

E-TRANSACTIONS ARE FREE

The Motor Vehicle Dealer Board (MVDB) and the Department of Motor Vehicles (DMV) have partnered to provide FREE on-line license renewal services.

This service provides motor vehicle dealers licensed by the MVDB the opportunity to renew their dealer certificate, salespersons licenses, and license plates via the web for FREE and in REAL-TIME without having to visit our office, mail-in renewal applications, or pay costly annual-service subscription fees

Your renewal information goes directly into your DMV record upon your paid (on-line) licensing renewal fee submission. The DMV on-line renewal system accepts Visa, MasterCard, and Discover. Your renewal items will be mailed to you within 7 business days of the date of your on-line renewal transaction.

Starting July 1, 2004 you will also be able to submit a salesperson application ("DSD 7") to the Board via the online system. It will be the quickest and easiest way to submit a salesperson's application or transfer application. Also beginning July 1, you will be able to submit your Application for Dealer/Drive-Away/Office Trailer Plates ("DSD 9") using this same system.

Simply, complete and sign an Extranet Transaction Access Application, and return to DMV. Within a matter of days, DMV will send you a memorandum of understanding (MOU) for signature. After DMV has received your signed MOU, you will be sent a user manual and a security device "fob" (free of charge) to immediately begin accessing your records over the DMV Extranet site.

So don't wait! Go to the MVDB website at WWW.mvdb.virginia.gov and click on "On-Line Services" to access an application or contact the Dealer Board Office toll free at (877) 270-0203 X3004 and we'll send you a E-transaction package.

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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 date:

**Monday
July 5, 2004**



for 4th of July!

BOARD ACTIONS

Dealer Practices (Business Hours): A Board field representative attempted to conduct a random inspection of a Suffolk area dealer only to find it closed during its posted business hours. An education/warning letter was sent to the dealer. After receiving this letter, the Board received frequent notices from the dealer that he would not be open during his posted business hours. Many of these notices stated that he would not be open as he was attending an auction. This abuse of the process to close "for good cause" resulted in another letter from the Board suggesting that the dealer change his posted hours and that further abuse could result in action being taken by the Board.

The dealer did not change his hours and a follow-up attempt to conduct a random inspection failed as the dealership was not open. Per the authority given the executive director by the Board, a \$250 civil penalty was assessed. The dealer appealed this determination. An informal fact finding conference was convened. After hearing the evidence, the hearing officer recommended that a civil penalty of \$250 be assessed. The Board agreed with this recommendation.

Dealer Practices (Record Keeping, Selling Away from Licensed Location and Misuse of Tags): Based on a complaint, the staff conducted a "sting" operation involving salespersons licensed by the dealer who were advertising vehicles without identifying that they were a Virginia dealer and selling those vehicles away from the dealer's licensed location. Previous to this "sting" operation, the dealer had received warnings related to record keeping problems. As a result, an informal fact-finding conference was convened. The hearing officer recommended that all licenses and certificates issued to the dealer be suspended for 90 days and that civil penalties totaling \$7,000 be assessed. The Board's executive director agreed with the hearing officer's recommendation and issued the order of suspension and levied the civil penalty. The dealer appealed the decision and requested a formal hearing.

After hearing all of the evidence at the formal hearing, the hearing officer recommended civil penalties totaling \$5,000 and a 60-day suspension of all licenses and certificates issued to the dealer. The Board determined that a \$5,000 civil penalty be assessed.

In summary, the hearing officer did not find the dealer to be in violation for the advertising laws and regulations nor violations related to selling off-site as the hearing officer was not convinced that the owner of the dealership was aware of the activities related to these alleged violations. The hearing officer did find the dealer in violation of record keeping requirements; renting or otherwise allowing an unauthorized individual to use dealer plates and failure to insure his dealer plates.

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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, July 12, 2004

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Monday, July 12, 2004

Time: Immediately following Dealer Practices
Licensing Committee Meeting

Monday, July 12, 2004

Time: 9:30 a.m.

Advertising Committee Meeting

Monday, July 12, 2004

Time: Immediately following Advertising
Transaction Recovery Fund Committee Meeting

Monday, July 12, 2004

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

(continued from page 2)

Motor Vehicle Transaction Recovery Fund: At the May Board meeting, the Transaction Recovery Fund Committee and the Board considered two claims filed against Edward Mayo and Premier Auto of Virginia Beach. In the first case, the consumer purchased the vehicle from Premier through eBay. The consumer did not receive title for the vehicle from Premier as a third party had a lien on the vehicle. The Board "Tabled" this case pending further information that staff is to pursue. In the second case, the consumer purchased the vehicle through eBay, and after paying for it, Mr. Mayo indicated that he would not be able to deliver the vehicle and would therefore return all funds received. He did not return the funds. The Board approved payment in the amount of \$10,611

The third case heard by the Board involved Betterdays Auto Sales in Richmond. After hearing the evidence, the Board awarded the claimant \$8,107.

