

Motor Vehicle Advisory Board
June 6, 2019
Meeting Minutes

Adoption of December 13, 2018 Meeting Minutes

- Tom Kelly moves to approve.
- Rachel Hazaray seconds.
- All in favor, none opposed.

Office Update

- Compliance Supervisor is retiring
- Enforcement team is at NOTFEA

Division and System Update

- Gary Humphries, the licensing and compliance supervisor, is retiring July 5, 2019.
- No new system changes at this time.
 - If you have any suggestions for improvements, please send them to Rachael Ehlich.
- NOTFEA Conference was held during the week of June 3rd. Don Cloud and Scott Conner were in attendance.
- Blitzes conducted by our examiners will continue on an annual basis, primarily to find unlicensed activity but also to touch base with licensed dealers in the area.

Enforcement/Legislative Update

- Board makeup changes
 - Adding a second Used Dealer position.
 - Changes to allow for more flexibility with filling vacant seats.
 - Suggestion to bring on a buy-here/pay-here dealer into the new Used Dealer position.
- Licensing changes
 - Making it clearer who needs to get a background check for new license applications.
 - Zoning affidavit
 - The signature must be less than 90 days old from when the zoning affidavit is submitted.
 - Manufactured home dealers
 - Issues getting the affidavit signed due to being residential vs. commercial since they operate at a residential location
 - New, specialized affidavit will allow manufactured home dealers to be exempt from traditional zoning requirements.
 - Watercraft interim plate fee is now \$2 per plate.
 - The fee is currently \$1 and all revenue goes to INDOT.
 - INDOT agreed to move revenue back to the Division.
- Vehicles taken in with the intent to be salvaged must be reported to NMVTIS within 72 hours.
- Brokers
 - Marketing services and lead generation are not considered brokers if they are not actively involved in the sale or negotiations.
 - If it is commission-based, it is considered brokering.
- Looking toward 2020
 - Franchise subscription issues are being held off until 2020.
 - Some salvage issues are postponed to 2020 as well.

Member Open Discussion

- Can dealer plates be used on loaner fleet?
 - Short term loaners (30-90 day program) are very difficult to register individually.
 - Long term loaners (12-24 month program) are registered and plated.
 - Vehicles used for rental purposes are registered and plated.
 - Loaners using dealer plates are for customers only.
 - What scenario would determine if a vehicle is loaned out for a short or long term?

- Some dealers run a rental operation which would be considered a long term loaner.
 - Short term loaners are more for customers whose vehicle is with the mechanic for a short period of time.
- Enforcement team has been working on involving prosecutors in certain cases that involve criminal activity.
 - Potentially holding training for auctions to help educate them if they are a victim.
 - Securities Division has a good prosecutor involvement program.
- Issue with dealers misrepresenting the condition of vehicles at auction.
 - Division has changed and clarified the definition of a rebuilt vehicle even if the title did not have a rebuilt/salvage brand.
 - Airbag deployment is important issue to buyers and sellers.
 - If the has airbag deployed, it does not necessarily require the vehicle to obtain a salvage brand, but could be a huge risk to potential customer.
 - Division will do further research and look into what can be done to prevent potential consumer harm.
 - Carfax is not always helpful because it could be 60-90 days behind present condition.
 - Suggestion is to require previous damage to be disclosed at auction.
- Lemon Law
 - Technical amendment
 - Suggestion is to change the verbiage in the current law to clarify the interpretation with the AG's office with regards to buy-back vehicles.
 - Buy-back vehicles are required to have a 12/12 warranty when resold, but only on the first resale of the vehicle.
 - Division must confirm with the AG's office since they enforce that code.
- Clarification needed on what to do when Plates On Demand is down.
 - IT is working on potentially utilizing a backup server that would seamlessly switch from the primary network when it is down.
 - Pricing has been provided by IOT and Division's IT is looking for quotes from private companies.
 - Division is also working on emergency planning for other potential issues that would cause the Division as a whole to be unavailable.
- Doc fee bill
 - There is now a cap of \$200 for doc fees, however it is tied to the consumer price index which allows the cap to be adjusted without legislative changes.
 - Doc fee needs to be included and disclosed in the advertised price.
- New salvage legislation
 - Keeping records on parts
 - Opinion is that there is value in it on vehicles that are purchased but no value in keeping records on sold parts unless it is a major component part.
 - Industry wanted single point reporting – the hope was to report to one agency vs. multiple (eg. NMVTIS & BMV)
 - The need to report to multiple agencies results in increased record keeping.
- Division is looking for a group of people who use the system to suggest any changes or tweaks to the system so that the Division can prioritize what changes can be made.
 - Beginning in 2020, rookie applications will potentially be required online only and no longer accepted on paper.
 - Renewal applications are not sent out anymore; now a letter is being sent out notifying you of your renewal date but paper renewal applications are available upon request.

Closure

- Fritz Kreutzinger moves to close.
- Tom Kelley seconds.
- All in favor, none opposed.