

MINUTES
AUTO INDUSTRY ENFORCEMENT DIVISION
RULEMAKING WORKING GROUP

Meeting of January 14, 2015
9:00 a.m. – 12:00 p.m.

1881 Pierce St.
Lakewood, CO 80214

Working Group Members Present

Chair: Bruce Zulauf (CDOR – Auto Industry Division)
Co-Chair: Chris Rouze (CDOR – Auto Industry Division)
Matt Heap, CDOR – Auto Industry Division
Michael Dommermuth, Esq. - CADA
Tammi McCoy, CADA,
Todd O’Connell, CIADA
Mary Marvin, CAPSS
Michael McKinnon, Esq. - CIADA
Rick Wynkoop, Esq.
Steve Perkins – Former Board member
John J. Schenden – Former Board member
Y.E. Scott (Colorado Attorney General’s Office)
Randall Cherry (Colorado Attorney General’s Office)
Jerry Abboud - PDAC

Director Zulauf, Chair, opened the meeting at 9:10 a.m. and thanked everyone for their participation. Each working group member introduced themselves. Director Zulauf explained the ground rules. Director Zulauf stated that this is the 1st Stakeholder meeting AID (Auto Industry Division) is holding in accordance with two Executive Orders by the Governor and the Department of Revenue’s policy on Rulemaking. There will be a total of 3 – 4 stakeholder meetings held and audio recordings of each will be uploaded to the website in addition to the minutes.

Director Zulauf explained the meeting agenda and guidelines to members as follows:

- Only working group members will participate in the discussion.
- The meeting is opened to the public and at the conclusion of each meeting the public will be given the opportunity to make comments, time permitting.

The Division (AID) is currently finalizing a Working Draft Schedule for this working group and Director Zulauf anticipates the working draft schedule will be posted to the website by end of week. The draft

outlines the grouping of the 39 rules AID is required to review calendar year 2015. This document will be presented to the Colorado Motor Vehicle Dealer Board (MVDB). There are a number of the 39 rules which are Executive Director's Office (EDO) rules governing manufacturers and manufacturer-related licenses in addition to the rules to be reviewed by the MVDB who is the state licensing authority for dealers and salespersons. The Division (AID) is responsible for conducting the working groups for both of these state licensing authorities.

Regulation 12-6-104(3)(k) – Motor Vehicle Regulation

Regulation 12-6-504(1)(m)(i) – Powersports Regulation

Regulation 12-6-118(3)(v) – Rejection of financing regulation – Motor Vehicle Regulation

Regulation 12-6-520(3)(p) – Rejection of financing regulation – Powersports Regulation

The topics for discussion will encompass whether –

- bailment and down payment require clarification;
- should interest rate be consistent with finance agreement;
- should the timelines and rates be consistent within contract and disclosure form;
- should form be removed from the regulation; and
- if the form is needed at all.

The discussion began with Jerry Aboud, questioning the relevancy of DR2434 and 6-1-708 CRS in regards to Powersports. He pointed out that 6-1-708 CRS does not address Powersports vehicles.

Mike Dommermuth shifted the discussion to guaranteed financing.

There was a group discussion of spot delivery, bailment, buyer's orders, retail installment contracts and down payment vs. deposit.

Mary Marvin, interjected that she participated in the development of DR2434 some years ago and that the purpose of the form's creation was ONLY to determine whether a consumer's vehicle was financed by the dealer or the consumer paid for the vehicle themselves.

Chris Rouze, reminded the working group to remember the average consumer and be clear about guaranteed financing and how it is perceived by a reasonable person.

Group took a 10 min break - Reconvened at 10:22 am

The group continued to discuss guaranteed financing, financing contracts and cancellation of contracts. Matt Heap stated that the working group's charge is to construct the regulation to conform to the statute.

The group agreed that verbiage of letter “E.” of the Disclosure Form (DR2434) should be updated.

Director Zulauf stated that the group’s goal is to change the verbiage in “E.” and remove the embedded Disclosure form from the Regulation.

The group discussion shifted toward –

- when a vehicle is considered used;
- separate disclosure form versus the embedded form in the regulation; and
- whether interest rate should be used in letter “D.” of the Disclosure form.

The 2nd Stakeholder meeting is scheduled for Thursday, January 29, 2015 at 1:00 p.m. – 4:00 p.m. Director Zulauf thanked everyone for their participation and adjourned the meeting at 12:05 p.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.)