May 31, 2022 | 2:00 pm MST | Utah State Tax Commission 210 N 1950 W SLC UT 84134


Attendees
Board Members in attendance:
Kirk Schneider
Clint Martin
Jon Weese
Chris Mantas

Others in attendance:
Allan Shinney
Larry Ball
Cole McAfee
Maria Islas
Morgan Ludwig
Wayne Jones
Adam 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
Dealer Tour Information
Tax Commission Reorganization
Pending Rule Changes
Renewals
Future Legislative Discussion
Vehicles Stolen From Dealerships
Adjourn

Discussion items:
Call to order
Public Comment
Prior meeting minute review
Dealer Tour Information
Tax Commission Reorganization
Pending Rule Changes
Renewals
Future Legislative Discussion
Vehicles Stolen From Dealerships
Adjourn

Person responsible  Title:
Kirk Schneider  Vice Chair
Kirk Schneider  Vice Chair

Open forum  None
Minute Details:
1. Meeting called to order
2. Public comment
3. Minutes from January 18, 2022 approved with unanimous vote.
4. Dealer Tour Information
5. Tax Commission Reorganization
6. Pending Rule Changes
7. Renewals
8. Future Legislative Discussion
9. Vehicles Stolen From Dealerships
10. Adjourn

- Kirk Schneider – Announce he will be filling in for board chair, Stephen Wade.
- Clint Martin – Making motion to approve minutes from last board meeting.
- Kirk Schneider – Approved minutes.

Public Comment:
- No public comment.

Dealer Tour Information:
- Craig Bickmore – I would just say we had the opportunity to have Allan, Larry, and Cole go out to several different locations as we always do. Just for the record, our dealers were really thrilled to have them with us. They do that annually and to have the outreach is really important. We appreciate what they do. Our membership was really appreciative so we will tell Allan, Larry, and Cole thank you.
- Allan Shinney – I thought what was most effective about the tour was the information sharing that went back and forth between the industry and the division and the issues that are facing the whole automobile industry moving forward. There’s no doubt that things have changed on us pretty quickly. Its how we are going to deal with it as a whole instead of just certain facets of it is how we will all be successful. That includes our part too. We have to have open communications to navigate through some of the challenges that are going to be in front of us. But it was a very good tour.
- Kirk Schneider - I agree. I was able to go on several of the stops and it was very effective. And very important to have you guys with us. I think it gives the dealers a lot of confidence in what you’re doing and what you’re doing to help about titles and those things. It’s been a crazy few years and your help has been invaluable.
**Tax Commission Reorganization:**

- Allan Shinney – I was hoping to have a lot more information. Information is not being expedited, but I will do the best that I can. July 1st Larry Ball is officially the new director of the Motor Vehicle Enforcement Division. I will be moving into a senior director position. I will be taking over the tax fraud investigator section, MVED, Miscellaneous Services which deals with the tow industry, and all DMV issues that have to do with dealerships. It’s going to be a monumental task. With Wayne and Craig’s group I know we have a lot of good things we can move forward on. Electronic titling across the whole industry is going to be monumental. It will help us significantly with title fraud problems and modernizing. I anticipate there are going to be some struggles and it’s going to be about the modernization. The DMV’s philosophy has been we’ve always done it that way we are not going to change, but that is not going to work anymore. We are going to look outside the box on all things like the secure paper issue. We can validate any document through NMVTIS and other databases instantly. Those systems are designed for things that didn’t exist 50 years ago. I’m looking forward to the challenge and we’ll figure it out. I guarantee we will not be successful without support from the used industry and the new industry because there is a lot we need to look at. Scott Smith is the executive director of the Tax Commission, he has been amazing and innovative on a lot of the changes and he wants to do things differently. It is important that we know everything we are up against and all the setbacks otherwise we won’t be able to fix it. Larry & I will take the complaints from the dealers. I will be working hugely with Wayne to fix problems on the dealer side of it. We will have to look at the scales they have on the 90% ratio for the direct platers. We are going to tackle that equation within the first 60 days. Even the set up costs for all of that, all things are on the table. I’m going to try and get those waived. Why should dealers pay for doing the state’s job? I will never understand that. It’s not going to be easy, but I will pull it off. I’m excited about it.

