

**ATTENTION ALL DEALERS, SALESPEOPLE AND INTERESTED PARTIES:**



The following news release was dispatched province-wide this week encouraging feedback to proposed changes to legislation affecting our industry.

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***NEWS*** from the:

**Motor Dealer Council of British Columbia**

**FOR IMMEDIATE RELEASE**

## **Major changes proposed for motor dealer and vehicle sales legislation**

BURNABY, B.C. (17 May, 2006) - Consumers may be able to recover up to \$50,000 in the event of a loss that was a result of motor dealer business failure, dishonest behaviour or failure to provide clear title by a dealership in British Columbia, if changes proposed by an exhaustive legislation review are enacted. This would raise the ceiling on qualified claims to the Motor Dealer Customer Compensation Fund from the present \$20,000.

The two-year review by the Legislation Review Committee of the Motor Dealer Council focused on all legislation and regulations with respect to the sale of motor vehicles. The committee had representatives from industry, the public-at-large, ICBC, Autoplan agents and the British Columbia Automobile Association. At the outset of the review process a total of 15 organizations, representing both consumers and industry, were asked to make submissions.

The MDC has posted the complete 42-page report of this committee to its web site, [www.mdcbc.com](http://www.mdcbc.com), inviting feedback from both the industry and the public, before asking government to act later this year.

The preponderance of recommendations concern uncontroversial updates of definitions, language and terminology to more accurately reflect modern realities and business practices.

Other important proposals include:

- Ensuring that all wholesalers, brokers, auctioneers, importers, exporters, bailiffs, collection agents and manufacturers who sell motor vehicles are to be licensed.
- Clarifying the definitions of campers, tent trailers and horse trailers to insure that all appropriate dealers are included as businesses requiring a dealer licence.
- In addition to the elevated Compensation Fund claim ceiling to \$50,000, other changes clarify and expand what is covered, and lengthen the period in which to make claims. There is also the addition of an optional dispute resolution process.

- Improved language to ensure that motor dealers comply with "every advertisement or written representation."
- Ensuring that financial agents and lenders not "licensed under a federal or provincial statute," must be licensed under the Motor Dealer Act if they participate in vehicle sales. Anyone engaged in consignment sales should be required to post securities, such as letters of credit, in the amount of \$75,000 for recreation vehicle dealers and \$20,000 for auto dealers.

Dealers are currently required to disclose ("to the best of his knowledge and belief") whether a vehicle for sale has sustained damage requiring repairs costing 20 per cent of the asking price for new vehicles, or \$2,000 for all used vehicles. It is proposed that this latter amount be increased to \$5,000, better reflecting current market values.

The Motor Dealer Council is an independent regulatory authority established pursuant to the laws of British Columbia with responsibility for administering the Motor Dealer Act and related regulations, as well as other statutes as they involve motor vehicle sales to consumers.

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FOR MORE INFORMATION: **[www.mdcbc.com](http://www.mdcbc.com)**

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