

MOTOR VEHICLE ADVISORY BOARD | MINUTES

January 18, 2022 | 2:00 pm MST | Utah State Tax Commission 210 N 1950 W SLC UT 84134

Attendees

Board Members in attendance:

Stephen Wade
Kirk Schneider
Clint Martin
Jon Weese

Others in attendance:

Allan Shinney
Larry Ball
Cole McAfee
Maria Islas

Wayne Jones
Craig Bickmore
Jason Bickmore
Alecia Hunter

Agenda topics

Call to order

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

Consider Approving Minutes of Previous Meeting

MVED Business

Legislative Issues

2022 Meeting Dates

Adjourn

Discussion items:

Call to order

Public Comment

Prior meeting minute review

MVED Business

Legislative Issues

Other items

2022 meeting dates

Adjourn

Person responsible Title:

Stephen Wade Board Chair

Stephen Wade Board Chair

Open forum None

Minute Details:

1. Meeting called to order
2. Public comment
3. Minutes from November 16, 2021 approved with unanimous vote.
4. MVED Business

5. Legislative Issues
6. Other items
7. 2022 meeting dates
8. Adjourn

- John Weese - Introduced himself
- Stephen Wade – Call of order individually with names and titles.
- Clint Martin – Making motion to approve minutes from last board meeting.
- Stephen Wade – approved minutes.

Public Comment:

- Allan Shinney – Welcomed Jon Weese to the Advisory Board. Advised to be on top of current events. Thing can affect new and used dealerships as wells as trainers.

MVED Business:

- Allan Shinney – This is an important year, we all need to pay attention to the things happening. We are here to help; we have some successes and failures with some DMV matters. We delivered 303 titles for the calendar year of 2021 for dealers that were not able to get titles that acquired vehicles legally and were not able to obtain titles. Manheim Auto auction in Nevada deliver 155 vehicles without delivering titles. From the 303 titles we deliver on 2021, we had four that had issues and all those were resolved, three of them were the auctions fault out of state and the last one was the dealers fault in state that had not paid the auction. This is an interstate issue if you are not letting your dealerships that we can help through training efforts, I do not think you are representing your constituents very well, we have the authority to do it. As of today January 18, we have delivered over a hundred titles for the month of January. The more we know the better we are to help.
- Stephen Wade – This is so important to us without you guys we would have a lot of problems and challenges. If we did not have this option, it would be catastrophic for this industry. We appreciate immensity and we cannot thank you enough of what you are doing.
- Allan Shinney – We had a meeting on the first of the year with all CEOs of the credit unions and financial institutions of the state they will not stop until electronic titling is approved and passed. They claimed they were going to sponsor a bill, make it mandatory, and make a cut off when electronic title was initiated; this was from all of them.
- Craig Bickmore – I think the state is ready to have that done, we are ready to have that done, the credit unions obviously are ready to have that done. It is able to be done, currently if the dealers want to go through the self-plating process but in mass to get this we need to have a ems provider, there is a fee attached to that. The solution we have provided is to go through a third party, unfortunately there is a fee attached to it. There is a

DMS provider that is where the issue is, the DMS prover is the third party provider of that service and they want to be paid.

- Clint Martin – The DMS program would only work if the dealership is enrolled in that specific system. It would be good to consider a two-ten implementation that the exclusiveness of it would be coping and paste to that system to move forward. Dealers could reach out to their own DMS systems if they get tired of it. It would not be hard to write an API but it would have to be done for each of the main DMS system and I do not know if there is any funding for that.
- Craig Bickmore- I think the deal is they do not want to give up the revenue model.
- Allan Shinney- There is a lot of work that needs to be done on it especially for the used dealerships. It is overdue.
- Wayne Jones- I think there is two issues that need to be address for the used car side. There are so many DMS systems out there and they are all different the other issue is security. If we are going to allow hundreds of DMS in to the system, do we have the firewalls and protections that can be implemented and the constancy of what information is needed?
- Allan Shinney- We have tons of security we have to go through for the state. There are so many ways we can go. There is always a way.
- Craig Bickmore- Big states have a third party system. Arizona has designated by code titling source so there is a fee attach to that transaction. Our fee here it was \$15 dollars a transaction. Dealers here do not want to do that. Our goal was to get to a provider to help us to do this. We will get back to the providers and see where they are at.
- Allan Shinney- I think that you did touch on the key point, some of the questions that were addressed 5 and 6 years ago need to be readdress now, there is new dealership and there is to many thing that have changed that I think some of the stumbling blocks have been removed if it is proposed the right way.
- Kirk Schneider – On the titles you have delivered, are they all from auctions?
- Allan Shinney- 90% were from auctions, big proportions were lease returns and that is big problems as the leases came a lot of the auctions were getting them in from the manufactures and just dumping them when Toyota credit is closed down. They were selling them in masses just making a note that you may not get a title but we sold this car to you for reduce priced. We contacted Toyota motor credit we told them what our proposal was and they told us to send them an email with the VIN and they would let us know if they have any interest on it or not, that is what we have been using s proof of payoff. We have done a lot of creative things. Our titles will cancel any other title out there is no bad way on this if there is a problem they have been reaching out to us. Our tax commission executive director Scott Smith has supported us on this 150%. Our attorney that we will have on staff will help us on this significantly, we will have an attorney it could possibly be as soon as March but for sure, it will be before July. That will change the face of our division we will be tracking dispositions and we will be going through the attorneys general office instead of the DA. We are anticipating great success there and we maybe will be having law changes, the codes are old as well as some of the jurisdictions.
- Craig Bickmore- There is a piece of legislations bill file open that talks about online sales and processes etc., I don't think that bill will not go anywhere this year we have to make

