

Pennsylvania
Automotive
Association



News Bulletin



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Robert Hunter Receives PAA Lifetime Achievement Award

On December 2, 2021, Robert Hunter of Hunter Truck Sales received the PAA Lifetime Achievement Award, in honor of his years of service to the industry and to the associations.



Mr. Hunter served on the Pennsylvania Truck Dealers (PTD) Board from 1991 to 2010 (19 years) and on the PAA Foundation Board of Trustees for 12 years.

He helped grow Hunter Truck Sales from a single point to over 24 locations today.

In 2006, Mr. Hunter was recognized as the ATD Truck Dealer of the Year.

Over the past ten years, through the Robert and Gail Hunter Foundation, he has donated over \$1 million to his local community.

The PAA Lifetime Achievement Award was created to honor exceptional individuals who have dedicated themselves to championing the industry and continuing its tradition.

Documentary Fee for 2022

The Consumer Price Index (CPI) was announced on January 12, 2022, increasing the maximum documentary fee from **\$328 to \$351 for processing titlework manually (from \$394 to \$422 if dealers perform on-line registrations** with an on-line provider (such as Cox/Dealertrack). The increase is effective immediately.

Each year, the documentary fee will continue to be adjusted annually in accordance with the Consumer Price Index. See PAA News Bulletin No. 24 (12/27/19).

PennDOT Announces Driver's License Verification Program

On December 8, 2021, PennDOT announced their "Verification of Identity by PennDOT Business Partners for Motor Vehicle Transactions" program.

In an attempt to diminish instances of fraud perpetrated with driver's licenses, PennDOT is implementing additional requirements to verify valid driver's licenses.

An electronic verification process will need to be performed on **all transactions where PennDOT requires a license to be copied.**

All agents involved with title and registration transactions will be required

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to use the verification of identity system and process regardless of their online status with PennDOT. Failure to sign up with one of the three approved business partners by November 30, 2022, will result in PennDOT suspending the agent's contract.

The three approved integrators to access the verification of identity system are Dealertrack, CVR and Vitu. Once the dealership/PennDOT agent signs up with an integrator, the integrator will be in contact to assist with set-up and training. If you are already online with an integrator, you should contact them to learn more about the implementation of the program.

PennDOT will also permit a standalone solution, through the three approved integrators, that connects to AAMVA for agents not online. Dealertrack currently has a standalone solution available.

Scanned or Manually Typed Driver's License

Driver's licenses will need to be scanned or the information typed manually into an interface that will communicate with the American Association of Motor Vehicles (AAMVA) Driver License/Driver Verification platform to determine the validity of a driver's license.

The driver's license validation process must be used for all transactions where the driver's license is presented.

Once the license is validated, the dealership/agent will be required to print out a verification report which must be attached to the title work application.

If the license comes back 'not validated', delivery of the vehicle cannot occur.

Enrollment will occur throughout 2022 with mandatory participation by November 30, 2022.

Frequently Asked Questions

Which transactions require Driver's License Data Verification (DLDV)? DLDV is required for all primary transactions and owner/lessee correction where the driver license is collected today and the new DLDV report should be sent with the regular paperwork.

What information must be entered? To complete a title transfer transaction, the agent will enter the buyer's name, DL/ID number, date of birth and product expiration date. Scanning a license is also permitted and may reduce entry error.

Does this apply to out of state licenses? Yes. A non-PA resident, listed as co-owner is acceptable and the driver license verification must be run unless the individual is from a state that does not provide information to AAMVA. These

states include: AK, AL, CA, LA, MN, NH, NY, NV, OK, UT, and WV.

Will we need to continue to send a copy of the license with the new DLDV report? Yes. A copy of the front and back of the driver's license is still required with all transactions and is to be sent with all regular paperwork along with the new DLDV report.

What if the customer is a business?

Businesses are exempt from the driver's license verification.

What happens if the verification comes back as invalid? The transaction cannot be processed and the vehicle should not be delivered. PennDOT contact information should be provided to the customer who will be responsible for correcting their invalid status directly with PennDOT.

PAA Recommends Dealertrack

Dealertrack has developed a robust, easy to use solution for their dealer and agent clients. Their solution includes the ability to track valid and invalid driver's licenses for audit and reporting purposes.

PennDOT is requiring daily reporting to illustrate that there are no invalid driver's licenses being accepted.

Dealertrack's real-time verification allows for the verification:

- 1) that the driver's license/ID exists; and
- 2) whether or not the driver's license/ID presented is matched to the attributes on the credential, i.e. that the name, date of birth, expiration, and driver's license number match.

Pass Through Fee - \$2.00

The Dealertrack product includes an allowable pass-through fee per PennDOT from the dealer/agent to the customer. The cost per transaction is \$2.00, which will be included in the online registration fee when processing online and may be passed on to the customer.

Dealers should contact one of the three approved integrators to begin implementation. Additional information on this program will be provided as it becomes available.

Cash Reporting Notification to Customers by January 31

The IRS requires that all customers identified on a cash reporting Form 8300 during 2021 be notified, in writing, by January 31, 2022. The notification must include the name and address of the dealership (correspondence on dealership letterhead will suffice) and the amount of cash reported. The following is sample wording for the notice:

Date
Dear (Customer Name):
We are required by the Internal Revenue Service to report all transactions involving more than \$10,000 in cash [26USC 6050 (1)].
We filed Form 8300 with the IRS on (date, 2021), indicating that you gave us \$(amount) in connection with your purchase of a (make, model year, VIN).
Sincerely, Dealership Name

The exact wording of the customer notification should be reviewed by the dealership's legal advisor. Dealers are encouraged to review 2021 transactions carefully to be certain that all affected customers are notified in writing and to maintain a copy of the notification for their records.

