



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

Bruce Zulauf Named Dealer Board Executive Secretary and Division Director

Bruce Zulauf was appointed as the new Auto Industry Division Director and Executive Secretary of the Motor Vehicle Dealer Board on May 1, 2008.

Mr. Zulauf brings with him extensive experience with both law enforcement and regulatory agencies. He was previously employed with the Yuma County Colorado Sheriff's office and was later elected as the Sheriff of Yuma County for three (3) terms. Mr. Zulauf relocated to State Service as an Investigator for the Colorado Attorney General's Office where he remained for two and a half (2 ½) years when he accepted a position with the Colorado Department of Revenue Liquor Division as a Field Supervisor.

Changes in AID Personnel

Mr. Leland BeBee has been offered and has accepted the Legal Assistant I position at the Auto Industry Division. Mr. BeBee will be transferring from the Division of Racing Events.

Mr. BeBee has two degrees in Biology as well as a law degree. He has taught legal writing and research in basic and advanced courses at two universities, has worked as a contracting officer for the Colorado Department of Transportation, has run his own legal consulting business, and has been an international insurance investigator. Mr. BeBee will bring to the Division extensive knowledge and experience of legal and regulatory issues, an understanding of investigations and prosecutions, and expertise in legal research, analysis, document preparation, and rulemaking.

Brenda Byers comes to us with over twenty years of office administrative experience. She is a graduate of Front Range Community College. Before coming to DOR, she was employed by a local Auto Auction where she assisted the Collections Department and worked as a Stand Clerk. Ms. Byers has been with the Colorado Department of Revenue since December of 2007 assigned to the Driver Services Division where she handled production overflow. She accepted a transfer to Auto Industry Division in April 2008 where she has been assigned to handle incoming complaints as the Intake Coordinator. Ms. Byers references indicated that she has exceptional customer service and organizational skills with a friendly and outgoing outlook. The Auto Industry looks forward to providing continued excellent customer service with the addition of Ms. Byers.

In February, 2008 **Lisa Denmon** accepted the Administrative Assistant position with the Auto Industry Division. Ms. Denmon began her career with the Colorado Department of Revenue in September of 2006 as an Administrative Assistant with the position of Telephone Customer Service Representative in the Department's Driver Control Section. She then transferred to Driver's Services assisting customers by giving them personal service in providing information and clarifying the Colorado Motor Vehicle statutes. Ms. Denmon has an excellent history of providing quality customer service which will

ROUTING BOX

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Finance Manager
General Manager ✓
Sales Manager

lend itself to providing the same quality service to dealers and consumers. The Division welcomes Ms. Denmon to its team of professionals.

Margaret Jungmann is our new business analyst. Margaret replaces Debby Shriver who retired in November 2007. Margaret was born in California, and raised in both the U.S. and in El Salvador; Ms. Jungmann graduated in 1989 from UCLA with a bachelor's degree in political science. In 1991 she moved with her family to Denver where she worked for Denver University Hospital, ICG Communications and recently CH2M Hill Inc. Throughout her career, Ms. Jungmann has focused on business analysis and database system support primarily working with Oracle financials systems. She has conducted Oracle new user training sessions; tested and implemented system upgrades; developed and implemented testing plans for new software; supported multiple in-house custom IT systems; and created operating procedures for all systems that she has supported.

Joseph Kelley is a new Criminal Investigator for the Auto Industry Division. Investigator Kelley comes to the Division with 15 years of law enforcement experience having started his career with the Thornton Police Department. While with the Thornton Police Department he had assignments that allowed him to receive experience in the field as a patrol officer and in investigation while assigned as a detective. In 2005, Investigator Kelley accepted a position with the Denver Police Department where he worked in patrol. In 2007 he transferred to the Department of Regulatory Agencies where he was assigned as a criminal investigator conducting background checks for the transportation section. Investigator Joseph Kelley is an excellent asset to the division where he will be assigned to the Lakewood office.

