

## DISCOUNT LICENSES

Soon you will be able to receive a discount in your licensing fee if you renew for two years and/or if you renew on-line. At it's May meeting, the Motor Vehicle Dealer Board voted to implement a discount incentive program to start sometime after July 1, 2001.

Here is how it will work: If you choose to renew your dealer licenses for two years, the fee will be discounted by \$25. The current single year dealer license fee is \$200. With implementation of the discount, you will pay \$375 for two years. Not only will you be saving money, but you will also have the convenience of only needing to renew your license every other year.

The second discount that will be offered by the Dealer Board will be to those dealers who choose to renew their licenses on-line. In the last issue of Dealer Talk there was an article about our partnership with [Virginia Interactive](#) to enable you to conduct nearly all of your transactions with the Board on-line. If you do renew on-line, you will receive a \$50 discount off of the \$200 licensing fee.

Also, dealers may electronically complete and submit all forms to the MVDB as a subscriber to the MVDB's interactive services. Subscribing dealers will be allowed to pay online for all of their online MVDB transactions.

*(Continued on page 3)*

### INSIDE THIS ISSUE:

1. DISCOUNT LICENSES
1. HOLIDAY SCHEDULE
2. LEGISLATIVE BRIEF
2. CALENDAR OF EVENTS
3. ACTIONS/REMINDERS
3. DISCOUNTS LICENSES (CON'T)
4. CURBSTONING REPORT
5. CONSIGNMENT SALES
5. ATTACKING CURBSTONERS
6. WELCOME NEW DEALERS (MAR)
7. WELCOME NEW DEALERS (APR)
7. LICENSE PLATE HOLDERS

### State Holiday for the Month of **JULY**

In Observance of:



**4<sup>th</sup> of July**

**Our Office will be closed:**

**July 4, 2001**

# LEGISLATIVE BRIEF

In the last issue of Dealer Talk, we reported on several bills of interest to dealers that had been adopted by the General Assembly and signed by the Governor. In that article we noted that there were additional bills that had been adopted by the General Assembly and were awaiting the Governor's signature. Below is that list. We thank the Virginia Automobile Dealers Association (VADA) for allowing us to reprint their summaries of each of these bills. All are effective as of July 1, 2001.

**Financing:** Prohibits a manufacturer from conditioning the distribution of leads on the dealer's acceptance of financing arranged by the manufacturer. Also expands the current prohibition against coercion to place retail installment sales contracts with a captive finance company to leases as well.

**Waivers:** Prohibits motor vehicle manufacturers, factory branches, distributors, distributor branches, or subsidiaries from requiring any motor vehicle dealer to waive any substantive or procedural rights afforded him by Virginia law. The bill's provision, however, does not apply to good faith settlement of disputes.

**Brokers:** Provides that motor vehicle dealers shall not be charged back or otherwise liable for sales incentives or charges related to motor vehicles sold by them to purchasers and subsequently resold, provided that such dealers can demonstrate that they exercised due diligence and that the sales were made in good faith and without knowledge of any intention to resell the motor vehicle.

**Performance Standards:** Requires that any performance standard or program that is used by a manufacturer or distributor for measuring dealership performance and may have a material effect on a dealer, and the application of any such standards or program by a manufacturer or distributor, be fair, reasonable, and equitable and, if based upon a survey, be based upon a statistically valid sample. Upon the request of any dealer, a manufacturer or distributor shall disclose in writing to the dealer a description of how a performance standard or program is designed and all relevant information used in the application of the performance standard or program to that dealer.

**Affirmative Relief:** Adds a new section that allows a motor vehicle dealer to recover attorney's fees and court costs for a statutory violation resulting in injury to its business or property in an action in Circuit Court.

**Anti-Discrimination:** Prohibits manufacturers and distributors to discriminate in favor of or against particular dealers who sell the same line-make. Specific provisions address direct price discrimination, incentive and other programs resulting in indirect price discrimination, and the provision of lead information.

