

Motor Vehicle Advisory Board
September 12, 2019
Meeting Minutes

Member Present

- Rachael Ehlich
- Rachel Hazaray
- Fritz Kreuzinger
- Mark Fuson
- Mike Hierholzer
- Ken Eckstein
- Steve Hartwig
- Danny Hockett

Members Not Present

- Tom Kelley
- Sen. Jim Arnold
- Dave Mann

Non-Members Present

- Erin Filban
- Katelyn Knecht
- Christina Schnaith
- Sen. Dennis Kruse
- Mike Hamilton

Adoption of June 6, 2019 Meeting Minutes

- Fritz Kreuzinger moves to adopt.
- Rachel Hazaray seconds.
- All in favor, none opposed.

Division and System Update

- Katelyn Knecht is the new licensing and compliance supervisor.
- Mike Hamilton will be a new MVAB member in the second used dealer and act as a representative for the “buy here/pay here” side of the industry.
- The Division just finished with five all-agency trainings.
 - All-agency trainings, held in Indianapolis, will continue on an annual basis.
 - The 2019 training was recorded and is available on our website.
 - Regional trainings will also be available in the future.
 - Columbus, Richmond, Terre Haute, & South Bend
 - Monthly trainings will continue to be available as well.
 - Rhonda Miller is the contact for registering for those trainings.
- As of January 1, 2020, only online dealer license applications will be accepted.

Enforcement Update

- The Division will continue criminal investigations which have included forgery in the past.
 - Scott recently attended a meeting with the Financial Crimes Taskforce which includes the IRS, FBI and Indiana State Police.
 - Title non-delivery continues to be the most common complaint and violation that is discovered.
 - The American Association of Motor Vehicles is a good resource, on a national level, for best practices regarding title issues.
- Looking into extending the 7-year salvage vehicle statute.

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- If a vehicle is totaled but it is over 7 models years old, it can be issued a clean title without a salvage rebuilt brand.
- Different uses for dealer plates
 - The formula that the Division uses to determine how many plates to grant a dealer is 1 plate per 12 sales.
 - If you have 50 sales in the last 12 months, you would be eligible for 4 plates.
 - Is this the best way to set the threshold?
 - Use example – each sales person is assigned a specific plate and they are signed in and out for each use.
 - There is interest with dealer plates having some at-a-glance identifier to determine which dealer is assigned that plate.
 - Promotional plates allow dealers to supply a personalized design/logo to be printed on each plate and are available to dealers who would like to take advantage of the program.
 - There is a \$500 set-up fee and each plate is \$40.
 - A dealer can request only a few of their plates to be promotional, rather than all of their plates which could keep cost down.
 - A better suggestion is maybe a sticker or something that can be added to the plate, rather than a whole promotional logo.
 - Promotional plates
 - Dealers can put a design of their choosing and put it on the plate.
 - Division has had one inquiry, but no one has taken advantage of the program.
 - They do cost more than a standard dealer plate.
 - Set up fee for the design is around \$500 and each plate is \$40.
 - You do not have to do all of your plates this way to help with the cost.
 - Temporary plates - When should a temporary plate be issued?
 - Example: When custom orders are made, the customer makes a down payment but the product will potentially not be available for months after the initial down payment is made.
 - The issue arises when the payment is made and delivery occurs after 31 days, can potentially cause a compliance issue with the title delivery statute.
 - Does the consumer have the right to refuse the sale at any time prior to delivery and when does a sale become final?
 - Sale + Delivery means the sale is final and it starts the 31-day clock for title delivery.
 - Do auctions generally have a need for temporary plates?
 - Used for only for retail sales only.
- Insurance Requirements
 - The Division has heard from dealers that the statutory requirements don't match up very well with the insurance products that are available.
 - The statutory requirements add up to \$350,000 but insurance companies tend to issue \$300,000 or \$500,000 policies.
 - The statute is written more like an individual's insurance policy rather than a dealer's garage policy.
 - Some other states only require bonds, not insurance, as a licensure requirement.
 - License type/business model may be needed to determine insurance requirements
 - Some smaller dealers may be a bit more careless with their plates.
 - Dealers have found that insurance companies tend to dictate to the dealer what is needed based on a lot of factors.
 - Multiple locations on the same policy raise some questions as well
 - Are all locations insured the same?
- Pending franchise agreements
 - Dealers do not get documentation saying the agreement is pending.
 - Franchises are awarded, not purchased.
- Possible changes to transfer dealers
 - Transfer dealer licenses are designed for any business with the need to transfer a vehicle's title but is not operating as a traditional dealership.
 - Banks, body shops, etc.

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- There are a lot of old transfer dealer licenses still active and the concern is that some dealers are using misusing the transfer license in lieu of a wholesale license.
- Should transfer dealers be making retail sales and collecting sales tax?
- Should the Division add a damage disclosure requirement in the case where a vehicle has been a total loss but is over 7 model years old?
 - AutoCheck and Carfax do keep this type of information on file, but it may not be branded on the title.
 - Insurance companies are typically the ones to brand a vehicle a total loss but that does not necessarily show up as a brand on the title.
 - If a vehicle is rebuilt, regardless of its age, the rebuilt disclosure is still required, but a rebuilt brand may not be on the title.

Closing

- Fritz Kreutzinger moves to close the meeting.
- Rachel Hazaray seconds.
- All in favor, none opposed.