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Issue 152



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Upcoming Events!

Monday 7/08/2024
Board Meeting In person at the DMV
2300 W. Broad St. Richmond VA,
23220

[Click here for more details on the next Board Meeting Details](#)

New Legislation Effective July 1, 2024

HB 1106 and SB 452

Provides a third option for dealer-operators to recertify by successfully passing an exam administered by the Department of Motor Vehicles (Customer Service Center Locations).

Legislation passed in 2022 requires all dealer-operators (independent dealers) to recertify their dealer-operator qualifications every two years by taking an instructor-led four hour class, administered by three vendors (Compass Systems, JTZ Enterprise and VIADA) in-person or via social media platform. Prior to the 2022 law change, there was an option for passing a \$50 exam administered by the Department of Motor Vehicles. When the law was changed in 2022, the option to take the recertification test at the DMV was not included. HB 1106 and SB 452 restores that option.

HB1107

Allows the Board to establish the cost of examinations (46.2-1528) performed by the MVDB field representatives. If a violation of the Motor Vehicle Dealer Laws or any order of the Board is found during the inspection, the cost of the inspection shall be paid within 30 days.

UMV Fee effective July 1, 2024

Please make sure you change your buyers' orders to reflect there is no uninsured motorist fee collected by dealers after June 30, 2024. Legislation passed during the 2023 session of the Virginia General Assembly repealed the uninsured motorist fee. Virginia will be an insurance required state for vehicles. This line item should not appear on your buyers order after June 30, 2024. MVDB Field Representatives will be checking your buyers' orders to see if it complies with the removal of the uninsured motorist fee line item. Any uninsured motorist fees collected on or after July 1, 2024, by a dealer will be refunded to the purchaser in its entirety. If you have questions, please contact DMV's Dealer Services Work Center at dealerservices@dmv.virginia.gov.

Ceasing Operations

If you are permanently closing your dealership the following describes the steps you need to follow to ensure an orderly transition out of the business and remain compliant.

Notify the Board at least 30 days ([§ 46.2-1545](#)) prior to closing. As a reminder to dealers who plan to close their businesses, please notify the Board in writing of your intent to close. The dealer MUST communicate to the Board where all dealer records will be stored after closing. When you cease operations as a motor vehicle dealer in Virginia, you should complete all pending title and registration work, and remit all applicable fees to the DMV.



You must surrender the following items to the MVDB:

1. Your Dealer License Certificate
2. All dealer license plates which have been issued to your dealership
3. Licenses of all salespersons that you employed

The following items needs to be surrendered to the DMV:

4. All passenger license plates and decals left in stock
5. All temporary license plates left in stock
6. All VSA 27 forms, "Receipt for Money Paid for Transfer of License Plates" (commonly called a temporary registration receipt) remaining in stock

If you are an "on-line" dealer: contact your online vendor or DMV's Dealer Services Work Center at dealerservices@dmv.virginia.gov about surrendering all passenger plates and decals. These items belong to DMV and cannot be collected by the MVDB.

As a former licensed dealer, you are by law required to maintain and make available to the Dealer Board and DMV all dealer records for a period of 5 years.

REMINDERS

Working telephone in the name of the dealership.

§ 46.2-1510 (4) requires "a working telephone listed in the name of the dealership." If using a cell phone as your Dealership phone number, the account must be active and set up in the name of the dealership.

Insurance Lapses

Va Code § 46.2-1547, and § 46.2- 1575 (18) requires that each dealer license plate issued to you have continuous, uninterrupted liability insurance with no lapse in coverage during the time you have plates in your inventory. Civil penalties are issued if the Board finds dealers do not have liability insurance on each of their dealer plates. These penalties can be calculated at the rate of \$600 for each of the dealer plates in your inventory. If your insurance lapses, or you fail to have insurance on your dealer plates, you may surrender your dealer plates to the Board or one of our Field Representatives, until insurance is re-acquired. When you obtain insurance after a lapse, just contact us and we will get your plates back into your possession. As part of our routine visits/inspections of dealerships, our field representatives request proof of liability insurance, and dealers should be able to provide a copy of their liability insurance when requested. We urge dealers to verify with your insurance agent that the number of dealer plates noted/listed on your policy is the same as the number of plates issued to you by the Motor Vehicle Dealer Board. For example, if you have been issued 20 dealer plates, your insurance policy should state you have insurance for 20 dealer plates or state all dealer plates are covered. As a best practice, the Board recommends you periodically perform an inventory of your dealer plates and verify adequate liability insurance. This is especially important for dealers that have a large number of plates, and reporting lost or missing plates is especially important. You are responsible for these plates. The Board also recommends you perform an inventory before you renew your dealer plates. Lastly, it is important to note that when dealers are requesting additional plates, replacement plates, or renewing plates, the Board requires you to submit a copy of your liability insurance along with the [MVDB 9](#) and any required fees.

