

SIGN-UP FOR E-TRANSACTIONS

The Motor Vehicle Dealer Board (MVDB) and the Department of Motor Vehicles (DMV) have partnered to provide FREE on-line dealer licensing and temp tag authorization transactions.

Beginning June 2, 2005, only individuals that you, the dealer, authorize will be allowed to purchase temp tags at DMV Customer Service Centers and the MVDB office. If you sign-up for E-Transactions you can add or delete names to the list in real-time from the comfort of your office. (If you are **not** a subscriber, in order to add or delete a name to/from the list you will be required to complete a form and FAX or mail it to DMV Headquarters. This may take several days.)

This service also provides motor vehicle dealers 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 or mail in renewal applications. Once you submit your applications over the WEB, your renewal items will be mailed to you within seven business days of the date of your on-line renewal transaction.

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.

To get started, 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.

Dealers who sign-up for this FREE service can also submit a salesperson application ("DSD 7") to the Board via the online system. It will be the quickest and easiest way to submit an original ("new") salesperson's application or transfer application. You will be able to submit your Application for Dealer/Drive-Away/Office Trailer Plates ("DSD 9") using this same system.

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.

INSIDE THIS ISSUE:

1. *SIGN-UP FOR E-TRANSACTIONS*
2. *BOARD ACTIONS*
2. *CALENDAR OF EVENTS*
3. *BOARD ACTIONS (CONTINUED)*
3. *OUT-OF-STATE PURCHASERS*
4. *OUT-OF-STATE PURCHASERS (CON'T)*
4. *HELPFUL TIPS & REMINDERS*

HOLIDAY HOURS

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

**Monday
July 4, 2005**



for 4th of July!

BOARD ACTIONS

- **Record Keeping:** A random inspection of a Richmond area dealer by a MVDB field representative in February of 2004 revealed a number of record keeping deficiencies. The field representative discussed these deficiencies with the owner and a follow-up letter was mailed to the dealer. In January of 2005 the field representative conducted another inspection of the dealership only to find further deficiencies in record keeping requirements. Therefore, an informal fact-finding conference was convened. After hearing all of the evidence, the hearing officer recommended imposing a civil penalty totaling \$1,500. The Board agreed with the hearing officer's recommendation. The dealer will have 33 days to either pay the civil penalty or appeal the Board's decision to circuit court.
- **Record Keeping:** In the course of investigating a Norfolk area dealer for allowing an unlicensed individual to sell cars and for selling away from the licensed location, the field representative discovered a number of other deficiencies. An informal fact-finding conference was convened and the hearing officer recommended, and the Board agreed, to levy a \$200 civil penalty for record keeping violations. The dealer will have 33 days to either pay the civil penalty or appeal the Board's decision to circuit court.
- **Hours of Operation:** In January of 2004 a MVDB field representative visited a Richmond area dealer to conduct a "random" inspection only to find the dealership closed during its posted business hours. An educational letter was sent to the dealer. In May of 2004, another attempt was made by the field representative to conduct a random inspection. Again the dealership was not opened during its posted hours. Following the authority granted by the Board to the executive director, a \$250 civil penalty was assessed. The dealer paid this penalty.

The field representative returned to the dealership in May of 2004 to conduct a random inspection. The dealership was open and the inspection revealed record keeping problems. The field representative attempted a follow-up inspection in January of 2005, only to find the dealership closed. Following the authority granted by the Board to the executive director, a \$500 civil penalty was assessed. The owner of the dealership appealed this penalty and an informal-fact finding conference was convened. After hearing all of the evidence, the hearing officer recommended imposing a civil penalty totaling \$350. The Board agreed with the hearing officer's recommendation. The dealer will have 33 days to either pay the civil penalty or appeal the Board's decision to circuit court.

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@mvdb.virginia.gov
Website: www.mvdb.virginia.gov

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 11, 2005

Time: 8:30 a.m.

Dealer Practices Committee Meeting

Monday, July 11, 2005

Time: Immediately following Dealer Practices Licensing Committee Meeting

Monday, July 11 2005

Time: 9:30 a.m.

