

Motor Vehicle Advisory Board
December 13, 2018
Meeting Minutes

Board members in attendance:

- Fritz Kreutzinger (phone)
- Rachel Hazaray
- Mike Hierholzer
- Danny Hockett
- Tom Kelley
- Steve Hartwig
- Ken Eckstein
- Jim Arnold

Board members *not* in attendance:

- Mark Fuson
- Dave Mann

Others in attendance:

- Dennis Kruse
- Joseph Loftus
- Matt Norris
- Tony Mitson
- David Rosenberg
- Joe Smith
- Rachael Ehlich, Division Director – Auto Dealer Services Division
- Scott Conner, Deputy Director – Auto Dealer Services Division
- Erin Filban, Enforcement Attorney – Auto Dealer Services Division
- Christina Schnaith, Legal Assistant – Auto Dealer Services Division

Office Update

- Implementation of 3-day grace period for access to Plates On Demand for suspended dealers.
- InBiz's new system will link with other state agencies in the beginning of 2019.
- Securities' new system has gone live.
- Elections
 - Historic turnout for the election since 1994.
 - Issues in some counties with the electronic portal. SOS is currently examining why the issues occurred.

New Members and Reappointed Members

- New Members
 - Steve Hartwig
- Reappointments

Motor Vehicle Advisory Board
December 13, 2018
Meeting Minutes

- Jim Arnold
- Fritz Kreutzinger
- Ken Eckstein
- Mark Fuson
- Michael Hierholzer
- Rachel Hazaray
- Danny Hockett
- Tom Kelley

Financial

- Reimbursement for travel
 - W9 and Direct Deposit must be completed and sent in electronically.
 - Mileage rate is 38 cents a mile
 - No form to complete.
 - Just send email with your name, address, date of meeting and mileage
 - Any questions can be sent to Chris Stanton at cfstanton@sos.in.gov or Christian Schnaith at cschnaith@sos.in.gov.

Ethics

- Not due yet for Inspector General's online ethics training until 2019.
 - You should receive email from the state when training must be completed.
- Board and commission members are subject to conduct standards.

Adoption of September 12, 2018 Meeting Minutes

- CORRECTION: Board member not in attendance – Steve Hartwig was in attendance, September minutes will be amended.
- Tom Kelley moves to approve
 - Jim Hierholzer & Fritz Kreutzinger seconded
 - All in favor, none opposed

Division and System Update

- Grace period for suspensions
 - 3 business days to have access to Plates On Demand after license is suspended.
- Division talked to BMV about backup for system issues with Plates On Demand.
 - Could BMV issue one of their temp plates to consumer?
 - BMV is constrained by statute and not allowed to issue one unless you have applied for registration.
 - Could they keep an inventory of hard plates to give to consumers?
 - BMV is concerned with potential fraud and they are moving towards fully printing vs. keeping an inventory for themselves.
 - Division is looking for more possible solutions to the issue.

Motor Vehicle Advisory Board
December 13, 2018
Meeting Minutes

- BMV has informed some consumers that they need to go back to the dealer to get a second plate.
 - Division will remind the BMV that this is not allowed.
- No anticipated system changes in 2019.
- Identified issues with Primary owner on Plates On Demand
 - Division sent PIN number letters to each dealership to link to Plates On Demand
 - Some dealers have created an account and attempted to link to the license without pin, which does not establish a Primary User and must be corrected by the Division's IT staff.
 - The person set up the account as primary is potentially an employee vs. the owner.
 - If that person leaves employment of the dealership then there is no longer an active Primary User in the system and that can only be corrected by the Division's IT staff.
 - Division's preference is that the owner should be the Primary User.
 - Administrator role has all the permissions of Primary User.
 - Issues with this role can be easily fixed.
 - Roles and details of permissions are on our website.

