

MOTOR VEHICLE ADVISORY BOARD | MINUTES

October 24, 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
Chris Mantas

Others in attendance:

Allan Shinney	Wayne Jones
Larry Ball	Adam Jones
Cole McAfee	Craig Bickmore
Morgan Ludwig	Jason Bickmore
Alison Imlay	Alecia Hunter
Jane Ann Atkinson	

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

Tax Commission Reorganization Progress

MVED Market Analysis

Pending Legislation

UHP/Safe Vehicles

Meeting with Senator Wilson (Out of State Registrations/Montana LLC)

Salvage Vehicle Issues

Temporary Permit Audits

Adjourn

Discussion items:

Call to order

Public Comment

Prior meeting minute review

Tax Commission Reorganization Progress

MVED Market Analysis

Pending Legislation

UHP/Safe Vehicles

Meeting with Senator Wilson

Salvage Vehicle Issues

Temporary Permit Audits

Person responsible Title:

Stephen Wade	Chair
Stephen Wade	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.

Tax Commission Reorganization Progress:

- Allan Shinney – I have been seeing improvements already. Manual review for out of state title is a significant issue and we're working on that as well. A lot of it has been scanning and once we can get that taken care of we'll be fine. Alison Imlay is the supervisor over Miscellaneous Services and we were lucky to get her under us. We're excited because there is a lot of things they can do through Insufficient Evidence of Ownership packets and other things that will be effecting us all including the tow industry. I've already seen huge improvements and we're going to continue to do things better.
- Chris Mantas – I will say this last little while of MVED being involved on the recycling side we have seen some monster changes. We can tell when the changes are happening because it effects flow. When things aren't done right the paperwork isn't clear. I've been getting calls about delayed paperwork and it's not because of MVED. It's proper paperwork on their side and how they're being checked. In theory I believe it's going to come back and help us all the way around. We've been seeing huge improvements. For years upon years we struggled to have that, but things are working out.
- Allan Shinney – I'm totally confident that we'll be consistent. And if we find a better way to do it, we will do it. I'm very pleased to have both of them on our team (Jane Ann & Alison).
- Stephen Wade – Allan we appreciate what you're doing. It's so imperative when you think about what's happening in other states, you're taking the approach to push the button. We

don't want to abuse that because we appreciate that. If it's abused please let us know so we can step up. Craig and Wayne, we can do our own policing.

MVED Market Analysis:

- Larry Ball – We have submitted for a market analysis to keep our employees. We are very underpaid compared to any other law enforcement agency. They are in the process now of looking at it. The three outcomes are: 1. No 2. Yes, but no money 3. Yes, we'll take care of it. Two out of three are bad.
- Allan Shinney – A lot of things are going to be based on the attorney we are hiring. The vision is that we're the DMV police as well so that's why we have these other people on staff that are going to help us get a better picture of titling process and all of the above. This attorney is going to help us significantly. If we need to get modifications done to statute that's why we have this board. We need to be able to go to Craig's group, Wayne's group, or all of the above as a board recommendation. The Tax Commission only allows two presentations of bills a year and it's always going to come under the umbrella of tax. We really rely and depend on the strength of this board to get things done. With that being said it really would come time. The UHP got \$10.00 an hour raises for their staff, we didn't get anywhere near that. An entry level trooper – they got \$10.00 an hour raises. That's a lot of money. We are really at on our ropes end with efficiency and where we are with staff. We will really need the support of the board to address an increase in temporary permits. We have had it at the same level since 2009 and we have reclassified jobs left and right. We still have had savings, but we don't know what the forecast is going to be with how much the attorney is going to cost. We did get a mid-level attorney and its \$250,000.00 a year on the budget. There is always a way that if the attorney is a good bang for our buck we can look at reducing officer staff. The officers cost us a lot of money because we have to pay into a different pension, supplies, training, etc. Where I could hire support staff that could do a lot of the work. We've gone from 25 sworn officers to 17, that's a big savings. We're really to the point of no return. We've done a lot of DMV assignments and we didn't get any employees to do that. Most of the dealers I've given sample questionnaires to have supported us raising temporary permits. The governor's office has always been against those types of things. We'll keep you posted on this through the board meetings and go from there.
- Clint Martin – Do you have an anticipated increase at this point?
- Allan Shinney – We're really hoping. The AG's office for their investigators got a 26% pay increase. I want to make it clear that I'm not advocating that. I thought that was excessive, but that's what they got. I don't know the percentage for UHP. 2 ½ years ago they were talking about defunding the police and now we're paying record amount of money for those jobs. Scott Smith's position has been if we lose guys, we lose guys. Keep in mind, our job is very training and tech savvy specific that it's hard for me to train new guys. We're not the only department that has that problem. There is recruitment problems all over. No one wants to be police officers anymore because public perception, pay, risk. You could get sued as a police officer and lose your house. They could sue you for civil liability. There's a lot of different variables that go into it. I could get sued for one of my officers making a bad decision and saying that I failed to train him. We do a really good job at making sure that doesn't happen, but it's getting more difficult every year.

