



**AUTOMOBILE
DEALERS
INDUSTRY
ADVISORY
BOARD**



**Annual Report
Fiscal Year 2012 - 2013**



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Thomas “Dino” Mercurio
Chair

August 30, 2013

Jonathan Chariff
Vice Chair

Ms. Julie L. Jones
Executive Director
Department of Highway Safety and Motor Vehicles
2900 Apalachee Parkway
Tallahassee, Florida 32399

Joe Greco
Doris Maloy
Steve Marbais
Kevin O’Conner
Kenneth Richards
Ted Serbousek
Tom Steckler
C. Boyd Walden
Norman Wright
Karyn Wrye

Dear Ms. Jones:

Section 320.275, Florida Statutes created the Automobile Dealers Industry Advisory Board to make recommendations on proposed legislation, rules and procedures, present motor vehicle industry issues to the Department of Highway Safety and Motor Vehicles for its consideration, consider any matters relating to the motor vehicle dealer industry presented to it by the Department, and submit an annual report to you with copies to the Governor, the President of the Senate, and the Speaker of the House of Representatives.

The Board has met twice since its last Annual Report to consider matters put forth by the Board or Department. The minutes of these meetings are part of this report and fully explain the discussions and recommendations of the Board. Further, the conclusion section of this report highlights certain matters considered by the Board.

We appreciate the opportunity to work with the Department on issues concerning the Florida motor vehicle dealer industry.

Sincerely yours,

Thomas “Dino” Mercurio, Chair

Honorable Rick Scott
Honorable Will Weatherford
Honorable Don Gaetz



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Automobile Dealers Industry Advisory Board Membership

Thomas "Dino" Mercurio, Chair

Prime Autos
P. O. Box 16127
West Palm Beach, Florida 33416

Jonathan Chariff, Vice Chair

South Motors/Vista Motors
4401 W. Sample Road
Coconut Creek, Florida 33073

Joe Greco

Sanford Automobile Dealers Exchange
2851 St. Johns Parkway
Sanford, FL 32771

Honorable Doris Maloy

Leon County Tax Collector
3425 Thomasville Road, Suite 19
Tallahassee, FL 32309

Steve Marbais, CMD

Marbais Enterprises, Inc.
1207 N. Lakewood Avenue
Ocoee, FL 34761

Kevin O'Connor

Vehicle Dealer Insurance
Division of ISCF
2910 Maguire Rd., Suite 2004
Ocoee, Florida 34761

Kenneth Richards

Florida Department of Revenue
2450 Shumard Oak Blvd., Room 1-2830
Tallahassee, Florida 32399

Ted Serbousek, CPA

Southeast Automotive Management
Chief Operating Officer
932 North Nova Road
Daytona Beach, Florida 32117

Tom Steckler

Department of Agriculture & Consumer Services
Director, Division of Consumer Services
Mayo Building, Room 325
Tallahassee, Florida 32399-0800

C. Boyd Walden

Department of Highway Safety & Motor
Vehicles
Director, Division of Motorist Services
2900 Apalachee Parkway
Tallahassee, FL 32399

Norman Wright

President/CEO
Better Business Bureau of
Northwest Florida
912 E. Gadsden Street
Pensacola, FL 32501

Karyn Wrye

Senior Director, Government Affairs Manheim
Manheim Auctions
435 Metroplex Drive
Nashville, Tennessee 37211



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Introduction

Statutory Authority and Brief Description of Board Duties and Responsibilities

320.275 Automobile Dealers Industry Advisory Board. —

- (1) AUTOMOBILE DEALERS INDUSTRY ADVISORY BOARD. --The Automobile Dealers Industry Advisory Board is created within the Department of Highway Safety and Motor Vehicles. The board shall make recommendations on proposed legislation, make recommendations on proposed rules and procedures, present licensed motor vehicle dealer industry issues to the department for its consideration, consider any matters relating to the motor vehicle dealer industry presented to it by the department, and submit an annual report to the executive director of the department and file copies with the Governor, the President of the Senate, and the Speaker of the House of Representatives.
- (2) MEMBERSHIP, TERMS, MEETINGS. –
 - (a) The board shall be composed of 12 members. The executive director of the Department of Highway Safety and Motor Vehicles shall appoint the members from names submitted by the entities for the designated categories the member will represent. The executive director shall appoint one representative of the Department of Highway Safety and Motor Vehicles, who must represent the Division of Motor Vehicles; two representatives of the independent motor vehicle industry as recommended by the Florida Independent Automobile Dealers Association; two representatives of the franchise motor vehicle industry as recommended by the Florida Automobile Dealers Association; one representative of the auction motor vehicle industry who is from an auction chain and is recommended by a group affiliated with the National Auto Auction Association; one representative of the auction motor vehicle industry who is from an independent auction and is recommended by a group affiliated with the National Auto Auction Association; one representative from the Department of Revenue; a Florida tax collector representative recommended by the Florida Tax Collectors Association; one representative from the Better Business Bureau; one representative from the Department of Agriculture and Consumer Services, who must represent the Division of Consumer Services; and one representative of the insurance industry who writes motor vehicle dealer surety bonds.
 - (b) 1. The executive director shall appoint the following initial members to 1-year terms: one representative from the motor vehicle auction industry who represents an auction chain, one representative from the independent motor vehicle industry, one representative from the franchise motor vehicle industry, one representative from the Department of Revenue, one Florida tax collector, and one representative from the Better Business Bureau.



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2. The executive director shall appoint the following initial members to 2-year terms: one representative from the motor vehicle auction industry who represents an independent auction, one representative from the independent motor vehicle industry, one representative from the franchise motor vehicle industry, one representative from the Division of Consumer Services, one representative from the insurance industry, and one representative from the Division of Motor Vehicles.
 3. As the initial terms expire, the executive director shall appoint successors from the same designated category for terms of 2 years. If re-nominated, a member may succeed himself or herself.
 4. The board shall appoint a chair and vice chair at its initial meeting and every 2 years thereafter.
- (c) The board shall meet at least two times per year. Meetings may be called by the chair of the board or by the executive director of the department. One meeting shall be held in the fall of the year to review legislative proposals. The board shall conduct all meetings in accordance with applicable Florida Statutes and shall keep minutes of all meetings. Meetings may be held in locations around the state in department facilities or in other appropriate locations.
- (3) PER DIEM, TRAVEL, AND STAFFING. --Members of the board from the private sector are not entitled to per diem or reimbursement for travel expenses. However, members of the board from the public sector are entitled to reimbursement, if any, from their respective agency. Members of the board may request assistance from the Department of Highway Safety and Motor Vehicles as necessary.

History. --S. 27, Ch. 2001-196.



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AGENDA

November 30, 2012

- Item 1. Call to order at 10:00 A.M.
- Item 2. Adopt Minutes of 06/08/12 meeting
- Item 3. Nominations and Elections for Chair and Vice Chair
- Item 4. Organizational Changes – Department
- Item 5. License Plate Redesign/Distribution of Convenience Renewals
- Item 6. Motor Vehicle Reports
 - Curb Stoning/Unlicensed Activity
 - Operational Workload
 - Hearing Office Workload
- Item 7. Repossession Stops
- Item 8. Interim Report—Transporter Tag Task Force
- Item 9. E-Title Proof of Concept (AAMVA Project)
- Item 10. Review of 2012 Legislation that goes in effect January 2013
- Item 11. Review proposed Legislation for 2013
- Item 12. Issue(s) from the floor
- Item 13. Next meeting—date, time and place
- Item 14. Adjourn



Automobile Dealers Industry Advisory Board

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November 30, 2012

Florida Auto Auction of Orlando
11801 West Colonial Drive
Ocoee, Florida 34761-3328

Agenda Item 1. Call to Order

The meeting was called to order by Vice Chairman Dino Mercurio at 10:04 AM. All Board members were present except for Chuck Stepter and Joe Greco.

Other persons present were Kevin Scott, Don Scott, Lisette Mariner, Executive Director, Florida Independent Automobile Dealers Association; Jim Taylor, Bob Cox, Auto Data Direct; James Ward, Title Tech; Allen Monello, Automotive Industry Center for Excellence; Dale Agan, Computer Vehicle Registration, Justin Ford, Sunshine State Tag Agency; Ted Smith, Florida Automobile Dealers Association and John Forehand, South Motors

Department participants were Ed Broyles, Motorist Services, Motorist Support Services and Felecia Ford, Motorist Services, Bureau of Issuance Oversight.

Agenda Item 2. Adopt Minutes of 11/10/11 Meeting.

Vice Chairman Mercurio called for adoption of the June 8, 2012 minutes. They were moved by Board Member Marbais and seconded by Board Member Maloy. They were unanimously adopted without change.

