

**OHIO BOARD OF MOTOR VEHICLE REPAIR
BOARD MINUTES**

August 14, 2013 10:00 AM

**Vern Riffe Tower
77 South High Street
19th Floor, Rm. 1932
Columbus, Ohio 43215**

- 1. AT 9:59 A.M. THE AUGUST 14, 2013 OBMVR BOARD MEETING WAS CALLED TO ORDER.**

BOARD MEMBERS IN ATTENDANCE: Brian Seibert, William Ogg, Chris Sterwerf, Jeff Wagner, Matt Dougher (ASA), Summer Moses (AAG), Michael Greene, Daniel Gibson, Theresa Peppers, Kimberly Sherfield

- 2. REVIEW OF MAY 15, 2013 MEETING MINUTES:**

**MOTION TO APPROVE: WILLIAM OGG
SECOND: CHRIS STERWERF
VOTE: MOTION CARRIED**

- 3. BOARD REVIEW AND DETERMINATION RE: PENDING REGISTRATION APPLICATIONS:**

- A. Vote by Board on regular registrations pending from May 1, 2013 through July 30, 2013.**

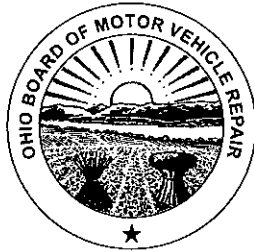
OGG: What percentage were renewed?

GREENE: I would say it's probably about 98%.

**MOTION TO ACCEPT: WILLIAM OGG
SECOND: JEFF WAGNER
VOTE: MOTION CARRIED**

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4. OTHER BUSINESS

A. Investigator's Report – Investigator Dan Gibson

Year to Date totals as of August 8, 2013

Shop Visits	391
Renewals	22
NOV	105
New Shop App	140
Complaints Investigated	64 (Involving 64 Shops)
Shops LOB	16

During which time Investigator Gibson visited 51 of the 88 counties

WAGNER: Is she (Ms. Peppers) mostly handling the tint?

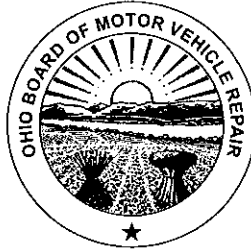
GREENE: No, she is handling everything. She's doing a really good job. She's generating a lot of arrears payments and shops that have been out of touch with us for a while. I can't even tell you how many letters and notices and stuff she's sent out. The number of phone calls she has generated, she's doing a great job.

GIBSON: I second that. What we have is we have a luxury that we've never had before and I'm in her office every day that I'm here and I say I need detective work done. She has the time and the ability and the resources now that I used to cram into my Thursdays. She's able to utilize Facebook and Craigslist, all of those things on the internet that is very, very time consuming for me and taking me away from other things that she's able to do and then when I come back for my next office day it's in my in basket ready to go. So, she is just an outstanding resource that we haven't had the luxury of having in the past.

B. Attorney General's Report – AAG Summer Moses-We've sent out the 30 day notices to six shops that were brought to my attention that are still operating and haven't paid any of their fees. We've had an issue of one of the letters coming back to us,

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we didn't have the correct address, and we've got that corrected. The 30 days was up July 6, after that I was able to submit a letter to the Attorney General asking permission to file the injunctions which he did grant. So we've got the first part of the injunctions ready to go, we're just waiting to get the second part done and then we'll file and then we'll go from there with those six which should be in the next little bit that we follows.

- C. Legislation Updates – ASA Ohio Rep. Matt Dougher I want to touch on five items today. As you know, earlier this summer, the budget was passed by the Governor, the State of Ohio Budget. There is some good news in it for our group here. With the help of Mike, we've got a 36% increase in funding for this board, which is awesome. You also know that the Ohio Motor Vehicle Board has changed with SB 114 last year. Also included in the budget were some tax cuts for businesses. A 10% tax cut in personal income tax and 50% tax deduction for small businesses up to \$250,000 of income. Which is good, that's going to be offset by a quarter of a percent increase in the sales tax rate.

UNCLAIMED MOTOR VEHICLES

The threshold is \$2500 right now to file for an unclaimed title. We've worked on it in the past budget to get it to \$5000. Unfortunately that was removed, but we're going to work with DPS to get that up to \$5000 to make it a little bit easier for you guys to file for title on an unclaimed motor vehicle.

There is also an issue where some groups were trying to remove some expenses from that amount because you can deduct expenses to get to reduce the amount of the value of the car, like estimated repairs, storage and towing. There are some groups that are trying to get rid of that where you cannot. We're going to work to keep those deductions in the law.