- Craig Bickmore – Years ago Wayne and I were working on that, so you'll have to go through the legislature every time for temporary permits? Isn't there some leeway there?
- Allan Shinney – We're at the top. We have been since 2015. I'm actually a less government person so I really try to keep that in mind. I can't change for certain things, but it is about competitiveness. I can't afford it, but I prefer to hire people with education. I've noticed a difference in people with bachelor's degrees, get a better case and get less cases declined. You get what you pay for is what I'm trying to say. I think we'd get better if I hire better people and had less of them.
- Stephen Wade – Is 17 enough to cover your needs?
- Allan Shinney – We've been doing a great job. To give you perspective, in 2016 when I took over MVED was just under 3,000 cases investigated. We're going to be at 10,000 this year. Some of that has been title stuff and DMV assists. To be frank with you, if we wouldn't have taken it they would have had no resolution. We are getting titles right now from dealers all over the state. The ramification of us not entering these titles – those cars would have been on your lot for 18 months or you would have been issuing temporary permits. We knew that the dealers were telling us the truth, we can check the TLR report. We have enough great DMV employees around us that we were able to make a judgement decision and issue. I believe that we have issued over 5,000 titles in the last 18 months and we have only had 3 that have gone bad. All 3 of these we resolved through citations. Those are pretty good odds of just taking care of business. We have the authority by being police officers to issue summons and citations if someone lies to us. I'm proud of those numbers.
- Clint Martin – So you don't have a proposal yet, like we would need to raise them at \$3.00 for temporary permits or raise it 10%? The math is not ready yet.
- Allan Shinney – I've already worked with Wayne and Craig to look at what we did before to get a ballpark. You're talking 2008 last time we did that.
- Craig Bickmore – I thought when we did that we were able to move it so we didn't have to go every time to the legislature. We gave it that span to say we're hitting the top.
- Larry Ball – Yeah they gave us the top and we're at the top. When we thought Covid was going to be a problem we bumped it up to the top.
- Allan Shinney – They are at \$12.16 right now. Just so you know, Utah is the lowest in the region for temporary permit cost.
- Clint Martin – Do you anticipate \$2.00 more, 10% more, or no anticipation?
- Craig Bickmore – We have to raise it to either \$15.00 or \$16.00 because it gives room for saving.
- Allan Shinney – If they gave us a range like we had before that would be great. We have been rolling over half a million dollars every year. We used to go out shopping the last quarter because we had money. We have been rolling that over for a rainy day fund. If we go into a recession we are not funded by the general fund. We are funded by permit money. We have over 5 million dollars, that's how much money we have saved. I'm proud of that. We've been very sufficient, I just don't know with the changes. We rolled over \$500,000.00 last year and that's the lowest we've done in a while. \$250,000.00 for an attorney is quite a big chunk of that. With the increases that we did get, I think our guys got 8.5% last year and it still doesn't bring us up. Entry level UHP is \$30.00 an hour. We have more than half my staff below \$30.00 an hour. It's like almost 70%.
- Larry Ball – And the problem with hiring new people, the standard for as long as I've been here, it's takes a minimum of 5 years to become efficient at what we do.
- Kirk Schneider – If we raise the permit fee will all of that money go to wages?

