

MINUTES
AUTO INDUSTRY ENFORCEMENT DIVISION
RULEMAKING WORKING GROUP

Meeting of June 10, 2015
1:00 p.m. – 4:00 p.m.

1881 Pierce St.
Lakewood, CO 80214

Working Group Members Present

Chair, Bruce Zulauf (CDOR – Auto Industry Division)
Co-Chair, Matt Heap (CDOR – Auto Industry Division)
Martin Kenney (CDOR – Auto Industry Division)
Leland Bebee (CDOR – Auto Industry Division)
Michael Dommermuth, Esq. – CADA
Tim Jackson, President - CADA
Todd O’Connell, CIADA
Michael McKinnon, Esq. - CIADA
Rick Wynkoop, Esq.
Matt Osbourne, Esq.
Jerry Abboud, PDAC
Steve Perkins, Former Board member
Sean Doyle, Better Business Bureau
Y.E. Scott (Colorado Attorney General’s Office)

Working Group Members Absent

Tammi McCoy, CADA
John Schenden, Former Board Member
Dean Strawn, Auto Dealer

Director Zulauf, Chair, opened the meeting at 1:15 p.m. Each working group member introduced themselves. Director Zulauf stated that the purpose of today’s meeting is to discuss and review **Rules:**

- 12-6-102(16)***Motor Vehicle Regulation – Off-premise permits**
- 12-6-502(16)***Powersports proposed Regulation – Off-premise permits**
- 12-6-118 (3)(i)***Motor Vehicle Regulation – Material Damage disclosures**
- 12-6-520(3)(h)***Powersports Regulation – Material Damage disclosures**

Director Zulauf stated that should the working group conclude its work and notifications are made to all interested parties, a formal hearing will be set shortly thereafter. If all goes according to plan, the earliest new rule could be adopted sometime in September, 2015.

Working Group Meeting Scope – Topics and Discussion

- Off-premise permit
 - History
 - Concerns with current regulation – violations
 - General discussion of CADA submitted research and starting point proposals

- Material damage disclosure
 - History – Spedding & Regulation
 - Concerns with current regulation – violations
 - General discussion of CADA submitted research
 - General discussion of CIADA starting point proposals

Off premise-permits

Director Zulauf began by stating that the purpose of the Off-premise permit was to allow dealerships to apply for a permit off-site for a specific event for the duration of approximately (6) six days.

Unfortunately, the Division has become aware of numerous instances of unlicensed, out-of-state salespeople selling vehicles at “tent sales”, which is in violation of rule **12-6-102(16)**.

There was a general discussion of the history of the use of Off-premise permits and the use of the permits as it relates to master consignment agreements.

Mr. Abboud suggested an increase of the off-premise fee for sale of powersports to offset the possible loss in revenue from out-of-state dealers resulting in non-collection of sales tax.

Group took a 10 min. break - Re-convened at 2:32 p.m.

Material Damage disclosures

Mr. Zulauf distributed the Court of Appeals case, Spedding vs. DOR to group members. There was a general discussion regarding material damage versus material particulars.

CADA’s research was distributed to group members for discussion.

The next Stakeholder meeting is scheduled for Thursday, July 9, 2015, 1:00 p.m. at the CADA offices.

Director Zulauf thanked everyone for their participation and adjourned the meeting at 4:05 p.m.

(Note: The minutes of these rulemaking working groups are very general in nature and only summarize the contents of the meeting. They are not verbatim transcripts and are based principally upon the digital recording of the meeting and upon the later collaboration of staff attendees to ensure that the summary faithfully captures the matters before the working group and the discussion the group had. The digital recording of the meeting is a permanent record of the Division, retained in the electronic filing system of Division, and is available on the Division’s website.)