

GATES CORPORATION TO OPEN NEW FACILITY IN VIRGINIA

Governor Timothy M. Kaine recently announced that Gates Corporation, (<http://www.gates.com/>) the largest non-tire rubber manufacturer of automotive and industrial products, systems and components in North America, will invest approximately \$8 million to open its first Virginia facility in the Highlands Business Park, an industrial park jointly developed by Smyth and Washington counties. The company intends to create 172 new jobs. Virginia successfully competed with Tennessee for the project.

"Gates is an impressive national corporation with international ties, and will be a significant addition to Southwest Virginia," Governor Kaine said. "The company recognized a unique location in Highlands Business Park, and will benefit from the skilled labor force in the area."

Headquartered in Denver, Colorado, Gates Corporation maintains sales and marketing operations in every major automotive market, including North America, Europe, Asia, Australia and South America. Gates is part of the Industrial and Automotive Group of Tomkins plc, a global engineering group listed on both the London (TOMK) and New York (TKS) stock exchanges, and with revenue in excess of \$6 billion in 2006. Tomkins plc has more than 34,000 employees worldwide and enjoys strong market positions and technical leadership, and owns some of the best-known brands in their respective markets.

"Stable economic conditions within the region along with an ideal location to serve our customers drove the decision to locate our operations in the Southwestern Virginia area," said Mike Cottrell, Vice-President North American Hydraulics and Worldwide Technology, Gates Corporation.

"We are excited to have the Gates Corporation choose our community to locate its newest manufacturing facility, and we look forward to the company being a long-term, stable employer for the region," said Kenneth Reynolds, Chairman of the Washington County Board of Supervisors.

"It is great to see the result of the hard work and cooperation of both counties in the regional industrial park. We think that the Gates project will not only create these jobs announced today, but will lead to additional private investment in the park," said Charlie Clark, Chairman of the Smyth County Board of Supervisors.

Gates designs and manufactures V-Belts; timing belts; pulleys; transmission modules; tensioners; and belt drive systems for starters and other components. Their products are manufactured and sold for both the aftermarket and as original equipment.

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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:

Wednesday**July 4, 2007****Independence Day**

BOARD ACTIONS

Dealer Practices: An inspection by a MVDB field representative of Nations Auto Group in Alexandria revealed a number of deficiencies related to record keeping; use of dealer tags and temporary tags and failure to display a list of salespersons. In addition, in June and September of 2006 the owner of the dealership was found guilty of a total of seven misdemeanors related to the sale of automobiles. On February 23, 2007, an informal fact-finding conference was conducted to address the alleged violations discovered in the inspection and the convictions. The Board voted to revoke all licenses issued by the Board to Mr. Amanullah Abbasi, owner and to assess a \$6,000 civil penalty.

Dealer Licensing: On January 30, 2007, an informal fact-finding conference was conducted for a Richmond area dealer to address allegations that the dealer compensated an unlicensed salesperson and that he was aware that he should not have done so. The Board voted to assess a \$2,100 civil penalty and mandate that the owner successfully complete the dealer-operator course.

In another case, the dealer-operator of the Alexandria area dealership mentioned above under "Dealer Practices" was found guilty of a misdemeanor: selling a vehicle without a title. The Board voted to suspend all licenses issued by the Board for a minimum of sixty (60) days or until the dealer-operator had successfully completed the dealer-operator class, which ever is longer.



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 9, 2007
Time: 8:30 a.m.
Dealer Practices Committee Meeting

Monday, July 9, 2007
Time: Immediately following Dealer Practices Licensing Committee Meeting

Monday, July 9, 2007
Time: 9:30 a.m.
Advertising Committee Meeting

Monday, July 9, 2007
Time: Immediately following Advertising Transaction Recovery Fund Committee Meeting

Monday, July 9, 2007
Time: 10:00 a.m.
Full Board Meeting

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

VIRGINIA VEHICLE REGISTRATION FEES INCREASE JULY 1

Registration fees for passenger vehicles and pick up trucks will increase \$10 statewide, beginning with July 1, 2007 registrations. The increases are part of a wide-ranging transportation funding law passed by this year's General Assembly.

