



MVED Newsletter



April 2005

Newsletter of the Motor Vehicle Enforcement Division

Utah State Tax Commission

Important Dealer Bond Changes

New legislation enacted this year will require dealers, crushers and body shops to obtain and submit a new bond form to the Motor Vehicle Enforcement Division during the renewal period. **Check with your bonding company about obtaining your new bond as soon as possible.** The new bond form can be found online at <http://tax.utah.gov/forms/current/tc-450.pdf> or you can call MVED at 801-297-2600.

In addition to the new bond form requirement for all dealers due to the new language requirements, body shop bond limits were raised by the legislature from \$10,000 to \$20,000. Crusher, motorcycle, ATV and small trailer dealer bonds are changing from \$1,000 to \$10,000.

New Legislation Passed This Year

1. S. B. 37 Motor Vehicle Business Regulation Act Amendments

This bill increases the bond amount for a motor vehicle dealer from \$50,000 to \$75,000 beginning on **July 1, 2006**. It also increases the crusher, motorcycle, off-highway or small trailer dealer bond from \$1,000 to \$10,000 and body shop bonds from \$10,000 to \$20,000 beginning on **July 1, 2005**. The bill also provides that the bond surety company will notify the Motor Vehicle Enforcement Division when a bond claim is paid. **Due to the new language requirement in the surety bond, a new bond will be required from all dealers, body shops, crushers, motorcycle, ATV and small trailer dealers before the dealer's license renewal for 2005-2006.**

2. H. B. 299 Motor Vehicle Business Licensing Amendments

This bill provides that the division may suspend, revoke or deny a business license for violations of any state or federal law involving fraud; and a violation of any state or federal law involving registerable sex offenses.

3. H. B. 68 Motor Vehicle Enforcement Amendments

This bill increases the fee for a temporary permit by .75 cents and requires the fees be used for increased enforcement of the Motor Vehicle Business Regulation Act.

4. H. B. 149 Vehicle Identification Number Inspectors

This bill modifies the Motor Vehicle Act by allowing new and used motor vehicle, motorcycle, and small trailer dealers to be qualified vehicle identification number inspectors.

5. S. B. 98 Motor Vehicle Registration and Title Amendments

This bill provides that the signature of an owner, rather than each owner, is required for a vehicle to be registered.

6. H. B. 67 Abandoned Vehicle Amendments

This bill allows the Motor Vehicle Division to authorize certain public garages, impound lots or yards to conduct the sale of seized vehicles, vessels, and outboard motors.

7. S. B. 51 New Motor Vehicle Franchise Act Amendments

This bill amends provisions relating to the Utah Motor Vehicle Franchise Advisory Board, including:

- . membership of the board;
- . requirements for the transaction of business by the board; and
- . powers and duties of the board;
- . clarifies the powers and duties of the executive director of the Department of Commerce and the advisory board;
- . shifts numerous duties from the board to the executive director
- . allowing the executive director to issue certain decisions after a recommendation is received from the board; and
- . allowing the executive director to make administrative rules in consultation with the board;
- . adds provisions regarding administrative hearings to Section 13-14-106;
- . shifts the responsibility for notifying a franchisor of a protest to the establishment or relocation of a franchise from the board to the department;

8. Powersport Vehicle Franchise Act

This bill amends provisions relating to the Powersport Vehicle Franchise Advisory Board including:

- . membership of the board;
- . requirements for the transaction of business by the board;
- . Powers and duties of the board;
- . clarifies the powers and duties of the executive director of the Department of Commerce and the advisory board;
- . shifts numerous duties from the board to the executive director including:
- . allowing the executive director to issue certain decisions after a recommendation is received from the board; and
- . allowing the executive director to make administrative rules in consultation with the board;
- . shifts the responsibility for notifying a franchisor of a protest to the establishment or relocation of a franchise from the board to the department;
- . clarifies that the executive director is to comply with procedures for the issuance of formal orders mandated by Section

63-46b-10 in both formal and informal adjudicative proceedings.