Dale Sundeen has been appointed as a Criminal Investigator assigned to the Colorado Springs Office. Investigator Sundeen grew up in the Golden, Colorado area and has three College degrees: an Associates degree in Intelligence Research and Analysis through the Community College of the Air Force; a Bachelor's degree in Criminal Justice through the University of Nebraska; and a Master's degree in Administration through the University of Central Michigan. Investigator Sundeen brings a variety of education, leadership & management skills, and experiences to the division - most of which involves dealing with governmental compliance issues, research, investigations, and reporting. While serving in the military, he engaged in various avenues of classified intelligence for agencies such as Air Force Technical Application Center (Nuclear intelligence), Defense Intelligence Agency (Current Intelligence), Central Intelligence Agency, Department of Defense (the Pentagon), Department of Energy, and Department of Manned Space Program (NASA and Space Shuttle). The Division is excited with the addition of Investigator Dale Sundeen.

Dave Tallman started his law enforcement career with the Westminster Police Department in 1981 and retired in 2006. During his tenure, he served as a Master Patrol Officer, Field Training Instructor, SWAT member, Self Defense Instructor, Narcotics Detective, Special Crimes Detective, and SCAT Officer (Special Crime Attack Team). Investigator Tallman's extensive background in investigations and other aspects of police work which will enable him to be an asset to the Division. Since his appointment to the Lakewood Office, he has assisted Supervisor Halberstadt with complex cases which further indicate that his appointment will be a benefit to both the dealers and the consumers.

George Weaver was assigned to the Colorado Springs Office. Investigator Weaver comes to the Auto Industry Division with an excellent background in complex investigations. He began his 20 year career with the Pottstown Police Department in Pennsylvania that gave him the opportunity to become experienced as an investigator and as an instructor in firearms and Rules of Evidence. As a detective supervisor, Investigator Weaver received thorough training in all aspects of investigations. Prior to joining the Auto Industry Division, Investigator Weaver had held a position with the fourth Judicial District Attorney's Office of Colorado Springs since 2004 where he was assigned to the Special Victims Unit and the Economic Crime Unit. With the addition of Investigator Weaver, the Colorado Springs Office will offer excellent customer service to dealers and consumers.

High Emitter Pilot Programming, *by Rick Kiger, Emissions*

Per HB06-1302 with the effective date of January 1, 2008, the High-emitter Program has been created. This program will focus on vehicles that fail an emission test utilizing the "clean screen" methodology. While the current "clean screen" methodology has focused on those vehicles that can successfully pass the drive-by test it can also highlight those that fail.

The Colorado Department of Public Health and Environment (CDPHE) will be obtaining a list of high emitter vehicles from Envirotech and sending letters to the registered owners requiring them to take their vehicle in for a confirmatory emission test to verify whether or not the vehicle can pass an emission test. CDPHE will then contact the Department of Revenue with a list of those vehicles that they were unsuccessful in obtaining owner assistance to take the vehicle in for the confirmatory test to verify if the vehicle fails the emission test. The department will mark the record with an emission suspension that will prevent any title or registration transactions until it has been cleared by the State Emission Section. Once the vehicle has been cleared by the Emission Section, either by a transfer of ownership or by paying the associated fine and providing proof that the vehicle has passed an emission test, they will release the emission suspension on the vehicle. The system will allow transactions on the vehicle once the suspension is released. It will take at least one business day for the release of the suspension.

With the pilot starting in January 2008 it will take some time before data is received from CDPHE that requires a suspension to be put on any vehicles. Detailed training will be provided in the future concerning the requirements for the program once everything has been finalized.

If you have any questions please contact the Emission Section at 303-205-5603.

New Vehicle Four-Year Emissions Exempt Stickers

The Department of Revenue, Emissions Sections has received numerous calls about the use of the four-year emissions exempt sticker for new vehicles, and if new car dealers are still required to issue them.

The answer is yes, Colorado Statute still requires any new car dealer in Colorado that sells a NEW (MSO/MCO) vehicle that is going to be registered in an emissions program area, to display an emissions exempt sticker. The emissions exempt sticker must be affix to the vehicle at time of sale. The exempt sticker requirement applies to both gasoline and diesel vehicles.

State Statute reference:

42-4-310 (1) (b) (II) (A) CRS (Gasoline)

42-4-406 (1) (b) (II) – (A) & (B) CRS (Diesel)

The emissions gasoline program is operated in the full counties of Boulder, Jefferson, Broomfield, Denver, and Douglas, as well as parts of Adams and Arapahoe counties.