For most Virginians, the standard passenger vehicle registration will increase from \$29.50 annually to \$39.50 annually. Passenger vehicles weighing more than four thousand pounds will see a registration increase from \$34.50 to \$44.50.

There are also several increases in registration fees for pick-up trucks and trailers, depending on weight.

Vehicle Registration Fee Changes Effective July 1, 2007

	Old Fee	New Fee
Passenger Vehicle (4,000 lbs. or less)	29.50	39.50
Passenger Vehicle (4,001 lbs. or more)	34.50	44.50
Pick-up Truck (4,000 lbs. or less gross weight)	29.50	39.50
Pick-up Truck (4,001–6,500 lbs. gross weight)	34.50	44.50
Pick-up Truck (6,501–7,500 lbs. gross weight)	40.50	50.50
Trailer (0-1,500 lbs)	10.00	18.00
Trailer (1,501 – 4,000 lbs.)	20.50	28.50
Trailer (4,001 lbs. or more)	25.50	40.00

Renewal notices for vehicle and trailer registrations scheduled to expire after June 30, 2007 will reflect the new fees. July renewal notices will be received in June rather than May to allow time for computer programming changes. Virginia motorists have a number of preferred service options for renewing vehicle and trailer registrations, including:

- Online at www.dmvNOW.com
- Phone 1-888-337-4782
- Mail, by completing the vehicle renewal notice and returning it in the enclosed envelope with credit card information, check or money order made payable to DMV.

LICENSING FEES

In the last issue of Dealer Talk there was an article concerning the Board's proposal to adjust the fees that motor vehicle dealers and salespersons are assessed by the Board. The article noted that a Public Hearing had been scheduled to receive comments on the proposed fee schedule. Below is a summary of the meeting:

Motor Vehicle Dealer Board

Proposed Amendments to Fee Regulations
(24 VAC 22-20)
Public Hearing Minutes

Meeting Date: May 14, 2007

Meeting Time: 3:00 pm

Meeting Location: DMV Cafeteria, 2300 West Broad Street, Richmond, VA 23220

Meeting Facilitator: Bruce Gould, Executive Director
Motor Vehicle Dealer Board

Bruce Gould called opened the public hearing at 3:10 pm. An attendance sheet was distributed and the following were in attendance:

Michael Charapp, representing the Virginia Automobile Dealers Association (VADA and the Washington Area New Automobile Dealers Association (WANADA)

Lynn DuBard, Representing Virginia.gov

Rob Jones, representing Alliance Group

Lois Keenan, representing the Virginia Independent Automobile Dealers Association (VIADA)

David Boling, representing the Virginia Independent Automobile Dealers Association (VIADA)

Prin Cowan of the Motor Vehicle Dealer Board.

Gould gave an overview of the regulatory process, noting that the public comment period will end on June 15. He continued by explaining why the Board was pursuing the fee adjustments:

The Motor Vehicle Dealer Board is a Special Fund agency in that it receives no General Fund monies and operates on the fees paid by motor vehicle dealers. The current fee structure was established more than 10 years ago. When the current fee schedule was established, the financial plan was for the Board to build a surplus in revenue in the Special Fund in the first three years and those surplus revenues would cover revenue deficiencies in the last three years of the six year financial plan. A combination of lower than projected expenditures and higher than expected revenues has allowed the Board to stretch its six year plan to nearly 12 years. Without an adjustment to the fee structure, the Board will not be able to continue to provide the quick service that is now being provided to dealers and salespersons.

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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 independent dealer-operator qualification test at any DMV Customer Service Center.

