

MOTOR VEHICLE ADVISORY BOARD

| MINUTES

August 17, 2020 | 2:00 pm MST | Utah State Tax Commission 210 N 1950 W SLC UT 84134

Attendees

Board Members in attendance:

John Watson
Chris Mantis
Stephen Wade

Others in attendance:

Allan Shinney

Larry Ball

Cole McAfee

Jeannie Aguilar

Wayne Jones

Adam Jones

Craig Bickmore

Jason Bickmore

Agenda topics

Call to order

Public comment (members of the public wishing to address the Motor Vehicle Advisory Board for up to three minutes)

Previous meeting minute review

MVED Changes

Board Status

MVED/DMV Rules Review

Government vehicle auction sales

MVED items

DMV update

Mved update

Legislative Items

Other Legislative items

Other board member items

Adjourn

Discussion items:

Call to order

Public Comment

Prior meeting minute review

MVED Changes

Board Status

MVED/DMV Rules review

Governemnt Vehicle Auction Sales

Person responsible Title:

John Watson

Board Chair

John Watson

Board Chair

Open forum

None

John Watson

Board Chair

John Watson

Board Chair

Allan Shinney

MVED Director

MVED Items

DMV update

Legislative items

Other Legislative items

Other Board Member items

Adjourn

Minute Details:

1. Meeting called to order
2. Public comment: No public comment
3. Minutes from August 2020 approved with unanimous vote.
4. MVED Changes
5. Board Status
6. MVED/DMV Rules Review
7. Government Vehicle Auction Sales
8. DMV update
9. MVED update
10. Legislative items
11. Other Legislative items
12. Other Board Member items
13. Adjourn

MVED Changes

- Allan opens with H.B 126 change of motor vehicle trailers. There is an error and the changes could take place Oct 15, 2020. And it was not listed in the code book.
- Larry Ball states the changes made were not listed in the code book.

Board Status

- John Watson states that from our previous meeting, everyone was in favor that the board is important. Has there been anything that has been said?
- Allan Shinney- There is a lot of paperwork that I have to fill out every year for the Board. I think it is worth it. With a new governor that is coming on that could be readdressed. It's not only good for the industry it is good for the community that the board exists. I personally believe that logical solutions get rendered here the affect a lot of different industries. We strongly support the board and would like to see it continue.

- John Watson- I would like to make a suggestion to you Mr. Wade. If all goes well that Spencer Cox becomes our governor you make some suggestions on how important the board is.
- Stephen Wade- I would be happy to do that. I will find out the chain of command and find out how we can meet with him.
- Allan Shinney- Wayne and Craig have done a great job communicating with the governor's office to help keep the board.
- Chris Mantis- Has a suggestion on getting the governor to come to one of the board meetings. And see the importance of the board and what everyone represents.
- Wayne Jones- **Action Item-** Makes recommendation on drafting a letter to Spencer Cox that will be ready for approval for the next January meeting. Informing the governor how important the board is and what it is about. And thanking him for continuing the board.
- Stephen Wade- Conversated with Spencer Cox about two large office complexes working from home. There was worry that people would not be productive. But what they discovered was that productivity went up 29%. And they have now closed two big office buildings. Less is more.

MVED/DMV Rules Review

- Allan Shinney- MVED has been working on some things for the board and the citizens in the state of Utah. We have really focused on representing the industry. Reorganized a few positions within the department. And primarily focus on title issues. Motor Vehicle is an asset. As we move forward. We have saved on FTE's and increased productivity by 40%. We need to move forward with getting an attorney. We appreciate the support of the board with getting an attorney. This year has been the best renewal year ever. We made a presentation to the DMV last week with helping resolve title issues, failure to delivers etc. We have the authority now to issue a title to the dealer for any reason. COVID-19 has affected DMV's. Where we have the access to do titles it will help tremendously. With the board support we would like to bring back our compliance section. We are looking forward to continuing to helping. We want to avoid liability. Help me help you. I think we should expand the board. We need to look at the whole thing and look at the whole solution before they get apposed on us.
- Stephen Wade- Help me understand the titling. Are you telling me that if I have an issue with getting a title you can do that?
- Larry Ball- Yes if I have everything we need on the deal, then we can issue the title.
- Allan Shinney- Encourage customers to call our department so we can help them.
- John Watson- Some of the changes that MVED has made are a huge success. And we applaud you. We appreciate you from the car industry, we feel comfortable reaching out, and have been able to talk about issues. And we are grateful.
- Allan Shinney- We raised the cost of temporary permits. And I made a phone call to each person who complained to help explain why we raised the fee. May and June were record

sales for a lot of the dealers. We did not fill vacancies and were able to roll over \$600,000 into our appropriation account which we have never done that before. Since 2016 we have saved 3 million dollars. If sales tanked we would be able to keep our staff for little over a year.

