3 Hr Dealer Renewal Class

2019 RESOURCE & REFERENCE GUIDEBOOK

PREFERRED PROVIDER FOR
THE STATE OF UTAH &
THE USED CAR DEALERS OF UTAH

PRESENTED BY:

IDS INDEPENDENT DEALER SOLUTIONS

"QUALITY SOLUTIONS DEALERS TRUST"

UCDU

USED CAR DEALERS of Utah

The Used Car Dealers of Utah is the only organization in Utah representing you at Capitol Hill each year. We are saving dealers hundreds of dollars each year. Have you taken advantage of the savings and programs available to you and your business? Join Today!

BECAUSE EVERYONE DRIVES A USED CAR.

Member Benefits Include

Legislative Representation | Discounted Insurance | Member Only CPO Program
Education Resources | Discounted Forms | NIADA Membership

"Consider investing in your future…"

"The Association has the right contacts to get the right information for the solution to my problem."

Why don't you Join?

Representing Used Car Dealers Across the State of Utah.

"While making a change in my business name, the MVED told me I would have to surrender my license and dealer plates and wait for a new license to be issued taking about three weeks. Since I could not be out of business for three weeks, I called the Used Car Dealers Association. As a member, the team at the Association got me to the right person who made it possible to keep my current license while I made my transition.

Then while looking for insurance for my business, I called the Association to see if they had someone who knew dealer insurance and could save me some money. They gave me their contact person and not only did it save me money and increased my coverage but the Association discount more than saved me my membership dues.

As I have become more involved in the Association, I have been challenged to know who my legislators are and who represents me. By attending neighborhood political meetings, I've developed relationships with our legislators, enabling me to inform them regarding important policy decision that affect the used car industry. This relationship has helped our legislative team on Capitol Hill to be more successful in improving our industry.

Every time I have a challenge with a title or a DMV issue, the Association has found the right answer for me. No longer am I frustrated after receiving conflicting answers from different government employees and having to guess who is correct. The Association has the right contacts to get the right information for the solution to my problem.

The value of being connected in our industry is well worth the investment of being a member of the Used Car Dealers Association. My association dues are well invested. Consider investing in your future too and sign up today."

Tane Wanlass
Rivers Auto Solutions

(801) 438-2520
7414 S State Street, Midvale, UT 84047
www.UtahDealers.com

TABLE OF CONTENTS

IDS DEALER LICENSE EDUCATION PROGRAM

WELCOME! V
COPYRIGHT POLICY & INFRINGEMENT. VII
INDUSTRY RESOURCES & PARTNERS VIII

SALES TAX LEGISLATION

HB 441 - TAX EQUALIZATION AND REDUCTION ACT 1

DEALERSHIP LICENSING LEGISLATION

1SB 82 - DEALERSHIP LICENSING AMENDMENTS 5

LICENSE PLATE BILLS

HB 65 - SPECIAL GROUP LICENSE PLATE FOR MOTORCYCLE SAFETY AWARENESS 8
1HB 175 - TRANSPORTATION OF VETERANS TO MEMORIALS SUPPORT SPECIAL GROUP LICENSE PLATE 9
HB 184 - CIVIL AIR PATROL LICENSE PLATE 9
HB 364 - SPECIAL GROUP LICENSE PLATE AMENDMENTS . . 9

MOTOR VEHICLE BILLS

HB 95 - BAD CHECK FEE AMENDMENTS 10
1HB 101 – AUTONOMOUS VEHICLE REGULATIONS 10
HB 223 - UNLAWFUL INSTALLATION OF A TRACKING DEVICE 11
3HB 228 - TOWING REVISIONS 11
1SB 84 - SAFETY INSPECTION FEE AMENDMENTS 13
2SB 100 - ELECTRONIC DRIVER LICENSES 13
SB 125 - VEHICLE REGISTRATION RECORDS AMENDMENTS . 14
1SB 139 - MOTOR ASSISTED TRANSPORTATION AMENDMENTS 14

POWERSPORT BILLS

HB 105 - OFF-HIGHWAY VEHICLE PERMIT AMENDMENTS . . 15
1HB 149 - TRAFFIC CODE AMENDMENTS 15
SB 63 - VESSEL AMENDMENTS 15
SB 44 - STREET-LEGAL ATV AMENDMENTS 16

EMISSIONS BILLS

1HB 295 - VEHICLE EMISSIONS REDUCTION PROGRAM 17
1HB 139 - MOTOR VEHICLE EMISSIONS AMENDMENTS 18
HB 263 - EMISSIONS TESTING REVISIONS 18

KILLED & DID NOT PASS LEGISLATIVE BILLS

HB 176 - VEHICLE PROPERTY TAX AMENDMENTS 19
HB 271 - CARBON MONOXIDE SAFETY ON BOATS 19
HB 289 - TINTED VEHICLE WINDOWS AMENDMENTS 19
SB 113 - POSSESSORY LIEN AMENDMENTS 20
2HB 354 - PEER-TO-PEER CAR SHARING ACT 20
1SB 190 - RENTAL CAR AMENDMENTS 21

UTAH STATE TAX COMMISSION UPDATES

SALES TAX RATE CHANGES 22

RECALL NOTICE UPDATE

CURBSTONING & UNLICENSED SALES

IDS INDEPENDENT DEALER SOLUTIONS

TITLE EXPERTS

Ensuring your Title Work is completed accurately is the number one priority at IDS, and we have assembled a team of the most knowledgeable associates in the industry. IDS's Title Associates are dedicated to offering you unmatched expertise and service. We guarantee it.

FAST SERVICE

Having accurate service shouldn't mean that you are sacrificing your valuable time. IDS understands that time away from your business can mean time away from selling, and we are committed to ensuring that you can make the sale and satisfy your customers. With delivery times from immediate to overnight even to up to five days, IDS offers options to accommodate your business needs.

Scan Me
GET MORE INFO ON
YOUR SMART PHONE

MAKE THE SHIFT

IDS INDEPENDENT DEALER SOLUTIONS

7414 S. State St. • Midvale, UT 84047
801-566-3802 • 801-566-0708 Fax
www.idsinfo.com

IDS DEALER LICENSE EDUCATION PROGRAM

WELCOME!