The Virginia Community College System and the Virginia Independent Automobile Dealers Association (VIADA) have teamed up to present the two-day course. The following is a list of up-coming classes. The list is regularly updated on our WEB site at <http://www.mvdb.virginia.gov/licensingprocess.htm>

June 12 & 13 - Danville Community College, Danville

Contact: Ruth Green; 434-797-8571;
www.dcc.vccs.edu

June 26 & 27 - Germana Community College, Fredericksburg

Contact: Susan Brown; 540-891-3012;
www.germannac.edu

July 17 & 18 - Lord Fairfax Community College, Middletown Campus

Contact: Bill Pence; 540-868-7061;
www.lfcc.edu

July 24 & 25 - Community College Workforce Alliance at J. Sargeant Reynolds - Community College, North Run Campus, Henrico, County

Contact: Katie Butler; 804-523-2292; www.ccwa.vccs.edu

August 8 & 9 - Blue Ridge Community College, Weyers Cave

Contact: Lisa or Sandi; 540-453-2215;
www.brcc.edu

DEALER OPERATOR COURSE

(Continued from previous column)

August 21 & 22 - Virginia Western Community College, Roanoke

Contact: Anne Koon; 540-767-6131;
www.virginiawestern.edu

September 11 & 12 - Paul D. Camp Community College, Suffolk

Contact: Randy Betz; 757-569-6064 or Renee Brown; 757-569-6050; www.pc.cc.va.us/

September 25 & 26 - Thomas Nelson Community College, Hampton

Contact: Denice Siegfeldt; 757-825-2768;
www.tncc.edu

October 16 & 17 - Piedmont Community College, Charlottesville

Contact: Valerie Palamountain; 434-961-5333;
www.pv.vccs.edu

October 30 & 31 - Danville Community College, Danville

Contact: Ruth Green; 434-797-8571;
www.dcc.vccs.edu

November 14 & 15 - Tidewater Community College, Norfolk

Contact: Becky Yingling; 757-822-1402;
www.tcc.edu

November 27 & 28 - Central Virginia Community College, Lynchburg

Contact: Twila DeMaster; 434-832-7607;
www.cvcc.vccs.edu

December 5 & 6 - Southwest Virginia Community College, Richlands

Contact: Robert Chambers; 276-964-7241;
www.sw.edu

December 18 & 19 - Lord Fairfax Community College, Warrenton

Contact: Bill Pence; 540-868-7061;
www.lfccworkforce.com

LICENSING FEES

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While the Code of Virginia sets the maximum fees the Board may assess, setting the fees must be done through the regulatory process. All dealers and interested parties registered with the Board have been invited to submit comments by mail, email and FAX and have been notified of this meeting and have been sent the following proposed fee adjustments:

License/Certificate	Maximum by Law	Current	Proposed
Dealer-operator Certificate of Qualification	\$50	\$25 to take certification test.	\$50 application fee.
Salesperson Certificate of Qualification	\$50	\$25 to take certification test.	\$50 application fee.
Dealer License	\$300	\$200	\$200
Supplemental License	\$40	\$40	\$40
Salespersons License	\$50	\$20	\$25
Dealer license plates	\$30	\$20 for the first two plates (Two for \$40.) and \$15 for each additional plate.	\$30 for the first two plates (Two for \$60.) and \$26 for each additional plate.

Lastly, the proposed regulations also include technical changes to the "Definitions" section of the regulations in order to make them consistent with recent Code changes.

Gould closed his presentation by restating that the public comment period will end on June 15 and that all public comments will be considered and a final set of regulations will be sent to the Department of Planning and Budget and the Governor's Office for review. It is anticipated that the final regulations will be published in the *Virginia Register of Regulations* around August 20 with a November 1 effective date. All dealers will be notified at least 30 days in advance of the effective date.

Gould then asked if there were any comments, suggestions or questions.

Mr. Charapp recommended that the Board take a close look at legislation [HB 2270] that was passed by the 2007 General Assembly and effective on July 1 that allows licensing of temporary F & I [Finance and Insurance] salespersons to be sure that the revised definition of a salesperson in the regulations and the new legislation are all consistent.

There were no other public comments and the meeting was adjourned.

Submitted by Bruce Gould
May 18, 2007

Anyone wishing to submit written comments may do so by mail, email or fax to Bruce Gould, 2201 West Broad Street, Suite 104, Richmond, VA 23220, 804-367-1100; ext 3002; FAX: 804-367-1053; email bruce.gould@mvdv.virginia.gov. Written comments must include the name and address of the commenter. In order to be considered comments must be received by June 16, 2007.