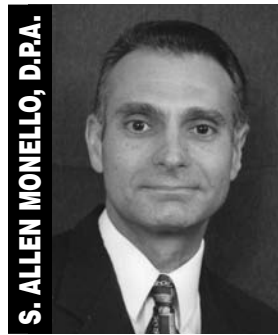


Governor Signs Lienholder Task Force Bill



Governor Crist signed HB 293 which provides lenders and buy here/pay here dealers with certain protections. This bill and several others will take effect over the next several months. I reported extensively on these bills in the last issue of Independent Dealer. However, here is a recap for your easy reference:

- Effective July 1, 2009, if a customer intentionally conceals, removes or destroys a vehicle that is financed, the lienholder (buy here, pay here dealers) may place a stop on the registration of that vehicle and any other vehicle that is in the customer's name at the time the stop was placed. Just to be sure there is no misunderstanding, this does not mean you may place this stop if a customer is late on payments or has missed payments. This law refers to customers who skip with the vehicle or who intentionally hide the vehicle and refuse to surrender it. Not only will stops be placed on all of the vehicle registrations owned by the customer, but stops will also apply to all registrations in the name of the co-owner.
- When a customer's vehicle is impounded, a lienholder now has the right to post a bond and have the vehicle released.
- Towing laws were amended to: 1) allow lienholders to file a complaint with the court if it is believed that the vehicle or vessel was wrongfully sold; 2) allow lienholders to inspect the towed vehicle or vessel at the towing and storage facility; and 3) authorize the release of the vehicle or vessel to the lienholder.
- Beginning October 1, 2009, through June 30, 2010,

independent dealers will not be allowed to transfer metal license plates to customers' vehicles until deal paperwork is processed by the tag office. In other words, you must issue a temporary tag in all cases during that period of time. Once the paperwork is processed, the customer may place their metal tag on the vehicle. However, if you subscribe to an EFS system (where you may issue metal license plates, decals, and registrations to customers at point of sale), you may continue to transfer metal plates as you have in the past.

- By July 1, 2010, the DMV must allow dealers to enter the transfer plate information into the DMV system at time of sale. This will be done through a third-party provider, just as the print-on-demand tag is processed. With this system, the transfer plate may be placed on the customer's vehicle because the information on the DMV database will show that the customer's tag has been lawfully transferred to the purchased vehicle. This will prevent customers from getting traffic tickets.
- Effective September 1, 2009 the following fee increases take effect:
 - s.319.23 failure to file title application within 30 days; penalty fee goes from \$10 to \$20.
 - s.319.32 title fee; from \$24 to \$70. Rebuilt inspection fee adds another \$20 for each additional inspection.
 - s.319.323 expedited title (fast title) fee; from \$7 to \$10.
 - s.320.04 License plate issue and transfer fee from \$2.50 to \$5.00.
 - Service charge on the issuance of a license plate validation sticker is

increased from \$1.00 to \$3.00.
s.s.320.06 License plate will have a 10 year life (instead of 6 years) and the yearly replacement fee will increase from \$2.00 per year to \$2.80 per year. There is also a retroreflection material processing fee that goes from \$.50 yearly to \$1.50 yearly.
s.320.0607 License plate replacement fee is increased from \$10.00 to \$28.00.
s.320.072 This is the one that really hurts – the new wheels on the road (initial registration fee) is increased from \$100 to \$225!
s.320.08 covers various other increases in tag fees for cars, trucks, motorcycles and dealer plates.

On another note, remember that the Federal Trade Commission will begin enforcing the Red Flags Rule on August 1, 2009. If you haven't already, please log on to www.fiada.com as a member, click on "Dealer Resources" then on "Federal Regulations." On that page you will find templates to assist you in complying with the Rule.

But remember, any time you have questions regarding a technical or compliance issue, please feel free to call me or Larry Peters. We are here to assist you in any way we can. We appreciate every one of you being members of the FIADA.

S. Allen Monello, D.P.A. is FIADA's Director of Operations. Contact Allen at Allen@FIADA.com