The emissions diesel program is operated in the full counties of Boulder, Jefferson, Broomfield, Denver, and Douglas, as well as parts of Adams, Arapahoe, Larimer, Weld, and El Paso counties.

Both new and used car dealers need to remember that when they are selling a vehicle that is currently on the four year exemption they do not need to provide an emissions inspection or voucher at time of sale, if more than 12 months is remaining on the exemption. If there is more than 12 months remaining on the exemption the remaining time is transferable to the new owner.

New car dealers can purchase exempt stickers from the Colorado Automobile Dealers Association, contact them at 303-831-1722 or the Department of Revenue, Emission Program, at 303-205-5603.

State Of Colorado

LICENSE FEE SCHEDULE

Effective July 1, 2008-June 30, 2009

License Type	Fee
Original Dealer, Wholesaler, Buyer Agent, Wholesale Auctions	\$335
Original Powersports Dealer.....	335
Renewal Dealer, Wholesaler, Buyer Agent, Wholesale Auctions	275
Renewal Powersports Dealer.....	275
Temporary Out-of-State Dealer	145
 Original Salesperson	 80
Renewal Salesperson	60
Additional/Multiples	60
Reissue Salesperson	60
 Original Manufacturer/Distributor	 335
Renewal Manufacturer	275
Renewal Manufacturer/Distributor.....	280
 Original Manufacturer Representatives	 80
Renewal Manufacturer Representatives	60
 Late Fee – All License Types	 25
 Dealers:	
Off-Premise Permits	60
 Additional Location	 140
 Address Change	 80
 Class Change	 80
 Ownership Change	 80
 Name Change	 80

NOTE: FEES CHANGED THIS YEAR

Vehicles Donated to a College/University from a Dealer

Additional information is being provided to clarify Memo TR 07-14, Vehicles Donated To A College From A Dealer dated September 5, 2007, and to address additional questions that have been raised.

Several terms have been used when referencing the donation of vehicles that may have contributed to the confusion on how to title, register and plate these vehicles. Below are the terms and definitions defined by the Titles and Registrations Section for these vehicles:

- “Donated” is defined as a gift, free of charge, and the vehicle title will be transferred to the name of the recipient.
- “Leased” is defined as vehicles that are subject to the terms of a lease agreement with corresponding payments.
- “Loaners” are defined as vehicles that will be returned to the original owner and no transfer of ownership will take place.

Pursuant to C.R.S. 42-6-111(1) and 42-6-119 (2) ‘Dealer for Resale No Sales Tax Paid’ titles can only be issued to vehicles which are in the dealer’s possession and at the dealer’s place of business solely for the purpose of sale. A copy of DR 0100A Retail Sales Tax Return for Occasional Sales and DR 0025 Statement of Sales Tax Paid on Loaner Motor Vehicles must be submitted to the county office for all ‘donated’ and ‘loaner’ vehicles in order to title the vehicle in the dealer name. Taxes should be computed using the formula provided in the Sales Tax Special Regulation 3.5. This information can be obtained at <http://www.revenue.state.co.us/taxstatutesregs/3926regSR3.5AutoDealSpecEventbs.html>.

The following procedures must be followed when titling and registering these vehicles:

Donated: When a vehicle is donated to a government agency.

- Ø Dealer must apply for title through the county motor vehicle office in the dealership name.
- Ø Dealer must pay title fees and sales tax. A copy of form DR 0100A and DR 0025 will be accepted as proof of sales tax paid.
- Ø The dealer shall assign the new title over to the government agency. The purchase price on the title must be “Donated” and entered into the system as “0”.
- Ø The government agency shall apply for a government title and plates through the State Titles and Registrations Section.
- Ø The government agency shall pay the title, plate and material fees.
- Ø The government agency is exempt specific ownership tax.
- Ø The government agency is exempt annual registration fees.

Loaners: When a vehicle is loaned to a government agency for over 30 days/government plates.

