

"DRIVE SMART" LICENSE PLATES

At the January Board meeting, those in attendance heard a presentation from Nancy Rodrigues of "DRIVE SMART Virginia". DRIVE SMART is a statewide, nonprofit, public-private partnership dedicated to reducing traffic-related deaths and injuries.

Rodrigues displayed the new DRIVE SMART license plates for which orders are now being taken. The license plate includes the DRIVE SMART logo. Once 1,000 of these license plates are sold, \$15 of the \$25 cost (plus registration) will go to the state's Traffic Safety Fund. For more information on DRIVE SMART and how your dealership can work with this organization, call Ms. Rodrigues at 804/346-3205 or 800/401-5038.

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VI RGI NI A/MARYLAND CROSS-BORDER TI TLI NG

In the past, Maryland customers who bought vehicles from Virginia dealers experienced a process that required more steps and paperwork than buying from a Maryland dealer. Frustrated by this multi-step process and inspired by the success of Virginia's Online Dealer program, dealers who did business in **both** states asked if something could be done to streamline the process. In response to this need, officials of both the Virginia and Maryland DMV's initiated a pilot program.

In September 1998, Virginia and Maryland began to pilot a cross-border titling program that allowed online dealers in Virginia to title and register vehicles in Maryland for their Maryland customers, and vice versa. Once the pilot started, many customers were amazed when their dealer produced not only their car, but also a license plate and registration card from their home state. Even though the dealers could not present a title at the point of sale, customers were pleased to hear that they would receive it in the mail within a week or two. Bottom line: customers got what they came for in one visit, just as if they purchased the vehicle from an in-state online dealer.

The pilot ended in December, and now this program is available to all participants in Virginia's Online Dealer Program. In addition, for Virginia customers who request one of Virginia's 150 special plates or a personalized plate, participating dealers in both states can issue multi-use plates until the requested plates can be produced and mailed.

For more information about cross-border titling or Virginia's Online Dealer program, please email Joseph Owsiak, Assistant Administrator, Vehicle Licensing and Insurance Services Administration, Virginia Department of Motor Vehicles at dmvjho@dmv.state.va.us, or telephone him at (804) 367-0510.

For information on "Cross-Border" Emissions Inspection, please see page 5. Also, on page 4 there is an article on how to obtain a duplicate Maryland title.

Thanks for your feedback on Continuing Education. A second meeting has been scheduled for February 25, 1999, at 1:00 p.m. in the Williamsburg Room (1st floor), located at DMV, 2300 W. Broad Street, Richmond, Va.

REMI NDERS & USEFUL TI PS

Do you own more than one dealership? If you own more than one dealership and have more than one dealer number, be sure to indicate the correct dealer number on your paperwork. Some dealers have made the mistake of doing all of their paperwork under one dealer number. This could be a problem, especially when it comes time to renew your dealer tags. The number of dealer tags allocated to a dealer depends on the number of sales made. If all of your paperwork is done under one dealer number, the other dealership(s) may not be able to renew all of their dealer tags. Also, when completing your paperwork please be sure that the dealer number used corresponds to the dealer number for the licensed location from where the vehicle was sold.

Wholesale Sales. As noted above, the number of dealer tags ("D-Tags") you are entitled to is tied to the number of sales you have completed. As long as the correct dealer number is noted and captured by DMV when the paperwork is processed, we know how many "retail" sales you have had. Wholesale sales also count toward your sales count when determining the number of dealer tags you are authorized.

As wholesale sales are not included in DMV's count of your sales, you must document these sales on a form DLD 21 or similar document. As part of our records inspection process, Motor Vehicle Dealer Board field representatives will be verifying the information submitted on form DLD 21 or similar documents with your records. If you have questions or need copies of form DLD 21, please contact us by telephone, FAX or letter.

Demonstrating a vehicle. Please remember that "Temporary Transport" tags and "Rental" tags can not be used to demonstrate a vehicle. These license plates should never be used for a customer to test drive a vehicle -- whether that test drive is for 3 minutes or 3 days.

Clarification. In the last issue of "Dealer Talk", under "Tips", we noted that a salesperson "may not arrange for the sale of a vehicle that is in the inventory of another dealer." As a point of clarification, this was **not** meant to suggest that a dealer cannot offer for sale a vehicle that will be acquired through a dealer exchange (DX), provided that the vehicle is placed into the dealer's inventory before making the sale. Virginia law does require that in selling a vehicle, a salesperson can act only on behalf of the dealer by whom he or she is employed.

DEALER TALK

A Bi-monthly newsletter of The Virginia Motor Vehicle Dealer Board

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NOTE: We make every effort to ensure information in *Dealer Talk* is accurate, but it is not a substitute for legal advice.

