



**Newsletter of the
Colorado Motor Vehicle
Dealer Board
and
Auto Industry
Division**

August 2002, Vol. XXVIII, No.4

Director's Desk *by Kirk Martelon, Executive Secretary*

MARTELON TO RETIRE

It is with mixed emotions that this will be my last article in Wheels. I will be retiring effective September 1, 2002 with over 30 years of state service. There have been many changes over the past 30 years, especially in the motor vehicle industry. As I stated as a goal in my first Wheels article in October 1999, hopefully I was successful in fostering an open working relationship with the Dealer Board, industry and division staff. I strived to maintain a level playing field by being open-minded and fair. The question is usually not how well each person works, but how well they work together. I feel that we all pulled together as a team in improving the public image of the industry.

I have been honored to work with a dedicated staff in the Auto Industry Division; the Motor Vehicle Business Group and other employees of the Department of Revenue;

Attorney General's Office; many fine public and dealer members of the Motor Vehicle Dealer Board; dealers and their employees; manufacturers; auto auctions; county clerks; local, state and federal law enforcement agencies; and industry associations. Your help made it all possible.

It has been a great run and I will miss you all.

ROUTING BOX

Owner
Finance Manager
General Manager
Sales Manager



DEALER BOARD - NEW OFFICERS

Elections were held July 9, 2002 for the Motor Vehicle Dealer Board 2002-2003 officers. Steve Perkins of Centennial Leasing and Sales in Lakewood was re-elected President of the Board. Fred Emich of Auto Nation USA in Denver was re-elected First Vice President, and Lee Payne of Planet Honda in Golden was re-elected Second Vice President.

Emich, Payne and Jeff Carlson of Glenwood Springs Ford are the new vehicle representatives to the Dealer Board. Perkins, Mark Striegnitz of Mark's Auto Sales in Denver and Jon Kroneberger of Big Jon's Auto Sales in Longmont represent used vehicle dealers. Public members of the Board are Jim Varner, Gretchen Eberhardt and Bob Feder. Governor Owens re-appointed Steve Perkins, Fred Emich and Bob Feder to another three-year term ending June 30, 2005.

Board members are appointed by the Governor for staggered three-year terms. The Board has the statutory power to grant, deny, suspend, revoke and fine dealer and salesperson licenses. The Board also is empowered to adopt regulations that have the force of law as well as conduct hearings and monthly meetings. The license fees are also set by the Dealer Board each fiscal year.

The Dealer Board typically meets the second Tuesday of each month for a business meeting and the fourth Tuesday of each month for hearings if needed. The meetings are open to people in the industry and to the general public.



Investigation Insight *by Supervisor Investigator Mary Marvin*

Canadian Vehicles Again – Investigations has learned that Daimler Chrysler Motors has decided to initiate the following action: Beginning with 2003 model year shipments, vehicles distributed for the Canadian market and imported into the United States by brokers, dealers, and other third parties will have the terms of their Canadian new vehicle warranties strictly enforced. These

warranty terms do not provide warranty coverage for vehicles imported by brokers, dealers and other third parties into the U.S. There will be no warranty coverage in the United States on these vehicles. The flow of gray market vehicles from Canada into the U.S. has become a concern for the entire auto industry.



Compliance Corner *by Supervisor Mary Marvin*

Disclosures Required As Part Of A Motor Vehicle Sales Contract –

Recent audits and complaints have revealed that many dealers are still confused when completing this disclosure form, in particular paragraph (disclosure) D. If the contract for the sale of a motor vehicle requires a single lump sum payment of the purchase price, a clear disclosure to the purchaser of that fact shall be made on this disclosure form in the first paragraph of disclosure D. If the contract is contingent upon the approval of credit financing for the purchaser arranged by or through the motor vehicle dealer, a clear disclosure to the purchaser of that fact shall be made on this disclosure form in the second paragraph of disclosure D. If both sections of disclosure D are completed, the contract can be construed as an ambiguous contract. Several dealerships allow the

purchaser to secure his/her own financing, however, if financing cannot be secured, the motor vehicle dealer will attempt to secure financing for the purchaser. However, the motor vehicle dealer errs when completing both paragraphs of disclosure D. If the purchaser is unable to secure his/her own financing and if it is the motor vehicle dealer's desire to secure financing for the purchaser, a new disclosure form should be completed stating this disclosure supersedes the previous cash contract disclosure, initialed and signed by the purchaser. Remember that the purchaser cannot be held to a finance agreement until all the required finance terms are properly disclosed to the purchaser.

Sales Tax Information, *by Taxpayer Service Division*

State Sales Tax Rate Reduction for Heavy Trucks

The reduced heavy truck sales tax rate of .01% effective July 1, 2001 through June 30, 2002, expired on June 30, 2002. The reduced rate is only in effect when there is sufficient surplus revenue from the prior fiscal year to trigger the reduced rate.