Welcome and thank you for choosing Independent Dealer Solutions to obtain your license renewal education. We are committed to helping dealers across the state of Utah to better understand what is required to operate legally. This is not a class that simply fills a requirement, but a class that offers solutions to keep you in compliance with the laws.

It is extremely important as a dealer in Utah that you understand and properly disclose the sale of a motor vehicle. Consumers in Utah are suing dealers and unwinding deals simply because dealers are not aware of all the requirements and disclosures in selling a vehicle.

It has never been more apparent why the used vehicle industry must unite together. Every year our legislature is looking at ways to regulate our profession. Even though we are competitors, we must unite our efforts on all government intervention.

Independent Dealer Solutions has worked for over 40 years on Capitol Hill to protect your interests and are very familiar with the laws governing this profession. We are not attorneys or legal council and suggest if you have questions or issues specific to your dealership you should seek legal advice. We offer the best option for your education needs and hope you will continue to look to us for further information and solutions for your business.

"It has never been more apparent why the used vehicle industry must unite together. Every year our legislature is looking at ways to regulate our profession...."

The mission of IDS is to better inform and educate dealers in Utah to avoid any unfair and unneeded legislation. Additionally, we seek to raise the level of professionalism of the industry and the confidence of the consuming public. We are dedicated to providing quality and professional representation to dealers in Utah and meeting all your business needs.

We urge you to become invested in your profession by joining the Used Car Dealers Association and sharing your ideas and issues that affect us all. Working together there is nothing that we cannot do to meet our goals and objectives. If you would like more information about the association and what is available to you, don't hesitate to contact us.

.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

Welcome, Continued…

WHAT IS AN ANTI-TRUST AND WHY IT'S BAD?

Congress passed the first antitrust law, the Sherman Act, in 1890 as a "comprehensive charter of economic liberty aimed at preserving free and unfettered competition as the rule of trade." In 1914, Congress passed two additional antitrust laws: the Federal Trade Commission Act, which created the FTC, and the Clayton Act. With some revisions, these are the three core federal antitrust laws still in effect today.

Our Anti-Trust Statement Disclosure:

Independent Dealers Solutions is organized to promote, develop and, maintain the advancement of the used vehicle dealer, powersport dealer, marine dealer and recreation vehicle dealer. IDS does not intended to and may not play a role in the competitive decisions of its members, customers, and employees or in any way restrict competition in any aspect of the automotive industry. Though this statement of policy makes it clear unequivocal support for the policy of competition served by the antitrust laws and its uncompromising intent to comply strictly in all respects with those laws. It is the individual responsibility of every dealer to be guided by the antitrust laws. It is not the role of IDS to act as arbiter or judge of competitive conduct of industry members. As such, this statement of antitrust policy is not a mechanism through which members or customers could charge another member or customer with alleged illegal action.

This is a great industry because of the people in it who have a vision of what the future can bring. We want to make sure that government does not impose restrictions that will inhibit business or effect commerce in a negative way. We thank those in government who also share the same vision.

Be active in sharing ideas and concerns about this industry with us. We can only represent your interests if you tell us what they are. We represent dealers both big and small and will always protect free enterprise. Please let us know what we can do for you to further your success in this industry.

© COPYRIGHT 2019 INDEPENDENT DEALER SOLUTIONS
7414 S. STATE ST. • MIDVALE, UT 84047
PHONE: 801.566.3802 • FAX: 801.566.0708
WWW.INDEPENDENTDEALERSOLUTIONS.COM
INFO@IDSINFO.COM

COPYRIGHT POLICY & INFRINGEMENT

Over the past 30 years IDS has spent a large amount of time, money and effort in helping dealers meet compliance with required disclosures. We have developed and maintained these forms for dealers to purchase them from us.

In light of the number of violations we are seeing, we are preparing notices to every printing facility in Utah outlining the forms we have copyright protection. If they have been printing our protected forms, we will ask them to cease and desist and to disclose any business who has ordered forms or any similar version of the form. This also will include all software companies who have programed our forms into your system without our permission. Making variations to the form is still a violation as well as removing a copyright designation is a violation. Penalties can be very sever for the print company and the dealer.

IDS has hired a top level law firm specializing in copyright protection that is investigating all copyright violations for us and taking appropriate action.

To avoid this situation from being a problem for your dealership, you or your printer or software company should contact IDS to work out a solution. Our primary solution is to work with you, your printer and your software provider so you will no longer violate our copyright. We are not seeking damages at this time unless you do not solve the problem.

We still provide the best prices and always maintain the most current version of the forms as the laws change. We hope you understand our position, as I know you would not want someone else using your name to sell cars without your permission.

Here is a basic list of copyrighted forms owned by IDS for your review. If you have questions whether your forms violate our copyright protection, feel free to contact us without fear of reprisal.

This list includes the following:

- Motor Vehicle Contract of Sale
- Test Drive Agreement
- Authorization for Payoff & Lien Holder Notification
- Vehicle As-Is Agreement No Implied Warranty
- Goodwill Service Agreement
- Down Payment Disclosure
- Dealer Consignment Agreement
- Dealer Wholesale Only
- Agreement to Furnish Insurance
- Trade In Vehicle Appraisal
- Deal Jacket #14 & #15

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

Industry Resources & Partners

CORPORATE OFFICE:

7414 South State St.
Midvale, UT 84047
Ph: 801.566.3802
Fx: 801.566.0708

OGDEN OFFICE:

3544 Lincoln Ave. #9
Ogden, UT 84405
Ph: 801.621.5869
Fx: 801.337.0066

OREM OFFICE:

905 S. Orem Blvd
Orem, UT 84058
Ph: 801.852.9003
Fx: 801.852.9005

IDS CORPORATE OFFICE
(MIDVALE) LOCATION

☑ REPORT PROBLEMS:

http://MVED.Utah.gov or
Call 1.800.297.2600

Independent Dealer Solutions

www.idsinfo.com

Located in Midvale, Ogden, and Orem.

