SEMI-ANNUAL MEETING OF THE DEALER ADVISORY BOARD

Board Meeting Minutes

7th of July 2026/ITD HQ Salmon River Conference Room/Teams

ATTENDEES

- Board Members
  - Con Paulos, *Chairman*
  - Jim Addis, *Vice Chairman (Teams)*
  - Kelly Hirning, *Secretary (Teams)*
  - Tim Sexton, *Member*
  - Allan Marsh, *Member*
  - Jim White, *Member*
  - Dave Blewett, *Member*
  - Dennis Foltz, *Member (Teams)*
  - Brett Taylor, *Member (Teams)*
  - Mitch Loveland, *Member (Teams)*
- Idaho Transportation Department
  - Lisa McClellan, *DMV Administrator*
  - CJ Kendrick, *DMV Deputy Administrator (Teams)*
  - Heather Fleck, *Stakeholder Program Specialist*
  - Shannon Gruber, *Vehicle Services Manager*
  - Josh Thyer, *Policy & Engagement Manager*
  - Auten GuJo, *Policy Program Specialist*
  - Braidyn Seeley, *Dealer Operations Program Supervisor*
  - Mollie McCarty, *ITD Chief External Affairs Officer*
  - Tera Kendrick, *Motor Vehicle Investigator-Data Integrity*
- Other Attendees
  - Cathy Sexton, *ISIADA*
  - Alecia Hunter, *ITS Dealer Education Dot Com (Teams)*

ORDERS OF BUSINESS

Agenda Item 1 – Call Meeting to Order
Chairman called the meeting to order at 1:34 PM

Agenda Item 2 – Introductions
Attendees introduced themselves.

Agenda Item 3– Approval of Prior Meeting Minutes
Vice Chairman Addis motioned to approve April 2026 minutes and a second by member White.

Agenda Item 4– New Member Introductions
David Blewett, Chairman of the Board for Kendall Automotive Group, was welcomed as the newest member of the advisory board. Mr. Blewett shared his background as a lifelong Idahoan, Certified Public Accountant, and longtime leader with Kendall Automotive. Board members welcomed Mr. Blewett and expressed their enthusiasm for his participation and expertise.
The board also welcomed Shannon Gruber as ITD's new Vehicle Services Manager. Mrs. Gruber joins ITD after approximately 15 years with the Ada County DMV, where she managed the processing center and worked closely with county staff on vehicle services. In her new role, she will oversee dealer operations, vehicle services, titles, registrations, and related programs.
Finally, the board announced that Alberto Gonzalez officially began serving as the new Director of the Idaho Transportation Department, with his first day coinciding with the meeting.

Agenda Item 5–Electronic Submission (Vitu/Dealer Portal) Marketing Progress
Policy & Engagement Manager reported that out of 1,100 dealerships in Idaho, 830 are signed up for the electronic dealer portal, with usage rates approaching 50%. Ada County has a 55% usage rate, while Blackfoot and Soda Springs are at 88%. The department plans to continue outreach through December 2026 to promote portal usage**.**

Agenda Item 6– Dealer Portal Phase 2 Launch Plan
Phase two of the dealer portal will introduce document scan functionality, allowing dealerships to upload vehicle sale documents directly. The launch is targeted for fall, with comprehensive training planned for dealerships statewide, involving liaisons, motor vehicle investigators, and business unit specialists. These are a few functions that have been included in this phase: 1-dealers will be able to update the customer mailing addresses during the sale, and customers can update their address via their own portal which updates instantly. 2- Edit functionality will also be added, enabling dealers to correct vehicle and customer information prior to submission, provided they have power of attorney.3- The portal will provide real-time notifications and visibility into deal status, including alerts for aging or incomplete applications. Dealers will be able to track their oldest non-submitted deals and receive notifications about missing documents, with suggestions for future enhancements such as email alerts for administrators. Customers that are not in the system, dealers, must use the paper process until further enhancements are made.

Agenda Item 7- MVR in Lieu of Title

Statutory Change and Implementation: Effective July 1st, Idaho now accepts electronic motor vehicle records (MVR) as proof of ownership for out-of-state transactions, provided the ownership details match and the record is received within five days. This is expected to streamline title transfers for vehicles coming from other states.

Dealer Operations Program Supervisor discussed statutory changes allowing electronic MVRs to be accepted in lieu of physical titles for out-of-state transactions, with Vitu as the current authorized provider and the dealer portal will eventually support this functionality once phase two launches. If a dealer submits proof of lien release along with the out-of-state electronic vehicle record, it is considered satisfactory for title transfer.