If you are a dealer that sells heavy trucks, you will resume collecting the normal state sales tax of 2.9% on purchases made after June 30, 2002 and report that tax on Form DR 0100. After your June 2002 filing you will no longer report the state sales tax related to your heavy truck sales on form DR 1481, "Heavy Truck Sales Tax Return".

If you are a leasing company with heavy truck lease contracts signed from July 1, 2001 through June 30, 2002, you will continue to collect the reduced sales tax rate of .01% and report those taxes on Form DR 1481 through the life of the contract. Leases signed after June 30, 2002 will be at the normal state sales tax rate of 2.9% and will not be reported separately on Form DR 1481.

If you have questions contact us by email at taxadministration@spike.dor.state.co.us.

Licensing Leads *by Debby Shriver, Acting Licensing Manager*

Auto Industry Division Employee of the Decade

A very special person told me that in his 30 years of state service he never achieved the honor of being "employee of the month"; though, has received numerous other awards throughout his career. Knowing that it is never too late and wanting the industry to know what a great leader Kirk J. Martelon has been, we are nominating him not only employee of the month, but the Auto Industry Division's employee of the decade.

Kirk has performed many roles in his tenure with the Auto Industry Division. The Auto Industry Division has become highly respected amongst the law enforcement community and the auto industry due only to Kirk's incredible leadership skills, management abilities, foresight and determination. Because of his leadership skills Kirk is held in high esteem by subordinates, by his fellow employees, by the industry and by the public.

He always readily and cheerfully lent his ear to someone with a problem and always had words of positive encouragement and support. Kirk has a special talent when working with his subordinates and bringing staff closer together as a working team.

Thank you for all the years of support. On behalf of all the staff we wish you many years of happiness in your retirement **AND THE LONG DESERVED AWARD OF BEING EMPLOYEE OF THE MONTH.**

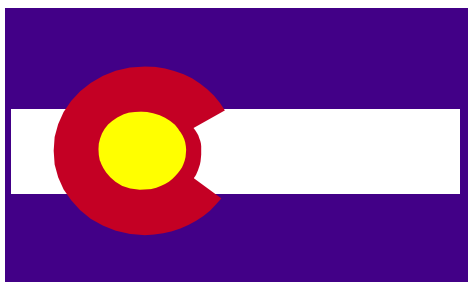


Titles and Registrations *by Chris Lowe*

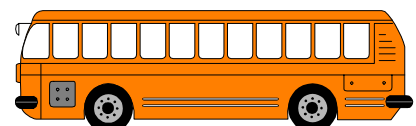
BILL NUMBER: HB 02-1189

Requires the words "REBUILT FROM SALVAGE" to print, in a conspicuous place, on all titles issued to vehicles that were previously salvage. This wording will become a permanent part of the titles for

the vehicle and will appear on all subsequent titles for the vehicle beginning January 1, 2003.



**Colorado Day
August 1, 2002**



DEALER BOARD ACTIONS

Emmett B Formby, dba Formby Interstate Ford-Dacono-#508 – failure to perform written agreement (2 counts). **\$20,000 FINE (HELD IN ABEYANCE), 3 DAY SUSPENSION (HELD IN ABEYANCE), 3 MONTHS PROBATION, RESTITUTION.**

DEALER BOARD MEMBERS

President, Steve Perkins

First Vice President, Fred Emich

Second Vice President, Leo J. Payne
Gretchen Eberhardt, Jeff Carlson, Bob Feder,
Mark Striegnitz, Jim Varner, Jon Kroneberger

Executive Secretary, Kirk J. Martelon

AUTO INDUSTRY DIVISION

Division Director, Kirk J. Martelon

Acting Licensing Manager, Debby Shriver

Investigator Supervisor, Mary Marvin

Public Information Officer, Kaye Kopecky

Correspondence is welcome. Address to:

Auto Industry Division

1881 Pierce Street, Lakewood, CO 80214

Phone: (303) 205-5604 FAX: (303) 205-5977

E-mail: dealers@spike.dor.state.co.us

Internet: www.mv.state.co.us/dealer.html

C A L E N D A R

Dealer Board Business Meeting: Second Tuesday of each month at 9:00 am, 1881 Pierce St, Lakewood.

Dealer Board Hearings: Fourth Tuesday of each month, if necessary, at 9:00 am, 1881 Pierce St, Lakewood.

License Law Seminar - Colorado Springs: First Tuesday of each month at 10:00 am, 4420 Austin Bluffs Pkwy, Colorado Springs.

License Law Seminar - Lakewood: Third Tuesday of each month at 9:00 am, 1881 Pierce St, in the Department of Revenue Building, Conf. Rm. C, Lakewood.

Note: Times and locations are subject to change.

Call the Auto Industry Division at (303) 205-5784.

Please note: While every effort is made to make the information in *Wheels* as accurate and helpful as possible, it is not offered as a substitute for legal advice.



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