IDS Offices carry promotional products, forms, dealer supplies, guide books and more for all your dealership needs. Some products such as custom items or specialty items may need to be ordered and sent to you at a later time.

IDS also provides title and registration services. Bring your paperwork into one of our three offices and have your paperwork processes just like at a DMV office. Service fees apply based on the type of paperwork turnaround service you would like.

Temporary Permits are available for purchase at any IDS office.

IDS is not a Legal Attorney Office. IDS suggests that you contact your attorney to review any and all paperwork and business decisions within your dealership.

Insurance:

Curtis J Vernon Insurance
46 West 200 South
Bountiful, UT 84010
ph: 801.292.5529

Attorney:

SEB Legal
5200 S Highland Dr Suite 303
Salt Lake City, UT 84171
ph: 801.449.9749

Local Association:

Used Car Dealers of Utah (UCDU)
7414 S State Street
Midvale, UT 84047
ph: 801.438.2520

ASSOCIATE PARTNERS OF THE USED CAR DEALERS OF UTAH.

THE **TRUSTED** AUCTION
BUILT ON **TRANSPARENCY.**

You're The High Bidder!

CURRENT BID
$28,550

TIME REMAINING:
00:29

BID +$100 | PROXY BID

ACV AUCTIONS

SIGN UP NOW!
1-800-553-4070
ACVAuctions.com

BIRDEYE

Get more reviews
Sell more vehicles
Create lifetime customers

Automatically get reviews from every sale and service

Manage reviews from over 150 sites and retain more customers

Use Webchat to convert website visitors into customers

Text customers directly from a single inbox and drive repeat business

Improve operations with customer insights

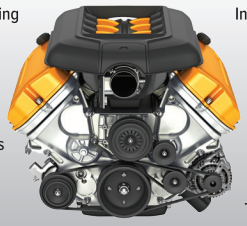
Find opportunities to capture market share with competition comparisons

Integrated with over 95% of Dealer Management Systems

USED CAR DEALERS of Utah

REV UP
YOUR SALES

Full spectrum financing
Competitive rates
Aggressive advances
Flexible terms



Instant approvals 24/7
Prompt ACH funding
Local branch offices
Training and Support

Financing is the engine that helps our dealers continue to generate more car sales. We're prepared to meet your needs with an integrated solution simply designed to drive your business forward.

HARNESS THE POWER OF OUR DMS PLATFORM

DealWRITER™
LOBEL FINANCIAL®

www.lobelfinancial.com | **800.871.8051** | marketing@lobelfinancial.com

© 2019 Lobel Financial. All rights reserved. Member NIADA.

BACKLOT CARS

YOU

We bring you the inventory.

Buy fresh trades from new car stores.
BacklotCars.com

Contact Curtis Vernon Insurance at 801.292.5529

SALES TAX LEGISLATION

HB 441 - TAX EQUALIZATION AND REDUCTION ACT

Chief Sponsor: Rep. Tim Quinn

Senate Sponsor: _____

Effective date: January 1, 2020

Sales & Use Tax Bill

DID NOT PASS DURING THE SESSION

ACTION ITEM:

The topic will be discussed during the summer months. First, know your legislator . Second, join your local association and voice your concerns. Third, review information from the association and provide us your feedback.

Income Tax Changes

Income Tax collected by the state of Utah has a surplus of $ 1.2 Billion for 2018-19. Income tax is used exclusively for funding education by State constitution. The legislature wants to reduce this amount providing a reduction in income taxes paid by Utahans. The percent of reduction varied throughout the session from 1% to 2%.

Sales Tax Changes

Sales tax is collected on all products sold at retail in Utah. The rate varies based on the location of the business collecting it and varies because of the local taxes added. The current State rate is 4.9% with possible reductions to as low as 3.1%.

Because the sales tax base is declining and our economy is quickly moving to a service based economy, the legislature considered putting sales tax on all services as well as product sales. This not only includes services to consumers but also services between businesses.

If no change is made in Utah's current tax policy, the sales tax rate would need to be raised to 10% to 11% by 2025 just to maintain the same amount of revenue collected today. This current model is not sustainable and a change must be made.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

Why is it changing from products to service based economy? Example: instead of buying a lawn mower and paying sales tax on it, people are paying a lawn mowing company to mow it for them which service is not taxed. Other services discussed included haircuts, legal services, financial services and every other service that exists, no exceptions.

Tax Exemptions

Utah has 17 major tax exemptions. The largest is water, and second is the sales tax trade credit when purchasing a vehicle from a dealer. That equates to about $70 million dollars. All 17 exemptions were eliminated in the proposed bill.

The theory of the legislators was to lower the base amount of the state portion of sales tax from 4.7% to as low as 3.1% and broaden the base with more people paying for services and goods. Their opinion was that it would be revenue neutral as the reduced rates for income tax and sales tax would be reduced and sales tax on goods and services would increase the same amount.

If this bill had passed, it would have a huge economic impact on the auto industry. The auto industry currently collects the 2nd highest amount of sales tax in Utah or about 17% of the total sales tax that is paid to the state of Utah. The rate reduction would not offset the loss of total revenue.

Additionally, the economic impact of fewer vehicles sold because of the loss would result in less revenue to the State.

The Used Car dealers Association was instrumental in having this bill held and not passed in this session. We not only offered some different solutions but also were able to educate many legislators and the bill sponsor to keep the sales tax trade exemption in tact.

What's Next?

Since the tax bill did not pass, the legislature has formed a Task force to consider what the new tax policy direction should be. They will be working with many business groups in the next 3 months to determine what the new tax policy should be and what options are available.

The Used Car Dealers Association will be a major player in those discussions and will fight for all used car dealers to protect the trade-in exemption. We have pulled all our offers from the original bill off the table and will be working to determine what is the best new direction for sales tax related the automotive industry should be.

This Task force will be meeting within a few weeks after the end of the current session. The Governor will be calling a special session once the Task Force has met with the business community and citizens and they will pass a tax reform bill.

What can you be doing right now?