**Vehicle Safety Inspection Fees:** Increases from ten dollars to fifty dollars over two years the maximum allowable fee for inspection of tractor trucks, trucks with gross vehicle weight ratings of 26,000 pounds or more, and buses that seat more than sixteen passengers, including the driver. Maximum fees allowed for inspection of other vehicles are not changed.

## DEALER TALK

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

Bruce Gould, Executive Director  
Peggy Bailey, Office Manager  
Debbie Allison, Field Representative Supervisor

Virginia Motor Vehicle Dealer Board  
2201 West Broad Street  
Suite 104  
Richmond, Virginia 23220  
Phone: (804) 367-1100  
FAX: (804) 367-1053  
Toll Free: (877) 270-0203 (Intra-State only)  
E-mail: [dboard@mvb.state.va.us](mailto:dboard@mvb.state.va.us)  
Website: [www.mvdb.vipnet.org](http://www.mvdb.vipnet.org)

**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, July 9, 2001:

Time: 8:45 a.m.

Dealer Practices Committee Meeting

Monday, July 9, 2001:

Time: 5 Minutes after Dealer Practices

Franchise Law Committee Meeting

Monday, July 9, 2001:

Time: 10:00 a.m.

Licensing Committee Meeting

Monday, July 9, 2001:

Time: 5 Minutes after Licensing

Advertising Committee Meeting

Monday, July 9, 2001:

Time: 5 Minutes after Advertising

Personnel Committee Meeting

Monday, July 9, 2001:

Time: 1:00 p.m.

Transaction Recovery Fund Committee Meeting

Monday, July 9, 2001:

Time: 5 Minutes after Transaction Recovery Fund

Finance Committee Meeting

Monday, July 9, 2001:

Time: 1:45 p.m.

Full Board Meeting

**NOTE:** Meetings may begin later, but not earlier than scheduled.

## ACTIONS FROM THE MAY BOARD MEETING

- **Maintaining Posted Hours.** After considering the evidence and reviewing the hearing officer's report, the Motor Vehicle Dealer Board determined that a civil penalty of \$250 should be levied against a Richmond area dealer for not maintaining his posted hours. A Dealer Board field representative had made at least two attempts to visit the dealer during his posted hours; however, the dealership was not opened on each occasion. A letter, explaining the minimum hours requirements, was sent to the dealer after the first failed attempt. A second failed attempt resulted in the assessment of a civil penalty. The dealer requested an informal fact finding conference. After hearing all of the evidence, the hearing officer recommended that the Board assess a \$250 civil penalty.
- **Motor Vehicle Transaction Recovery Fund.** At the May Board meeting, the Transaction Recovery Fund Committee and the Board considered three new claims filed against Virginia dealers. After reviewing the three cases, the Board voted to approve payment from the fund for all three claims totaling \$31,328. The Dealers will have 30 days to repay the Fund. Failure to repay the Fund will result in license revocation.
- **Advertising.** The Dealer Advertising Committee listened to several radio advertisements, focusing in on the disclaimers. The Committee concluded that disclaimers should be as easy to understand as the rest of the advertisement. In addition, the volume should not be lowered when the disclaimers are read.

The committee also reviewed an advertisement for a new car, which prominently displayed an unusually low price. A disclaimer at the bottom of the advertisement noted that this price was only for customers who financed the vehicle through the dealer. Cash and other credit customers would pay a higher price. The Committee concluded that this type of advertising was improper. The dealer who placed the advertisement will receive a written warning from the Board staff.

## DISCOUNT LICENSES

*(Continued from page 1)*

In order to renew on-line and conduct other transactions on-line such as submitting an application for a new salesperson and applying for a supplemental license plus much more, dealerships must become a Virginia Information Providers Network (VIPNet) subscriber. To become a subscriber, simply complete the VIPNet [Premium Service Subscription Agreement](#), the MVDB Addendum, and pay the annual subscription fee of \$50.00. For complete information and to see a demonstration of the various services, visit the VIPNet [Premium Services](#) page at [www.vipnet.org/premium](http://www.vipnet.org/premium). You can also see the demonstration at the Board's Web site ([www.mvdb.vipnet.org](http://www.mvdb.vipnet.org)).

