

Used Motor Vehicle and Parts Commission Report By ADR Staff

Chairman John Longacre convened the September 9, 2014, session of the Used Motor Vehicle and Parts Commission. Following roll call and approval of the August meeting minutes, Longacre called on Commission Director John Maile for the Director's report.

Director Maile noted that the proposed Car Crusher Act rules had been returned to the Commission with comments by the Governor's office to revisit certain fees. Staff suggests waiving the Crusher investigator fee for companies already holding a Dismantler's license. Also, in accordance with the Act, the late fee will be assessed for renewal applications received after June 15 rather than after June 1. After discussion, it was determined that language will be included to require licensed crusher equipment to display a sticker issued by the Commission.

Maile then provided an update on legislation intended to raise fees and transition to a two-year licensing program. The Commission is currently running an annual deficit of \$100,000 to \$150,000. If additional funding is not forthcoming, a reduction in staff will be necessary. He recommended two areas for change:

1. Raise the insurance pool fee from \$2 per car to \$5 per car to raise \$120,000.
2. Increase the Used Dealer licensing fee from \$150 to \$200 to raise \$125,000.

Maile continued by estimating that the agency is facing approximately \$50,000 in staff pay increases in the coming year. Deadline for submission of legislation is the first week in December. More concrete numbers will be provided at the October meeting.

Chairman Longacre then called on Chief Investigator John Lancaster for his report. Lancaster reported that staff completed twenty-seven inspections, issued two cease and desist letters, and handled thirty complaints during August. Of the complaints, seven were related to title issues, eight to contract issues, seven to mechanical issues, and eight to miscellaneous issues. The Commission staff held twenty-six informal hearings involving Triple T Motors, Swinney Wholesale, Swift Motors, The Hudson Company, Awesome Auto Sales, Darrells Auto Wholesale, Crawford Auto Sales, Travel Time, Excel Auto Sales, F & M Auto Acceptance, Truck-N-Trailer, Value Motors, Sunrise Auto Acceptance, Good Buy Trucks, Region Auto Remarketing, BG Motors, IMTZ Auto Sales, New Krutown Auto Sale, Hi-Hat Auto Sales, eAuto, Gold Star Auto Sales, Red Fork Motor Company, C.W. Auto Sales, Raj Auto Sales, and South West Car Sales. One injunction was granted in District Court against John Morgan.

Twenty-nine dealers attended the on-site education program and twenty-eight attended the satellite education program in August. Applicants for a new license and dealers involved in significant rule violations are required to attend the Commission's on-site education program as a part of acquiring or maintaining a state license. These education sessions are being held in the conference room at 2401 NW 23, Oklahoma City. Classes are held on Monday prior to the

Commission meeting on the second Tuesday of each month. The sessions run from 9 a.m. to about noon or 1 p.m. You are asked to make reservations so staff can be prepared to accommodate you. Call the Commission at 405-521-3600 to make your reservations.

Commissioners discussed the alleged practice of some insurance companies selling vehicles with incorrectly branded titles. The concern is that some insurance companies are intentionally saying vehicles are “clean” even though they have suffered sufficient damage to warrant a “Salvage” or “Junk” title brand. Director Maile indicated that it has been a multi-year issue. Insurance companies are authorized to state the status of the vehicle and the OTC accepts the statements without question. In many cases, the insurance pools actually obtain the title for the insurance company. Chairman Ross suggested getting the Insurance Commission involved.

The Commissioners went into Executive Session to discuss hiring a Deputy Director. No action was taken.

Upon Commissioner Coddling’s suggestion, the Commissioners made a decision to honor Odell Morgan, Executive Director of the OIADA, with a proclamation as “Oklahoma’s Quality Ambassador” in recognition of his lifelong service to the automotive industry.