Electronic Filing for Form 8300

Since 2012, eligible business are able to electronically file Form 8300 using the Bank Secrecy Act (BSA) Electronic Filing System. E-Filing is a free, web-based system that allows businesses to submit their reports through a secure network. More information is available at www.fincen.gov.

PAA Offers Cash Reporting & Other Reviews

PAA offers an 8300 Cash Reporting Compliance Review, in addition to reviews in the areas of Safeguarding Customer Information, Sales and Use Tax, Sales Process, and Motor Vehicle Sales Financing. For more information contact Allison Mitchell at amitchell@paa.org.

Supreme Court Blocks Vaccine or Test Rule

On January 13, 2022, the U.S. Supreme Court blocked the Occupational Safety and Health Administration's (OSHA) enforcement of its COVID-19 Emergency Temporary Standard (ETS). Among other things, the ETS would have required most employers with 100 or more employees to either mandate COVID-19 vaccinations for all covered employees or require unvaccinated employees to undergo weekly COVID-19 testing.

The Supreme Court's ruling has effectively stopped the ETS in its current form.

When OSHA issued the ETS in November 2021, dozens of businesses, trade associations, state governments, and other opponents immediately brought legal challenges to the new rule, arguing that OSHA exceeded its authority in creating the sweeping vaccination mandate for large employers. The challenges were ultimately consolidated before the Sixth Circuit Court of Appeals, which disagreed and allowed OSHA to move forward with the ETS. The challengers appealed to the Supreme Court, which held oral arguments in the matter on January 7, 2022.

Most provisions of the ETS went into effect on January 10, 2022, with the vaccination-or-testing portion of the ETS scheduled to go into effect on February 9, 2022.

In a 6-3 opinion, the Court ruled that the challenges were likely to succeed and stayed the ETS, ruling that the ETS was an unconstitutional overstep of OSHA's authority. The Court held that OSHA had the power to set workplace safety standards, but not to implement broad public health measures that would impact millions of employees. The Court described COVID-19 not as an occupational hazard in most workplaces, but instead as a "universal risk" that OSHA could not regulate in the workplace in such a sweeping fashion.

The Court's decision only concerned OSHA's authority to require employers to adopt a vaccine mandate; nothing in the decision prevents employers from voluntarily adopting their own vaccination requirements in the workplace. As additional information becomes available, it will be provided to the dealer community.

FTC Publishes Inflation-Adjusted Civil Penalty Amounts

The Federal Trade Commission (FTC) recently announced increases to various civil penalties within its jurisdiction to adjust for inflation.

The FTC has adjusted the maximum civil penalty dollar amounts for violations of 16 provisions of law the FTC enforces, as required by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

The Act directs agencies to implement annual inflation adjustments based on a prescribed formula. The new maximum civil penalty amounts took effect February 14, 2019.

In particular, the FTC announced that the penalties for violation of Section 5 of the Federal Trade Commission Act, Unfair or Deceptive Acts or Practices, will increase from \$43,792 to \$46,517.

Additional information on consumer protection through the FTC can be found online at www.ftc.gov/tips-advice.

Bulletin Survey QUESTION

Are you using a 3rd party application to evaluate and appraise used vehicles online?

Yes
 No

Answer Online at www.paa.org/survey

Local Use Fee Counties - Luzerne Repeals \$5 Fee, Lackawanna starts April 1

In 2018, Luzerne County passed an ordinance to implement a fee of \$5 for each vehicle registered to an address located in Luzerne County. The county has since **repealed the ordinance as of January 1, 2022.**

Lackawanna County has passed an ordinance to implement the \$5 fee effective April 1, 2022.

Counties are able to pass an ordinance to implement a fee of \$5.00 for each vehicle registered or renewed to an address location in that county. The \$5.00 fee is collected by PennDOT at the time a vehicle is registered or renewed. This \$5.00 fee is in addition to the registration fee.

As of February 21, 2019, the Pennsylvania Vehicle Code was amended to make the Fee for Local Use an annual fee. The fee is based on the number of years a customer wants to register their vehicle. Customers who register their vehicle for multiple years will pay the annual \$5 fee for every year of registration. For example, a customer will pay a fee of \$10 for a two-year and \$25 for a five-year vehicle registration. The fee is collected by PennDOT at the time the vehicle is initially registered and when the registration is renewed.

The annual fee will not be collected at the time a registration is transferred to another vehicle.

To see the list of counties and access the fact sheet, visit www.dmv.pa.gov and search "Local Use".

Participating counties include:

- | | |
|---------------------|--------------|
| Allegheny | Lawrence |
| Beaver | Lycoming |
| Berks | Mifflin |
| Blair | Montgomery |
| Bucks | Philadelphia |
| Butler | Pike |
| Cambria | Schuylkill |
| Centre | Union |
| Chester | Westmoreland |
| Cumberland | York |
| Dauphin | |
| Delaware | |
| Erie | |
| Greene | |
| Lackawanna (4/1/22) | |