



# DEALER PROCEDURES MANUAL

---

# Table of Contents

---

1. [Facilities](#)
2. [Introduction](#)
3. [Definitions](#)
4. [Dealer Classifications](#)
5. [Dealer Licensing Requirements](#)
6. [Specific Dealership Requirements](#)
7. [Bill of Sale](#)
8. [Consignment Vehicles – Contract](#)
9. [Prothonotary’s Office Locations](#)
10. [Planning & Zoning Office Locations](#)
11. [Highways & Transportation Entrance Permit Office Locations](#)
12. [Division of Revenue Office Locations](#)
13. [Grounds for denying application, or renewal of, dealer license, suspension or revocation](#)
14. [Dealer Title Work](#)
15. [Document Fee](#)
16. [Transfer of Low-Digit Plates with Vehicle](#)
17. [Titling Procedures](#)
18. [Power of Attorney Instructions](#)
19. [Dealer Responsibility](#)
20. [Catalytic Converters](#)
21. [Federal Trade Commission \(FTC\) Regulations on Sale of Used Motor Vehicles](#)
22. [How To Comply with the Used Car Rule](#)
23. [Notification of Used Vehicle Received MV60 & MV560](#)
24. [Dealer Handling Fees](#)
25. [Dealer Business License](#)
26. [Odometer Laws](#)
27. [Insurance Verification Information for Dealers Selling Motor Vehicles](#)
28. [Division of Motor Vehicle Reassignment Requirements](#)
29. [Altering or Forging Motor Vehicle Documents](#)
30. [Dealer Plates](#)
31. [Temporary Tags](#)

---

# Facilities

---

Division of Motor Vehicles  
Dover Administration Office  
303 Transportation Circle  
P.O. Box 698  
Dover, Delaware 19903  
Dover Dealer Section - 302-857-4665  
[DOT\\_mtrvdealerserviceshelpdesk@delaware.gov](mailto:DOT_mtrvdealerserviceshelpdesk@delaware.gov)

---

# Introduction

---

The information in this manual is designed to help you comply with Delaware law and DMV procedures. All dealership employees should become familiar with the contents of this manual. The Division of Motor Vehicles is available to answer any questions or concerns related to the information in this manual. The Division of Motor Vehicles has a responsibility not only to Delaware dealers, but also to your customers and are confident that good communication between the Division and dealerships can help towards eliminating most issues. We look forward to working with your dealership.

---

# Definitions

---

## [21 Del. C. § 6301](#)

As used in this chapter:

- (1) "Consignment" is when a vehicle owner enters into an agreement with a dealer for the sale of a vehicle without a transfer of ownership to the dealer.
- (2) "Dealer" or "motor vehicle dealer" includes:
  - a. A person, corporation, partnership, proprietorship or any other legal entity who is in the business of buying, selling or exchanging during any 12-month period 5 or more vehicles; and/or

b. Any person, corporation, partnership, proprietorship or any other legal entity who offers to sell, sells, displays or permits the display for sale, of 5 or more vehicles within a 12-month period.

(3) “Dealer” or “motor vehicle dealer” shall not include:

a. A receiver, trustee, personal representative, or other person appointed by or acting under the authority of any court of competent jurisdiction.

b. A public official who sells or disposes of vehicles in the performance of the official’s duties.

c. Any financial institution chartered or authorized to do business in Delaware, including its subsidiaries or affiliates, which receives title to a motor vehicle in the normal course of its business by reason of a lease, foreclosure, repossession, judicial sale or voluntary conveyance or reconveyance of the motor vehicle as a result of any lease of the motor vehicle or any extension of credit secured by the motor vehicle or the enforcement of any lien on the motor vehicle;

d. A licensed auctioneer acting on behalf of a seller, secured party or owner and when title does not pass to the auctioneer and the auction is not for the purpose of avoiding this chapter.

e. An insurance company authorized to do business in Delaware that sells or disposes vehicles under a contract with its insured in the regular course of business.

f. Either a manufacturer or distributor who sells or distributes vehicles to licensed dealers or a person employed by a manufacturer or distributor to promote the sale of the vehicles of the manufacturer or distributor, if that manufacturer, distributor or person does not sell vehicles to retail buyers.

g. A nonprofit educational foundation organized to promote instructional effectiveness and educational achievement.

(4) “Department” shall mean the Department of Transportation, Division of Motor Vehicles.

(5) “Director” shall mean the Director of the Division of Motor Vehicles or the Director’s authorized or delegated representative.

(6) “Division” shall mean the Division of Motor Vehicles.

(7) “Franchised motor vehicle dealer” means a dealer in new vehicles that has a franchise agreement with a manufacturer or distributor of vehicles or, in the case of a recreational vehicle dealer, has a manufacturer-dealer agreement with a manufacturer or distributor to sell a particular line-make of new recreational vehicle or new recreational trailer. As used in this section, the term “line-make” is defined in [§ 8402\(7\)](#) of this title.

(8) “Retail dealer” means a dealer who may sell vehicles to another dealer, licensed auto auction, or retail customers.

(9) “Vehicle” means motor vehicles, trailers, recreational vehicles, recreational trailers, mobile homes, and any other device, in, upon, or by which any person or property is or may be transported or drawn upon a public highway, excepting devices moved by animal power, human power, electric bicycles, off-highway vehicles, special mobile equipment and farm equipment.

(10) “Wholesale dealer” means a dealer who may sell vehicles only to another dealer or licensed auto auction.

---

## Dealer Classifications

---

New vehicle dealer, Used vehicle dealer, Trailer dealer (utility, horse, boat, etc.), Mobile Home dealer, Motorcycle dealer, Recreational Vehicle dealer (motor homes and travel trailers), Wholesaler, New truck dealer, New equipment, Auction. Recyclers are licensed by DMV under [21 Del. C. Ch. 75](#).

---

## Dealer Licensing Requirements

---

The Division of Motor Vehicles is the agency responsible for licensing all dealers operating in Delaware. All dealer applications are processed at the DMV Administrative Office in Dover. The following sections describe specific license requirements that apply to all Delaware dealers in accordance with Delaware Code.

[21 Del. C. § 6302 – License requirements.](#)

(a) *Department approval.* — No person, corporation, partnership, proprietorship or any other legal entity shall carry on or conduct the business of buying, selling or dealing in new or used vehicles unless issued a dealer’s license by the Department. A dealer license issued under this title is not transferrable.

(b) *Application.* — Application for a dealer’s license shall be made upon the form prescribed by the Department and shall contain the name and address of the applicant. When the applicant is a partnership the name and address of each partner shall appear on the application. When the application is a corporation, the names of the principal officers of the

corporation, the state in which incorporated, the place or places where the business is to be conducted and such other information as may be required by the Department shall appear on the application. Every such application shall contain a certification by the applicant that the information provided is true and accurate to the best of the applicant's knowledge.

(c) *Resident requirements.* — The owner of a dealership must have been issued a Delaware driver's license and established residency in Delaware at least 90 days prior to the time of application. Franchised and new vehicle dealers are exempted from this requirement.

(d) *Age requirement.* —

The applicant must be at least 18 years of age on the date the application is submitted to the Department.

(e) *Fingerprinting requirement.* —

(1) An applicant seeking a license or license renewal, if more than 5 years have passed since original licensure process, must submit fingerprints and other necessary information in order to obtain a report of the applicant's entire criminal history record from the State Bureau of Identification or a statement from the State Bureau of Identification that the State Central Repository contains no such information relating to the applicant.

(2) All information obtained under this subsection shall be forwarded to the Division for review to determine the applicant's suitability for licensure pursuant to [§ 6313](#) of this title. Information obtained under this subsection is confidential and may only be disclosed to the Director of the Division or the Director's designee. The State Bureau of Identification may release subsequent criminal history to the Division.

(f) *Fee.* —

No fee for a license is charged by the Department. However, all dealerships must obtain a yearly dealer business license from the Department of Finance, Division of Revenue. Wholesale dealers shall also obtain an additional wholesale license pursuant to [§ 6307](#) of this title. The business license(s) must be kept at the business location and be available for inspection by the Department.

#### [21 Del. C. §6303 – Location requirements; records.](#)

(a) Except as provided in [§ 6311\(b\)](#) of this title, no dealers license shall be issued to any vehicle dealer unless the dealership has an established place of business owned, rented, or leased by the dealership and which:

(1) Satisfies all local zoning requirements. Zoning approval shall be submitted to the Division when the application is submitted.

(2) Has sales and office space devoted to the dealership and has adequate display space for 5 or more vehicles, and, in the case of a new recreational vehicle dealer, has a service facility;

(3) Has a telephone installed in the office and listed in the business name;

(4) Has adequate liability insurance as required by [§ 2118](#) of this title;

(5) Has a sign on the premises measuring at least 24 x 36 inches which lists the dealership's approved name.

(6) Has a computer and laser printer on premises for print on-demand temp tags; All dealers are required to use the print on-demand temporary tag system with the exception of motorcycle dealers (wholesale dealers not eligible for temporary tags).

(7) Proof of occupancy for location conducting business; lease, rental agreements.

(b) The dealership office shall maintain and have adequate file cabinets to maintain records required by the Department. All dealer records regarding purchases, sales, transfers of ownership, collection of vehicle document fees, titling, registration fees, odometer disclosure statements, temporary license plates and records of dealer registration plates assigned to the dealer shall be maintained on the premises of the licensed location. All records shall be maintained for a minimum of five years. The Director may, on written request by a dealer, permit records to be maintained at a location other than the premises of the licensed location for good cause shown.

(c) Every dealer shall have in its possession a certificate of title assigned to the dealership or other documentary evidence of the dealer's right to the possession of and for every motor vehicle in the dealership's possession or on the dealership premises.

(d) During business hours, the records of the dealership shall be open to inspection by Department officials, any police officer or any duly authorized investigator at the Department of Justice while discharging their official duties.

#### [21 Del. C. § 6304 - Expiration and Renewal of License \(and minimum sales\)](#)

Each license issued under this title shall expire at midnight on December 31 of the period for which it was issued and may be renewed upon application to the Department prior to its expiration. Dealers who have not sold a minimum of 5 vehicles between January 1 and December 31 of each year shall be denied license renewal. The Director of the Division of Motor Vehicles may, on written request by a dealer, permit renewal of a dealer's license for dealers selling less than five vehicles for good cause shown in writing to the Department.

---

# Specific Dealership Requirements

---

## New vehicle dealership.

- (1) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed within 90 days prior to expiration date. All forms requested on renewal applications are required and verified prior to approval.
- (2) Business name must be registered with the Prothonotary's Office as per [6 Del. C. §3101](#) in the county where you are located. There is a filing fee.
- (3) The Division must immediately be notified of any vehicle received by the dealership for resale. Dealers can submit form [MV60 electronically](#) through [dealers.dmv.de.gov/dealer](#).

## Used vehicle dealership.

- (1) Business name must be registered with the Prothonotary's Office as per [6 Del. C. §3101](#) in the county where you are located. There is a filing fee.
- (2) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed 90 days prior to expiration date. All forms requested on renewal applications are required and verified prior to approval.
- (3) Used vehicle dealers must title all new vehicles into dealership name – they cannot transfer a Certificate of Origin (CO).
- (4) The Division must immediately be notified of any vehicle received by the dealership for resale. Dealers can submit form [MV60 electronically](#) through [dealers.dmv.de.gov/dealer](#).

## [21 Del. C. § 6307 – Wholesale dealership](#)

- (1) A wholesale dealer who is licensed by the Division is authorized to do the following:
  - (a) Buy a vehicle from another dealer, a licensed auto auction or retail seller;
  - (b) Sell a vehicle to or exchange vehicles only with another dealer or through a licensed auto auction;
  - (c) A wholesale dealer may operate from a private residence and is not required to comply with [21 Del. C. 6303\(a\)\(2\) or \(5\)](#) of this title.
- (2) A wholesale dealer may not:
- (3) Sell or exchange vehicles with a retail buyer; and
- (4) Buy, sell or exchange new vehicles, or transfer a Certificate of Origin (CO); and
- (5) Sell vehicles on consignment.



- (6) Business name must be registered with the Prothonotary's Office as per [6 Del. C. §3101](#) in the county where you are located. There is a filing fee.
- (7) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed within 90 days prior to expiration date. All forms requested on renewal applications are required and verified prior to approval.
- (8) A wholesale dealer is not permitted to buy from or sell to the general public. He is restricted to dealing with other dealers and auctions. A wholesale dealer MAY NOT purchase and issue temporary tags
- (9) The Division must immediately be notified of any vehicle received by the dealership for resale. Dealers can submit form [MV60 electronically](#) through [dealers.dmv.de.gov/dealer](#).

**NOTE: IT IS REQUIRED BY THE DIVISION OF REVENUE TO PURCHASE AN ADDITIONAL WHOLESALE LICENSE IN THE AMOUNT OF \$75.00.**

**Mobile Home dealership.**

- (1) Must have adequate display lot (except provided for real estate agents).
- (2) Fee for each dealer plate is \$10.00. All dealer plates expire on December 31st each year and may be renewed within 90 days prior to expiration date. If dealer does not transport the mobile homes, which they sell, there is no need to issue dealer tags. We will issue a dealer ID number and a dealer license at no charge. Dealer must notify the Department each year to update your dealer license, but no fee is charged for this service. A new dealer license will be issued. All forms requested on renewal applications are required and verified prior to approval.
- (3) The Division must immediately be notified of any vehicle received by the dealership for resale. Dealers can submit form [MV60 electronically](#) through [dealers.dmv.de.gov/dealer](#).