Agenda Item 3. Nominations and Elections for Chair and Vice Chairman

Vice Chairman Mercurio was nominated as Chair and Board Member Chariff was nominated as Vice Chairman. Both nominees accepted their nomination. The nominations were moved, second and unanimously approved by the board. The newly elected officers will serve a 2 year term. Expiration of their office is November 2014.

Board Member and Motorist Services Director Walden presented outgoing Chair Phelps a certificate of appreciation for her many years of service to the board.



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Agenda Item 4. Organizational Changes --- Division of Motorist Services and Department.

Board member and Motorist Services Director Walden gave an overview of recent management changes at the Department. There was one change since our last meeting. Stacy Arias- HSMV Chief of Staff is no longer with the Department. She accepted a position as Deputy Director for The Department of Management Services.

Terry Rhodes recently joined the Department as the new chief of staff. She comes to the Department from the Florida Senate and, before that, the Department of Agriculture and Consumer Services.

Agenda Item 5. License Plate Redesign/Distribution of Convenience Renewal

Board member and Motorist Services Director Walden requested that this item be removed from the agenda due to pending legal proceedings.

Agenda Item 6. Motor Vehicle Reports.

Ed Broyles, Motorist Services Support Bureau, presented the motor vehicle report. He went over attached Exhibits A, B, and C. Vice Chairman Mercurio asked what the Department does when they identify unlicensed dealers. Mr. Broyles explained that an order to cease and desist conducting business as a dealer is issued. A conviction for unlicensed dealers is a 3rd degree felony. Vice Chairman Mercurio feels the penalty should be stiffer.

Mr. Broyles spoke about the bureau's unlicensed activity and electronic curbstoning identification activities. The bureau is currently using electronic tools and website monitoring to identify unlicensed dealers and combat unlicensed activity as well as improper and misleading advertising on sites such as Craigslist.

Vice Chairman Mercurio advised that he does not believe that the fee to conduct rebuilt inspections is sufficient to pay for the services. Board Member Chariff suggested 3rd party testing as an option. Mr. Broyles responded that the Department collects sufficient funding for this service; however the funds are deposited into the state's general revenue fund. Rebuilt inspections are available statewide; however the majority of the services are provided in South Florida (46%). The FHP comes to our rebuilt days. Chair Phelps suggests that we invite the National Insurance Crime Bureau to attend our rebuilt days. Jim Taylor, Auto Data Direct suggested that the Department gain access to National Motor Vehicle Title Information System to verify salvage dealers and advised that he would look into the requirements.



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Agenda Item 7. Repossession Stops.

Vice Chairman Mercurio provided a brief history of the repossession stops and the recent case that named the Department. The Department no longer processes these stops as there is no remedy for the consumer to challenge the stop. The Florida Independent Auto Dealer Association is working on legislation to modify the law.

The Department has included language in their bill to repeal the current law, but does not stand in opposition of the law being modified to provide a point of entry for consumers to challenge stops. Vice Chairman Mercurio requested the Department not repeal since the association already has language to amend the current statute. If the amendment is not successful the Department will repeal the statute.

Agenda Item 8. Interim Report – Transporter Tag Task Force.

Board Member O'Connor presented a report to the board, his report underscored the large number of tags being issued to individual applicants and the large number of tags that have expired but may still be in circulation. One business was issued 161 tags and there does not appear to be a clear explanation as to the services provided by the business. Listed below are the recommendations provided by the subcommittee:

1. Prepare educational information regarding the use and the look of the plate and provide to law enforcement agencies.
2. Require commercial auto insurance in order to obtain transporter plates.
3. Modify Florida Registration Vehicle Information System to limit the number of tags issued based on insurance coverage.

Board Member Malloy advised that the local Tax Collectors may be able to help by limiting the issuance of these tags to a specific office in each county to eliminate applicants going to branch offices and applying for additional plates.

Agenda Item 9. E-Title Proof of Concept (AAMVA Project)

Board Member and Motorist Services Director Walden discussed AAMVA's E-Title proof of concept. The project is designed to create an electronic process from beginning to end. Florida is one of 13 states on the task force.

The pilot project will focus on new vehicles by allowing electronic MCOs and electronic odometer declaration. This project should resolve the odometer declaration issue and provide the ability to track vehicles that are transferred between dealers.



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If the pilot is a success there will be substantial savings to the industry since there will not be a need to print the MCO. The concept would require that the E-MCO received from the manufacturer is verified in the system, forwarded to the dealer then the dealer would electronically forward to the Department. This concept should preclude independent dealers from selling new cars.

Currently the Department is prepared to implement the programming changes on the MCO; other components of the project will be considered as part of the Department's modernization project.

Chair Phelps advised that even though she is retiring from the Board she will continue to work with AAMVA on this project.

Agenda Item 10. Review of 2012 Legislation that goes in effect January 2013

Ed Broyles, Motorist Services Support Bureau, discussed the legislative changes that will go into effect January 2013. Among those items is the requirement for all liens to be transmitted electronically. Board member and Motorist Services Director Walden added that Department is pleased with the percentage of compliance thus far.

Agenda Item 11. Review of Proposed Legislation for 2013

Ed Broyles, Motorist Services Support Bureau, discussed the Department's proposed legislation for 2013.

1. Certificates of Repossession – Amend Chapter 319 to eliminate certificates of repossessions and provide for a certificate of title to be issued instead.
2. Registration Delinquent Fees – Amend Chapter 320 to assess registration delinquent fees beginning the day after the registration expires.
3. Dealer-Initiated Repossession Stops – Repeal Section 320.1316 Florida Statute
4. License Plate Design – Redesign the license plate and issue/replace all Florida license plates over a two year period. (This does not include specialty license plates.)
5. Two Year Dealer Licenses – Provide an option for dealers to choose to renew their license for one or two licensing periods.



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Agenda Item 12. Issue(s) from the Floor

- Jim Taylor, Auto Data Direct, discussed the Towing Industry plans to pursue legislation allowing one license statewide for all towing companies in lieu of an occupational license that limits them to one county.
- Board Member Marbais asked why the Tax Collectors could sell temporary tags to dealers that are not on the electronic system. The dealer advised him that since his business is small it is acceptable. Board Member and Motorist Services Director Walden clarified that dealers should not be issued pre-printed temporary tags except in rare cases where we know in advance that the system is going to be down. Tags should be printed on demand at the time of the sale at the dealership or the dealer should come into the Tax Collector's office after the sale to request a tag for a specific vehicle.
- Board Member O'Connor recommends that the Department receives a notice of cancellation for policies on dealers similar to the requirement of cancellations on automobiles. Felecia Ford, Motorist Services, Bureau of Issuance Oversight advised that her office does receive notices of cancellations and suspensions are issued by our legal office. Board Member O'Connor was not aware of this practice and advised that many of his agents do not report this information. A recommendation to form a sub-committee was motioned and seconded. The committee members are Board Member O'Connor Chair, Chair Mercurio and Felecia Ford Motorist Service committee members.
- Board Member and Motorist Services Director Walden advised that the form used to report net selling price is scheduled to be presented to the Governor and Cabinet at the December meeting. The Department has to present the form for consideration to be adopted by Rule. Ted Smith, FIADA, advised that we will probably have to conduct workshops on the Rule to create a public records exemption. It will require legislation for the Department to get the exemption. Mr. Smith indicated that the Department of Revenue has the exemption; however, he does not believe it is clear that the exemption extends to the Department.
- Board Member and Motorist Services Director Walden advised that we will contact the Auction industry for a recommendation of a board member to replace outgoing Chair Phelps. We will also seek a venue for future meetings.

Item 13. Next meeting—date, time and place

To be announced. Members will be polled later to determine the next meeting date, time and location. It will be held after the 2013 Legislative session ends.

