



Colorado Automobile Dealers Association

Sunset Review Legislative Wrap-Up

Colorado Legislative Session for 2007—Wrap-up for Colorado Auto Retailers
Jeremy Cottrell, CAR Lobbyist

SB-221 Motor Vehicle Dealer Board Sunset Review

After a year and a half of evolution, preparation, negotiation, and meetings, an extremely favorable final version of SB-221 is on its way to Gov. Bill Ritter's desk for final passage.

The following represent some key transitional changes to the Motor Vehicle Dealer Board (MVDB) effective July 1, 2007.

a. Composition of the MVDB

Without question, the most disputed and hard fought battle was the issue of the MVDB composition. Both the Department of Regulatory Agencies (DORA) as well as the Senate sponsor, Sen. Jennifer Veiga proposed weakening industry representation in place of adding county clerk and financial services persons. Fortunately, we were able to successfully amend the bill to retain the current composition of the MVDB of three new dealers, three used dealers, and three public members.

b. Bond Requirements

CAR position was accepted, calling for increasing bonding levels. Salespersons bonds increased to \$15,000 and dealer bonds increased to \$50,000, which will do more to keep under-capitalized dealers out of the auto retail business than anything else in the bill.

c. Administrative Law Judges (ALJs)

The introduction of ALJs will aid the MVDB in providing findings of fact and findings of law. This process will allow for increased efficiency thereby permitting the MVDB to concentrate on matters of particular interest and importance. Ultimately, the findings of the ALJs will be given to the MVDB as recommendations, leaving the MVDB to use their expertise in reaching a final conclusion. The MVDB must utilize of ALJs in 60 percent of all cases but may elect to hear cases without ALJs upon unanimous agreement of a quorum of MVDB members.

d. Length of Sunset Renewal Process

All issues established relating to the re-authorization of the MVDB will be in place for 10 years, until July 1, 2017.

e. Salesperson Examination

A psychometrically valid test will be established by Jan. 1, 2008. This test will improve upon the current one by utilizing a meaningful and proven method, demonstrating the test-taker has more fully mastered the motor vehicle law and regulation retention.

f. Notification to Consumers of the MVDB

Dealers will include a notice to consumers of the existence, purpose, and contact information of the MVDB within existing paperwork of a lease or sale. This was a major win as originally the DORA report sought a separate document to be added to each car sale.

g. Granting of license to auction for sale of government vehicles

75% of government vehicles go through the auction process. This will allow the auctions an appropriate license for these vehicles.

h. MVDB and Auto Industry Division (AID) adopt common standards

A reliable, consistent, and viable set of compliance and disciplinary standards shall be established by both the MVDB and the AID by Jan. 1, 2008. Once established, this set of standards shall govern the actions of the AID. These new standards will be developed from the previous 1993 standards, allowing for changes to the nature of the auto retail industry.

i. MVDB Deactivation of license

MVDB may deactivate a dealer's license by mail if the licensee fails to maintain the appropriate bond.

These changes result in the greatest impact to the MVDB Board's authority and duties. These are also the issues that will impact new and used motor vehicle dealers in the state of Colorado as of July 1, 2007.

Those involved in the 2007 Sunset Review process include:

Colorado Independent Auto Dealers Association (CIADA) – Jon Kroneberger

Colorado Auto Brokers Association (CABA) - Edie Busam, Steve Perkins, Hank Held

Power-Sports Dealers Association of Colorado (PDAC) - Jerry Abboud

Denver Auto Auction - John Kramer

Colorado Auto Dealers Association (CADA) – Tim Jackson

Colorado Auto Retailers (CAR) - Mike Feeley, Jeremy Cottrell

Transwest Trucks--Carl Larson and Jim Snook

Motor Vehicle Dealer Board (MVDB) – Jeff Carlson, President

Department of Regulatory Agencies (DORA) - Bob Holden, Jeff Heier

Testimony: Jeff Carlson, Lee Payne, Gretchen Olsen, Bob Feder, John Medved, Lisa Schomp

Because so many were involved in this process, we were able to complete our legislation with almost everything as CAR had originally proposed. It is with much thanks and gratitude that so many were involved in this monumental process.

For a full copy of SB-221 please contact **Jeremy Cottrell, Colorado Auto Retailers (CAR), at 303.903.5302.**