- Ø Dealer must apply for title through the county motor vehicle office in the dealership name.
- Ø Dealer must pay title fees and sales tax. A copy of form DR 0100A and DR 0025 will be accepted as proof of sales tax paid.
- Ø The government agency must be listed as the “In Care Of” on the registration.
- Ø The government agency shall apply for government plates through the State Registration Section.
- Ø The government agency shall pay the plate and material fees.
- Ø The government agency is exempt specific ownership tax.
- Ø The government agency is exempt annual registration fees.

Loaners: When a vehicle is loaned to a government agency for over 30 days/regular plates.

- Ø Dealer must apply for title through the county motor vehicle office in the dealership name.
 - Ø Dealer must pay title fees and sales tax. A copy of form DR 0100A and DR 0025 will be accepted as proof of sales tax paid.
 - Ø The government agency must be listed as the “In Care Of” on the registration.
 - Ø The government agency shall pay the plate and material fees.
 - Ø The government agency shall apply for regular plates at the county motor vehicle office.
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- Ø The government agency is exempt specific ownership tax.
- Ø The government agency is exempt annual registration fees.

Leased: When a vehicle is leased to a government agency.

- Ø If the government agency requests to be exempt from specific ownership tax and annual registration fees, the lease agreement must be submitted to the DOR, Motor Vehicle Registration Section for approval prior to being titled or registered.
- Ø The lessor must apply for title in the lessor's name through the county motor vehicle office and the government agency must be listed as the lessee.
- Ø The government agency may apply for Government plates through the State Registration section or apply for regular plates at the county motor vehicle office.
- Ø The government agency shall pay the title and material fees.

Below is a list of statutory references:

C.R.S. 42-6-111 Sale to Dealers-certificate need not issue. (1) Upon the sale or transfer to a dealer of a motor vehicle for which a Colorado certificate of title has been issued, the certificate of title to the motor vehicle shall be transferred and filed; except that, so long as the vehicle remains in the dealer's possession and at the dealer's place of business for sale and for no other purpose, such dealer shall not be required to procure or file a new certificate of title as is otherwise required in this part 1.

C.R.S. 42-6-119 Certificates for vehicles registered in other states. (2) If a dealer acquires the ownership of a motor vehicle by lawful means and the motor vehicle is titled under the laws of a state other than Colorado, such dealer shall not be required to file a Colorado certificate of title for the vehicle so long as such vehicle remains in the dealer's possession and at the dealer's place of business solely for the purpose of sale.

C.R.S. 42-3-104 Exemptions-specific ownership tax-registration-domicile and residency-rules-definitions (1) reads in pertinent part: Only those items of classified personal property that are owned by the United States government or an agency or instrumentality thereof, by the state of Colorado or a political subdivision thereof, shall be exempt from payment of the annual specific ownership tax imposed in this article.

C.R.S. 42-3-104 Exemptions-specific ownership tax-registration-domicile and residency-rules-definitions (2) reads in pertinent part: An item of personal property that is leased by the state of Colorado or a political subdivision thereof may be exempted by the department from payment of the annual specific ownership tax imposed in this article if the agreement under which such item is leased is first submitted to the department and approved by it.

C.R.S. 42-3-104 Exemptions-specific ownership tax-registration-domicile and residency-rules-definitions (4)

At the request of the appropriate authority, motor vehicles owned and operated by the state of Colorado or any agency or institution thereof or by a town, city, county, or city and county may be assigned, in lieu of the distinct registration number specified in this article, a special registration number indicating that such vehicle is owned and operated by the state of Colorado or any agency or institution thereof or by a town, city, county, or city and county, but only one such special registration number shall be assigned to each vehicle. An application for the special registration provided in this section that is made by the state of Colorado or any agency or institution thereof shall be made to the department only. An application for the special registration provided in this section that is made by any town, city, county, or city and county shall be made only to the authorized agent in the county wherein the applicant local government entity is located, and any such special registration shall be obtained directly from such authorized agent. Special registrations obtained under this subsection (4) shall be renewed annually pursuant to the requirements prescribed by the department.

C.R.S. 42-1-102 Definitions (66) "Owner" means a person who holds the legal title of a vehicle; or, if a vehicle is the subject of an agreement for the conditional sale or lease thereof with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee or lessee or if a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for purposes of articles 1 to 4 of this title. The term also includes parties otherwise having lawful use or control or the right to use or control a vehicle for a period of thirty days or more.

