

Dealer Demo Plates - Regulations

Issuance of Dealer Demo License Plates

Basis: The statutory bases for this regulation are 42-1-204, 42-3-116 CRS. *Eff 03/02/2007*

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.

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.