sure we look at this in every detail we have to be so careful when looking at this. After the session, we look at it again.

- Allan Shinney- Keep in mind some of the manufactures can use the lack of our laws in their advantage. We have focused on the industry more after Garffs attempted to file law suit against the state for us not representing the industry, we switched over immediately and I agreed with that, I always felt that way and that is why we decided to make that change. 18 months ago we had a society that wanted to defund the police and get rid of the law enforcement, now I am facing monetary issues that are nightmarish proportions now I can't maintain and keep my staff because they are getting offers from other agencies, I am loosing guys left and right.
- Cole McAfee- The ending wage for the last three employees we lost their ending wage when they left here was \$20.44, 23.62, and \$24 sixty something and their allover \$42 dollars and hour now with other agencies.
- Allan Shinney- The highway patrol is raising their entry lever to \$30 dollars an hour and more than 50% of my staff are below \$30 dollars an hour, it is unbelievable. We are a unique agency. I cannot go recruit a trooper, I would have to train a trooper to come here and be an investigator that is why we are benchmark two steps higher. They just tried to steal one of my best employees he was our employee of the year last year, they offered him \$10,000 dollars signing bonus and \$40 dollars an hour that was just a month ago, he is making \$32 dollars an hour right here.
- Stephen Wade- What are you going to do.
- Allan Shinney- I don't know, I am strapped right now.
- Clint Martin- Can you ask for more funding.
- Allan Shinney- We have all the funding we need is just about disbursement of it. This is not a plea to ask the industry to rise temporary permits. The general funding does not fund us, 98% of our funds come from temporary permits, we are funded by the industry. We do not waste any of our money, if we go in to recession and our temporary permit sales drop we have to have that money to pay our staff. We can assist the industry but if we do not have funds, we have to let people go.
- Stephen Wade- You are left with the responsibility to see that your people are properly paid and if you are not competitive, you have to do something about it.
- Cole McAfee- Last week I one of my guys was assisting West Valley assisting with that juvenile homicide and the whole time he was there West Valley was trying to recruit him. If you got years of experience which most of our guys do they do a lateral year for year and all of our guys would be topped out if they left somewhere else.
- Allan Shinney- When I took over I had 25 investigators and our case count for investigations was just under 3,000, we have 18 sworn investigators including us 3 right here and we almost did 6,000 cases last year, we were within 40 for the 6,000 with less people and our prosecutor rate higher as it has ever been we are well over 70% in adjudication and that comes at a cost. The UHP appeared before a legislative law enforcement comity and said they have 800 officers which none of them do any registration enforcement, they said MVED does all the registration enforcement that is not accurate if that is really what we are tasked to then we do not have the resources to babysit the DMV

there is a lot of issues I have to deal with that I need some assistance and those types of resources.

