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MOTOR VEHICLE DEALER BOARD



***Autonomous Systems Center
of Excellence***

Governor Terry McAuliffe today announced the establishment of the Autonomous Systems Center of Excellence to champion the expansion of this important industry in the Commonwealth, while speaking at the Association for Unmanned Vehicle System International “Xponential” event. The Center, which will be operated by Virginia’s Cen-

ter for Innovative Technology (CIT), is in direct response to recommendations made by the Commonwealth’s Unmanned Systems Commission and roundtable discussions with industry leaders from across the Commonwealth and in accordance with language included in the 2017-2018 budget. “The autonomous systems industry is one of

the cornerstones of the new Virginia economy,” said Governor McAuliffe. “With the establishment of the Autonomous Systems Center of Excellence, we will send a clear message that Virginia is open for unmanned systems business. Over the past three years, we’ve made tremendous progress to support this emerging industry, and

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If Instagram is the home of Throwback Thursday and Flashback Friday, #IGers should think of today as Word to the Wise Wednesday. FTC has been spending some time on Instagram lately. Why? Because advertisers, endorsers, and consumers are spending time there, too. What FTC saw raised concerns about whether some in-

fluencers are aware of truth-in-advertising standards about endorsements and disclosures. So the FTC staff sent 90+ letters to celebrities, athletes, and other influencers – as well as to the marketers of brands the influencers endorsed. FTC’s goal is to influence influencers to comply with those established principles in their Instagram posts.

According to the FTC’s Endorsement Guides, if there is a material connection between an endorser and an advertiser, that connection should be clearly and conspicuously disclosed unless it’s already clear from the context of the communication. What does FTC mean by “material connection”? It’s a connection that might affect

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Upcoming EVENTS

BOARD MEETINGS

All Meetings are held at DMV Headquarters
2300 W. Broad Street, Room 702
Richmond, VA

Monday, July 10, 2017

Dealer Practices Committee Meeting

Time: 9:00 a.m.

Licensing Committee Meeting

Time: Immediately following Dealer Practices Committee

Advertising Committee Meeting

Time: Immediately following Licensing Committee

Transaction Recovery Fund Committee Meeting

Time: Immediately following Advertising Committee

Full Board Meeting

Time: 10:00 a.m. or 15-30 minutes immediately following Transaction Recovery Fund Committee meeting.

MVDB will be closed



CLOSED: Monday, July 3, 2017
Tuesday, July 4, 2017

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FTC Disclosures

the weight or credibility that consumers give the endorsement – like a business or family relationship, a payment, or the gift of a free product.

The legal responsibility for disclosing the relationship between an influencer and a brand is a two-way street. Influencers should clearly let people know about that connection and marketers have an obligation to make sure they do – usually by educating their influencers and monitoring what the influencers are doing on their behalf.

You'll want to read sample letters FTC sent to influencers and marketers for the specifics, but here is some #nofilter advice on making effective disclosures on Instagram:

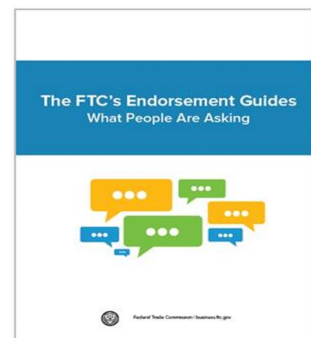
Keep your disclosures unambiguous. Vague terms like “Thank you,” “#partner,” and “#sp” aren't likely to explain to people the nature of the relationship between an influencer and the brand. There's no one-size-fits-all way to make that disclosure, but an unfamiliar abbreviation or cryptic word subject to multiple interpretations probably won't do the trick. Approach the issue by asking yourself “In the context of this post, how can I make the connection clear?”

Make your disclosures hard to miss. In addition to *what* you say, consider *where* you say it and *how* it will look to consumers on the devices they're using. People should be able to spot the disclosure easily. But if they check their Instagram stream on a mobile device, they typically see only the first three lines of a longer post unless they click “more.” And let's face it: Many people don't click “more.” Therefore, disclose any material connection above the “more” button.