C.R.S. 42-6-102 Definitions (12) "Owner" means a person or firm in whose name the title to a motor vehicle is registered.

C.R.S. 42-3-304 Registration fees-passenger and passenger-mile taxes-clean screen fund-repeal (3) No fee shall be payable for the annual registration of a vehicle when: (c) the owner of such vehicle is the state or a political or governmental subdivision thereof; but any such vehicle that is leased, either by the state or any political or governmental subdivision thereof, shall be exempt from payment of an annual registration fee only if the agreement under which it is leased has been first submitted to the department and approved, and such vehicle shall remain exempt from payment of an annual registration fee only so long as it is used and operated in strict conformity with such approved agreement.

C.R.S. 39-26-704(1) Miscellaneous sales tax exemptions – government entities – hotel residents – schools – exchange of property (1) All sales tax to the United States government and to the state of Colorado, its departments and institutions, and the political subdivisions thereof in their governmental capacities only shall be exempt from taxation under the provisions of part 1 of this article.

If you have any questions related to determining sales tax due please contact the DOR Local Government Support Unit at 303-205-8211 x6882. Otherwise for questions relating to titling and registering these vehicles please call 303-205-5607.

Wyoming To Title ATV and Multipurpose Vehicles

Wyoming has enacted legislation, effective January 1, 2008, that provides for issuance of titles, registrations, and license plates for multipurpose vehicles.

Per Wyoming's definition, 'Multipurpose vehicle' means a motor vehicle that is:

1. Designed to travel on at least four wheels in contact with the ground, and
2. has an unladen weight of at least three hundred pounds, but less than three thousand pounds
3. has a permanent upright seat or saddle for the driver which is mounted at least twenty-four inches from the ground, and
4. has an identifying number

Examples of Wyoming Multipurpose vehicles are:

- Ø Off-Road Recreational Vehicles
- Ø Electric Powered vehicles
- Ø Golf Carts

Colorado residents that will be taking their multipurpose vehicles into Wyoming and operating them will be required to report to the Wyoming Division of Motor Vehicles to obtain temporary operating permits for these vehicles.

Wyoming residents that are bringing their multipurpose vehicles into Colorado and operating them here, even though titled, registered, plated and allowed on Wyoming public streets or highways, are subject to Colorado statutes and laws.

If you have any questions please contact the Registration Section at 303-205-5607.

Notice of Change of Address, *by Kaye Kopecky, Licensing Manager*

Remember to notify the Board of any change of location. If a dealership abandons its licensed location for more than 30 days, the licensee is required to file a new application to renew the license. C.R.S. 12-6-116 states: that should a dealership change the site or location of such dealers' principal place of business, such dealer shall immediately upon making such change so notify the Board in writing, and thereupon a new license shall be granted for the unexpired portion of the term of such license.

Recap of 2007 Legislation for the Motor Vehicle Industry

The Colorado General Assembly passed Senate Bill 07-221, effective July 1, 2007. The new legislation changes the following laws concerning motor vehicle dealers, wholesalers and salespersons.

12-6-102. Definitions.

■ (2.4) "Business incidental thereto" means a business owned by the motor vehicle dealer or used motor vehicle dealer related to the sale of motor vehicles, including, without limitation, motor vehicle part sales, motor vehicle repair, motor vehicle recycling, motor vehicle security interest assignment, and motor vehicle towing.

■ (17.5) "Wholesale motor vehicle auction dealer" means any person or firm that provides auction services in wholesale transactions in which the purchasers are motor vehicle dealers licensed by this state or any other jurisdiction or in consumer transactions of government vehicles at a time and place that does not conflict with a wholesale motor vehicle auction conducted by that licensee.

Motor Vehicle Dealer Board Actions

12-6-104. Board-oath-meetings-powers and duties

■ (4) The Board shall promulgate rules by January 1, 2008, establishing enforcement and compliance standards to ensure that administrative penalties are equitably assessed and commensurate with the seriousness of the violation.

■ (k)(IV) To require a licensee to include with a consumer sales contract a written notice that provides to the consumer the contact information of the board and information about the board's authority over consumer motor vehicle sales.

12-6-108. Classes of licenses.