Enforcement Update

- Blitzes have been completed and Division believes them to be successful and helpful.
 - Will continue to do in the future on an annual basis.
 - If you see a potentially unlicensed dealer, please let the Division know.
- Senior investigator is shifting to "complex" cases, usually involving a criminal aspect
 - Working out procedures on how to handle these cases.
 - Working relationship with Indiana State Police.
 - Auctions are potentially victims of fraudulent activity.
 - If you believe you are a victim of some criminal activity, you are welcome to file police report but make sure to contact the Division as well.
 - Working out how to enforce our Cease and Desist orders (issued for unlicensed sales).
 - Shared with Indiana State Police
 - Statute is not clear on how to handle those who do not follow the order.
 - Division could go to court and potentially file criminal charges.
 - What happens to their inventory?
 - Division will get the Indiana State Police involved to pursue.

Legislation Update

- Updating zoning requirements
 - Specifically to handle mobile home communities requirements due to them being residential rather than commercial.
 - Division is in contact with the Association of Indiana Municipalities and the Manufactured Homes Association

Motor Vehicle Advisory Board
December 13, 2018
Meeting Minutes

- Both stakeholders agree with statute changes.
- Increasing the fee for watercraft interim plates.
 - Fee is still in the rules but will be moving to statute
 - Goes 100% to the motor vehicle highway fund.
 - Division incurs cost even though currently none of the fee is given to the Division.
 - Increase to \$7 to account for split to motor vehicle highway fund and to Division
- Moving forward to update the term “Broker”
 - Specified in language that they cannot be actively involved in the negotiation of the sale
 - Example, if you are involved in negotiating the price of vehicle – this is brokering
 - Fee that is charged to dealer cannot be based on success of the lead.
- Unfair practice provision as it relates to imposing a surcharge
 - A Manufacturer is not allowed to impose a surcharge.
 - Reimbursement regarding parts and labor when a dealer is getting retail rate for parts and labor.
- Not doing anything related to title delivery
- Thought about doing something with regards to some abuses in the buy-here/pay-here industry but more research is needed and will revisit in 2020.
 - 1st payment vs. down payment – down payment was due past the first lien payment
 - The 31-day time limit starts at time of delivery, not with the deferred down payment date.
- Zoning affidavit submitted with new applications and change of location applications
 - Some applicants have submitted zoning affidavits signed nearly a year prior to submitting application.
 - New requirement will require that they be signed within 90 days of the date the application is submitted.
- Conflict between Division and BMV statutes
 - If an individual wants to sell a vehicle to a salvage dealer they need to provide title or certificate of authority if title is not available.
 - Division statute allows for salvage dealer to accept a vehicle without a title, but does not mention a certificate of authority.
 - Conflict is that seller is required to submit something that buyer is not required to collect.
 - Adding requirement in Division statute to require certificate of authority to be collected by the buyer.
- Changing time limit that a salvage recycler has to report to NMVITIS to 72 hours from 30 days.
 - Division is still getting feedback from the industry.
 - Law enforcement agrees that this is a good change.
- Subscriptions (Tom Kelley)
 - Might need to be classified as actual sales so that it can be monitored by the State as well as the Association and are not in violation of the direct sales ban.

Motor Vehicle Advisory Board
December 13, 2018
Meeting Minutes

- Opinion is that it should work similarly to a lease so it can better regulated.
- Not in Division's bill, but does affect Division

Member Open Discussion

- Dealers are moving towards digitalizing deal jackets
 - Important step for consumer protection and dealer storage.
 - Division is okay with this practice as hard copies are not required.
 - State must approve for certain documents to be digitalized, vs. hard copy – this requirement is set in place by the Department of Financial Institutions.
 - Starting with voluntary practice but will not make it mandatory yet.
- Dealer training
 - ADSD training is monthly, dates and times are posted on our website.
 - Held in Indianapolis at the government center
 - Department of Revenue holds regional trainings every year
 - Division will provide more information as it becomes available.
 - Division is looking to expand to other locations throughout the state and to involve other state agencies including the BMV and Department of Revenue.

Closing

- Rachel Hazaray moves to close
 - Seconded
 - All in favor, none opposed