



BI-ANNUAL MEETING OF THE DEALER ADVISORY BOARD

Board Meeting Minutes

September 14, 2022– Broadway Conference Room - 11311 W Chinden Blvd, Boise, ID 83714 Building #8

ATTENDEES

- Board Members:
 - Grant Petersen, *Chairman of The Board (remote)*
 - Bobby Petersen, *Board Member*
 - Jim White, *Board Member*
 - Allan Marsh, *Board Member*
 - Tim Sexton, *Board Member*
 - Tom Robideaux, *Board Member (remote)*
- Idaho Transportation Department Staff:
 - Alberto Gonzalez, *DMV Administrator*
 - Brendan Floyd, *Policy Program Specialist*
 - Brian Duran, *Dealer Operations Program Supervisor*
 - Scott Stokes, *ITD Director (arrived about a half hour after start)*
 - Mollie McCarty, *ITD Chief External Affairs Officer (arrived about a half hour after start)*
 - Colby Cameron, *Government Affairs Manager (arrived about a half hour after start)*
- Other Attendees:
 - Alecia Hunter, *Owner of Innovative Training Solutions (remote)*
 - Mike Hunter, *Owner of Innovative Training Solutions (remote)*

ABSENTEE'S

- Board Members
 - Ken House, *Vice Chairman of The Board*
 - Con Paulos, *Board Member*
 - Stafford Smith, *Board Member*
 - Jim Addis, *Ex Officio Board Member*

ORDERS OF BUSINESS

At 1:04 p.m., Chairman Petersen called the meeting to order.

Agenda Item 1 – Introductions:

At 1:05 p.m., All attendees introduced themselves.

Agenda Item 2 – Review Agenda:

At 1:05 p.m., Chairman Petersen reviewed the agenda items.

Agenda Item 3 – Meeting Minutes:

At 1:09 p.m., Member Sexton certified the minutes from the previous Dealer Advisory Board meeting held on April 7, 2022.

Agenda Item 4 – Board Memberships and Positions:

From 1:09 p.m. to 1:27 p.m.- Discussion what to do with position elections without existing bylaws

- Chairman Petersen requested update on bylaws, and Brian Duran responded that we do have a draft but they need to be ratified. Duran recommended the Board review them to implement by next year.
- Member Petersen recommend positions remain the same until the bylaws are ratified.
- Member White recommended the Board reach out to Vice Chairman House to gauge what he wants.
- Chairman Petersen asked the Board if there was any interest among them in assuming the Vice Chair position. Member Petersen stated he may interested.
- Chairman Petersen recommend we include provision in the bylaws draft to for the Chairman to appoint a position on the Board (Secretary or Vice Chairman) for circumstances outside of normal election.

From 1:27 p.m. to 1:35 p.m. - Discussion on current Board vacancies

- Brian Duran stated that Brett Taylor from Taylor Chevrolet in District 1 may be interested in the “new vehicle dealer” vacancy.
- Brian Duran stated we had not heard anything from a previous interested applicant for the “Motorcycle / ATV” vacancy.
- Chairman Petersen asked the Board if they knew of any other potential candidates for the “Motorcycle / ATV” position. The Board was not able to immediately recommend any new candidates.
- Brian Duran offered to send the Board a list of good-standing motorcycle and ATV dealers for the Boards to contact regarding the open “Motorcycle / ATV” Board position.

Agenda Item 5 – Action Log:

From 1:35 p.m. to 1:55 p.m. - Brendan Floyd presented draft idea for changes to Idaho Code 49-1602.

- Brendan Floyd explained that modifying the term “just cause shown” and including “consumer complaints” and “department audit” as reasons to pursue a dealership license revocation may address the current issue of requiring a conviction to revoke a dealer license which, in most cases, creates a significant delay in the department taking action.
- Member Petersen expressed concern with the term “reasonable” cause, stating it may be too vague to direct specific action.
- Chairman Petersen ask we solicit opinions within ITD first on whether the language would provide the department the ability to shut down problematic dealers more quickly.
- Brian Duran stated the Notice of Deficiency (NODs) do not impact egregious violations.
- Chairman Petersen explained ITD needs to have tools shut down dealers and requested we thoroughly vet draft with our DAG(s) before next meeting.

From 1:58 p.m. to 1:59 p.m. - Discussion on status of Board bylaws

- This topic was previously discussed under Agenda Item #4.
- Chairman Petersen requested new draft of bylaws accounting for the provision for the Chairman to appoint positions outside of election periods, when needed.

Agenda Item 6 – Matters of the Department:

From 2:00 p.m. to 2:02 p.m. - Brian Duran updating Board on current department staffing.