Avoid #HardtoRead #BuriedDisclosures

#inStringofHashtags #SkippedByReaders. When posts end with a jumble of hashtags, how likely is it that people really read them? That's why a “disclosure” placed in a string of other hashtags isn't likely to be effective.

In addition to the examples in the Endorsement Guides, the brochure [FTC Endorsement Guides: What People are Asking](#) offers additional tips for influencers and marketers.



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Autonomous Systems

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we'll continue our efforts to cut red-tape and open the door for further growth."

Virginia is home to a vast array of autonomy related assets located across the Commonwealth, as well as an FAA test site (Mid-Atlantic Aviation Partnership) established in 2013. Virginia has garnered a reputation as a leader in autonomous systems with industry estimates consistently placing the Commonwealth among the top 10 states positioned to reap the largest economic benefit from the industry's \$82 billion forecasted economic impact through 2025.

The newly established Center will serve as the ombudsman and advocate for this industry in the Commonwealth and will act as a champion for the development and deployment of all aspects of the autonomous systems industry. In addition to advocacy, the Center will also serve as a clearinghouse and coordination point for related information, assets, and programs throughout Virginia.

"Virginia has already established itself as a leader in the autonomous systems industry," **added Secretary of Technology Karen Jackson.** "I am pleased that CIT will be taking on this role. In order for the Commonwealth to continue to grow in this arena, it is essential that we create an epicenter that drives collaboration, facilitates information sharing, and provides streamlined access to all of our world-class assets".

"We're excited about the future of unmanned systems and thank Governor McAuliffe and Secretary Jackson for their leadership in laying the groundwork that has helped prime

the industry for significant growth in Virginia," **said Ed Albrigo, President and CEO of CIT.** "We look forward to becoming a proponent for Virginia and will promote collaboration with businesses, investors, universities, entrepreneurs and government organizations to build a world class ecosystem that will create opportunities for every region of the Commonwealth."

Reminders...

Be sure your Certified Pre-owned used car warranties clearly state that the beginning of the warranty period is the date the vehicle **INITIALLY** came into service—**NOT** the date you sold the car. For example: the customer may believe they have a 5 year warranty on a 2011 car starting from the date they purchased the car in 2013—not true. The "5 year" warranty began in 2011.

Who is Jim Hackett?

Here's what you need to know about Jim Hackett, 62, who succeeds Mark Fields as CEO of Ford Motor after leading the company's Smart Mobility division focused on new innovations in transportation.

He knows what it's like to lead a company that's more than 100 years old.

Hackett served as CEO of Grand Rapids, Mich.-based furniture company Steelcase for nearly two decades before relinquishing the post in early 2014.

He views change as critical to a company's survival.

That could be central to his tenure at Ford, where his focus so far has been trained on autonomous vehicle investments and new business opportunities, such as a ride-sharing venture.

He's close to Bill Ford Jr.

The automaker's executive chairman and great-grandson of founder



Henry Ford is a big fan of Hackett. At a media event in January, they were virtually inseparable. Ford Jr. repeatedly praised the former furniture executive for his outside-the-box thinking and leadership. Automakers, both in Detroit and abroad, are in a race with Silicon Valley's best-known technology companies to develop self-driving cars that could prowl the streets and be shared. Hackett's biggest immediate challenge may be convincing the world that Ford can fend off Tesla, Google and Uber, as well as traditional rivals like General Motors and Toyota.

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DMV News

Legislative Changes

Effective July 1, 2017 the following legislative changes will impact sales and use tax refunds, titling of out of state salvaged vehicles in the Commonwealth, as well as nonrepairable and rebuilt vehicles.

