

**MINUTES**  
**AUTO INDUSTRY ENFORCEMENT DIVISION**  
**RULEMAKING WORKING GROUP 1**

Meeting of July 26, 2018  
 9:00 a.m.

1881 Pierce St.  
 Lakewood, CO 80214

**Working Group Members Present**

Bruce Zulauf (Chair, CDOR – Auto Industry Division)  
 Chris Hartman, CDOR – Auto Industry Division  
 Leland Bebee, CDOR – Auto Industry Division  
 Beth Spellerberg, CDOR – Auto Industry Division  
 Frank Agos, CDOR – Auto Industry Division  
 Joshua Dexter, CDOR – Auto Industry Division  
 Suzanne Karrer, CDOR – SDO Enforcement  
 Carolyn Berry, CDOR – SDO Enforcement  
 Steve Perkins – Board Member  
 David Cardella – Mountain States AutoGroup  
 Todd O’Connell, Executive Director – CIADA  
 Michael McKinnon, Esq. - CIADA  
 Michael Dommermuth, Esq. – CADA  
 Matthew Graves, CADA  
 Jerry Abboud – Powersports Dealers  
 Brad Jones (Colorado Attorney General’s Office)

Director Zulauf opened the 1st meeting of Group 1 to review the 2018 Regulatory Agenda. Each working group member introduced themselves. These stakeholder meetings will be recorded and the audio posted on the Auto Industry Division website.

The following rules are under review:

<b>Regulation 12-6-104(3)(o)</b>	<b>Consideration of factors in assessing penalties for violations</b>
<b>Regulation 12-6-504(1)(o)</b>	<b>Consideration of factors in assessing penalties for violations – Powersports (New Rule)</b>
<b>Regulation 12-6-104(4)</b>	<b>Determination of Sanctions in Disciplinary Case against Licensee</b>
<b>Regulation 12-6-504(1)</b>	<b>Determination of Sanctions in Disciplinary Case against Licensee – Powersports (New Rule)</b>
<b>Regulation 12-6-104(3)(f)(II)</b>	<b>Disciplinary Case process – Motor Vehicles (New Rule)</b>
<b>Regulation 12-6-504(1)(f)(V)</b>	<b>Disciplinary Case process – Powersports (New Rule)</b>

Regulation 12-6-104(3)(a)	<b>Powers and Duties of the Executive Secretary</b>
Regulation 12-6-504(1)(a)	<b>Powers and Duties of the Executive Secretary (New Rule)</b>
Regulation 12-6-104(3)(d)(II)	<b>Powers and Duties of the Director and Executive Director</b>
Regulation 12-6-504(1)(d)(II)	<b>Powers and Duties of the Director and Executive Director – Powersports (New Rule)</b>
Regulation 12-6-104(3)(f)(I)	<b>Powers and Duties of the Executive Secretary</b>
Regulation 12-6-504(1)(f)(I)	<b>Powers and Duties of the Executive Secretary Powersports (New Rule)</b>

**Working Group Meeting Scope – Topics and Discussion**

- Review drafts of proposed revisions to rules;
- Determine if a second Group meeting is needed.

Director Zulauf explained the rulemaking process, which consists of reviewing the rules and discussing input written and verbal provided by stakeholders and the Division’s subject matter experts.

Mr. Jones advised, per the bill passed by the General Assembly earlier this year, that the transition of the rules to the new naming convention (Title 12 to Title 44) has to be changed and will go into effect October 1, 2018.

Mr. Bebee commented that this regulatory compilation provides an initial framework for Stakeholders to discuss each listed regulation in the course of the Stakeholder meetings. The regulations appear in “rule pairs,” e.g., Rule Pair 1, “Rule Pair 2,” etc., to ensure concurrent consideration of parallel regulations respective to Motor Vehicles and Powersports Vehicles. The Motor-Vehicle-related regulation in the pair always appears first, marked by the letter, “A.” The parallel Powersports-Vehicle-related regulation and the Powersports-Vehicle-related regulation display the current text of the regulation (if any) followed by the Staff’s proposed new text (if any).

The 2018 Rule Group 1 compilation of regulation comments are as follows:

**Rule Pair 1:**

**Regulation 12-6-104(3)(o)** - The Division proposed the rule be deleted. There is no parallel rule for Powersports.

Mr. McKinnon and Mr. O’Connell, CIADA concur. Mr. Dommermuth, CADA had no comment.

## **Rule Pair 2:**

**Regulation 12-6-104(4)** - Mr. Jones stated a determination was made to modify the rule and create a separate rule and provision in Rule Pair 6.

Mr. Bebee presented the Division's recommended revision.

Mr. Dommermuth, CADA suggested using some language that would allow the Board some flexibility to consider mitigating factors located in subparagraph (b). He suggests adding "additional mitigating circumstances" to the language.

Mr. McKinnon expressed concerns in regard to listing factors an Administrative Law Judge may consider during a hearing and with the current stipulation matrix used in regard to allegation of violations. A lengthy discussion followed.

All parties concur with the recommended revisions.

Group took a 10 min. break - Reconvened at 10:29 a.m.

## **Rule Pair 6**

### **New Rule - Regulation 12-6-104(3)(f)(II)**

Director Zulauf suggested changing "and" to "or" in subparagraph (c)(2). The same revision will be made to the Powersports parallel rule.

All parties concur with the recommended revision.

## **Rule Pair 3**

**Regulation 12-6-104(3)(a)** - All concur with the recommended revision with the same application to new Powersports parallel rule.

## **Rule Pair 4**

**Regulation 12-6-104(3)(d)(II)** - Mr. McKinnon expressed concern in regard to use of the word "rules" and suggested using the word "guidelines" as an alternative. A lengthy discussion followed.

A consensus was reached by all parties to move forward with recommended revision as written. The same revision will be applied to the new Powersports parallel rule.

## **Rule Pair 5**

**Regulation 12-6-104(3)(f)(I)** - The Division proposed the rule be deleted. There is no parallel rule for Powersports.

All parties concurred with the recommendation.

Director Zulauf stated there will be a formal Rulemaking Hearing held after the regularly scheduled Board meeting of September 18, 2018 at 1:00 p.m.

Public Comment: None

Director Zulauf thanked everyone for their participation and adjourned the meeting at 11:16 a.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.)***