Item 14. Adjourn



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Agenda Item # 6 Exhibit A

Curbstoning Enforcement

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year End Totals
	FY 11/12	FY 11/12	FY 11/12	FY 11/12	Totals
Total Hours Curbstoning Enforcement	479.5	601.95	451.5	421.25	1954.2
Weekday Hours	475.5	537.95	449.7	420.25	1883.4
Weekend Hours	4	64	1.5	1	70.5
Unlicensed Dealer Investigations	86	291	249	278	904
Vehicles Towed	10	39	10	14	73

Curbstoning Enforcement

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year End Totals
	FY 12/13	FY 12/13	FY 12/13	FY 12/13	Totals
Total Hours Curbstoning Enforcement	426.75	0	0	0	426.75
Weekday Hours	424.75	0	0	0	424.75
Weekend Hours	2	0	0	0	2
Unlicensed Dealer Investigations	442	0	0	0	442
Vehicles Towed	12	0	0	0	12



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Agenda Item # 6 Exhibit B

OPERATIONAL WORKLOAD	FY 2009-10 July 1, 2009 Through June 30, 2010	FY 2010-11 July 1, 2010 Through June 30, 2011	FY 2011-12 July 1, 2011 Through June 30, 2012	FY 2012-13 July 1, 2012 Through October 31 2012
DIVISION OF MOTORIST SERVICES				
Number of Motor Vehicle Dealers (independent, salvage, suction, wholesale and franchise) Licenses Issued	10,887	11,475	11,669	722
Number of Manufacturers, Importers & Distributors Licenses Issued	487	443	407	355
Number of Mobile Home/Recreational Vehicle Dealers Licenses Issued	1,469	1,290	1,527	1,400
Total Licenses Issued (includes Mobile Homes and Recreational vehicle dealers Licenses)	12,843	13,208	13,603	2,477
Number of Motor Vehicle Dealer Records Inspections	6,615	5,800 *(1)	5,203	2,096
Number of Failed Motor Vehicle Dealer Records Inspections	1,571	1,429	1,241	522
Percentage of Failed MV Dealer Records Inspections to Total Inspections	23.74%	24.64%	23.85%	24.9%
MV Failed Inspections % Change From Previous Year	-2.29%	.90%	-.79%	1.05%
Number of Consumer Complaints Received	5,428	4,417	4,209	1,406
Number of Title Fraud Investigations	117	406*(2)	275	57
Number of Odometer Fraud Investigations	52	82	55	6
Total Number of Title and Odometer Fraud Investigations	169	488	330	63
Title/Odometer Fraud Investigations As % Of All Complaint Investigations	3.02%	11.05%	7.84%	4.48%
Number of VIN Verifications	20,085	20,343	21,183	6,038
Total Rebuilt, ASPT, VIN and Odometer Inspections	62,273	67,675	72,502	22,311
Number of Customer Service Assists	537,799	514,661	437,959	125,671a



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Agenda Item # 6 Exhibit C

DIVISION OF MOTORIST SERVICES	FY 2010-11 (July 1, 2010 to June 30, 2011)	FY 2011-12 (July 1, 2011 to June 30, 2012)	FY 2012-13 1 st Quarter (Ending- Oct. 31, 2012)
HEARING OFFICER			
Number of Administrative Cases*	324	229	138
Number of Motor Vehicle Dealer Licenses Revoked**	81	42	10
Number of Motor Vehicle Dealer Licenses Suspended***	225	147	96
Number of Motor Vehicle Dealer Licenses Cancelled****	394	246	109
Administrative Fines Collected	\$131,700.00	\$59,000.00	\$35,000.00

*Administrative Complaints and Emergency Suspension Orders

**Primarily Voluntary Revocations and Abandoned Locations

***Primarily Emergency Suspension Orders for Surety Bonds and Garage Liability Insurance)

****Primarily Voluntary Relinquishments



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Agenda Item #7



TECHNICAL ADVISORY DIVISION OF MOTORIST SERVICES

To: Tax Collectors and License Plate Agents

Subject: *Repossession Recovery Attempt Stops*

Advisory Date: 09/21/12

Implementation Date: Immediately

Advisory Number: R12-09

This Technical Advisory is to inform you the Division of Motorist Services has received a Legal Opinion from our Office of General Counsel concerning Repossession Recovery Attempt stops (RA). We were advised by our Legal Counsel to suspend enforcement of section 320.1316, Florida Statutes, until further notice. A copy of the legal opinion is attached for your information

The Division is currently in the process of working with Information Systems Administration (ISA) to satisfy or delete all open Repossession Recovery Attempt stops. Until then, if a customer comes in to your office to renew his or her registration and this stop appears on the record, contact the Field Support Center for assistance in removing the stop.

This may cause an increase in telephone calls to your offices from lienholders inquiring about their lien. Please provide a copy of this Technical Advisory and the legal opinion, which explain the reason behind this decision. The department has attempted to reach out and make contact with the affected parties, but this process will take time.

If you have any further questions, contact the Field Support Center.



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DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES OFFICE OF GENERAL COUNSEL


September 18, 2012

TO: STACY ARIAS
Chief of Staff

BOYD WALDEN
Director, Division of Motorist Services

STEVEN FIELDER
Deputy Director, Division of Motorist Services

VIA: STEPHEN D. HURM 
General Counsel

FROM: RICHARD L. BROWN 
Assistant General Counsel

SUBJECT: Implementation of Section 320.1316, F.S.
Docket Number: 2012-6505

QUESTION PRESENTED:

The Division of Motorist Services has asked substantially the following question: How do motorists whose names have been placed "on the list of persons who may not be issued a license plate, revalidation sticker, or replacement license plate for any motor vehicle under s. 320.03(8)..." pursuant to s. 320.1316, F.S., appeal such decision or otherwise challenge the agency's action?

RESPONSE:

As discussed more fully below, the statute appears problematic. Legislative changes may be necessary to clarify the rights of motor vehicle owners and lienors.

DISCUSSION:

Section 320.1316, F.S.,¹ provides that a lienor who claims a lien on a vehicle pursuant to s. 319.27, F.S., may submit to the Department of Highway Safety and Motor Vehicles (DHSMV) a "notice to surrender a vehicle or vessel that has been disposed of, concealed, removed, or destroyed." Upon receipt of this notice, the statute requires the Department to "...place the name of the registered owner of that vehicle on the list of those persons who may not be issued a license plate, revalidation sticker, or replacement license plate for any motor vehicle under s. 320.03(8)..."

¹ The statute was created by s. 4, ch. 2009-206, Laws of Florida.



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Stacy Arias
Boyd Walden
Steven Fielder
September 18, 2012
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Section 320.03(8), in turn states, "If the applicant's name appears on the list referred to in s. 316.1001(4), s. 316.1967(6), or s. 713.78(13), a license plate or revalidation sticker may not be issued until that person's name no longer appears on the list or until the person presents a receipt from the governmental entity or the clerk of court that provided the data showing that the fines outstanding have been paid." The subsection goes on to address various matters related to the three statutes mentioned therein, but says nothing about s. 320.1316, F.S., either expressly or by inference.

Section.320.02(17) addresses how the Department must deal with persons served with a notice to surrender, stating in relevant part, "[i]f any applicant's name appears on a list of persons who may not be issued a license plate, revalidation sticker, or replacement license plate after a written notice to surrender a vehicle was submitted to the department by a lienor as provided in s. 320.1316, the department may withhold renewal of registration or replacement registration of any motor vehicle owned by the applicant at the time the notice was submitted by the lienor." (Emphasis supplied.)

CONCLUSION:

Due to concerns about the opportunity for citizens to appeal DHSMV decisions to levy these "registration stops," this office recommends suspending enforcement of s. 320.1316, F.S., until further notice. Such action does not affect s. 320.02, F.S., which continues to authorize DHSMV to withhold registration or re-registration of any motor vehicle if an owner has a driver license suspended for failure to pay any fine levied under Chapters 318 or 322, Florida Statutes.

Please refer to the above referenced docket number when submitting further inquiries regarding this matter.

RLB/plt

cc: DHSMV Attorneys



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Agenda Item #8

ADIAB Sub-Committee on Transporter Tags

Sub-Committee Members:

- Kevin O'Connor (Chair)
- Jonathan Chariff
- Steve Marbais
- Dino Mercurio
- Felecia Ford

Guest:

- Allen Monello

Staff Liaison:

- Carrie Keiper

The ADIAB formed a sub-committee at the last meeting for the purpose of reviewing the current statute on the issuance and use of transporter tags in Florida. There was some suspicion that many of the tags in use may have been unlawfully obtained and are being used for unlawful purposes. It is also our suspicion that this trend has been increasing in recent years.

The sub-committee, along with the help of the DHSMV, had two conference calls along with numerous emails. These virtual meetings resulted in a recommendation for action to the ADIAB.

Sub-Committee research results

- The law originally passed in 1988, and was revised in 1995 for the intended purpose of providing tags to drive service companies and vendors (detailers, tire companies, etc) that need to relocate vehicles in order to work on them.
- There have been numerous reports/complaints by dealers and others that have seen these tags being used for what appear to be personal reasons.
- The current statute is somewhat vague as to the requirements for a transporter tag. The lack of detail in the language has made it difficult for the department to implement clear procedures that would help to control the improper issuance and misuse of these tags. A copy of the statute and the procedures are attached.
- Currently, there are 9,018 valid transporter plates active with decals that expire on 12/31/2012.
- In the sub-committee's opinion, the bigger concern is that there have been 29,352 active transporter tags that have an expiration date prior to 10/1/2012. The physical location of these tags and whether or not the tags are still on the road is unknown.
- 1/3rd of the tags issued since Fiscal Year 2007 were in Miami-Dade/Broward counties.