DO YOU MISS DEALER TALK?

In making adjustments to comply with necessary budget reductions, the Board has reluctantly reduced the number of issues of Dealer Talk that will be printed and mailed to you. We continue to produce six issues per year and all six issues will be posted on our WEB site. We encourage you to sign-up for an e-mail notification. If you sign-up for e-mail notification, we will send you an e-mail when new issues of Dealer Talk are posted on our WEB site. To sign-up for e-mail notification, go to our WEB site at www.mvdb.virginia.gov and "click" on the "Subscribe to Our E-Mail List" button. Back issues of Dealer Talk can also be found on our WEB site under the "Dealer/Salesperson Info" button. Please note that we do not share your e-mail addresses with anyone else. There is no limit as to how many individuals in your dealership can sign-up and you may sign-up from your dealership or from home.

Rate MVDB Services...Online!

The MVDB takes pleasure in announcing it's new online dealer survey! Although the survey was initially focused toward "new" motor vehicle dealers, we invite **all** motor vehicle dealers to provide us with feedback regarding the services we provide!

So...let us know how we're doing! It's quick and easy! Simply go to our website at www.mvdb.virginia.gov and click on the *New Dealer Survey* button. Fill out the survey--add comments if you'd like--and click submit. You're done!

DMV ON-LINE DEALER PROGRAM HITS MILESTONE

On February 26, 2004, one of the Department of Motor Vehicle (DMV) vendors, triVIN, installed online dealer software for Michael's Auto World in Collinsville, Virginia. The dealership became the 1,000th participant in DMV's Automated Interface Program. The milestone occurred just shy of the program's 12-year anniversary.

"We have been thrilled with the growth of the Online Dealer Program," said Joe Owsiak, Deputy Director of Title and Dealer Services. "Each year, more dealers recognize the benefits of participating. It's a win-win situation for everyone. The first month--- March 1992--- we had 154 online transactions. In January 2004, we had 81,936!"

The Online Dealer Program is a partnership between DMV and automobile dealers. Through the program, online dealers process vehicle titles and registrations electronically. Dealers issue permanent license plates and decals instead of temporary tags. Dealers also transfer plates and print registration cards. The connection between dealers and DMV is provided by two vendors, CVR and triVIN.

According to Sandra Wagner, owner of Michael's Auto World in Collinsville, Virginia, "We are proud to be part of DMV's successful Online Dealer Program. It enables us to give our customers added value to their experience at our dealership. They can purchase a vehicle and complete their DMV-work right in the showroom without having to make a separate trip to DMV."

DMV transactions conducted by dealerships are processed by 18 of the 27 employees in the Online Dealer Work Center in headquarters. JoAnn McKay, Assistant Division Manager, explained, "Since the program began in 1992, with a single automobile dealer, participants have conducted more than 3.8 million transactions and collected more than \$2 billion in fees and taxes for DMV. Our team performs desk audits, mails the titles, prepares the work for microfilming, and makes sure that all taxes and fees are transferred electronically into DMV's accounts. It's very rewarding to be involved in such an innovative program."

LEGISLATION ADOPTED BY THE 2004 GENERAL ASSEMBLY

The following legislative bills were adopted by the 2004 General Assembly and except as noted, all are effective on July 1, 2004.

Motor vehicle safety inspections. (HB 85)

Exempts new motor vehicles from an initial safety inspection when the new motor vehicle has been inspected in accordance with an inspection requirement of the manufacturer or distributor of the new motor vehicle by an employee who customarily performs such inspection on behalf of a motor vehicle dealer. Such inspection shall be deemed to be the first inspection and an inspection approval sticker may be affixed to the vehicle.

Copying driver's licenses, etc. (HB 86)

Under current law, one may not make a copy of a driver's license unless they have permission from DMV. (Previously, the DMV Commissioner had granted approval for all members of the Virginia Automobile Dealers Association [VADA] and the Virginia Independent Automobile Dealers Association [VIADA]). This bill allows copying of the driver's license without the permission of DMV.

Odometer reading disclosures. (HB 180)

Exempts owners or transferors of motor vehicles having gross vehicle weight ratings of more than 16,000 pounds from odometer reading disclosure requirements.

Armed forces personnel; expiration of certain licenses, etc. (HB 319)

Provides for the Motor Vehicle Dealer Board and others to renew "expired" licenses for citizens of Virginia serving outside Virginia or the United States in the armed forces of the U.S. or the U.S. diplomatic service. These citizens will have 60 days from the date of their return to renew their license just as if they had not expired.