Sales and Use Tax Refunds

Senate Bill 1350 addresses sales and use tax (SUT) refund requirements for “new” vehicles. Qualifying vehicles must have been purchased “new” and then returned under the Virginia Motor Vehicle Warranty Enforcement Act (Lemon Law). When a vehicle is returned by the purchaser to the seller under the Lemon Law the seller will be exempt from paying the SUT upon titling. If the vehicle is traded under the Lemon Law, SUT from the traded vehicle will be applied to the new vehicles SUT. If the SUT is greater on the new vehicle the difference must be paid at the time of titling. Requests for SUT refunds under the Lemon Law should be made using form SUT 2

“Application for Refund of Sales and Use Tax” with supporting documentation. This bill also establishes SUT refund criteria for “used” vehicles.

Qualifying vehicles must have been purchased “used” and within 45 days returned due to mechanical defect or failure. When a vehicle is returned by the purchaser, and the seller agrees to accept the return due to a mechanical defect or failure, and refunds the purchase price of the vehicle, the seller will be exempt from paying the SUT upon titling. To be eligible for the SUT exemption, the transfer must be within 45 days of

the purchase date. If the vehicle is traded, SUT **MAY NOT** be applied to the new vehicle’s SUT. Sales and use tax will have to be paid for the new vehicle, and then a refund request must be submitted for the SUT on the traded vehicle. Eligibility for SUT refund for a “used” vehicle must meet all of the following four criteria: (i) the vehicle was returned within 45 days of purchase because of a mechanical defect or failure, (ii) full purchase price was refunded, (iii) the title was properly assigned to the seller accepting return of the vehicle, and (iv) the purchaser can no longer have possession of the vehicle. To apply for SUT refund for used vehicles returned due to mechanical defect or failure you must submit an affidavit stating that all four requirements have been met. You may use DMV form SUT 2A “Refund of Sales and Use Tax Application and Affidavit Due to a Mechanical Defect or Failure” or submit your own affidavit along with a completed SUT 2A application.

Titling out of state salvage/ rebuilt vehicles in VA

Senate Bill 1069 provides a process for owners of salvaged vehicles that have been rebuilt, titled, and registered in another state to obtain a nonnegotiable title for the purpose of operating the vehicle on the highways in the Commonwealth of Virginia. DMV will issue a nonnegotiable title for out-of-state vehicles that have NMVTIS brands or out-of-state documents equal to

Virginia’s nonrepairable brands (“Junk”, “for destruction”, “for parts only”, “not to be repaired”, etc.) The nonnegotiable title document is issued for the purpose of ownership and registration. Liens may be recorded on the non-negotiable title document. Applicants must prove that repairs have been completed by submitting the supporting documentation with the application. The document cannot be used to transfer ownership except for transfer of title by operation of law (Repossession and court orders), transfer of title on death, and transfer of title when no qualification on estate (no will). The title and registration card will be branded “JUNK NONNEGOTIABLE – NOT FOR RESALE”. As a dealer, be cautious and pay attention to the verbiage on the title. Additionally, licensed salvage dealers or rebuilders who are also licensed motor vehicle dealers may use dealer’s license plates to transport these vehicles to and from an official inspection station.

Nonrepairable and Rebuilt Vehicles

House Bill 1687/Senate Bill 950 eliminates the requirement that nonrepairable and rebuilt vehicles that have incurred damage that exceeds 90 percent of their cash value prior to such damage to meet the definition of nonrepairable and rebuilt. Insurance companies and vehicle owners will determine when a vehicle is a nonrepairable.

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Nvidia, Intel Battle for Autonomous Cars

In a keynote address Wednesday, May 10, at the San Jose Convention Center — less than 10 miles south of the automotive innovation center Intel opened a week earlier — Nvidia CEO Jensen Huang said the chipmaker's autonomous driving platform would be in the self-driving vehicles of one of the largest automakers in the world — Toyota.

With the announcement, which was part of Nvidia's annual GPU Technology Conference, the company asserted its position as the dominant supplier of the brains of self-driving vehicles. The need for high-powered computer processing in autonomous vehicles has given rise to a new breed of supplier, and has created a small, but highly competitive playing field.