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- The number of tags issued each year is fairly stable at about 3,000. The problem is there is no way to track how many of those tags continue to be used after the year issued.
- Since 2007, each year an average of 50 applicants are issued 5 tags or more.
- There are several situations where a single entity has been issued a large number of tags. Amazulu Transport in Orlando for instance has been issued 151 transporter tags. I looked into them and they don't have a website so I couldn't figure out much about what they do and why they may need that many.
- It is very difficult to determine the percentage of these tags that are actually covered by insurance. The statute is unclear as to what type of insurance is required and therefore the tag offices are accepting insurance that may not cover the use of them.
- Interviews with several insurance carriers confirmed the suspicion that the tags are being used for unlawful purposes. The claims manager for one of the largest garage liability carriers in Florida replied with his experiences: *"I can share my claims experience with MICF and the abuse of tags. I have seen tags provided to family members to use dealers autos and even some family members owned autos, tags leased to others, tags placed on vehicles rented to others, tags used to "transport" vehicles from NY, NJ, CN, TX, GA, tags provided to middle men who sometimes purchase vehicles for an insured or other dealers but use our insured's tags, etc. Each claim received of this nature required us to spend money to investigate the claim, and or defend either MICF if we denied coverage and our coverage decision was contested, and or defend the insured under a reservation of rights if we could not prove that the tag provided was not for garage business purposes or coverage was precluded under the policy. On almost all of the cases in which we defended the insured under a reservation of rights we ultimately settled the claim and indemnified the insured as the individuals involved collaborated well with the insured and were well coached. I therefore fully concur with Kevin."*



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Sub-Committee recommendations to the ADIAB

The agreed-upon recommendations focus on three areas:

Education of the various law enforcement agencies

- Transport tags should all have a current decal just like any other tag. Any tags being used with expired decals or no decal at all should be stopped and dealt with as being used illegally.
- Law enforcement agencies need a clear picture of what the tags are intended for. Once the agencies all understand the acceptable uses, any misuse should be dealt with just as any other law being broken.

Fine tune the statute

- The statute should have a provision that would allow the DMS to inspect any operation using these tags. This inspection may be determined by a complaint submitted to the department and or other criteria.
- Be more specific in the language regarding the intended use of the tags.
- Clarify the requirements for the insurance needed.

Rewrite the procedures

- The DMS has agreed to study the current statute and determine whether any fine tuning of the current procedures can be implemented at this time. Any statute changes that may pass wouldn't take place until 2014, so any immediate clarifications on the department's side would be helpful.
- Once the statute changes are made, the procedures should be rewritten to further clarify the type of insurance proof that will be acceptable as well as clarification on what type of businesses qualify and what documentation will be required to provide proof.

It is this sub-committee's belief that the statute and procedure change will stop the problem moving forward as well as assist the department to "clean up" what's already out there. The education of law enforcement should handle the rest. We realize this won't happen overnight but these suggestions will pave a clear path towards an eventual solution.



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Florida Department of Highway Safety and Motor Vehicles *Division of Motorist Services*

PROCEDURE RS-14	SUBJECT: TRANSPORTER LICENSE PLATES						
DESCRIPTION AND USE: <u>THIS PROCEDURE IS PROVIDED TO ASSIST TAX COLLECTOR EMPLOYEES, LICENSE PLATE AGENCY EMPLOYEES AND THE DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES WITH INFORMATION AND INSTRUCTIONS FOR ISSUING A TRANSPORTER LICENSE PLATE.</u>							
<p>I. PROVISIONS OF LAW:</p> <p>Section 320.133, Florida Statutes, provides for a transporter license plate to be issued to any applicant who, incidental to the conduct of his business, engages in the transporting of motor vehicles that are not currently registered with valid license plates.</p> <p>II. ELIGIBILITY CRITERIA:</p> <p>The following information should be considered in determining eligibility for issuance of the transporter license plate:</p> <p>A. Below are types of businesses that are eligible for these plates, but eligibility is not necessarily limited to these types of businesses:</p> <ol style="list-style-type: none"> 1. Motor Vehicle Detail Shops. 2. Van Conversion Shops 3. Specialized businesses which install additional equipment on motor vehicles. 4. Businesses which move mobile homes and recreational vehicles from one location to another. <p>NOTE: A transporter license plate may only be displayed on a mobile home or recreational travel trailer when the hauling unit is properly registered as a truck tractor.</p> <ol style="list-style-type: none"> 5. Licensed repossessioners who contract with lending institutions to repossess and/or recover motor vehicles or mobile homes. 6. Drive away services. Businesses which provide drivers to deliver an unregistered vehicle from one location to another for a vehicle owner. 							
<p><i>Revision(s) to this procedure: Updated description and use on page 1. Removed all fee amounts and referred to fee chart on pages 2 & 3. Added option besides the occupational license on page 2.</i></p>							
DIVISION DIRECTOR	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-bottom: 1px solid black;">EFFECTIVE DATE</td> <td style="width: 33%; border-bottom: 1px solid black;">REVISION DATE</td> <td style="width: 33%; border-bottom: 1px solid black;">PAGE #</td> </tr> <tr> <td style="text-align: center;">01/01/08</td> <td style="text-align: center;">02/01/08</td> <td style="text-align: center;">RS-14-01</td> </tr> </table>	EFFECTIVE DATE	REVISION DATE	PAGE #	01/01/08	02/01/08	RS-14-01
EFFECTIVE DATE	REVISION DATE	PAGE #					
01/01/08	02/01/08	RS-14-01					



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



STATE OF FLORIDA *Division of Motorist Services*

PROCEDURE #	SUBJECT:
RS-14	TRANSPORTER LICENSE PLATES
<p>7. Motor vehicles dealers.</p> <p>B. The following types of businesses or transport operators ARE NOT ELIGIBLE:</p> <ol style="list-style-type: none"> 1. Banks and other lending institutions. Such institutions must use temporary license plates when demonstrating or repossessing motor vehicles. 2. Vehicle transport operators using trucks, truck tractors, car carriers, low-boys or trailers to transport vehicles. Any power unit used to transport vehicles must display a regular GVW license plate and any trailer used in such transport activity must display a regular trailer license plate. 3. Mobile home dealers. <p>III. APPLICATION REQUIREMENTS:</p> <p>Applications may be processed in any county license plate agency. The following documentation must be submitted:</p> <ol style="list-style-type: none"> A. Form HSMV 83065, Application for Transporter License Plate, accurately completed by the applicant. <li style="border: 2px solid red;">B. Proof of liability insurance in the amount of \$100,000 or more. A copy of the Florida insurance policy, binder or certificate of insurance is acceptable. <li style="border: 2px solid red;">C. A copy of the occupational, business license <u>or documentation from the Department of State, Division of Corporations.</u> D. Fees: Submit fees in accordance with the Tax Due and Credit Manual under class code "70," Original License Plate fee, Decal on Demand fee, and Service fee (add Branch fee if applying through a county branch office). <u>Refer to the Registration Fees and Flat Taxes Distribution Chart for applicable fees.</u> <p>IV. RENEWAL OF TRANSPORTER PLATES:</p> <p>Renewals must be processed through the county license plates agencies upon proof of sufficient liability insurance coverage and payment of fees. The fees include the registration tax and fees from the Tax Due and Credit Manual under class code "70," Decal on Demand fee and Service fee (add Branch fee, if applying through a county branch office). <u>Refer to the Registration Fees and Flat Taxes Distribution Chart for applicable fees.</u></p>	
PAGE #	REVISION DATE
RS-14-02	02/01/08



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



STATE OF FLORIDA
Division of Motorist Services

PROCEDURE # RS-14	SUBJECT: TRANSPORTER LICENSE PLATES
<p>V. REPLACEMENT LICENSE PLATES:</p> <p>Replacements must be processed in the local county license plate agencies upon submission of the following:</p> <ul style="list-style-type: none"> A. Form HSMV 83146, Application for Replacement License Plate, Validation Decal or Parking Permit, accurately completed by the applicant. B. Fees: Replacement License Plate fee, Decal on Demand fee, Service fee (add Branch fee, if applying through a county branch office), Advanced Replacement fee, Air Pollution Control fee, Emergency Medical Services fee, FRVIS fee and Reflectorization fee. <u>Refer to the Registration Fees and Flat Taxes Distribution Chart for applicable fees.</u> C. If the license plate or decal is a replacement or a stolen license plate or decal, there is no fee when the applicant certifies on form HSMV 83146 that the stolen item has been reported to a law enforcement agency. Refer to DMS Procedure RS-06 for additional information. D. A copy of the registration certificate. 	
PAGE # RS-14-03	REVISION DATE 02/01/08



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



320.133 Transporter license plates.—

(1) The department is authorized to issue a transporter license plate to any applicant who, incidental to the conduct of his or her business, engages in the transporting of motor vehicles which are not currently registered to any owner and which do not have license plates, upon payment of the license tax imposed by s. 320.08(15) for each such license plate and upon proof of liability insurance coverage in the amount of \$100,000 or more. Such a transporter license plate is valid for use on any motor vehicle in the possession of the transporter while the motor vehicle is being transported in the course of the transporter's business.