**21 Del. C. § 6308 – Auction service dealership.**

- (a) Each person who conducts auctions of vehicles shall keep a record of each of the following:
  - (1) The name and address of the consignor or seller;
  - (2) The date on which the vehicle was consigned;
  - (3) The year, make, model and vehicle identification number of each vehicle consigned;
  - (4) The title number and State where the vehicle was last registered;
  - (5) The odometer mileage reading at the time of consignment;
  - (6) The name and address of the person to whom the vehicle was sold;
  - (7) The buyer's drivers license number and state which issued the license;

- (8) The selling price; and
- (9) The date of sale.
- (b) During business hours, auction records shall be open for inspection by Division of Motor Vehicles officials, any police officer or any duly authorized investigator at the Department of Justice while discharging their official duties.
- (c) Auction sales must be performed at the approved auction location.
- (d) All records required by this section shall be maintained for five (5) years after the sale of the vehicle to which such records apply.
- (e) Auctions are authorized to issue 30-day temporary license plates under the provision of [21 Del. C. § 2130](#), to allow vehicles to be removed from the auction lot. The temporary plates shall only be issued to individuals with a valid driver's license. The auction shall witness and record proof of any legally required liability insurance on a vehicle prior to the issuance of the temporary license plate.
- (f) Fee for each dealer plate is \$10.00. If the applicant does not wish to get dealer plates, there is no fee charged by Division of Motor Vehicles and we will issue a dealer ID number and a dealer license at no charge. No proof of insurance is required for ID numbers. All dealer plates and ID numbers expire on December 31st each year and may be renewed within 90 days prior to expiration date. All forms requested on renewal applications are required and verified prior to approval.

**Dealerships with rental or leasing business:**

Dealers who operate a leasing or rental business that is a separate entity from the new/used car business must title the vehicles in the name of the leasing/rental business. The vehicle must be transferred back to the dealership for sale.

**NOTE: Leasing companies applying for Delaware dealership must meet all requirements of a used vehicle dealership and also must be in the business of buying and selling vehicles.**

**Dealers opening more than one dealership:**

A dealer opening another dealership must provide a new dealership application meeting all Division of Motor Vehicle requirements at that location.

If the second franchise is at a new location, an application must be submitted that meets all the requirements for a new car dealership.

The two dealerships may not interchange dealer tags, temporary tags or dealer reassignments. Records of purchase and sales and temporary and dealer tag logs must be kept at each location. If the second dealership is in a different name and incorporated, a second dealer's license is required from the [Division of Revenue](#). However, if both dealerships are sole proprietorships, a second dealer's license is not required from the [Division of Revenue](#). (Contact the [Division of Revenue](#) with any questions concerning this requirement.) A franchised (new vehicle) dealer

who adds a new franchise at the same location must submit a franchise agreement from the manufacturer.

### **Issuance of dealer license.**

The Department, upon receiving an application for approval and when satisfied the applicant is of good character and so far, as can be ascertained has complied with and will comply with, the laws of this and other states, shall approve the application. The approval shall entitle the dealer to carry on and conduct the business of a dealer during the calendar year in which approval is issued. Franchised new vehicle dealers must provide the Division a copy of the franchise agreement prior to being licensed as a new vehicle dealer.

### **21 Del. C. § 6309 – Prohibited dealer acts.**

- (a) A dealer, its agent or an employee of a dealer may not permit any individual to road test a motor vehicle if they know the individual does not have a valid driver’s license. **NOTE: A motorcycle endorsement is required on the driver’s license before a motorcycle can be test-driven.**
- (b) A dealer or an agent or employee of a dealer may not commit any fraud in the execution of, or any material alteration of, a contract, power of attorney or other document incident to a sale or exchange of a vehicle.
- (c) A dealer or an agent or employee of a dealer may not willfully fail to comply with the terms of a warranty or guarantee. A Federal Trade Commission Buyers Guide will be properly completed and displayed on all used vehicles. Buyer(s) will be provided a copy of the Guide prior to completion of the sale.
- (d) A dealer or agent of a dealer must disclose to a buyer if the vehicle title has been branded “reconstructed”, “flood damaged”, “salvage” or was a “taxi”. The buyer(s) shall acknowledge the disclosure as described in this paragraph by signing a disclosure statement which has been approved by the Division of Motor Vehicles and is provided by the dealership. A copy of the disclosure statement shall be provided to the Delaware Division of Motor Vehicles with the title application. In the absence of any disclosure statement, the contract may be rescinded at any time by the buyer and the dealer shall provide a full and complete refund to the buyer of all purchase moneys, including interest paid, plus all fees paid. Disclosure shall not prevent any person from otherwise bringing any action under any law for a failure to disclose material information concerning the condition or prior use of any vehicle

### **21 Del. C. § 6310- Acts of officers, directors, partners, and sales persons.**

If a licensee is a partnership or corporation, it shall be sufficient cause for the denial or suspension of a license if any officer, director or trustee of the partnership or corporation, or any member in the case of a partnership, has committed any act or omitted any duty which would be

cause for denial or suspending a license issued to him or her as an individual under this chapter. Each licensee shall be responsible for all acts of any of their salespersons while acting as their agent, if the licensee approved of those acts or had knowledge of those acts or other similar acts and after such knowledge retained the benefit, proceeds, profits or advantages accruing from those acts.

---

## Bill of Sale

---

### [21 Del. C. § 6305. Bill of sale.](#)

Every motor vehicle dealer shall complete, **in duplicate**, a bill of sale for each sale or exchange of a motor vehicle. The original shall be retained for a period of 5 years. A duplicate copy shall be delivered to the purchaser at the time of sale or exchange. The bill of sale shall be signed by both buyer and seller. A bill of sale shall include the following:

- (1) The name and address of the person to whom the vehicle was sold or traded;
- (2) The date of the sale or trade;
- (3) The name and address of the motor vehicle dealer selling or trading the vehicle;
- (4) The make, model, year, vehicle identification number and body style of the vehicle;
- (5) The sale price of the vehicle;
- (6) The amount of any deposit made by the buyer;
- (7) A description of any Delaware titled vehicle used as a trade-in and the amount credited the buyer for the trade-in;
- (8) The amount of the document fee, title fee, registration fee or any other fee for which the buyer is responsible, and the dealer has collected; each fee shall be individually listed and identified; All DMV fees need to be correct. Refer to the [dealer portal fee calculator](#) for an estimated total; and
- (9) The amount of any balance due at settlement.

---

## Consignment Vehicles – Contract

---

### [21 Del. C. § 6306](#)

Any motor vehicle dealer offering a vehicle for sale on consignment shall have in their possession a consignment contract for the vehicle ([form MV560](#)), executed and signed by the dealer and the consignor. The consignment contract shall include the following:

- (1) The complete name and address of the owner(s);
- (2) The name, address and dealer identification number of the selling dealer;
- (3) A complete description of the vehicle on consignment including the make, model, year, vehicle identification number and body style;
- (4) The beginning and termination dates of the contract;
- (5) The percentage or the net amount the owner is to receive if the vehicle is sold;
- (6) A disclosure of all unsatisfied liens on the vehicle and the location of the certificate of title to the vehicle.

Any dealer offering a vehicle for sale on consignment shall inform any prospective customer that the vehicle is on consignment. Dealer license plates shall not be used to demonstrate a vehicle on consignment. The owners license plate may be used if liability insurance coverage is in effect in the amount prescribed by Delaware law.

[21 Del. C. § 6311 – License requirements](#)

- (a) In the event any dealer intends to change a licensed location or establish additional location(s), the dealer shall provide the Division of Motor Vehicles advance written notice. A successful inspection of the new location shall be required prior to approval of a change of location by the dealer. All requirements of [21 Del. C. § 6303](#) shall be completed prior to final approval.
- (b) The Division will issue corrected registration cards after approval is granted for the address or name change.

- (c) The vehicle dealer's business license fee of \$100 must be paid to the Division of Revenue. Copy of the receipt must be attached to the application for dealership. License must be displayed in the office, visible to visitors.
- (d) Pursuant to regulations of the Delaware Department of Transportation, the applicant must obtain an entrance permit from the Department of Transportation if the place of business is located on a State maintained road. A copy of this permit must be attached and submitted with the completed application for dealership.
- (e) Dealership must have a telephone installed in its office and listed in its business name. A receipt from the telephone company with the business name and phone number confirming this is acceptable at the time of application.
- (f) With the exception of franchised, new vehicle dealers, the owner of a dealership must have been issued a Delaware driver's license at least 90 days prior to time of application.
- (g) A licensed Delaware dealer is not permitted to share a lot, office or location with another dealer.
- (h) Application must be approved prior to the issuance of dealer plates.
- (i) Proof of liability insurance must be submitted with the application. The insurance must cover all dealer plates issued to the dealership.
- (j) Franchised, new vehicle dealers must submit a copy of the franchise agreement or a letter from the manufacturer indicating that such dealer holds the franchise and the type of vehicles to be sold.
- (k) Place of business must be inspected by an agent of the Division prior to approval of application.

**Applicants who do not fulfill the above listed requirements will have their applications returned for correction.**

**After approval by the Division, should the dealership fail to comply with the above listed requirements, the Division may withdraw its approval and suspend all dealer privileges or any portion thereof.**

---

## Prothonotary's Office Locations

---

### **Kent County**

#### [Kent County Courthouse](#)

414 Federal Street  
1st Floor, Room 140  
Dover, DE 19901  
Telephone 302-735-1901  
Mailing address: 38 The Green, Dover, DE 19901

### **New Castle County**

#### [Leonard L. Williams Justice Center](#)

500 North King Street  
Lower Level 1, Suite 500  
Wilmington, DE 19801  
Telephone 302-255-0800

### **Sussex County**

#### [Sussex County Courthouse](#)

1 The Circle, Suite 2  
2nd Floor, Room 214  
Georgetown, DE 19947  
Telephone 302-854-6959

---

## Planning & Zoning Office Locations

---

### **Kent County**

#### [Kent County Administrative Complex and Courthouse](#)

555 Bay Rd  
Dover, DE 19901  
Telephone 302-744-2471

### **New Castle County**

#### [Department of Land Use - New Castle County Government Center](#)

87 Reads Way  
New Castle, DE 19720  
Telephone 302-395-5400

**Sussex County**

[County Administration Office](#)

2 The Circle

P.O. Box 417

Georgetown, DE 19947

Telephone 302-855-7878

---

## Highways & Transportation Entrance Permit Office Locations

---

[Kent County](#)

Delaware Department of Transportation

Central District, Public Works

930 Public Safety Blvd

Dover, DE 19901

Telephone: 302-760-2433

Email: [DOT\\_Centralpublicworks@state.de.us](mailto:DOT_Centralpublicworks@state.de.us)

[New Castle County](#)

Delaware Department of Transportation

Canal District, Public Works

250 Bear-Christiana Rd

Bear, DE 19701

Telephone: 302-326-4679

Email: [DOT\\_Canalpublicworks@state.de.us](mailto:DOT_Canalpublicworks@state.de.us)

[Sussex County](#)

Delaware Department of Transportation

23697 DuPont Hwy

Georgetown, DE 19947

Telephone: 302-853-1340

Email: [DOT\\_Southpublicworks@state.de.us](mailto:DOT_Southpublicworks@state.de.us)



---

# Division of Revenue Office Locations

---

## **Kent County**

[Thomas Collins Building](#)

540 S. Dupont Highway

Dover, DE 19801

Phone: 302-744-1085

Fax: 302-744-1095

## **New Castle County**

[Carvel State Office Building](#)

820 North French Street

Wilmington, DE 19801

Phone: 302-577-8200

Fax: 302-577-8202

## **Sussex County**

[20653 Dupont Blvd.](#)

[Suite 2](#)

Georgetown, DE 19947

Phone: 302-856-5358

Fax: 302-856-5697

[Delaware Division of Revenue FAQ's](#)

---

# Grounds for denying application for, or renewal of, dealer license; suspension or revocation of license

---

## [21 Del. C. § 6313. Grounds for denying application for, or renewal of, dealer license; suspension or revocation of license](#)

A dealer license or renewal of license, applied for or issued pursuant to this chapter may be denied, suspended, or revoked for any 1 of the following reasons:

- (1) Material misstatement or omission on the original or renewal application for a dealer license.
- (2) Failure to maintain an established place of business, business phone or Division of Revenue Dealer business license.
- (3) Failure to comply subsequent to receipt from the Division of a cease-and-desist order or a written warning or arrest.
- (4) Failure to comply with this title or [Title 30](#).
- (5) Conviction of a felony in this State or any other jurisdiction. For waiver of a felony conviction, at the time of application, more than 10 years must have elapsed since the date of conviction. At the time of the application the applicant may not be incarcerated, on work release, on probation, on parole, or serving any part of a suspended sentence, and must be in substantial compliance with all court orders pertaining to fines, restitution, and community service.
- (6) Conviction of a misdemeanor involving theft, fraud, dishonesty, false pretense, or moral turpitude, in this State or any other jurisdiction. For waiver of a misdemeanor conviction, at the time of application, more than 5 years must have elapsed since the date of conviction. At the time of application, the applicant may not be incarcerated, on work release, on probation, on parole, or serving any part of a suspended sentence, and must be in substantial compliance with all court orders pertaining to fines, restitution, and community service.
- (7) The Department will defer any license application or renewal if the applicant has pending felony or misdemeanor charges, as specified in paragraphs (5) and (6) of this section, during the pendency of the charges.
- (8) Failure of the applicant to notify the Department within 72 hours of any known change in criminal history.
- (9) The Department makes a determination, so far as can be ascertained, that the applicant or licensee no longer meets the standard set forth in [§ 6312](#) of this title.