- Chris Mantis – I would like to speak up about my side of it, being on the recycling side. In the short time we’ve been able to work with you guys it’s been so helpful to us. Especially with the crime that we’re having with catalytic converters and being able to move cars faster on our side. To us it’s a night and day difference. My team & I are seeing an impact. I appreciate everything you guys do. Thank you very much.

- Allan Shinney – I think that’s important, if you guys remember we made those changes based on his comment. If I hadn’t heard his side of the story we would not have known. We took over the dismantling permit process from the DMV and we’ve generated close to 500 cases of violations that we found. By us doing that, it helped them and helped clear a lot of the storage issues from tow yards and from their yards and from the crusher.

- Chris Mantis – Back to what Allan is saying, the people that were selling us cars and us being able to give you guys that information on the fly. You can see how many people are selling cars without being registered. It puts more people on the radar. That’s been huge on our part. It’s been great for my team to be able to have contact with you guys. They have an issue they can call you and they know it’s handled. I appreciate you guys very much. Thank you.

- Allan Shinney – I will be over the manual review section. They just told me that last week. That was definitely something I wasn’t anticipating, but that’s a positive thing. When I first became the director in 2016 our staff would say that a new business would take 8 days to
get licensed. They could never give me an explanation on why it took 8 days. We did away with that immediately. Well they do a 30 day manual review on something that takes us 30 minutes. The 30 day manual review is going to be looked at hugely. They have people over there doing other jobs and not focusing on the manual review. The 30 day manual review, which is putting used dealers in the failure to deliver title issue, is going away. Whatever staff we need to fix that issue is going to be resolved. That affects dismantling permits too. It’s a revolving door and we found that out by what Chris brought forward to the board so that put us way ahead of this problem. We are looking forward to those things and with your help we will be able to fix it. If I don’t get your help I’m not going to be able to fix it and the DMV employees aren’t going to tell us because they don’t want us to know. We will figure it out. It will be good for the industry.

- Kirk Schneider – We’re looking forward to that too. I guess we don’t know the timeline, but you will do it as expeditiously as you can.
- Allan Shinney – We are doing it right now really. I’ve done some for Adam and Wayne right now. We do them every day. I’ve done 5 today. So we are doing them right now, they just don’t like it. Now they are not going to have a choice.
- Clint Martin – Just a quick comment. I want to congratulate director Shinney and soon to be director Ball and also express my appreciation. I’ve been in this industry for 24 years as an owner and to see people that actually care that are willing to get in there and do the work is a rare thing in government. I just want them to both know we really appreciate them and look forward to working together. Taking another step up the ladder and change for the better so thanks to both of you and congratulations.

Pending Rule Changes:
- Wayne Jones – About a month ago we had a joint meeting with the new car dealer and used car dealer associations, we had a meeting including MVED and their team. We talked about the rule that we discussed at least twice in this advisory board meeting. The first document we handed out is title draft. It’s a piece Jason Gardner from the Tax Commission put together so we had a basis to work from. This is the last draft and the one we’ve been working from. And the second page you have is synopsis of some of the things we’ve talked about with MVED, used car dealer, and new car dealers in that combined meeting. The first item on there has to do with vehicles in-transit. Lines 25-27 is new language the new car dealers came up with working with the manufacturers cover in-transit vehicles. So this has to do with the transit of vehicles that have been ordered from the manufacture, but are not on the ground at the dealership. One of the things that we looked at from the used car side is how can a dealer that purchased a used car be at a used car dealer that they legally own be able to put it on their website for sale. So we came up for some language on that. We put 3 qualifications on that. A) Document showing proof of purchase, B) Document from an auto auction, C) Other documents indicating date of purchase. We wanted to define this so the dealer has a legal interest or the vehicle belongs to them. We don’t want dealers going to an auction, taking a picture of a pickup truck and putting it on their website. The next 2 paragraphs talk about giving MVED the tools they need. Upon request advertiser shall produce all documents pertaining to an advertised motor vehicle. This is where we will be very specific to the dealer that they have to have some kind of documentation. Gives MVED the authority to issue advertising violations. We have to remember the subject here is deceptive advertising. We are going to submit this to the Tax Commission. The one thing I brought up that is not on your sheet that has to do with
consignment. I don’t know if we want to address this in the advertising piece. A dealer that consigns has to have a consignment agreement. Whether we should put that in the advertising rule that you can’t offer a vehicle that you have for consignment unless you have a consignment agreement. Thought on the enforcement side?