■ (1)(4) The licensing requirements of this part 1 shall not apply to an insurance company selling or offering to sell a motor vehicle through a motor vehicle dealer or used motor vehicle dealer if the vehicle is obtained by the company as a result of an insurance claim.

■ (3) the licensing requirements of this part 1 shall not apply to banks, savings banks, savings and loan associations, building and loan associations, industrial entities in offering to sell, or in the sale of, a motor vehicle that was subject to a lease or that has been repossessed or foreclosed upon if the repossession or foreclosure is in connection with a loan made or originated in Colorado.

12-6-111. Bond of licensee.

■ (2)(a) The amount of the bond shall be fifty thousand dollars for a motor vehicle dealer applicant, used motor dealer applicant, wholesale motor vehicle auction dealer applicant or wholesaler applicant except the amount of the bond shall be five thousand dollars for those dealers who sell only small utility trailers that weigh less than two thousand pounds.

12-6-112. Motor vehicle salesperson's bond.

■ (1) The amount of the bond for a salesperson is fifteen thousand dollars.

12-6-113. Testing licensees.

■ The Board shall implement by January 1, 2008, a psychometrically valid and reliable salesperson exam that measures the minimum level of competence necessary to practice.

12-6-119. Procedure for denial, suspension, or revocation of license-judicial review.

■ (2)(a)(1) The board shall appoint an administrative law judge to conduct any hearing concerning the licensing or discipline of a motor vehicle dealer, used motor vehicle dealer, wholesaler, buyer's agent, or wholesale motor vehicle auction dealer; except that the board may, upon a unanimous vote of the members present when the vote is taken, conduct the hearing in lieu of appointing an administrative law judge.

(II) Beginning July 1, 2008, the board shall issue an annual report to the Executive Director detailing the number of hearings held pursuant to this paragraph (a) and the number of such hearings conducted by the board. If the board conducts greater than forty percent of the hearings, the Executive Director

shall analyze the hearing procedures and acts and issue a report to the General Assembly which shall include any recommendations of the Executive Director.

(b) The Board shall assign a hearing concerning the licensing or discipline of a motor vehicle salesperson to the Executive Director who shall appoint an officer to conduct a hearing.

(3) Hearings conducted before an administrative law judge shall be in accordance with the rules of procedure of the office of administrative courts. Hearings conducted before an office appointed by the Executive Director shall be in accordance with the rules of procedure established by the Executive Director.

(4) The Board may summarily suspend a licensee required to post a bond under this article if such licensee does not have a bond in full force and effect as required by this article. The suspension shall become effective upon the earlier of the licensee receiving notice of the suspension or within three days after the notice of suspension is mailed to a licensee's last-known address on file with the Board. The notice may be effected by certified mail or personal delivery.

The Division will recap the 2008 Legislative Session in the September Wheels.

Licensing Leads, *by Bud Heinrich, Licensing Supervisor*

Attention Dealers - Important Notice

Effective July 1, 2007 the bond amounts for salespeople changed to \$15,000. The bond amounts for dealers changed to \$50,000. A new bond or a rider must be submitted along with the application so the division can verify the bond amount is correct. When using **form DR 2115 or the DR2111** for salespeople a **DR 4679 form** must be completed and a copy of the salespersons verifiable ID must accompany the application. In order to understand what constitutes "Proof of Lawful Presence" go to www.revenue.state.co.us/dlr/home.asp and look under Rules for Evidence of Lawful Presence. When using the **form DR 2115** as an original application, **form DR 2097** must accompany the application. If the application is submitted without the proper forms and a copy of verifiable ID attached the application will be rejected.

Executable Forms on Website

The following is a list of forms that are executable (fill able) on line. Completed forms will still need to be submitted via mail or walk-in along with appropriate fees.

Dealer/Wholesale License Application (DR2109)
License Application Addendum (DR2109-B)
Statement of Financial Condition (DR2114)
Place of Business Affidavit (DR2044)
Dealer/Wholesaler Plate Affidavit (DR2640)
Buyer Agent License Application (DR2105)
Manufacturer/Distributor License Application (DR2662)
Dealer or Wholesaler License Name Change (DR2024)
Dealer License Class Change Application (DR2658)
Dealer Application for Change of Location (DR2003)
Dealer Application for Additional Location (DR2042)
Consumer Complaint Forms (DR2121 & DR2122)
The web address is www.revenue.state.co.us/dlr/home.asp

COLORADO TITLE AND REGISTRATION MANUALS

The Colorado Title and Registration Manuals are available for purchase through State Forms and Publications. Contact Miriam Osburn at 303-370-2163 for cost and availability.