- Allan Shinney – It goes to operating expenses so yes the majority of our budget is that.
- Kirk Schneider – So it can't somehow get diverted to somewhere else?
- Wayne Jones – It's always a possibility. As he just explained it's money that's dedicated for operations. It's different that most government appropriations. The legislature will appropriate that money for other divisions. This one self-sufficient by funding of the dealers. And that goes back all the way when they used to be the Motor Vehicle Administration.
- Craig Bickmore – We just wouldn't like that to be appropriated in a different way so we would be involved.
- Wayne Jones – I have had discussions with Commissioner Valentine and to him that is the right way to fund divisions of government. To have them be self-sustaining.
- Allan Shinney – Two of our top employees, one was just offered an \$8,000.00 sign on bonus with a \$10.00 an hour raise for UHP. That's another state agency. I can't do that and I don't think I should be allowed to do that. I would never ask for that. I don't believe in giving someone a hiring bonus to come do a job they are already commissioned to do. Corrections sent out letters to retired people offering them a ton of money. Three of my employees got these letters offering a ton of money to come work for them.
- Cole McAfee – It was from the governor's office. It wasn't from corrections, it was from the governor's office.
- Clint Martin – So essentially you're giving us a warning. You don't have a proposal today.
- Stephen Wade – Let's see where we end up with this analysis. Please keep us posted so we can try to be an advocate. My next question, we've talked about this attorney for a long time. Is this done?
- Larry Ball – No, they are having a tough time getting applicants.
- Allan Shinney – We had no applicants in the last pool so we redid it. In the new pool we have 4 and I don't know what the status is. That attorney is going to be the biggest changer.
- Stephen Wade – Do not take a shortcut. You've gone through all this to get someone let's not go halfway. You want somebody who can really cover your needs and is effective for you.
- Allan Shinney – I agree, but you have to keep in mind that I represent the whole department now. It's not just about officers. I have great support staff that my goal is to take care of them too. If there's way I can do that, I'm going to do that.
- Stephen Wade – I believe that, but you just said it takes 5 years for a new employee to become effective. You want somebody here who can hit the ground running.
- Allan Shinney – Weber County has 7 vacancies right now. That's reality of public service. They're not competitive enough. They feel like they can get more money on unemployment or freelancing. I know Sim Gill's office is short 13 attorneys. They're doing the same thing that law enforcement is doing, giving their staff more money and keeping vacancies.
- Craig Bickmore – So this analysis that you're doing could have a timeframe on it because sessions about to start in 2 months. My concern is, if this takes 90 days it's too late. Will this go into a bill and see how that works?
- Allan Shinney – I bet it takes them a year.
- Clint Martin – So we're just raising the cap \$4.00 more? Mach them each \$16.50.
- Allan Shinney – I think we would have a problem raising the cap now because of our savings. I don't know.
- Clint Martin – Do we just sponsor the bill?