(10) Failure to maintain a service facility if the licensee is a dealer of new recreational vehicles. Recreational vehicle dealers with multiple locations in Delaware may maintain a service facility at 1 location to satisfy this requirement.

(11) The applicant was a previous holder of a license that was suspended or revoked by the Department and the terms of such suspension have not been satisfied.

(12) The applicant or licensee solely employs call forwarding, telephone answering services and/or mail forwarding services during scheduled business hours or otherwise sells motor vehicles from a remote or otherwise unlicensed location.

(13) Failure to maintain fiscal responsibility including failure to timely file personal and business federal and state tax returns.

21 Del. C. § 6314 – Suspension and hearing notices.

(a) No license issued under this title shall be suspended, revoked or renewal thereof refused, until a written copy of the complaint made has been furnished to the licensee against whom the same is directed. The written notice of complaint shall be sent to the licensee by certified mail, return receipt requested, addressed to the last known address as shown on the license or dealership application or other record of information in possession of the Division. The written notice shall inform the licensee of the following:

(1) This Division's intention to suspend, revoke or deny renewal of the dealership license.

(2) The nature of the complaint and the law or regulation allegedly violated by the dealership.

(3) The notice shall cite the law or regulation giving the Division authority to act.

(4) The notice shall inform the dealer of its right to request a hearing to dispute the complaint. The hearing must be requested within 10 days from earlier of the dates that the dealer received the certified letter, or the Division received the return receipt on the certified letter.

(5) The notice shall inform the dealer of its right to present evidence, to be represented by counsel and to appear personally or by other representative at the hearing.

(b) The Division shall inform a dealer requesting a hearing of the date, time and place the hearing shall be held. The notification shall be provided by certified mail, return receipt requested, and shall give at least 20 days prior notice to all parties involved, unless waived by the dealer. The notice shall inform the parties of the Division's obligation to reach its decision based upon the evidence received.

(c) The Division Director or designated representative may order a temporary emergency dealer license suspension. Any suspension issued under this subsection shall be exempt from the provisions required in subsections (a) and (b) of this section, except as provided herein.

The following guidelines shall apply for this temporary suspension.

- (1) If a dealer has 5 outstanding violations of [§§ 2306\(e\)](#) and/or [2509](#) of this title for not submitting a buyer's vehicle title application to the Division within the required 30 days from the date of sale; and
- (2) A dealer has been provided 5 days' written notice by the Division to submit the required paperwork but has failed to comply, then the Division will place a temporary emergency dealer license suspension notice on or near the entrance of the dealer's place of business to notify potential buyers that the dealer's license is temporarily suspended.
- (3) Unauthorized removal of the notice or failure to comply with the temporary emergency dealer license suspension order may result in the immediate permanent suspension of the dealer's license, after notice and an opportunity for a hearing under subsections (a) and (b) of this section.
- (4) The temporary emergency dealer license suspension will be lifted by the Division when the required vehicle title applications and payments are submitted to the division.
- (5) A dealer who fails to submit the required vehicle title applications and payments within 10 days after receiving a temporary emergency dealer license suspension may have its dealer license permanently suspended, after notice and an opportunity for a hearing under subsections (a) and (b) of this section.

#### [21 Del. C. § 6315 - Hearings](#)

- (a) If the Division refuses an application for a license, denies a renewal of a license or proposes the suspension or revocation of a dealer's license, the Division shall provide a hearing when requested under [§ 6314](#) of this title. At the hearing the licensee shall have the right to be heard personally, by counsel or by its agent. The Director may initiate investigations, appoint a hearing officer and subpoena witnesses. After the hearing, the Director, upon receiving a decision from the hearing officer upholding the Division's position, may suspend or revoke a dealer's license, deny a renewal or refuse to approve an application. The Director shall consider prior to any suspension, revocation, denial of renewal or refusal to approve an application.
  - (1) The nature of the violation(s) and the dealer's willingness to make restitution to all parties harmed by dealership actions.
  - (2) The effect of the proposed action on the community.

The Director shall provide written notice to all parties involved of the decision by certified mail, return receipt requested. The decision is appealable to the Superior Court. Any appeal must be filed within 30 days of the earlier of the receipt of the decision by the dealer or the date of receipt of the return receipt by the Division.

- (b) Should a dealer fail to maintain an established place of business, the Division may cancel the license without a hearing after notification of the intent to cancel has been sent by

certified mail, to the dealer at the dealer's residence and business addresses, and the notices are returned undelivered or the dealer does not respond within 20 days from the date the notices were sent.

[21 Del. C. § 6316 - Return of license, dealer number plates, temporary license plates, and dealer reassignment forms.](#)

If the Division suspends, revokes or denies the renewal of the license of any dealer licensed under this chapter, the dealer immediately shall return the license, dealer number plates, temporary license plates and dealer reassignment forms belonging to the dealer. The Division may grant the licensee up to 30 days to dispose of vehicles belonging to the dealer.

---

## Dealer Title Work

---

The Delaware Division of Motor Vehicles processes dealer title work at the Dover DMV dealer office. Dealership title clerks must comply with the following procedures for dealer folders.

Ensure the dealership name, title clerk's name and telephone number and/or email address printed on the outside of all folders and worksheets.

Ensure all documentation submitted is completed correctly, in entirety, and include a dealer worksheet. All legal documents and contracts must be filled out completely, listing the purchaser(s) name(s) and driver license number(s), valid Delaware National Association of Insurance Commissioners (NAIC) code for purchaser(s), odometer reading(s), mileage block(s), vehicle brand(s), and lien information. Lien information block(s) must be completed with the full name and complete address of the lienholder. If there is no lien on the vehicle, ensure either the words "none" or "n/a" are entered in the lien block(s). Dealers must note on applications if any "specialty tags" are "new" or a "transfer" of a current tag. **All of the above information must match exactly on all documents and be deemed current/valid by the Division of Motor Vehicles. Expired documents will not be accepted.**

The Division of Motor Vehicles has 30 days to process folders from the date received.

Dealers may submit two titles to be processed as "overnights". Title work that is unable to be processed due to dealer errors count as a title processed and returned to the dealer. Titles will only be accepted during the following hours: Monday, Tuesday, Thursday and Friday: 8:00 am to 9:00 am. There are no dealer services on Wednesdays.

---

# Titling Procedures

---

[21 Del. Code Chapter 23](#)

[21 Del. C. § 2504](#)

The seller(s) must sign the back of the title in block #1 and print their name(s). In accordance with [21 Del. C. § 6407](#) the seller must complete the odometer disclosure statement on the title and an odometer disclosure statement for the dealer. Upon taking possession of the vehicle, the dealer is required to enter the dealer's name and address in the purchaser's section of block #1. An authorized signer from the dealership will sign in block #2 and print transferor name and the name of the dealership.

Enter the purchaser's name(s), address and date of sale in block #2. The odometer disclosure statement, signature and printed name of an authorized signer for the dealership must be entered in block #2. The buyer must sign and print their name(s) in block #2.

Lienholder information must be completed in block #3 on the back of the title. Enter the complete lienholder name and address.

**\*NOTE: A dealer cannot hold a title for money owed unless a lien is entered on the title. The title must be transferred to the new owner's name(s).**

Complete block #4 with the applicant(s) information. The applicant information entered must match on all paperwork. This information includes purchaser's full name(s) with suffix when applicable, conjunction to join the names if multiple owners, DL/ID number (out-of-state DL/ID must list the issuing jurisdiction and a copy of the DL/ID provided), date of birth, valid Delaware NAIC code as per [21 Del. C. § 2118](#), signature(s) of the applicant(s) and the date signed.

Complete the document fee section in block #1 or #2 with the total price, trade-in price, net cost, and document fee. The dealer when reassigning the title must complete this. Manufacturer rebates will not be deducted from the total price of the vehicle.

The Division requires a copy of the dealer's bill of sale when documents are submitted for titling, which meet the requirements in accordance with [21 Del. C. § 6305](#).

As per [21 Del. C. § 3001](#), credit shall be given for only 1 motor vehicle or trailer per application. The trade-in vehicle must be in the buyer's name(s) and Delaware titled to qualify for a document fee credit.

---

# Document Fee

---

[30 Del. C. § 3002](#)

[2 Del. Admin. C. § 2266](#)

A Delaware dealer is not exempt from paying the vehicle document fee on a "U" title in the dealer's name. An exception may be granted when a dealer completes a MV602 form certifying the vehicle is for resale and will only be eligible for a one-year registration. If a dealer registers a vehicle in the dealership name or if a lien is entered on the certificate of title, the dealer must pay the document fee. Dealers may only deduct the amount of one trade-in vehicle for document fee calculations. The trade-in vehicle must have been titled in the dealership's name and transferred out of the dealership's name within 60 days of the title application to claim credit for a document fee deduction. The trade-in vehicle must be titled in Delaware and document fee paid on the transfer into the dealership's name.

**Failure to comply with the following sections of Delaware law may result in the immediate suspension of your dealer's license.**

[21 Del. C. § 2504 – Transfer to a dealer.](#)

- (a) If the transferee is a dealer, the owner upon transferring a registered vehicle shall properly endorse the registration card and deliver it together with the certificate of title properly assigned to the dealer who shall immediately report such transfer to the Department. After reporting the transfer, the dealer may operate such vehicle upon the highways during the period for which it is currently registered without dealer's plates solely for the purposes of testing, demonstrating or selling the vehicle but upon the sale of such vehicle the dealer shall endorse the name and address of the purchaser and the date of transfer upon the registration card and shall immediately give or send the card to the Department or an authorized representative thereof. The purchaser or transferee of the dealer shall before operating or permitting the operation of the vehicle upon a highway, comply with this chapter.
- (b) If ownership of a vehicle held by a registered dealer for sale is transferred, the transferring dealer, without applying for a new certificate of title, may execute an assignment of title to the transferee on a dealer's reassignment form, prescribed by the Department. Such assignment shall include a statement certifying all liens and encumbrances on the vehicle.

Every dealer, upon transferring a vehicle, shall immediately give a written notice of such transfer to the Department upon official form provided by the Department. Form [MV60](#) can be completed and submitted online.

- (c) Dealer reassignment forms may be issued to a qualified dealer upon application for not less than 5 such forms and payment of a fee of \$10 for each form.

[21 Del. C. § 2509 - Delivery of title application to the Department.](#)

If a licensed dealer holds for sale a motor vehicle, truck tractor, trailer, or any other vehicle required by this title to be registered or titled by the Department, and transfers the motor vehicle, truck tractor, trailer or other vehicle to someone other than another licensed dealer who holds such vehicle for sale, the dealer shall:

- (1) Comply with the provisions of this chapter; and
- (2) Within 30 days of the date of delivery of the vehicle to the purchaser or transferee, transmit to the Department the application for certificate of title and such other accompanying documents and fees as are required by the Department; or
- (3) Within 10 days of the date of delivery of the vehicle, transmit to the purchaser or transferee of such vehicle the application for certificate of title and such other accompanying documents as are required by the Department, in which case the transferee or purchaser shall submit the application and other documents to the Department within 30 days of the date of delivery of the vehicle. Dealers cannot provide temporary tags to Delaware residents when the dealership does not process the title work.
- (4) If, due to extenuating circumstances, the dealer or purchaser or transferee is unable to transmit the application to the Department within 30 days of the date of delivery of the vehicle, the Director in their discretion may grant an extension of time within which the dealer, purchaser or transferee must do so.

[21 Del. C. § 2302\(e\) – application for certificate of title](#)

When a mobile home or house trailer is sold by a Delaware licensed mobile home dealer the dealer shall be responsible for immediately submitting the application for certificate of title, related documents and all fees to the Division of Motor Vehicles for the purpose of securing a title



---

# Transfer of Low-Digit Plates with Vehicle

---

In order to prevent misunderstandings and to release the Division of any and all liability from disputes involving the transfer of low-digit license plates, the following policy will be used when these plates are sold with a vehicle. The policy applies to 4-digit or lower number plates, PC or C plates and 3-digit or lower number plates, PC, C, MC, RV, T, plates.