"There aren't many companies building supercomputers to go inside the car," Danny Shapiro, director of automotive at Nvidia, said in an interview. "More and more automakers are viewing Nvidia as the solution for autonomous vehicles." Nvidia and Intel have emerged as

the primary players to supply the autonomous vehicle supercomputer, and the competition has become fierce as the two continue to announce automaker partnerships.

Shapiro said Nvidia has more than 225 "engagements" — relationships ranging from research partnerships to supplier agreements — involving its autonomous driving platform with companies including automakers, Tier 1 suppliers and startups. Nvidia is publicly working with Audi, Mercedes-Benz, Volvo, Tesla, Bosch and ZF, in addition to Toyota.

The versatility of Nvidia's platform is part of what makes it attractive to a variety of automotive companies. It can work with any type of sensor and companies can choose exactly what functions they want to use the platform for, from driver assistance features to full self-driving capability.

Because self-driving vehicles are still in development and not turning profits, automakers are limited to how much money they can spend on suppliers, said Dave Sullivan, an analyst at AutoPacific. Because of this limitation,

companies are choosing one chipmaker to power their autonomous operations.

"Nvidia's platform allows automakers to competitively bid for other parts of the car, which is a benefit for some," Sullivan said. Intel, which announced its self-driving ambitions last year, is the largest chip supplier for personal computers. With its \$15.3 billion acquisition of camera sensor maker Mobileye in March, the Silicon Valley giant signaled its intentions to hold a major stake in automotive as well.

"We firmly believe we have what it takes to succeed in the autonomous driving market," said Kathy Winter, vice president of Intel's automated driving group, in response to Nvidia's partnership with Toyota.

Thus far, Intel has publicly partnered with BMW and Delphi, though Winter said other deals are in the works.

Qualcomm, which has developed a solid reputation for wireless technology in vehicles and is developing a connected self-driving platform, is also becoming a player to watch.

As self-driving vehicles develop and become more complex, it's possible these chipmakers will have to work alongside each other to power new capabilities.

"We are going after similar customers," Shapiro said. "But in some cases, it's not going to be just one processor in the car."

Reminders...

ALL IDO's of independent dealerships must at some point in time, recertify their IDO qualification every three years by either taking an online course, classroom course, or by passing a DMV test. 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 Ann Majors at the MVDB. She may be reached at 804-367-1100 x 3016, or email at ann.majors@mvdb.virginia.gov

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Manheim, ADESA Strive for Velocity

With a glut of off-lease vehicles returning to market, the nation's two largest auto auction groups are doubling down on the concept of velocity -- albeit in slightly different ways.

Velocity, or the pace at which used vehicles move through auctioning and onto dealership lots, has become an industry buzzword of late. That's because more than 3 million off-lease vehicles are to return to market this year. That tidal wave makes it crucial for auctions to move used vehicles quickly to avoid further depreciation of the vehicles while they are on auction lots or in transit.

The issue faces auctions nationwide, including the two largest U.S. auto auction groups: Cox Automotive's Manheim and KAR Auction Services Inc.'s ADESA. The companies' success in moving vehicles faster will go a long way toward determining the pricing strength of used vehicles in a market coming off a new-vehicle sales peak.

Manheim and ADESA are taking similar approaches, at least on the surface. Both acknowledge the need to move vehicles quickly to address the steady stream of returning vehicles.

But key differences in how Manheim and ADESA want to move those vehicles reflect each company's footprint and technology. "I am a firm believer that everything we have in front of us is going to be turned and is going to be a success based on how fast you move a car," Cox Automotive President Sandy Schwartz told the Con-



ference of Automotive Remarketing this month in Las Vegas. "That does not mean you should dump cars. The longer it sits there, the more difficult it will be to sell."

Schwartz said the remarketing industry has undergone a dramatic change over the past several years, as data and analytics become a larger part of the used-vehicle landscape and as Web offerings have reshaped auctions.