- Wayne Jones – The question will be what do you raise it to and how did you get that number.
- Craig Bickmore – Let's use the last spread. What was the last spread we did?
- Clint Martin – Or just adjust for inflation.
- Craig Bickmore – I'm just concerned you can't take the hit. We are going into a recession. That's problematic.
- Clint Martin – Is it worth trying to get an adjustment for inflation this legislative cycle?
- Craig Bickmore – There is so much money out there in the budget.
- Allan Shinney – We're not part of the general fund.
- Craig Bickmore – We are the industry and we can't afford to have you guys not do what you do.
- Wayne Jones – Come up with the reasons you can logically explain that to legislators. We need to say here is what we're doing and here is what we say as an industry and coming up with numbers. Maybe it needs to go higher than what we're asking for. As a failsafe and we can come back the next year to adjust where needed.
- Craig Bickmore – What do you think the spread needs to be at?
- Allan Shinney – I think \$16.50 is reasonable. I'm not saying we are going to raise it right now because we want to know what the analysis says.
- Clint Martin – If that's the cap then you have the option, not the obligation.
- Wayne Jones – Nothing is going to go into effect until July 1, 2023.
- Stephen Wade – We should get this market analysis now and see what we think from there.
- Kirk Schneider – If it's going to take a year to do the analysis so we need to get something done right now.
- Larry Ball – I think it will take a year. The only worry I would have is if we sit back and don't do anything it could take another year on top of that and we'll be in trouble.
- Kirk Schneider – There's an adjustment for inflation and there's also an adjustment for the lack of inventory. Market conditions.
- Allan Shinney – There are some other things as well. Technology costs money and we're going to change the temporary permits. That's going to cost us money. There's a couple other things we're working on for titling and plating to make MVED better. Everything costs money.
- Clint Martin – From my perspective it could be very simple and done in one day. Find the annual inflation rate since we did it last and add that up. Bring it to the legislators and say this is what we would like to increase this cycle. They can always say no, but we can at least try.
- Allan Shinney – I think you guys could start the conversation with the Commission chair and see what he does. It really comes down to advocating the services we provide. The industry is better served by the changes we've made. Instead of going out and getting abandon/stolen cars we've been using our resources to checking vitality of the industry. We've been doing things and bringing it back into the industry like helping get titles and knowing how to forecast. If we weren't in place for some of the changes we made we wouldn't have been able to help during covid. Those are the things we had to know and we knew it from being in the dealerships. By the inspections, we have rapport with the board now. Those are all things that have transpired to a healthy car industry. I honestly believe if we have things run amuck we're in a better position now to deal with problems immediately and protect the citizens of the State of Utah.

- Kirk Schneider – Having been a recipient of your title help over the last few years would have been very expensive if it had gone the other way.
- Stephen Wade – Why don't we ask you to take this under wing and find out what that inflation amount is so we know it. Work that number up for us. I think we need to act on something here.
- Clint Martin – Would you be comfortable with a motion Mr. Chairman?
- Stephen Wade – I would be very comfortable with a motion.
- Clint Martin – So I would like to make a motion that we put together an analysis based on inflation since the last change was made and solicit help from the new and used car associations to find a senator or representative to sponsor legislation this cycle.
- Chris Mantas – I second it.
- Craig Bickmore – I would like to mention one thing, we go through the chain of command so I think we got to loop them in.
- Clint Martin – Let's amend and add that as part of it.
- Stephen Wade – All in favor?
- Everyone – I.

Pending Legislation:

- Larry Ball – Do we have anything on pending legislation?
- Craig Bickmore – We got this from Jason Gardner on October 12th. This is the rule we've been working on for the last year. What happened is the governor has sent out a memo to all the agencies about regulations. Some of the changes in this draft has to do with vehicles in transit. Some of this is stylistic meaning the governor wants to cut regulation.
- Wayne Jones – If you go back to some of the prior advisory board meetings we walked through a lot of this rule stuff, it came from Jason. A lot of it's in there. We were trying to change wording on how that comes together. This is pretty close to what we discussed. I think the governor tried doing less regulations, but I also think we need to have that balance with our industry. I'm talking to Jason specifically about this rule making process. The way he was originally talking after some discussion was why don't we get rid of all of it. I said we can't, there's some things in there that we need to keep in place.
- Craig Bickmore – He did do some things that we like. This is in one section I'll be reading quickly the following fees are not required to be included in the advertised price that the customer must pay: dealer doc fee (that's out), if not optional charges for undercoating, rust proofing, window etching (added), window tint (added), alarm systems (added), or any other similar item. If it's not removable you have to advertise it which is awesome. If it's optional you don't. We want every dealer to know this is an option and your customers need to know it's an option. There are some enhancements that have been put in here that we really like.
- Wayne Jones – It really boils down to if there is window etching on there it should be included in the price advertised or anything else. If there's no option to take it off then it should be included in the price on the advertisement. That was universal from the surveys we did working with the used car dealer board and others. Everybody is in consensus with that. It gives the consumer the right to know what is optional and what is not.
- Allan Shinney – I did get some counsel from Commissioner Valentine that the governor's direction on this was that he didn't want things that are more restrictive than the law. I'm

talking about 41-3-210. They believe that some of the language in the rules contradicted the law and they didn't support each other. He wanted to avoid that at all costs.