- Allan Shinney – That’s basically already in the rule.

- Wayne Jones - This only came up today so I haven’t had time to research. It seemed that consignment was already covered in there, but I wanted to be sure. Okay so we don’t need to worry about that in this piece. The next one is on line 35-36 that has to do with advertising price on a vehicle. It seems like it’s very deceptive when you advertise the vehicle base price without including those things that are already on the vehicle that you can’t do anything about.

- Allan Shinney – I think the only concern that MVED would have is if a customer complains they didn’t want these things, they didn’t have an option, and we find out it was already done before then it’s fraud. It wouldn’t be rule violation it could be a potential fraud case.

- Wayne Jones – Could you prosecute them on one or the other? Or will one take precedent over the other?

- Allan Shinney – Well if it’s a crime it’s a definitely a higher level than a violation. We have the option to go either way, but it depends on the severity of it.

- Wayne Jones – The reason I put that in there is that it seemed to me that it needs to be clear to the dealers what they should and should not be doing when you put a price of a vehicle on there. To me this clearly identifies that if it has those things and you can’t make it optional it needs to be included in the base price.

- Allan Shinney – Cole just brought up a good point. I don’t know how much undercoating costs, but the severity of the crime would be based on the dollar amount. So I mean that’s a game changer.

- Wayne Jones – A question came up too, how is this going to be enforced. I can tell you right now we see a lot of it. Because it’s creating an uneven playing field the dealers are going to be calling into you to say what the other dealers have been doing.

- Craig Bickmore – That’s the trouble that we have, it reflects poorly on all of us. That’s just really very difficult.

- Wayne Jones – It’s just deceptive.

- Kirk Schneider – But you’re saying that if we do this now it’s not a rule violation, it becomes fraud?

- Allan Shinney – It could be now anyway. We just don’t get complaints like that. They’re hard to prove and hard to prosecute.

- Wayne Jones – Mostly what we see now is freight charges. A dealer will advertise a price then stick a $500 add-on to that when they didn’t advertise that in there.

- Cole McAfee – If it’s over $1,500 it’s a third degree felony. The lower ones are misdemeanors, class A all the way down to an infraction.

- Wayne Jones – You could do either, whichever you felt was appropriate correct? Based on the amount and severity.

- Craig Bickmore – Kirk what is your thoughts hearing this for the first time?