Agenda Item 8- MVI Online Monitoring Tools

Motor Vehicle Investigator of Data Integrity presented findings on fraudulent dealer websites impersonating legitimate Idaho dealerships, described investigative actions, victim cases, and outlined ongoing and planned enforcement measures, including collaboration with federal agencies and the development of a website security tool. She identified over 20 fraudulent classic car websites impersonating real dealerships, often using similar names, logos, and even legitimate contact information. Victims included customers who lost significant sums after wiring money for vehicles that never arrived. Dealers are advised to monitor online activity for their business names and establish an online presence to deter impersonation. Consumers should verify dealership legitimacy through state resources or direct contact before making purchases. The department reports fraudulent sites that they come across to other federal and state agencies. Most fraudulent domains are shut down quickly once reported.

Agenda Item 9- Break

Agenda Item 10- Wholesale Compliance

Dealer Operations Program Supervisor provided an update on enforcement of wholesale dealer compliance, including statutory requirements, educational efforts, and the closure of Dealers Point, with confirmation of their relocation and explanation of the compliance challenges faced. Educational outreach has been ongoing for 2.5 years, so as of July 1st, the department is enforcing wholesale license requirements, including sales to Idaho dealers only, correct signage, and a minimum of five Idaho sales per year. 10-15 wholesalers have converted to retail licenses, while others have closed. The department is actively engaging in dealing with non-compliant dealers to achieve compliance or take further action. Dealers Point, which facilitated Idaho wholesale licenses for individuals nationwide, has ceased operations in Idaho and relocated to another state. The department confirmed the closure and notified relevant parties.

Agenda Item 11- Defective/Counterfeit Airbag Forensics

Members of the board discussed recent legislative updates 49-967 regarding the installation and sale of defective or counterfeit airbags, best practices for compliance, disclosure requirements, and challenges in enforcement and consumer protection. Recent changes to Idaho Code classify the knowing installation of non- original equipment manufacturer (OEM) airbags or supplemental restraint systems as a misdemeanor. The department will audit relevant documentation and conduct investigations as needed. Dealerships are advised to ensure replacement airbags meet OEM specifications and are installed by certified automotive technicians that know what they are doing. Proper installation is critical due to the risks associated with defective airbags. Disclosure to customers is emphasized, especially for vehicles with deployed airbags or salvage status. The department plans to record who installs replacement airbags during the rebuilt salvage process to improve traceability. There is currently no authority for the department to audit or inspect body

shops installing airbags in non-totaled vehicles. Dealers are encouraged to rely on trustworthy sources for vehicle history, as not all states brand titles consistently.

Agenda Item 12- MVI Enforcement Tools

Board members discussed four proposed ideas for improving dealer compliance and enforcement, including removing late title fee exemptions, eliminating wholesale-only licenses, increasing bond requirements for suspended dealers, and requiring background checks for new applicants, with input on legislative requirements and industry impact. 1- The board discussed removing the exemption for dealers from the $20 late title filing fee, proposing that late fees be accrued and charged at annual renewal to incentivize timely title filing. Vice Chairman noted recent improvements in title processing and supported dealer accountability.
2- A proposal was made to eliminate the wholesale-only license, as retail licenses already permit wholesaling and have higher entry barriers. This would simplify licensing and enforcement. 3- For dealers whose licenses are suspended or revoked, the proposal includes requiring a new three-year bond and making them ineligible for the ICAR fund for three years, to protect consumers and the fund, both requirements should apply. 4- The board considered requiring background checks for new dealership applicants to increase the barrier of entry and protect the industry from bad actors. All proposals would require changes to Idaho code. The board discussed the need for industry-led legislative efforts for major compliance changes, noting that agency-driven proposals are less effective. Members were encouraged to share additional ideas for improving enforcement.

Agenda Item 13- Election-Secretary

Chairman Paulos nominated Tim Sexton as in coming Secretary. No other nominations were received through a roll call vote. Allan Marsh second the motion, Tim Sexton was elected Secretary, Kelly Hirning as Vice Chairman and Jim Addis as Chairman from July 2026- July 2027.

Agenda Item 14- Select Dates for Next DAB Meeting

Thursday Oct. 29, 2026

Additional Agenda Item Added

Chairman Paulos made a motion to adjourn the meeting.

Action Items:

Dealer Portal Phase Two Feature Clarification: Run and provide a report splitting out the number of new car franchise dealers in Idaho from the total dealer count, as requested during the meeting. (Braidyn Seeley) In the meeting Jim Addis mentioned 104-110 new dealers, is this sufficient?

MVI Online Monitoring Tools- add this topic to the next Dealer Newsletter (Braidy Seeley)