Trailer dealers. (HB 340) Exempts from licensure as trailer dealers persons dealing solely in utility/cargo trailers that weigh no more than 3,000 pounds. **This bill became effective on its passage.**

LEGISLATION ADOPTED BY THE 2004 GENERAL ASSEMBLY

Motor vehicle dealers. (HB 453) Repeals the provision of the law that exempts persons who sell and distribute fire-fighting equipment, ambulances, and funeral vehicles from having to be licensed as motor vehicle dealers. **The bill becomes effective January 1, 2005.** Under current law, these type of dealers are licensed, but are exempt from nearly all of the licensing requirements

Dealer's manual transaction fee. (HB 1423)

Increases from 10 per month to 20 per month the number of manual transactions that may be conducted by a dealer with the Department of Motor Vehicles without incurring an additional fee. **The bill was effective on its passage, but expires on January 1, 2006.**

Virginia Consumer Protection Act; admissibility of cure offers. (HB 231/SB 324)

Permits a supplier (dealer) to introduce a cure offer into evidence in a proceeding for damages under the Consumer Protection Act if the cure offer is delivered prior to the filing of the supplier's initial responsive pleading. If the damages awarded in the proceeding do not exceed the value of the cure offer, the supplier (dealer) will not be liable for the person's attorneys' fees and court costs. A cure offer is an offer to remedy a loss claimed to be suffered as a result of a consumer transaction, which includes an additional amount of at least 10 percent or \$500, whichever is greater; however, the minimum additional amount need not exceed \$4,000.

Sales and use tax; dealers filing returns.

(HB 1241) Allows a dealer to deliver sales tax returns to his local commissioner of the revenue or local treasurer.

ORDERING FORMS

Please take note that when ordering forms, that neither the Department of Motor Vehicles or the Motor Vehicle Dealer Board stock the VAD-20 and the VAD-70. These two forms can be ordered through the Virginia Automobile Dealers Association (VADA) or the Virginia Independent Dealer's Association (VIADA). VADA's contact number is (804) 359-3579 and VIADA's contact number is (800) 394-1960. Please contact these two dealer associations for a supply of these two forms.

ADVERTISING TIPS AND REMINDERS

Rebates: When advertising the price of a vehicle, and that price includes all rebates and incentives, the disclaimer cannot simply state something like "prices include all rebates and incentives". Each rebate or incentive must be listed either in the body of the advertisement or in the disclaimer in such a way that the reader (consumer) can determine which rebates/incentives they are eligible to receive.

Balloon Payments: Advertisements that state a monthly payment that is based on a "balloon" payment must state in the body of the advertisement (near the payment statement) that there is a balloon payment.

Guarantee to Beat Competitors' Prices: Guarantees or statements that you will beat or match the price of other dealers must include either in the body of the advertisement or as a disclaimer, the specific conditions under which the guarantee will be honored.

Guaranteed Trade-In Allowance: Dealers may not advertise a guaranteed trade allowance. This includes statements such as "We will pay you \$500 over book value for your trade-in." The statement implies that the minimum trade-in will be \$500.

DEALER LOOK-UP

We are pleased to announce that we have added a "Dealer Look-Up" feature to our WEB site. There are three ways to search for a dealer on our database: 1). By dealer number; 2). By the name of the dealership; or 3). By the owner's name. If you perform the search by dealer number, you will need to know the correct number. A search by dealership name or owner's name can be done even if you do not know the full name. The more information you key into your search, the more precise your search will be.

To begin your look-up, go to the Board's WEB site at: <http://www.mvdb.vipnet.org/home.html> and "click" on the "Dealer Database Search" Button. Key-in the dealer number, or the dealership name, or the owner's name and click on the "Search for Dealer" button at the bottom of the page. You will instantly be given a list of dealers meeting the criteria of your search. Click" on any of the dealers included in the list and you will see the expiration date of the dealer's Motor Vehicle Dealer Board issued license, the full dealership name and address and the owner's full name. If your search is not successful, try keying-in less information.

The database is automatically updated every day at 1:00 a.m. with the previous day's recorded information, thereby maintaining the accuracy of the database.

RIDE-AWAY LOCATES IN VIRGINIA

Governor Mark R. Warner recently announced that *Ride-Away Corporation*, a New Hampshire-based manufacturer of modified vehicles for disabled persons, will locate two new offices in the Commonwealth of Virginia. One office will be located in Richmond and the other in Norfolk. Virginia successfully competed with Maryland and North Carolina for both projects.

Since 1986, Ride-Away's only business has been providing transportation solutions for disabled drivers and passengers. Ride-Away produces all levels of modifications from high tech driving systems to complete customizing. The company also sells new and previously owned vehicles including a large selection of full size and mini-vans.