UHP/Safe Vehicles:

- Larry Ball – Thursday I received an email forwarded to me from the UHP and they wanted us to go out and do a detail with them. They told us they have been out on their own looking at frontline vehicles at new and used dealerships and they have found that 4.2% of all new vehicles and 38.6% of all used vehicles are not safe for the road. They wanted MVED to go with them to start writing tickets for selling vehicles that are unsafe. Needless to say that lasted about 2 seconds in my queue and I said no we will not do that. That's just to show you what UHP is trying to do to make themselves look good or get the safety inspection program back. They want us to be the bad guys and we refuse. That's something that you guys need to be aware of. These guys are capital police officers out there looking at your dealerships.
- Kirk Schneider – How are new cars unsafe?
- Allan Shinney – It might be window tint, it's illegal. I don't know what it could be, we don't know what that means. If you're not driving it they aren't checking the ball joints or rotors a safety inspection isn't in play so what are they talking about? Fender flares, too big of tires?
- Kirk Schneider – What are they looking at?
- Larry Ball – The email didn't say anything about exactly what they looked at. It just said that he and his small group went out and looked at 1,000 vehicles. This is what they found and they want us to go out and write the tickets.
- Wayne Jones – This is not the first time they've done that. Doing an inspection from the curb without walking on the lot. Most of them have to do with window tinting, tires, and lift kits.
- Larry Ball – The target back then was Watt's Automotive. These guys must be somewhere in Salt Lake City because they're capitol guys.
- Allan Shinney – They gave the numbers. Wasn't it like 55 dealerships?
- Larry Ball – They checked 55 dealerships. Five new and 50 used. 1,000 vehicles.
- Craig Bickmore – Could our response be if we had safety inspections this probably wouldn't happen and how can you help us with that.
- Larry Ball – Based on things we've been told, this isn't an effort to help.
- Allan Shinney – I was in a committee meeting with law enforcement when this topic got brought up, I flipped. I told them dealers want safety inspections, but you took it away. We boldly said they we're not aware of any dealer that would sell an unsafe vehicle if they put a temporary permit on it. Everyone knows they don't understand that part of statute, that if a dealer sells a car wholesale to the public/tax tow away that they don't issue a permit and they're acknowledging the vehicle probably has issues and that's why they do that. They said they can't do that and I said they've been doing that forever. I asked them why they weren't targeting the people on KSL for selling cars that are unsafe. My opinion, they are presenting the dealers in Utah are selling unsafe cars. I was not happy about that.
- Craig Bickmore – Do you happen to know any more intel about the report?
- Larry Ball – We don't know.
- Allan Shinney – I imagine it's going through the administration for UHP because there's a meeting coming up for the law enforcement committee and I'm sure it will get brought up.