- Brian Duran stated the department was down one motor vehicle investigator and he was considering filling this vacancy in District 1 (instead of District 3) given the area’s increased population.
- Chairman Petersen requested that the department provide him with geographic dealer data used to support where investigators are assigned.

From 2:03 p.m. to 2:07 p.m. – Brian Duran presented dealer enforcement updates.

- Brian Duran explained there is increasing prevalence of fraudulent dealer websites, which appear legitimate, that use valid dealer names. He mentioned that the department is working closely with Iowa, as this state has an effective process to quickly shut down these sites.
- Chairman Petersen recommended the department develop a public awareness campaign on this topic.

From 2:07 p.m. to 2:49 p.m. – Brian Duran presented updates on current franchise disputes.

- Brian Duran explained that the franchise dispute between Corwin and Ford may reach a settlement and it is representative of Ford's desire to deviate from the traditional manufacturer-dealer model
- Brian Duran stated that Dennis Dillon Vs. Mahindra is still in progress.
- Alberto Gonzalez stated that we've received concern that franchisees aren't well protected in Idaho. Chairman Petersen commented with concerns over heavy-handed manufacturers, and Alberto Gonzalez acknowledged the changes in the new car industry are significant.
- Chairman Petersen, and members Petersen, Marsh, and White contributed to a discussion on Carvana and what can be done to apply enforcement on the business. Brendan Floyd and Brian Duran explained the issue is that Idaho statute does not adequately address Carvana's business model and we do not have authority over businesses that we do not license and cannot definitively determine need to be licensed.
- Alberto Gonzalez explained we have had discussions with Carvana on becoming licensed in Idaho.
- Member Petersen expressed doubt that Carvana would become licensed, stating they wouldn't want to be under the department's jurisdiction.
- Chairman Petersen requested consumer complaint data and stated we should conduct outreach, promoting buying from an Idaho dealer. He also asked we talk to our counterparts at AG's office.
- Mollie McCarty suggested the department develop a social media campaign to perhaps address this issue along with the fraudulent website issue.

From 2:49 p.m. to 2:52 p.m. – Third party vendor update

- Brian Duran explained that Vitu's system seems effective and is functioning well in tests. Member Petersen agreed, stating he was able to easily complete transactions, although it was not yet perfect.

Agenda Item 7 – Matters of The Board:

From 2:52 p.m. to 3:06 p.m. - Member Petersen requested the department require odometer readings for all vehicles.

- Member Petersen stated we need to place odometer readings on exempt vehicles, explaining he was told, while testing, that the Vitu system had to be altered to account for our not entering mileage on exempt vehicles.
- Member Petersen expressed general concern that the department shouldn't prohibit something that may be a benefit if it's not prohibited in law.

- Brian Duran stated he would review the background on why we requested Vitu's system to function in this manner.

From 3:07 p.m. to 3:09 p.m. – New titles template review

- Chairman Petersen requested we provide a current copy of the title form in order for the Board to provide commentary and suggestions.

From 3:09 p.m. to 3:31 p.m. – Concern over Dealer Advisory Board's current function

- Member Petersen expressed concern over the Dealer Advisory Board's function and not being informed of decisions and requested we better engage with the Board on important decisions.
- Chairman Petersen reiterated this opinion.
- Brendan Floyd and Brian Duran thanked the Board for their insights, stating the department would continue to work to ensure that Board felt valued in decision making processes. Floyd and Duran acknowledged that both parties shared responsibility in ensuring the parties' relationship is conducive to productive meetings

Agenda Item 8 – ICAR Update:

From 3:31 p.m. to 3:41 p.m. – Brian Duran provided ICAR update

- Brian Duran stated there are currently no open ICAR claims.
- Brian Duran stated that Dog Motors, however, has over 40 complaints, explaining they have been shut down through NODs and this will likely to be an ICAR issue. Duran estimated, through the number of complaints, that consumer losses are close to half a million dollars
- Duran to provide prosecuting attorney name to Chairman Petersen.
- Representative White suggested raising limit of ICAR payout to better accommodate customers.

Agenda Item 9 – Board Scheduling:

At 3:41 p.m., Chairman Petersen requested we send possible next meeting dates via email.

At 3:44 p.m., Chairman Petersen made a motion to adjourn the meeting. Member Sexton seconded the motion. Chairman Petersen opened the floor for debate. There was no debate.

At 3:45 p.m., the motion passed unanimously, and the meeting was adjourned.

Minutes Certification

Certified by Timothy Sexton, Secretary of The Board

Signature: _____ Date: _____