

Trends

No Data Available

Legend:

⬆ Increase, ⬇ Decrease, ➡ Steady

Key Performance Areas

No Data Available

Productivity

No Data Available

Legend:

⬆ Improving, ⬇ Worsening, ➡ Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov/agencylevel/index.cfm

Background & History

The 1995 General Assembly overwhelmingly adopted legislation to shift the regulation and oversight of the new and used motor vehicle dealer industry from the Department of Motor Vehicles, to a professional board.

The Board consists of nineteen members for which the Governor, subject to confirmation by the General Assembly, appoints seventeen. In order to stagger appointments and ensure continuity, initially, eight members were appointed to two-year terms and nine were appointed to four-year terms.

The statute creating the Board stipulates that nine members shall be licensed franchise ("new") motor vehicle dealers, and seven members shall be independent ("used") dealers. Further, the statute requires that of the seven independent dealers, one shall be primarily engaged in vehicle rental, and one in the motor vehicle salvage business. The other three members include a consumer with no connection to the motor vehicle dealer industry; the Commissioner of the Virginia Department of Agriculture and Consumer Services or his designee and the Commissioner of the Department of Motor Vehicles (DMV), who serves as the Board's chairman.

The Motor Vehicle Dealer Board's authority is found in Title 46.2 of the Code of Virginia, § 46.2-1503. Motor Vehicle Dealer Board, and § 46.2-1503.4. General powers and duties of the Board.

Primary Product & Services

Certify, license and educate motor vehicle dealers and salespersons. Assist consumers who have questions or problems related to the purchase of a car or truck. Impose disciplinary action on dealers and salespersons to include educational and warning notices; assessment of civil penalties; and suspension and revocation of licenses and certificates.

Customer Base

The number of Commonwealth automobile dealers and salesperson continued to decline in FY 2012 and now appears to be leveling-off. However, the number of salespersons employed by dealerships has continued to increase. Trend appears to be fewer dealerships employing more salespersons. The Motor Vehicle Dealer Board (MVDB) has successfully met the fiscal challenge caused by a shrinking dealer and salespersons population.

Customer Listing

No Data Available

Key Agency Statistics

Please see "Statistics Summary Table". Some highlights include:

- 47% increase over FY 2011 in the number of educational advertising related contacts due to our efforts to ensure that internet advertising is compliant with laws and regulations.
- 1,218 Independent Dealer Operators recertified in the first full fiscal year of this relatively new requirement.
- 6% increase over FY 2011 in the number of new and renewal dealer licenses processed. (21% renew for 2 years.)

Agency Executive Progress Report

- 14.6% increase over FY 2011 in the number of new and renewed salesperson licenses processed. (15.2% renew for two years.)
- 12.4% increase in the number of qualification tests taken

Finances

The Board receives no general fund monies. Fees submitted to the agency by dealers cover all business functions and services provided by the Board. We continue to experience a surge in costs associated with VITA rate increases, IT investment and support and other direct operating costs, necessary for keeping up with technological improvements and data security.

The Board's financial accounting and reporting functions are provided by DMV. As a result of this joint effort, the Board has been able to conduct its statutory responsibilities and its financial management functions in a most cost-effective manner.

Fiscal Year Ending June 30, 2012: Revenues= \$2,090,662. Expenses/Transfers=\$2,006,199; Cash Balance=\$822,868. The Board continues to be good stewards of its resources as the cash balance increased by nearly \$60,000 from the end of FY 2011 to the end of FY 2012.

Fund Sources

No Data Available

Revenue Summary Statement

The Motor Vehicle Dealer Board is self-sufficient and is funded strictly by fees paid by dealers. These fees cover all of the expenses of the Board. No general fund dollars are appropriated to the MVDB. The current fee structure was established in December of 2007; nearly twelve years after the initial fee structure was established when the MVDB was created.