- Kirk Schneider – I think it’s important that in the industry we’re as transparent as possible. If you’re going to charge for something you should put that out. If for some reason you can’t sell the car because you have $1,000 of whatever on it and you put that on at the end, I don’t think that’s right.
• Wayne Jones – If it’s on there and the customer doesn’t have an option, to me that’s deceptive.
• Allan Shinney – We’re all consumers in here. Myself, Larry, and Cole buy motor vehicles. I went recently into a new car dealer to purchase a little motorcycle for my wife and daughter. MSRP on it was $2,250. When I asked how much it was out the door it was $4,700. I started asking, how did you come to that figure? I said I wasn’t going to buy it. So you have the right to walk out of anything and say I’m not going to buy that. I’m a free trade guy to the death. Okay don’t buy it, but then don’t complain about it too. That’s not how it works here. We get complaints for those types of things all the time. It’s a business practice. Does the industry want repeat customers or do they want to take it at all costs and get you out the door? I can’t answer that question.
• Wayne Jones – Beyond that even when the bad guy does those things you were just referencing it affects everybody.
• Allan Shinney – I’m not implying they’re a bad guy they’re just not going to get my business that day.
• Wayne Jones – The next item is on line 45 it has to do with what’s not included in advertised pricing. They struck out safety inspection, so your safety and emission fees. We want to keep safety in there so if safety comes back that would be included also I think I keeps safety on the mind. There’s a lot of dealers who still safety inspect their vehicle and charge a fee for that, some don’t. We felt like that should remain in there because we still have a safety inspection program in Utah it’s just not tied to registration. Before you couldn’t get a registration without a certificate, now without the certificate you can still get it.
• Allan Shinney – Would the question be is it a state mandated fee if it’s not required. Dealers in my opinion should be saying we sell safe vehicles. That’s the difference between buying on KSL from a private person. I will guarantee you will be buying a safe vehicle. If that implies a safety inspection so be it, but what are you going to do if they decide they don’t want to pay for a safety inspection?
• Kirk Schneider – So you’re saying safety inspection has to be included in the advertising?
• Wayne Jones – No, these are things that are not included. This would be like sales tax, age based fees, safety inspection fees, emissions. Things that are not included.
• Kirk Schneider – From my perspective, that’s part of the repair of the vehicle like an oil change.
• Wayne Jones – This is more of a housekeeping thing for me. Instead of taking safety out let’s keep it in. Lines 56-64 this language was written like 50 years ago.
• Allan Shinney – Let me stop you. On the safety inspection thing, a lot of dealers have that built in their contracts. On the state mandated fee section I would worry that’s the price of doing business argument now. We were informed by highway patrol that you could still charge for a safety inspection if you can prove that you’re doing it and not say that it’s part of your 102 point inspection, but a lot of dealers do. We still have that problem saying it’s not required for registration I don’t want to pay for that. If it’s added into your contract pre-text already autofill that may be a problem.
• Wayne Jones – For me this isn’t a high priority item. It’s more of keeping safety inspection on the discussion points. Making sure we are covering that.
• Craig Bickmore – That prompts a thought process for new car dealers that we want to be very careful that everything gets disclosed properly for the fees and so forth. But we certainly don’t want to get into trouble when it comes to application and safety. We all
know what we want to have in there, but from the legal perspective is that the right thing to put in there? I think that is the question.

- Wayne Jones – Well it’s more important if do we need to take it out because it’s already in there. And do we need to keep it in there now? Is there a value in keeping it in versus taking it out?
- Craig Bickmore – You’re saying take it out?
- Allan Shinney – I’m not saying that. That’s up to you guys. I just think if you go back to history on if you issue a safety inspection versus issuing a temporary permit and there’s a problem then you could talk about an unwind or a violation. Let’s say a lot of dealers do their own in house safety inspections. If you do an in house safety inspection and your staff really didn’t do it and they charge for it and say well it’s not required by law. There’s a threshold there and I would advise all the dealers who took it to someone else to do the inspection. When highway patrol violated on safety inspections they punished who the licensed safety inspection. When it goes back to the dealership it’s a violation and it could be all kinds of other issues.
- Wayne Jones – This might be something we need to talk more about. Whether we do or don’t it’s just discussion. Back to the savings and discount lines 56-64 when this section was first passed the only way you could tell a value of a vehicle was with a NADA or Kelley Book. Now we have so many resources for that, in today’s age it seems interesting that with all the research we can do customers are well informed. Should we eliminate the discount and savings portion of that? In other words, a dealer has a vehicle on their website they haven’t sold it for a couple weeks. So they discount it and put discounted this week or put a special on it. Talking to dealers they say we see that all the time. People offering discounts or rebates. Frankly the rule says that you can’t do that. You can’t offer discounts or savings on a used motor vehicle. I think the general consensus is everybody has an opportunity to evaluate by year, make, and model, condition, mileage. There’s so many provisions look at all the services with Carfax. We never had that before when this was written. We talked and discussed that maybe this saving and discount section in obsolete. Maybe we just discontinue it.
- Kirk Schneider – This is when they advertise that was $10,000, now
- Wayne Jones – That was an example, but it’s in the rule.
- Allan Shinney – Another example is that I have $3,500 and I put a slash through and say now $3,000. It’s the same thing.
- Wayne Jones – The other part of this that goes more global to this is virtually every other state in the western United States there’s not a restriction for dealers to offer discounts on vehicles. By having that savings and discount restriction does that put dealers to a disadvantage in the global market we’re in? I know the governor’s office comment was we don’t want to put our businesses at a disadvantage. We want to make sure it’s an even playing field as much as we can.
- Allan Shinney – I would not contest any changes in that at all.
- Kirk Schneider – What’s the real world experience though? In other state’s advertisements, do they do it that way?
- Allan Shinney – I’ve seen it.
- Wayne Jones – We even see it in Utah. There’s a lot of dealers that offer a discount.
- Craig Bickmore – Do people even know it’s a violation?
- Allan Shinney – We fine them. It goes in cycles. We haven’t for a long time because we try to use a 3 strikes you’re out where we will contact the dealer and say we found this on this
date and it’s a violation, will you please change it? And they do. Every time. We have very rarely had a dealer not change their ad. They are required to know. That’s not what our objective is and a lot of it is depending on what level it is. We have seen some pretty bad ones. We see people that are way over book on the new side and they’re getting away with it. We’re fining them.