First, find out who your House and Senate members are by going to www.le.utah.gov. On the main page, you can enter your home address and it will tell you who they are. Also enter your business address and find out who represents your business area as well. Legislators are very interested in commerce in their districts.

Once we know what direction the task force is going, we will contact all auto dealers in Utah and ask to you contact them to either support or defeat their new tax policy.

Second, we need every dealer to work collectively to send a unified voice from our industry. We are asking every dealer to invest in his or her future by being a member of the Used Car Dealers Association of Utah. We are waiving all sign up fees of $45 during this campaign. The dues are $325 annually, which includes national dues. Dues can be paid with a check or credit card over the phone. If you are not a joiner, send a generous donation and mark it for our legislative war chest. This dealer unity will send a very strong message to those on Capitol Hill that we are strong and united.

Third, be sure to review the information we will be sending to you and responding with your comments or concerns. It is important that everyone have a say in the direction we will be going and offering all possible solutions. It has been amazing the responses we received from your emails during the session and some contacting their Senator or Representative. Everyone's vote and voice counts.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

Never before has their been a need to unify together as the legislature considers this major tax policy change. The next three months will be critical. The Association is at the table and we need to show our strength together. Remember, if you are not at the table, you are probably on the menu. Let's not be a menu item and we decide what is best for us.

Here is the language that was deleted eliminating the trade exemption in the proposed bill.

(17)(b), tangible personal property or a product transferred electronically traded in as full or part payment of the purchase price, except that for purposes of calculating sales or use tax upon vehicles not sold by a vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:]

(i) the bill of sale or other written evidence of value of the vehicle being sold and the vehicle being traded in; or

(ii) in the absence of a bill of sale or other written evidence of value, the then existing fair market value of the vehicle being sold and the vehicle being traded in, as determined by the commission;

DEALERSHIP LICENSING LEGISLATION

1SB 82 - DEALERSHIP LICENSING AMENDMENTS

Chief Sponsor: Don L. Ipson

House Sponsor: Walt Brooks

Effective Date: October 1, 2019

This bill:

defines terms; amends licensing requirements for a transporter; amends conditions under which a dealer may not use a dealer plate; amends provisions related to a permit to use a dealer plate; amends provisions regarding the issuance of a special plate; amends provisions regarding salvage vehicles; amends provisions regarding reporting a special plate lost or stolen; makes 10 or more violations of Section 41-3-301 a class A misdemeanor under certain circumstances; repeals provisions regarding unbranded titles; and makes technical and conforming changes.

Body Shop Definition Change

(6) "Body shop" means a ~~[business]~~ person engaged in rebuilding, restoring, repairing, or painting ~~[primarily]~~ the body of motor vehicles ~~[damaged by collision or natural disaster]~~ for compensation.

Title Branding

(3) Upon receipt of the branded certificate of title, the division shall follow the procedures established in Subsection (2); ~~or:~~

~~(b) if the record of the nonconforming vehicle contains an application for an unbranded certificate of title that meets the requirements of Section 41-3-409.5:~~

~~(i) update the record to show that all nonconformities have been cured;~~

~~(ii) consider the record a public record with public access under Sections 41-1a-116 and 63G-2-201;~~

~~(iii) allow access to the complete record upon written application to the division; and] [(iv) upon request for a new certificate of title, issue an unbranded certificate of title.~~

EFFECTIVE DATE: OCTOBER 1, 2019

Beginning October 1, 2019 dealers will be allowed five dealer plates instead of two, as part of having a dealer license. Additional plates will continue to be made available based on every increment of twenty-five vehicle sales. Remember to complete your Monthly Report of Sale, which includes all sales that a temporary permit was not issued.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

(6) (a) An insurance company that pays a claim to the owner of a motor vehicle that is stolen and not recovered shall, within 10 days after the day on which settlement of the loss occurs, surrender to the division the outstanding certificate of title, properly endorsed, or other evidence of ownership acceptable to the division.

(b) After receiving the documents described in Subsection (6)(a), the division shall issue a certificate of title in the insurance company's name.

(c) An insurance company that pays a claim to the owner of a motor vehicle that is later recovered may sell the motor vehicle:

(i) with the certificate of title in the insurance company's name;

(ii) with a salvage certificate, if the recovered vehicle is a salvage vehicle; or

(iii) with a nonrepairable certificate, if the recovered vehicle is a nonrepairable vehicle.

Transporter Plates

(9) (a) A transporter's license permits the licensee to transport or deliver motor vehicles subject to registration under Title 41, Chapter 1a, Motor Vehicle Act, from a manufacturing, assembling, or distributing point or from a dealer, to dealers, distributors, or sales agents of a manufacturer or remanufacturer, to or from detail or repair shops, and to financial institutions or places of storage from points of repossession.

~~(b) The division may not issue or renew a transporter license to an applicant who is not:~~

~~(i) licensed under this chapter as a body shop;~~

~~(ii) a detail or repair shop;~~

~~(iii) a tow truck motor carrier subject to Title 72, Chapter 9, Motor Carrier Safety Act;~~

~~(iv) a repossession company;~~

~~(v) licensed under this chapter as a dealer; or~~

~~(vi) a finance company.~~

~~(c) The division may not issue or renew a transporter license unless the applicant~~

~~provides proof of insurance or other form of security meeting the minimum requirements of Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle Owners and Operators Act.~~

Loaded Demonstration

(1) Under rules established by the administrator, the division may issue a permit to a dealer to use a dealer plate to demonstrate a loaded ~~motor~~ commercial vehicle over 26,000 pounds to a bona fide prospective purchaser.

(2) To obtain a permit, the dealer or his authorized representative shall apply on a form prescribed by the division.

(3) If approved and issued, the permit shall be:

(a) carried in the ~~motor~~ commercial vehicle for which ~~it is issued~~ the division issued the permit during the demonstration trip; and

(b) ~~shall be~~ returned to the division properly completed and signed within 10 days after ~~its expiration date~~ the day on which the permit expires.

