

DEPARTMENT OF TRANSPORTATION

DIVISION OF MOTOR VEHICLES

Statutory Authority: 30 Delaware Code, Section 3003; 29 Delaware Code, Section 8404
(30 Del.C. §3003; 29 Del.C. §8404)
2 DE Admin. Code 2266

PROPOSED

PUBLIC NOTICE

2266 Vehicle Document Fees

Background

The Delaware Department of Transportation Division of Motor Vehicles (DMV) is seeking public comment regarding the provision of Vehicle Document Fees.

Under Chapter 30 of Title 30 of the Delaware Code, the DMV is authorized to collect a motor vehicle document fee. The fee is paid by the vehicle owner and collected by DMV for deposit to the transportation trust fund. The document fee is calculated on the gross purchase price less any trade-in or allowance given by the seller of the motor vehicle to the owner.

The draft regulation would authorize the DMV to not impose collecting the document fee when the vehicle is a gift from a family member to another family member if there is a lien on the vehicle. The regulation would allow dealers that title a vehicle that is intended for resale to be exempt from the document fee if there is a lien entered on the vehicle.

Public Comment Period

The Department will take written comments on the proposed Regulation for this vehicle document fee exemption from March 1, 2016 through March 31, 2016. The proposed Regulation appears below.

Any requests for copies of the proposed Regulations, or any questions or comments regarding this document should be directed to:

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2266 Vehicle Document Fees

1.0 Authority

Pursuant to Title 30, Chapter 30, Section 3003, the following Regulation is promulgated, effective immediately.

2.0 Exceptions

In addition to the waivers of the vehicle document fee as specified in Section 3002(a), Chapter 30, Title 30, the document fee shall not be imposed on the sale, transfer or registration of motor vehicles or trailers in the following circumstances.

- 2.1 Transfer of a motor vehicle, vehicle, or trailer by way of a gift between a husband and wife, parent and child, grandparent and child, or brother and sister. ~~No vehicle shall be considered a gift if there is a lien entered against the title. The document fee would be assessed on the amount of the lien.~~ This exemption only applies on the transfer of Delaware title.
- 2.2 Transfer between joint owners, provided that for the preceding 30 days the vehicle was previously titled in the name of the joint owners and subsequently transferred without monetary consideration to one or more of the joint owners.

- 2.3 Transfer resulting from inheritance from or bequest of a descendant. However, purchases from an estate are subject to the vehicle document fee.
- 2.4 Change of name only because of marriage, adoption, or other court order.
- 2.5 Transfer of a motor vehicle, vehicle, or trailer from a lessor to a lessee pursuant to a lease purchase agreement, provided that the lessee has been in continuous possession of the vehicle for at least one year. Lessee must provide a letter from the lessor stating lessee paid original document fee".
- 2.6 Lien change but only when such a change of a lien on a motor vehicle, vehicle, or trailer when the registered owner has not changed.
- 2.7 If such vehicle was previously registered in Delaware by the same owner who already paid a vehicle document fee, was then registered in another state, and is being re registered in Delaware by the same owner.
- 2.8 Transfer of a motor vehicle, vehicle or trailer if such transfer is accompanied by an agreement of substitution which is equal in value to the net purchase price of the original motor vehicle, vehicle or trailer.

3.0 Determination of Document Fees

When a gross purchase price discrepancy exists between the title application and lien contract vehicle purchase price (Block #1 of lien contract), the highest price will be used in determining document fees. Trade in allowance will be deducted from the gross purchase price.

4.0 Trade-in Allowance

- 4.1 Trade-in allowance for document fee computations will only be allowed for vehicles currently titled in Delaware. The following two exceptions are authorized provided positive proof (receipts, old title, etc.) are provided by vehicle owners or can be established by DMV records.
 - 4.1.1 Vehicle was previously registered in Delaware by the same owner who already paid a vehicle document fee, was then registered in another state, and vehicle is being used as a trade-in for a vehicle to be registered and titled in Delaware.
 - 4.1.2 Vehicles bought by the owner and registered outside the state and then used for a trade-in for a vehicle to be registered and titled in this state; provided, such owner had paid to such other state a sales tax, transfer tax or some similar levy on the purchase of such motor vehicle within 90 days prior to registration and titling in this state.

5.0 Licensed Dealer

A certificate of title issued in the name of a licensed dealer, which has a lien or encumbrance entered against such title, shall not be considered for the sole purpose of resale and shall not be exempt from the vehicle document fee unless the vehicle is part of a manufacturer's warranty program such as a loaner vehicle and the manufacturer is the lien holder.