- Clint Martin – Is it worth a phone call to ask what their motive is? Why they would spend time to check 1,000 cars? That's not something you do in an afternoon.
- Chris Mantas – I would have to agree that there's probably more unsafe cars on KSL than at a dealership.
- Kirk Schneider – That's apparently how they're looking at it. Just look at the pictures on KSL.
- Allan Shinney – Wayne and Craig know more about this than I do, but when they did the original change where safety inspections went away they were commissioned to investigate accidents for safety violations and issue citations. Last I heard they had written none, but they go on news media and say that fatal down by Strawberry was done by a car sold by a dealership. I checked, it was sold 18 months ago. It's about the presentation. I know our staff isn't going to allow anybody to present to any committee that dealers sell unsafe cars.
- Craig Bickmore – My concern is that they have to have insurance, they're bonded, and have to follow Dept. of Commerce statute. I don't know anybody who's going to sell an unsafe vehicle.
- Kirk Schneider – Especially a new car. I'm sure the manufacturers would like to know what cars don't comply.
- Craig Bickmore – How many new cars were not in compliance?
- Larry Ball – They checked 188 and 8 of them had 11 violations. So some of the cars have more than one violation. Used cars they check 714 and 276 were found in violation with 338 violations. It doesn't go into any detail.
- Allan Shinney – It's a misleading stat. I think the whole presentation that we're concerned about is we think that we need to be unified in saying that dealers want safety inspections. They should use us to get it back instead of using us to argue for it.
- Larry Ball – They're trying to blame you for not having it so they can get it back when that's totally false.
- Craig Bickmore – I will just say that there are 2 people in this room who fought so hard for so long so many years to keep safety inspections.
- Allan Shinney – I remember a specific conversation I had with you on the phone saying it will never pass and it did pass.
- Wayne Jones – Because it was about the money not safety. I have a question for the chair, would it be appropriate for this invite somebody from DPS to come and address that with this group? Instead of having hearsay letters, discussions, etc. Let's get down to the facts about how we can work together.
- Stephen Wade – Thoughts?
- Allan Shinney – I don't want anything to do with that. The bottom line is, if I start getting myself legislatively responsible I'm not trained to know what a safe vehicle is. It's subjective. That's not a law enforcement thing.
- Stephen Wade – What about us doing it? Why don't we let us talk about that?

Meeting with Senator Wilson:

- Allan Shinney – I got a phone call from Cache County Attorney's Office and they're fed up with all of these LLC vehicles in our state. Obviously Cache County is like Washington County its boarding county. The attorney up there won't prosecute them. He's telling me we need a law soon. It's the definition of residency and domicile and how long the vehicle is here. Right now the statute reads if I own a car in Idaho and I live in Idaho, but my son &

his wife move to Utah. If I own the car they can drive the car in Utah indefinitely because I own it. It's not about how long it's here. The county attorney's office won't prosecute it. I know they're a different scenario but the LLC problem in Montana is getting out of hand. It used to only be for RVs and high end cars, but now it's for all. I'm getting calls on this all the time. Why would you consciously want to do a \$10,000.00 car in an LLC up in Montana? Utah's taxation and registration laws are some of the fairest in the region. It's only about the property tax part. It's just an avalanche of bad information that they're doing the Montana thing. It only works on RVs and boats, it's really not for cars.

- Craig Bickmore – The age-based fee just took that out.
- Kirk Schneider – So what is it on RVs?
- Allan Shinney – It's the property tax.
- Wayne Jones – We changed that. About 3 years ago there were 3 things that weren't included in the age-based fee: motorhomes, special equipment, and houseboats. From the RV association side we changed that working with all 29 County Assessors. We did research on every county to see which ones received less revenue, but we did an age-based fee on that for motorhomes. There was only 2 counties that weren't held fully accountable in the money they received. Both county attorneys said they would love to have it changed to an age-based fee because it would save 1 FTE to do it that way. It was worth getting rid of it. So that changed about 3 years ago. Some of those went from tens of thousands of dollars down to hundreds of dollars. The thing that did change was the assessment became effective on new RVs whereas before they were exempt first. People were complaining that they had \$50-\$100 more for their registration. It's in 3 year increments. For the last year and half we've had no complaints.
- Allan Shinney – It's just misinformation and the cost effect hasn't take place yet. It doesn't help if the RV dealers are telling them how to set up an LLC in Montana. That's not good for Utah.
- Wayne Jones – I'll report to you on that. The RV dealers hate doing that. They tell them that they can't do it and if they do it they're going to get caught. Receive fines and have their vehicles impounded. The industry does not want to do Montana LLC.
- Allan Shinney – I'll keep you posted on the Senator Wilson thing. He understands and he lives in that county so he'll definitely want to do something about it.

