

Dealer Connection



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DMV Uses New Technology to Assist Dealers

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The Division of Motor Vehicles, Bureau of Field Operations, investigates complaints against motor vehicle, mobile home and recreational vehicle dealers and implements appropriate corrective action when necessary. Such action may result in the dealer being fined for violation of laws governing dealerships or may result in the dealer's license being suspended or revoked.

Dealer complaints are comprised of a variety of

reasons, including failure by a dealer to transfer title and registration to a vehicle they have sold, dealers who are out of business, overcharges for title and registration fees, misuse of temporary license plates, odometer tampering, warranty disputes, failure to pay off liens on traded-in vehicles, unsafe vehicles, stolen vehicles, problems with consignment sales, or unlicensed persons selling motor vehicles.

The most common complaint against motor vehicle dealers is failure to apply for title and registration for the purchaser within 30 days of the date of delivery as required by law. This is the major activity of bureau regional office staff which accounts for approximately 21 percent of staff time in the bureau's regional offices.

In order to more effectively utilize staff time and ultimately protect and serve the public, the bureau will be implementing a program using new technology to assist in this specific regulatory process. The bureau will generate a report on the last day of each month covering a period of 90 days. The report will list the title number, acquired date, transaction date and dealer license number of any transactions that were pending 31 days or more within that 90-day time frame. Florida motor vehicle, mobile home and recreational vehicle dealers will begin receiving a cover letter from the department with the report indicated above attached. The letter will encourage the dealer to complete the process of applying for title within the 30-day time frame required by Florida law.

In addition, we have developed a program to help us determine when a dealer commits the violation with sufficient frequency to establish a pattern. If a pattern is established, section 320.27(9), F.S., makes sanctions available to the Division to be levied against the dealer for violations of the statutes or rules

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administered by the Division. Those sanctions may include:

- a) Fines up to \$1,000 per violation;
- b) An Order of Emergency Suspension, which may be imposed by the Director of the Division of Motor Vehicles, to protect the public, in very serious cases; and
- c) Revocation of the dealer's license.

Of course, administrative action, designed to sanction a dealer who violates the laws and rules, is only secondary in importance to resolving this issue and will only be used if it is determined by the department that the dealer's cooperation cannot be obtained in any other manner.

The Bureau wishes to work with dealers across the state in a proactive manner by educating them of the requirements of law, notifying them of any violations and encouraging them to transfer title and registration within the time frame required by law.

If you receive a letter from the department and have any questions regarding this requirement, please contact your local DMV Regional Office. ☎

Third Party Trade-ins and What You Need to Know About Sales Tax

Ben Hagenlocher

We have recently obtained a ruling from DOR Executive Director Dr. Jim Zingale regarding trade-in vehicles and their effect on sales tax due.

There is no provision in Section 212.02(16), F.S. or Section 212.09, F.S., or Rule 12A-1.007(1), F.A.C., that requires that a motor vehicle accepted in trade on the purchase of another new or used motor vehicle has to be titled in the name of the party making the purchase. Therefore, a third party may offer its vehicle as a trade-in on the purchase of a vehicle by another related or unrelated party, so long as the purchase and trade-in are structured as a single transaction. In order for the purchase and trade-in to be considered a single transaction, the third party owning the vehicle being offered as a trade-in must assign the title directly to the motor vehicle dealer making the sale, and such vehicle

must be identified on the sales contract as the trade-in vehicle.

The bottom line is the person buying the vehicle, does **NOT** have to be the titled owner of the trade-in vehicle to receive credit on taxes due.

If you have any questions please call our E-service center at 562-3262. ☎

Update on Motor Scooters

Steve Colburn

Did you know that DMV has a very detailed "Fact Sheet" on the manufacture, import, distribution, sales, registration and titling of motorcycles, motor scooters, and motorized scooters? It is available online at: http://www.hsmv.state.fl.us/Intranet/DMV/Bulletins/Scooter_fact.htm. Here are some key points from the Fact Sheet:

Motor scooters are considered motorcycles and must be titled and registered, regardless of the engine's CC's or whether it has pedals. In order to be operated on public highways, the motor scooter must be equipped for on-road use.

If the motor scooter is 51 CC's or more, the selling dealer must be licensed, and must process the title and registration through the dealer department. The paperwork cannot be given to the purchaser to process for themselves. If the seller is not a licensed dealer, instructions for obtaining a dealer license are included in the Fact Sheet.

If the motor scooter is 50 CC's or less, then the selling dealer is not required to be licensed. In this case, the customer may be given the paperwork to apply for their own registration and title. ☎

DHSMV Offers Online Services

Ben Hagenlocher and Steve Colburn

If you haven't visited the DHSMV website lately, check out the "Other Online Services" section on the home page: <http://www.hsmv.state.fl.us/>.