6.0 Transfer of Motor Vehicle

If a transfer of a motor vehicle, vehicle or trailer is accompanied by a transfer of equity document, the document fee imposed shall be assessed on the amount of such equity.

7.0 Gift of Motor Vehicle

If the motor vehicle, vehicle, trailer or motorcycle is a gift and does not qualify for exemption pursuant to 2.1 of this regulation, the vehicle document fee shall be assessed based upon the current average trade-in value indicated in the most recent N.A.D.A. Guide. However, the owner may obtain an appraisal from a Delaware licensed vehicle dealer and such appraisal may also be considered in determining vehicle document fee

8.0 Amount of Purchase Price

If the amount of purchase price indicated on a non-dealer bill of sale is less than the average trade-in value as listed in the most recent N.A.D.A. Guide, the document fee is to be assessed on the current average trade in value as listed in the N.A.D.A. Guide. However, the owner may obtain an appraisal from a Delaware license vehicle dealer and such appraisal may also be considered in determining vehicle document fee.

9.0 Computation of Document Fee

- 9.1 The document fee for a current model year used vehicle for which no dealer's invoice is available or that has no wholesale price listed in the N.A.D.A. Guide will be computed by using one of the following procedures:

- 9.1.1 Use the current year manufacturer's suggested retail price, if one exists, or the M.S. R. P. from the prior year's model. Depreciate that price using the following formula.

Vehicle Price	Amount Depreciation
\$0 - \$10,000	10%
\$10,001 - \$20,000	15%
\$20,001 - \$100,000	20%
Example:	1989 Oldsmobile 88, Royale, 4D Sedan
1988 M.S.R.P.	\$14,498
	<u>x .15% Depreciation</u>
	\$2,174 Depreciation
	Document fee will be based on \$14,498 - \$2,174 = \$12,324

- 9.1.2 If buyer has a bill of sale from a licensed dealer, use that price.
- 9.1.3 The owner may obtain an appraisal from a Delaware licensed dealer and such appraisal may also be considered in determining vehicle document fee.

10.0 Wrecked or Damaged Vehicles

Applicants claiming to have purchased wrecked or dismantled vehicles and restored or rebuilt such vehicles must present such vehicle to the Auto Theft Unit for verification of vehicle identification numbers, along with sales slips, etc. Vehicle document fees are to be assessed based upon the average trade-in value as listed in the most recent N.A.D.A. Guide or based upon an appraisal obtained from a licensed vehicle dealer.

11.0 Transfer

The word "transfer" as utilized in Section 3002, Title 30, shall include the following:

- 11.1 change of business entity status

Examples: Haven Trucks **to** Fast Express
John Doe Trucks, Inc. **to** John Doe, Inc.
Joe Smith Buses **to** Smith Buses, Inc.
Joe Smith **to** Smith Buses

- 11.2 change ownership between private individuals

Examples: Joe Smith **to** Tom Jones
Joe Smith **to** Harry Smith & or Tom Smith
Helen Jones **to** Ralph Jones

- 11.3 The above-listed types of transfers must be accompanied by a Bill of Sale pursuant to Section 3002(b) or an affidavit. If neither a Bill of Sale or an affidavit is available, the document fee shall be based on the current N.A.D.A. average trade-in value. If the Bill of Sale or affidavit indicates no money was exchanged for the transfer of ownership and the same person signed the title for both buyer and seller, then no document fee shall be assessed.

12.0 Use of NADA Appraisal Guide

- 12.1 The N.A.D.A. Appraisal Guide for older models is only to be used in the following instances:

- 12.1.1 If a vehicle, which has been titled in another state, is being titled in Delaware and there has been no sales tax or similar titling tax paid on the vehicle in the other state within the last 90 days, use the current N.A.D.A. Official Used Car Guide OR the N.A.D.A. Appraisal Guide for OLDER Vehicles (whichever guide the vehicle is listed in) to determine the current average trade in value and assess the vehicle document fee.
- 12.1.2 If a Delaware title is being presented for transfer and the applicant has no Bill of Sale or the reverse side of the Delaware title does not indicate the purchase price, the document fee is to be based on the current average trade-in value as listed in the current N.A.D.A. Guide.

12.2 However, the owner may elect to obtain an appraisal from a licensed Delaware dealer, and such appraisal may also be considered in determining the vehicle document fee.

13.0 Prorated Document Fee

If an individual received a part-interest in a vehicle whether by gift or purchase, the amount of the document fee shall be prorated in accord with the number of persons named as owners on the new certificate of title.

14.0 ~~Repeal of Regulation~~

~~Policy Regulation Number 38 concerning vehicle document fees has been deleted.~~

19 DE Reg. 836 (03/01/16) (Prop.)