



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

New Auto Industry Website is now LIVE!

Visit us at our new website and find information and forms to conduct your Motor Vehicle and Powersports business. The new AID website is:
www.colorado.gov/revenue/enforcement

To access our home page click on the Auto Industry button. Our home page is divided into 8 sections:

Consumers: Complaint Process, Leasing & Buying Tips, Referral Services, Lemon Laws, Reporting Unlicensed Dealers/Salespeople, FAQ's, and other helpful Consumer links.

Licensing: Find licensing requirements & information, as well as Training and Education (Pre-licensing training and certificate, mastery exam, exam study guide etc.)

Forms & Publications: All AID forms can be found by Number and/or Title. Additional reference publications are listed as well.

Laws & Regulations: This section lists all AID Laws & Regulations, including the Motor Vehicle and Powersports Industry Laws and Regulations.

Motor Vehicle Dealer Board: Find the Monthly Agenda, Board Members, Minutes, Board Actions, Rulemaking, Pre-licensing Education Program and Board Regulations.

News & Announcements: News that needs to be circulated as soon as possible is listed in this section.

Quick Links: Find links to other government websites.

Contact Us: This link lists all of our offices and contact numbers, including a link to our staff directory. To navigate to a section, simply click on the left (grey) side bar main category. A submenu will open up beneath the category that you selected. You can either click on the left side bar subcategories or click on a link on the right side of the main screen.

To contact us with any questions/comments regarding the new website e-mail us at:
Dealers@spike.dor.state.co.us

ROUTING BOX

Owner
Finance Manager
General Manager
Sales Manager



Monthly Website Tip:

Dealers! Be sure to check out how to license your salespeople without leaving your office! Go to the Salesperson Licensing page and learn about how to license your Salesperson using our electronic licensing Application.

The Department of Revenue's Online Salesperson Licensing service now provides registered dealerships with the ability to acquire salesperson licenses over the Internet. This online service will enable your dealership to apply for a sales license for each new original salesperson and pay the required fee with a credit card. Future developments of the service will include renewing, reissuing and adding a dealership to a salesperson's license.

This online service is offered by the Colorado Department of Revenue's Auto Industry Division in collaboration with Colorado.gov the state's official web portal.

Please see the [AID Service Info Form](#) to find out if your dealership is qualified to use this service.

Once you have determined if your dealership is qualified to use this service, your dealerships must register with Colorado.gov by completing and mailing the registration form found at <http://www.colorado.gov/registration>. There is a \$75 per year registration fee. Once you are registered, you may access the Online Salesperson Licensing service at www.colorado.gov/saleslicense.

Please feel free to contact Colorado.gov at 303.534.3468 or support@www.colorado.gov with any questions or concerns regarding this new online service.

ORIGINAL APPLICATION REQUIRED DOCUMENTS

When submitting an original salesperson's application these are the required documents that are needed:

1. DR 2115 Salesperson License Application
2. DR 2097 Examination Affidavit (only if the dealership gives the examination).
3. DR 4679 Affidavit-Restrictions on Public Benefits.
4. A copy of the persons ID with a picture (it must be legible).
5. A check or cash to cover the \$80.00 fee made out to the Department of Revenue

When the applicant is filling out the application make sure that all of the questions are answered.

When the employing dealership fills out the bottom section of the application (question's 19 thru 25) make sure all questions are answered.

The bond and examination are to be kept at the dealership; they do need to be provided during a compliance inspection. By having all of the information complete on the application and submitting all required documents the application is less likely to be rejected once it is received by the Division.

Renewal Applications - Late Fee, by Kaye Kopecky, Licensing Manager

Prior to the expiration of a license a renewal notice is mailed to the licensee's business address of record stating when such license is due to expire and the fee necessary to renew the license. Any renewal application submitted after the expiration date of the license will be assessed a late fee. There will be a 30-day grace period following the expiration date of the license to renew. Any licensee submitting a renewal during the 30-day grace period shall pay an additional \$25.00 late fee. If the renewal application is submitted after the 30-day grace period the application will be refused and the applicant must apply as an Original License Applicant.