Vehicle buyers wishing to transfer and title a vehicle in their name which currently has a qualifying plate (listed above) titled to the vehicle are required to obtain a notarized affidavit signed by the vehicle seller which states the license plate is to remain with the vehicle. The “State of Delaware seller’s affidavit to transfer a low-digit tag with a vehicle” ([form MV73](#)) may be used for this transaction. The Division will also accept a notarized letter or statement from the seller in lieu of DMV [form MV73](#). In the event the seller cannot be located, the buyer may transfer the plate with the vehicle by completing a Buyer’s Affidavit. Data archiving will scan all affidavits.

A Buyer’s Affidavit provides no protection for the buyer in the event the vehicle’s seller challenges the transfer of the plate.

## [21 Del. C. § 2510 - Endorsement and delivery of certificate of title upon transfer; penalty.](#)

(a) The owner of a motor vehicle for which a certificate of title is required shall not sell or transfer that title or interest in or to such vehicle unless the owner has obtained a certificate of title thereto or, unless having procured a certificate of title, the owner shall in every respect comply with the requirements of this section. Whoever violates this section shall be fined not less than \$25 nor more than \$500, or imprisoned not less than 30 days nor more than 1 year or both.

(b) The owner of a motor vehicle who transfers or sells that title or interest in or to such motor vehicle shall endorse an assignment and warranty of title upon the certificate of title for such vehicle with a statement, as certified by the owner under penalty of perjury, of all liens or encumbrances thereon and the owner shall deliver the certificate of title to the purchaser or transferee at the time of delivering the vehicle.

(c) The transferee, except as provided in subsection (d) of this section, shall thereupon present such certificate endorsed and assigned to the Department, accompanied by a transfer fee of \$35 and make application for and obtain a new certificate of title for such vehicle.

(d) When the transferee of a vehicle is a dealer who holds the vehicle for resale and operates it only for purposes of demonstration under dealer’s number plates or when the transferee does not drive such vehicle or permit such vehicle to be driven upon the highways, such transferee shall not be required to forward the certificate of title to the Department, as

provided in subsection (c) of this section, but such transferee upon transferring that title or interest to another person shall execute and acknowledge an assignment and warranty of title upon the certificate of title and deliver the same to the person to whom such transfer is made. No dealer or other transferee shall hold the certificate of title to a motor vehicle for resale and/or transfer that title or interest to another person by executing an assignment and warranty of title upon the certificate of title without first having satisfied or caused to be satisfied all liens or encumbrances against the motor vehicle recorded in the office of the Secretary.

(e) Whenever the ownership of any motor vehicle passes otherwise than by voluntary transfer, the new owner may obtain a certificate of title therefore from the Department upon application therefore and payment of a fee of \$35, accompanied with such instruments or documents of authority, or certified copies thereof, as may be required by law to evidence or effect a transfer of title or interest in or to chattels in such case. The Department, when satisfied of the genuineness and regularity of such transfer, shall issue a new certificate of title to the person entitled thereto.

(f) Whenever a dealer purchases or otherwise acquires a previously registered vehicle, the dealer shall immediately notify the Department, giving the name of the former owner and a sufficient description of the vehicle to identify it.

---

## Power of Attorney Instructions

---

### [21 Del. C. § 6411 - Power of attorney to review title documents and acknowledge disclosure.](#)

Federal Law requires the use of this form (MV386-D) when a dealer buys a motor vehicle from an owner or accepts the vehicle as a trade-in and the title is physically held by a lienholder or has been lost and the owner does not wish to return to the dealership to complete the odometer disclosure when the title is received. Delaware also allows you to use this form to transfer the title for the owner. The owner, by signing this form, appoints the dealership as an attorney-in-fact to execute all documents necessary to transfer the title and mileage to the old title when required. The form contains detailed instructions. These forms may be purchased from any Division of Motor Vehicles office. The cost is \$5.00 for 25 forms.

An odometer disclosure statement must be completed and provided to the new vehicle owner. The Delaware odometer power of attorney may be used for the disclosure statement. The odometer mileage statement on the back of the title and all reassignments must also be completed to be eligible for processing.

All applicants must have reached their 18th birthday on or before the date of application. If applicant is under 18, block #4 is required to be signed above the line stating "if under 18 parent or guardian's consent".

## General Instructions

- (1) Section 1 (top copy of this form) must be returned to the State of Delaware, Division of Motor Vehicles along with the title when the vehicle is sold. In the event the vehicle is reassigned to another dealer or sold out-of-state, Section 1 and copy of the front and back of the title must be immediately returned to Division of Motor Vehicles. Section 3 will be supplied to the buyer along with Section 4 to be used when titling the vehicle in another state.
- (2) When vehicle is titled in two names, either sellers (Part A) or buyers (Part B) must sign the power of attorney to allow dealership to transfer the title as attorney-in-fact.
- (3) If the mileage disclosed on the power of attorney by seller on Part A of form is **lower** than the mileage appearing on title, the power of attorney is void and dealer shall not complete the mileage disclosure on the title.
- (4) Dealership must maintain a copy of all power or attorney forms for 5 years (section 5).

## Part A Instructions

- (1) PART A authorizes transferee (buyer/dealer) to transfer the odometer disclosure made by transferor (seller) on this form to the vehicle title when it is received from lienholder or duplicate is received. PART A also appoints the dealership as attorney-in-fact to sign the seller's name to transfer the vehicle's title. PARTS B and C will not be used in this case.
- (2) Dealer must give seller a copy of this form (section 2).

## Part B Instructions

- (1) PART B is only used when vehicle is resold prior to receiving title from lienholder or receiving duplicate title.
- (2) The buyer authorizes seller/dealer to make odometer disclosure on title when it is received. Odometer disclosure made on the title must be exactly as odometer disclosure made in PART B of this form. PART B also appoints the dealership as attorney-in-fact to sign the buyer's name to transfer the vehicle's title.
- (3) Dealer must give buyer a copy of this form (section 3).

## PART C Instructions

- (1) PART C is only required when **both** PART A and B of this form have been used.
- (2) PART C is completed once title is received from lienholder or duplicate title is received. Person exercising power of attorney certifies that the title has been received and reviewed and no mileage discrepancies exist.

[21 Del. C. § 6412 - Certification by person exercising powers of attorney.](#)

- (a) A person who exercises a power of attorney under both §§ [6410](#) and [6411](#) of this title must complete a certification that the person has disclosed on the title document the mileage as it was provided to the person on the power of attorney form, and that upon examination of the title and any reassignment documents, the mileage disclosure made on the title pursuant to the power of attorney is greater than that previously stated on the title and reassignment documents. This certification shall be under part C of the same form as the powers of attorney executed under §§ [6410](#) and [6411](#) of this title and shall include:
- (1) The signature and printed name of the person exercising the power of attorney;
  - (2) The address of the person exercising the power of attorney; and
  - (3) The date of the certification;
  - (4) If the mileage reflected by the transferor on the power of attorney is less than that previously stated on the title and any reassignment documents, the power of attorney shall be void.

---

## Dealer Responsibility

---

**Delaware dealers will not allow a vehicle buyer to drive a vehicle off the lot until one of the following conditions is met.**

- (a) Dealer verifies valid Delaware insurance, issues a temporary tag and is required to handle/process title work for a Delaware buyer [2 Del. Admin. C. § 2273](#)
- (b) Buyer transfers the title in their name and shows the current title and registration to the dealer.
- (c) Buyer has a temporary tag issued by Division of Motor Vehicles or buyer has a [direct drive permit](#) from the Division to take the vehicle directly to the Division for inspection and titling.
- (d) Dealer issues one temporary tag to an out-of-state buyer without handling the buyer's title work. Valid proof of insurance must be witnessed.

[21 Del. C. § 2501](#), states "whenever the owner of a vehicle registered under this title transfers or assigns their title of interest thereto, the registration of such vehicle shall expire."

These procedures will prevent buyers from operating an unregistered and uninsured motor vehicle. The above procedures only apply to non-dealer buyers.

Dealers purchasing a vehicle from another dealer may transport the vehicle using dealer tags.

---

## Catalytic Converters

---

### Sale of motor vehicles lacking catalytic converters.

[21 Del. C. § 2515](#)

(a) No person shall sell a motor vehicle from which the catalytic converter has been removed without first advising the purchaser in writing and obtaining the purchaser's signature upon said notification that the catalytic converter is missing and that the vehicle may not pass inspection. It shall be a defense to any cause of action brought pursuant to this section if the motor vehicle was not required by federal laws or regulations to have a catalytic converter as part of its equipment.

(b) Any person who sells a motor vehicle in violation of this section shall make restitution to the purchaser in an amount reasonably necessary to pay for:

- (1) Parts and labor to replace the catalytic converter; and
- (2) All reasonable costs and attorneys' fees for bringing an action pursuant to this section.

---

## Federal Trade Commission (FTC) Regulations on Sale of Used Motor Vehicles

---

The FTC [Used Car Rule](#), formerly known as the Used Motor Vehicle Trade Regulation Rule, has been in effect since 1985. The following information is intended to help you understand how to comply with the Rule. It discusses the terms of the [Used Car Rule](#), explains how to prepare the "Buyers Guide", and offers a compliance checklist. **This information has been extracted from the "Federal Trade Commission's Manual for Business". The Buyers Guide (English) can be found at: [https://www.ftc.gov/system/files/documents/plain-language/cfr\\_buyers\\_guides\\_english.pdf](https://www.ftc.gov/system/files/documents/plain-language/cfr_buyers_guides_english.pdf). The Buyers Guide (Spanish) can be found at: <https://www.ftc.gov/system/files/documents/plain-language/spdf-0083-guia-del-comprador.pdf>**

**NOTE:** In accordance with [21 Del. C. § 6309](#) Delaware law also mandates a Federal Trade Commission Buyers Guide be properly completed and displayed on all used vehicles. Buyer(s) will be provided a copy of the guide prior to completion of the sale.

---

# How to comply with the Used Car Rule

---

If you are a car dealer, the FTC's Used Car Rule affects how you do business. This information is intended to help you understand how to comply with the Rule. It discusses the terms of the Used Car Rule, explains how to prepare the "Buyers Guide," and offers a compliance checklist.

The Used Car Rule requires you to post a Buyers Guide in a side window of each used vehicle you offer for sale to consumers. The rule also requires you to include a specific disclosure about the Buyers Guide in the sales contract and to give the purchaser a copy of the Buyers Guide. If you conduct sales in Spanish, you must use a Spanish language Buyers Guides.

Dealers who violate the Used Car Rule may be subject to penalties of up to \$10,000 per violation.

## **Who must comply?**

Car "dealers" must comply. You are a dealer if you have sold or offered for sale more than five used vehicles within a rolling twelve-month period. The following exceptions are listed in the Rule:

- (a) banks and financial institutions;
- (b) businesses who sell a vehicle to their employees; and
- (c) lessors who sell a leased vehicle to a lessee, an employee of the lessee, or to a buyer found by the lessee

## **WHEN does the Rule apply?**

Before you, a dealer, offer a used vehicle for sale to a consumer, you must post in the vehicle's side window a Buyers Guide. A vehicle is offered for sale if you allow a customer to inspect the vehicle for the purpose of buying it. If you offer a vehicle for sale, even if it is not fully "prepped" for delivery, you must have a completed Buyers Guide posted on it. Also, before you offer to sell a used vehicle that you have on your lot through consignment, power of attorney, or other such agreement, you must display a Buyers Guide.

In addition, the Rule applies at auctions whenever a vehicle is offered for sale to a consumer. Both the Auction Company and dealers selling cars at the auction are responsible for complying. Auctions that are closed to consumers are not covered by the Rule.

## **WHO Is a consumer?**

A consumer is anyone who is not a dealer.

## **WHAT Is a used vehicle?**

A vehicle is considered used if it has been driven more than the distance necessary for test-driving or delivery to a consumer. Therefore, "demonstrators" are used vehicles.

The Rule applies to any used motor vehicle that has all of the following specifications:

- (a) a gross vehicle weight rating (GVWR) of less than 8,500 lbs;
- (b) a curb weight of less than 6,000 lbs.; and
- (c) a frontal area of less than 46 sq. ft.

Automobiles and most light-duty vans and light-duty trucks fit these sizes. Generally, large trucks and recreational vehicles do not.

The Rule also does not apply to these types of vehicles:

- (a) motorcycles;
- (b) any vehicle that is sold for scrap or parts if the dealer submits title documents to the appropriate state authority and obtains a salvage title; and
- (c) agricultural equipment.

### **WHERE does the Rule apply?**

The Used Car Rule applies in all of the United States and the District of Columbia, except in Maine and Wisconsin, which have been granted exemptions by the Commission because of similar state regulations that require window sticker disclosures. The Rule also applies in Puerto Rico, Guam, the U.S. Virgin Islands, and American Samoa.

### **WHAT is the Buyers Guide?**

The Buyers Guide is the key requirement of the FTC's Used Car Rule and Delaware law. Its purpose is to provide important information to consumers, such as whether the car has any warranty coverage.

Buyers Guides, which you can purchase from business-form companies or trade associations, must use the standard wording, type style, type sizes, and format that are specified in the Rule. The Rule requires that the Buyers Guide be printed in 100% black ink on white stock that is at least 11 inches high and 7-1/4 inches wide. You may use a colored ink to fill in the blanks on the Buyers Guide.