- Wayne Jones – There are a lot of vehicle that are bought over book even on a wholesale basis. I think the question is how do you disclose that to the customer? Is it deceptive to say someone is offering a discount on a vehicle for Memorial Day weekend sale?
- Allan Shinney – 20 years ago it probably was, now it’s not.
- Wayne Jones – That’s what I’m saying, this seems to be outdated with all the information we have out there. To me it’s old.
- Craig Bickmore – What was this rule trying to solve? How do we mitigate some of that unrealistic and some of it is realistic image?
- Chris Mantis – We see how far we came with the internet now. When was this in place and how much was all in print? We get through that age in time where the laws that we have were back in day and today we have the internet that’s so powerful it’s really hard to beat it. And back in the day you were dealing with print.
- Craig Bickmore – I’m not saying it’s one or the other. I’m trying to say are we helping or hurting the industry as a whole.
- Allan Shinney – I agree with everything Wayne said. Let’s say someone is selling a vehicle for $3,000 and they have 3 people who come in and they get into a bidding war. What’s the difference? There’s no violation. You can sell it for whatever they want to pay. It’s the same philosophy going the opposite direction. If you don’t want to buy it, don’t buy it.
- Wayne Jones – I’ll give you another example, in the rule later on is rebates. Isn’t a rebate just a way to discount? You can offer a rebate new or used. The rule says if you’re going to offer a rebate you have to disclose where it’s coming from. Really it’s just another way around this saving and discount issue.
- Allan Shinney – Except by the rule now, let’s say it’s a recognition of service rebate. You have to put that in the terms that all people may not qualify.
- Wayne Jones – Moving on from that because I think we’re pretty clear on that. Lines 97-120 is mostly a new car issue. Do we care what we call them? Basically they are vehicles that have never been sold or leased to the public. Can’t we consolidate those to say if they are any of those types of vehicles, do a definition and get rid of all of that language there? Every one of them says kind of the same thing. The last one is on line 117-120 this is what they’ve classified as commercial vehicles taxi cabs, law enforcement vehicles. These are vehicles that we are currently not branding. The rule is saying that you can’t call it a brand if you know it’s a taxi you have to sell it as a taxi. What about the vehicle’s we are using today for Uber, or leased vehicles that have a leased contract. An example given to me was that we see a lot of trucks coming off a corporate lease where the vehicles have been used out in the oil fields and are worse than a taxi cab would be. Also, there may be 30,000 miles on the police car, but probably all these hours of idle time. So the question is, is if it’s not a title brand how do we know their history? Does this create a liability issue for a dealer? If a dealer purchases a vehicle that was previously used for Uber or other commercial purpose & the dealer doesn’t know that, does that create liability for the dealer?
- Allan Shinney – I would like to recognize Commissioner John Valentine, he just joined us. Grateful to have him here. Anyway, to answer your question we do not brand for those things right now. And it’s not even on our radar to be honest as a recommendation to make
to the DMV. The last time I checked on this, at least 5 years, there was only like 15 states that branded for those things. I am going to be speaking at the AMBA conference in a few weeks and I can address that with the DMV committee. I can also refer you to AMBA’s website for their best practices to see what they say, but I would say you’re just talking about a way to devalue a vehicle that should be based on sight & you as a consumer taking it in to have it inspected to protect your investment. Our law enforcement cars that are running through the state their oil changes are meticulous, they’re inspected. That car in all honesty is sought after for a mystique thing of having a police car so why would you want to make something that is going to bring it lower value? Plus, on the Uber side those vehicles are licensed, registered, and insured by a private person & they have to pay more money for insurance. So why would we make a recommendation that would devalue them?