MOTOR VEHICLE REPAIR REGISTRATION

Motor vehicle repair registration with the Motor Vehicle Repair Board which is going to affect you guys. ASA is currently working with Senator Uecker, we are in the process of drafting some final legislation to submit as a bill. We're still working with the number of parties that are included in that bill. I was at a meeting on Monday with Senator Uecker, we talked about the advantages of licensing mechanical motor vehicle repair shops. So we're moving forward with that, nothing has been

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introduced yet, but, like I said, we're still working with some parties to work out a few things and then that will be introduced.

MOTOR VEHICLE SALVAGE DEALER LAW

I think it's something that popped up last year, it's still around. We are trying to put in place where others, besides just salvage dealers, can buy salvage vehicles; like a body shop. It's kind of a double-edge sword, because you don't want just anyone being able to buy salvage vehicles. We're trying to work on allowing body shops to purchase those vehicles. Again, this is something we're discussing with interested parties on with the General Assembly.

COUNTERFEIT AIRBAGS

There is a problem with counterfeit airbags. Most are coming from China where airbags are being made that do not have an actual bag within the airbag component. We're trying to move that to where it becomes a felony as oppose to just a slap on the wrist if you're caught.

We're also working on salvage vehicles. From what I understand, there are times where vehicles that were totaled sit around for an extended period of time, and that causes issues with the airbag. So, we are trying to work so that those airbags are not being removed and re-installed in another vehicle, which you can do right now.

OGG: Is everything salvaged that the insurance pays off totaled on? Does it automatically become salvaged regardless of the condition?

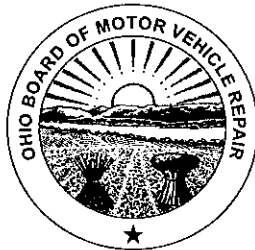
DOUGHER: Yes. Right now it's got to exceed the value of the car and there was actually some language that the insurance companies tried to put in there. Some other interested parties wanted it to be 80% and of course that doesn't sit well.

OGG: What I had in mind was coming in from the big Sandy storm, insurance companies paid off all of that. You look at them and they look like a brand new automobile. Are they salvaged, do they have salvage titles?

DOUGHER: They are going to be title-branded as "flood vehicle" most likely. They will be branded, yes, as a salvage title vehicle.

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OGG: So they don't know what they are buying?

DOUGHER: Yes, in some cases there are ways around it. It's always an issue, especially used car dealers today have to be very careful what they are taking in. They have to look for the signs of a flooded vehicle. It's an issue, some states that have less than stellar titling laws, those vehicles usually end up there and are distributed from there to states like ours. That's how it happens. There's not a uniform title bill across the nation and each state has a separate titling laws. So, if you have kind of a weak law, they'll go in and get those cars a good title, and they'll ship them out from there. We're not a dumping ground, per se, because we have pretty strong titling laws, so we're fortunate that way.

STERWERF: Another loop hole is self-insured fleets or rental car companies that are self-insured, they don't have an insurance company signing off and making that title salvage. So if their car is flooded sometimes, by law, they are supposed to but I know a lot of times it doesn't happen, they don't mark it salvage. They then sell it on the open market because there's no insurer involved because they are self-insured. That's another way to stay under the radar for some entities.

SEIBERT: I looked over some legislation that the Automotive Service Association was trying to get those cars permanently destroyed. If those vehicles came through, those vehicles were going to be dismantled.

DOUGHER: From a national stand point or from a state stand point?

SEIBERT: I can't remember but they were trying to get those flooded.....especially back when we had the problems down south, down in Texas where it first started.

DOUGHER: Maybe Chris knows, but I'm not aware of that, but again, I may not know. I can look into the situation if you would like me to, I would be happy to.

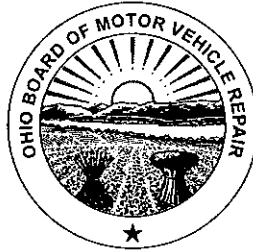
GREENE: That must be on a national level because I've never heard of it.

DOUGHER: I have not, but again, it may be something I have not been peevied to but I'll definitely check into it.

STERWERF: I'm sure that got forwarded by the insurance and the salvage lobbyist because that's going to really hurt them. That's how insurance recoup some of their

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money off of that salvage bid and of course the salvage people wanta lot of those are supposed to be right on the title and now it says "for parts only" . It's supposed to be for the legal parts, electronics or anything like that, we all know doesn't always happen.

Matt, also, as far as mechanical registrations is there anything, I know that in the past it's always been new and used car dealers is our opposition and that Joe had reported that things were looking with them, is it still.....

DOUGHER: I think it's looking better, that was what our meeting was last week with the Senator. Everyone had their say and what they thought of the legislation. Please, Mike, correct me if I'm wrong, you're probably more advised on this issue than I am, we still have some opposition from those two parties. I think it's something we can get by, I don't know how you feel, Mike, but that's really how I feel.