**NOTE:** Delaware dealers must use the "[As Is-No Warranty](#)" form. This form allows you to disclaim any warranties. If you conduct a used car transaction in Spanish; you must post a [Spanish language Buyers Guide](#) on the vehicle prior to offering it for sale.

### **WHERE to post the Buyers Guide**

You must post the Buyers Guide on the inside of a side window, with the front of the form facing the outside. You should firmly affix the Buyers Guide to a window with tape or light glue, or you may display the form inside a clear plastic sleeve, which holds the Buyers Guide on the inside of

the side window. You are responsible for keeping the Buyers Guide posted at all times that a vehicle is available for sale to consumers. So, for example, a Buyers Guide that has fallen to the floor of a vehicle does not comply with the Rule. You may remove the Buyers Guide during a test drive, but you must return the form to the window as soon as the test drive is over.

### **HOW to fill out the Buyers Guide**

You must give vehicle and dealer information on every Buyers Guide. You also must state whether there is or is not a warranty and describe any warranty coverage you provide.

#### **Vehicle information.**

At the top of the Buyers Guide, you must fill in the vehicle make, model, model year, and vehicle identification number (VIN). You may write in a dealer stock number if you wish.

#### **Dealer information.**

On the back of the Buyers Guide you must fill in the name and address of your dealership and the name and telephone number of the person a consumer should contact for complaints about the vehicle. You may use a rubber stamp or have your Buyers Guides pre-printed with this information.

#### **Warranty information**

- (a) **As Is-No Warranty.** If your state allows you to do so and you choose not to offer any warranty, written or implied, you may check the box next to the heading "As Is-No Warranty" on the Buyers Guide. **This is required in Delaware.**
- (b) **Implied warranties only.** In states that limit or prohibit the disclaimer of implied warranties, you are required to check the box next to the "Implied Warranties Only" heading if you do not offer a written warranty. **Do not use in Delaware.**
- (c) **Warranty.** If you offer the vehicle with an express warranty, you must check the box next to the heading "Warranty" and fill out the remaining portion of that section of the Buyers Guide. Warranties that are required by state law must be disclosed in this section. The office of the attorney general in your state can tell you about warranty requirements in your state.

#### **Is the Warranty "Full" or "Limited"?**

First check whether the warranty is "full" or "limited." A "full" warranty must meet all five of the following conditions:

- (a) You do not limit the duration of implied warranties.
- (b) You provide warranty service to anyone who owns the product during the warranty period.
- (c) You provide warranty service free of charge.



- (d) You provide, at the consumer's choice, either a replacement or a full refund if; after a reasonable number of tries, you are unable to repair the product.
- (e) You do not require consumers to perform any duty as a precondition for receiving service, except notifying you that service is needed, unless you can demonstrate that the duty is reasonable.

If any of these statements is not true, then your warranty is "limited."

### **What percentage of costs does the warranty cover?**

Fill in the percentage of parts and labor costs that the warranty covers in the spaces provided. If a deductible applies, put an asterisk by the number, like this "\*100" and explain the deductible in the blanks under the "systems covered/duration" section. For example, "\*A \$50.00 deductible applies to each repair visit" would appear.

### **What systems are covered for what duration?**

The Buyers Guide has one column to list the systems covered and one column to list the duration of the warranty for each system. In the left-hand column, you must state specifically each system that is covered by the warranty. The Rule prohibits the use of shorthand phrases such as "drive train" or "power train" because it is not always clear what specific components are included within the definition of such terms.

In the right-hand "duration" column, you must state how long the warranty last for each warranted system. If all systems are warranted for the same length of time, you may state the duration only once.

### **What if the Manufacturer's Warranty has not expired?**

If a manufacturer's warranty on the vehicle has not expired, you may disclose this fact by checking the "Warranty" box and including in the "systems covered/duration" section this disclosure:

#### **MANUFACTURER'S WARRANTY STILL APPLIES.**

The manufacturer's original warranty has not expired on the vehicle. Consult the manufacturer's warranty booklet for details as to warranty coverage, service location, etc.

However, if the consumer must pay a fee to obtain coverage under the manufacturer's warranty, then you may not check the "Warranty" box. This coverage is considered a service contract. On the other hand, if you absorb the cost of the fee to the manufacturer, and the consumer does not have to pay anything in addition to the price of the vehicle to obtain the coverage, you may check the "Warranty" box. If you provide a warranty in addition to the un-expired manufacturer's warranty, you should explain the terms of your warranty on the Buyers Guide.

### **Where should negotiated warranty changes be included?**

If during negotiations with the consumer, you agree to make changes in the warranty coverage, you must change the Buyers Guide to reflect those changes. For example, if you initially offer to cover 50% of the cost of parts and labor for certain repairs, but after negotiating with the customer you agree to provide 100% of the cost of parts and labor, you must cross out the "50%" disclosure and write in "100%". Similarly, if you first offer the vehicle "as is" but then agree to provide a warranty, you must cross out the "As Is-No Warranty" disclosure and properly complete the "Warranty" section of the Buyers Guide.

### **What about service contracts?**

If you offer your customers a service contract for repair coverage, check the box next to the words "Service Contract." However, if your state regulates service contracts as the "business of insurance," you do not have to check this box. To find out if your state regulates service contracts as the business of insurance, check with your state insurance regulator (it should be listed in your telephone directory) or your attorney.

### **What are the other Federal Warranty Requirements?**

If you offer a written warranty on your used vehicles, or if the manufacturer's warranty still applies, you also must comply with the Magnuson-Moss Warranty Act and other FTC rules, including the "Warranty Disclosure Rule." The Warranty Act prohibits you from disclaiming implied warranties when you provide a written warranty. In addition, it requires that you identify your warranty as either "full" or "limited." The Warranty Disclosure Rule requires that your warranty be clear, easy to read, and contain certain specified information about the coverage of the warranty. Two publications are available to assist you in complying with these and other federal regulations governing warranties: "A Businessperson's Guide to Federal Warranty Law" and A legal Supplement to Federal Warranty Law. Both are available from the FTC. Call toll-free 1-877-FTC-HELP (382-4357), or write: Consumer Response Center, Federal Trade Commission, Washington, DC 20580. You also will find the full text of these publications at [www.ftc.gov](http://www.ftc.gov).

### **COMPLIANCE CHECKLIST**

Use this checklist to make sure you comply with the requirements of the Used Car Rule.

- ✓ Properly complete a Buyers Guide for each used vehicle offered for sale.
- ✓ Post the Buyers Guide for each used vehicle offered for sale.
- ✓ Put this required disclosure in your sales contract:
  - *"The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale."*
- ✓ Give the vehicle's Buyers Guide or a copy to the purchaser at the time of sale, and ensure it accurately states the final negotiated warranty coverage.
- ✓ Use a Spanish language Buyers Guide if the sale is conducted in Spanish.

### **WHERE do I go for more information?**

If you have questions about the Used Car Rule, call or write the Federal Trade Commission at its headquarters. You may request a free copy of the Rule or the staff's compliance guidelines for the Used Car Rule, which discuss some aspects of the Rule in more detail.

Federal Trade Commission Headquarters:  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580  
(202) 326-2222

[Buyers Guide – English](#)  
[Buyers Guide – Spanish](#)

---

## Notification of Used Vehicles Received

---

[21 Del. C. § 2510 – Endorsement and delivery of certificate of title upon transfer](#)

Whenever a dealer purchases or otherwise acquires a previously registered vehicle, the dealer shall immediately, within 24 hours of possession of vehicle, notify the Department, giving the name of the former owner and a sufficient description of the vehicle to identify it.

The Division of Motor Vehicles provides online form [MV60](#) through the [Delaware Dealer Portal](#).  
Web Address: <https://dealers.dmv.de.gov/Dealer/DelawareDealerForms/MV60>

### VEHICLES SOLD ON CONSIGNMENT

All motor vehicle dealers who sell vehicles on consignment are required to retain a completed, signed [MV560](#) form on file as long as they have that vehicle in their possession. These forms may be obtained through the [Delaware Dealer Portal](#). In addition, a consignment contract must be maintained.

Web Address: [https://dmv.de.gov/forms/veh\\_serv\\_forms/pdfs/ve\\_frm\\_mv560.pdf](https://dmv.de.gov/forms/veh_serv_forms/pdfs/ve_frm_mv560.pdf)

---

## Dealer Handling Fees

---

DMV recognizes your right to charge an administrative fee for title work, etc. These charges must be listed on all paperwork as service charges or administrative fees. Do not combine other dealer fees with required State fees. Itemize the state fees as “document fee” and list dealer administrative charges under administrative fees or service charge.

[30 Del. C. § 3004 – Motor vehicle dealer handling fee and payment.](#)

- (a) Every motor vehicle dealer shall pay a handling fee of \$2 on the sale of every new or used motor vehicle, trailer, truck tractor or motorcycle sold to the owner thereof. The handling fee shall be paid in quarterly installments payable to the Department of Finance on or before November 1, February 1, May 1 and August 1 of each year for the next preceding 3-month period ending on September 30, December 31, March 31 and June 30 of each year. The motor vehicle dealer handling fee shall not be imposed on the sale, transfer or registration of motor vehicles, trailers or motorcycles which are transferred or sold for the purpose of resale.
- (b) The Department of Finance shall prescribe the form of the returns necessary for the payment of the handling fee in such manner as it may deem necessary for the proper administration of this chapter.

[Tax tips for motor vehicle dealers conducting business in Delaware](#)

Web Address: <https://revenuefiles.delaware.gov/docs/motorveh.pdf>

**\*DMV will require GRT's**, provided by the Department of Finance, to renew your dealer license. Only Wholesalers may provide proof of sales.

**\*NOTE: DO NOT PAY THIS FEE TO THE DIVISION OF MOTOR VEHICLES**

The Division of Motor Vehicles works with the Department of Finance in verifying those dealers who pay the handling fees. Failure to pay these handling fees as required by law will result in the suspension of your dealership by the Division of Motor Vehicles. Contact Division of Revenue for more information on the handling fees.

**Locations of the Division of Revenue Office:**

**New Castle County**

Carvel State Office Building  
 820 North French Street  
 Wilmington, DE 19801  
 Phone: (302) 577-8200  
 Fax: (302) 577-8202

**Kent County**

Thomas Collins Building  
 540 S Dupont Highway  
 Dover, DE 19901  
 Phone: (302) 744-1085  
 Fax: (302) 744-1095

**Sussex County**

20653 Dupont Blvd.  
 Suite 2  
 Georgetown, DE 19947  
 Phone: (302) 856-5358  
 Fax: (302) 856-5697

---

## Dealer Business License

---

[21 Del. C. § 3005. Motor vehicle dealer license fee](#)

Every motor vehicle dealer shall pay an annual license fee of \$100 to the Department of Finance, [Division of Revenue](#) to renew their dealer business license each year. This license must be displayed on premise, at the place of business. Failure to pay this fee will result in the suspension of your dealership by the Division of Motor Vehicles and could result in fines imposed by the [Division of Revenue](#). Contact [Division of Revenue](#) for more information on the business license.

**\*NOTE: Wholesale dealers must purchase an additional license in the amount of \$75.00**

### Authorized signatures/signers for a dealership

#### DLR-1708 Signature Authorization Form

When a dealer has a change in authorized personnel, form DLR-1708 must be completed and submitted to the dealer administration office in Dover (a copy of all authorized signers driver license/identification card is required). It is advised and extremely important to keep these records current at all times.

The only persons authorized to sign for a duplicate dealer plate is an owner of a dealership, an officer of a corporation (if the business is a corporation) or anyone whose name appears on the DLR-1706 Officer Certification.

---

## Odometer Laws

---

### [21 Del. C., Ch. 64. Odometers](#)

### [21 Del. C. § 6401, Findings; purpose](#)

The General Assembly hereby finds that purchasers when buying motor vehicles, rely heavily on the odometer reading as an index of the condition and value of such vehicle; that purchasers are entitled to rely on the odometer reading as an accurate reflection of the mileage actually traveled by the vehicle; that an accurate indication of the mileage traveled by a motor vehicle assists the purchasers in determining its safety and reliability; and that motor vehicles move in the current of interstate and foreign commerce or affect such commerce. It is therefore the purpose of this Chapter to prohibit tampering with odometers on motor vehicles and to establish certain safeguards for the protection of purchasers with respect to the sale of motor vehicles having altered or reset odometers.

### [21 Del. C. § 6402, Definitions](#)

As used in this chapter:

- (1) **"Dealer" or "dealership"** means any person, corporation, partnership or limited partnership who has sold 5 or more motor vehicles within the 12 months preceding the date of a violation of this chapter.
- (2) **"Odometer"** means an instrument for measuring and recording the actual distance a motor vehicle travels while in operation; but shall not include any auxiliary odometer designed to be reset by the operator of the motor vehicle for the purpose of recording mileage on trips.