Register to Extend Credit

BUY-HERE-PAY-HERE DEALERS ALERT

DEALERS THAT ACCEPT PAYMENTS FOR MORE THAN 30 DAYS ALERT

The Colorado Attorney General's Office, Uniform Consumer Credit Code Section requested CIADA to remind those dealers, who extend credit, are subject to UCCC notification and fees. Those dealers must register with the Attorney General's Office to extend credit. The requirements are as follows:

You are subject to UCCC notification and fees if you are a "creditor". A creditor is:

A person or business that sells or leases vehicles to consumers AND

1. arranges financing from others, or
 2. provides its own financing
 3. If your name appears on a retail installment contract or consumer lease as the creditor or lessor even if you immediately sell or assign the contract or lease to a finance company or back
- If you make consumer credit sales or leases AND
 1. the contract includes a finance charge or interest, and
 2. you collect payments under the contract for more than 30 days

You must register and pay your notification fee of \$20.00

Exemptions from Notification

- If you sell or assign all credit contracts within 30 days after they are written
- or do not collect payments for more than 30 days,
- you do not need to file the notification form and do not need to pay any fee.

Payments are due within 30 days after you extend credit. If you are required to pay the fee and fail to do so:

- **A late fee of \$5.00 per calendar day will be imposed AND**
- **Customers have no legal obligation to pay any of the finance charges due under the credit**

More information on the Uniform Consumer Credit Code is available on the internet at www.ago.state.co.us/UCCC/ucccmain.cfm or you can call 303.866.4494.

Change of Location, *by Kaye Kopecky, Licensing Manager*

The Compliance Section has been attempting to conduct routine location verification of dealerships only to learn that the dealership is no longer at its licensed location. Remember to notify the Board of any change of location. If a dealership abandons its licensed location for more than 30 days, the licensee is required to file a new application to renew the license. C.R.S. 12-6-116 states: that should a dealership change the site or location of such dealers' principal place of business, such dealer shall immediately upon making such change so notify the Board in writing, and there upon a new license shall be granted for the unexpired portion of the term of such license. You must submit a DR2003 Application for Change of Location and the appropriate fee.



POWERSPORTS, *Jerry Smith, Compliance Supervisor*

The Motor Vehicle Dealer Board and Auto Industry Division has been charged with licensing and regulating the sale of powersport vehicles since July 2007. Powersports are defined as off highway vehicles including ATV's, snowmobiles and personal watercraft; anyone in the business of selling those products is now required to be licensed as powersports dealers by the Division. This includes dealers who take a powersport vehicle in on trade and pawn shops but does not include powersport repair shops who sell only those units which have been abandoned for non payment of repairs.

For those already licensed as motor vehicle dealers who have been in the powersports business or who now wish to participate, the law requires applying for a separate powersports dealer license. However, one \$50,000 bond may cover both licenses (although those dealers should contact their bond agent to request a bond rider to include powersports vehicles). Salespeople who work in any dealership licensed with both motor vehicle and powersports dealer licenses do not have to be separately licensed to sell powersports but their sales bond will need a bond rider to cover powersports sales. However, salespersons employed in dealerships that sell only powersports vehicles must also be licensed.

Manufacturers of powersports vehicles also have to be licensed by this office so please consider that no new (franchise) powersport dealer license can be approved until the manufacturer, the manufacturers rep and/or a distributor of any product sold by a powersports dealer is also licensed. We would greatly appreciate your assistance in advising your manufacturers of this fact and please let this office know if you have any questions or need any assistance in that regard.

While the exact number of powersport dealers and manufacturers is not known we have identified approximately 400 business entities, (dealers and manufacturers) who have at some time been involved in powersports and may need to be licensed under this law. To date approximately 90 businesses have applied despite the educational and compliance actions of the Division. We encourage voluntary compliance with this law.

