



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

## New Legislation for the Motor Vehicle and Powersport Industry

### SB 08-151 Pre-licensing Education Program

To determine whether the pre-licensing educational requirements applies to a particular license applicant, he or she should refer to the following relevant provisions.

A. For Motor Vehicle related Licenses, This Part of C.R.S. § 12-6-115 Applies:

(7) (a) A person applying for a used motor vehicle dealers license, a whole-sale motor vehicle auction dealers license, or a wholesalers license shall file with the Board a certification that the applicant has met the educational requirements for licensure under this subsection (7). This subsection (7) shall not apply to a person who has held a license, within the last three years, as a motor vehicle dealer, used motor vehicle dealer, wholesaler, wholesale motor vehicle auction dealer, powersports vehicle dealer, or used powersports vehicle dealer under this part 1 or part 5 of this article.

(b) An applicant for a used motor vehicle dealers license, a wholesale motor vehicle auction dealers license, or a wholesalers license shall not be licensed unless one of the following persons has completed an eight-hour pre-licensing education program:

- (I) The managing officer if the applicant is a corporation or limited liability company;
- (II) All of the general partners if the applicant is any form of partnership;

Or

- (III) The owner or managing officer if the applicant is a sole proprietorship.

(c) The pre-licensing education program shall include, without limitation, State and Federal statutes and rules governing the sale of motor vehicles.

(d) A pre-licensing education program shall not fulfill the requirements of this section unless approved by the Board. The Board shall approve any program with a curriculum that reasonably covers the materials by this section within eight hours.

B. For Powersports-Vehicle-Related Licenses, This is part of C.R.S. § 12-6-517 applies:

(7) (a) A person applying for a used powersports vehicle dealers license shall file with the Board a certification that the applicant has met the educational requirements for licensure under this subsection (7), unless the applicant is licensed as a motor vehicle dealer or a used motor vehicle dealer. This subsection (7) shall not apply to a person who has held a license, within the last three years, as a motor vehicle dealer, used motor vehicle dealer, wholesaler, wholesale motor vehicle auction dealer, powersports vehicle dealer, or used powersports dealer under this part 5 or part 1 of this article.

(b) An applicant for a used powersports vehicle dealers license shall not be licensed

#### ROUTING BOX

Owner  
Finance Manager  
General Manager ✓  
Sales Manager

unless one of the following persons has completed an eight-hour pre-licensing education program:

- (I) The managing officer if the applicant is a corporation or limited liability company;
- (II) All of the general partners if the applicant is any form of partnership;

Or

- (III) The owner or managing officer if the applicant is a sole proprietorship.
- (c) The pre-licensing education program shall include, without limitation, State and Federal statutes and rules governing the sale of motor vehicles.
- (d) A pre-licensing education program shall not fulfill the requirements of this section unless approved by the Board. The Board shall approve any program with a curriculum that reasonably covers the materials by this section within eight hours.

The only authorized provider, to date, for the eight hour educational program is the Colorado Independent Automobile Dealers Association (CIADA)

## CHANGE OF ENTITY *by Sherry Colborg, Licensing Supervisor*

Did you know a change of entity (business type) requires filing a new original dealer application? The new application must be complete with all the current required forms, financial information and fee. A new bond is required for the new entity. This application is subject to meet the current Dealer Board requirements for financial fitness and background. Refer to: *Regulation 12-6-104 (3) (g) Application requirements, #14. A change in the operating entity in a dealer's business shall require a new application, fee and bond, and approval by the Board, prior to the licensee operating under the new entity.*

Examples:

Individual changing to a Partnership  
 Individual changing to a Corporation  
 Individual changing to Limited Liability Corporation

Partnership changing to Corporation  
 Partnership changing to Limited Liability Company  
 Partnership **adding** or **deleting** a partner or partners (This actually dissolves the original partnership and forms a new partnership).