- (3) **"Repair and replacement"** means to restore to a sound working condition by replacing the odometer or any part thereof by correcting what is inoperative.
- (4) **"Transfer"** means to change ownership of a motor vehicle by purchase, gift or any other means.
- (5) **"Lessee"** means any person, or the agent for any person, who has leased for a term of at least 4 months.
- (6) **"Lessor"** means any person, or the agent for any person, who has leased 5 or more motor vehicles in the past 12 months.
- (7) **"Mileage"** means actual distance that a vehicle has traveled.
- (8) **"Secure printing process or other secure process"** means any process which deters and detects counterfeiting and/or unauthorized reproduction and allows alterations to be visible to the naked eye.
- (9) **"Transferee"** means any person to whom ownership in a motor vehicle is transferred by purchase, gift, or other means other than by creation of a security interest, and any person who, as agent, signs an odometer disclosure statement for the transferee.
- (10) **"Transferor"** means any person who transfers transferor ownership of a motor vehicle by sales, gift, or any means other than by creation of a security interest, and any person who, as agent, signs an odometer disclosure statement for the transferor."

[21 Del. C. § 6403. Unlawful devices.](#)

No person shall advertise for sale, sell, use or install or cause to be installed, any device, which causes an odometer to register any mileage other than, the true mileage traveled by a motor vehicle. For purposes of this section, the true mileage traveled by a motor vehicle is that mileage traveled by a motor vehicle as registered by the odometer within the manufacturer's designed tolerance.

[21 Del. C. § 6404. Unlawful change of mileage.](#)

- (a) Unless otherwise provided in [§ 6406](#) of this title, no person shall disconnect, reset or alter or cause to be disconnected, reset or altered, the odometer of any motor vehicle.
- (b) Unless otherwise provided in [§ 6406](#) of this title, no person shall disconnect, reset or alter or cause to be disconnected, reset or altered, the odometer of any motor vehicle with intent to change the number of miles indicated thereon.

[21 Del. C. § 6405. Possession with intent to defraud.](#)

No person shall, with intent to defraud, possess a motor vehicle knowing that the odometer of such vehicle is disconnected or nonfunctional.

[21 Del. C. § 6406. Lawful service, repair or replacement](#)

(a) Nothing in this chapter shall prevent the service; repair or replacement of an odometer, provided the mileage indicated thereon remains the same as before the service, repair or replacement. Where the odometer is incapable of registering the same mileage as before such service, repair or replacement, the odometer shall be adjusted to read zero and a notice in writing shall be attached to the left door frame of the vehicle by the owner or their agent specifying the mileage prior to repair or replacement of the odometer and the date on which it was repaired or replaced.

(b) (1) No person shall fail to adjust an odometer or affix a notice regarding such adjustment as required pursuant to subsection (a) of this section.

(2) No person shall, with intent to defraud, remove or alter any notice affixed to a motor vehicle pursuant to subsection (a) of this section.

21 Del. C. § 6407. Disclosure of odometer information.

(a) Each Delaware title, at the time it is issued to the transferee, must contain the mileage disclosed by the transferor when ownership of the vehicle was transferred and contain a space for the information required to be disclosed under subsection (c), (d), (e) and (f) of this section at the time of any future transfer.

(b) Any documents which are used to reassign a title shall contain a space for the information required to be disclosed under subsections (c), (d), (e) and (f) of this section at the time of transfer of ownership.

(c) In connection with the transfer of ownership of a motor vehicle, each transferor shall disclose the mileage to the transferee in writing on the title or on the document being used to reassign the title. This written disclosure must be signed by the transferor, including the transferor's printed name. In connection with the transfer of ownership of a motor vehicle in which more than 1 person is a transferor, only 1 transferor need sign the written disclosure. In addition to the signature and printed name of the transferor, the written disclosure must contain the following information

(1) The odometer reading at the time of transfer (not to include tenths of miles);

(2) The date of transfer;

(3) The transferor's name and current address;

(4) The transferee's name and current address;

(5) The identity of the vehicle, including its make, model, year and body type, and its vehicle identification number.

- (d) In addition to the information provided under subsection (c) of this section, the statement shall refer to the Federal law and shall state that failing to complete or providing false information may result in a fine and/or imprisonment. Reference may also be made to applicable State Law.
- (e) In addition to the information provided under subsection (c) and (d) of this section.
  - (1) The transferor shall certify that to the best of transferor knowledge the odometer reading reflects the actual mileage, or;
  - (2) If the transferor knows that the odometer reading reflects a total mileage in excess of the designed mechanical odometer limit, the transferor shall include a statement to that effect; or
  - (3) If In connection with the transfer of ownership of a motor vehicle, each transferor shall disclose the mileage to the transferee in writing on the title or on the document being used to reassign the title. This written disclosure must be signed by the transferor, including the transferor's printed name. In connection with the transfer of ownership of a motor vehicle in which more than 1 person is a transferor, only 1 transferor need sign the written disclosure. In addition to the signature and printed name of the transferor, the written disclosure must contain the following information
- (f) The transferee shall sign the disclosure statement, print their name, and return a copy to the transferor.
- (g) If the vehicle has not been titled or if the title does not contain a space for the information required, the written disclosure shall be executed as a separate document.
- (h) No person shall sign an odometer disclosure statement as both the transferor and the transferee in the same transaction, unless permitted by Section 6410 and 6411 of this Chapter.

[21 Del. C. § 6408. Exemptions.](#)

Notwithstanding the requirements of [§ 6407](#) the following vehicles are not mandated to make an odometer disclosure:

- (1) A transferor or lessee of any of the following motor vehicles need not disclose the vehicle's odometer mileage:
  - a. A vehicle having a gross vehicle weight rating of more than 16,000 pounds.
  - b. A vehicle that is not self-propelled.
  - c. A vehicle manufactured in or before the 2010 model year that is transferred at least 10 years after January 1 of the calendar year corresponding to its designated model year.



d. A vehicle manufactured in or after the 2011 model year that is transferred at least 20 years after January 1 of the calendar year corresponding to its designated model year.

e. A vehicle sold directly by the manufacturer to any agency of the United States in conformity with contractual specifications.

(2) A transferor of a new vehicle prior to its first transfer for purposes other than resale need not disclose the vehicle's odometer mileage.

(3) A lessor of any of the vehicles listed in paragraph (1) of this section need not notify the lessee of these vehicles of the disclosure requirements of § 6409 of this title.

**NOTE: A vehicle owner may make a mileage disclosure even if their vehicle is exempted. The Division will accept the disclosure as long as the old title does not have the odometer brand "mileage disclosure not required."**

[21 Del. C. § 6409. Disclosure of odometer information for leased motor vehicles.](#)

(a) Before executing any transfer of ownership document, each lessor of a leased motor vehicle shall notify the lessee in writing that the lessee is required to provide a written disclosure to the lessor regarding the mileage. This notice shall contain a reference to the Federal law and shall state that failing to complete or providing false information may result in a fine and/or imprisonment. Reference may also be made to applicable State law.

(b) In connection with the transfer of ownership of a leased motor vehicle, the lessee shall furnish to the lessor a written statement regarding the mileage of the vehicle. This statement must be signed by the lessee and, in addition to the information required by subsection (a) of this section, shall contain the following information:

(1) The printed name of the person making the disclosure;

(2) The current odometer reading (not to include tenths of miles);

(3) The date of the statement;

(4) The lessee's name and current address;

(5) The lessor's name and current address;

(6) The identity of the vehicle, including its make, model, year, and body type, and its vehicle identification number;

(7) The date that the lessor notified the lessee of the disclosure requirements;

(8) The date that the completed disclosure statement was received by the lessor;  
and

(9) The signature of the lessor.

(c) In addition to the information provided under subsection (a) and (b) of this section:

(1) The lessee shall certify that to the best of their knowledge the odometer reading reflects the actual mileage; or

(2) If the lessee knows that the odometer reading reflects a total mileage in excess of the designed mechanical odometer limit, he shall include a statement to that effect; or

(3) If the lessee knows that the odometer reading otherwise differs from the actual mileage and that the difference is greater than that caused by odometer calibration error, he shall include a statement that the odometer reading is not the actual mileage and should not be relied upon.

(d) If the lessor transfers the leased vehicle without obtaining possession of it, the lessor may indicate on the title the mileage disclosed by the lessee does not reflect the actual mileage of the vehicle.

#### DISCLOSURE OF ODOMETER INFORMATION FOR REPOSSESSED AND SEIZED MOTOR VEHICLES

The National Highway Traffic Safety Administration has ruled that when a lending institution that retains title in satisfaction of a lien repossesses a vehicle, such repossession does not constitute a transfer of ownership. The lending institution is merely protecting a pre-existing interest in the vehicle. In such situations, the lending institution is not required to obtain a disclosure from the registered owner. However, when the lending institution sells the vehicle, it must make the required odometer disclosure statement to its buyer.

In cases of vehicles seized under state law, it is typically not possible to obtain an odometer disclosure statement from the person listed as the registered owner of the vehicle at the time of the seizure. However, the inability to obtain this disclosure does not relieve a law enforcement agency that seizes and sells or auctions a motor vehicle of the requirement to make an odometer disclosure.

In both cases of repossession and seizure, sellers **may not** routinely certify that the odometer reading is not the actual mileage traveled by the vehicle, simply because they cannot attest to its accuracy. The certification portion of the disclosure statement asks the transferor to certify that, to the best of the transferor's knowledge, the odometer reading reflects the actual mileage. If the transferor has no independent reason to believe that the odometer reading is not the actual mileage, the transferor should certify the odometer reading reflects the actual mileage.

[21 Del. C. § 6410. Disclosure of odometer information by power of attorney.](#)

- (a) If the transferor's title is physically held by a lienholder, or if the transferor to whom the title was issued by the State has lost the title and the transferee obtains a duplicate title on behalf of the transferor, and if otherwise permitted by State law, the transferor may give a power of attorney to the transferee for the purpose of mileage disclosure. The power of attorney shall be on a form issued by the State to the transferee that is set forth by means of a secure printing process or other secure process, and shall contain in part A, a space for the information required to be disclosed under subsections (b)-(e) of this section. If a state permits the use of a power of attorney in the situation described in [§ 6411\(a\)](#) of this title, the form must also contain, in part B, a space for the information required to be disclosed under [§ 6411](#) of this title, and, in part C, a space for the certification required to be made under [§ 6412](#) of this title.
- (b) In connection with the transfer of ownership of a motor vehicle, each transferor to whom a title was issued by the State whose title is physically held by a lienholder or whose title has been lost, and who elects to give the transferee a power of attorney for the purpose of mileage disclosure, must appoint the transferee as the transferor's attorney-in-fact for the purpose of mileage disclosure and disclose the mileage on the power of attorney form issued by the State. This written disclosure must be signed by the transferor, including the printed name, and contain the following information:
- (1) The odometer reading at the time of transfer (not to include tenths of miles);
  - (2) The date of transfer;
  - (3) The transferor's name and current address;
  - (4) The transferee's name and current address; and
  - (5) The identity of the vehicle, including its make, model year, body type and vehicle identification number.
- (c) In addition to the information provided under paragraph (b) of this section, the power of attorney form shall refer to the Federal Odometer Law and state that providing false information or the failure of the person granted the power of attorney to submit the form to the State may result in a fine and/or imprisonment. Reference may also be made to applicable State law.
- (d) In addition to the information provided under paragraphs (b) and (c) of this section:
- (1) The transferor shall certify that to the best of their knowledge the odometer reading reflects the actual mileage; or
  - (2) If the transferor knows that the odometer reading reflects mileage in excess of the designed mechanical odometer limit, the transferor shall include a statement to that effect; or

(3) If the transferor knows that the odometer reading differs from the mileage and the difference is greater than that caused by a calibration error, the transferor shall include a statement the odometer reading does not reflect the actual mileage and should not be relied upon. This statement shall also include a warning notice to alert the transferee that a discrepancy exists between the odometer reading and the actual mileage.

- (e) The transferee shall sign the power of attorney form, print transferor name, and return a copy of the power of attorney form to the transferor.
- (f) Upon receipt of the transferor's title, the transferee shall complete the space for mileage disclosure on the title exactly as the mileage was disclosed by the transferor on the power of attorney form to the state that issued it, with the application for new title and the transferor's title. If the vehicle is sold out-of-state or reassigned to another dealer, a copy of the front and back of the title must be made after the dealership completes the disclosure. This copy of the title and § 1 of the odometer power of attorney must be returned to the Delaware Division of Motor Vehicles. If the mileage disclosed on the power of attorney form is lower than the mileage appearing on the title, the power of attorney is void and the dealer shall not complete the mileage disclosure on the title.

[21 Del. C. § 6411. Power of attorney to review title documents and acknowledge disclosure.](#)

- (a) In circumstances where part A of a secure power of attorney form has been used pursuant to [§ 6410](#) of this title, and if otherwise permitted by State law, a transferee may give a power of attorney to the transferor to review the title and any reassignment documents for mileage discrepancies, and if no discrepancies are found, to acknowledge disclosure on the title. The power of attorney shall be on part B of the form referred to in [§ 6410\(a\)](#) of this title, which shall contain a space for the information required to be disclosed under subsections (b)-(e) of this section and, in part C, a space for the certification required to be made under [§ 6412](#) of this title.
- (b) The power of attorney must include a mileage disclosure from the transferor to the transferee and must be signed by the transferor, including the printed name, and contain the following information:
  - (1) The odometer reading at the time of transfer (not to include tenths of miles);
  - (2) The date of transfer;
  - (3) The transferor's name and current address; and
  - (4) The transferee's name and current address; and
  - (5) The identity of the vehicle, including its make, model year, body type and vehicle identification number.

