



SEMI-ANNUAL MEETING OF THE DEALER ADVISORY BOARD

Board Meeting Minutes

16th of July 2024/ITD HQ Lake Coeur d'Alene Conference Room/Teams

ATTENDEES

- Board Members
 - Jim White, *Chairman*
 - Con Paulos, *Vice Chairman (Teams)*
 - Jim Addis, *Secretary*
 - Tim Sexton, *Member*
 - Bobby Petersen, *Member*
 - Grant Petersen Jr., *Member*
 - Brett Taylor, *Member*
 - Kelly Hirning, *Member (Teams)*
 - Allan Marsh, *Member*
 - Tom Robideaux, *Member (Absent)*
- Idaho Transportation Department
 - Braidyn Seeley, *Dealer Operations Supervisor*
 - Monte Schmidt, *Dealer Operations Lead*
 - Lisa McClellan, *DMV Administrator*
 - CJ Kendrick, *Deputy Administrator*
 - Heather Fleck, *Stakeholder Program Specialist*
 - Brian Goeke, *Policy Manager*
 - Austen GuJo, *Policy Program Specialist*
 - David Larson, *Titles Supervisor*
 - Lucas Madsen, *Central Processing Supervisor*
 - Mollie McCarty, *ITD Chief External Affairs Officer*
- Other Attendees
 - Cathy Sexton, *ISIADA*
 - Mike Hunter, *ITS Dealer Education*
 - Will Smith, *Westberg Aston*
 - Amy Lambrecht, *Idaho Department of Insurance*

ORDERS OF BUSINESS

1:35 pm

Chairman White called the meeting to order.

1:40 pm

Attendees introduced themselves.

Agenda Item 1 – Approval of Prior Meeting Minutes

Secretary Addis motioned to approve the prior meeting minutes, Member XXXXX second the motion.

Agenda Item 2- Review Administrative and Board Policies

Mollie McCarty, ITD Chief External Affairs Officer, presented the administrative and board policies. She explained that the Board Policy defines the board's purpose as an extension of the Governor's Executive Branch Advisory Board. A DAB member expressed concern that the proposed policy might limit the breadth of knowledge they can provide to ITD and suggested including language to align with the automotive industry, covering more than just dealer licensing and titling. The Administrative Policy contains the legal authority and repeats the content of the board policy for consistency, ensuring accessibility. It also includes the authority for the ICAR board, with the Dealer Advisory Board assuming related responsibilities. The same automotive industry language will be considered for inclusion in the Administrative Policy to ensure alignment with the Board Policy.

Agenda Item 3 – Total Loss Payouts, bypassing lienholders

Amy Lambrecht from the Idaho Department of Insurance outlined the steps a dealer should take if bypassed as a lienholder on a total loss vehicle claim. Lambrecht, the supervisor in the consumer affairs department, explained that her section handles public inquiries and formal complaints about various types of insurance, excluding Medicare.

There are two types of claims:

1. **First Party Claims:** The claimant makes a claim against their own insurance. The lienholder should ensure they are named on the insurance policy to confirm their lienholder status in writing.
2. **Third Party Claims:** The claimant makes a claim against another party's insurance. The other party's insurance should inquire about any existing loans on the vehicle and pay the lender. Occasionally, customers may retain a totaled vehicle and receive its salvage value.

In either scenario, if bypassed, a lienholder can file a complaint with the Department of Insurance (DOI). The lienholder must provide documentation proving their lienholder status. The DOI will then contact the involved insurance company to help resolve the issue.

Agenda Item 4– ITD Updates

Abandoned Vehicles

Brian Goeke provided an update on the abandoned vehicle process. In June, three ITD members traveled across Idaho to educate towers and law enforcement agencies on their statutory obligations for handling abandoned vehicles according to current code. If a vehicle is valued under \$750, the statute mandates disposal without issuing a title. For vehicles valued over \$750, law enforcement must conduct the sale. The new process becomes effective on July 1st, with a 60-day overlap period to accommodate the transition using new forms. An interactive guide and a simplified PDF version are available on the ITD website for

stakeholders. A DAB member inquired about guidelines for law enforcement to determine vehicle value. It was clarified that law enforcement has the authority to appraise vehicles, but there is no standardized basis for these appraisals, leading to variability among agencies.

Guidance for Advertising Vehicles

Brian Goeke navigated to the guideline's manual at Ag.Idaho.gov/office-resources/manuals/ and directed attendees to scroll down to "Guidelines for Motor Vehicle Advertising in Idaho." He mentioned that the guidance has been updated under the new Attorney General. A DAB member inquired if this updated guidance could be included in continuing education and requested confirmation that the manual was updated beyond the first two pages.