Salvage Vehicle Issues:

- Larry Ball – We got a case recently that will effect dealers. We're fighting the process right now. A dealer sold a vehicle and the customer found out somewhere down the line it had a salvage history. The Utah County Attorney's Office is going to prosecute the dealer. The dealer got the vehicle on a clean title and sold it on a clean title. They said because it has a salvage history the dealer should have known it and they are going to be charged criminally with a misdemeanor.
- Allan Shinney – We are going to write a letter on the dealer's behalf for this particular case saying the dealer offered to take the car back. We have a ton of precedents on this that if the dealer offers to take it back statute says it's like it never happened. How can they charge them for something they didn't know? This goes back to that meeting we did where I said if it comes from a salvage auction then it should be R/R. This is cementing that even further. It says total loss history.

- Larry Ball – They’re charged for the fact it was disclosed properly. The disclosure states that this disclosure statement must be given by the seller to the buyer every time the vehicle is knowingly resold with a salvage certificate or total loss history.
- Allan Shinney – We do not have the definition for total loss history. The salvage part we do, we get all of that. I had one that was in Davis County a dealer made \$30,000.00 on a vehicle transaction. They bought the car out of Missouri knowing it was a “total loss,” but had a clean title. Dealers don’t care about the history they want to know if it was a clean title. So they buy it, fix it, sell it, and make 30 grand. This guy buys it in Utah and moves to Idaho and Idaho brands it. Idaho can do what they want. He filed a complaint with us, I screened it through the DMV (41-1a is the DMV section) and they said no if it comes in on a clean title then we issue a clean title. That’s why this board got rid of cleaning titles. We do not clean titles because of that argument. I don’t like some of the decisions we’ve made, but there’s nothing I can do about it right now. It’s going to be a lawsuit.
- Larry Ball – It’s probably going to be happening on this vehicle. They’re going to go after the DMV too.
- Stephen Wade – It’s one thing when a dealer knows. I’ve had a clean Carfax the whole thing and found out that it didn’t. You’re in the dark.
- Larry Ball – Statute is very clear when it starts talking about it in the code that they’re charging under, it says it’s at the time of application. Well that is a clean title at the time of application it’s not a salvage.
- Allan Shinney – What we find through our investigations are different states have different philosophies. Utah requires a salvage certificate, other states do not. Some states will search a vin and have a title issued in an insurance company’s name. That’s a red flag for me. If you have a title in the insurance company’s name, there is a reason for that. Those are the problems we’re having. Wayne knows more about this than I do, but if a car gets wrecked and the insurance company acquires the title they will not issue a salvage certificate until that vehicle is on the road. So NMVTIS sometimes falls behind and that causes us problems here.
- Wayne Jones – Part of the other problem is who is determining if it’s salvage. Because some of those particularly out of state are a vehicle that’s been damaged in a wreck. It doesn’t necessarily go to an insurance company, but because it showed an insurance report then is it granted or not granted? Depends on the state. This is really a national issue. They need to nationalize the salvage brand then it would solve the problem.
- Allan Shinney – They’re saying if an insurance company buys it the jargon they use is total loss. So they will put in NMVTIS “total loss.” That doesn’t mean it’s going to get a R/R title. That statute says total loss history. I don’t know what that means, but the Utah County Attorney Office says they’re going to prosecute for that.
- Kirk Schneider – Where did they find a history?
- Larry Ball – Carfax. The dealer does not use Carfax. It happened 2 states back it was branded, but it’s been clean in 2 states. The attorney for the guy who bought the car wants Utah DMV to brand it. We told them that the only person who can do that here is the insurance company and we are not going to do that. He’s threatened to sue DMV and now he’s going after the car dealer for triple damages even though the dealer offered to buy the vehicle back.
- Kirk Schneider – Why the criminal complaint?
- Allan Shinney – It’s in statute that way.