Dealers who subscribe to VIPNet may also apply for access to the Department of Motor Vehicles Records Access Information Service that is included in the subscription fee. Dealerships will be able to check driving records for employment purposes and complete branded title searches on vehicles on-line. For on-line access complete the DMV Information Use Application. It can be sent with the other service agreement.

If you have any questions about gaining access to the on-line MVDB or DMV services, please contact VIPNet Customer Service at 804-786-3794 or toll free 877-482-3468 or e-mail [customerservice@vipnet.org](mailto:customerservice@vipnet.org).

## NEW DEALER BOARD MEETING SCHEDULE

Please note that all of the July Dealer Board Committee Meetings will be held on the same day as the Full Board Meeting. A complete schedule can be found on Page 2.

# CURBSTONING REPORT

Since the last Board Meeting, DMV Investigators and Dealer Board Field Representatives have issued a total of 355 curbstoning notices. In the town of Christiansburg, an individual was warned that he may be in violation of the law for selling vehicles without a license. Subsequent to the warning, DMV records indicate the individual continued his activity, selling a total of 8 vehicles in 2000. Criminal charges are pending.

In Arlington County, an investigation originated as a result of another allegation revealed that the individual was also curbstoning. The individual advised the Agent that he was a licensed salesperson in Washington, D.C.; however, neither the District nor Virginia has a record of him being licensed. The individual has been charged with selling vehicles without being properly licensed. A July court date has been scheduled.

In Fairfax County, an Agent responding to a complaint of an individual selling vehicles from his residence discovered two Drive Away license plates being improperly used. Neither plate was registered to the individual, and one plate was expired. The Agent seized both plates, and warned the individual that his vehicle sales activity was in violation of the law.

In Roanoke City, a citizen complained that a wrecker service was improperly acquiring and selling vehicles. A subsequent investigation corroborated that when vehicles towed by the company were not claimed by the owners, the company advertised them for sale in The Trading Post and sold them directly. The individual was made aware that his business practices were in violation of both the curbstoning and mechanics/storage lien statutes.

# CURBSTONING REPORT

In the Portsmouth District, an Agent posed as a buyer and agreed to purchase a vehicle displayed for sale in a shopping center parking lot. When the Agent asked to see the title prior to completing the transaction, the seller presented an application for certificate of title and a mechanics/storage lien title application completed by a local towing company. Subsequent investigation revealed that the seller had purchased four vehicles at the towing company auction, skipped title, and curbstoned the vehicles. The individual was charged in both York County and Norfolk. Court dates are pending.

Also in the Portsmouth District, four summonses were issued for the improper display of license plates, one in Virginia, one in Norfolk, one in Newport News, and one in Williamsburg. The vehicles involved were being displayed for sale, and were bearing license plates registered to other vehicles. One individual was convicted and fined \$150. The other cases are pending court dates.

At the last Dealer Board meeting, it was reported on a case in the City of Harrisonburg involving the son of a licensed Maryland dealer who, purportedly working under his father's license, made a retail sale in Virginia. The individual pled guilty to selling vehicles without properly being licensed, and was fined \$1,000 with \$750 suspended.

# CONSIGNMENT SALES

If selling consignment vehicles is part of your business, please remember that you must execute a consignment contract with the consignor. Virginia Code Section 46.1-1531 lists the minimum requirements that a consignment contract must include:

1. The complete name, address, and the telephone number of the owners.
2. The name, address, and dealer certificate number of the selling dealer.
3. A complete description of the vehicle on consignment, including the make, model year, vehicle identification number, and body style.
4. The beginning and termination dates of the contract.
5. The percentage of commission, the amount of the commission, or the net amount the owner is to receive, if the vehicle is sold.
6. Any fees for which the owner is responsible.
7. A disclosure of all unsatisfied liens on the vehicle and the location of the certificate of title to the vehicle.
8. A requirement that the motor vehicle pass a safety inspection prior to sale. (If a motor vehicle on consignment from a Motor Vehicle Dealer Board certified nonprofit organization cannot pass a safety inspection, the dealer must give the buyer a written disclosure that the vehicle did not pass a safety inspection.)