Your Sales License Could Be Denied...

for failure to disclose your criminal history and failure to provide court documents. Question #6 on the Salesperson Application asks "have you ever been arrested, charged with, convicted of or pled no contest to any felony or misdemeanor crime in the past 10 years, excluding traffic violations. The key word is ARRESTED. Even if the charges were dismissed or deferred, you would still need to disclose AND provide court documents listing the original charges and final disposition. Failure to disclose your criminal history is considered a material misstatement in an application for a license (12-6-118 C.R.S) and could be grounds for denial.

Background checks are processed on all new applicants. If your background check reveals a criminal history and you have failed to disclose this information on your application, or disclosure has been made but you failed to provide court documents, you will receive a letter from the Division requesting court documents on the listed charges. Your response containing the requested information must be made within 10 days from the date of the letter. Failure to respond in a timely manner will be cause for the Dealer Board to deny your license.

If you terminate your employment before we receive your court documents, your license will be flagged and the agency will not transfer your license to another dealership until all required documents are received. If you fail to respond at all, your license will be denied and a formal letter will be sent to your last known address. If this is the case and you decide to seek employment again as a salesperson you will need to request a hearing within 60 days.

If you have been convicted of a crime during the last five (5) years, or you are on court ordered probation, your application must go before the Board for approval. If you have been convicted of a felony under Title 18, Articles 3, 4 or 5, or any similar crime under federal law or the law of any other state; or a crime involving odometer fraud, salvage fraud, motor vehicle title fraud, or the defrauding of a retail consumer in a motor vehicle sale or lease transaction, you will not be able to hold a salesperson license for 10 years from the date of conviction. (12-6-118 (7) C.R.S)

Owners/Managers please make sure that if the sales applicant marks "Yes" on Question #6 of the salesperson application, that all court documents are included. If you have any questions contact Kaye Kopecky, Licensing Manager, at 303-205-5784 or email akopeccky@spike.dor.state.co.us.

WHOLESALE CANNOT SELL RETAIL

12-6-102(18) "Wholesaler" means a person who, for commission or with intent to make a profit or gain of money or other thing of value, sells, exchanges, or offers or attempts to negotiate a sale, lease, or exchange of an interest in new or new and used motor vehicles solely to motor vehicle dealers or used motor vehicle dealers". 12-6-118(4) "A wholesaler's or wholesale motor vehicle auction dealer's license may be denied, suspended or revoked for the selling, leasing or offering or attempting to negotiate the sale, lease or exchange of an interest in motor vehicles by such wholesaler or wholesale motor vehicle auction dealer to persons other than motor vehicle dealers, used motor vehicle dealers, or other wholesalers or wholesale motor vehicle auction dealers." Wholesalers cannot negotiate to sell or offer to sell a motor vehicle to a retail consumer and later have the paperwork completed by a licensed motor vehicle dealer. Wholesalers cannot sell to the public.

Internet Sales, Jerry Smith, Compliance Supervisor

Any vehicle sale done over the internet is subject to the same legal requirements as a sale done at the dealership. The most common internet complaint we receive deals with issues of misrepresentation such as mileage and the condition of the car. If an internet ad makes a representation such as "one owner" or "60,000 actual miles" such representation has to be factual. Similarly if you are offering a car on your website and contract with an out of state buyer, that sale was done in this state and subject to Colorado law. That includes the requirement that any internet offering is an advertisement and must include language demonstrating that the vehicle is being offered by a dealer.

Any questions/problems/concerns please contact the division at 303-205-5604.

POWERSPORTS CORNER, Jerry Smith, Compliance Supervisor

Since the law requiring the licensure of powersports dealers and manufacturers was passed in July 2007 the Division has licensed over 110 new and used powersports dealers. From a licensing and enforcement point of view powersports is a brand new world. While many of the contract requirements are similar with the sale of a motor vehicle or powersports vehicle, there are no titling requirements in powersports. Conversely, by its very nature regulating the powersports industry has drawn us closer to the Division of Wildlife. HB 08-1069 was passed last session which allows state law enforcement officers to issue citations for motor vehicle violations on federal public lands. This would include being cited for operating an ATV or off-highway motorcycle on public lands, trails or roads unless those areas are specifically authorized for such use. Powersports dealers will be receiving "hang tags" from the DOW explaining more of these new provisions.