Advertising Committee Meeting

Monday, July 11, 2005

Time: Immediately following Advertising

Transaction Recovery Fund Committee Meeting

Monday, July 11, 2005

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)

- **Salesperson's License Denied:** Mr. Phillip Mitchell applied for a salesperson's license in October of 2003. Based on his criminal history – seven felonies and one misdemeanor convictions in 1998 and 1999 and the fact convictions were related to the motor vehicle sales industry and the fact that nearly \$52,000 was paid from the Transaction Recovery Fund on behalf of a dealership owned and operated by the applicant – the executive director denied issuance of a license. Mr. Mitchell appealed this decision and in April of 2004 an informal fact-finding conference was held. The hearing officer recommended that the application be denied and based on that recommendation, the executive director, as authorized by the Board, denied the application.

Mr. Mitchell appealed this decision and in December of 2004 a formal hearing was held. The hearing officer recommended, and the Board agreed, to deny the license application. Mr. Mitchell will have 33 days to appeal the Board's decision to circuit court.

- **Motor Vehicle Transaction Recovery Fund:** At the May Board meeting, the Transaction Recovery Fund Committee and the Board considered the following three claims:
 - A consumer filed a claim against Auto Rama of Roanoke (Richie L. Thacker, owner) for failure to produce a title. Based on the recommendations of the hearing officer, the Board approved payment from the Fund in the amount of \$1,979 to cover actual damages, attorney fees and court costs.
 - A consumer was awarded a judgment against Windsor Auto Sales in Richmond (Mr. Nguyen Thai, owner) for violations of the Virginia Consumers Protection Act (failure to disclose that the vehicle the consumer purchased had "salvage" history). As the dealer did not pay the judgment, the consumer filed a claim against the TRF. Based on the facts of the case, the Board voted to approve a total payment from the Fund to the consumer in the amount of \$20,000 to cover actual damages, attorney fees and court costs.
 - On February 21, 2003, a consumer in Michigan entered into a contract to purchase an automobile through E-bay from Premier Auto in Virginia Beach. The dealer did not deliver the title as it was being held by another dealer, so the consumer retained the services of a Virginia attorney and sought and received a judgment in court. The total judgment including attorney fees was \$10,653. The Board voted to approve payment from the Fund in the amount of \$8,574.

OUT-OF-STATE PURCHASERS

In November of 2004, all dealers were sent a letter from DMV outlining a procedure that must be followed when obtaining and issuing 30-day temporary plates.

(<http://www.mvdb.virginia.gov/Dealer%20Titling%20&%20Registration.htm>)

A central theme of this procedure is that an application for title must be submitted to DMV and all required fees must be paid to DMV within 30 days of the sale. Even if the title is not available, the titling tax must be paid and a title application submitted. DMV can then establish a "title held." While this procedure will work for customers who are titling the vehicle in Virginia, it will not work if it is to be titled on another state. If the vehicle is to be titled in another state, the following procedure must be followed:

Virginia dealers often complete sales for vehicles that will be titled outside of Virginia. In some instances, it is possible that the set of 30-day temporary plates issued for the vehicle may expire before the title paperwork is completed and the title is received. Under these circumstances, the dealer may prefer to issue a second or third set of temporary plates for the vehicle. Prior to issuance of a second or third set of 30-day temporary plates the dealer must apply to DMV for authorization to issue such plates.

If a dealer wishes to request a second set of 30-day temporary tags for a vehicle that will be titled outside of Virginia, the dealer must submit the following documents to any DMV Customer Service Center or fax (804-367-7046) or mail them to DMV (Dealer Services, Room 419, P.O. Box 27412, Richmond, VA 23269-0001):

For new cars:

- A photocopy of the title application that the purchaser submitted to the state in which the vehicle will be titled;
- A copy of the Manufacturer's Certificate of Ownership that was given to the purchaser;
- A copy of the Buyer's Order; and
- A completed Motor Vehicle Dealer Application to Issue a Subsequent Set of 30-day Temporary Plates (DSD40).

For used cars:

- A photocopy of the title application that the purchaser submitted to the state in which the vehicle will be titled;
- A copy of the Buyer's Order; and
- A completed Motor Vehicle Dealer Application to Issue a Subsequent Set of 30-day Temporary Plates (DSD40).

OUT-OF-STATE PURCHASERS

(continued from page 3)

NOTE: Upon submission of this documentation to DMV, the dealer may proceed with issuance of the second set of 30-day temporary plates.

If the dealer wishes to issue a third and final set of 30-day temporary plates to a vehicle, prior to issuance of the third set, the dealer must receive written authorization from DMV Dealer Services by faxing (804-367-7046) or mailing a completed DSD40 to the Dealer Services Work Center. (DMV Dealer Services, Room 419, P.O. Box 27412, Richmond, VA 23269-0001).