(2) A license issued pursuant to subsection (1) must be in a distinctive color approved by the department and the word "transporter" must appear on the face of the license plate in place of the county name.

(3) A license plate issued under this section is valid for a period of 12 months, beginning January 1 and ending December 31. No refund of the license tax imposed may be provided for any unexpired portion of a license period.



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



AGENDA ITEM #10

Ch. Law 2012-

HB 1223 DHSMV

Effective 01/01/13

- 319.23(7) A titling method is created for cases in which the previous owner is not available and the title document transferring the vehicle to the new owner cannot be located.
- 319.24(8) Liens must be transmitted electronically.
- 319.27(7) The department shall establish and administer an electronic titling program that requires the electronic recording of vehicle title information. Lienholders shall electronically transmit liens and lien satisfactions to the department. Individuals and lienholders who the department determines are not normally engaged in the business or practice of financing vehicles are exempt from the electronic titling requirements. (This language also appears in s. 328.15.)
- 319.30(10) The department may adopt rules to implement an electronic system for issuing salvage certificates of title and certificates of destruction.
- 319.40(2) & (3) The department may issue an electronic title in lieu of a paper title. The department may collect electronic mail addresses and use electronic mail in lieu of the United State Postal Service except for notices regarding forfeiture or foreclosure. (The use of electronic mail addresses is also placed in chapters 320, 322 and 328.)
- 320.06(5) & (6) The department may conduct a pilot program to evaluate designs, concepts and technologies for alternative license plates. All license plates issued pursuant to this chapter are the property of the state.
- 320.061 It is unlawful to alter a temporary license plate.

Ch. Law 2012-

HB 1223 DHSMV

Effective 01/01/13

- 320.089 New license plates are created for veterans of the Vietnam War and recipients of the Combat Infantry Badge upon proof of eligibility.
- 320.13(1) A dealer of heavy trucks may secure one or more dealer license plates that are valid for use on vehicles owned or are in inventory and for sale and are used only for demonstration purposes.
- 320.15 A motor vehicle registrant who has renewed a motor vehicle registration during the advance renewal period and surrenders the license plate for the vehicle before the end of the renewal period may apply for a refund of the license taxes.



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



AGENDA

May 24, 2013

- Item 1. Call to order at 10:00 A.M.
- Item 2. Adopt Minutes of 11/30/12 meeting
- Item 3. Welcome new Board Member – Karyn Wrye
Welcome Special Assistant to Orange County Tax Collector – Andrew Bell
- Item 4. Motor Vehicle Reports
 - Curb Stoning/Unlicensed Activity
 - Operational Workload
 - Hearing Office Workload
- Item 5. Interim Report – Notice of Cancellations on GLI Policies
- Item 6. Interim Report – Transport Plates
- Item 7. Review of 2013 Legislation
- Item 8. Discussion on the Concept of a Licensed Motor Vehicle Dealer Agent
- Item 9. Issue(s) from the floor
- Item 10. Next meeting—date, time and place
- Item 11. Adjourn



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



May 24, 2013

Florida Auto Auction of Orlando
11801 West Colonial Drive
Ocoee, Florida 34761-3328

Agenda Item 1. Call to Order

The meeting was called to order by Vice Chairman Jonathan Chariff at 10:08 AM. All board members were present (Chairman Dino Mercurio by phone) except for Ken Richards, Steve Marbais, Doris Maloy, Norman Wright and Joe Greco.

Other persons present were David Cox and Lisette Mariner, Executive Director, Florida Independent Automobile Dealers Association; Jim Taylor and Bob Cox, Auto Data Direct; Allen Monello, Automotive Industry Center for Excellence; Dale Agan and Tom Fessenden, Computer Vehicle Registration; Justin Ford, Sunshine State Tag Agency; James Wars, Title Tech.

Department participants were Ed Broyles, Motorist Services, Motorist Services Support and Felecia Ford, Motorist Services, Bureau of Issuance Oversight.

Agenda Item 2. Adopt Minutes of 11/30/12 Meeting

Vice Chairman Chariff called for adoption of the November 30, 2012 minutes. They were moved by Board Member Serbousek and seconded by another board member. They were unanimously adopted without change.

Agenda Item 3. Welcome new Board Member Karyn Wrye and Special Assistant to Orange County Tax Collector – Andrew Bell

Vice Chairman Chariff welcomed our newest Board Member Karyn Wrye to the Board. Board Member Wrye is replacing outgoing Chair Berta Phelps as the representative from National Auto Auction Association to represent the chain auctions. She will serve a 2 year term.

Vice Chairman Chariff welcomed Andrew Bell, Special Assistant and Regina McDaniel – Director of Motorist Services of the Orange County Tax Collector's Office.



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Agenda Item 4. Motor Vehicle Reports

Ed Broyles, Motorist Services Support Bureau, presented the motor vehicle report. He reviewed attached Exhibits A, B, and C.

Mr. Broyles explained that there is an increase in the investigations of curbstoning due to the Department's ability to use electronic tools and website monitoring to identify unlicensed dealers. Staff has been successful in utilizing Craigslist to identify unlicensed activity. Program Manager Diane Buck has been interviewed by WINK TV regarding curbstoning in Florida. Upon receipt of the interview a copy will be provided to the board.

Allen Monello advised the board that Indiana passed legislation that will make it harder for dealers to renew their license.

Vice Chairman Chariff requested that we break-down rebuilt inspection activity by county and provide a copy to the board.

Agenda Item 5. Interim Report – Notice of Cancellations on GLI Policies

Board Member O'Connor presented a report to the board, his report indicates that out of approximately 153 insurance companies there are only 20 companies that are writing 90% of the policies for dealers in Florida. Board Member O'Connor advised that insurance companies are "admitted" for vehicles but not dealers, meaning that legally they are required to notify the Department if a personal vehicle is not insured, however; they are not legally required to do so for dealers. Since most of the companies that insure dealers or "non-admitted" we cannot legally require them to notify the Department when a policy is cancelled.

The board discussed the possibility of requiring that the Department be listed as an additional holder on the policy. This may not be a viable option since the Department does not have an insurable interest. The Department will determine if there is current statutory authority to Promulgate Rules. Consideration will be given to send notices to carriers requesting that they notify the Department if the dealer's policy is cancelled.

Agenda Item 6. Interim Report – Transporter Tag Task Force

Mr. Broyles reported that the Department has prepared educational information regarding the use and the look of the plate to law enforcement agencies and associations. The Department has also agreed to consider a change to the transporter plate when they re-design the vehicle license plates. Chair Mercurio had hoped a change in color could happen immediately; Director Walden advised that it is necessary to resolve our current license plate issues before making any changes to the plates. Board Member O'Connor reminded everyone that the plates need to have a valid sticker. The board discussed adding language to the law requiring additional insurance coverage to qualify for these plates. Director Walden acknowledged that the transporter plates are a priority to the board and would keep that in mind when working on 2014 legislation.



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Agenda Item 7. Review of 2013 Legislation

Ed Broyles, Motorist Services Support Bureau, discussed the Department's legislation for 2013. Jim Taylor, Auto Data Direct asked when the pilot program for rebuilt vehicles would be implemented. Mr. Broyles advised that the pilot will be in two counties Dade and Hillsborough County, and there will be a plan in place by October 1, 2013 to allow interested parties to participate.

Chair Mercurio asked how the legislative changes affect the requirements for repossessions without a certificate of repossession. He further advised that the electronic lien titles take longer to process than when they used a hard title. He explained that there is a waiting period for the title to update in the system before the tax collector can verify that the lien has been satisfied. Further discussion indicates that these are rare cases where a lien is paid and a request for new title is immediate and that the issue is a result of the federal requirement to complete an odometer declaration. If the federal guidelines change regarding electronic declaration of the odometer reading this issue should be eliminated.

Vice Chairman Chariff asked who has the authority to sign off on the odometer declaration. Director Walden advised any uninterested 3rd party. He further advised there is no change to the process if there is a hard copy of the document and the customer signs at the time of sale.