Schwartz said one way Manheim is taking advantage of those shifts is its mobile auction program, which sends a truck with all the equipment needed to run an auction to a designated location, say a new-car dealership's back lot. Manheim staffers there run an auction that primarily targets local buyers, but also is simulcast online for buyers from anywhere. The program, similar to ones offered by other companies, enables Manheim to reach buyers who would not normally attend a Manheim auction.

In 2016, Manheim's mobile auctions had a 70 percent conversion rate --

the percentage of vehicles sold the first time -- vs. the 55 percent rate at the auction giant's physical locations, proving their usefulness in accelerating velocity, Schwartz said.

ADESA Chief Economist Tom Kontos said the auction group sees its role as that of a matchmaker.

"I see our place in that ecosystem as helping the dealer," he said, "by making available those vehicles that stand the greatest chance for a dealer to generate a quick turn."

Kontos said ADESA is investing heavily in its data services, using transactional data to better understand dealers' purchasing habits and targeting those habits to make it easier for a dealer to buy a used vehicle. For example, he said ADESA hopes to implement an online system similar to that of Amazon, in which dealers who are browsing or bidding for used vehicles can see suggestions for other vehicles based on their transaction history and other data.

"Why not make that information available to dealers?" Kontos said.

As part of a push to increase velocity, Kontos also encouraged dealers to be more "proactive" by shopping for used vehicles.

"Trade-ins are a great source of inventory for used cars. I'm not knocking them, but I'm just saying if you take a trade, you're being sort of reactive," he said. "But when you go to the auction or if you go online and purchase a vehicle for your used-car lot, you're being proactive."

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Board Actions

Dealer Practices

Informal fact-finding conferences:

E.D.S. Auto Group, LLC and Eric Streeter - On February 22, 2017, an informal fact-finding conference was conducted to address the alleged violations of failure to provide dealer records, failure to provide proof of W-2's, failure to provide proof of safety inspection prior to retail sale, misuse of D-tags, and failure to comply with previous warnings. Based on the information provided at the conference, the Board assessed a civil penalty of \$500. Eric Streeter has until June 12, 2017 to appeal Board Action for a Formal Hearing.

TJ Auto Sales, LLC and Taimur Khan - On March 15, 2017, an informal fact-finding conference was conducted to address the alleged violations of failure to provide liability insurance on each D-tag. Based on the information provided at the conference, the Board issued a written warning. Taimur Khan has until June 12, 2017 to appeal Board Action for a Formal Hearing.

JakMax and Edward J. Bostain, Jr - On March 20, 2017, an informal fact-finding conference was conducted to address the alleged violations of failure to maintain posted business hours, failure to provide liability insurance on each D-tag, failure to maintain D-tag usage records, and material misstatement. Based on the information provided at the conference, the Board assessed a civil penalty of \$1,500, a satisfactory inspection within 6 months and to pass the Dealer Operator course for retraining, and Mr. Edward Dix, is also required to pass the dealer-operator course. Edward J. Bostain, Jr. has until June 12, 2017 to appeal Board Action for a Formal Hearing.

Administrative Actions:

King George Motors, and Kkhazal Alhsimmary. Paid a \$2,000 civil penalty for failure to have liability insurance on each D-tag.

A Plus Auto, LLC, and Anthony Vaughn. Paid a \$250 civil penalty for failure to provide proof of safety inspection prior to retail sale.

L & M Auto Sales, LLC, and Carol Pruitt. Paid a \$250 civil penalty for failure to pay salespersons on a W-2.

Duc Pond Motosports, LLC, and Donald Unger. Paid a \$2,000 civil penalty for failure to have liability insurance on each D-tag.

BVM Group, Inc., and Khanh Nguyen. Paid a \$1,000 civil penalty for failure to have liability insurance on each D-tag.

Fastlane Motors, Inc., and Iqbal A. Haidar. Paid a \$500 civil penalty for failure to have liability insurance on each D-tag.