What Will Delay a Sales License?

Dealerships...be sure to completely fill out the MVDB 61 in its entirety – if the MVDB 61 is missing information, the processing of the sales license will be delayed. Remember, the dealership is responsible for conducting the criminal background check on all original salesperson applications.

On the MVDB 61, be sure that both the applicant AND the dealer sign the fully completed form. The Board recommends that the applicant enter all the information in sections (1), (2), and (3) of the MVDB 61 and sign at the bottom of section (3). In section (3), if the applicant has ever had a conviction(s), be sure to truthfully disclose this



by checking the appropriate box “yes”. Convictions alone may not exclude an applicant from being licensed, but checking “no” on the application, when the background check reveals convictions, is considered a material misstatement and most likely will lead to your application being denied. Next the dealer should review the application for accuracy, complete section (4), complete the background check, sign as the employing dealer, and include the proper fee before submitting the application to the Board. If you find that you have sent in a salesperson application but have not received the license within 7-10 business days, more than likely, your application is missing disclosures and signatures in section (3), or the employing dealer did not complete section (4), or the background check is not available to the MVDB, or there was no payment attached to the application. Finally, remember that the applicants may NOT engage in any sales activities until the sales license is processed by the MVDB.

Providing Titles to Customers

There is an increase in consumer complaints regarding dealers failing to provide customers with titles and registrations within the statutory times allowed by law. Dealers are required to deliver to the purchaser the certificate or title (or certificate of origin) within thirty (30) days. The dealer, if unable to produce the title or transfer of ownership within the 30 days, may submit to the DMV an application for title, copy of the bill of sale, all required fees and a written statement of facts describing the dealer's efforts to secure the certificate of title (certificate of origin) to the vehicle. Upon receipt of the application for title and accompanying documents, the DMV will shall record the purchaser's rights to the vehicle and may authorize the dealer to issue a second 30-day temporary certificate of registration. For additional information, contact the DMV's Dealer Services Work Center at dealerservices@dmv.virginia.gov.



Keep Records of Dealer Plate Usage

§ 46.2-1529 states in part that, all dealer records shall be preserved...for a period of five years in a manner that permits systematic retrieval....and records of permanent dealer plates assigned to the dealer fall into this category of dealer records.

§ 46.2-1548 states in part that, "Any license plates so issued may, during the calendar year or years for which they have been issued, be transferred from one motor vehicle to another, used or operated by the manufacturer, distributor, or dealer, **who shall keep a written record of the motor vehicle on which the dealer's license plates are used.**

REMINDERS

Independent Dealer-Operator (IDO) Recertification Deadlines

ALL IDO's of independent dealerships must recertify their IDO qualification every two (2) years by either taking the instructor-led online or classroom course. Click [HERE](#) for more information and [HERE](#) to determine your recertification deadline. Please note that dealers with Franchise endorsements are exempt from recertification. If you are unclear on your recertification deadline, or any other recertification questions, please contact Micah Bailey at the MVDB. He may be reached at 804-367-1100 x 3007#, or email at micah.bailey@mvdv.virginia.gov

FTC Recommendations for Safeguarding Customer Information

With consumer fraud and identity theft on the rise, dealers have more and more responsibility to safeguard personal identifying information from their customers. Below is a portion of the FTC's recommendations for creating your own information security program.

What does a reasonable information security program look like?

Section 314.4 of the Safeguards Rule identifies nine elements that your company's information security program must include. Let's take those elements step by step.