Allen Monello asked what was the intent of the law; noting that the legislation added requirements for the license plate to be added to the application. Mr. Monello agreed to send the information to the Department for further review.

Board Member O'Connor agreed to poll the industry regarding the feasibility of insurance companies writing a 2-year bond for dealers interested in opting for a 2-year renewal.

Director Walden talked about the need to combine driver license and motor vehicle data bases. He also advised that the legislature approved funding for the Driver Related Initiative Vehicle Enhancement (DRIVE). The first phase of this initiative will focus on the electronic filing system, electronic title and registration and image "capture".

AAMVA continues to work on the electronic MCO project to verify MCO's in a national database.



Automobile Dealers Industry Advisory Board

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Agenda Item 8. Discussion on the Concept of a Licensed Motor Vehicle Dealer Agent

Lisette Mariner advised the board that Representative Carl Zimmerman is looking at ways to give agents a license. Ms. Mariner reports that the discussion was not intended to create an issue, but to facilitate a perceived need for the industry.

Board Member Wrye advised that there was a time when terrorism was allegedly linked to persons attempting to get access to the auctions. To counter this issue AAA Auctions go through a rigorous process to ensure that only authorized dealers and agents have access to purchase vehicles at their auctions. Board Member O'Connor advised that he thought the issue stemmed from dealers selling their license to private parties so that they can purchase vehicles from the auctions.

14 of the states in the United States only allow licensed sales persons to attend the auctions.

Agenda Item 9. Issue(s) from the Floor

Chair Mercurio advised that he sold a car that had an electronic lien and was not able to immediately transfer the title as it took upward of a week for the lien to show up. This case is unique – customers rarely show up to pay the balance in full within a week of the original sell. Director Walden advised that currently the system is updated within 24 hours. Chair Mercurio advised that the Tax Collector's office advised that it would take 5 business days to update. The Department agreed to document this issue and pursue a solution to reduce the wait time.

Item 10. Next meeting—date, time and place

The Board expressed the benefits of meetings to understand the upcoming changes that affect the industry, but believe that it is equally as important to meet prior to the annual legislative session to ensure that recommendations from the board are available for consideration to the Department prior to the deadline to submit their legislative package each year.

The board agreed to schedule our next meeting at least two weeks prior to the deadline for the Department to submit their annual legislative packet. Members will be polled later to determine the next meeting date, time and location.

Item 11. Adjourn

With no further business, the meeting adjourned at 12:01 P.M.



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Agenda Item # 4 Exhibit A

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year End Totals
	FY 11/12	FY 11/12	FY 11/12	FY 11/12	Totals
Total Hours Curbstoning Enforcement	479.5	601.95	451.5	421.25	1954.2
Weekday Hours	475.5	537.95	449.7	420.25	1883.4
Weekend Hours	4	64	1.5	1	70.5
Unlicensed Dealer Investigations	86	291	249	278	904
Vehicles Towed	10	39	10	14	73

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year End Totals
	FY 12/13	FY 12/13	FY 12/13	FY 12/13	Totals
Total Hours Curbstoning Enforcement	426.75	530.5	504.25	0	1461.5
Weekday Hours	424.75	528.5	504.25	0	1457.5
Weekend Hours	2	2	0	0	4
Unlicensed Dealer Investigations	442	559	537	0	1538
Vehicles Towed	12	17	10	0	39



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Agenda Item # 4 Exhibit B

OPERATIONAL WORKLOAD	FY 2009-10 July 1, 2009 Through June 30, 2010	FY 2010-11 July 1, 2010 Through June 30, 2011	FY 2011-12 July 1, 2011 Through June 30, 2012	FY 2012-13 July 1, 2012 Through April 30, 2013
DIVISION OF MOTORIST SERVICES				
Number of Motor Vehicle Dealers (independent, salvage, suction, wholesale, service and franchise) Licenses Issued	10,887	11,475	11,669	11,102
Number of Manufacturers, Importers & Distributors Licenses Issued	487	443	407	379
Number of Mobile Home/Recreational Vehicle Dealers Licenses Issued	1,469	1,290	1,527	1,501
Total Licenses Issued (includes Mobile Homes and Recreational vehicle dealers Licenses)	12,843	13,208	13,603	12,982
Number of Motor Vehicle Dealer Records Inspections	6,615	5,800 *(1)	5,203	4,738
Number of Failed Motor Vehicle Dealer Records Inspections	1,571	1,429	1,241	1,209
Percentage of Failed MV Dealer Records Inspections to Total Inspections	23.74%	24.64%	23.85%	25.51%
MV Failed Inspections % Change From Previous Year	-2.29%	.90%	-.79%	1.66%
Number of Consumer Complaints Received	5,428	4,417	4,209	3,383
Number of Title Fraud Investigations	117	406*(2)	275	101
Number of Odometer Fraud Investigations	52	82	55	29
Total Number of Title and Odometer Fraud Investigations	169	488	330	130
Title/Odometer Fraud Investigations As % Of All Complaint Investigations	3.02%	11.05%	7.84%	3.70%
Number of VIN Verifications	20,085	20,343	21,183	14,933
Total Rebuilt, ASPT, VIN and Odometer Inspections	62,273	67,675	72,502	58,895
Number of Customer Service Assists	537,799	514,661	437,959	312,299



Automobile Dealers Industry Advisory Board

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Agenda Item # 4 Exhibit C

DIVISION OF MOTORIST SERVICES	FY 2010-11 (July 1, 2010 to June 30, 2011)	FY 2011-12 (July 1, 2011 to June 30, 2012)	FY 2012-13 July 1, 2012 - April 30, 2013)
HEARING OFFICER			
Number of Administrative Cases*	324	229	297
Number of Motor Vehicle Dealer Licenses Revoked**	81	42	40
Number of Motor Vehicle Dealer Licenses Suspended***	225	147	208
Number of Motor Vehicle Dealer Licenses Cancelled****	394	246	345
Administrative Fines Collected	\$131,700.00	\$59,000.00	\$70,634.00

*Administrative Complaints and Emergency Suspension Orders

**Primarily Voluntary Revocations and Abandoned Locations

***Primarily Emergency Suspension Orders for Surety Bonds and Garage Liability Insurance)

****Primarily Voluntary Relinquishments



Automobile Dealers Industry Advisory Board

2900 Apalachee Parkway, MS 66, Tallahassee, Florida 32399-0500



Agenda Item # 5

May 21, 2013

Non-franchised Automobile Dealer Insurance Carriers in Florida

The attached spreadsheet (attachment 1) is the result of my research on the garage liability carriers insuring the non-franchised auto dealers in Florida.

The purpose of this research was to determine which carriers are reporting garage policy cancellations during the term of the contract. These cancellations normally occur due to non-payment of premium, but may also result from a request by the insured or at the insurance company's request (but only when a substantial change in the risk has taken place).

The data was compiled from the list provided to me by the DMV on 1/10/2013.

The following are some notable discoveries:

- Total number of dealers on the list- 9,187 (these represent all VI licenses issued in Florida for the 12 months prior to 1/10/2013)
- Total number of "insurance companies"*** on the list- 153
- Of the 153 "insurance companies" on the list, 20 of them insure 90% of the dealers.
- Of the top 95% of the dealers studied, 56% are insured by admitted carriers and 44% by non-admitted carriers.

***Of the 153 "insurance companies" referred to above, there are numerous inaccuracies I discovered within the states records. 37 of the 153 are actually brokers or agents and not insurance companies. At least 20 more are either insolvent carriers, auto only carriers, work comp carriers or bonding companies. It is my belief that for the most part, this information was input into the state records incorrectly. There may however be circumstances where an insurance agent made a mistake on the certificate that was issued to the dealer, a dealer modified a document from a prior year or in worse case scenarios, an agent may have provided a fraudulent certificate.*

Admitted vs Non-Admitted- how this affects the garage liability requirements for a motor vehicle dealer in FL

One of the main differences between an admitted carrier (licensed by the state) and non-admitted carrier is that the non-admitted carriers are not required to comply with the Florida Department of Financial Services regulations. This creates a problem when it comes to notification of cancellations.

Most of the admitted carriers either already have a reporting process in place or if not, they indicated it wouldn't be too difficult to begin reporting. Below are the responses from the major players:

- Auto Owners / Southern Owners- currently reporting
- Universal Underwriters / Zurich- currently reporting
- Praetorian- currently reporting
- US Specialty- currently reporting
- CorePointe- currently reporting
- Mapfre- currently reporting auto cancellations but not garage. They have indicated that they could probably add garage to the report without too much effort.
- Ascendant- currently reporting auto cancellations but not garage. They have indicated that they could probably add garage to the report without too much effort.