- Wayne Jones – The proposal for this was to do away with those as well. Next item & we are almost done is on a test trial. The industry term is a test drive. The way this rule is written says if I do a test drive I have to do a disclosure to the customer when I sell the car. It seems to me that is after the fact. It doesn’t make sense to me to say okay now we have to give you this disclosure because you test drove the vehicle, but you’re buying the vehicle.
- Kirk Schneider – I would call that a test-drive.
- Wayne Jones – Sometimes I think we need to stick to industry terms so our industry understands it. I can have a discussion with Jason on that. The last item on line 51 kind it applies to it as well, it talks about deposits and down payments and in here the language talks about that basically down payment and deposit is always refundable. Department of commerce has similar language, under consumer says that not in every condition is a down payment or deposit refundable. I think whatever language we have here we need to be consistence to what commerce has and what we have in the advertisement.
- Allan Shinney – If it is a contract signed, it’s a purchase agreement. If it is signed it is not part of the terms, is debatable. It is subjective. Why don’t they do a “test trial” instead of signing the contract to make it binding?
- Wayne Jones - I’ve had this discussion with commerce on numerous occasions. In my mind there’s a difference between a deposit and a down payment. To me a deposit is something that somebody gives a dealer with intent to buy, and a down payment is tied to a contract. Commerce is the same way, whatever the case is as long as you disclose it. As long as you disclose to the customer what is and isn’t refundable is what their section of the code says. All I’m saying is that we need consistency between that and this. What questions can I answer?
- Allan Shinney – We did talk about last board meeting the 41-3-210 about allowing any police officer to go in and pull records from a dealership. That’s not being discussed and it should because we are having issues. The redacted copies and not being protected under gramma, being released to the public. As the industry that would be our recommendation to be addressed. The reason why the statute was drafted was because we didn’t have enough MVED investigators spread across the state. We have officers all over, we’re covered now. There would be no reason for a county deputy to go into a dealership and pull a sales jacket when they have no knowledge of what to do with it. The ramifications of them not redacting certain information could be a federal violation now. So those are things I think as an industry we should deal with. We will help, we will help any agency with an investigation. We will assist in any motor vehicle related investigation. That law is probably old and outdated and for consumer protection I think it should be looked into.
• Wayne Jones – That goes to the law side because we talked about this in our joint meeting, it also had to do with confiscating dealer plates. I think that is going to have to be in legislation opposed to the rule. We can have Jason look into that and see if that’s something we should be putting in rule, but I think that’s going to be more of a change in code.

• Larry Ball – If an officer, not one of us, goes in and gets paperwork would that not put your dealership in jeopardy?

• Kirk Schneider – I think it could. We have to protect that information so to give it to someone. It’s not something they’ve taken into consideration putting the rule in place. We would have to have some sort of agreement for protection with you that you’re protecting that data according to what the rules are. You would be treated as a vendor and we would have to know that you have all the things in place that the data is protected. So to just hand it to someone is a problem.

• Craig Bickmore – You guys have governmental immunity and we don’t.

• Allan Shinney – My recommendation would always be while we’re working with legal teams on big dealerships they should be stamping it with who they disclosed it to. We do. When we release something we disclose it and put who for that very reason. In my opinion that would be the difference between having a gramma violation versus you don’t. The statute clearly says you give the information to a police officer. Technically you could be shut down for that if you don’t.