The Transaction Recovery Fund is a Special Fund that is also funded by the dealers. The purpose of this Fund is to assist consumers who have secured a judgment of fraud against the dealer and the dealer does not pay the judgment.

Key Risk Factors

During this planning period, appropriations will be closely monitored to keep up with incremental cost increases particularly for IT infrastructure; application development/upgrades; software expenditures and increases in telecommunications costs. We anticipate our web site hosting costs to increase with the phase-out of Virginia Interactive. Anticipated VITA rate increases will also impact funds available for application development and upgrades.

Performance Highlights

The Motor Vehicle Dealer Board tracked the following performance indicators during FY 2012:

- Processed 56% of "clean" salespersons applications within 5 working days.
Target 99% [We run a criminal background check on each applicant. We experienced an 83% increases in the number of criminal history reports requested. In addition, all of our employees that process license applications are off one day every two weeks as part of a "flex" schedule. These factors impacted our ability to achieve the goal]
- Completed 82% dealership opening (original) inspections within 30 days of assignment to a field representative.

Agency Executive Progress Report

Target 90% [We were short one field representative for several months and we had some on extended medical leave in FY 2012

- In FY 12, responded to 99.9% of email correspondence sent to the agency's email address within 3 business days.
Target 98%

- Effectively managed the Transaction Recovery Fund by timely transferring administrative costs to the operating fund.
Target 100%

Other Notable Performance Milestones:

- Advertising violation and educational letters and phone calls in FY12: 322

Performance Measures

Management Discussion & Analysis

General Information about the Ongoing Status of the Agency

The MVDB continues to make strides towards a "paperless" office environment by evaluating document management practices as prescribed by the Library of Virginia, VITA and internal practices. We continue to scan documents thereby creating an electronic file for all dealers. In this biennium we plan to make enhancements to the scanning process that will result in more efficient operations and organization of scanned documents. We are no longer filing paper documents once they are imaged/scanned.

Information Technology

Meeting our performance target goals and servicing our customers continues to be our responsibility to the Commonwealth. Information Technology (IT) infrastructure costs (VITA/NG) and our IT development costs will continue to be looked at carefully to ensure we are meeting mandates from external sources as well servicing our customers: dealers and salesperson and business partners. Current IT operations along with proposed IT solutions will require planned modifications/enhancements that we foresee in our core business segments: Dealer Licensing and Education. Applications that support these business segments continue to be updated in order to provide the best customer service and reduce redundancy in data entry and other work flow processes.

During this biennium period, application development will continue to focus on combining legacy applications into a single shared and integrated database for headquarters and field staff. We will implement methods to better communicate electronically with field staff. We have recognized the value for our staff to perform functional responsibilities in a single, shared and integrated system to support our core business functions. Application integration will allow for a single database for efficient data management and maintenance and ultimately retire unused network circuits and older servers while maintaining data integrity and allow for flexibility for future modifications or enhancement requirements.

Since MVDB is a special funded agency (non general Fund-NGF), all licensing fees generated from Virginia dealers and salespersons are our sole revenue source to manage agency core lines of business while meeting service delivery performance objectives to our dealers and automotive consumer base.

Workforce Development

The Motor Vehicle Dealer Board is implementing an automation and re-engineering activity that will "overhaul" all existing core business functions within the Consumer Assistance and Motor Vehicle Dealer and Salesperson Regulation service areas. Work flow processes will streamline operational activities for staff allowing for more customer focused activities to be accomplished during this planning period. Individual staff responsibilities continue to evolve with changes in demand for service and to improve customer service and record keeping.

Physical Plant

We are in leased space that fits our needs. It is convenient and easy to locate with easy parking for our customers who visit the office to conduct transactions. We are very happy in our current space. We anticipate renewing our lease during this biennium.

Our eleven field representatives work out of their home offices. The eleven are stationed throughout the Commonwealth. This model saves the agency a significant amount of money as it reduces office space needs and travel costs.