(c) In addition to the information provided under subsection (b) of this section, the power of attorney form shall refer to the federal odometer law and state that providing false information or the failure of the person granted the power of attorney to submit the form to the State may result in a fine and/or imprisonment. Reference may also be made to applicable State law.

(d) In addition to the information provided under subsections (b) and (c) of this section:

(1) The transferor shall certify that to the best of the transferor's knowledge the odometer reading reflects the actual mileage;

(2) If the transferor knows that the odometer reading reflects mileage in excess of the designed mechanical odometer limit, the transferor shall include a statement to that effect; or

(3) If the transferor knows that the odometer reading differs from the mileage and the difference is greater than that caused by a calibration error, the transferor shall include a statement that the odometer reading does not reflect the actual mileage and should not be relied upon. This statement shall also include a warning notice to alert the transferee that a discrepancy exists between the odometer reading and the actual mileage.

(e) The transferee shall sign the power of attorney form, and print the transferee's name.

(f) The transferor shall give a copy of the power of attorney form to the transferee.

[21 Del. C. § 6412. Certification by person exercising powers of attorney.](#)

(a) A person who exercises a power of attorney under both §§ 6410 and 6411 of this title must complete a certification that the person has disclosed on the title document the mileage as it was provided to the person on the power of attorney form, and that upon examination of the title and any reassignment documents, the mileage disclosure made on the title pursuant to the power of attorney is greater than that previously stated on the title and reassignment documents. This certification shall be under part C of the same form as the powers of attorney executed under [§§ 6410](#) and [6411](#) of this title and shall include:

(1) The signature and printed name of the person exercising the power of attorney;

(2) The address of the person exercising the power of attorney; and

(3) The date of the certification.

(b) If the mileage reflected by the transferor on the power of attorney is less than that previously stated on the title and any reassignment documents, the power of attorney shall be void.

[21 Del. C. § 6413. Access of transferee to prior title and power of attorney documents.](#)

(a) In circumstances in which a power of attorney has been used pursuant to [§ 6410](#) of this title, if a subsequent transferee elects to return to the transferee's transferor to sign the disclosure on the title when the transferor obtains the title and does not give the transferor a power of attorney to review the title and reassignment documents, upon the transferee's request, the transferor shall show to the transferee a copy of the power of attorney received from the previous transferor.

(b) Upon request of a purchaser, a transferor who was granted a power of attorney by the previous transferor and who holds the title to the vehicle in the transferor's own name, must show to the purchaser the copy of the previous owner's title and the power of attorney form.

#### [21 Del. C. § 6414. Odometer disclosure statement retention.](#)

(a) Dealers and distributors of motor vehicles who are required by this chapter to execute an odometer disclosure statement shall retain for 5 years a photostat, carbon or other facsimile copy of each odometer mileage statement which they issue and receive. All odometer disclosure statements shall be retained at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

(b) Lessors shall retain each odometer disclosure statement which they receive from a lessee for a period of 5 years following the date they transfer ownership of the leased vehicle. All odometer disclosure statements shall be retained at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

(c) Dealers and distributors of motor vehicles who are granted a power of attorney by their transferor pursuant to § 6410 of this title, or by their transferee pursuant to § 6411 of this title shall retain for 5 years a photostat, carbon or other facsimile copy of each power of attorney that they receive. They shall retain all powers of attorney at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

#### [21 Del. C. § 6415. Odometer record retention for auction companies.](#)

Each auction company shall establish and retain at its primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval, for 5 years following the date of sale of each motor vehicle, the following records:

- (1) The name of the most recent owner (other than the auction company);
- (2) The name of the buyer;
- (3) The vehicle identification number; and
- (4) The odometer reading on the date which the auction company took possession of the motor vehicle.

#### [21 Del. C. § 6416. Security of title documents](#)

Each title shall be set forth by means of a secure printing process or other secure process. In addition, any other documents which are used to reassign the title shall be set forth by a secure process.

#### [21 Del. C. § 6417. Review of disclosure statements](#)

(a) All disclosure statements and motor vehicles in the possession of a dealer shall be made available for review upon-demand by the Division of Motor Vehicles or by its authorized agents.

(b) The Secretary shall have the authority to promulgate regulations for administering this chapter.

Dealers and distributors of motor vehicles who are required by this part to execute an odometer disclosure statement shall retain for five years a photostat, carbon or other facsimile copy of each odometer mileage statement which they issue and receive. They shall retain all odometer disclosure statements at their primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

#### [21 Del. C. § 6418. Responsibilities of motor vehicle dealers.](#)

(a) No motor vehicle dealer, licensed in accordance with this title and Title 30 shall purchase or accept any motor vehicle unless the seller has indicated the mileage on a disclosure statement pursuant to this chapter.

(b) No licensed motor vehicle dealer shall have in their possession as inventory for sale any used motor vehicle for which they do not have in their possession the disclosure statement required under this chapter.

(c) A licensed motor vehicle dealer reassigning or transferring a certificate of ownership shall not be guilty of a violation of this section if such dealer has in their possession the disclosure statement as required by this chapter and if they have no knowledge that the statement is false and that the odometer does not reflect the vehicle's actual mileage.

Dealers must follow the law (Title 6, Sections 9-501 to 9-507) on all repossessions.

\*NOTE: The Division is not responsible for notifying dealers of changes to the law.

#### [21 Del. C. § 6419. Documents acceptable as odometer disclosure statements.](#)

(a) Except as provided in subsections (b) and (c) of this section, any Delaware certificate of title issued which includes the odometer disclosure information, as prescribed by this chapter, shall satisfy all the requirements for issuance of odometer disclosure statements by dealers licensed in the State.

(b) Nothing in this section shall exempt a dealer and/or dealership from complying with the provisions of [§ 6418](#) of this title.

(c) Any manufacturer’s statement of origin accompanying an “original application for a Delaware certificate of title” shall satisfy the requirements of the odometer disclosure statement as provided in this chapter.

#### 21 Del. C. § 6420. Penalties; jurisdiction.

(a) Any person who violates any of the provisions of § 6404(a) of this title, shall be fined not less than \$10 nor more than \$100.

(b) Any person who violates any provisions in this chapter except § 6404(a) of this title shall be guilty of a misdemeanor and shall be fined not less than \$1,000 nor more than \$5,000 for each such violation. Any person who is guilty of a second or subsequent violation of this chapter except § 6404(a) of this title shall be fined not less than \$2,000 nor more than \$10,000 for each subsequent violation.

(c) In the case of a first offense by a dealer or dealership, such dealer or dealership may be placed on probation as a licensed Delaware motor vehicle dealer by the Division of Motor Vehicles for a period of 1 year. Any violation of this chapter by a dealer or dealership during any year of probation may result in the suspension of the license of the dealer or dealership for a period not exceeding 1 year.

(d) In the case of a second or subsequent violation of this chapter by a dealer or dealership, the Division of Motor Vehicles may suspend the license and/or privileges of the dealer or dealership for a period not to exceed 1 year.

(e) Common Pleas Court shall have jurisdiction violations of this chapter.

---

## Insurance Verification Information for Dealers Selling Motor Vehicles

---

In accordance with [21 Del. C. § 2118](#), liability insurance is required on every motor vehicle which is registered in Delaware. By definition in [21 Del. C. § 101](#) “Motor vehicle” includes every vehicle, as defined in this section, which is self-propelled, except farm tractors, electric bicycles, electric personal assistive mobility devices, and OHVs. Mopeds are not required to carry insurance as per [2 Del. Admin. C. § 2259](#). Dealers must check proof of insurance prior to issuing a temporary tag as per [2 Del. Admin. C. § 2273](#). If a temporary tag is not issued and the dealer transfers the title and registration before the customer takes possession of the motor vehicle, the dealer must see proof of liability insurance coverage prior to submitting the title application to this Division.

(a) As per [21 Del. C. § 2118](#)



- (1) liability insurance is not required on trailers or on any vehicle which is to be towed.
- (2) the minimum fine for operating a vehicle without liability insurance is \$1500 and a suspension of driver's license for 6 months;
- (3) requires the vehicle to be insured, not the driver;
- (4) insurance companies are required to furnish an insurance ID card to all owners of vehicles insured; at least one (1) ID card shall be issued for each vehicle insured under policy.

**INSURANCE REQUIREMENTS FOR DEALERS** All dealerships that are issued dealer plates must provide proof of liability insurance coverage to the Division of Motor Vehicles each year at the time of renewal of their dealer plates. The proof of coverage must specify either the number of dealer plates insured or state "All Owned Vehicles".

---

## Dealer's Reassignment Forms

---

### [21 Del. C. § 2504. Transfer to a dealer; transfer by a dealer](#)

(a) If the transferee is a dealer, the owner upon transferring a registered vehicle shall properly endorse the registration card and deliver it together with the certificate of title properly assigned to the dealer who shall immediately report such transfer to the Department. After reporting the transfer, the dealer may operate such vehicle upon the highways during the period for which it is currently registered without dealer's plates solely for the purposes of testing, demonstrating or selling the vehicle but upon the sale of such vehicle the dealer shall endorse the name and address of the purchaser and the date of transfer upon the registration card and shall immediately give or send the card to the Department or an authorized representative thereof. The purchaser or transferee of the dealer shall, before operating or permitting the operation of the vehicle upon a highway, comply with this chapter.

(b) If ownership of a vehicle held by a registered dealer for sale is transferred, the transferring dealer, without applying for a new certificate of title, may execute an assignment of title to the transferee on a dealer's reassignment form, prescribed by the Department. Such assignment shall include a statement certifying all liens and encumbrances on the vehicle.

Every dealer, upon transferring a vehicle, shall immediately give a written notice of such transfer to the Department upon the official form provided by the Department.

(c) Dealer reassignment forms may be issued to a qualified dealer upon application for not less than 5 such forms and payment of a fee of \$10 for each form.

### Division of Motor Vehicle Reassignment Requirements

- (a) Reassignment forms will be issued only to valid and licensed Delaware dealers.
- (b) Each form is consecutively numbered, and each is accountable.
- (c) All reassignment forms must be completed in full, including the odometer disclosure statement, before the Division of Motor Vehicles will accept them.
- (d) Under no conditions is this form to be used by anyone but a licensed Delaware vehicle dealer. **Interchanging or sales of forms from one dealer to another is not permitted.** The reassignment, however, can be assigned to a buyer of the vehicle.
- (e) Reassignment forms can be used in conjunction with a Delaware certificate of title to a Delaware dealer. All other supporting documents will still be required. This includes inspection of those vehicles coming into Delaware from another state.

---

## Altering or Forging Motor Vehicle Documents

---

[21 Del. C. § 2316. Altering or forging certificate of title, manufacturer's certificate of origin, registration card, vehicle warranty or certification sticker or vehicle identification plate.](#)

Whoever:

- (1) Alters with fraudulent intent any certificate of title, manufacturer's certificate of origin, registration card, vehicle warranty or certification sticker or vehicle identification plate issued by the Division; or
- (2) Forges or counterfeits any certificate of title, manufacturer's certificate of origin, registration card, vehicle warranty or certification sticker or vehicle identification plate issued by the Division; or
- (3) Alters or falsifies with fraudulent intent or forges any assignment of a certificate of title, manufacturer's certificate of origin, registration card, vehicle warranty or certification sticker or vehicle identification plates; or
- (4) Holds or uses any certificate of title, manufacturer's certificate of origin, registration card, vehicle warranty or certification sticker or vehicle identification plate or an assignment thereof, knowing the same to have been altered, forged or falsified; is guilty of a class E felony as the same is defined in Chapter 42 of Title 11 and shall be sentenced in accordance therewith.

---

# Dealer Plates

---

## [21 Del. C. § 2124. Number plates for manufacturers and dealers](#)

(a) A manufacturer or dealer owning any vehicle of a type otherwise required to be registered under this title may operate or move the same upon the highways when such vehicle is used:

- (1) In the motor vehicle business of such manufacturer or dealer; or
- (2) For the personal pleasure of such manufacturer or dealer or the members of such person's family, when operated by such manufacturer or dealer or an immediate member of such person's family; or, when such manufacturer or dealer is a corporation, for the personal pleasure of not more than 3 officers thereof who are actively engaged in its business, or the members of their families, or for the personal pleasure of the regular employees of such manufacturer, dealer or corporation when operated by such employee; or
- (3) For testing such vehicles in the possession of such manufacturer or dealer; or
- (4) For demonstrating vehicles in the possession of such manufacturer or dealer.

Such vehicles may be operated by a prospective purchaser, when licensed as an operator or permittee, without registering each such vehicle, upon condition that any such vehicle display thereon, in the manner prescribed by this chapter for regular number plates, a special plate or plates issued to such owner as provided by this section.