- a. **Designate a Qualified Individual to implement and supervise your company's information security program.**
- b. **Conduct a risk assessment.**
- c. **Design and implement safeguards to control the risks identified through your risk assessment.**

Among other things, in designing your information security program, the Safeguards Rule requires your company to:

1. **Implement and periodically review access controls.** Determine who has access to customer information and reconsider on a regular basis whether they still have a legitimate business need for it.
2. **Know what you have and where you have it.** A fundamental step to effective security is understanding your company's information ecosystem. Conduct a periodic inventory of data, noting where it's collected, stored, or transmitted. Keep an accurate list of all systems, devices, platforms, and personnel. Design your safeguards to respond with resilience.

Encrypt customer information on your system and when it's in transit. If it's not feasible to use encryption, secure it by using effective alternative controls approved by the Qualified Individual who supervises your information security program.

1. **Assess your apps.** If your company develops its own apps to store, access, or transmit customer information – or if you use third-party apps for those purposes – implement procedures for evaluating their security.

Implement multi-factor authentication for anyone accessing customer information on your system.

1. **Dispose of customer information securely.** Securely dispose of customer information no later than two years after your most recent use of it to serve the customer. The only exceptions: if you have a legitimate business need or legal requirement to hold on to it or if targeted disposal isn't feasible because of the way the information is maintained.

Anticipate and evaluate changes to your information system or network. Changes to an information system or network can undermine existing security measures. For example, if your company adds a new server, has that created a new security risk? Because your systems and networks change to accommodate new business processes, your safeguards can't be static. The Safeguards Rule requires financial institutions to build change management into their information security program.

Maintain a log of authorized users' activity and keep an eye out for unauthorized access. Implement procedures and controls to monitor when authorized users are accessing customer information on your system and to detect unauthorized access. You can read the entire FTC recommendation HERE

Dealer Title Only (DTO)

Applying for a dealer title only (DTO) is also known as getting a title flip. By obtaining a title in the dealer's name dealers can avoid many common title issues.

- Obtaining a title in your dealership's name is a great way to prevent paperwork headaches for your title clerks.
- Have you ever lost or misplaced a title that had multiple reassignments included? If you had applied for a DTO you could have avoided the trouble and expense of going back to the selling dealers to find the original owner in order to get a duplicate.
- Getting a DTO helps your dealership to be able to maintain title inventory easily by only requiring you to keep the title and not have to worry about all of the extensions to go along with the title.
- It's only \$15 per title.
- Online dealers can conveniently process a DTO in their online system right there at the dealership. To ensure you have this capability or to learn how to use it, check with your vendor who can provide further details about their system.

When Virginia moves towards electronic titling the dealership will already have inventory titled.

Highway Use Fee

DMV added additional information on how Highway Use Fees (HUF) are calculated including the formula on the HUF webpage. The website includes a chart with the current year's approximate fees associated with each mile per gallon (MPG). On July 1, 2024, a new chart with updated fees will be available on the web. The availability of this information should help reduce the instances where your dealership collects the incorrect amount of HUF for your customer's registrations. [What is the Highway Use Fee? | Virginia Department of Motor Vehicles](#)

Fee calculator

DMV has updated the fee calculator on their website. It includes the ability to differentiate between individual and dealer/business. If you enter the full VIN of the vehicle, DMV will search available records to find vehicle information that will be used to pre-fill some of the required fields. By providing the VIN and other details about the vehicle's sale you can get an accurate calculation of all fees including Highway Use Fee (HUF) that will be owed to DMV at the time of titling and registering. Find the fee calculator at [Fee Calculator \(virginia.gov\)](#).



[Home](#) / [Online Services](#)

[Title and Registration Fee Calculator](#)

[Title and Registration Fee Estimate Calculator](#)

“Run With Bad News, Walk With Good News”

This is how I run my life as a business owner, a parent, a husband, a friend, a colleague, a consultant, a brother, a son...

Well, you get the picture.

If there's a problem to deal with, let's get it handled right now. "Now management." Handling problems and concerns now is how dealers make money, and importantly, keep the money they make.

Cox Auto released a Q1 review with a collection of the top concerns among dealers. The number one concern was interest rates. The number two concern was the economy. The number three overall concern was market conditions and the number four concern was the current political climate. Today, let's focus on politics as there has been a lot of goings-on in the arena.

On April 10, 2024, the Federal Trade Commission (FTC) issued a Press Release reporting to Congress on how they were going to collaborate more with the state attorneys general.

