

Used Motor Vehicle and Parts Commission Report By ADR Staff

Chairman John Longacre convened the June 9, 2015 session of the Used Motor Vehicle and Parts Commission (UMV&PC). Following roll call and approval of the May 2015 meeting minutes, Longacre called on Commission Director John Maile for his report.

Director Maile advised the Commissioners that Governor Fallin had signed SB 592 on June 4, 2015. The bill provides for two year licensing for used car dealers and salespersons. SB 592 also clarifies a used salesperson's authority to use a dealer license plate for demonstrating, transporting, or any other normal business of a dealer and eliminates the cap on fines for unlicensed manufacturing home installers. Commission liaison Curt Roggow reported that there were two main things that didn't get in SB 592 – the fee increases and elevating odometer fraud to a felony offense. The odometer fraud language was approved in the House but was too controversial in the Senate, primarily because. The primary opposition to the odometer fraud language had to do with prison over-crowding.

The Commission rules implementing the Car Crusher statutes were not acted upon by the Legislature. The rules were sent back to the Governor's office and were approved June 8. The rules will become effective July 25, 2015.

Director Maile advised the Commissioners that they have been searching for alternate office space for some time. The proposed office space they are interested in is owned by the Law Enforcement Retirement System and is located on North 13th between Hudson and Walker in Oklahoma City. The UMV&PC would be located on the third floor along with the Pardon and Parole Board. The building has a large conference room that can be used for Commission meetings and education sessions. It may also be possible to use the Pardon and Parole Board conference room for informal hearings and meetings. Maile said that he expected the rent to be less since the office space is smaller. There should be some added stability to the facility which is in a good location. The last move cost the Commission \$10,000.00 and Maile anticipates approximately the same fee for this move. There is adequate parking on both sides of the building and across the street.

The new budget is effective July 1, 2015. Staff is still dealing with the OEMS on the forms for doing the budget so are unable to submit the data to the Commissioners at this time. Maile further indicated that personnel changes will occur over the next six months. Office staff will be reduced by one. The Commission has begun the process of looking for another employee and will also be interviewing for an investigator.

Maile noted that last year all wholesale dealers were audited. This year, investigators will focus on audits of manufactured housing dealers and franchise used car dealers. They will be bringing in used car dealers beginning in the Oklahoma City area from now through September. The Commission staff will also perform random audits of the used car dealers.

In further discussion regarding the two-year licensing provisions of SB 592, Roggow said that legislators repeatedly asked whether the one-year license would still be available. The legislators also wanted to know how or whether persons licensing in the second year would be assessed a prorated fee. Roggow advised the legislators that the Commission was looking for a commitment to and longevity in the industry. Roggow said that the Legislature added one sentence to SB 592 to allow flexibility. Director Maile said, "We have the option of how we want to do it. The only limitation is that the license will expire on December 31."

Director Maile said that he and staff had looked at ways to implement the two year license. Using the odd even year system, a person with multiple licenses might end up with an even and an odd number license. That person would end up renewing one license each year. He said that they could split it by industries, processing dismantlers and used car dealers at different times or manufactured housing. Maile said that he and staff had discussed just doing all renewals every two years. They could begin the two year license for this renewal season. Commissioner Holman said, "We thought doing half numbers would help you guys. The other thing would be if it's a two year license that expires 12-31-17, license could be something that ends up less than 24 months for the first license." Director Maile said that he would write the rules accordingly and he should be able to get the emergency rules done this calendar year.

Chief Investigator John Lancaster informed the Commissioners that the investigators had completed 26 dealership inspections and had handled 32 complaints: Of the complaints, 11 were related to title issues, eight were contract violations, six were mechanical problems, and seven were complaints of a miscellaneous nature. The Commission held two informal hearings involving Remington Auto and Benitez Used Auto Sales.

Twenty-two dealers attended the on-site education program in May. 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.