Dealer Plates

(3) Except as provided under Subsection (4), the division may issue ~~two~~ **five special dealer plates to each dealer licensed under this chapter plus one additional special dealer plate for every 25 motor vehicles ~~sold by~~ the dealer sells each year.**

(4) A dealer licensed under this chapter who does not sell at least three new or used motor vehicles in any 12-month period may not be issued or have renewed any special dealer plates.

NOTICE:

Five dealer plates is now the standard for each dealer. For every additional 25 vehicles sold, the dealer is eligible for an additional dealer plate. Please remember to keep your Monthly Report of Sale form up to date and reported to MVED to account for vehicles sold without a temporary permit.

Lost or Stolen Plates

~~(4) Lost or stolen special plates shall be reported immediately to the division.~~

(4) (a) (i) A licensee shall report immediately the licensee's lost or stolen special plate to the division.

(ii) If a dealer does not report a lost or stolen special plate to the division in accordance

with Subsection (4)(a)(i), the division shall add any replacement special plate to the total

special plates the division issues the dealer under Section 41-3-503.

(b) A licensee may replace a lost or stolen special plate only after:

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

(i) the special plate has expired; or

(ii) (A) the licensee provides a police report to the division; and

(B) the plate is listed as stolen in the National Crime Information Center.

Curbing Prosecution

(1) Except as otherwise provided in this chapter, any person who violates this chapter is guilty of a class B misdemeanor.

(3) A person who violates Section 41-3-301 10 or more times is guilty of a class A misdemeanor, unless the selling dealer complies with the requirements of Section 41-3-403.

LICENSE PLATE BILLS

NOTICE:

All license plate bills that passed this legislative session include an effective date of October 1, 2019. This gives DMV the opportunity to make sure all plates and stickers are available in each DMV, County, and IDS Office.

HB 65 - SPECIAL GROUP LICENSE PLATE FOR MOTORCYCLE SAFETY AWARENESS

Chief Sponsor: Mark A. Wheatley

Senate Sponsor: Luz Escamilla

Effective Date: October 1, 2019

This bill creates a support special group license plate to promote and support motorcycle safety awareness;

Creates the Motorcycle Safety Awareness Support Restricted Account;

Requires the Department of Transportation to manage and make distributions from the account to a qualifying organization and makes technical changes.

1HB 175 - TRANSPORTATION OF VETERANS TO MEMORIALS SUPPORT SPECIAL GROUP LICENSE PLATE

Chief Sponsor: Carl R. Albrecht

Senate Sponsor: Jani Iwamoto

Effective Date: October 1, 2019

This bill creates a support special group license plate to support programs to transport veterans to Washington D.C. to visit veterans memorials;

creates a restricted account to receive funds and facilitate distribution and makes technical changes.

HB 184 - CIVIL AIR PATROL LICENSE PLATE

Chief Sponsor: Andrew Stoddard

Senate Sponsor: Daniel W. Thatcher

Effective Date: October 1, 2019

This bill creates a recognition special group license plate for the Utah Wing of the Civil Air Patrol and makes technical changes.

HB 364 - SPECIAL GROUP LICENSE PLATE AMENDMENTS

Chief Sponsor: Ken Ivory

Senate Sponsor: Jacob L. Anderegg

Effective Date: October 1, 2019

This bill creates a recognition special group license plate to recognize a fraternal, initiatic order for those sharing moral and metaphysical ideals, and designed to teach ethical and philosophical matters of brotherly love, relief, and truth.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

MOTOR VEHICLE BILLS

NOTICE:

As a reminder, if you are a Buy Here Pay Here dealer or you are collecting payments from a customer, this will apply to your dealership. We suggest that you remind both your current and new customers of this change.

HB 95 - BAD CHECK FEE AMENDMENTS

Chief Sponsor: Ken Ivory

Senate Sponsor: Wayne A. Harper

Effective Date: May 14, 2019

This bill increases the amount of collection costs for which the issuer of a dishonored check is liable and makes technical and conforming changes.

(b) collection costs not to exceed ~~$20~~ $35.

1HB 101 – Autonomous Vehicle Regulations

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: David G. Buxton

Effective Date: May 14, 2019

This bill: defines terms related to autonomous vehicles; allows the operation of a vehicle in the state by an automated driving system; exempts a vehicle with an engaged automated driving system from licensure; provides protocol in case of an accident involving an autonomous vehicle; requires a vehicle equipped with an automated driving system to be properly titled, registered, and insured; preempts political subdivisions from regulating autonomous vehicles in addition to regulation provided in state statute; and makes technical changes.

HB 223 - UNLAWFUL INSTALLATION OF A TRACKING DEVICE

Chief Sponsor: Marie H. Poulson

Senate Sponsor: Kirk A. Cullimore

Effective Date: May 14, 2019

This bill makes it a class A misdemeanor for a person or licensed private investigator to unlawfully install a tracking device and describes the circumstances under which a peace officer is not governed under the provisions of this bill.

(2) Except as provided in Subsection (3), a person is guilty of unlawful installation of a tracking device if the person knowingly installs, or directs another to install, a tracking device on a motor vehicle owned or leased by another person.

(3) A person is not guilty of unlawful installation of a tracking device if the person installs the tracking device on a motor vehicle:

(a) (i) with the consent of the owner or lessee of the motor vehicle;

TRACKING GPS DEVICES

Have you considered adding GPS Tracking Devices or Starter Interrupt devices to the vehicles you finance. This is a great option and IDS has a great resource for these devices. Contact Adam Jones at ajones@idsinfo.com for additional information.

3HB 228 - TOWING REVISIONS

Chief Sponsor: A. Cory Maloy

Senate Sponsor: Curt Bramble

Effective Date: May 14, 2019

This bill amends definitions;

amends provisions related to state impound yards, including fencing requirements for state impound yards;

amends provisions related to fees and background checks in relation to inclusion on a towing rotation;

requires a political subdivision or state agency to provide an appeals process regarding suspension or removal from a towing rotation; and makes technical changes.

STATE IMPOUND YARD:

(71) "State impound yard" means a yard for the storage of a vehicle, vessel, or outboard motor that meets the requirements of rules made by the commission pursuant to Subsection 41-1a-1101(5).