The Division and Motor Vehicle Dealer Board encourage all sellers to contact this office as soon as possible to come into compliance with this new law. I will be happy to answer any compliance issues so please call me at 303-205-5742 and Mr. Bud Heinrich will be coordinating the licensure part of this program. Bud can be reached at 303-205-5729.

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 and include the bond and fee with the application.

Closing Your Dealership?, *by Kaye Kopecky, Licensing Manager*

If a dealer or wholesaler, through either a voluntary or involuntary action, ceases to be a motor vehicle dealer or wholesaler, must surrender their dealer license, plates and temporary permits to the Department of Revenue, Enforcement, Auto Industry Division. Any plates that are not in the dealer's possession shall be reported on an affidavit and submitted to the Department of Revenue in order that the missing plates can be denoted upon the appropriate motor vehicle law enforcement files.

Board Action Bi-Annual Report,

Beginning July 2008 the division will post on the website a bi-annual report of board actions taken against dealers and salespeople. This report will cover board action taken from January 2008 through June 2008. An annual report will be posted in January 2009 listing board actions from January 2008 through December 2008. This report will be listed on the main screen under Motor Vehicle Dealer Board. The website address is www.revenue.state.co.us/dlr/home.asp.

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

"You don't learn much when you're talking." I'm not sure who the first person was that coined the phrase, but how prophetic that statement is. Listening is truly the key to learning. As many of you know, I transferred to the Auto Industry Division from the Liquor Enforcement Division in February and was appointed Director on May 1st. When I came to the Division my primary goal was to learn the history of the Division. I believe that before you can make any rational decision about where you would like to see something end up, you must first know where you have been. I needed to ask a few questions and then "listen." I was able to talk with dozens of people about the Auto Industry Division and learned not only the history I was seeking, but the true dynamics of the Division.

It became obvious that the Division needed "balance" in the overall program. A properly functioning regulatory agency must have equal amounts of education, compliance, and enforcement. Regulatory agencies must also make a real effort to become proactive and not just always be reactive. We must do more of the front end of the program, the proactive part of education and compliance. If we make a committed effort in that direction, hopefully we can reduce the reactive enforcement portion of the program, as that is now very overloaded. In the end, it is really all about communication and knowledge, protecting the consumer, and creating a "level playing field" for members of the industry.

With that said, here are just a few of the steps we are taking:

- **Wheels** - This publication alone needs to get back on track by publishing on a quarterly basis. Your Division staff has committed to making this happen so that Wheels can become an educational tool that you can rely on.
- **Website** - Staff has been working the past several weeks to update the Division's website with the most current information possible for your needs. A properly maintained website can give all viewers the tools necessary to make informed decisions.
- **Inspections** - The Compliance and Investigation's staff will begin conducting "Compliance Inspections" at all dealer locations. The goal of this program is education and compliance. Staff members will enter dealer locations in a non-aggressive, public relations manner, and conduct an inspection. They will have a one page check list of topics that need covered/inspected. Management will be encouraged to participate in the inspection and ask questions of the staff member during the process. This will give dealers the opportunity to meet Division staff assigned to their particular location so that communication can be free flowing. Should minor violations be found, the staff member will attempt to gain compliance during the inspection, with no further action necessary. All inspections will be done randomly.

On a personal note, I will have a small article at the end of each publication of Wheels in "closing comments." Please feel free to contact me on any topics you would like addressed. You can email those requests to me at bzulauf@spike.dor.state.co.us. I will be listening and learning.

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.revenue.state.co.us/dlr/home.asp. You may also email our Public Relations Coordinator at dealers@spike.dor.state.co.us with any questions or concerns.

Share The Wheels

Owners, managers, salespersons and office staff can all benefit from reading Wheels. The articles provide information on topics that affect the many different employee functions. Keep your staff knowledgeable, "Share the Wheels".

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

Correspondence is welcome. Address to:
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.revenue.state.co.us/dlr/home.asp

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.

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

License Law Seminar - Ft Collins: BY APPOINTMENT ONLY, Second Wednesday of each month at 10:00 am, 1121 W Prospect Road, Ft. Collins

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) 205-5729.

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.