



Newsletter of the Colorado Motor Vehicle Dealer Board and Auto Industry Division
Sept 2003, Vol. XXVIII, No.3

Director's Desk *by Linda R Petkash, Executive Secretary*

EXERCISE CAUTION - EMISSION INSPECTION - HB03-1016

At the August Dealer Board meeting, a representative from the Department of Public Health and Environment (DPHE), Air Quality Control Division presented the Board with the schedule for implementing the new emission inspection legislation that became effective August 6, 2003. While the changes became law on August 6, 2003, **THE NEW LAW CANNOT BE IMPLEMENTED FOR SEVERAL MONTHS.**

It was reported that the Air Quality Control Commission must first promulgate new regulations as the first step in implementation. The State Implementation Plan must then be revised to include the new regulations. Statutes require the DPHE to submit any changes in the State Implementation Plan to the Legislature for approval. Finally, the Federal government will need to approve the revised State Implementation Plan. It was reported to the

Board that the earliest the changes can be implemented is sometime in Spring 2004. In the meantime, current regulations are in force.

Current regulations require dealers to get an emissions inspection on a vehicle prior to sale even if 12 months remain on the 4 year exemption, and require dealers to re-inspect vehicles every 120 days. If you have questions, please contact John Schoen, Emissions Section, Department of Revenue at 303-205-5669.

CONTINUE TO OPERATE UNDER THE CURRENT EMISSION REQUIREMENTS.

ROUTING BOX
Owner
Finance Manager
General Manager ✓
Sales Manager

DEALER BOARD - NEW OFFICERS - NEW MEMBER

At the July 8, 2003 meeting, **Fred Emich** was elected President of the Board, **Gretchen Olson** was elected 1st Vice-President, and **Jeff Carlson** was elected 2nd Vice-President. **Dale Spradley** was sworn in as a Board Member replacing Lee Payne who com-

pleted four years on the Board in June. Mr. Spradley began his career in the automobile industry in 1960 when he joined the Ford Motor Credit Company, and opened his first new car dealership in 1973. Welcome, Dale.

MY THANKS TO STEVE AND LEE, *by Fred Emich, President of the Board*

I want to take this opportunity to thank both Steve Perkins and Lee Payne for their hard work the last few years. Their work on the Board has helped both new and used car dealers and all Coloradoans they serve. I feel fortunate to have worked along side Steve Perkins for the last two years during his tenure as Board President. His knowledge of our business and the Colorado laws is impressive. Thanks, Steve.

I have a deep respect for all the people working for the Auto Industry Division. The public members of

the Board and the new and used dealers, through their willingness to serve on the Board, have brought with them immeasurable knowledge and experience for the automobile industry. I thank them.

My main goal when I was first seated on the Board was to do something about salvage vehicles not being branded. Right now the Board is working hard to come up with a system that will be applicable and fair for identification of branded vehicles.

Titles and Registrations, *by Marcella Paul*

Colorado Temporary Permits

The State of Colorado temporary permit program is implemented through the County Motor Vehicle divisions (DMV). The DMV issues the temporary permits to automotive dealers in small batches. Effective August 1, 2003 a batch of 25 temporary permits will cost \$18.00. The dealer assigns the permits to the car buyer/customer. The dealer is responsible for completing the permits at the time it is assigned. Each permit provides an area for recording the month, day and year of expiration. Temporary permits can be issued up to 60 days from date of vehicle purchase.

A new design format for temporary permits is being introduced. The introduction of a new format does not nullify the use of the older formats. The dealers may use the older batches of permits until their supply is exhausted. All dealers are instructed to use the same procedure to complete temporary permits that are used by the county clerks.

Currently, there are three formats of temporary permits:

The original style has been available for several years. This permit begins with an alpha character that is followed by five (5) numeric characters. When issued by the dealer the protective cover is removed and the expiration date

is recorded over the Hologram, the reflective silver strip. The month, date and year are recorded in a bold black permanent marker. If the silver strip is removed or altered the permit becomes invalid.