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

BILL LANGUAGE:

(6) (a) Beginning on July 1, 2021, a political subdivision or state agency may not charge an applicant a fee or charge related to dispatch costs in order to be part of the towing rotation of that political subdivision or state agency.

(b) In addition to the fees set by the department in rules made in accordance with Subsection 72-9-603(7), a tow truck motor carrier may charge a fee to cover the costs of a dispatch charge described in Subsection (6)(a).

(c) The amount of the fee described in Subsection (6)(b) may not exceed the amount charged to the tow truck motor carrier by the political subdivision or state agency for dispatch services.

(d) A political subdivision or state agency that does not charge a dispatch fee as of January 1, 2019, may not charge a dispatch fee described in Subsection (6)(a).

(7) A towing entity may not require a tow truck operator who has received an authorized towing certificate from the department to submit additional criminal background check information for inclusion of the tow truck motor carrier on a rotation.

(8) If a tow truck motor carrier is dispatched as part of a towing rotation, the tow truck operator that responds may not respond to the location in a tow truck that is owned by a tow truck motor carrier that is different than the tow truck motor carrier that was dispatched.

Section 7. Section 72-9-607 is enacted to read: 72-9-607. Required process before removal from towing rotation.

(1) Each political subdivision or state agency that establishes a towing rotation to facilitate tows initiated by the political subdivision or state agency shall establish a policy for an appeals process to hear and decide appeals from a decision to suspend or remove a tow truck motor carrier or tow truck operator from a towing rotation.

(2) In conducting an appeal as described in Subsection (1):

(a) the appeal process may be conducted by a single appeal officer or a panel; and

(b) an individual hearing an appeal, whether as a single appeal officer or as part of a panel, may not be the same individual who made the decision to suspend or remove the tow truck motor carrier or tow truck operator from the towing rotation.

Language removed from substitute bill

(11) (a) (i) For a vehicle, vessel, or outboard motor that is towed by order of a peace officer, a person acting on behalf of a law enforcement agency, or a highway authority, the owner of the vehicle, vessel, or outboard motor shall make contact with the tow truck motor carrier within five business days of the report described in Subsection 41-6a-1406(4).

(ii) An owner of a vehicle, vessel, or outboard motor that fails to make contact with the tow truck motor carrier as required in Subsection (11)(a)(i) is guilty of an infraction and the court may impose a fine of up to $300.

(iii) (A) If an owner of a vehicle, vessel, or outboard motor fails to make contact with the tow truck motor carrier as required in Subsection (11)(a)(i), the tow truck motor carrier may request the issuance of a citation.

(B) If a tow truck motor carrier requests a citation as described in Subsection (11)(a)(iii)(A), the law enforcement agency with jurisdiction for the area in which the state impound yard and the vehicle, vessel, or outboard motor are located shall issue the citation.

(C) A law enforcement agency may issue a citation described in this Subsection (11)(a) by mailing the citation to the address of the owner indicated on the registration for the vehicle.

1SB 84 - SAFETY INSPECTION FEE AMENDMENTS

Chief Sponsor: Daniel Hemmert

House Sponsor: Timothy D. Hawkes

Effective Date: May 14, 2019

This bill raises the maximum fee for a motor vehicle safety inspection.

(4) A safety inspection station holding a safety inspection station permit issued by the division may charge a reasonable fee for labor in performing safety inspections, not to exceed:

(a) ~~$7~~ $14 or less for motorcycles and street-legal all-terrain vehicles;

(b) unless Subsection (4)(a) or (c) applies, ~~$15~~] $30 or less for motor vehicles; or

(c) ~~$20~~ $40 or less for 4-wheel drive, split axle, and any motor vehicles that necessitate disassembly of front hub or removal of rear axle for inspection.

SAFETY INSPECTION:

Remember there are still instances where a safety inspection of a vehicle is required. These instances include commercial and public transportation vehicles, including taxis, buses, etc. Safety Inspections are also still required if a vehicle is going from Salvage to Rebuilt/ Restored and the owner would like to register it and place it back on the road.

2SB 100 - ELECTRONIC DRIVER LICENSES

Chief Sponsor: Lincoln Fillmore

House Sponsor: Craig Hall

Effective Date: May 14, 2019

This bill defines "electronic license certificate"; amends the definition of "license certificate" to include an electronic license certificate; requires the Driver License Division to implement procedures for an individual to obtain an electronic license certificate; requires the Driver License Division to gather information regarding an electronic license certificate program from potential vendors; grants rulemaking authority to the Driver License Division and makes technical changes.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

SB 125 - VEHICLE REGISTRATION RECORDS AMENDMENTS

Chief Sponsor: Todd Weiler

House Sponsor: Melissa G. Ballard

Effective Date: May 14, 2019

This bill prohibits the Motor Vehicle Division from disclosing a protected record to an owner, lessee, or operator of a private parking lot or structure and makes technical changes.

1SB 139 - MOTOR ASSISTED TRANSPORTATION AMENDMENTS

Chief Sponsor: Kirk A. Cullimore

House Sponsor : Adam Robertson

Effective Date: May 14, 2019

This bill addresses definitions, including the definition of low-speed vehicle; prohibits certain activities with regard to an alcohol product and a motor assisted scooter; clarifies that a motor assisted scooter is a vulnerable user of a highway; provides that a motor assisted scooter is subject to provisions for a bicycle, and not a moped or a motor-driven cycle

POWERSPORT BILLS

HB 105 - OFF-HIGHWAY VEHICLE PERMIT AMENDMENTS

Chief Sponsor: Derrin R. Owens

Senate Sponsor: Scott D. Sandall

Effective Date: January 1, 2020

This bill removes provisions allowing reciprocity of off-highway vehicle permits with other states;

allows nonresident use of an off-highway vehicle used exclusively as an off-highway implement of husbandry and makes technical changes.

1HB 149 - TRAFFIC CODE AMENDMENTS

Chief Sponsor: Walt Brooks

Senate Sponsor: David P. Hinkins

Effective Date: May 14, 2019

EFFECTIVE DATE: MAY 14, 2019

This bill defines lane filtering;

allows lane filtering if a motorcycle is overtaking a vehicle that is stopped in the same lane of travel and there are two or more adjacent traffic lanes in the same direction of travel;

provides a sunset of provisions related to lane filtering, subject to review and makes technical changes.