(b) The Division shall issue special plates, designated as "in transit" plates, to transporters and owners of special construction equipment. Such "in transit" plates may be used to operate or move like vehicles or equipment upon the highways solely for the purpose of delivering or moving such vehicle to or from the location of any type of construction. All such vehicles moved or operated under this section must comply with [Chapter 45 of Title 21](#).

(c) This section shall not apply to work or service vehicles owned by a manufacturer, transporter or dealer.

(d) Every manufacturer, transporter or dealer shall keep a written record of the vehicles upon which such special plates are used and the time during which each set of plates is used on a particular vehicle, which record shall be open to inspection by any police officer or any officer or employee of the Department.

(e) No manufacturer or transporter or dealer in motor vehicles, trailers or semitrailers shall cause or permit any such vehicle owned by such person to be operated or moved upon a public highway without the same being registered in accordance with this title and without there being displayed thereon a number plate or plates and a registration plate or plates, as provided by this title, except as otherwise authorized by this section.

(f) Any manufacturer, transporter or retail dealer as defined in [Chapter 63 of Title 21](#) may make application to the Department upon the appropriate form for a certificate and for 1 or more pairs of special plates or single special plates as are appropriate to various types of vehicles of the types subject to registration hereunder. The applicant shall also submit such proof of such applicant's status as a bona fide manufacturer, transporter or retail dealer as may be required by the Department. Dealer license plates will be limited to retail dealerships based on the number of vehicles sold per year. Retail dealers selling 5 to 10 vehicles per year may obtain no more than 1 dealer plate; retail dealers selling 11-25 vehicles per year may obtain no more than 2 dealer plates; retail dealers selling 26-49 vehicles per year may obtain no more than 4 dealer plates; retail dealers selling 50-99 vehicles per year may obtain no more than 20 dealer plates; retail dealers selling 100 or more vehicles per year may obtain any number of dealer plates at the retail dealer's discretion. Wholesale dealers selling 5 to 10 vehicles per year may obtain no more than 1 dealer plate; wholesale dealers selling 11-25 vehicles per year may obtain no more than 2 dealer plates; wholesale dealers selling 26-49 vehicles per year may obtain no more than 4 dealer plates; wholesale dealers selling 50 or more vehicles per year may obtain no more than 20 dealer plates.

(g) The Department, upon approving any such application, shall issue to the applicant a certificate containing the applicant's name and address and other appropriate information.

(h) The Department, upon approving any such application, shall also issue special plates of a design, size, material and color determined by the Department. Each plate or pair of plates so issued, however, shall contain a number or symbol distinguishing the same from other plates issued under this chapter.

(i) Notwithstanding this section, the Department upon approving an application filed by a licensed automotive recycler may issue 1 or more special plates as provided for in subsection (a) of this section.

(j) Dealer plates may be transferred from 1 dealer to another by completing a seller's affidavit to transfer a dealer tag or tags and submitting it with the appropriate fee. The seller's affidavit shall include the seller's and buyer's names, the plate number and the date of the transfer. A dealer may not acquire more plates than they are otherwise permitted by subsection (f) of this section.

(k) All special plates issued hereunder shall expire at midnight on December 31 of each year and may be extended for the ensuing year by the person to whom such plates were issued upon application to the Department and payment of the fees provided by this title.

#### [21 Del. C. § 2125. Ownership of plates.](#)

Number and registration plates shall be the property of the State and shall be furnished by the Department for each registered motor vehicle without additional cost to the owner.

#### **Use of dealer plates**

Dealer plates **MAY NOT** be used on work or service vehicles owned by the dealer. These include tow trucks, pick-up trucks used as service vehicles, and other types of work or service vehicles with advertisement lettered on them used by the business. This also includes buses carrying passengers. No load of any type is permitted on a vehicle bearing a dealer plate. Work and service vehicles must be registered. Boat trailer dealers may use a dealer license plate on a boat trailer. Dealer plates cannot be loaned to anyone. Dealer plates cannot be displayed on any lease or rental vehicles.

A boat trailer dealer, who is properly licensed by the Division of Motor Vehicles and the Division of Revenue, may use a dealer license plate on a boat trailer when such trailer is carrying a boat or when such boat trailer is empty. ([2 Del. Admin. C. § 2264](#))

Any use of a dealer's plate in violation of the previously stated conditions is considered a misuse of the Delaware dealer plates(s) and can result in the suspension of dealer plates(s) and/or privileges as a dealership ([21 Del. C. Ch. 63](#))

### **Renewal of dealer license plates**

[21 Del. C. § 6304. Expiration and renewal of license.](#)

[21 Del. C. § 6313. Grounds for denying application for, or renewal of, dealer license](#)

All dealer license plates expire at midnight on December 31st of each year and must be renewed at the Motor Vehicles Division on or before that time for the dealer to legally conduct business. The dealer must supply to the Division upon request a record of the number of vehicles sold for the previous 12 months. Dealer plates are limited to dealerships based on the number of vehicles sold per year. DMV will need form [GRT](#), provided by the [Division of Revenue](#), to renew your dealer license. Only Wholesalers may provide proof of purchase or sales.

If a dealer wishes to make changes to the dealer plates such as obtaining additional plates or deleting existing plates, the dealer must notify the Division of Motor Vehicles on or before November 1st so the renewal registration cards may be prepared. In order for the dealer plate renewals to be processed in the Division of Motor Vehicles by December 31st, it is important that the dealer plates be renewed as early as possible.

Approximately three (3) months prior to the expiration of the dealer plates, the dealer will receive a renewal notice displaying all dealer plates that are issued to the dealership. At the time of renewal, it will be necessary for the dealer to bring all of this notice to the Division of Motor Vehicles along with all available registration cards, a copy of the proof of liability insurance coverage on the dealer plates, proof of sales ([form GRT](#)) and the proper renewal fee. All dealer plates that are not being renewed must be returned to the Division. Failure to turn in these plates will result in the renewal being denied.

There will be a \$10.00 service charge for each dealer tag that is issued in replacement of another dealer tag at the request of the dealer.

## Duplicate dealer plates

The only authorized signatures permitted for duplicate dealer plates are the names appearing on the DLR-1706. The DLR-1719 MUST be completed and signed by an owner/officer of the company before a duplicate dealer plate can be issued. These requests are reviewed by the division prior to approval; not all duplicate plates are approved.

---

# Temporary Tags

---

It is mandatory for all dealers to register for and use the print on-demand temporary tag system. The system can be accessed at [online](#) through the [DMV dealer portal](#).

First time users may register at <https://temptag.dmv.de.gov/DMVDealerLogin/Account/Register>

With the exception of motorcycle dealers and authorized periods of time by the DMV, all temporary tags are to be issued on-demand. When using handwritten temporary tags purchased from the Division of Motor Vehicles, always act in accordance with additional requirements within [21 Del. C. § 2129 § 2130 § 2131](#).

[21 Del. C. § 2129. Issuance of temporary registration plates with temporary permits; issuance to dealers.](#)

(a) The Department may issue a temporary registration plate designed by the Department to an owner to whom it grants a temporary registration permit pursuant to § 2103 of this title. The dates of issuance and expiration and the make and VIN of the vehicle for which issued shall be stamped or marked with indelible ink in letters at least  $\frac{3}{4}$  of an inch high upon any temporary plate so issued and a record of such information, together with the name of the owner, shall be retained by the Department. Motorcycle temporary plates may be stamped or marked in letters less than  $\frac{3}{4}$  of an inch high.

(b) The Department may also issue temporary registration plates to a dealer in motor vehicles, either new or used, who submits such proof as the Department requires of such status as a bona fide dealer, for reissuance to purchasers of unregistered motor vehicles. Such plates may be issued to a qualified dealer upon application for not less than 5 of such plates and payment of a fee of \$20 for each plate.

(c) The Department may also issue temporary registration plates to an automotive repair technician who is certified under [7 Del. Admin. C. § 1131](#) and submits such proof as the Department requires of such status as a bona fide certified repair technician, for reissuance to customer's unregistered motor vehicles for the purpose of verifying repairs.

[21 Del. C. § 2130. Issuance of temporary plates by dealers and certified automotive repair technicians; records to be maintained](#)

(a) A dealer may issue a temporary registration plate for a fee of not more than \$20 for each plate to a purchaser of an unregistered motor vehicle who makes proper application to the Department for registration thereof upon an appropriate form and delivers such application, together with the required fee, to the dealer for transmission to the Department.

(b) A dealer who issues a temporary registration plate shall mark or stamp thereon with indelible ink in letters at least  $\frac{3}{4}$  of an inch high the dates of issuance and expiration and the make and VIN of the vehicle for which issued and shall immediately transmit to the Department upon forms prescribed and furnished by the Department the aforesaid information and the name of the purchaser. Motorcycle temporary plates may be stamped or marked in letters less than  $\frac{3}{4}$  of an inch high.

(c) Every dealer who receives temporary plates from the Department shall maintain at such dealer's place of business a record of all such plates issued to such dealer and of all such plates issued by such dealer, with the dates of receipt and issuance, the name of the purchaser to whom issued, the make and VIN of the vehicle for which issued and such other information as the Department may require. Each such record shall be kept for a period of at least 3 years from the date of entry and shall be available for inspection by representatives of the Department or police officers during regular business hours.

(d) A certified repair technician may issue a temporary registration plate for a fee of not more than \$10 for each plate to a customer's unregistered motor vehicle.

(e) Liability insurance in the form of a shopkeeper's or garage-keeper's policy shall be in effect prior to the issuance of a temporary registration plate.

(f) A certified repair technician who issues a temporary registration plate shall mark or stamp thereon with indelible ink in letters at least  $\frac{3}{4}$  of an inch high the dates of issuance and expiration and the make and VIN of the vehicle for which issued and shall immediately transmit to the Department upon forms prescribed and furnished by the Department the aforesaid information and the name of the business name that employs the certified repair technician. Motorcycle temporary plates may be stamped or marked in letters less than  $\frac{3}{4}$  of an inch high.

(g) Every certified repair technician who receives temporary plates from the Department shall maintain at such certified repair technician's place of business a record of all such plates issued to such certified repair technician and of all such plates issued by such certified repair technician, with the dates of receipt and issuance, the name of the customer to whom issued, the make and VIN of the vehicle for which issued and such other information as the Department may require. Each such record shall be kept for a period of at least 3 years from the date of entry and shall be available for inspection by representatives of the Department or police officers during regular business hours.

[21 Del. C. § 2131. Effect and duration of temporary registration plates;](#)

(a) (1) A temporary registration plate properly issued to an owner or purchaser of a vehicle in accordance with § 2129 or § 2130 of this title shall be valid and shall entitle said owner or purchaser to operate the vehicle for which issued upon the public highways for a period of 60 days from the date of issuance or until the issuance of a permanent registration plate or until the cancellation or rescission of the contract of purchase, whichever occurs first.

(2) A temporary registration plate properly issued by a certified repair technician to a customer's expired vehicle for the purpose of verifying repairs in accordance with § 2129 or § 2130 of this title shall be valid and shall entitle said certified repair technician to operate the vehicle for which issued upon the public highways for a period of not more than 60 days from the date of issuance.

(b) Upon the expiration of a temporary registration plate the holder thereof shall immediately destroy the same.

**\*Temporary Tags – important additional information**

The dealer shall completely and legibly fill in the temporary tag registration slip. The temporary registration slip must include the dealer's number, buyer's name and complete address, buyer's driver's license number and state of issuance, make and year of vehicle, VIN of vehicle, insurance NAIC code, gross registered weight if applicable, dealer's name, date issued and date of expiration (month/day/year). The Division may take disciplinary action against a dealership if the temporary registration slips are not completed in full and are not legible. No white-out is allowed. Do not line through one name and add another name. Police agencies will issue tickets for changes of this nature.

The dealer must immediately send the pink copy of the temporary tag registration slip to the Division of Motor Vehicles for its records.

Dealers may purchase (5) temporary tags for emergencies in the event of a print on-demand system issue after business hours. Proof of issuance (pink paper receipt) of these tags must be submitted to the DMV prior to purchasing an additional (5).

When a dealer purchases temporary tags from the Division of Motor Vehicles, the dealer is required to provide the following information: dealer name, number, address, dl and contact information for the person purchasing the tags.

Temporary tags can only be issued by dealers for vehicles sold by them and for which they submit the application for title to the Division of Motor Vehicles.

Temporary tags issued to commercial vehicles weighing 26,000 pounds and above are only valid in Delaware. Vehicle owners must contact Transportation Services, International Registration Plan (IRP) Section, to obtain temporary operating authority to operate outside of Delaware. (Phone 1-800-556-4343 for information.)



A dealer cannot issue a second temporary tag based on a failed inspection.

Interchanging or sale of temporary tags from one dealer to another is not permitted.

The gross weight must be entered on all commercial vehicles, recreational vehicles and trailers.

[2 Del. Admin. C. § 2273 Issuance of Temporary Registration Plates](#)

Any dealer who violates the laws regarding the issuance of temporary registration plates or who violates any part of this regulation may, after hearing, have the rights to purchase and issue temporary registration plates suspended for a period of time to be determined by the Department.