

Vehicle Industry

NEWS BULLETIN

October 2015

Introduction by *Lewis Dennie*



Welcome to the fall edition of our newsletter.

October 21, 2015. In the movie, *Back to the Future Part II*, that's the day Marty McFly travelled into the future in a modified DeLorean sports car. I went to those movies and remember thinking in 1985 that 2015 sounded so futuristic. Well, the future is now. My reason for mentioning 1985 is directly related to the Department of Licensing's current project of updating vehicle and driver computer systems. A number of our systems date to the mid 1980's. This newsletter has a brief article on this modernization process.

Other articles include:

Dealer plates will be changing. The current configuration of numbers and letters goes back to at least the 1950's. We're pretty sure it goes back farther than that.

Warranty and Service agreements. Audits of some vehicle dealers are finding expired or no current agreements between the dealer and the manufacturer on file with DOL. We see this most frequently with motorcycle or small trailer dealers. We have an article covering some details on this requirement.

I'd also like to mention that the Department of Licensing has numerous resources available for our customers on line. As a vehicle and vessel industry business person you regularly interact with other parts of DOL. The starting point for those resources is [here](#).

If you have any questions or wish to communicate with us about these articles or other issues impacting the vehicle industry and your business, please email me at ldennie@dol.wa.gov

Regards,

Lewis Dennie
Administrator

Business & Technology Modernization (BTM) at DOL

About BTM

DOL is embarking on a new project to replace the agency's outdated vehicle and dealer related computer systems. The new computer system will provide DOL, our business partners, and customers with better tools and improved processes. This is a three-year DOL project. The new system for DOL Dealer Services is scheduled for completion in December 2016.

The new system will replace all DOL vehicle systems, including the regulatory systems used by Dealer and Manufacturer Services, the Abandoned Vehicle Reporting System, Destroyed Vehicle Reporting System (Wreckers), and E-permitting systems.

Learning More about BTM

If you haven't yet, please sign up to be added to a group email list referred to as a Listserv (see instructions below) to receive occasional emails from us about the project. Updates on this project will also go out to associations, and we plan to have meetings with your association representatives as needed.

In our next newsletter, look for information about the name for the new system and more information about the replacement for E-permitting.



If you have any questions, concerns, or suggestions regarding the project, please send them via email to lromero@dol.wa.gov.

Signing up for a Listserv:

- For the **Dealers Listserv**, you can find instructions [here](#).
- For the **Vehicle Transport & Disposal Listserv**, you can find instructions [here](#).

COMPLIANCE CORNER

Manufacturer Service Agreements by Derek Goudriaan

Here's a reminder to check on your manufacturer service agreements. Recent audits have found some dealers who did not have valid manufacturer's service and warranty agreements on file with DOL. The audits have also found a number of vehicles being sold by dealers from manufacturers who were not licensed in Washington. DOL has initiated action and a dealer and the manufacturers are now the subject of administrative actions, which can include fines and license suspension or revocation.

Here's what you should know about manufacturer service agreements:

- Manufacturer service agreement(s) is required to be submitted to DOL at time of dealer application
- Any service agreement must be on file with the department
- Vehicle dealers must report the acquisition or loss of a service agreement to DOL within ten days

Here are the state laws and rules for your reference:

RCW [46.70.041](#) (1) Every application for a vehicle dealer license shall contain the following information to the extent it applies to the applicant:

(j) A copy of a current service agreement with a manufacturer, or distributor for a foreign manufacturer, requiring the applicant, upon demand of any customer receiving a new vehicle warranty to perform or arrange for, within a reasonable distance of his or her established place of business, the service repair and replacement work required of the manufacturer or distributor by such vehicle warranty. This requirement applies only to applicants seeking to sell, to exchange, to offer, to auction, to solicit, to advertise, or to broker new or current-model vehicles with factory or distributor warranties;

Here's the definition of service agreement:

WAC [308-66-110](#) (8) Current service agreement - The agreement between a vehicle manufacturer or vehicle distributor and a seller, stipulating that the seller will provide warranty adjustments for the owners of that manufacturer's or distributor's new vehicles which qualify for adjustments under the manufacturer's or distributor's warranty.

Important

Dealers need to keep track of their manufacturer service agreements. When you acquire a new make or line of vehicles you must submit a copy of the service and warranty agreement to DOL.

