

**Motor Vehicle Advisory Board  
December 5, 2017**

Board members in attendance:

- Rachel Harazay
- Danny Hockett
- Mike Hierholzer
- Fritz Kruetzinger
- Tom Kelly
- Dave Mann
- Secretary of State Connie Lawson

Others in attendance:

- Marty Murphy (Automobile Dealers Association of Indiana)
- Matt Bell (Catalyst Public Affairs)
- Matt Norris (Krieg DeVault)
- David Rosenburg (Short Strategy Group)
- Sen. Dennis Kruse
- Rachael Ehlich, Senior Counsel – Auto Dealer Services Division
- Melissa Reynolds, Director – Auto Dealer Services Division
- Christina Schnaith, Legal Assistant – Auto Dealer Services Division

Adoption of March 7, 2017 Meeting Minutes and September 5, 2017 Meeting Minutes

- Motion to adopt by Fritz Kruetzinger and seconded by Rachel Hazaray

Appointment of Members

- The following board members appointments have ended:
  - Senator Wyss
  - Charles Svhilik
- A recommendation to appoint Senator Jim Arnold has been made and is pending with the Governor's Office.
- The board signed thank-you letters to Sen. Wyss and Mr. Svhilik for their service.

Secretary of State Office Update

*Sec. of State Connie Lawson*

- Dealer Services
  - Continue to add functionality to new licensing system
- Business Services
  - Continuing to add partners to INBiz, including potentially local government
- Securities
  - Also doing system improvements
  - Rolled out financial literacy course for high school students
- Elections
  - Focus on cybersecurity
  - Sec. Lawson is doing a lot of speaking in her role as President of the National Association of Secretaries of State.

Dealer Services Office and System Update

*Melissa Reynolds*

- Dealer services is now all located in Room E-111. Clerks/the dealer window is no longer located in Room E-018.

- The ability to renew licenses is available online. As early as this month, our office will be adding the ability to report dealer plates as lost, stolen, or mutilated and request replacements will be added online.
- Our office is planning a hands-on training session for December 19. Information will be emailed.
- Our office has started sending renewals out early for months that have a higher than usual amount of licenses due to expire. Our first attempt at this in November was successful and we were able to get over half of licensees processed at least a month ahead of expiration.
- Our office will be hiring a legal intern for the winter semester

#### Proposed Policy Discussion

*Melissa Reynolds*

- The Dealer-to-Dealer Auction policy was clarified and presented again since much of the membership was unable to attend the last meeting.
- Members had no questions or objections and the Secretary of State signed the policy.

#### Rulemaking Update

*Rachael Ehlich*

- Rules were sent to the Governor's office November 27, 2017. They have 15 days to approve, so we should have a decision the week of December 11, 2017 unless the Governor's office asks for an extension.
  - Focus of rulemaking is mostly clarification and removing outdated items
  - The Division is making some changes to location requirements
    - Adding location requirements for automotive salvage recyclers
- Industry participated during the rulemaking process and provided good comments

#### Legislation Draft

*Melissa Reynolds*

- The board reviewed the draft language for the Division's agency bill and reviewed a summary highlighting what changes were being made and the Division's reason for making the changes
- The Division spent a few minutes explaining why the requirement to be in good standing with the Dept. of Financial Institutions was being added – primarily aimed at buy-here-pay-here dealers who have special compliance considerations.
- The board had no issues or concerns with the draft.

#### Member Open Discussion

- Danny Hockett expressed that he has noticed a drop in the junk car market and asked the other members of the board if they had noticed a similar drop
  - Members discussed the various changes in the salvage/junk industry including cars are made with less metal than previously, cars are lighter than the used to be, shredders aren't paying as much as they used to so more cars are getting scrapped, and it is not unusual for the parts to be worth more than the car
- Fritz advised that "lease to buy" is a growing trend in the used car industry and he anticipates some issues arising from that (e.g. sales tax issues)
- Fritz provided some additional comments to the issue raised by Sen. Kruse at the September 5<sup>th</sup> meeting regarding what year a replica vehicle should be titled as. Fritz thinks that, for consumer protection reasons, the vehicle should be title as the year it was actually built. Otherwise there is risk for someone to be deceived.

Meeting adjourned 12:54 pm