For the rest of article click [HERE](#) author Tom Kline



Safety Inspection

REMINDERS

§46.2-1539 requires a safety inspection between the time the vehicle comes into the possession of the dealer and the time it is sold at retail. In the event the vehicle is found not to be in compliance with all safety inspection requirements, the dealer shall either take steps to bring it into compliance or shall furnish any buyer intending it for use on the public highway a written disclosure, prior to sale, that the vehicle did not pass a safety inspection. The provisions of this section shall also apply to watercraft trailers and watercraft trailer dealers.

Rebuilt Disclosure

When a dealer sells a "REBUILT" or other branded vehicles to a purchaser, the dealer must make sure the purchaser and dealer both sign the [VSA 59](#). This disclosure statement must be included with the sales documents, title paperwork, other required documents, taxes, and fees that the dealer submits to the DMV. Virginia Code [§46.2-1602\(A\)\(4\)](#) states that "It shall be unlawful for any person to sell a rebuilt vehicle without first having disclosed the fact that the vehicle is a rebuilt vehicle to the buyer." Virginia Code [§46.2-1600](#) defines a rebuilt vehicle as: (i) any salvage vehicle that has been repaired for use on the public highways, or (ii) any late model vehicle that has been repaired and the estimated cost of repair exceeded 75% of its actual cash value, excluding the cost to repair damage to the engine, transmission or drive axle assembly.

Board Actions

Dealer Practices

Informal Fact-Finding Conferences

River Auto Sales and Susana Kim - On March 5, 2024, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain liability insurance on each Dealer plate and comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$2,500 and a satisfactory inspection. Susana Kim may appeal to a Formal hearing.

BC Auto and Stephen Kehrer - On February 29, 2024, an informal fact-finding conference was conducted to address the alleged violations of misuse of a dealer plate. Based on the information provided at the conference, the Board issued a warning letter. Stephen Kehrer may appeal to a Formal hearing.

Administrative Actions:

Superior Auto Group LLC and Ramon A. Smith paid a \$1,000 civil penalty for failure to maintain dealer records, and misuse of transport plates.

Car Stop Auto of Richmond LLC and Murtaza Zulfiqar Mirza paid a \$2,500 civil penalty for failure to maintain dealer records, salespersons paid on a W-2, proof of safety inspection prior to retail sale.

Bayside Chrysler Dodge Jeep Ram and Geoffrey C. Wanamaker paid a \$1,000 civil penalty for failure to maintain dealer records, and unlicensed salespersons.

Yes Auto Sales and Amon Sammy Hamad was suspended for failure to pay a \$700 civil penalty for failure to maintain posted business hours.

Ram Motors LLC and Ramzi Ramadan paid a \$650 civil penalty for failure to maintain dealer records, copies of titles front and back, and proof of safety inspection prior to retail sale.

Grace Auto Sales and Service, Inc and Ameer J. Grace paid a \$4,000 civil penalty for failure to maintain dealer records, and unlicensed salespersons.

Ourisman Ford of Manassas and Christopher J. Ourisman paid a \$3,750 civil penalty for failure to maintain dealer records, and unlicensed salespersons.

804 Motors LLC and Brittany N. Jones agreed to pay a \$2,600 civil penalty for failure to maintain dealer records, salespersons paid on a W-2, and maintain liability insurance on each dealer plate.

First Class Auto and Joseph Joe paid a \$750 civil penalty for failure to maintain posted business hours.

Hermitage Classic Cars Inc and Richard L. Hutchison was moved to debt set-off for failure to pay a \$750 civil penalty for failure to maintain posted business hours.

Nobel Motors Abdul Aziz has agreed to pay a \$2,350 civil penalty for failure to maintain dealer records, misuse of PoD tags, Dealer plate records, and proof of liability insurance on each dealer plate.

Car Room and Derrick Washington was sent to Debt set-off for failure to pay a \$15,000 civil penalty for failure to maintain dealer records, proof of salespersons paid on a W-2, proof of safety inspection prior to retail sale, Dealer plate records, and misuse of PoD.

Moke America of Virginia Beach and Timothy A. Paasch paid a \$250 civil penalty for failure to display the license Certificate in a conspicuous place.