How can you make sure the department has a copy of their current manufacturer service agreement(s)?

Answer: Call our licensing unit at 360-664-6466. We can look up your record and see what we have on file. Copies of any service agreement can be mailed to the department - Business Licensing Service, PO Box 9034, Olympia, WA 98507-90434.



Effective July 15, 2015: A reminder for your customers who trade vehicles in to you. (HB 1129) **A legislative change increased the number of days to file a Report of Sale from 5 to 21.** It remains the registered owner's responsibility to file the Report of Sale with the Department of Licensing. Customers can do this on-line at

<http://www.dol.wa.gov/vehicleregistration/transfertitle.html>



Effective October 1, 2015: The snowmobile registration fee increases to **\$50.00**. This is the second phase of the snowmobile registration fee increase per legislation passed in 2013, [RCW 46.17.350 \(2\)](#). Vintage Snowmobile registration fee will remain \$12.00.



Changes to Dealer Plates by Heidi Graham

Dealer Services has been struggling for several years with a cumbersome system for assigning dealer license numbers. This old way of doing things has resulted in two problems:

1. We are running out of dealer numbers to assign to your licenses as we issue them.
2. Dealer plates have not had enough space on them to accommodate our solution to problem 1 – expanding the dealer license number to five digits.

This year, improvements to the electronic tools Dealer Services uses to serve you, our customers, has allowed us the opportunity to finally expand the dealer number to five digits. This means we are now able to change the dealer plates to accommodate this expanded number. This change will go into effect sometime around July 2016. Dealer numbers issued up until that time will remain as they are. After July, five digit dealer numbers will be issued. Dealer plates will begin with five digits followed by alpha characters. The "DLR" designation will no longer be used. Instead, there will be a designation sticker printed with a "D", to be placed on the plate in front of "Washington". A dealer with a current four-digit plate will keep that same number. The seven character series of plates will start with 01234 A. If you use enough plates to reach 01234ZZ, then you will be issued a new cycle of plates starting with AA01234, and these will continue through ZZ01234.



The five number dealer plate will be made in stamped aluminum.

The motorcycle and small trailer dealer plate will be made in a different manner. (See next page). It will not be a stamped plate. It will be a flat plate. The letters and numbers are flat, not raised. If you have a personalized plate you know what those are like. The other difference is that a DLR designation will be printed vertically on the small plate. Due to the smaller size of this plate, the vertical DLR will provide greater visibility of the type of plate to law enforcement.





Disciplinary actions: Vehicle dealers

May 2015 to September 2015

Name	Finding	Action
United Motors- Kirkland	Failure to disclose "salvage/rebuilt" status of vehicle and late title transfer of same vehicle.	Fined \$1,500, \$1,000 is stayed for 1 year pending no similar violations.
Frontline Auto Centre- Bothell	Selling trailer without Miscellaneous Dealer license, sold trailer as new without warranty service agreement in effect with the manufacturer.	Fine of \$ 1,500.
405 Motors- Woodinville	Late title transfers, unlawful issuance of dealer temporary permits, provided fraudulent Odometer Statement to Department.	Fine of \$6,000 of which \$3,000 is stayed for one year pending no similar violations.
Arrotta's Automax & RV- Spokane	Late title transfers.	Fine of \$5,000 of which \$2,500 is stayed for one year pending no similar violations.
Chris Cooper's I-90 RV- Moses Lake	Failure to transfer title.	Fine of \$500.
Quy Q. Trihn- Seattle	Unlicensed dealer activity.	Cease & Desist + fine of \$8,000.
Auburn Valley Auto Sales- Auburn	Late title transfers, failure to maintain established place of business, failure to provide records, failure to pay off lien holder, failure to deposit money from sale of vehicle into a trust account and instead used money for personal use, failure to pay off penalties assessed by Washington State Department of Revenue, failure to return money owing to a financial institution and customer without consent of the owner of the property or funds.	License revoked for one year + \$11,000 fine.
Bayside Auto Sales- Everett	Incomplete purchase order agreement.	Fine of \$1,500.