Limited Liability company changing to an Individual  
 Limited liability company changing to a Partnership  
 Limited liability Company changing to a Corporation

Corporation changing to an Individual  
 Corporation changing to a Partnership  
 Corporation changing to a Limited Liability Company



## **Temporary Registration Permits**, *by Bud Heinrich, Licensing Supervisor*

Recently the State has been inundated with permit stubs showing the same permit numbers being issued twice as well as the information on the stubs being incomplete. According to 1CCR204-14 it is the dealer's responsibility to insure that the permit registration stub be complete and accurate. The information from the permit stub is entered into Colorado's Registration System. The State is unable to create a temporary registration record on the system if any of the information is omitted.

Therefore, if your customer is stopped by a police officer and the officer calls into the State for verification of the existing plate (temporary registration permit) there would be no record of the vehicle being purchased. The end result could be that your customer's vehicle is impounded. If the information on the permit stub is incomplete or inaccurate, the dealer may be found in violation and may lose the privilege to issue these permits.

## **General Managers and Finance Managers Are Salespeople**

A motor vehicle salesperson is defined as any natural person who, for a salary, commission, or compensation of any kind, is employed either directly or indirectly, regularly or occasionally, by any motor vehicle dealer or used motor vehicle dealer to sell, purchase, or exchange or to negotiate for the sale, purchase, or exchange of motor vehicles. (12-6-102(14) C.R.S.) Any person who negotiates a sale, purchase or exchange must be licensed as a salesperson. General managers and finance managers must also be licensed. Managers may at some time deal with customers either in negotiating the finance part of the sales transaction; or, in finalizing the purchase or sales contract; or, in resolving a dispute. A dealership may be cited for employing an unlicensed salesperson and the salesperson may be cited for unlicensed sale activities. (12-6-118(3)(n), 12-6-120(2)C.R.S.)

## **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.

## **Dealer Temporary Permit Stubs**, *by Dylan Ikenouye, Registrations*

Effective July 1, 2008 the Registration Section of the DMV began entering the registration information for temporary permits issued by dealers and sent to the department. C.R.S. 42-3-116(5) requires the information on the dealer stub to be submitted to the department **immediately**. The department has found that immediately is interpreted many different ways. Please take the necessary action to ensure that the dealer stubs issued by your dealership are sent to the address on the back of the dealer stub in at least every **five business days**. Mail the temporary permit stubs to: Motor Vehicles Division, Registration Section, Suite 144, Denver, Colorado, 80261-0016.

You may reference the statutory cite at [www.Colorado.gov](http://www.Colorado.gov). If you have any questions please contact the State Registrations Section at (303)205-5607.

## **Compliance Corner,** *Jerry Smith, Compliance Supervisor*

With the price of fuel the market for off-brand motorcycles has taken off. Titles and Registration have received MSO's from manufacturers and out of state dealers that are non-conforming. As many of you may know each manufacturer has a VIN assignment in which the first three numbers, referred to as the WMI (World Manufacturer Identifier) are assigned exclusively to that manufacturer. Enterprising U.S. companies will contract to purchase a number of motorcycles and/or powersport vehicles from a specific foreign manufacturer but will then sell them under their own name plate and print up their own MSO using the VIN that belongs to the actual manufacturer. They then put that product on the internet, it is purchased by a Colorado buyer who takes his paperwork to the DMV where it gets rejected because the clerk checks the WMI number and sees that the VIN belongs, not to them but an overseas motorcycle manufacturer. One complainant put it very well saying he had "just purchased a 2000 lb. paper-weight".

A companion problem comes up when someone finds a website in which they are promised great profits for buying a crate load of these motorcycles with the assurance that they can sell them here in Colorado at a huge markup. Besides needing a motor vehicle dealer or powersport dealer license they also may have a product with the problem MSO and VIN.

In our line of work we always hear about the problem scenarios and there are certainly good products on the internet with title paperwork which is acceptable to the DMV. However, even in those cases, DOR regulation 12-6-101(11) states

All manufacturers doing business in the state of Colorado, irrespective of whether they maintain or have places of business herein, must be licensed as such.