LANE FILTERING:

(29) "Lane filtering" means, when operating a motorcycle other than an autocycle, the act of overtaking and passing another vehicle that is stopped in the same direction of travel in the same lane.

.

SB 63 - VESSEL AMENDMENTS

Chief Sponsor: Curtis S. Bramble

House Sponsor: Michael K. McKell

Effective Date: May 14, 2019

This bill enacts criminal provisions related to registration decals or cards;

provides for enforcement of maintenance inspection programs for vessels carrying passengers for hire and makes technical changes.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

SB 44 - STREET-LEGAL ATV AMENDMENTS

Chief Sponsor: Lincoln Fillmore

House Sponsor: Mark A. Strong

Effective date: May 14, 2019

This bill addresses circumstances under which certain all-terrain vehicles may operate as a street-legal all-terrain vehicle on a highway and makes technical changes.

(b) An individual may not operate an all-terrain type I vehicle, all-terrain type II vehicle, or all-terrain type III vehicle as a street-legal ATV on a highway if:

(i) the highway is an interstate [freeway] system as defined in Section [41-6a-102] 72-1-102; or

(ii) [(A)] the highway is in a county of the first class and both of the following criterion is met:

[(B)] (A) the highway is near a grade separated portion of the highway; and

[(C)] (B) the highway has a posted speed limit [of] higher than 50 miles per hour

EMISSIONS BILLS

1HB 295 - VEHICLE EMISSIONS REDUCTION PROGRAM

Chief Sponsor: Jeffrey D. Stenquist

Senate Sponsor: Curtis S. Bramble

Effective Date: May 14, 2019

This bill defines terms;

creates the Vehicle Emissions Reduction Program Restricted Account;

creates the Vehicle Emissions Reduction Program (program) to provide financial assistance in the purchase of a motor vehicle under certain conditions;

establishes certain criteria by which a person may participate in the program;

requires certain local health departments to assist in administering the program;

requires the Air Quality Board to make rules for the administration of the program; requires the Division of Air Quality under certain circumstances to conduct a public service campaign and a study, submitting the results of the study to the Transportation Interim Committee and creates a repeal date requiring committee review of the program.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

1HB 139 - MOTOR VEHICLE EMISSIONS AMENDMENTS

Chief Sponsor: Angela Romero

Senate Sponsor: Luz Escamilla

Effective Date: May 14, 2019

This bill amends the penalties for a vehicle that violates the emission standards;

prohibits the distraction or endangerment of a vulnerable highway user by emission of excessive exhaust;

requires the court to report repeat offenders of emission standards to the local health department in certain circumstances;

requires the local health department to report repeat offenders of emission standards to the Motor Vehicle Division in certain circumstances; and makes technical changes.

HB 263 - EMISSIONS TESTING REVISIONS

Chief Sponsor: Patrice M. Arent

Senate Sponsor: Curtis S. Bramble

Effective Date: May 14, 2019

This bill clarifies that a visual inspection of emissions equipment on certain diesel-powered motor vehicles is required for model years 1998 and newer.

(b) Beginning on January 1, 2019, and ending on December 31, 2021, the legislative body of a county described in Subsection (7)(a) shall require:

(i) a computerized emissions inspection for a diesel-powered motor vehicle that has: (A) a model year of 2007 or newer;

(B) a gross vehicle weight rating of 14,000 pounds or less; and

(C) a model year that is five years old or older; and

(ii) a visual inspection of emissions equipment for a diesel-powered motor vehicle: (A) with a gross vehicle weight rating of 14,000 pounds or less;

(B) that has a model year of ~~1997~~ 1998 or newer; and

(C) that has a model year that is five years old or older.

KILLED & DID NOT PASS LEGISLATIVE BILLS

HB 176 - VEHICLE PROPERTY TAX AMENDMENTS

Chief Sponsor: Norman K. Thurston

Senate Sponsor: _____

This bill prohibits collection of the uniform fee in lieu of ad valorem tax on a vehicle more than once per calendar year and provides instructions to limit the collection of the uniform fee in lieu of ad valorem tax on a vehicle registered for only six months.

Did Not Pass Bills

HB 271 - CARBON MONOXIDE SAFETY ON BOATS

Chief Sponsor: Logan Wilde

Senate Sponsor: _____

This bill requires under certain circumstances a new motorboat to have a carbon monoxide detection system and labels warning of carbon monoxide dangers and creates a penalty for noncompliance.

HB 289 - TINTED VEHICLE WINDOWS AMENDMENTS

Chief Sponsor: Phil Lyman

Senate Sponsor: _____

This bill reduces the required light transmittance of tinted windows on motor vehicles to 25%.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

SB 113 - POSSESSORY LIEN AMENDMENTS

Chief Sponsor: Kathleen Riebe

House Sponsor: Val K. Potter

This bill removes personal items from a possessory lien of a tow truck motor carrier or tow truck operator on a vehicle, vessel, or outboard motor that has been towed; and requires a tow truck motor carrier or tow truck operator to grant an owner access to a vehicle, vessel, or outboard motor that has been towed for the owner to inspect the vehicle, vessel, or outboard motor or remove personal items.

2HB 354 - PEER-TO-PEER CAR SHARING ACT

Chief Sponsor: Kim F. Coleman

Senate Sponsor: Jacob L. Anderegg

Effective Date: May 14, 2019

This bill defines terms; prohibits a public entity from regulating a peer-to-peer car sharing company or a peer-to-peer vehicle owner in the same manner as a motor vehicle rental company; prohibits a public entity from regulating a peer-to-peer car rental transaction in the same manner as a motor vehicle rental company transaction; and exempts the rental of a motor vehicle that a peer-to-peer car sharing company facilitates from certain taxes.

(4) "Peer-to-peer company" means a person that uses a peer-to-peer platform to connect independent individuals who agree to exchange a product or service.

