

**MOTOR VEHICLE DEALER BOARD
RULEMAKING WORKSHOP MINUTES
September 26, 2013**

A rulemaking workshop was held at the Department of Revenue offices, Lakewood, Colorado. The following persons were present:

BOARD MEMBERS:

Joe Gebhardt
John Schenden
Jason Wagner
Deborah Thompson
Fred Wegener
Stan Martin
Chris Hefty
Lee Yoder

MEMBERS ABSENT:

Beau Smith

**SENIOR DIRECTOR OF
ENFORCEMENT:****EXECUTIVE SECRETARY:**

Bruce Zulauf

LEGAL ASSISTANT:

Leland BeBee

**DEPT OF REVENUE,
AID, ENFORCEMENT
DIVISION STAFF:**

Chris Rouze
Matt Heap
Gloria Breeden
Margaret Jungmann
Eric Hartsough
Bud Heinrich
Arlene Criddell-Tapanen

ATTORNEY GENERAL'S OFFICE:

Y.E. Scott
Brendon Reese

BUDGET OFFICE:**VISITORS:**

Todd O'Connell, CIADA
Mary Marvin , CAPSS
Mike McKinnon
Tami McCoy, CADA
Michael Dommermuth
Jeff Carlson
Jerry Aboud
John Medved

Vice President of the Board, Jason Wagner opened the workshop of September 26, 2013, at 9:17 a.m. Mr. Wagner turned the floor over to Executive Secretary Bruce Zulauf.

Mr. Zulauf informed everyone that we are not in formal rulemaking. This is a rulemaking workshop.

He and Ms. Rouze put together a rulemaking agenda and listed the items that kept coming up.

- Disclosure Form
- Financing
- Off Premise Permits
- Advertising

Mr. Zulauf advised the participants that there would not be a discussion on advertising rules today because there is a Focus Group that has been working on this area. The Focus Group's report may be completed in the next couple of months for presentation to the Board.

HEARING PROCEDURES' RULE

Mr. BeBee provided a handout and made a presentation on the Hearing Procedures' Rule. There was general discussion.

DISCLOSURE FORM

General discussion regarding the following:

- Originally the disclosure form came about to address bailment.
- Varying amounts of bailment being charged.
- APR - Confusion caused by the discrepancy of interest rate on the retail installment contract vs the interest rate shown on the disclosure form.
- "Renting" of the vehicle, knowing financing is not possible.
- Down payment vs. Deposit – contradictory language.
- Leaving consumers in vehicles in order to deplete their down payment with bailment charges.
- "Guarantee" financing – written or oral presentation that may lead a purchaser to believe financing is approved.

REJECTION OF FINANCING REGULATIONS

General discussion regarding the following:

- 12-6-118 (3) (v) – acceptance / rejection of financing.
- Notification requirements under 12-6-118 (3) (v).
- May need clarifying language informing consumer of the following:
 - "You may need to provide proof of income"
 - "You may need to provide proof of residency"
 - "You may need to provide additional down payment"
 - "Or, you can return the vehicle and pay bailment"
- Time frames (Is 10 days enough time, when does the 10 days start, etc.).

The Board took a short break.

OFF PREMISE PERMITS

General discussion regarding the following:

- Intent of the rule when it was promulgated.

- A tiered fee system depending on the type of event.
 - Equitability - price of a conglomerate to pull permits for a tent sale versus a small trailer dealership who wants to do a trade show.
- Defining “consecutive” when a Sunday is involved.
- Time frames – obtaining the permit right before the show is scheduled.
 - Board may want to consider a 14 to 30 day window
- Where and how permits are being used.
- Multiple dealerships going under a “master consignment agreement” to avoid cross licensing their salespeople.

The rulemaking workshop was adjourned at 1:20 p.m.

(Note: The Minutes of the Motor Vehicle Dealer Board 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 Board and the actions the Board took. The digital recording of the meeting is a permanent record of the Board, retained in the electronic filing system of the Auto Industry Division, and is available as a resource for review, as needed.)

Bruce Zulauf
Executive Secretary