Also, please keep in mind the following when selling a consignment vehicle:

- You must inform any prospective customer that the vehicle is on consignment.
- Dealer license plates cannot be used to demonstrate a vehicle on consignment except on
  - (i) motor vehicles with gross vehicle weight of 15,000 pounds or more,
  - (ii) vehicles on consignment from another licensed motor vehicle dealer, and
  - (iii) vehicles on consignment from a Motor Vehicle Dealer Board certified nonprofit organization.
- The owner's license plates may be used to demonstrate the vehicle if liability insurance coverage is in effect.
- If you reassign the title in the name of your dealership prior to completing the sale, you may charge a processing fee. If the sale is actually between the buyer and the owner and you do not reassign the title in the name of our dealership, you should not charge the buyer a processing fee.

## LICENSE PLATE HOLDERS

Current law prohibits license plate holders, colored glass or plastic from covering or obscuring a license plate number. Senate Bill 798 was passed by the 2001 session of the General Assembly and effective as of July 1, 2001 expands that section of the law. The new law will prohibit license plate holders, colored glass or plastic from covering, not only the license plate number, but also the month and year decals on license plates, as well as the word "Virginia" and any logo displayed on a license plate.

In an effort to ensure that your customers do not encounter difficulties with law enforcement, please ensure that any license plate holders placed on vehicles sold by your dealership conform to these new regulations.



**ILLEGAL LICENSE PLATE HOLDER**



**LEGAL LICENSE PLATE HOLDER**

## WELCOME NEW DEALERS!

The Motor Vehicle Dealer Board formally welcomes the following new dealers for March & April! Should you have comments, suggestions or questions, please do not hesitate to contact the staff of the Dealer Board. Our telephone and FAX numbers, mailing address and e-mail address are all listed on Page 2.

<b>MARCH</b>	
Auto Max 3901 Wilson Boulevard Arlington, Virginia 22203	Car Nation 7212 W. Broad Street Richmond, Virginia 23294
Midway Auto Sales, Inc. 2819 Highway 107 Saltville, Virginia 24370	Richard's Auto Sales 429 East 5 <sup>th</sup> Street, N Big Stone Gap, Virginia 24219
Chester Auto Sales, Inc. 9618 Jefferson Davis Highway Richmond, Virginia 23237	Triangle Automaxx 18502 Jefferson Davis Highway Triangle, Virginia 22172
M. L. X. Company 2826 West Broad Street Richmond, Virginia 23230	S & T Auto Sales 403 S. Memorial Boulevard Martinsville, Virginia 24112
Westview Auto Service Center, Inc. 6216 Indian River Road Virginia Beach, Virginia 23464	National Use Auto Sales, Inc. 951 East Little Creek Road Norfolk, Virginia 23518
G.E.S. Equipment 8168 Thomas Nelson Highway Lovington, Virginia 22949	Gary McCann Auto Sales, Inc. 1105 East Fincaster Avenue North Tazewell, Virginia 24630
Evans Auto Sales 372 South Main Street Timberville, Virginia 22853	B & J Motor Car Company 3456 N. Valley Pike Harrisonburg, Virginia 22802
South Richmond Harley Davidson 10011 Hull Street Road Chesterfield, Virginia 23236	Military Auto Sales 3615 N. Military Highway Norfolk, Virginia 23518
Easters Auto & Bus Sales, Inc. 8100 Fairystone Park Highway Bassett, Virginia 24055	K's Auto Center 2353 W. Pembroke Avenue Hampton, Virginia 23661
Log Cabin Auto Sales, Inc. 1482 Floyd Highway South Floyd, Virginia 24091	Autobank 790 Fairfax Street Stephens City, Virginia 22655
Quality Cars of Wytheville 1100 E. Main Street Wytheville, Virginia 24382	Frend Auto Sales 101 State Street Staunton, Virginia 24401
Car Mart 1710 Country Club Road Harrisonburg, Virginia 22802	Gasoline Alley 698 N. Loudoun Street Winchester, Virginia 22601

