

Motor Vehicle Advisory Board 10/20/14

Those in attendance were:

John Beutler, Advisory Board Member  
David Morris, Advisory Board Member  
Gary Petersen, Advisory Board Member  
Sam Barber, Advisory Board Member  
Chris Mantas, Advisory Board Member  
John Watson, Advisory Board Member  
John Valentine, Tax Chair, Tax Commission  
Barry Conover, Executive Director, Tax Commission  
Kent Jorgensen, Director, MVED  
Curtis Stoddard, Assistant Director, MVED  
Jenny Stanger, Office Manager, MVED  
Wayne Jones, IADA  
Craig Bickmore, NCDU

Greg Miller, Chair, Advisory Board Member - Absent

John called the meeting to order at 2:08 PM. Greg Miller was absent so John Beutler lead the meeting.

The only public present was Dane Wood with NICB, who had no public comment at this time.

John Beutler asked if there were any changes to the minutes from the January 2014 meeting? No changes were noted. Gary made a motion to approve and Dave seconded.

John Beutler welcomed the new Tax Commission Chair, John Valentine. John Beutler explained that the board is to help their industry deal with any things that come along that affect their industry. John Valentine thanked the board for having him in the meeting today. John Valentine stated he has received a quick tutorial on how things work on the other side of the desk. He has had a lot of motor vehicle experience through the years. As the chair of the Tax Commission his door is open, with the exception of pending appeals or matters. He has had good relationships with Wayne and Craig in the past and he believes they will still continue to have that. John Beutler stated there has been a lot of changes to the property taxes on cars that have been a benefit to the industry. The property tax assessment had input from the Advisory Board when it was changed.

Kent Jorgensen did an introduction of everyone that was in attendance at the meeting and Dane Wood, NICB, who was the sole public person that was present.

John Valentine swore in the new Advisory Board Members John Watson and Chris Mantas.

Kent thanked Sam Barber and Gary Petersen for their years of service on the board. He presented them with an award from MVED. John Beutler also thanked the outgoing board members. Sam thanked MVED for their help through the years as well.

John Beutler asked Jenny for the current positions that were held by the board members. Greg Miller is the current chair, John Beutler is vice chair, Gary Petersen is the secretary and David Morris is the assistant secretary.

Voting was held for the board member positions -  
Greg Miller was retained as Chair  
John Beutler was retained as Vice Chair  
John Watson is Secretary  
Chris Mantas is Assistant Secretary  
David Morris does not currently hold a position

John Beutler stated the board meeting is held on a quarterly basis. If they wish to hold additional meetings they can however, they must publish the agenda within 24 hours of the meeting. Curtis stated the dates and times are voted on and approved at the meeting in January for the year. John Beutler stated items they wanted to vote upon must be listed on the agenda. Items not on the agenda can be discussed but not voted upon.

Curtis stated MVED is continuing to see advertising violations and many of the dealers are being fined repeatedly for violations. Craig Bickmore's board took a look at the rules and didn't want to make any changes in the past. Curtis said there is a rule that they may want to look at such as "we beat any price", "we sell for less" etc. If he is not able to prove that is not the case he is not able to assess a fine. He wondered if they wanted to propose that the dealer cannot even say an item like that.

Curtis stated Utah statute states that MVED shall deny a license for an applicant that has a registerable sex offense conviction, fraud, motor vehicle theft or drug conviction. If the person is no longer on probation and doesn't owe restitution the Tax Commissioners have put a rule in place that then allows MVED to issue a license even with these convictions. John Beutler asked if the application asks if someone has been convicted of a felony. Curtis stated it is any charges or convictions not just felonies. Also the application is signed by the applicant and the business owner under penalty of perjury stating the application is filled out correctly. We quite often see blank applications that the owner of the dealership has signed and the salesperson is filling in their convictions/charges after the owner has already signed the application. Curtis takes those applications (without processing the license) and contacts the business owner so they understand the importance of not signing the application until it is completed correctly. Curtis read code 41-3-209. The Commissioners have upheld any appeal hearing for a denial/suspension, if the applicant is still on probation or owes restitution. He wanted the industry to know that chances are the license denial/suspension will be upheld in the hearing decision. We spend a lot of time in these hearings. Kent stated the person who is given POA to sign the applications, on behalf of the business owner, should also understand the importance of the forms being filled out correctly.

Curtis also advised the board that the fee to purchase a pad of 45 day permits will be decreasing on 11/1/14. John Beutler explained that MVED operates almost solely on the fees collected on the sale of

45 day permit pads. When there was a recession it directly affected MVED's budget. John stated some of the industry feels like MVED still doesn't have enough investigators out there. It is commendable that the division is lowering the costs of the permits. Curtis stated we are filling the one open investigator position we have. That person will be stationed in our Cedar City office. So we will have two investigators now in southern Utah. Kent stated any additional investigator positions must be voted on during the legislative session.

Curtis stated we did have one follow up item from the last meeting which was the conversation in regards to brokering. Sam stated their belief was that TrueCar was essentially trying to change the franchise system across the country. It wasn't a problem just in Utah. Nationwide they had a problem in many states. After that TrueCar has changed their business model. He isn't sure how different it is but it is certainly different than it was. They just felt it was a threat to franchise laws in the state of Utah. John stated the problem was is that there was not a clear cut definition of brokering in Utah. Craig stated the brokering item is on the agenda for the new car dealer board in November. John asked that Craig report back to the board members so they can decide if they need to call another meeting before the next MV Advisory Board Meeting in January 2015. January could be too late if the board wants to support legislation changes in regards to brokering, as the session starts in January 2015. Wayne stated they discussed this matter at their independent dealer board meeting. The concern of his board was - how are we protecting the consumer? The other part was unfair competition. Where they somehow putting Utah dealers at a disadvantage in the fight for sales? It extends not only new or used but to RV Powersport dealers. It will take some definitive action from the industry and informing the legislative members, if they want to take action. John stated we need a clear definition of brokering in this state. John Watson stated there is a tremendous amount of pressure they are putting on new car dealerships. It is harder for a smaller franchise dealer to compete with the larger dealerships. TrueCar will end up directing customers to the larger franchised dealerships.

John Watson wanted to thank everyone for the opportunity to serve and thanked the outgoing board members for their service. Craig Bickmore also thanked the board members for their service. Barry Conover stated they appreciate their relationship with the board and with the industry. They have a lot of tentacles in the Tax Commission that affects the dealer industry between MVED, Tax Commission and Motor Vehicle. If we can streamline processes we are here to participate, roll up our sleeves and help the industry.

Gary Petersen asked about the mileage disclosure for older vehicles. John Beutler stated the state law follows federal law which only requires a statement on vehicles less than 10 years old. John stated it is still fraud to take a vehicle and roll the odometer back regardless. Curtis stated it would take a legislative change to require odometers to be disclosed for longer than 10 years. We have done some cases as theft by deception to get prosecution through. Kent stated we probably handle 10 cases a year. John Beutler wanted to add this to our notes as a possible future discussion. John asked if Craig and Wayne can look into that and see what type of problem it is, to see if we need to bring this up in a future meeting.

John Beutler asked for a motion to adjourn. John Watson made the motion to adjourn. All board members agreed. Meeting was adjourned at 3:06 PM.