Temporary permits were issued effective 2002 with a new configuration. This permit begins with six (6) numeric characters followed by an alpha character. When issued by the dealer the protective cover is removed and the expiration date is recorded over the Hologram. The month, date and year are again recorded in a bold black permanent marker. If the silver strip is removed or altered the permit becomes invalid.

The newest permit was issued effective July 2003 with a slightly modified appearance. This permit also begins with six (6) numeric characters followed by an alpha character. When issued by the dealer with the shorter Hologram, the protective cover is removed and the expiration date is recorded. The first three letters of the month are recorded on the strip followed by the date and the year. Any alteration to the permit will make it invalid.

Please contact Marcella Paul, Department of Revenue, Titles & Registration, if you have any questions regarding the temporary permits described above. She can be reached at mpaul@spike.dor.state.co.us.

Investigation Insight *by Supervisor Investigator Mary Marvin*

Referral Sales

Many dealers have inquired about referral fees paid to customers. Colorado State Law, 5-3-209 C.R.S., states "With respect to a consumer credit sale or consumer lease, the seller or lessor may not give or offer to give a rebate or discount or otherwise pay or offer to pay value to the consumer as an inducement for a sale or lease in consideration of the consumer giving to the seller or lessor the names of prospective purchasers or lessees, or otherwise aiding the seller or lessor in making a sale or lease to another person, if the earning of the rebate, discount, or other value

is contingent upon the occurrence of an event subsequent to the time the consumer agrees to buy or lease. If a consumer is induced by a violation of this section to enter into a consumer credit sale or consumer lease, the agreement is unenforceable by the seller or lessor and the consumer, at his or her option, may rescind the agreement or retain the goods delivered and the benefit of any services, performed without any obligation to pay for them."

Compliance Corner *by Supervisor Mary Marvin*

Temporary Registration Permits

Recently the State has been inundated with permit stubs showing the same permit number being issued twice as well as the information on the stubs being incomplete. According to 1CCR204-14 it is the dealer's responsibility to insure that the permit registration stub be completed and accurate. The information from the permit stub is entered into Colorado's Registration Information System. The State is unable to create a temporary registration record on the system if any of the information is omitted.

Therefore, if your customer is stopped by a police officer and the officer calls into the State for verification of the existing plate (temporary registration permit) there would be no record of the vehicle ever being purchased. The end result could be that your customer's vehicle is impounded. If the information on the permit stub is incomplete or inaccurate, the dealer may be found in violation and may lose the privilege to issue these permits.



DEALER BOARD ACTIONS

Trisha Lebaron, dba Motorsports of the Rockies- Ft Collins-#36538 – defrauding any buyer/seller (2 counts); failure to perform written agreement (2 counts); illegal sale (2 counts), failure to honor check/draft to another dealer/wholesaler (2 counts). **\$80,000 FINE (\$72,000 HELD IN ABEYANCE IF FULL RESTITUTION IS PAID), LICENSE REVOKED.**

Don Massey Oldsmobile -Lone Tree- #36330 – advertising (1 count). **\$1,000 FINE, RESTITUTION (\$7500 AND 1 DAY SUSPENSION HELD IN ABEYANCE FOR 3 MONTHS PROBATION).**

Ricky Marks , dba R&A Auto-Aurora-#4333 – defrauding any buyer/seller (3 counts); failure to honor written agreement (3 counts). **\$30,000 FINE, FULL RESTITUTION (\$28,500 AND 3 DAY SUSPENSION HELD IN ABEYANCE FOR 6 MONTHS PROBATION.)**

Steve Rohac, dba Rohac Motors -Englewood-#3365 – failure to deliver title (5 counts); violation of any lawful order of the Board (1 count). **\$30,400 fine (\$25,400 AND 5 DAYS SUSPENSION HELD IN ABEYANCE) 3 YEARS PROBATION.**

Licensing Leads *by Debby Shriver, Licensing Manager*

Will Your License Be Affected?

Update on Staggered Licensing (HB-1341)

The Division is busy working on the plan to stagger licenses that expire on June 30, 2004 and includes dealers, salespeople, manufacturers, manufacturer representatives and buyer agents.

Every June the Division renews 6,400 licenses. The goal is to move some of these licenses to other months throughout the year. This will smooth the Division's

workload and allow the Division to be more responsive to the needs of our customers.