Also last session SB 08-063 was passed and deals principally with noise restrictions on new motorcycles/motor vehicles as well as specific noise levels for new and used off highway vehicles. These provisions do not go into effect until July 1, 2010. You can access Colorado laws and statutes on www.michie.com/Colorado.

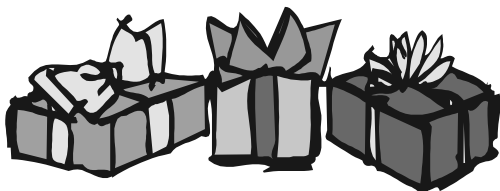
Please feel free to contact myself or our staff with any questions/concerns about any powersports issues.

COMPLIANCE CORNER, Jerry Smith, Compliance Supervisor

For the past several months our staff have visited many of your dealerships and conducted compliance inspections. A few things we have learned about your dealerships are that there are occasional problems with properly filling out and returning the white portion of the permit stubs. Due to some changes in the law last session those stubs are all now being processed in the Titles & Registration Section and they kick them back to our office if they cannot read them or they are missing information. The accuracy of this data is critical because it is relied upon by law enforcement when checking out the true identity of a motor vehicle. In an effort to modernize this process we have begun meeting with members of CADA, CIADA, DOR IT staff, Titles & Registration staff and software vendors to develop a way to send this information electronically to this department. While it is still in the preliminary stage hopefully we will find a way to update what is now an antiquated system.

We have found that some dealers are not checking the DOT Office of Foreign Assets Control website (OFAC) (www.treas.gov/offices/enforcement/ofac/sdn/index.shtml) to verify if purchasers are listed on that watch list. Also be sure that you are using the updated "Disclosures Required as Part of a Motor Vehicle Sales Contract" form. The updated form contains information about contacting this office that is required by law.

Please always feel free to contact me about any questions at 303-205-5742.



SUNDAY CLOSING

All Colorado motor vehicle dealers are expected to comply with the Sunday closing law (CRS 12-6-301 through 303). In many respects, dealers cannot prevent people from coming onto their lots to look at vehicles on Sunday. However, the Board considers any incentive for, or encouragement of, Sunday visits to the dealership for the purpose of looking at motor vehicles, as a violation of the Sunday closing law. Incentives/encouragements that are violations include, but are not limited to, drawings for prizes, refreshments, and/or any advertising intended to bring people to the dealership to look at vehicles on Sunday. Violations of the Sunday closing law could jeopardize your license and are also Class 3 misdemeanors. (Please note that the Sunday Closing Law and the Board's policy do NOT apply to the sale of boats, snowmobiles and boat/snowmobile trailers and off-road vehicles on Sunday.)

Attention Dealers and Salespersons Reporting Convictions to the Board

The division has received numerous renewal applications for both dealers and salespeople that are reporting recent convictions. Please note the statutes and regulations below pertaining to reporting to the board convictions within 30 days after receiving such conviction. Do not wait until renewal time to report such convictions.

C.R.S. 12-6-118(3)(d) Having been convicted of or pled nolo contendere to any felony, or any crime pursuant to article 3, 4 or 5 of title 18, C.R.S. or any like crime pursuant to federal law or the law of any other state. A certified copy of the judgment of conviction by a court of competent jurisdiction shall be conclusive evidence of such conviction in any hearing held pursuant to this article.

Regulation 12-6-118(3)(d) Dealers, wholesalers, wholesale auction dealers, officers, directors or stockholders of corporations owning five per-cent or more, licensed as such who are convicted of or pled nolo contendere or a plea in a deferred judgment and sentence to any felony or any crime pursuant to article 3, 4 or 5 of title 18, C.R.S., or like crime pursuant to federal law or the law of any other state, shall provide to the board written notice of such conviction within thirty days after receiving such conviction. The licensee shall provide complete information including copies of such conviction and pre-sentence reports within thirty days of the conviction.

C.R.S. 12-6-118(5)(j) Having been convicted of or pled nolo contendere to any felony, or any crime pursuant to article 3, 4 or 5 of title 18, C.R.S. or any like crime pursuant to federal law or the law of any other state. A certified copy of the judgment of conviction by a court of competent jurisdiction shall be conclusive evidence of such conviction in any hearing held pursuant to this article.