Calendar of Events

Monday, March 15, 1999:
Place: DMV Headquarters
Time: 9:00 a.m.
Transaction Recovery Fund Committee Meeting

Monday, March 15, 1999:
Place: DMV Headquarters
Time: 10:00 a.m.
Licensing Committee Meeting

Monday, March 15, 1999:
Place: DMV Headquarters
Time: 1:00 p.m.
Dealer Practices Committee Meeting

Monday, March 15, 1999:
Place: DMV Headquarters
Time: 3:00 p.m.
Advertising Committee Meeting

Tuesday, March 16, 1999
Place: DMV Headquarters
Time: 8:30 a.m.
Finance Committee Meeting

Tuesday, March 16, 1999
Place: DMV Headquarters
Time: 9:00 a.m.
Franchise Law Committee Meeting

Tuesday, March 16, 1999
Place: DMV Headquarters
Time: 9:30 a.m.
Full Board Meeting

ACTIONS:

- Two Transaction recovery Fund claims were brought before the Board for consideration. In the first claim, a licensed Virginia Dealer purchased a vehicle through a Virginia auction from a registered dealer from New York. It was later discovered that the vehicle's odometer statement was not accurate. The New York dealer eventually took the vehicle back, however, the Virginia dealer was still out a certain amount of money. After following the prescribed procedure, the Virginia Dealer was determined to have incurred a loss of \$810 on the transaction. The Board approved a claim in this amount.

In the second claim before the Board, evidence showed that a dealer used three vehicles in his inventory as collateral for a loan from another dealer. The dealer did not pay-off the loan and in addition, sold the vehicles he had used as collateral. The Board determined that the dealer, who had made the loan and had filed a claim against the Fund, did not have a claim that was compensable. The transaction recovery Fund is designed to make **purchasers** of motor vehicles whole if they have been the victims of fraud.

- Advertising Violations. During the months of November and December, the Board initiated 30 educational telephone calls. Common problems included: Advertising a "Free Item" when a purchase is necessary to receive the "free" item; incomplete Truth in Lending; failure to clearly disclose that the vehicles are "used"; failure to identify in the advertisement the name of the dealership or the "VA DLR" designation; offering a "guaranteed" trade-in allowance; improper use of the term "wholesale"; disclosure not conspicuous; and failing to include a "Sale End Date" when advertising a "sale".
- The Board took action on a dealer who was previously assessed a civil penalty. After completing an appeal process, the penalties were still in place. The dealer has refused to pay the penalty. Therefore, the Board suspended all licenses issued to the dealer for thirty days or until the civil penalty is paid in full, whichever is longer.
- At a previous meeting the Board assessed a civil penalty on a dealer for displaying and selling a vehicle from a location other than his licensed location. The dealer requested and had an informal fact-finding conference in front of a hearing officer. The Board accepted the hearing officer's recommendation to assess the \$1,000 civil penalty.

(Continued next column)

ACTIONS: *(Continued)*

- A dealer who had received previous written warnings concerning maintenance of records was assessed a civil penalty in the amount of \$1,500 for further violations of this requirement. In addition the Board determined that all licenses and certificates issued to the dealer be revoked.
- Previously a dealer had received several warning letters concerning maintenance of various types of records as well as allowing an unauthorized individual to use dealer plates. The Board determined that all licenses issued to the dealer should be revoked for further violations of these requirements.
- The Board assessed a civil penalty in the amount of \$3,000 and suspended all licenses issued to that dealer for a period of 12 months for the following violations: (1) Failure to maintain a record of temporary tags issued. (2) Failure to give a prospective buyer written permission when not accompanied by a licensed salesperson. (3) Failure to maintain all dealer records on premises. (4) Allowing an unlicensed individual to sell cars. (5) Selling 30-day temporary tags.
- The Board suspended a salesperson's Certificate of Qualification for a period of 12 months for selling 30-day temporary tags.
- A licensed salesperson was assessed a civil penalty in the amount of \$1,500 for allowing and compensating an unlicensed individual to sell cars.
- At an earlier Board meeting, a salesperson was assessed a civil penalty in the amount of \$800 for making a material misstatement on an application. The license of the salesperson was also suspended for 30 days. The salesperson requested and had an informal fact-finding conference with a hearing officer. After considering the hearing officer's report and recommendation, the Board affirmed its original decision and determined that the \$800 civil penalty and 30 day suspension should be imposed.
- At its November meeting, the Board levied a \$1,500 civil penalty on a dealer for compensating an unlicensed individual who the dealer had allowed to sell vehicles. The dealer has requested a hearing in this matter.

Editors Note: Dealers have the option of "appealing" any of the above Dealer Board decisions by requesting a hearing in front of a hearing officer.

