

COLORADO FULL USE AND DEMO PLATES -- REGULATIONS:

- Excerpt from Auto Industry Division, Motor Vehicle Industry Laws & Regulations, compiled Sept. 2004, pages 64-67

Basis: The statutory basis for this regulation is 42-3-127 (4) (b) C.R.S.

Purpose: The following rules and regulations are promulgated to establish criteria for the issuance and use of full-use dealer plates.

Definitions

1. *Closure - Voluntary closure by the dealer owner, permanent or temporary closure by order of the Colorado Motor Vehicle Dealer Board, or any failure to maintain the required place of business or business address.*
2. *“Offered for sale” - a vehicle is deemed to be offered for sale when the following requirements are met:*
 - a. *Title to the vehicle has been properly assigned to the dealership, or if a new motor vehicle, evidence of a manufacturer’s certificate of origin (mco) for the vehicle; and*
 - b. *The vehicle is identified on the dealership inventory list maintained by the dealership and offered for sale.*
3. *“Legitimate business interest” -*
 - A. *One or more specific and identifiable reasons as to why the use of a full use plated vehicle by a person serves the bona fide business needs of the dealership or motor vehicle wholesale business; and*
 - B. *Use of the vehicle is in exchange for services benefiting the bona fide business needs.*

Requirements

1. *Every license year, all applicants for full-use dealer plates shall complete and submit to the Department of Revenue, Enforcement Business Group, Auto Industry Division, a Dealer Plate Affidavit in order to receive approval for purchase of full-use dealer plates. Once authorized for a license year, a dealer or wholesaler has no restrictions on the number of full-use dealer plates they may purchase.*
2. *Full-use dealer plates may be obtained by a duly licensed new or used motor vehicle dealer or wholesaler, from the county Clerk in the county where said dealership is located, or in Denver County, from the Manager of Revenue.*
3. *Any dealer or wholesaler changing names shall report the new name to the Department of Revenue, Enforcement Business Group, Auto Industry Division. Upon approval, the Auto Industry Division will provide the dealer with a name change affidavit which shall be presented to the County Clerk, or in Denver County, the Manager of Revenue, who shall transfer the dealer plates into the new dealership name.*
4. *If a dealer or wholesaler changes operating entity (individual to partnership, corporation, LLC or other variations), an original application must be filed with the Colorado Motor Vehicle Dealer*

Board. Upon approval, a new dealer license with plate authorization will be issued. Full-use dealer plates belonging to the replaced entity must be surrendered to the Department of Revenue, Enforcement Business Group, Auto Industry Division within ten (10) business days. New full-use dealer plates must be purchased in the new entity name.

5. The full-use dealer plate registration in the name of the dealership must be maintained in the vehicle bearing such plate, or taped to the back of the plate, or in the possession of the driver.
6. A copy of dealer proof of ownership (such as MCO, dealer title, title assigned to dealership.) must be maintained in the motor vehicle being driven on a full-use dealer plate.
7. A lost, stolen, or missing full-use dealer plate shall be reported within two (2) working days to the local law enforcement agency. Lost plates may be replaced through the County Clerk, or in Denver County, the Manager of Revenue upon submission of a police report and the payment of a \$5.00 replacement fee. The County Clerk will submit the copy of the police report to the Department of Revenue, Enforcement Business Group, Auto Industry Division for notation on the appropriate motor vehicle and law enforcement files.
8. Dealers shall maintain a record of all full-use dealer plates issued to the dealership and the identification of the vehicle and person in possession of said plate. The dealer shall further maintain proof of ownership and an inventory list of all vehicles available for sale. Such records shall be made available upon request of the department.
9. Full-use dealer plates cannot be displayed on vehicles which are used by the dealership for any commercial purpose. Such vehicles shall be titled and registered in the name of the dealership.
10. Whenever a dealer or wholesaler ceases operations due to closure as defined above, any plates that are not in the dealer's possession shall be reported on an affidavit and submitted to the Department in order that the missing plates can be denoted upon the appropriate motor vehicle law enforcement files. (1 C.C.R. 204-14)

Issuance of Dealer Demo License Plates

Basis: The statutory basis for this regulation is 42-3-127 C.R.S.

Purpose: The following rules and regulations are promulgated to establish criteria for the issuance and use of dealer demo plates.