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Based on the above information, approximately 35% of the dealers in FL have carriers already reporting cancellations. If the state would impose a requirement that all admitted carriers report cancellations similar to the auto insurance requirements, that could increase to 56% of the dealers.

The problem at hand is that the remaining non-admitted carriers would be under no statutory obligation to comply with the requirements.

Summary

In summary, I believe as long as non-admitted carriers are eligible to insure auto dealers in Florida, catching policy cancellations during the policy term will be difficult at best. Under the current system, carriers and agents are not required to report the cancellations. Even with the DMV listed as a "certificate holder", there is no obligation to notify them of a cancellation.

ACCORD, the company that designs the forms and writes the rules states:

"Only a policy can obligate an insurer to provide notice of cancellation. Unless a policy's provisions explicitly provide for notice to a party also listed as the certificate holder on the certificate of insurance, the insurer is not obligated to that party".

The only proper way to correct the problem would be to finally treat a dealer garage policy like the primary auto coverage that it is. Statutorily require any dealer garage policy be written by a Florida licensed insurance carrier and cancellations reported as such. Unfortunately, this solution would require a law change and would create a number of problems with finding insurance carriers willing to participate in the class of business.

It is my opinion that the most viable solution to this problem is to come up with a way to add the DMV to the policy as an "additional interest" as opposed to just a certificate holder. This could be done much in the same manner we add floor plan companies as "loss payees". By doing this, the policy provisions would require the carrier to report cancellation just like they have to notify banks and floor planners.

To my knowledge, currently there isn't any filed form that would accommodate this. We would have to reach out to the insurance industry to create one, and then to the Department of Insurance to expedite filing the form for approved use.

Pursuing this could be handled without law change and may be a much easier path to the same end.

Kevin O'Connor CIC, CRM
President, Dealers Insurance Services



Automobile Dealers Industry Advisory Board

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Carrier	Admitted/Non-Admitted	# of dealers	% of market share	
Mapfre Ins Co	Admitted	1168	12.7%	
Ascendant	Admitted	1131	12.3%	
Auto Owners / Southern Owners	Admitted	1104	12%	
Century Surety	Non-Admitted	857	9.3%	
Western Heritage Ins Co	Non-Admitted	568	6.2%	
Maxum Indemnity/ Specialty	Non-Admitted	497	5.4%	
Universal Underwriters / Zurich	Admitted	478	5.2%	
Praetorian Ins Co	Admitted	466	5.1%	
Canal Indemnity	Non-Admitted	339	3.7%	
Catlin Insurance Co	Non-Admitted	339	3.7%	
Montpelier	Non-Admitted	336	3.7%	
Colony Ins Co	Non-Admitted	292	3.2%	
Northfield Ins Co	Non-Admitted	155		
Scottsdale	Admitted	121		
Burlington	Non-Admitted	116		
U.S. Specialty	Admitted	101		
State National Ins Co	Non-Admitted	85		Appalachian Underwriters
CorePointe Insurance Co	Admitted	77		
Essex Insurance Group	Non-Admitted	77		
Mesa Underwriters Specialty	Non-admitted	76		
Travelers	Admitted	69		
Madison Ins Co		66		Contacted carrier for more information
National Union Fire		47		AIG- may be franchised dealers with VI licenses
National Casualty	Admitted	38		
Wilshire Ins Co	Non-admitted	36		
Westfield Ins Co	Admitted	35		
Hartford	Admitted	32		
Philadelphia Indemnity	Admitted	32		
Federated Mutual	Admitted	27		
Sentry Select/ Casualty	Admitted	22		
Navigators Insurance	Admitted	19		Drivetime program
Liberty Mutual	Admitted	17		
Ace American Insurance Co		17		
Old Republic Ins Co		14		Penske/Ryder program
Plaza Ins Co		14		
Star Insurance Co		14		



Automobile Dealers Industry Advisory Board

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Hanover	Admitted		10	
Granada	Non-admitted		10	No-longer writing dealers
Empire Fire and Marine			10	
Cincinnati Insurance Co	Admitted		9	
Markel American	Non-admitted		9	
National Indemnity Co	Non-admitted		9	
CastlePoint National			9	
United Specialty			9	
Arch Insurance			8	
Northland Ins Co	Non-admitted		7	No-longer writing dealers
National Intersate Ins Co			7	
Nova Casualty			7	
Acceptance Indemnity			6	
Axis Underwriters	zBroker- not carrier		5	
FCCI Insurance Company			5	
Gemini Ins Co			5	
Progressive Express Ins Co			5	
Lloyds of London	Non-admitted		4	Not typically garage liability/ usually DOL
Accident Insurance Company			4	
Federal Insurance Co			4	Federated?
National Insurance Co			4	
Nationwide Ins Co			4	
Owners Insurance Company			4	
United Fire			4	
US Security			4	
Diamond State Ins Co	Non-admitted		3	
Nautilus Ins Co	Non-admitted		3	
Great American	zBond carrier		3	
Appalachian Underwriters	zBroker- not carrier		3	
Bass Underwriters	zBroker- not carrier		3	
Strickland General Agency	zBroker- not carrier		3	
Amerisure Insurance Co			3	
Depositors Insurance Company			3	
Liberty Insurance Underwriters			3	
MacNeil-Century Ins Group			3	
National Trust			3	
Ohio Casualty			3	
Progressive Ins Co			3	Do not write garage liability / maybe auto + GL?
QBE Specialty			3	
USG Insurance Co			3	
Ashton Agency	zAgent- not carrier		2	
Williams & Stazzone	zAgent- not carrier		2	
Chelsea Surplus	zBroker- not carrier		2	
Hull & Company	zBroker- not carrier		2	
NAI	zBroker- not carrier		2	



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Insurance Company			2		??
Allied Insurance			2		
American States			2		
Employers Ins Co of Wassau			2		
Equity Partners Ins Serv Inc			2		
Evanston Ins Co			2		
Illinois Union Ins Co			2		
Landmark American			2		
Max Specialty Insurance Group			2		
Morstan General			2		
New Hampshire Insurance Co			2		
Occidental Fire & Casualty			2		
RLI Insurance			2		
State Farm			2		Do not write garage liability / maybe auto + GL?
Stonington Insurance Co			2		
United States Fire			2		
West American Ins			2		
Yanoff Companies			2		
Desoto Insurance Agency	zAgent- not carrier		1		
DMI Insurance	zAgent- not carrier		1		
Kris Insurance	zAgent- not carrier		1		
Western Surety	zBond carrier		1		
All Risks Limited	zBroker- not carrier		1		
MacDuff Underwriters	zBroker- not carrier		1		
Market Plus	zBroker- not carrier		1		
Montgomery Insurance	zBroker- not carrier		1		
Seacoast Underwriters	zBroker- not carrier		1		
Bridgefield	zWork Comp Carrier		1		
Accidental Insurance			1		
American Alternative			1		
Aries Insurance			1		
Capacity Insurance Company			1		
Central Surety			1		
Charter Oak			1		
Continental Casualty			1		
Continental Ins Brokers III			1		
Elite Underwriters			1		
Evergreen USA RRG			1		
First Commercial Underwriters			1		
First Flight Insurance Group			1		
GM Underwriters			1		
Granite State			1		
Great Northern			1		
Great West Casualty			1		
Harbour Risk Management			1		



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Harco National Ins Co		1	
Harleysville Ins Co		1	
Kingsway Amigo Insurance Co		1	
Lexington Ins Co		1	
Liberty Surplus Ins Corporations		1	
Massachusetts Bay Insurance		1	
Mercury		1	
MJ Kelly of Florida		1	
National American Ins Co		1	
National Fire		1	
Netherlands Insurance Co		1	
New York Marine & General		1	
One Beacon Ins		1	
Phoenix Ins Co		1	
Princeton Excess and Surplus		1	
Pro Century Ins Co		1	
Safeco Ins Co		1	
Selective Insurance Co		1	
Sentinel Insurace Co		1	
Sparta Ins Company		1	
State Auto Mutual		1	
The Charter Oak Fire Ins Co		1	
Tokyo Marine		1	Mitsubishi
Twin City Fire		1	
Valley Forge Ins Co		1	