OBTAINING DUPLICATE MARYLAND TITLES

Effective February 1, 1999, Virginia dealers may obtain Duplicate Maryland Titles using the following procedures:

- Dealer duplicate titles cannot be issued within ten (10) days of the sale of the new vehicle.
- This procedure can only be used by licensed Maryland and Virginia dealers.
- **Duplicate titles to Wholesale dealers will not be issued.** Wholesale dealers may only buy a vehicle from, sell a vehicle to, or exchange a vehicle with another dealer or auto auction.
- The application for Duplicate Certificate of Title (VR-3) is a "Three (3) part" form. All three (3) parts must be completed when submitted.
- The currently registered owner **must** complete and sign the VR-3. If the vehicle is company owned, The application must be signed by an Officer of the Company, showing their capacity.
- Dealership information must be completed. The person signing for the dealership is also required to print name and give capacity.
- The application must be accompanied by a copy of the Buyer's Order (identifying the vehicle as a trade-in and verifying the transaction date).
- Odometer mileage statement must

OBTAINING DUPLICATE MARYLAND TITLES (Continued)

- VR-3's must be submitted on a transmittal sheet,(VR-205).
- VR-3's, **ALL** accompanying paperwork and fee's (\$20 per title) should be mailed to the following address:

MOTOR VEHICLE ADMINISTRATION
6601 RITCHIE HIGHWAY, NE
GLEN BURNIE, MARYLAND 21062
ATTENTION: DUPLICATE TITLE SECTION
ROOM 202

- The registered owner will receive a copy of the VR-3 application form in the mail from (MVA) to Ensure no alterations have occurred to the form.
- VR-3 and VR-205 forms can be obtained via regular procurement channels through the Motor Vehicle Administration Warehouse.
- Mr. Ray Holton will be your MVA Warehouse contact. You can reach him by phone at (410) 768-7460 or fax him at (410) 762-5136.

**State Holidays for the Month of
February**
**Our office will be closed on:
February 15, 1999, in observance of:**



CROSS- BORDER EMISSIONS INSPECTIONS

As Northern Virginia Dealers well know, motorists from Maryland and Northern Virginia are required to have an emissions inspection. To meet this requirement, Virginia's Department of Environmental Quality (DEQ) recently authorized Virginia's DMV to accept valid emissions inspection certificates from Maryland. Plus, Maryland vehicles with sufficient time remaining on their emissions inspection certificate may be registered in Virginia for up to one year without an additional inspection. Likewise, Maryland will accept a Virginia-inspected vehicle entering Maryland with a valid emissions inspection certificate. Like all Maryland vehicles, however, the owner will receive a notification for a subsequent inspection. In addition, DEQ extended this waiver to Pennsylvania and may soon do so for other states that meet their requirements. DEQ intends to rewrite regulations to allow for two-year vehicle registrations in the future.

WEB SITE

The Motor Vehicle Dealer Board is getting very close to completing its WEB site. For dealers and the public with access to the World Wide Web, the site will provide a wealth of information. Look for details in future additions of Dealer Talk.

Speaking of the World Wide Web, the Commonwealth of Virginia has a Web site that you should visit. The site includes links to other state agencies, including state colleges and universities. The site also has links to the Virginia General Assembly and the Code of Virginia as a searchable database! The address for the Commonwealth of Virginia Web site is simply <http://www.state.va.us/>

CONTINUING EDUCATION

In the last issue of "Dealer Talk" there was an article concerning continuing education. In that article, it was noted that the Motor Vehicle Dealer Board Licensing and Dealer Practices Committees would hold a joint committee meeting in January to discuss this topic.

Upon hearing the report from this joint committee meeting, the full Board concluded that the question of initial and continuing education for dealers, salespersons and dealer-operators had merit. Further, a task force that includes members of the Board, staff from the Board and DMV and representatives from trade associations should be formed. The mission of this task force is to consider the following: (1) General subject areas to be included in any course and (2) How to credential outside entities to deliver courses. The task force will meet sometime before the March Dealer Board Meeting.

In addition, the Board wants your feedback. In particular, the Board needs your feedback on the topics that would be included in any possible future continuing education courses. Please send us a Fax (804 367-1053) or a letter (2201 W. Broad Street, Suite 104, Richmond, VA 23220), outlining what topics you feel should be covered in a continuing education course. For your convenience, you may circle topic areas, as listed below, you feel should be included in continuing education, as well as add additional ones and simply mail or FAX to us.

- Licensing laws and procedures.
- IRS Cash Reporting
- Truth in Lending and Leasing
- Buyers Guide
- Truth in Mileage
- Power of Attorney
- Processing Fee
- Use of dealer plates
- Vehicle Titling Procedures
- Record Keeping
- Advertising
- Transaction Recovery Fund
- Other: _____

ATTENTION ALL DEALERS:

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