City Wide Auto & Truck Sales, LLC and David M. Lynn paid a \$1,750 civil penalty for failure to maintain dealer records, employees paid on W-2, proof of safety inspection prior to retail sale, and failure to comply with previous warnings.

Drive Now Auto Sales LLC and Andrade Euciles paid a \$250 civil penalty for misuse of Dealer plate.

Board Actions

Dealer Practices

Administrative Actions:

My Town Chrysler Dodge Jeep Ram and Gavin Harbolt paid a \$1,000 civil penalty for unlicensed salespersons.

City to City Auto Sales LLC and Omar J. White paid a \$250 civil penalty for failure to maintain dealer records, and proof of salespersons paid on a W-2.

Hall Chrysler Dodge Jeep Ram and William R. Baker paid a \$250 civil penalty for failure to comply with off-site sale licensing.

Hall Honda/Hall Preowned Express and William R. Baker paid a \$250 civil penalty for failure to display the dealership certificate in a conspicuous place.

CMA's Volvo Cars of Charlottesville and Elizabeth M. Borches paid a \$850 civil penalty for failure to maintain a current list of salespersons, dealer records, and unlicensed salespersons.

Licensing

Formal Hearings:

Kasey Strosnider, Salesperson & Dealer-Operator, BK Motors, LLC #54390. On July 17, 2023, an informal fact-finding conference was conducted to address the alleged violations of having been convicted of fraudulent acts with the business of selling vehicles, any criminal act involving the business of selling vehicles, and having been convicted of a felony. Based on the information provided at the conference, the Board revoked the license and qualification of Kasey Strosnider. Kasey Strosnider appealed the Board's decision. On December 19, 2023, a Formal Hearing was conducted to address the violations outlined in the informal conference. Based on the information provided at the Formal Hearing, the assessed a civil penalty of \$2,250.00 and revocation of her Dealer-Operator qualification. Kasey Strosnider may appeal to Circuit Court.

Independent Dealer Operator Course 2024 Schedule

The Following Courses are Registered Through the VIADA

| | | | |
|--------------|---------------------|--------------------------------------|---|
| 6/11-12/2024 | Bristol | Hilton Garden Inn | 325 Village Circle Bristol 24201 |
| 7/9-10/2024 | Harrisonburg | Double Tree by Hilton | 1400 East Market Street, Harrisonburg 22801 |
| 7/16-17/2024 | Midlothian | VIADA HOME OFFICE | 1525 Huguenot Rd Suite 200 Midlothian 23113 |
| 8/6-7/2024 | Chantilly | Home2Suites | 43340 Defender Dr. Chantilly 20152 |
| 8/13-14/2024 | Midlothian | VIADA HOME OFFICE | 1525 Huguenot Rd Suite 200 Midlothian 23113 |
| 9/10-11/2024 | Suffolk | Hilton Garden Inn Chesapeake/Suffolk | 5921 Harbour View Blvd Suffolk 23435 |
| 9/17-18/2024 | Midlothian | VIADA HOME OFFICE | 1525 Huguenot Rd Suite 200 Midlothian 23113 |

**You can register for your IDO Course on the VIADA website [HERE](#) **

Or call 800-394-1960

MVDB Mission Statement

The Motor Vehicle Dealer Board will administer sections of the Commonwealth's Motor Vehicle Dealer Laws and Regulations as charged; promote the best interest of both the automotive consumer and dealer community; while providing a high level of customer service.

We are located at:

2201 West Broad St.
Suite 104
Richmond, Va. 23220
Inside
The BookBindery Building

Contact Us:

804-367-1100

Executive Director:

William R. Childress ext:3002#

Field Representative Supervisor:

Lisa Mack-Nelson ext:3005#

Operations Manager:

Ann Majors ext. 3016#

Agency Analyst/Education:

(contact Ann Majors)

Email:

dboard@mvdb.virginia.gov

Dealer Talk Editor:

Ann Majors

What's Wrong With This Picture?



Improper Use of Dealer Plate!

Summer fun and vacations have started, but you cannot use your truck with a dealer plate to pull your boat or anything else.

§ 46.2-1550 states....it shall be unlawful for any dealer to cause or permit dealer's license plates to be used on "2. Vehicles used to deliver or transport (i) **other vehicles**; (ii) portions of vehicles; (iii) vehicle components, parts, or accessories; or (iv) fuel"