- Larry Ball – They said he knew, he sold the car, should have known the history so the dealer is in violation.
- Allan Shinney – To me that's redundant. We don't deal with it that way. Is it a clean title? That's all they have to ask.
- Adam Jones – One of the things that dealers have been bringing up to us lately is that even though they get a clean title the vehicle history with Carfax or others is showing clean when they run it, but it shows a history later on. If they pull the report and it has a date on it we tell them to put it on file. That way they have proof to show it was listed as a clean title.
- Chris Mantas – Depending on your title and when the car was damaged it's a process after the insurance turns all that stuff in. If the paperwork is building and there isn't enough hands to get this information in it could be down the line before this vehicle even shows up.
- Allan Shinney – Utah only has 5 brands. One of the cases we have out of central Utah was a dealer that didn't try to deceive anyone. They bought a hail damage car, branded title. Utah issued a clean title because we don't brand for hail. This guy didn't repair it so you could see it looked all dented up. You can clearly tell it was a hail damage car. They sold it to someone in Idaho, Idaho issued a brand, and the buyer files a complaint.
- Wayne Jones – That's a difference in state laws. It's not considered structural damage, its cosmetic damage. So should it be branded or not be branded? That's the issue we have to deal with.
- Allan Shinney – The other factor is, let's say Utah issues a clean title and the manufacturer issues a warranty. As soon as you issue a rebuilt/restored title that warranty is done. There is no intent to deceive here. There's a lot of people in the salvage industry who do everything right. We need to change that total loss history.
- Larry Ball – There is no definition to what a total loss history is.
- Craig Bickmore – This goes back a long ways when I was on the NADA committee for salvage vehicle titles. We were battling this issue, talking about national salvage titles. We were saying that this will never happen because we have 50 different states. It's never got anywhere since. There's no national fix for this.
- Chris Mantas – We're starting to see this motorhome issue and these travel trailers. We're getting these calls in our industry. It's not just the ability to tear all the wood of these things, what we're finding out now is the amount of needles that are in these things are getting so hazardous. The problem is compounding like crazy. The towing companies are losing a lot of money by taking them so no one wants to pick them up. We need to figure out a way that we're going to address this issue and how to dispose of it. I think the idea should be they're un-licensing or every time one is sold X amount of money is set aside to a fund that could be pulled out to help.
- Clint Martin – How much does it cost to dispose of each one?
- Chris Mantas – I'm trying to figure out that number right now. We were going to sit down with a group of us because we have to make it fair. It has to be based on footage. My thoughts footage or weight.
- Allan Shinney – There's a guy who does this for law enforcement in Salt Lake he says he loses money by taking those, but gets it back in other ways. He has to process them, take the wood out, etc. I am convinced he is losing money.
- Chris Mantas – The other thing we need to keep our eye on is we are going to have major problems with this EV battery situation. I'm seeing it pile up more and more.

- Allan Shinney – There's an article in the news about the lithium ion batteries that are in those cars, they said if take a radon detector the image of the person's entire body driving those are red.
- Craig Bickmore – Myself and others have been sitting down talking about this. For the first time in 25-28 years we are so close to being on the same page as the manufacturers. The one part we don't have is the EV batteries. We can see there's a problem, they can see there's a problem. There's other issues besides recycling issues and we can see that they see it. No one has an idea how to solve this problem.
- Allan Shinney – There was 3 house fires in northern Utah this last week that were all by EVs.
- Chris Mantas – In my world, that is one thing that could happen. The other part working with other auto recyclers is decommissioning these cars to get these batteries out. No one EV car is the same and it doesn't disconnect the same. We're trying to get some awareness out there.

Temporary Permit Audits:

- Allan Shinney – The best thing for you guys to do would be to send out emails. It's in their best interest to call myself, Larry, or Cole to go over their audits with them. Not only will we save them money, but we are willing to do it and teach them.
- Larry Ball – 90% of the penalty on these is laziness. That's easy to fix.
- Allan Shinney – I got a check from a big dealer for \$117,000.00. After I went through it with them they ended up paying \$3,500.00. All it came down to was giving us license plate information.

Meeting adjourned.