Rockingham auto Sales, and Osman Rezai. Paid a \$2,000 civil penalty for failure to have liability insurance on each D-tag.

H & E Equipment Services, and John M. Engquist. Paid a \$250 civil penalty for failure to maintain dealer records, and failure to comply with previous warnings.

West End Motors, and Bobby & Ashley Wheeler. Paid a \$500 civil penalty for failure to maintain dealer records.

W.W. Auto, and Warren Wittig. Paid a \$250 civil penalty for failure to maintain dealer records.

Kargar Motors, and Hafiz U. Kargar. Paid a \$1,500 civil penalty for unlicensed salespersons.

Prize Auto, and Ziad Alnmir. Paid a \$500 civil penalty for unlicensed salespersons.

D & S Imports, LLC, and Diego S. Canzobre. Paid a \$250 civil penalty for unlicensed salespersons.

East Coast Auto Sales, and Cleveland E. Senn. Paid a \$1,250 civil penalty for failure to pay salespersons on a W-2, and failure to provide proof of safety inspection prior to retail sale.

Board Actions

Auto Express II, and Kevin T., and Jessica Gossett. Paid a \$500 civil penalty for unlicensed salespersons, and failure to provide proof of safety inspection prior to retail sale.

River Auto Sales, and Susana Kim. Paid a \$250 civil penalty for misuse of D-tag.

Lynchburg Kawasaki, and Virgil Naff, Jr. Paid a \$3,000 civil penalty for sales at an unlicensed location, and failure to have liability insurance on each D-tag.

Action Automotive Pre-owned, and Muhammad Farooq. Paid a \$500 civil penalty for failure to pay salespersons on a W-2, and failure to provide proof of safety inspection prior to retail sale.

Expressway Auto, LLC, and Daoud M. Anwari. Paid a \$500 civil penalty for failure to maintain posted business hours.

Weeks Custom Cars, and Roland Weeks. Paid a \$250 civil penalty for failure to maintain posted business hours.

Smith Used Cars, and Zachary Smith. Paid a \$250 civil penalty for failure to maintain posted business hours.

American Auto Fox, Inc., and Said Sadat. Paid a \$250 civil penalty for failure to maintain posted business hours.

Car Men, and Behrouz Saghafi. Paid a \$500 civil penalty for failure to maintain posted business hours.

Dominion Motors, and John P. Good, Jr. Paid a \$250 civil penalty for failure to maintain posted business hours.

King George Auto, and Anita Lal. Paid a \$250 civil penalty for failure to maintain posted business hours.

Rolling Motors, LLC, and Denise Campbell. Paid a \$250 civil penalty for failure to maintain posted business hours.

Arlington Imports, inc., and Hooshang Roohani. Paid a \$250 civil penalty for failure to maintain posted business hours.

TD's Auto Sales, and Timothy Lee. Paid a \$250 civil penalty for failure to maintain posted business hours.

Licensing

Informal fact-finding conferences:

Michael L. Watson, Sales Applicant - On March 22, 2017, an informal fact-finding conference was conducted to address the alleged violations of making a material misstatement on a sales application, and having been convicted of a felony. Based on the information provided at the conference, the Board approved Mr. Watson to apply for a sales license. Michale L. Watson has until June 12, 2017 to appeal Board Action for a Formal Hearing.

Advertising

Auto Outlet Sales & Rental, and Kendrick Jacobs. Paid a \$1,000 civil penalty for advertising in the owner section of Craigslist instead of the dealer section.

Mike Auto Sales, and Luai Abualya. Paid a \$500 civil penalty for failure to disclose the processing fee, failure to disclose VA DLR, and failure to comply to previous warnings in a Facebook advertisement.

