

Motor Vehicle Advisory Board
June 7, 2018

Board members in attendance:

- Mark Fuson
- Rachel Harazay
- Danny Hockett
- Mike Hierholzer
- Fritz Kruetzing
- Tom Kelley
- Steven Hartwig, *appointment pending*
- Sen. Jim Arnold, *appointment pending*

Board members absent:

- Dave Mann
- Secretary of State Connie Lawson

Others in attendance:

- Brandon Clifton, Deputy Secretary of State
- Rachael Ehlich, Interim Director – Auto Dealer Services Division
- Scott Conner, Interim Deputy Director – Auto Dealer Services Division
- Christina Schnaith, Legal Assistant – Auto Dealer Services Division
- Rhonda Miller, Examiner – Auto Dealer Services Division
- Melissa Broaddus, Legal Intern – Auto Dealer Services Division

Adoption of December 5, 2017 Meeting Minutes

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

Election of Officers

- Fritz Kruetzing elected Vice Chairperson
- There were no nominations for Secretary

Office Update

- Melissa Reynolds left the Division to move closer to family
 - o Rachael Ehlich is Interim Director
- Focus on cyber security particularly with elections
 - o Cyber security training campaign with county clerks to be used by in-house user
- Phishing email sent to dealers.
 - o IT was able to trace where the email came from but no information on final findings
 - o Follow up with written report to close out the matter and demo next steps

Division and System Update

Rachael Ehlich

- Rhonda Miller spoke about training opportunities available through the Division and IDOR for dealers and their staff
- Introduced new employees
 - o Melissa Broaddus – legal intern
 - o Christie Games – new examiner
- New hiring in the works
- System Update
 - o Adding bond and insurance updates online outside of the online renewal

- Working on prevention of license suspension over the weekend
 - Suspensions potentially won't happen on the weekend, but would happen on the following Monday
 - IT discussing solutions
- Added an auto reply to dealers@sos.in.gov with self-help info
- Dealer Digest is quarterly
 - Question as to how the email distribution list is set up and how dealers can subscribe. Members reporting that their staff/office is getting the email but they aren't.

Legislation Update

- Summary of 2018 changes
- Working on legislative changes for 2019
 - Draft to be provided at September meeting
 - One issue being discussed is a determination of when a sale is final
 - Delivery
 - Loan approval
 - Contract signage
 - Working with DFI and AG to coordinate interpretation
 - When a deal falls through and needs to be rewritten, sale date may change?
 - Potentially undo the deal and do another one, sale date would change
 - DFI might have an issue if consumer does not sign a new truth in lending statement for the new deal

Questions for industry

- How do dealers utilize transport plates?
 - Auctions are only dealer type that use transport operator plates regularly
 - Does it make sense for ADSD to administer transport plates if the majority are not used by dealers?
 - Should dealers be even eligible for them?
 - BMV is compiling figures on how many dealers use transport plates
 - BMV has no enforcement for use
 - ADSD working on investigating potential misuse by dealers
- Working with BMV and ISP regarding plate statuses and running plates in the system
 - Fuson states that state police had trouble running one of his M plates
 - ADSD to look into matter and report back with the potential for further training
- Maryland doing a pilot program about recall notifications - Does this sound like a good idea for Indiana to adopt?
 - Would be provided by the BMV, not by dealers
 - Burden would be solely on the BMV to provide this information
 - No concern that manufacturers are not providing this information, but that consumers are not correcting the issues when it becomes known
 - Could be an issue that consumer finds out about the issue but when they take the vehicle back to get the fix, the parts needed for the fix are not yet available
 - Concern from dealers of the difficulty to inform every customer about the recalls and also the issue of the potential for new recalls every day
 - Some dealers (but not all) provide Carfax and notifies customer if there is an outstanding recall on the vehicle
 - Only applies to used cars, new cars cannot be sold with an active recall
 - Consumers should do research before purchasing the vehicle
 - Dealers are open to recall notification if it is not a financial burden to them
 - Carfax subscription can be costly

Member Open Discussion

- Suggestion for new kind of ethics training
- Wholesale dealer issues in Missouri
- Issue in Lafayette of person “selling” the opportunity to be a dealer
- Discussion of increasing penalty for defaulting on lines of credit, particularly lines extended by auctions
 - o Is it civil or can the State introduce legislation
 - o ADSD working with local police
 - It is a criminal act if you knowingly fail to deliver title and cannot deliver due to not being able to get it from the seller of the vehicle to the dealer
 - o Potential for ADSD to bring in a new attorney to look into criminal intent for certain cases – local prosecutors would be more likely on board
 - o Table discussion for now – ADSD will follow up after internal discussion

Motion to close

- All in favor
- None opposed

Next meeting is Wednesday, September 12, 2018 at 11:45 a.m.