Requirements

1. Dealer demo plates may be obtained by a duly licensed new or used motor vehicle dealer or wholesaler from the County Clerk in the county where said dealership is located, or in Denver County, from the Manager of Revenue. The Department of Revenue, Enforcement Business Group, Auto Industry Division, will issue the dealer or wholesaler a license with plate authorization that must be presented to the issuing agency at the time of application for dealer demo plates. (1 C.C.R. 204-14)

Use of Dealer Demo License Plates

Requirements

1. *A dealer demonstration plate can be displayed ONLY on vehicles owned by or consigned to the dealer or the wholesaler. Proof of ownership is shown by a Manufacturer's Certificate of Origin (MCO), title or consignment agreement properly assigned in the dealer's licensed name.*
2. *A dealer demo plate may be used on a vehicle operated by a prospective buyer. Demonstration drives by a prospective purchaser cannot exceed seven (7) calendar days. The dealer must issue an authorization letter to any prospective buyer demo-driving the vehicle after the dealer's NORMAL business hours on day one. The authorization letter must include the following: name and address of the prospective buyer; make, model and VIN of the demonstrator vehicle; the demo plate number; and the start and end dates of the demo drive (which may not exceed seven (7) calendar days). The customer must keep the authorization letter in the vehicle at all times and present it to a law enforcement officer upon request.*
3. *A prospective buyer may use a dealer demo plate with a dealership employee in the vehicle during the dealer's NORMAL business hours.*
4. *A dealership employee, during NORMAL business hours of the dealership, may use a dealer demo plate for conducting legitimate dealership business.*
5. *A dealer demo plate may not be used on any vehicle that has been sold and is in the possession of the purchaser, or upon any vehicle leased or rented by such dealer.*
6. *A dealer demo plate may not be used on vehicles that are being delivered to the purchaser.*
7. *Owners and employees of the dealer may not operate a demo-plated vehicle for their private purposes or use a demo plate on any commercial vehicle.*
8. *Demo plates may not be displayed on any of the following vehicles owned by the dealer: tow vehicles, parts pickup/delivery vehicles, service department loaners, courtesy shuttle vehicles, rental vehicles, haulers, or any vehicle bearing the dealer's name or advertisement (other than the small dealer badge normally affixed to the rear of the vehicle, or the license plate holder bearing the dealer's name). Such vehicles shall be titled and registered in the name of the dealership.*
9. *A dealer demo plate shall not be loaned to charitable organizations for use in charitable activities, parades or shows.*
10. *A dealer demo plate shall not be loaned or given to any person for use other than prospective buyers for demonstration purposes. "Person" includes, but is not limited to, athletes, coaches, celebrities, media personalities, accountants and lawyers.*
11. *A lost, stolen or missing dealer demo plate shall be reported within two (2) working days to the local law enforcement agency, and then to the Department of Revenue, Enforcement Business Group, Auto Industry Division. The dealer may replace lost plates through the County Clerks, or in Denver County, the Manager of Revenue. All lost dealer demo plates shall be replaced upon payment of the full fee. A damaged dealer demo plate may be turned in and replaced for the replacement fee.*

12. *All dealer demo plates must be surrendered immediately to the Department of Revenue, Enforcement Business Group, Auto Industry Division, whenever the dealer, through either a voluntary or involuntary action, ceases to be a motor vehicle dealer. Any dealer demo plates that are not in the dealer's possession shall be reported as lost or stolen to the local law enforcement, and then to the Department of Revenue, Enforcement Business Group, Auto Industry Division.*
13. *All dealer demo plates owned by a new or used motor vehicle dealer or wholesaler whose license has been suspended by the Colorado Motor Vehicle Dealer Board shall be surrendered to the Department of Revenue, Enforcement Business Group, Auto Industry Division, in compliance with the terms set forth by the Motor Vehicle Dealer Board.*
14. *A change of dealership operating entity status requires the submission of an original dealer application to the Department of Revenue, Enforcement Business Group, Auto Industry Division. If approved, a new dealer license number with plate authorization will be issued. Once approval is granted, the dealer license and license plates from the old entity must be surrendered to the Auto Industry Division within ten (10) business days.*
15. *If a currently licensed entity obtains approval from the Department of Revenue, Enforcement Business Group, Auto Industry Division, for a name change, the Enforcement Business Group, Auto Industry Division and the Motor Vehicle Business Group, Title Section will jointly issue a memorandum of name change to the county clerks. Upon receipt of the memorandum, the county clerks will change the plate registration file to the new licensed name.*
16. *Dealers shall maintain a record of all dealer demo plates issued to the dealership and the name, address and phone number of the individual authorized to use the demo plates.*
17. *Any use of a dealer demo plate other than those defined in these rules may result in loss of the dealer's privilege to use dealer demo plates. (1 C.C.R. 204-14)*

Dealer In-Transit License Plates

Basis: The statutory basis for this regulation is 42-1-204 and 42-3-127 (4)(b)C.R.S.

Purpose: The following rules and regulations are promulgated to clarify the criteria for issuance and use of in-transit plates.

Requirements

In-transit plates may be obtained by a duly licensed new or used motor vehicle dealer, wholesaler, or a wholesale motor vehicle auction from the County Clerk in the county where the business is located or, if in Denver County, from the Manager of Revenue.

New or used motor vehicle dealers, wholesalers, and wholesale auctions may purchase as many in-transit plates as needed upon submission of a copy of their valid dealer's or wholesaler's license.

The following rules are promulgated to clarify the use of in-transit plates: