

DMV and MVDB Urge 30-Day Titling Compliance Sanctions Announced for Repeat Offenders

Titling transactions that exceed the statutory 30-day limit can lead to confusion for customers, dealers, and DMV, as well as create the potential for fraud. To ensure that dealers understand the rules regarding temporary tag issuance and the consequences of repeated titling delays, the DMV and the Motor Vehicle Dealer Board (MVDB) have developed a new education and sanctioning process.

"When we discover that a dealership has an unusually high number of titling transactions that exceed the 30-day limit, we feel the need to provide more information," said DMV Assistant Commissioner Karen Grim. "Usually the best way to provide that information is through two-way, face-to-face discussions."

Beginning in early March, DMV and MVDB staff will visit franchised and independent dealerships, provide written legal guidelines to assist with compliance, and answer questions. In the following two months, if 25 percent or more of the dealership's titles are processed beyond the 30-day limit, DMV will send a certified letter to the dealership warning of possible sanctions if the non-compliance trend continues. After sending the letter, if titling transactions continue to exceed 30 days, DMV will conduct an administrative hearing for the dealership. Non-compliance could result in the suspension of the privilege to issue temporary tags and/or the cancellation of online dealer processing privileges. Further violations could result in criminal charges. Convictions of criminal violations can result in the loss of a dealer license.

"We recognize that dealers often experience obstacles meeting the 30-day limit for titling a vehicle," stated DMV Vehicle Services Director Jim Gurney. "Sometimes the dealer does not have the old title. And that's okay. We can help."

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HOLIDAY HOURS

In observance of the upcoming holidays, all state agencies, including the Dealer Board, will be closed on the following dates:

Monday
February 20, 2006



President's Day 

BOARD ACTIONS

Unlicensed Salesperson: At the November meeting, the Board assessed a \$10,500 civil penalty on a Richmond area dealer for compensating an unlicensed individual in connection with the sale of twenty-one vehicles. The dealer appealed the Board's decision to the local Circuit Court. The dealer's attorney asked the Board to reconsider the amount of the civil penalty assessed. He readily admitted his client's guilt. The attorney stated that if an agreement could be reached, he would drop the appeal to circuit court. [Please note that the appeal of an administrative decision is not an opportunity to "retry" the case. Rather, the judge will examine the Board's authority to assess a civil penalty and if authorized, that the Board followed proper procedure.] Considering that the evidence against the owner was overwhelming and his unwillingness to cooperate with the Board's requests, the Board took no further action, leaving the previously assessed civil penalty in place.

Unlicensed Salesperson: During a random inspection of a Southwest Virginia dealership, a MVDB field representative discovered that an unlicensed individual was compensated for the sale of 37 motor vehicles. As a result, an informal fact-finding conference was convened. The hearing officer recognized that the dealer was in violation of the law; however, he recommended that no action be taken against the dealer. The Board disagreed with the hearing officer and levied a \$1,850 civil penalty.

Record Keeping: Several inspections of a Richmond area dealership revealed a number of on-going record keeping deficiencies and failure to submit application for title to DMV within the required 30 days. An educational letter was also sent to the dealer. Because of these on-going problems, an informal fact-finding conference was convened. The hearing officer concluded that the dealer was in violation of all the named Code Sections and recommended civil penalties totaling \$400. Based on the circumstances surrounding this case and the fact that the dealership has been closed, the Board decided not to take any further action at this time.

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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

**All Meetings held at DMV Headquarters
2300 W. Broad Street, Room 702
Richmond, VA**

Monday, March 13, 2006

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Monday, March 13, 2006

Time: Immediately following Dealer Practices
Licensing Committee Meeting

Monday, March 13, 2006

Time: 9:30 a.m.

Advertising Committee Meeting

Monday, March 13, 2006

Time: Immediately following Advertising
Transaction Recovery Fund Committee Meeting

Monday, March 13, 2006

Time: 10:00 a.m.

Full Board Meeting

NOTE: Meetings may begin later, but not earlier than scheduled. Meeting end times are approximate.

BOARD ACTIONS

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Maintaining Posted Business Hours: Attempts were made by a MVDB field representative to inspect this Richmond area dealership on at least two occasions during the posted business only to find the dealership closed. An educational/warning letter was sent after each of these two attempted inspections. A third unsuccessful attempt to inspect this dealership resulted in the assessment of a \$250 civil penalty which was paid by the dealer. A further unsuccessful attempt to inspect the dealership resulted in the assessment of a \$500 civil penalty. The dealer appealed this assessment and the Board convened an informal fact finding conference. The hearing officer recommended that since there are extenuating medical circumstances, that no civil penalty should be assessed. The Board disagreed with the hearing officer's conclusion and levied a \$500 civil penalty.

Maintaining Posted Business Hours: Attempts were made by a MVDB field representative to inspect this Haymarket dealership on two occasions during the posted business only to find the dealership closed. An educational/warning letter was sent after the first attempt and a \$250 civil penalty was assessed and paid after the second failed attempt. A third unsuccessful attempt to inspect the dealership resulted in the assessment of a \$500 civil penalty. The dealer appealed this assessment and the Board convened an informal fact finding conference. The hearing officer recommended that the Board assess a \$500 civil penalty and that if the dealer commits this same infraction in the future, in addition to a civil penalty, that his license be suspended. The Board voted to assess a \$1,000 civil penalty and require that the dealer successfully complete the dealer-operator course within the next six months. Failure to complete the course will result in suspension of the dealer's licenses.



ADVERTISING

At its January meeting, the Advertising Committee reviewed advertisements such as "repossession sale"; "government seized vehicles"; and other similar advertisements. After reviewing these advertisements, the consensus of the Committee was, in order to keep these types of advertisements from being deceptive, the dealer must indicate, in a disclaimer, how many of the advertised vehicles are in stock. The dealer must have a reasonable number of the vehicle types (reposed, government, etc) in stock. MVDB staff will examine these types of advertisements carefully and if necessary request clarification from the dealer.

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While waiting to obtain a title for reassignment, a dealer may title and register the vehicle and place a "title held" indicator on the DMV record. This process is available to both manual and online dealers, provided the dealers provide a bill of sale with the application and submits the sales and use tax and titling fee. DMV will then register the vehicle. However, the new title will not be released until the old title is surrendered. The purchaser cannot resell the vehicle until the title held is released.

"This process does not release the dealer from securing the old title," stated Gurney. "However, it provides the additional time sometimes needed to secure the old title." Once the old title is received, the dealer should mail it to the DMV Titles and Registration Department, P. O. Box 27412, Richmond, Virginia 23269. The agency will release the title and mail it to the vehicle's owner or lien holder.

For more information about titling vehicles, issuing temporary tags or other vehicle-related programs, contact DMV Dealer Services at (804) 367-0901 or (804) 367-1680.

For more information regarding Virginia's titling and registration laws, see Virginia Code section 46.2-1542.



DEALER-OPERATOR COURSE

Beginning January 1, 2006, the dealer-operator of any new independent motor vehicle dealership will be required to successfully complete a course of study before they will be allowed to take the dealer-operator qualification test at any DMV Customer Service Center. This course can be beneficial to others who work in a dealership. We encourage dealers – both independent and franchise - to consider attending this class. You may also consider sending your dealer-operator, title clerk and sales staff.

The Virginia Community College System and the Virginia Independent Automobile Dealers Association (VIADA) have teamed up to present a two-day course each month at one of the many College campuses throughout the state.

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COURSE SCHEDULE

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February 21 & 22 - Patrick Henry Community College,
Rocky Mount Campus
70 Wray Street, Rocky Mount, VA 24151
540-483-0179 www.ph.cc.va.us

March 14 & 15 - Germana Community College,
Fredericksburg
10000 Germana Drive, Fredericksburg, VA 22408
540-891-3000 www.gc.cc.va.us

April 11 & 12 - Danville Community College
1008 South Main Street, Danville, VA 24541
434-797-8430; Toll Free: 800-560-4291
www.dcc.vccs.edu

May 9 & 10 - Blue Ridge Community College, Weyers
Cave (Near Harrisonburg)
P. O. Box 80, One College Lane, Weyers Cave, VA 24486
(540) 234-9261; Toll Free: (888) 750-2722 ext 2215
www.br.cc.va.us

June 13 & 14 Virginia Highlands Community College,
Abingdon
P.O. Box 828 Abingdon, VA 24212
276-739-2400; Toll Free: 877-207-6115 www.vhcc.edu

Registration materials and information are available from each of the Community Colleges' WEB site or by calling the individual college. Registration information is also available through the MVDB at 877-270-0203 and VIADA at 800-394-1960.

The cost is \$300 and must be submitted by check or credit card, payable to the college, and submitted with the registration.