The Division will present the staggered licensing plan to the board in November.

Please watch for future updates as for your license maybe one of the licenses selected to move to a new month.

Taxes, Taxes, Taxes, *by Kaye Kopecky, Public Information Officer*

Confused on how to do sales tax? Good news! The Department of Revenue is giving sales tax classes to owners, managers and accountants of businesses that sell tangible personal property. It covers information about sales tax licenses, sales tax return preparation, taxability of items and state-collected local sales taxes, and includes

an information packet and a question-and-answer period. Classes are offered in Lakewood, Colorado Springs, Grand Junction, Fort Collins and Pueblo. All classes are free. To access the calendar for class location and time and other sales tax information visit <http://www.revenue.state.co.us>.

Titles and Registrations, *by Barbara Saylor*

VIN VERIFICATIONS

Per CRS 42-6-107 (1)(b) the odometer reading is required on all VIN inspections (DR2087 & DR2704). Under authority given to the department, the license plate information is also required. This includes plate number, state of issue, and date of expiration. A good rule of thumb is to complete all boxes on either type of VIN inspection. If the information in a particular box does not apply, fill in the box with a N/A for "not applicable".

Any application submitted with a VIN inspection dated May 1, 2003 or later, without the odometer reading box completed will be rejected.

Just as a reminder, effective January 1, 2000 the complete year designation on the VIN Inspection is required. The year of the vehicle must be written in 4 digits.

When titling vehicles that are "out of country," military, or from states that do not require titles, a Certified VIN inspection is no longer required. A regular VIN inspection should be performed on these vehicles.

Certified VIN Inspections are required on the following pursuant to either Statute or Rule:

- * Bonds
- * Assigned ID's
- * Salvage (rebuilt)
- * Mechanics and Storage Liens
- * Public and Private Tow Bills (When the vehicle is less than five years old and "No Record" was found in State records)

Reminder to Dealers

All AID forms are available on our website and can be downloaded; however, when submitting these forms make sure that you fill them out thoroughly and accurately and provide the **correct number of copies**.

Besides obtaining all AID forms, our website contains other written material regarding the Auto Industry Division. Please check out our Internet home page website at www.mv.state.co.us/dealer.html. You may also email our Public Information Officer at dealers@spike.dor.state.co.us with any questions or concerns.

DEALER BOARD MEMBERS

- President**, Fred Emich
- First Vice President**, Gretchen Olson
- Second Vice President**, Jeff Carlson
- Bob Feder, Jon Kroneberger, Steve Perkins,
- Mark Striegnitz, Jim Varner, Dale Spradley
- Executive Secretary**, Linda Petkash

AUTO INDUSTRY DIVISION

- Division Director**, Linda Petkash
- Licensing Manager**, Debby Shriver
- Investigator Supervisor**, Mary Marvin
- Public Information Officer**, Kaye Kopecky

Correspondence is welcome. Address to:
 Auto Industry Division
 1881 Pierce Street, Lakewood, CO 80214
 Phone: (303) 205-5604 FAX: (303) 205-5977
 E-mail: dealers@spike.dor.state.co.us
 Internet: www.mv.state.co.us/dealer.html

C A L E N D A R

Dealer Board Business Meeting: Second Tuesday of each month at 9:00 am, 1881 Pierce St, Lakewood.

Dealer Board Hearings: Fourth Tuesday of each month, if necessary, at 9:00 am, 1881 Pierce St, Lakewood.

License Law Seminar - Colorado Springs: First Tuesday of each month at 10:00 am, 4420 Austin Bluffs Pkwy, Colorado Springs.

License Law Seminar - Ft Collins: Second Wednesday of each month at 10:00 am, 1121 W Prospect Road, Ft. Collins

License Law Seminar - Lakewood: Third Tuesday of each month at 9:00 am, 1881 Pierce St, in the Department of Revenue Building, Conf. Rm. C, Lakewood.

Note: Times and locations are subject to change.
Call the Auto Industry Division at (303) 205-5784.

Please note: While every effort is made to make the information in *Wheels* as accurate and helpful as possible, it is not offered as a substitute for legal advice.



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