Included here you will find tools to check the availability of a personalized license plate selection, motor vehicle and driver license status checks, and the new online driver license application. ☎

Attention Dealers!!!! Revised Schedule for Dealers' Classes

Toni Wolff

The Tax Collector's Training Department is in the process of rolling out new training which will affect the schedule for our dealer classes during September and October. The revised schedule follows:

- § Vessel – September 12
- § Towing & Storage – September 26
- § Motor Vehicle – October 24
- § Mobile Home – October 31
- § No classes in November
- § Motor Vehicle – December 5

Our Training Department is also developing a guide covering the basic transactions processed in our dealer sections. This guide will be available to all dealers and financial institutions later in the year. ☺

New Information Required from Mobile Home Dealers

Julie Comer, Assistant Chief
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During the 2006 legislative session, House Bill 7079 added the definition of a "mobile home salesperson" and requires the dealer to register the mobile home salesperson with the department. The new law also states that failure to register a mobile home salesperson with the department is grounds for denial, suspension or revocation of a license. In summary, mobile home dealers are required to complete and submit a form (being created now) to register their current salesperson(s) with their Division of Motor Vehicles Regional Office. This form should also be used on a quarterly basis to delete any salesperson(s) terminated or separated from employment and to update change of residential address information for the salesperson(s). No fingerprint card or fee is required for this registration.

Editor's note: This change goes into effect October 1, 2006. Refer to 320.77(c), F.S. for the actual language contained in the bill. ☺

How Title Brands Can Affect You

Laurel Whitney

The Division of Motor Vehicles accesses the National Motor Vehicle Title Information System (NMVTIS) as part of the title application process for new vehicles and for those previously registered in other states. As part of the federal Anti-Car Theft Act of 1992, the system helps reduce fraud and titling of stolen cars by allowing states to verify ownership documents at the time of application. NMVTIS also keeps a history of all brands applied to the vehicle, and these brands are transferred to the new Florida title. At this writing, there are 29 states that are at some level of participation in NMVTIS, with more coming on board in the future. So what does this mean to you?

It's possible an out of state title may not have a brand printed on it, but will electronically carry over to the new Florida title from a previous record. In the case of rebuilt, flood-damaged, etc. this can reduce the value of a vehicle. In addition, 319.14 (2) F.S., requires written disclosure of "the fact that the vehicle has previously been titled, registered, or used as a taxicab, police vehicle, or short-term-lease vehicle or is a vehicle that is rebuilt or assembled from parts, or is a kit car, glider kit, replica, or flood vehicle, or is a nonconforming vehicle, as the case may be," when a vehicle is sold, exchanged or transferred.

Many of you already use various services to check for brands and other information on title records. Another resource you may want to consider for Florida titles is the *Motor Vehicle Check* at www.hsmv.state.fl.us under *Other On-line Services*. Entry of the title number or VIN will return data such as the last recorded odometer reading, lienholder information, and any brands.

Currently, Florida "translates" out of state brands to match those authorized by Florida law. In the near future, out of state brands will transfer to Florida titles exactly as they read on NMVTIS records. The title will also list the state where the brand originated. ☺

Did You Know?

You can now run courtesy deliveries through CVR. Make sure to enter the sales price so the sales tax can be calculated and remitted with the title transaction. ☺

More News on ELT Participants

Steve Colburn

DHSMV has made it easier than ever for dealers to locate information on ELT (Electronic Title and Lien) participants. DMV has created a web page with information about the ELT program, which includes a link to the complete listing of ELT participants. Please check it out at: <http://www.hsmv.state.fl.us/dmv/elt.html>.

Coming soon! DMV is currently working on a written procedure about the ELT program, and tax collectors have asked them to address such commonly-asked questions as:

- How does a financial institution become an ELT participant?
- Who do they contact for more information?
- What are the advantages of becoming an ELT participant?
- Are there any disadvantages?
- When a payoff occurs and the lien holder is an ELT

participant, what guarantee does the lender have that they will receive the title rather than the owner?

- How does the expedited title work?
- What's the time frame for conversion of an ELT to an Expedited title?
- Who does the dealership/lender contact when a payoff is involved?

Look for more information about electronic titles in the near future. ☺

UPCOMING CALENDAR OF EVENTS

September 12	Vessel Dealer Training
September 26	Towing & Storage Lien Training
October 24	Motor Vehicle Dealer Training
October 31	Mobile Home Dealer Training
November 10	Closed for Veterans Day
November 23,24	Closed for Thanksgiving
December 5	Motor Vehicle Dealer Training



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