The sale of any new and unused motor vehicles, either directly or indirectly in the state of Colorado shall constitute doing business in the state by the manufacturer and shall subject such manufacturer to the requirements of the article.

As these cases come up we contact the manufacturer/distributor and advise them that they must be licensed in this state for their vehicles to be offered and sold in Colorado.

Please feel free to contact us about any compliance questions at 303-205-5742.

## **Continuation Bonds**

Dealers that have both a motor vehicle dealer and powersport vehicle dealer license will often times have different renewal dates. While you have sent your original continuation certificate with one of the renewals please be sure to send a copy of that certificate when you renew your other license.

If you have any questions/concerns please call Kaye Kopecky at 303-205-5748 or Bud Heinrich at 303-205-5729.

## **Colorado Uniform Consumer Credit Code**

As noted in the June Wheels 2008 newsletter, dealers who extend credit are subject to UCCC notification and fees. Those dealers must register with the Attorney General's Office to extend credit.

If you meet all of the 3 factors listed below you must file and pay notification fees:

- (1) you regularly make consumer credit sales or leases;
- (2) the credit contract includes a finance charge or interest, and;
- (3) you collect payments under the contract for more than 30 days. 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 return the notification form or pay any fee.

Read more about this important change that will affect all dealers who extend credit.

To go directly to this page enter the following web address in your browser (address bar):

<http://www.revenue.state.co.us/dlr/wrap.asp?incl=lawsandregs>

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## Secure and Verifiable Identification

As most of you know the Auto Industry Division has been requiring secure and verifiable identification from every applicant for almost every type of license issued. There are some States that do not have legal presence requirements which means that applicants from those states will have to provide additional documents along with a picture ID with their applications before it will be processed. The States that do not have legal presence requirements are: Alaska, Hawaii, Maine, Maryland, Michigan, Nebraska, New Mexico, Oregon, Texas, Utah, and Washington (not DC). The following chart will help to identify what other documents may be used for Secure and Verifiable Identification.

Document	Elements			
Stand Alone Documents	Identity	Age	Name <sup>1</sup>	Lawful Presence
CO license (expired less than 1yr)	X	X	X	X
CO ID card (expired less than 1yr)	X	X	X	X <sup>2</sup>
US passport (expired less than 10 yrs)	X	X	X <sup>3</sup>	X
Out of State DL/ID from LP <sup>3,4</sup> state (expired less than 1 yr)	X	X	X <sup>3</sup>	X
Foreign passport w/ photo, US Visa, I-94 <sup>9</sup>	X	X	X	X
Valid Military ID/Common Access Card <sup>3</sup>	X	X	X	X
Cert. of Naturalization w/ photo less than 20 yrs old <sup>6</sup>	X	X	X	X
Cert. of Citizenship w/ photo less than 20 yrs old <sup>5</sup>	X	X	X	X
Valid I-551	X	X	X	X
Valid EAD/Temporary Resident	X	X	X	X
Refugee/Asylee I-94 w/ photo less than 20 yrs old <sup>6</sup>	X	X	X	X
OR				
You must provide any combination of documents that prove identity, age, name, and lawful presence in the United States				
Lawful presence documents	Identity	Age	Name <sup>1</sup>	Lawful Presence
Social Security card verified by SSOLV				X
U.S. Birth certificate		X		X
Cert. of Citizenship from the Department of Interior		X <sup>7</sup>		X
U.S. Adoption Order w/ birth information		X		X
Asylee/refugee I-94, no photo		X		X
Name, Age, and Identity documents				
CO license (expired less than 10 yrs)	X	X	X	
CO ID card (expired less than 10 yrs)	X	X	X	
Out of State DL/ID (NLP <sup>5</sup> , expired less than 10 yrs)	X	X	X <sup>3</sup>	
BIA ID Card w/ photo less than 20 yrs old	X	X	X	
Military ID/CAC (expired less than 10 yrs)	X	X	X	
VA Card w/ photo less than 20 yrs old	X	X	X	
Parent/Guardian affidavit if under 21 <sup>8</sup>	X	X	X	
US school record less than 12 months old		X		

For more detailed information regarding the above chart go to:

[http://www.revenue.state.co.us/mv\\_dir/wrap.asp?incl=faqdrli/faqdrli1](http://www.revenue.state.co.us/mv_dir/wrap.asp?incl=faqdrli/faqdrli1)

Click on Identification Requirements Chart.