Dogcon Auto- Shelton	Loaning dealer plate to customer, failure to maintain records, late title transfers, failure to disclose vehicle "rebuilt" status, failure to refund overcharge of title transfer fee.	License suspended for 3-days + fine of \$4,000.
Richard Elbert Culbertson- Yakima	Unlicensed dealer activity.	Ordered to cease and desist + \$2,000.
Jess Ford of Grand Coulee- Grand Coulee	Sold vehicle which didn't meet WA emission standards.	\$1,000 fine.
Infiniti of Tacoma at Fife-Fife	Two late title transfers.	\$1,000 fine is stayed for one year pending no similar violations.
KMG Garage- Kent	Unlicensed dealer activity.	Ordered to cease and desist + \$4,000 fine.
Lucash Motors- Kent	Eleven late title transfers.	\$3,000 fine.
Promise Keeper Auto Sales- Wilbur	Failure to maintain records.	\$250 fine.
Auto Town Auto Sales- Pasco	Late title transfer for one vehicle.	Fined \$1,000 and 3-day suspension of license.
Northtown Auto Liquidators- Spokane	Late title transfers for 5 vehicles.	Fined \$2,500.
Spirit Auto Center of Everett- Renton	Failure to have possession of title prior to selling vehicle, failure to transfer title.	Fined \$1,750.
Affordable Auto Sales- Snohomish	Failure to maintain normal business hours and failure to have records available for inspection.	Suspension of license, stayed for 6 months pending no similar violations.
Auto Only Lynnwood- Burien	Failure to accept or reject purchaser's contract within 4 business days.	Fined \$1,000.
Trailer Source- Orting	Fraudulent use of dealer temporary permits to transport 4 trailers from Canada.	Fined \$1,500 and 3-day suspension of license which is stayed for 1 year pending no similar violations.
Larson Chrysler Jeep Dodge- Tacoma	Late title transfers for 6 vehicles.	Fined \$4,500.
Rockstar Rides- Kent	Late title transfers for 7 vehicles.	Fined \$5,750.
MHA, Inc.- Seattle	Late title transfers, unlawful use of dealer temporary permits.	Dealer license is revoked for 5 years.
Fitz Custom Marine- Gig Harbor	Failure to maintain exterior sign.	Fined \$250, \$150 is stayed for 1 year pending no similar violations.
Martinez Autos- Sunnyside	Falsifying date of sale on title documents and late title transfers. Failure to pay DOR penalties.	Fined \$5,500 and 3-day dealer license suspension which is stayed for 1 year pending no similar violations.
Jay Lee's Honda of Sumner- Sumner	Late title transfers and failure to pay off lien holder for 5 vehicles.	Dealer license is revoked for 10 years.
Paul Evert's RV Country- Fife	Late title transfers of 26 vehicles.	Fined \$13,000, \$7,000 is stayed for 1 year pending no similar violations.
Nicholas J. Costello- Vancouver	Unlicensed dealer activity.	Ordered to cease and desist and fined \$6,000.

Hertz Car Sales- SeaTac	Late title transfers of 24 vehicles.	Fined \$12,000, \$6,000 is stayed for 1 year pending no similar violations.
Harris Ford Lincoln- Lynnwood	Failure to have possession of title prior to selling vehicle, falsification of date of sale, late title transfers of 8 vehicles, failure to pay off liens for 3 vehicles, unlawful issuance of multiple dealer temporary permits.	Fined \$12,000, \$7,000 is stayed for 1 year pending no similar violations.
Jeremias Mejia Velasques- Seattle	Unlicensed dealer activity.	Ordered to cease and desist and fined \$5,000, \$2,600 is stayed for 1 year pending no similar violations.
Toyota of Olympia- Olympia	Late title transfers and failure to pay off lien holder.	Fine of \$35, 750 of which \$19,750 is stayed for one year pending no similar violations.
Camp Chevrolet, Camp Cadillac- Spokane	Late title transfer of 3 vehicles.	Fined \$1,000.
Best Deals- Omak	Falsified date of sale on Vehicle Temporary Permit Certificate of Fact for address.	Fined \$1,000, \$500 is stayed for 1 year pending no similar violations.

For details about many of these disciplinary actions, please see [Search business and professional licenses](#).

If you have any questions or comments, or there are topics or issues you'd like addressed in the next edition of the Vehicle Industry Newsletter, please email lromero@dol.wa.gov.

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