Wholesalers in Idaho and Curb Stoners

Braidyn Seeley presented on dealership audits and Motor Vehicle Investigator (MVI) services. A new process allows board members or dealers to request investigations from MVIs via forms available on the ITD website under the "dealers" tab. These forms should be completed with as much detail and supporting documentation as possible. The records become public once the investigation is complete.

Since April 2024, MVI conducted 26 random retail audits, 30 random wholesale audits, and 11 cause-based audits. In the Pocatello area, 20 wholesale dealers were suspended for failing to maintain their principal place of business, as they were conducting business outside the state. There were zero citations, as the suspensions were due to no-shows at audits. Additionally, 10% of wholesale dealers expressed interest in transitioning to retail licenses but were hindered by space requirements.

A DAB member asked if wholesale dealers should use dealer loaner plates. The response clarified that statutes prohibit personal use of these plates, and this rule is enforced when violations are found.

MVI is actively investigating curb stoning and unlicensed dealer activities, with 41 investigations conducted in the past year, all resulting in cease and desist notifications with no citations issued. The response to these notifications has been high.

Dealer Portal

Lucas Madsen reported that the dealer portal is running smoothly. There have been updates regarding customer addresses, which previously pulled from existing databases. Now, the system allows dealers to update customer addresses directly. This change will be included in the next update. Additionally, emails have been sent to smaller dealerships to gauge their interest in using the portal.

Agenda Item 5 – NMVTIS Brands (Insurance Declaration)

CJ Kendrick explained the nuances between NMVTIS brands and insurance declarations.

- **Brands vs. Declarations:** A "Salvage Declaration" occurs when an insurance company declares a vehicle a total loss and reports it to NMVTIS. However, this does not necessarily mean the vehicle is branded. A "declaration" is tied to the insurance payout but may not indicate a brand. Different states have varying requirements for branding a vehicle as salvage.
- **Salvage Brand:** This is assigned when a vehicle meets the specific salvage criteria of a jurisdiction. Idaho, for instance, will update a vehicle's title with any NMVTIS-reported brand, even if the vehicle was initially given a clear title in another state.

- **Reporting Gaps:** Some service providers only report jurisdictional brands and not declarations, leading to potential discrepancies where a vehicle appears clean in history records but has been declared salvage. While all insurance companies must report declarations to NMVTIS, reporting inconsistencies persist.
- **Electronic Titling Solution:** Implementing electronic titling can bridge state gaps, ensuring seamless and transparent vehicle history transfer, immediate lienholder recording, and on-demand printing for out-of- state records.
- **California Compliance:** Due to issues in California, a statute now requires NMVTIS service providers to display all declarations in vehicle histories, ensuring comprehensive reporting by providers like CarFax and AutoCheck.
- **Legislative Framework:** NMVTIS was authorized in 1992 to maintain a database of vehicle history, including brands and dispositions. Idaho law mandates that brands from all states reported to NMVTIS must be recognized on Idaho titles, as clarified by Idaho Code 49-525 and IDAPA 39.02.05.303.02.

Agenda Item 6- DAB Election

Jim White made a motion to nominate himself as DAB Chairman. Member Peterson second the motion of Jim White as Chairman. Secretary Addis asked, "Would anyone want to nominate themselves as position of Chairman?" Hearing none, secretary will call the roll. Secretary Addis asked, "Nomination of Jim White as Chairman, all in favor say aye." All were in favor. No opposition. We declare Jim White as the Chairman for this coming year for the dealer Advisory Board.

Jim White nominates Con Poulos as the role of DAB Vice Chairman, do any of the members wish to nominate themselves? Hearing none, secretary will call the roll. Secretary Addis asked, "Nomination of Con Poulos as Vice Chairman, all in favor say aye." All were in favor. No opposition. We declare Con Poulos as the Vice Chairman for this coming year for the dealer Advisory Board.

Jim White nominates Jim Addis as the role of DAB Secretary, do any of the members wish to nominate themselves? Hearing none, secretary will call the roll. Secretary Addis asked, "Nomination for Jim Addis as secretary, all in favor say aye." All were in favor. No opposition. We declare Jim Addis as Secretary for this coming year for the dealer Advisory Board.

Agenda Item 9- Next DAB Meeting

Tuesday, November 19th 1:30pm-4pm

Chairman White made a motion to adjourn the meeting.

Action Items

- Follow up with Attorney Generals office to see if there were revisions Manual. Updated January 2024? and what were they- share in Dealer Newsletter, could we add this to continuing education? Add to next meeting agenda item.
- Research loaner plates issued to wholesale dealers (Braidyn)
- Share Amy's contact information with the team- share in dealers' newsletter
- Working group wholesale dealers/ICAR- ITD setting up meetings