GREENE: I think we'll have legislation. I think the way its written right now might be tweaked a little bit. I think we're going to get it either way. If anything is tweaked about it, it will be retail merchants, Sears and Wal-Mart, places like that. The dealers, that could go either way right now, I mean, that's kind of up in the air. If we can get mechanical on board, we can always work on the used dealers later on. There are some deals being made and everybody's got a little piece of the pie.

DOUGHER: Maybe we don't get everything we want the first time.

GREENE: Right.

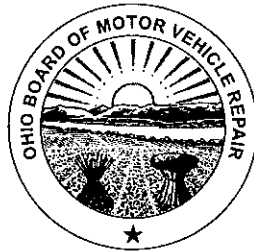
DOUGHER: It's maybe something that we can build upon.

GREENE: Right, for years we have been trying to get something through. I think we are closer now than we've ever been. There's some talk about making deals on the right to repair thing. I'm not up on that "right to repair" very much, I know what it's about but I don't know who all of the players are, but it may be worked out yet. I think we'll get something, I think it will be good, regardless.

DOUGHER: Yes. It's something we can build upon.

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GREENE: It might be tweaked a little bit, from what we've got and the Department of Taxation thing, that may go to the way-side where the....

DOUGHER: The Vendor's License is tied into it.

GREENE: The Vendor's License, there are some problems with that, logistical problems with that from their department that may cause budget issues and things. We may see little things like that go, but I think we're going to get a mechanical law, I think that we're going to get that.

D. Director's Report – Mike Greene (SEE ATTACHED)

FY13 REVENUE

I think FY 14 will probably end up being our biggest year yet and it just started. We collected so many arrears in FY 12 that it just made a huge difference.

CURRENT REGISTRATIONS

Collision shops are down by 29, I can't really attribute that to anything other than, there have been some retirements, and there have been some closures. That always goes back and forth, Dan sees it better than I do. We're still getting a lot of new ones, too.

OTHER NEWS

There were 22 people at the August 12th meeting with Senator Uecker. It was a pretty good mix, there were a lot of good points brought up and some legitimate opposition and some not so legitimate opposition. It really was good, but I think all and all we're going to come out ahead in all of that. Senator Uecker is very supportive, I think. I get a pretty good vibe from him, he's a real down to earth person.

Since we now license or register window tint installers, it's caused kind of a hardship with the possibility of them being cited into court for installing window tint that's over the limit. They've had this problem in other states and the International Window Film Association says that they would like to get support on legislation to change the percentages in Ohio. If you remember back when that law first passed, I think it was

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in '87, Ohio was 50% all the way around, except for the windshield. Then in '94 they changed it to 50% for the driver's side and front passenger and as dark as you wanted it from the driver back, still 70% on the windshield. What that basically means is people can get limo tint, mirrored tint, whatever they want on the back windows as long as they don't get any more than 50% on the two front windows. The Window Film Association wants to 35% all the way around and we don't really have a dog in this fight other than the fact that we want to keep the window tint people in business. It doesn't appear to be a huge safety factor, they want to get DPS people involved and they are using me as a conduit to DPS.

Monday and Tuesday of next week (August 19th & 20th) I have interviews for the investigator position that we posted for the northern half of Ohio. We're going to hire another investigator and split the state in half. We're going to have a specific person up north. I'm going to hire someone that knows their way in every alley, street in downtown Cleveland and we're going to try and turn things around up there because we know we have a problem. We want somebody that is familiar with the area. We're interviewing six applicants out of 222 that were eligible. I'm not sure what the total number was that applied. By the next meeting, we should have another investigator here.

OGG: I have another question about that tinting. A lot of people do that on their own with the tape do they come under the same restrictions?

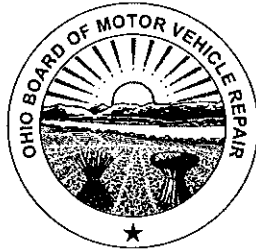
GREENE: Yes, if they do it themselves and get caught, yes. They do come under the same laws and same restrictions under the equipment section as far as the percentage goes and the same restrictions under us if they get caught installing.

WAGNER: Dan, geographically, have you worked out, is IS70 going to be the cutoff for the new guy or is he just going to handle further north?

GREENE: We're probably looking at IS70 or somewhere close to that. It's going to have to be a little bit of, you know IS70 cuts through the middle of Columbus. That's kind of what we're looking at, we have enough up north to give the guy a car and a computer and not see him for a while. There's enough up there the keep him busy – or her, whichever one we end up with. Eventually my plan is if we get the mechanical thing through to hire two more and split it four ways, that's my plan. It will be primarily northern Ohio.

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5. ADJOURNMENT: NEXT BOARD MTG. – NOVEMBER 13, 2013, LOCATION:

MOTION TO ADJOURN: WILLIAM OGG

SECOND: CHRIS STERWERF

VOTE: MOTION CARRIED

Vern Riffe Tower, 77 South High Street, 19th Floor, Room 1932, Columbus.

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