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

### **Mission Statement - Auto Industry Division**

"To administer and enforce the Motor Vehicle/Powersports Industry Laws and Regulations adopted by the Dealer Board. The purpose of such administration and enforcement is threefold: to serve and protect consumers; to treat applicants and licensees fairly, courteously and efficiently; and to foster a clean and healthy industry within the State of Colorado for the manufacture, distribution, and sale of motor vehicle/powersports vehicles."

When I entered government service years ago, I was fortunate to be able to attend a well respected training seminar for new management personnel. The instructor made a statement on the first day that the "cornerstone" of any agency is their mission statement. The instructor stated that a well constructed mission statement is what defines that agency. He challenged us to "read and reflect" on our agency's mission statement, several times a year.

To be perfectly honest, I thought the instructor was....well...kind of full of it. I mean it could not be that simple. A few sentences defining an agency, did he think we were stupid? As I matured in my career, I began to realize that the instructor was absolutely correct. At times, we all get so busy that we lose our way and forget the basics of what the agency we work for is really all about. The simple task of reading and reflecting on our agency's mission statement can bring us back into focus from time to time.

The first line of the Auto Industry Division's mission statement is fairly straight forward, to administer and enforce laws and regulations. It is within the next few phrases that contain the real essence of the issues. In my opinion, they scream "customer service." Imagine such a concept, a government agency in the business of customer service. What a novel idea. So what does all this mean?

In my first few months with the Division, I have been told that many dealers have had some reluctance to call the Division with questions, as they felt they may be "targeted" for some potential wrongdoing. I hope over time that perception will end. The Division is committed to answering all questions, to the best of our ability, when contacted. Of course, everyone must realize that Division members cannot give legal advice, but short of that, we will make every effort to guide customers in the correct direction with our answers. It also goes without saying, that not everyone will like the answer they may receive. The key is that we are able to have that good, honest dialogue with anyone seeking guidance. If we can do that on the front end, then many of the problems that we deal with on the back end will never materialize.

The dedicated men and women that work for the Division are truly committed to meeting the needs of our customers, whether they are consumers, dealers, salesperson, or the industry in general. Please call with any questions at 302-205-5604 or visit our website at [www.revenue.state.co.us/dlr/home.asp](http://www.revenue.state.co.us/dlr/home.asp).



## Now Posted on our Website!

### New Dealer Forms Distributors

A listing of all vendors that are authorized to distribute new dealer forms can now be found on our web page. These vendors are a great resource for Auto Industry related forms, State, and Federal forms.

From the home page, go to the "Applications/Forms" link and scroll down to the "Other Dealer Forms" section. The listing is located under the link labeled: Vendor Forms Resource Listing.

To go directly to this page enter the following web address in your browser (address bar):

<http://www.revenue.state.co.us/dlr/wrap.asp?incl=dlrforms>

## Colorado Springs Office

As a convenience to dealers in Southern Colorado, Cheryl Morrison from the Colorado Springs office has the capability to print duplicate salesperson licenses, accept and print salesperson license transfers, and accept new salesperson applications with issuing a Temporary Salesperson License.

Please contact Cheryl Morrison at 719-594-8704 to make an appointment.

### 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](http://www.revenue.state.co.us/dlr/home.asp). You may also send an email to: [dealers@spike.dor.state.co.us](mailto: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:

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](mailto:dealers@spike.dor.state.co.us)

Internet: [www.revenue.state.co.us/dlr/home.asp](http://www.revenue.state.co.us/dlr/home.asp)

***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.*