

“May I see your title and registration?”

How to make sense of vehicle compliance requirements.



Whether law enforcement is making a routine inspection, or you are trying to legally manage your company’s fleet of vehicles, proper titling and registration is a must.

The Federal Motor Carrier Safety Regulations require all commercial motor vehicles to operate in accordance with the laws and regulations of the jurisdiction in which they operate, which includes titling and registration (49 CFR 392.2). Carriers must understand, however, that titling and registration is not regulated by federal law. It’s a function of each state, and the requirements can vary greatly depending on which state you’re working with to title and register a vehicle.

Title vs. Registration—similar but different

The terms “title” and “registration” generally go hand-in-hand because both steps often have to be done when a carrier takes ownership of a vehicle. Keep in mind, though, that a title and a registration are not the same thing.

A **vehicle title** is a legal form that includes specific information about the vehicle, most importantly, who owns the vehicle. Other items included will be the vehicle identification number (VIN), technical information, such as gross weight, and whether the vehicle has a lien. If a lien exists, the lien holder’s information is included so that any debt on the vehicle is paid when the vehicle is sold.

Vehicle registration is required by each state. Depending on the operations of your company, you are considered either an intrastate or interstate carrier, and your registration will vary accordingly. Whether you are an intrastate carrier receiving a base plate for one state, or an interstate carrier receiving an apportioned plate, you are required to pay registration fees to your base jurisdiction.

Title and registration requirements apply to both power units and trailers, but the exact process and fees will vary from state to state.

Vehicle Purchases—what you need to know

When purchasing brand new vehicles from a dealer, often the dealer will have titling paperwork ready for you at the time of purchase. The signed agreement and title application serve as proof of ownership until you receive the official title from the state motor vehicle office.

The same is true when purchasing a used vehicle from a dealer, but buying a used vehicle from a private seller may require more diligence on your part. As a best practice, you should ask to see the title before agreeing to the purchase. The title should reflect whether there is an outstanding lien on the vehicle or whether the vehicle has been in an accident and declared a total loss. If declared a total loss, you may have more difficulty insuring the vehicle.

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In any case, you should have proof of the title application or the title itself in your hand at the time of purchase. Remember, the title is your proof of ownership, and even though you've paid for the vehicle, without the title you don't officially own the vehicle.

Mergers and Acquisitions—proper paperwork required

As companies merge with or acquire other companies, many legal or regulatory issues need to be addressed, including re-titling and re-registering vehicles. When this happens, you'll want to work closely with the company you're acquiring or joining to make sure you have the proper paperwork to transfer ownership and register properly with the state motor vehicle office.

Sales Tax—state requirements vary

Depending on your company's operations, you may or may not need to pay sales tax when purchasing a vehicle. Many states have a sales tax exemption for interstate carriers or for carriers who are for-hire.

If you find yourself needing to move a vehicle from one state to another, you might be subject to a sales tax when you re-title and re-register the vehicle in the new state. Some states may accept that sales tax was paid to another state through a reciprocity agreement, but you may want to consult with a tax professional because the requirements vary from state to state.

Title and Registration Management—keep them up to date

Whether you keep paper titles or store them electronically, keeping your titles up to date may be just as important as having them in the first place. Various changes can occur to titles on your vehicles, including lien holders changing or being released after a loan has been paid off.

Having accurate information on your titles and maintaining access to them will ensure smooth transactions whenever changes need to be made regarding registration or ownership of your vehicles.

Expert Assistance for Speedy Vehicle Legalization!

Rely on our team of vehicle compliance specialists to accurately manage your titles and base plates. Thanks to our long-standing relationship with state agencies and our expansive tag agent network, we can also expedite the process so your vehicles are road ready fast!

We'll help you with:

- New truck purchases
- Base plate renewals
- Mergers and acquisitions
- Vehicle transfers
- Duplicate titles
- Vehicle titling
- Title searches
- Refinances or changes in lien holder



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