NOTE: Dealer Services will respond within 3 business days. If authorization is granted, a Temporary Certificate of Ownership/Authorization for Dealer to Issue Third Set of Temporary Plates (DSD44) will be provided to the dealer.

For more information, please call DMV at (804) 367-6646.

HELPFUL TIPS AND REMINDERS

Authorization to Purchase Temporary Tags: As of June 2, 2005, DMV Customer Service Centers and the Motor Vehicle Dealer Board will sell temporary tags only to dealership employees who have been previously authorized by the dealership. The automated system used by DMV and MVDB to track who is authorized has automatically included on the list, dealership owners and the designated dealer-operator.

The dealer may designate additional employees as authorized purchasers through the *DMV Extranet Dealer Services Renewal* system which dealerships currently use to renew their dealer and salesperson license on line. (See page one for information about "E-Transactions"). In addition to the Extranet process, you may add or delete personnel by notifying DMV's Dealer Services Work Center by Mail or fax only, (804) 367-7046, no telephone calls.

If you have signed the Memorandum of Understanding (MOU) and have your "fob" which allows you to access the Extranet Dealer Online Renewal to process your renewals, you will be required to sign an addendum to the MOU to be able to add or delete authorized purchasers. If you need the initial application package for this access, you may contact Janet Williams by email at JANET.WILLIAMS@dmv.virginia.gov or by telephone at 804-497-7191.

If you have any questions you may contact the DMV Dealer Services Work Center at (804) 367-1833.

New Link to DMV Correspondence: Several times each year, DMV does a "mass" mailing to all dealers. The topic of these mailings vary, but always include important information. Recent letters sent to all dealers are now posted on DMV's WEB site. If you would like to review these letters that include important information for you, the dealer, please visit:
<http://www.dmv.state.va.us/webdoc/commercial/dealer/correspondence.asp>

Vehicle Trade-Ins Involved in a Collision Before Resale:

Vehicles which have been traded in to a dealer, that are subsequently involved in a collision prior to resale resulting in a "total loss" claim must be titled in the dealers name BEFORE the vehicle title may be assigned to an insurance company.

Because the vehicle record is still in the previous owner's name, if the trade-in title is titled directly into the insurance company's name, it will then appear that the previous owner was involved in the collision damage, and that the wrong insurance company handled the claim.

Sole Ownership: Many family-run dealerships are licensed with the Motor Vehicle Dealer Board as being owned by an individual (sole proprietor). In this type of ownership, if something should happen to the individual listed as the sole proprietor, and another family member desires to take over the business, that family member will be considered a "new owner" and will need to follow the process and requirements of opening a new dealership. This includes obtaining a bond, zoning, and receiving a new dealer number.

If you are listed with us as the sole owner, you may wish to consider a different ownership type that includes a family member that would take over the business if for some reason you could not continue to operate your dealership.

Two New Super Ultra Low Emissions Vehicles: The 2006 Toyota Highlander Hybrid and the 2006 Lexus RX 400h Hybrid were recently certified as meeting the SULEV (Super Ultra Low Emissions Vehicle) emission standard, therefore both vehicles will be eligible to receive the Clean Special Fuels license plate under current policy.

Dealer-Operator Educational Requirement: Legislation adopted by the 2005 General Assembly will require, beginning January 1, 2006, individuals who wish to work as a dealer-operator at an independent dealership to first complete a course of study administered by a MVDB vendor before taking the Certificate of Qualification test. If you are interested in helping develop the standards for vendors to follow in presenting a course of study, please contact Bruce Gould by email (bruce.gould@mvdb.virginia.gov) by telephone (804-367-1100; ext. 3002) or send a letter to the Motor Vehicle Dealer Board, 2201 West Broad Street; Suite 104, Richmond, VA 23220, to the attention Bruce Gould.

Applying for a Title: Please remember that if you are handling the titling work of a vehicle that you sold, you must apply for that title within 30 days of the date of sale. If the "old" title is not available within the first 30 days after the sale, you must still apply for title and pay the titling tax and fee to DMV who will then establish a title record under the "title held" process. DMV produces a report monthly showing how often individual dealers are not in compliance with this law. DMV investigators and MVDB field representatives are targeting, for inspection, those dealers with high noncompliance rates.