(b) "Peer-to-peer car sharing company" does not include a person that is exempted from sales and use tax under Title 59, Chapter 12, Sales and Use Tax Act, for the purchase of a motor vehicle.

1SB 190 - RENTAL CAR AMENDMENTS

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

Effective Date: May 14, 2019

This bill defines terms; establishes requirements for a vehicle rental transaction; establishes operational requirements for a private vehicle rental program provider (program provider), including requirements: for motor vehicles for which the program provider may facilitate rentals; regarding equipment installation, operation, and maintenance; regarding the keeping of records and regarding disclosures; requires a concession agreement for certain activity at an airport; reduces the maximum amount of certain taxes that may be imposed on a private vehicle rental; addresses liability for loss during a private vehicle rental; provides insurance requirements for a private vehicle rental program provider; prohibits an insurer from canceling or failing to renew a policy solely based on participation in a private vehicle rental, except under certain circumstances; and makes technical and conforming changes.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

UTAH STATE TAX COMMISSION UPDATES

SALES TAX RATE CHANGES

All Utah Sales Tax Rates Increase

On Nov. 6, 2018 Utah voters approved Proposition 3, expanding Medicaid in Utah and raising the statewide sales tax rate from 4.7 to 4.85 percent starting April 1, 2019. As a result, the combined sales tax rate will increase .15 percent in all Utah jurisdictions.

Get the tax rate for each location on our website at tax.utah.gov/sales.

Cities and Morgan County Impose Botanical, Cultural, Recreational and Zoological Tax

Utah Code §§59-12-1402 & 703 allow a city, town or county to impose a botanical, cultural, recreational and zoological organizations or facilities tax of .1 percent on taxable sales.

Four cities will impose the botanical, cultural, recreational and zoological tax starting April 1, 2019:

Nephi, Pleasant Grove, Spanish Fork, Santaquin

The .1 percent increase will raise the combined sales tax rate in these locations.

Morgan County will also impose the botanical, cultural, recreational and zoological tax, increasing the combined sales tax rate by .1 percent for all jurisdictions within the county.

Utah County Imposes County Option Sales and Use Tax to Fund Highways and Public Transit

Utah Code §§59-12-2203 & 2219 allow a county option sales and use tax of .25 percent to fund highways and public transit.

Utah County will impose this highways and public transit tax starting April 1, 2019. The .25 percent increase will raise the combined sales tax rate in all locations within Utah County.

For the most current state and local tax information, including local sales tax rates, visit: tax.utah.gov

RATE CHANGES:

Rate changes from the Utah State Tax Commissions can occur on a quarterly basis. Be sure to check the tax rates for the current rate and the upcoming rate. Rate changes are typically posted three months in advance of the change. Rates are found at tax.utah.gov.

.

RECALL NOTICE UPDATE

Vehicle recalls have been in the news and before congress recently. There are those who want to not allow dealers to sell a vehicle unless all recalls on the vehicle have been completed. NIADA, our national Association has been monitoring proposals in Congress. Watch your national news for updates.

To access information, you can sign up with NHTSA to get the recall info at no cost.

Go to www.safercar.gov. On the right hand side is the recall info and a link to sign up for weekly recall info. You can get notices for all makes or you can select the top five. There approximately 600 recalls registered each year.

IDS has worked with the attorney from NIADA and have put together a USED MOTOR VEHICLE RECALL STATEMENT. This form is protected by copyright and its use is optional. No federal requirement currently exists to disclose a safety recall. During the past year we have learned and seen first hand that some attorneys are suing dealers for not notifying their customers as a way to try and unwind a vehicle purchase. No federal requirement currently mandates recall disclosure at this time. It is strictly optional.

The USED MOTOR VEHICLE RECALL STATEMENT informs your customer that there may or may not be an open safety recall on their vehicle. It is NOT a disclosure statement. It provides information as to where to get information and how to go about getting any safety recall resolved. Only manufacturers through an authorized dealer can resolve recall issues. The disclosure form is currently available from IDS.

As with any disclosure or business practice, we highly encourage you to consult with your own legal council to be sure this practice fits you business model. Being pro-active goes a long way to protecting your business interests.

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com

CURBSTONING & UNLICENSED SALES

Used cars can be purchased at places other than dealerships. Private sellers advertise in the classified sections of city, regional and neighborhood newspapers and on the internet. Be aware that unlicensed dealers also advertise in the classifieds and on the internet as well. These unlicensed dealers are often called curbstoners because they sell cars from the street-curb instead of from a car lot. Curbstoners are people who make money from buying used cars and reselling them. Curbstoners avoid taxes, motor vehicle fees, insurance, and many of the other overhead costs that you incur as a legitimate dealer.

CURBSTONING:

Unlicensed dealers are often called curbstoners because they sell cars from the street-curb instead of from a car lot

MOTOR VEHICLE DEALER:

Utah State Law defines a motor vehicle dealer as someone who sells, displays for sale, or offers for sale or exchange three or more new or used motor vehicles or off-highway vehicles in a twelve month period.

Here are some tips for you and your customers in identifying a curbstoner:

- The vehicle for sale is parked along the street or in a vacant lot
- The person selling the vehicle asks you to meet them at a location other than their residence
- The seller wants a cash transaction: no checks or money orders
- The seller's name is not on the vehicle's title

Curbstoners do not comply with state or federal laws thus the public has no protection in your dealings with them. Buying from a curbstoner increases your risk of:

- Not being able to get the vehicle title transferred
- Receiving a car that has been wrecked
- Receiving a vehicle listed as stolen
- Receiving a vehicle in which the odometer has been "rolled back"

WE ENCOURAGE YOU TO REPORT ALL CURBSTONING AND UNLICENSED SALES TO MVED. Reports can be filed online and anonymously at **mvp.tax.utah.gov**. If you would rather not file the report yourself, please contact IDS or the Used Car Dealers Association and it can be report them.

Qualifying members of the Used Car Dealers of Utah Association will receive

10%

off their insurance policy

Contact Curtis Vernon Insurance at 801.292.5529

©2019 Copyright – CONFIDENTIAL – 801.566.3802 – www.IndependentDealerSolutions.com