- Stephen Wade- This is inner agency problems it seems to me you have to go to your higher ups and lay this out.
- Allan Shinney- This is about FTs. I had to reclassified officers positions to help with licensing. The line used to be out the door during renewal time. We have dumped tons of money into online services, now you do not even have to come in into our office you can do everything online if there is a problem with renewals it is not our fault anymore everything is online that you can do it. We still spend two months or maybe even more of our resources getting people licensed because if we do not get them licensed then we have other issues to worry about and that is the problem. Our main commitment is licensing, licensing prevents complaints, complaints help consumers confidence I think all those things are lined up. All these other issues are growing and I can't go back and say I want this officer spot back, I have asked for FRs and they keep declining me, they are not going to give me any more. We just reclassified an officer spot for a dismantler project that the DMV had been two and a half years behind, us three right here got that whole project done in a month; we did it not our staff but us. We did it for a point but now I have asked for the FT back and the tax commission executive director level will not give it to us back.
- Craig Bickmore- Tell us where we need to go because we cannot have short staff because this is big as anything else in the state. We cannot afford you to be short staff, you cannot continue to do what you do if you are short staff, you guys are too good.
- Kirk Schneider- Is there a bill that has been proposed?
- Allan Shinney- There is a bunch of bills right now. I have to pay my good employees the same I have to pay my bad employees. The only way to get separation is through promotions we are a small agency we don't have a lot of promotions. We have been doing an outstanding with picking up the slack the two lieutenants and us 3 but it has been hard to retain staff.
- Larry Ball- Once we lose that staff no one wants to apply for \$20 dollars an hour.
- Allan Shinney- We had an opening years ago and when I applied here in the 2000's we had two openings and over 50 applicants for them and on the opening we had last time we only had 5 applicants.
- Wayne Jones- I just came back from my board meeting from the used car dealer group and I would say probably five different times MVED came up and every one of them were very positive on all the things you have done for the industry. From our side we see success on what you are doing we express our appreciation through that and I think we need to fight for that.
- Allan Shinney- The success of MVED rests on my shoulders to train the guys that are up and coming. We can't keep the guys we want to keep to take over because they leave for more money. We have told commissioner Josh Anderson we will never put any of our officers on the strike force for the auto theft unit because every time we have done that they have stole our employees. If that bill passes for the 60 days turn over, I may lose guys.

Legislative Issues:

- Wayne Jones- I have 68 bills on my watch list right now and as of this morning I counter 311, 3 to 5 bill that have been outnumbered now there is going to be a lot more probably almost 1000 more the ones that I worry about are the ones we don't know about those are always the problematic ones. One of them is the catalytic converters one it has to do with who is going to be responsible for catalytic converter enforcement and responsibilities whether it goes to the police or metal recyclers. It is a big problem. We are going to watch that very carefully.
- Allan Shinney- According to the AGs office Nate Mutters said he was the one who drafted that and made the recommendations for that. We had no input on that bill. We have done a request to bring back our compliance section, which does handle recyclers and dismantlers. We would love to take that on but we defiantly couldn't do it for free, we would need FTs for that and I don't think it would be fair for that to come out of our temporary permit money it should probably come from a legislative note.
- Wayne Jones- There is a couple other bills we are watching. There is a bill on VIN inspections we want to make sure the industries is still being able to do VIN inspections on out of state titles. There is another bill that deals with the AGs office on MVED having an attorney. There is a number of bills on specialty plates my last understanding on this is that the tax commission was going to look over them. I did want to mention on the legislative side and that is the rule we talked about last summer on changing and updating some of the rules that compose the piece of the doc fee sign and that section in the code were it mentions their profit fee, that is out for public comment but they only mention the doc fee piece. When we reviewed this we included that piece that the amount on the contract need to go in there as well after further explanation I am waiting on that document to make those changes.
- Larry Ball – HP180 how are the power sport dealers accepting the fact that they can't sale a vehicle without giving proof the selling title is the same.
- Wayne Jones- There is some language on that and they are going to hate it. There are several provisions on that one of them is in writing. Liability is another issue.
- Allan Shinney- You also know about the license change on ATV' and off road vehicles right?
- Wayne Jones- Yes.
- Allan Shinney- There is a lot of problems with the decal issues with ATVs and UTV's. The numbers on the decals should come back to something and that does not happen a lot. The plate thing is debatable.
- Stephen Wade- I am not at ease here. Let us know if you need us to do anything to assist you to help you with some if these issues.
- Allan Shinney- I should be able to compensate my best employees and the ones that are remarkable.
- Clint Martin- Who decides you can pay this?
- Allan Shinney- It's a three headed monster. Scott Smith has always supported us on our quests but it has always been too little too late. We have a budgetary issue and the tax commission rules.

Clint Martin- Tax commission rules would have to be changed to apply differently to your department?

- Allan Shinney- That is correct.
- Craig Bickmore- I think it would be appropriate for us as a unity source by MVED to ask that question to Scott and Valentine. It might be best for us to address that question to your director then you, we are concerned about it, we have to make sure this part continues to function specially the way it is being runned now.
- Clint Martin- Is not that Director Shinney does not want to do this he is not allowed to do it. That is why we have to talk to his bosses on his behalf about it.

2022 meeting dates:

- Stephen Wade- We appreciate you and what you have and continue to do for us. When would you all like to meet again?
- Allan Shinney- I appreciate everyone being here but if a virtual option is necessary, we can accommodate that happen and I can have Maria send you a link to it that is an option.
- Stephen Wade- Lets have that date set May 16 and if we cannot make it, we can change it or accommodate it. We can always have an emergency meeting if needed.

Meeting adjourned.