• Kirk Schneider – Obviously law enforcement has a different standard, but that’s probably a good idea.

• Allan Shinney – I would stamp it every time.

• Wayne Jones – Allan I think we could probably do some clarification in the code, but that’s going to be beyond my scope of knowledge so if we could have assistance from the tax commission about what they would like to have in there that would work for your enforcement side.

• Allan Shinney – I would recommend you draft something up that way I can go to my boss with what’s being proposed and see what our position is on this. My last instruction was that the governor’s office right now is pro-business and doesn’t like rules that regulate and hamper business. In my opinion, if we are messing with a lot of rules we better be asking why are we doing this, is there a clear path to what we’re trying to accomplish because we are not going to be able to do this every year. Otherwise we could jeopardize the whole rule section. Is that the way you understood it?

• John Valentine – I think that’s a good summary. One of the problems we have is that we have submitted some rules, and had them rejected before we got to the public comment period. They were being rejected because they appeared to be unreasonable restrictions on business. We’re being sensitive to that. We’ve instructed MVED of the same kinds of problems that we’re having to get those rules to go through. It’s going to be interesting to see if this continues, but that is the present landscape.

• Wayne Jones – I think these proposed rules we just went through is a good indication that this is old stuff and we need to move on. We’re not impeding business.

• Craig Bickmore – Can I ask commissioner a few questions? We have talked about this for months about the FTC and disclosures safe guard. Its big time penalties, big time work, etc. so to us what Allan is suggesting that not just any law enforcement officer can come in and take stuff. We don’t like that. This would be a statute change certainly.

• John Valentine – It would be a statute change. Right now the tax commission which included MVED we have 59-1-403 and 403.1 both of which impose significant penalties on
anybody who discloses from our side. That would be a re-disclosure from something that they got from you. Those penalties are felonies, misdemeanors, and a 5 year hiatus that you can’t be employed by the state for anything. Those penalties are real and they are heavy sanctions. That disclosure is what I’d be more worried about. When you have a request from a police agency you got to honor it. But the policy consideration of the police re-disclosing it is something worth looking at.

- Craig Bickmore – So in that same context then you have it, but what other police agencies around have it?
- John Valentine – I don’t know the answer to that, but that’s why I said it’s something worth looking into. I do know that there is POST sanctions for re-disclosure so an officer can lose their POST certification. I don’t know if that’s statutorily based, or something just within the POST world.
- Craig Bickmore – Would it make sense because MVED is over our industry that the courtesy would be to come to them first?
- John Valentine – That would be a policy on the part of the legislature. They’re going to then have to be responsive for the public safety community and balance out those policy positions between legitimate needs the police have on an investigation versus something that may not be legitimate or may be a re-disclosure. You have to be careful as you walk through that knowing that you have a whole other world, safety world that we have our hands in. But that is something that a policy maker could activate.
- Allan Shinney – I think the main reason why this has merited so much discussion is the federal ramifications from their new project they’re working on with disclosure violations. The tax commission takes disclosure very seriously and we have disclosure training all the time. Where we’ve had issues on our side we get requests from other law enforcement agencies we give them the stamped copy and we’ve had disclosure violations on their side that could affect the industry.
- Wayne Jones – The last thing I was going to mention on the rules is during the last couple of months we’ve worked on the doc fee sign with the commission. That went to final hearing and is open to the final comments which end on June 15, 2022. There will be a new doc fee sign required in all dealerships. I’ve seen 6 different versions out there and most of them are incorrect. We need to make sure the dealers are giving out the right information.

### Renewals:
- Larry Ball – Last year was a record year. We are 1.5% above last year. The used car dealers are the lowest. New car dealers are running a little bit above and our salespeople are actually 2% above last years.
- Wayne Jones- We are telling everybody we do classes for to get it in now and don’t wait for the last week of the month. Just get it in now and do it electronically.
- Allan Shinney – We are looking at some changes with renewals for next year. The licenses won’t be coming out on secure paper anymore, you can print them from your own printer. Next year our goal is to have an app like how they do with your concealed weapons permit. Logon, take a picture, submit the documents, arrange to pay the fees, and it will generate like a PDF. We’re not going to mail out things and really tackle our mailing budget. We’re going to look at getting rid of that with temporary permits too. We want to go through a different program where a decal would be met and you could do it on your own through the portal yourself. We’ll track it through the sequence number. We will still
have to take into account the used dealers in rural Utah that don’t have computers and we will take care of them. But we’re looking to modernize some things.