Renewal Checklist

Please make sure you have the following items in order to renew your business in June:

- Obtain new bond. Please see the other side of this newsletter to see what changes have been made.
- New/Used Vehicle Dealerships must attend a three-hour refresher course. The refresher course can be taken anytime after April 1st. You can take the refresher course online at www.mved.utah.gov and click on Dealer Training or online through Wayne Jones at IADA. Live classes are also being offered by Sonja Jorgensen at (801) 347-5405; or Wayne Jones at IADA (801) 566-3802; or Dave Hale at Real Value Insurance at (801) 298-3811. *This class is **not** required for New/Used ATV/Motorcycle/Small Trailer Dealers.
- If you have Dealer, Dismantler, Manufacturer or Transporter plates, you **MUST** have a copy of your current insurance declaration page. The declaration page should list your business name, your insurance company information, policy number and expiration date. Make sure your policy is not expired. We will **NOT** accept your paperwork without valid proof of insurance.
- Please review your renewal packet and verify which dealer plates and salespeople you need to renew.
- If deleting an owner from your business, you must have a resignation letter from that person.
- If adding owners, they must have their 8 hour training certificate (for new or used car dealerships), photo, fingerprint card, and fingerprint waiver (TC-465).
- If adding a franchise to your business, you must have a letter from the company authorizing the franchise of their product.
- If a salesperson no longer works for your dealership, please send in their license to MVED with their suspended date.
- If you have a new salesperson that starts in June, you will need to pay for a new license that will expire on 6/30/05. Then they will need to renew by 6/30/05 to obtain a license valid until 6/30/06.

Renewals can be done online to save your business valuable time and money!



Other MVED Items

Advertising and Other Dealer Regulations

Dealers with questions on advertising or other rules regarding licensing, signs or other matters can obtain information by going to the Tax Commission on-line site at www.tax.utah.gov and clicking on the Tax Research Library. In the section dealers can find the current Motor Vehicle Enforcement business regulations regarding advertising and other matters. Also the Motor Vehicle Enforcement site can give you access to all state statutes regarding motor vehicle dealer and licensing issues.

Unlicensed Sales Personnel

Remember that there are very stiff fines for having unlicensed salespersons working at the dealership. The dealership is responsible to make sure all employees involved in selling motor vehicles are licensed and that the salesperson licenses are posted in the dealership and available for inspection.

Off-Site Sales

A reminder that Utah law requires that dealers holding sales away from the dealer business location must obtain an off-site sales license from MVED in advance of the sales event. A TC-758 form must be submitted along with a picture of the sign to be used at the sale, and a \$26.00 fee.

Removal of Old License Plates

The Motor Vehicle Division has been receiving complaints from people who have traded in vehicles to dealers or that have been towed to impound yards and that apparently were sold with the prior owners license plates left on. Some of these vehicles have been operated with the prior owners license plate, receiving parking citations or being used in crimes. Please make sure you remove all license plates before you sell a vehicle. License plates should be returned to the Motor Vehicle Division. The Utah law addresses this issue in:

41-1a-701. Transfer by owner -- Removal of plates.

- (1) If the owner of a registered vehicle transfers his title or interest to the vehicle the registration of the vehicle expires. The owner shall remove the license plates from the transferred vehicle.
- (2) Within 20 days from the date of transfer the owner shall forward the plates to the division to be destroyed or may have the plates and the registration number assigned to another vehicle, subject to the rules of the division.

Commonly Used Phone Numbers and Websites

MVED	Phone 801-297-2600
MVED website	www.mved.utah.gov
Motor Vehicle	Phone 801-297-7780
Motor Vehicle website	www.dmv.utah.gov
State Tax Commission	
Sales Tax Division	Phone 801-297-2200
Warehouse	Phone 801-297-3878
Tax Commission website	www.tax.utah.gov