- Stephen Wade- Got a phone call from Allan on temporary permits getting raised in cost. Stephen Wade explained to everyone that MVED needed to do this. July was a successful month in car sales. A lot of factories might be closed. Downward pressure could come.
- Allan Shinney- Everything that we save, we have to request from the appropriation account. I want consistency. We are at the top right now. And anything we do we have to get legislative approval. We are topped out. Do we need to address this issue on temporary permits in October/November and see what happens?
- John Watson- Wait and see what happens in five or 6 months. I think you are in a sweet spot right now and don't think it's a big issue. I do want to compliment you on renewals. Allan says we can thank Jeannie and her staff to make changes to make it easier. John Watson says in his store they started way early.
- Wayne Jones- Can I ask a question? When we did that years ago, I thought there was a cap that we put on that so there was an open ability to move up and down that fee so that you didn't have to go to the legislator every time and make it part of the process.
- Larry Ball- We were told there was a cap.
- Allan Shinney- I know it's been easier than what it has been in the past. We are not requesting any more money we are good where we are. I read bulletins from AMMVA and there are high tech fraud scammers that could affect the industry and all lively hoods, so if we do not stay ahead of the curve it could affect a lot of people. We know those things, so an attorney will help explain cases to the county attorneys.
- John Watson- Lets stay proactive instead of reactive.
- Wayne Jones- # 6 on rules, deceptive advertising rules can be changed at tax commission so there is an even playing field. Part two transparency on advertising rules and DMV. Do we enhance? Can we get rid of some? Does the board have any comments on rules? Our goal is to draft changes.
- John Watson- Single biggest thing we hear about. Even playing field, I think it's a wonderful thing you are trying to accomplish. And the transparency side. The doc fee is different, but is an issue. A head up to the board if we can look through some of that. Doc fees should be something your conscious on. Bottom line doc is a real thing and there are costs.

Government Vehicle Auction Sales

- Wayne Jones- Some issues. Government surplus sales unfair? Bigger issue in sales tax. Should auctions collect sales tax? We are going to work them.
- John Watson- Do they have to comply with regulations that exist for dealers? Do they own a dealer's license?

- Allan Shinney- Government is exempt. A lot of companies go through a leasing company. And making lots of money.
- John Watson- Try to alleviate. Abusing the rights that they get from a government purchase.
- Wayne Jones- Should they be allowed to sell to consumers?
- John Watson- Competitive market.
- Allan Shinney- It is happening everywhere. The county is not buying from them anymore.

MVED Items/DMV Updates

- Wayne Jones- Approach by marine dealers selling expensive boats and having failure to deliver titles. Right now MVED has no jurisdiction on the marine side. If I want to be a marine dealer I must go to commerce and get a manufacture license along with sales tax. No bond is required. Marine dealers have asked if they could get added to just like an mv dealer. There has been conversation with the department of natural resources with this to see what direction we can go. Age based fees, talked with senator Ramble. Why can't we charge \$100.00 for everyone? Conclusion 3 year rule works best.
- John Watson- Less complaints
- Wayne Jones- Segment is hurting, we may see concerns on dealer bonds. We want to be proactive. Possible new solution for bonding. Cover rating of bonds in 2022. We are in a position as an industry where we have never been before in making some significant changes. Allan and his team are great to work with and respond quickly. Need to enhance with the education on dealers and consumers. Possible project to help educate consumers. Would like to enhance more board member because there is value to the advisory board.
- Stephen Wade- There are some companies that let you self-insure. Possible bond raising.
- John Watson- The annual seminar was well attended. But some dealers are still un informed. Bond issue, it is underserving when there is a problem.
- Wayne Jones- There could be a benefit for multiple agencies to attend the board meeting maybe once a quarter.
- John Watson- **(NOTICE OF PUBLIC SAFETY FOR START OF NEXT YEAR)**
- Craig Bickmore- Nice coordination with DMV/MVED. MVED is a "Allstar Team"
- Wayne Jones- Representative Roberston - Registrations, if you have a five year lease you can pay five year renewal. Not a good idea. Rebates, dealers cannot be in the middle.
- Allan Shinney- 1 million dollar savings if decals go away. No more renewal cards as of Oct 1, 2020.
- Allan Shinney- Goes to chief meetings for public safety. No one says anything.
- Craig Bickmore- Lets help and make a voice.
- Chris mantis makes motion for meeting be adjourned.

Meeting adjourned.