Regulation 12-6-118(5)(j) A salesperson who is convicted of or pled nolo contendere or a plea in a deferred judgment and sentence to any felony or any crime pursuant to article 3, 4 or 5 of title 18, C.R.S. or like crime pursuant to federal law or the law of any other state, must give the board written notice of such conviction within thirty days after such conviction. The licensee shall provide complete information including copies of the conviction and pre-sentence reports within thirty days of the conviction.



Closing comments.....from the Director. By Bruce Zulauf

"It's the economy, stupid," was a phrase widely used during the 1992 presidential campaign. Now, sixteen years later, it is still the economy. It doesn't matter what your political persuasion, the fact is the economy is in horrible shape, and the status quo has not been working. Economists from across this land are suggesting that most of 2009 will be very difficult economically, and it may be the first quarter of 2010 before this country realizes genuine improvement.

The auto industry within this country, and within Colorado, is suffering. Multiple dealers have closed their businesses in the past 90 days, with more rumored to be on very shaky ground. The industry is in the news on a daily basis. Manufacturers, new car dealers, and used car dealers are all looking for ways to survive these difficult times. American manufacturers must make better, more fuel efficient, cars. Bottom line, change must happen to become more competitive in the world market. Failure within the auto industry could have devastating consequences. Everyone within the industry knows that change must happen. Failure is not an option.

Almost every candidate for political office this past November talked of change. Our new President's main slogan was, "Change you can believe in." Most certainly, to emerge from the recession we are in, we better have the ability to change. So what is change? Change is a simple word. Webster's dictionary defines change as; "to make different in some particular, to become different, to undergo transformation." Sounds easy, but is it? Most people maintain that change is one of the most difficult tasks to accomplish. We all become comfortable in the way we do business; routine is something we like. Change is outside the norm, outside our comfort zone. Positive change takes tremendous will to accomplish. Do we as a country have it within us?

I think we do, but I'm the ultimate optimist. I think that pessimism is dangerous at times, and at this time. Pessimists tend to complain, look to blame, and believe in little. Optimists look for opportunity, become problem solvers, and believe in possibilities. Call me crazy, but I still believe in our government and believe our government will find ways to help solve our economic problems. More than that, I am a big believer in the strength and spirit of the American worker. It will be the American worker that ultimately digs us out of this recession. The American worker has always had the ability to change, and I dare say we should not underestimate their resolve.

The Auto Industry Division is not immune from these tough economic times. Revenue is down, due to the shrinking numbers of licensees being processed, both for dealers and salespersons. This has caused the Division to make some very difficult budget decisions. Fleet reductions, in-state travel/mileage reductions, printing costs, and office supplies are all areas that are on the cutting block. The state is currently in a hiring freeze to help offset budgetary problems through vacancy savings. Through it all, the Division must, and will, make positive change because our staff has the strength, spirit, and will power needed to accomplish our mission. Failure is not an option with us either.



Reminder to Dealers

All AID forms are available on our website and can be downloaded; however, when submitting these forms make sure that you fill them out thoroughly and accurately and provide the correct number of copies.

Besides obtaining all AID forms, our website contains other written material regarding the Auto Industry Division. Please check out our Internet home page website at www.colorado.gov/revenue/enforcement. You may also send an email to: dealers@spike.dor.state.co.us with any questions or concerns.

DEALER BOARD MEMBERS

President, Jeff Carlson
First Vice President, Steve Perkins
Second Vice President, Jim Varner
Bob Feder, Lisa Schomp, Eva Wilson
John Medved, Phil Harris, Jim Reitz
Executive Secretary, Bruce A. Zulauf

AUTO INDUSTRY DIVISION

Division Director, Bruce A. Zulauf
Licensing Manager, Kaye Kopecky
Agent-in-Charge, Chris Rouze

C A L E N D A R

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

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

Correspondence is welcome. Address to:
Department of Revenue
Auto Industry Division
1881 Pierce Street, Room 142, Lakewood, CO 80214
Phone: (303) 205-5604 FAX: (303) 205-5977
E-mail: dealers@spike.dor.state.co.us
Internet: www.colorado.gov/revenue/enforcement

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.

HAPPY HOLIDAYS

FROM THE STAFF OF THE AUTO INDUSTRY DIVISION

