of vehicles

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

#### §468. General prohibition

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

#### §472. Evidence of authorization

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

#### §473. Penalties

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

preceding registration year, 12 or more pleasure cars or trucks which have been in lease or rental service and persons so engaged shall meet all obligations required of dealers.

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

### §8905. Collection of tax

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

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

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

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

(e) Every lessor of a motor vehicle shall collect the tax imposed by subsection (a) or (b) of section 8903 of this title from the lessee and remit it to the commissioner at the time of registration of the motor vehicle, in the case of the first lease of a motor vehicle, and within 30 days after any extension of the lease or any subsequent lease of the motor vehicle. Every lessor of a motor vehicle shall collect the tax imposed by subsection (f) of section 8903 of this title from the lessee and remit it to the commissioner within 30 days after the end of the

motor vehicle lease contract. If the lessor fails to collect the tax imposed by subsections (a), (b) or (f) of section 8903 of this title, the lessee shall pay the tax directly to the commissioner within the time prescribed for payment.

(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the commissioner along with the title application and fee at the time of applying for a certificate of title to such motor vehicle as a condition precedent to the titling thereof.

## Federal Used Car Rule

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

## Diesel Tax Regulations

As sellers of diesel-powered vehicles, it is possible that a purchaser may make inquiries of you regarding tax, reporting forms, records and other related areas of the Diesel Tax Laws. If you are unsure of the answer(s), please contact the Department of Motor Vehicles, Commercial Vehicle Operations Section at 828-2070.

The State of Vermont has tax laws that could possibly affect your Dealer/Transporter license. Please read all of the following and decide if you qualify, if so, please take immediate action to make certain you will be in compliance with all diesel tax requirements.

## Diesel Tax Licensing Requirements

Any person operating a qualified motor vehicle(s) in two or more member jurisdictions is required to license under the International Fuel Tax Agreement (IFTA). The following requirements must be met in order to obtain the IFTA license and decal:

- ✓ Qualified motor vehicles must be registered in Vermont and travel in two or more jurisdictions. Dealer and Transporter Plates fall into this category.
- ✓ You must have an established place of business in Vermont from which you maintain operational control of your vehicles.
- ✓ Records must be maintained and made available to officials and agents of the Commissioner of Motor Vehicles for audit purposes.
- ✓ Vehicles must be operated in Vermont and at least one other IFTA jurisdiction.

## Qualified Motor Vehicles

“Qualified Motor Vehicle” means a motor vehicle used, designed, or maintained for transportation of person or property and:

- ✓ Having two axles and a gross weight or registered weight exceeding 26,000 pounds or 11,797 kilograms; or
- ✓ Having 3 or more axles on the power unit regardless of weight; or
- ✓ Is used in combination, when the weight of such combination exceeds 26,000 pounds or 11,797 kilograms gross vehicle or registered gross vehicle weight.
- ✓ “Qualified Motor Vehicle” Does Not include recreational vehicles

## General Provisions

1. The IFTA License and decals are valid for the calendar year only and must be renewed annually; applications can be obtained for the VT Dept. of Motor Vehicles. All applicants must furnish their federal employer identification number.

(a) One International Fuel Tax license will be issued, regardless of the number of decals, and can be reproduced by the licensee and a copy placed in each qualified motor vehicle that is issued a decal.

(b) Failure to be in possession of a copy of the fuel tax license can either result in the purchase of a trip permit, issuance of a citation, or both. Duplicate lost or destroyed licenses

may be obtained by written request to the Dept. of Motor Vehicles, Commercial Vehicle Operations, 120 State St., Montpelier, VT 05603-0001 or calling (802) 828-2070.

(c) Two IFTA decals are issued for each qualified motor vehicle and they must be placed on the exterior portion of both sides of the cab. In the case of Transporters, manufacturers, dealers, or drive away operations, the decals need not be permanently affixed but may be temporarily displayed in a visible manner on both sides of the cab.

2. Motor fuel tax reporting periods are concurrent with the calendar quarter periods of January 1- March 31; April 1 – June 30; July 1 – September 30 and October 1 – December 31.

3. A daily record of distance traveled must be obtained for any diesel-powered vehicle. A separate record is required for each Transporter Plate. Distance records must be retained for a period of not less than that of three years and must be available for inspection by the Commissioner of Motor Vehicles, his or her designated agents, or enforcement officers. Operation without the required license and decal, violation of regulations, failure to maintain logs, is punishable by a fine of \$1,000.00.

**For more information contact Commercial Vehicle Operations;**

 **VERMONT**  
State of Vermont  
*Agency of Transportation*  
**Commercial Vehicle Operations**  
DEPARTMENT OF MOTOR VEHICLES  
120 State Street  
Montpelier, Vermont 05603-0001  
Telephone: 802.828.2070  
[dmv.vermont.gov](http://dmv.vermont.gov)  
International Fuel Tax Association, Inc.

[iftach.org](http://iftach.org)

**Fees accurate as of July 1, 2016. All Fees are subject to change. Please contact DMV Dealer Unit for dealer fee questions at 828-2038.**