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Driver and Vehicle Services Update

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This bulletin may be downloaded by visiting the Driver and Vehicle Services
Web site at www.dmv.state.pa.us

BULLETIN NO. 09-04

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- Proof of Insurance from Esurance Company
- Reminder of Non-Franchised Dealer Sales Tax Liability for Auction Purchases
- Update on Vehicle Identification Numbers Beginning with "L"
- Updated Bureau of Motor Vehicle Forms

PROOF OF INSURANCE FROM ESURANCE COMPANY

In accordance with Section 1318 of the Pennsylvania Vehicle Code, agents may not accept a photocopy, facsimile or printout of an insurance document, unless the licensed insurance company or licensed insurance agency provides it on the letterhead of the company or agency, directly to the issuing agent.

Customers of Esurance receive their insurance documents from Esurance through an electronic notification and, in turn, print out the insurance documents for their use. These documents are valid insurance documents; however, **these type of documents cannot be accepted by issuing agents for the purpose of issuing or transferring registration.**

However, we have been informed by Esurance that they provide their customers with a 24 hour / 7 day a week customer service telephone number, which can be used to obtain an acceptable form of vehicle insurance. When a customer presents an agent with proof of insurance from Esurance, the agent can either call Esurance or instruct the customer to contact Esurance and have the insurance company fax one of the acceptable proofs of insurance directly to an authorized PennDOT agent. When the agent receives the faxed documentation from Esurance,

the agent may then complete an application for issuance or transfer of registration.

Esurance has indicated their customer service representatives are aware of this process and will fax the required information immediately to the requesting agent.

REMINDER OF NON-FRANCHISED DEALER SALES TAX LIABILITY FOR AUCTION PURCHASES

With the increased sale of "new" vehicles at auctions, dealers are reminded of out-of-franchise sales tax liability after dealer titles are issued or retail sales are made. Please be advised that Department of Revenue and PennDOT review this activity.

Tilting a vehicle as a dealer title does not avoid sales tax liability for non-franchised dealers. Dealers sometimes sell current model year inventory or leftover vehicles that still have the Manufacturer's Certificate of Origin (MCO) at auctions. Dealers who purchase the "new" vehicle and hold a franchise for the vehicle can apply for a dealer title and claim a sales tax exemption. However, when the vehicle is taken to an open auction, it could be purchased by a dealer who does not hold a franchise for the particular make. Sales tax is due from the buying non-franchised dealer for this purchase, and then paid again by the customer when the vehicle is retailed.

The dealer licensing/franchise law defines a new vehicle as one which, regardless of mileage, has never been registered or titled and sales tax has not been paid. A dealer who does not hold a franchise for a vehicle make cannot purchase that type of "new" vehicle without being subject to sales tax.

UPDATE ON VEHICLE IDENTIFICATION NUMBERS BEGINNING WITH "L"

This is a follow-up to the notification sent in the September 2008 Driver and Vehicle Services Update bulletin, 08-05 which required all title applications for any two- or three-wheeled motorcycles, motor-driven cycles motor scooters or motorized pedal-cycles (MOPED) with a vehicle identification number (VIN) that begins with the letter "L" to be forwarded to the Special Services Unit for examination.

It has been determined that once PennDOT issues a Pennsylvania title for these vehicles, they do not need to be re-submitted to the Special Services Unit for examination if the vehicle is subsequently sold. Therefore, vehicle owners who sell a two- or three-wheeled vehicle with a VIN beginning with the letter "L" may have the title transfer processed by an agent of PennDOT and if requested, a temporary registration issued.

Likewise, dealers who offer two- or three-wheeled vehicles with a VIN beginning with the letter "L" may opt to title these vehicles in the name of the dealership in order to have the special examination performed and a Pennsylvania title issued in the dealer's name prior to selling the vehicle to a customer. This will allow a buyer to have the title transfer processed by an agent of PennDOT and a temporary registration issued at the time of sale. Please note that only those vehicles that have been previously examined by the Special Services Unit and titled in Pennsylvania may be processed in this manner. Title applications for two- and three-wheeled vehicles with a VIN beginning with "L" where the proof of ownership is an MCO or a title issued by another jurisdiction must continue to be submitted to the Special Services Unit for examination and no temporary registration may be issued for these vehicles.

In Bulletin number 08-09 (December 2008) you were informed that there was an exception to the special examination of title applications for some models of Yamaha vehicles. As you know, applications for those vehicles may be processed online and a temporary registration issued if requested.

Also, PennDOT has approved vehicles beginning with a VIN of LCETDNP manufactured by Chunfeng Holding Group Co Ltd to be processed online and a temporary registration issued if requested.

As MCOs for additional makes and models of vehicles are found to be in compliance with NHTSA filings, you will be notified via another special bulletin.

UPDATED BUREAU OF MOTOR VEHICLE FORMS

The following forms have been revised and have been updated on PennDOT's Driver and Vehicle Services Web site: www.dmv.state.pa.us.

Forms MV-7 and MV-500 have been revised and now have an edition date of 12-08.

Forms MV-44, MV-217A and MV-904RL have been revised and now have an edition date of 1-09.

Forms MV-351 and MV-409 have been revised and now have an edition date of 2-09.