## MARCH (continued)

Pro Auto Sales 1142 East Main Street Salem, Virginia 24153	Mike Brockwell Auto Sales 306 Cattail Drive/P.O. Box 779 Lawrenceville, Virginia 23868
United Auto Import Company, LTD 5519 Midlothian Turnpike Richmond, Virginia 23225	Green Light Auto Company, Inc. 121 Granite Spring Road Richmond, Virginia 23225
Potomac Auto Sales, Inc. 17449 Jeff Davis Highway Dumfries, Virginia 22026	Alexandria Hyundai, LLC 1707 Mount Vernon Avenue Alexandria, Virginia 22301
ABC Washington Dulles, LLC 43375 Old Ox Road Dulles, Virginia 20166	

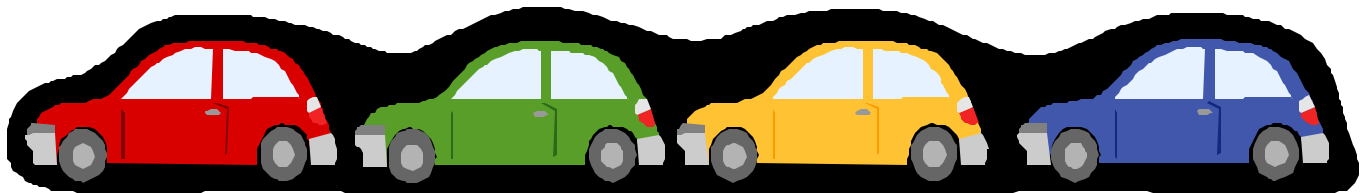
## APRIL

Atlantic Motors 21273 Brewers Neck Boulevard Carrollton, Virginia 23314	Rivera's Motor Company 1572 N. King Street Hampton, Virginia 23699
Regional Auto Sales 4520 S. Amherst Highway/P.O. Box 6 Madison Heights, Virginia 24572	Milam's Auto Sales, Inc. 2231 James D. Hagood Highway Halifax, Virginia 24558
Courtland U.S.A. Inc. 28265 Southampton Parkway Courtland, Virginia 23837	Precise Automotive, Inc. 425 S. Royal Avenue Front Royal, Virginia 22630
Rent A Wreck 1851 ½ Reservoir Street Harrisonburg, Virginia 22801	Discovery Motors 15017 Washington Street, #2/P.O. Box 1104 Haymarket, Virginia 20168
Appomattox Auto Works Route 460 East/P.O. Box 129 Evergreen, Virginia 23939	Dominion Auto Brokers, Inc. 800 North Main Street Emporia, Virginia 23847
Star Automotive & Used Cars 1102 South Main Street Galax, Virginia 24333	J B M Investments, LLC 1318 East Washington Street Petersburg, Virginia 23803
A & S Auto Sales 6707 Fayette Street, #7/P.O. Box 902 Haymarket, Virginia 20168	M & D Motors, Inc. 2343 W. Pembroke Avenue Hampton, Virginia 23661
Action Auto Sales 1225B W. Pembroke Avenue Hampton, Virginia 23661	Nelson Dodge ~ Nelson Honda 2500 Greensboro Road/P.O. Box 2215 Martinsville, Virginia 24113