NOTE: Depending on the circumstances, all Board Actions may be appealed to Circuit Court, or for an administrative hearing. For prior issues of Dealer Talk click [HERE](#)

Advertising Repossessed Vehicles

If you are advertising or offering for sale a vehicle that has been repossessed, please disclose this repossession in your advertising and offer. VA Code 59.1-200 A (7) prohibits among other things, “Advertising or offering for sale goods that are used, secondhand, repossessed.....without clearly and unequivocally indicating in the advertisement or offer for sale

that the goods are used, secondhand, repossessed....” 46.2-1581 (13) states, “The term “repossessed” shall be used only to describe vehicles that have been sold, registered, titled and then taken back from a purchaser and not yet resold to an ultimate user. Advertisers offering repossessed vehicles for sale shall provide proof of repossession upon request.”



***Come visit us at
our office!***

Do new vehicles need to be submitted for the annual safety inspection?



New vehicles purchased in Virginia that have been inspected in accordance with an inspection requirement of the manufacturer or distributor are **not** required to undergo the initial annual safety inspection. Placement of an inspection sticker on the windshield of a vehicle will be at the automobile dealer’s option. Such inspection by the automobile dealer shall be deemed to be the first inspection for meeting the purpose of § 46.2-1158 Code of Virginia. However, these vehicles must be reinspected within twelve months of the month of the first inspection or purchase and at

least once every twelve months thereafter and display a valid inspection decal. If an inspection sticker is not placed on the windshield by the manufacturer or distributor, the owner should maintain documentation within the vehicle to show when the vehicle was purchased and to serve as a reference for future requirements for inspection.

While the new language in Section 46.2-1158.01 states that “an inspection sticker may be affixed to the vehicle as required by Section 46-2-1163.”, for several practical reasons, an approval sticker should be affixed to the vehicle. The reasons are as follows:

1. Once the purchaser drives the vehicle off the lot, it no longer meets the definition of a new vehicle as defined in Section 46.2-1500 of the Code of Virginia. Not if, but when the purchaser is stopped by law enforcement for not displaying an inspection sticker, and returns to the selling dealership for a sticker, the vehicle will be subject to an official state inspection like any other used

vehicle. This obviously could lead to customer dissatisfaction.

2. The affixing of the sticker to the new vehicle will prevent the vehicle from being unnecessarily stopped by law enforcement.

In the absence of a sticker, there will be no visual reminder to the driver when the vehicle needs to be re-inspected. If the vehicle is not re-inspected as required by Section 46.2-1157 of the Code of Virginia, the operator would be subject to a traffic summons.

The affixing of an official inspection sticker to all “new vehicles” will be to the mutual benefit of the automobile dealer, the customer, and law enforcement.

If a vehicle is purchased out-of-state and then registered in Virginia, it must be inspected once it is registered in this state.

Source: <http://www.vsp.state.va.us/Safety.shtm#InspectionProgram>
(All vehicles including trailers that fall under the inspection requirements)
<https://www.ftc.gov/tips-advice/business-center/privacy-and-security/data-security>

IMPORTANT NOTICE TO PROSPECTIVE DEALERS

The path to a Dealer-Operator license begins with a required two-day course of study each month at various community colleges in Virginia with the curriculum and instruction provided by VIADA.

The course takes the attendee from establishing the dealership under local zoning and Dealer Board requirements, through the sales process with its multitude of forms, laws and regulations, in to a sampling of opening and operating expenses, and ending with a discussion on ethics.

The course is open to all existing dealers and their employees.

The course offers 1.6 continuing education credits transferable to any college.

Date	College	Contact Information
2017		
Jun 06-07	Germanna Comm College , Fredericksburg	Registration 540-937-2913 www.germanna.edu/workforce
Jun 20-21	Danville Comm College, Danville	Registration 434-797-6437 www.dcc.vccs.edu/workforce
Jul 11-12	Northern Virginia Comm College, Woodbridge	Clair Wynn 703-450-2551 www.nvcc.edu/workforce
Jul 25-26	VA Western Comm College, Greenville Ctr, Daleville	Registration 540-857-6811 www.virginiawestern.edu
Aug 08-09	Tidewater Comm College, Suffolk	Registration 757-822-1234 www.tccworkforce.org
Aug 22-23	Piedmont VA Comm College, Charlottesville	Registration 434-961-5354 www.pvcc.edu/instructional-divisions/workforce-services
Sep 05-06	Lord Fairfax Comm College, Warrenton	Registration 540-351-1524 www.lfccworkforce.com
Sep 26-27	Comm College Workforce Alliance @ Reynolds Comm College	Sandy Jones 804-523-2293 Mon/Tue www.ccwa.vccs.edu