- Kirk Schneider – For example, at a dealership right now we have to post everyone’s sales license. It’s not a problem, but is that going to continue? Is there a way to have it electronically?
- Allan Shinney – That could be addressed. We’re not going to oppose that. You can get your driver’s license on your smart phone now.
- Kirk Schneider – I think it may be easier just to say you have it available upon request.
- Allan Shinney – I agree.
- Adam Jones – Some of the other professions that we deal with have also gone that direction where they’re not required to have them on the walls anymore, but just have them available.
- Allan Shinney – Generally, you are required to have your business license/MVED license, your insurance, and doc fee. We don’t care about the salespeople thing. We inherited that.
- Wayne Jones – It was from before when some dealers were not licensing their salespeople. An investigator would come in and if you weren’t on the wall you were getting charged.

**Future Legislative Discussion:**

- Craig Bickmore - It’s coming, we don’t necessarily know what it is yet.
- Wayne Jones – Less is better.
- Allan Shinney – I agree.

**Stolen Vehicles:**

- Allan Shinney – I hope everyone understands that maybe you could both do it through bulletins and common knowledge that if a vehicle gets stolen from a dealership more than likely it’s not going to be in their name. We need to help get the title in their name, we’ll waive the fee because we’ll have a police report. They need to have the title in their name because we’re having a ton of cars get stolen recovered and they sit in impound forever and the cost gets huge. It’s definitely more on the used side and is going to affect used car dealers. The cost can get astronomical and we want to do everything we can to prevent that. There has been a lot of requests that we as MVED be an agency that lists stolen cars because a lot of law enforcement agencies won’t list them on NCIC as stolen. We’re looking into that, but a lot of that comes down to dispatching questions that we may be able to overcome. We do have an attorney coming on board and that will probably be one of our first items of business. If the industry doesn’t want us to do it we will back off, but that’s where most of the requests are coming from.
- Kirk Schneider – We’ve had cars stolen before and recovered them. It wasn’t fast, but we did get them back.
- Wayne Jones – One of the problems out there though is that if a dealer has a car stolen they never get notification because they have a title in their office, but it’s in someone else’s name. Here is the piece of the puzzle we gave to our dealers in our education class, under UDOT’s services that they offer you can go to a website and type in the vin number and it will tell you if it’s in an impound yard.
- Allan Shinney – The sooner that the vehicle gets titled, but we don’t want those cars sitting in limbo because they will get recovered eventually. As soon as it goes through an impound then the owners are notified and if it’s not in their name the previous owner gets notified.
• Cole McAfee – On stolen cars are stolen license plates and if a tow yard is only entering the license plate the stolen car is never going to be discovered until the impound sale.
• Wayne Jones – The impound yard is also supposed to notify a dealer if there is a temporary permit on there.
• Allan Shinney – But remember most of the time they take those temporary permits out and use them on other cars. So whatever we can do to help. We get a lot of calls like that and it seems like we’re in the season right now. They’re going to start happening.
• Kirk Schneider – So if I get a car stolen today you title it into my name tomorrow or whatever then when it gets impounded they will see that?
• Cole McAfee – Then you will be notified.
• Kirk Schneider – How long does that take to process?
• Allan Shinney – It’s supposed to happen immediately.
• Wayne Jones – I don’t think that is going to happen if you title it after the impound happens.
• Kirk Schneider – Correct, if I title it when it’s already in impound they are not going to keep checking.
• Allan Shinney – But if it’s impounded on a state tax and it’s not in your name they aren’t going to release it to you anyway. Everyone should know that if you get a car stolen to call your local agency then call us and we’ll get it taken care of. Maybe eventually they don’t call them and only call us, but I don’t know.

Meeting adjourned.