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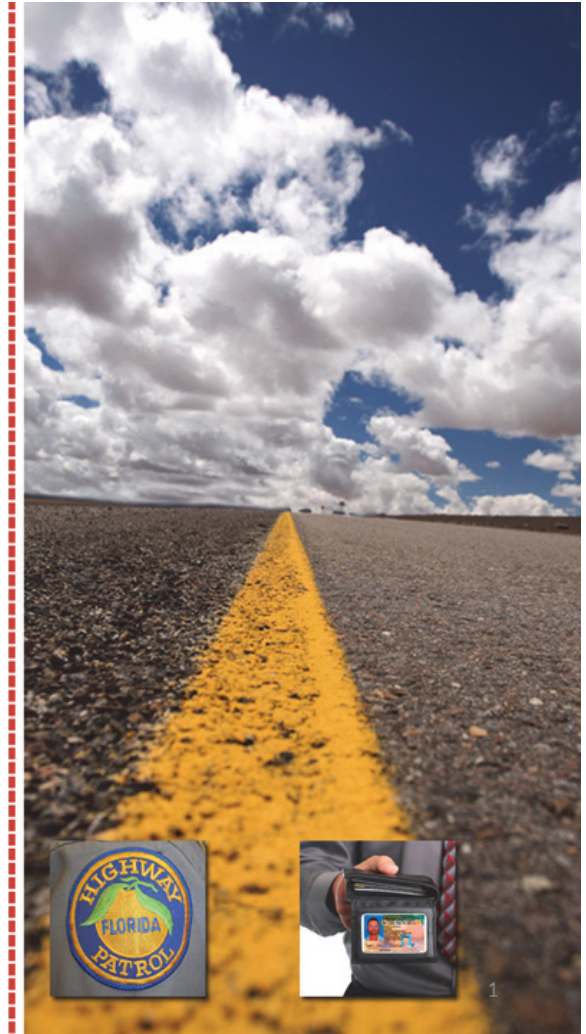
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Agenda Item # 7



2013 LEGISLATION





Automobile Dealers Industry Advisory Board

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2013 Legislation

- Driver License
- Motor Vehicle
- Specialty and Military Plates
- Voluntary Contributions
- Traffic Laws





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Driver License Changes

- **Ignition Interlock Device** (HB 7125, July 1):
 - Lowers IID breath levels to 0.025 from 0.05
 - Drivers with IID medical waivers must wait out IID time if reinstating early, or must be issued EPO if reinstating after revocation has expired
- **Medical Review** (HB 7125, July 1):
 - Removes association membership requirement for board members
 - Conforms Statute with DL Transition Report – Allows Tax Collectors to conduct medical exams as opposed to directing customer to the Department.



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Driver License Changes

- **CDL Holders** (HB 7125, July 1):
 - Disqualifies CDL for use of handheld communication devices
 - CDL learner's permit holder cannot elect school in lieu of points
 - Aligns CDL disqualifications with federal regulations





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Driver License Changes

- **Financial Responsibility** (HB 7125, July 1):
 - Insurers must notify the department of cancellations or new policies within 10 days
 - Removes option for surety bond
- **Driver Schools** (HB 7125, July 1):
 - Adopts criteria in law that had previously been in rule for TLSAE and BDI/ADI courses





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Driver License Changes

- Deferred Action Childhood Arrivals, proof required for driver license issuance (HB 235, October 1)
- Collection of email addresses for voter applications and whether the voter wishes to receive sample ballots by email (HB 247 and 249, October 1)
- Establishes when a private entity may swipe a driver license and how the data may be used. Also establishes civil recourse (HB 7125, July 1)





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Driver License Changes

- **Administrative Hearings** (HB 7125, July 1):
 - Eliminates the requirement for an HTO offender to have a hearing if HTO revocation has expired
 - Authorizes phone hearings
 - First time DUI offenders may waive formal or informal hearing and obtain BPO with no hard time.





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Motor Vehicle Changes

- Cleans up language related to IRP and certificates of repossession, among others
(HB 7125, July 1)
- Establishes identification necessary to complete title and registration applications
(HB 7125, July 1)
- Low speed vehicle conversion to golf cart title cancellation (SB 62, October 1)





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Motor Vehicle Changes

- Salvage dealers, secondary metal recyclers and others must send the proper notifications to NMVTIS on derelict or salvage vehicles, mobile homes, etc. (HB 7125, July 1)
- An electronic title may be transferred utilizing a secure reassignment document for the odometer disclosure in casual sales. (HB 7125, July 1)





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Motor Vehicle Changes

- Authorizes a pilot rebuilt inspection program in Miami-Dade and Hillsborough (HB 7125, July 1):
- Authorizes biennial renewals for Motor vehicle, mobile home, and RV dealers, manufacturers, distributors, and importers (HB 7125, July 1)





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Specialty and Military Plates

- Specialty Plates:
 - American Legion, Lauren’s Kids, Big Brothers Big Sisters pre-sales (HB 7125, July 1)
 - Freemasonry pre-sales (HB 487, October 1)
 - Increases fee for Florida Wildflower from \$15 to \$25 (HB 265, July 1)
- Military Plates:
 - Operation Desert Storm, Operation Desert Shield (HB 7125, July 1)





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Voluntary Contributions

- Voluntary Contributions for driver license and motor vehicle applications:
 - Auto Club Group Traffic Safety Foundation, Inc.
(HB 7125, July 1)
 - Homelessness (HB 93, October 1)





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Traffic Laws

- Allows drivers to present proof of insurance in an electronic format (HB 7125, July 1)
- Requires drivers to stay in right lane unless passing (HB 7125, July 1)
- Revises due process procedures for red light camera violation (HB 7125, July 1):
 - Allows placement of a stop on any vehicle owned or co-owned by the offender





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Traffic Laws

- “Florida Ban on Texting While Driving” (SB 52, October 1):
 - Illegal to type or read a wireless communication device while operating a motor vehicle
 - Secondary enforcement





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Fiscal Year Highlights:

Division of Motorist Services:

The Department announced a change in leadership. During this fiscal year Terry Rhodes was named chief of staff. She comes to the Department from the Florida Senate and prior to that she worked for the Department of Agriculture and Consumer Services.

Partnerships:

The Department partnered with the Florida Association of Automobile Dealers (new cars) and the Florida Association of Independent Automobile Dealers (used cars) to put information in their newsletters about this shift toward using technology as a means of communication.

The Department continues to partner with the local law enforcement agencies to conduct curbside enforcement throughout the state.

Use of Technology:

The Department implemented electronic lien program January 1, 2013. All liens must be transmitted electronically.

The Department is using electronic tools and website monitoring to identify unlicensed dealers and combat unlicensed activity as well as improper and misleading advertising on sites such as Craigslist.

Working Smarter:

The Department will begin offering dealers, manufacturers, importers and distributors the option of a two year renewal effective July 1, 2013.



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Division Projects:

Florida is one of 13 states participating with the American Association of Motor Vehicle Administrators on an E-title proof of concept task force.

The concept will focus on new vehicles by allowing electronic MCOs and electronic odometer declaration. This project should resolve the odometer declaration issue and provide the ability to track vehicles that are transferred between dealers.

If the concept is a success there will be substantial savings to the industry since there will not be a need to print the MCO. The concept would require that the E-MCOs received from the manufacturer be verified in the system, forwarded to the dealer then the dealer would electronically forward to the Department. This concept should preclude independent dealers from selling new cars.

Hearing Office Data:

The hearing officer's data for the first three quarters of this Fiscal year indicates a reduction in administrative action being taken against motor vehicle dealers. The reduction is attributed to an increase in education by the dealer training schools and revised educational material on the Department's website.

Advisory Board Taskforces:

A taskforce was formed to combat issues the Department is having with dealers that have canceled or expired GLI Polices.

A taskforce was formed to combat issues the Department is having with dealers using or acquiring transporter plates illegally.



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General comments:

The Board wishes to acknowledge outgoing Chair Berta Phelps, who has been on the board since its inception. She is retiring from Manheim Auction. Berta's dedication and service to the Board is greatly appreciated.

The Board has elected a new chair (Thomas "Dino" Mercurio and vice chair Jonathan Chariff).

The Board wishes to welcome new Board Member Karyn Wrye representing the National Auto Auction Association. Board Member Wrye is the Senior Director, Government Affairs Manheim at Manheim Auctions.

The minutes and exhibits that are contained in this report show the diversity of issues discussed this past year. These meetings provide an excellent forum to discuss such matters and the board extends its appreciation to the department for its participation in these discussions to better serve the motor vehicle industry.



OUR MISSION

Providing Highway Safety and Security
Through Excellence in Service, Education,
and Enforcement.

OUR VISION

A Safer Florida!

OUR VALUES

We Believe in:

Service by exceeding expectations;
Integrity by upholding the highest ethical standards;
Courtesy by treating everyone with dignity and respect;
Professionalism by inspiring confidence and trust;
Innovation by fostering creativity, and

EXCELLENCE IN ALL WE DO!

Compiled by:

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Division of Motorist Services
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