Base Price	(1)	
Accessories	(2)	
Processing Fee	(4)	
Sub Total (Taxable) (1+2+3+4)	(5)	
Trade Allowance	(6)	
Appraised Value	(7)	
Trade Equity (6-7)	(8)	
Trade Difference (5-8)	(9)	
VA Title Tax (4.15% of line 5)	(10)	4.15%
DMV Lic. Title UMV	(11)	
Taxable for Business License (5-6) (12)		
Dealer's Business License Tax (% of line 12)	(13)	
Service Contract Including tax of \$	(14)	5.3% or 6% of 50%
Purchasers On-Line Systems Filing Fee	(15)	\$10.00
Subtotal (9+10+11+13+14+15+16)	(17)	
Deposit with Order	(18)	
Payment on Delivery	(19)	
Total Down Payment (18+19)		
BALANCE TO BE FINANCED (17-20)		

EXAMPLE of where the VA SUT tax may appear on a sample buyers order. With a minimum tax of \$75.

(11) If you sell & register an electric vehicle, the fee is \$64

Taxes on Service Agreements

It has come to our attention that tax on service agreements/contracts/ warranties are not being calculated properly on some buyers orders. In the buyers order example given, notice line # 14. Only 1/2 (50%) of the retail price of the service agreement is taxed at the state RETAIL sales tax rate. The state RETAIL Sales tax rate is **5.3%**, unless the sale is in **Northern Virginia and Hampton Roads**; then the retail sales tax is **6%**. Service contracts are NOT included in the Virginia Titling tax, which is sometimes referred to as **4.15% sales and use tax (SUT)**, or Virginia title tax. Other overcharges we are seeing is in the DMV fees, (line # 11). Please be sure you are charging the correct DMV fees, and again, not overcharging. Line # 15 should ONLY be used if you are a DMV online dealer, and the current DMV online fee is \$10.00.

What's Wrong With This Picture?

Improper use of Dealer Tag

The Code of Virginia states in part that it is unlawful for any dealer to permit dealer's license plates to be used on :

§ 46.2-1550 A (2). Vehicles used to deliver or transport (i) other vehicles....

Since summer vacation season is upon us, please be aware that dealers may not use a dealer tag on a vehicle to pull motor homes, campers, boats, RV's, jet skis, etc., or other summer vacation toys.



MOTOR VEHICLE DEALER BOARD

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DISCLAIMER: We make every effort to ensure information in Dealer Talk is accurate, but it is not a substitute for legal advice.



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.

Sales Reporting vs Registration Gaps

	Registrations*	Light-vehicle sales	Unit difference	% difference
2005	16,761,113	16,997,182	236,069	1.39%
2006	16,574,314	16,561,482	-12,832	-0.08%
2007	16,023,380	16,154,010	130,630	0.81%
2008	13,217,544	13,245,687	28,143	0.21%
2009	10,350,687	10,430,969	80,282	0.77%
2010	11,480,471	11,589,844	109,373	0.94%
2011	12,658,592	12,779,576	120,984	0.95%
2012	14,315,338	14,493,226	177,888	1.23%
2013	15,383,651	15,601,148	217,497	1.39%
2014	16,330,687	16,522,663	191,976	1.16%
2015	17,200,166	17,482,841	282,675	1.62%
2016	17,423,648	17,539,052	115,404	0.66%

*Includes some recreational and heavy-duty manufacturers

Source: IHS Markit for registrations; Automotive News Data Center for sales