## APRIL (continued)

Newberry Pre-owned Specialties 2765 Virginia Avenue Narrows, Virginia 24124	Rays Auto & Truck Sales, Inc. Route 3, Box 343 Grundy, Virginia 24614
James River Auto Center, LLC 179 James River Road Scottsville, Virginia 24590	Henry Fords Used Auto Sales, Inc. 1579 Sewell Point Road Norfolk, Virginia 23502
Dreams Auto, Inc. 12 Cowardin Avenue Richmond, Virginia 23224	D.C. Auto Route 2, Box 325F Lebanon, Virginia 24266
Landmark Motor Company, Inc. 10601 Jeff Davis Highway Richmond, Virginia 23234	Roanoke Truck Sales 4524 Melrose Avenue, NW Roanoke, Virginia 24017
Mid Atlantic Auto Specialist 4877 Haygood Road Virginia Beach, Virginia 23455	J & M Motors Route 5, Box 398 Wytheville, Virginia 24382
Village Autos 2 Fairfax Street, SE Leesburg, Virginia 20175	Med Transit, Inc. 1104 Godwin Street Portsmouth, Virginia 23704
Easy Credit Auto Sales 96 Industrial Drive Fredericksburg, Virginia 22408	Prestige Auto LLC 1064 South High Street Harrisonburg, Virginia 22801
Journal Auto Service 1919 Princess Anne Street Fredericksburg, Virginia 22401	Great Affordable Autos LLC 3937 Turnpike Road Portsmouth, Virginia 23701
Swedish Cars LC 5104 Park Drive, Suite 112 Fredericksburg, Virginia 22408	





Below, please find the new dealer salesperson test questions that were recently added to the Salesperson Study Guide. The new study guide can be obtained from any DMV Customer Service Center, as well as the Dealer Board office and can be located on our web site.

## DEALER SALESPERSON

When a thirty-day tag is issued to a customer who does not have insurance and is going to register the vehicle in Virginia, the dealer

- A. Must give the title to the customer.
- B. Must handle the titling, registering and payment of fees directly with DMV.
- C. Must collect the uninsured motor vehicle fee.
- D. B and C above.

**When a thirty-day tag is given to a customer who does not have insurance and the customer is going to register the vehicle in Virginia, the dealer is required to collect the uninsured motor vehicle fee and handle the transfer and payment of all fees directly with DMV.**

Temporary Tags and Temporary Transport Tags can be loaned to another dealer

- A. If DMV is notified.
- B. If the lending dealer records the transfer on their tag log.
- C. Only Temporary Transport Tags can be loaned.
- D. Neither Temporary Tags nor Transport Tags can be loaned.

**Neither type of temporary tags can be loaned to another dealer.**

In order for a dealer to occasionally rent a vehicle without a rental license

- A. The rental must be for less than five days.
- B. Only a five-day temporary transport tag can be used.
- C. The dealer cannot rent a vehicle without a rental license issued by DMV.
- D. A and B above.

**The dealer must apply for and receive a license from DMV before renting any vehicles at any time.**

A dealer makes a good will substitution for a vehicle previously delivered and titled to a customer. The sales and use tax refund process is

- A. Send a letter to DMV with the proper form completed.
- B. Any additional tax is paid to DMV. If the tax on the replacement is less, the difference is not refundable.
- C. The tax is not refundable.
- D. Tax is refundable only if the substitution is made within 3 days after the original sale.

**The sales and use tax is not refundable under a good will substitution or refund.**

The sales tax on a warranty or service agreement sold to a customer is paid to

- A. DMV.
- B. Motor Vehicle Dealer Board.
- C. The Virginia Department of Taxation.
- D. The warranty company forwards it to the state.

**The sales tax on a warranty or service agreement is paid monthly to the Virginia Department of Taxation.**

# **ATTENTION ALL DEALERS:**

**Inside this issue, please read about the following:**

- 1. DISCOUNT LICENSES**
- 2. HOLIDAY SCHEDULE**
- 3. CALENDAR OF EVENTS**
- 4. LEGISLATIVE BRIEF**
- 5. ACTIONS**
- 6. DISCOUNT LICENSES (CON'T)**
- 7. CURBSTONING REPORT**
- 8. CONSIGNMENT SALES**
- 9. ATTACKING CURBSTONERS**
- 10. WELCOME NEW DEALERS**
- 11. LICENSE PLATE HOLDERS**