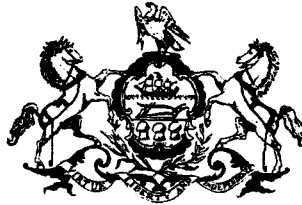


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MARIO J. CIVERA, JR., MEMBER
HOUSE POST OFFICE BOX 202020
MAIN CAPITOL BUILDING
HARRISBURG, PENNSYLVANIA 17120-2020
PHONE: (717) 787-3850
FAX: (717) 705-1851

830 N. LANSDOWNE AVENUE
DREXEL HILL, PENNSYLVANIA 19026
PHONE: (610) 853-4115
FAX: (610) 853-4116

232 LONG LANE
UPPER DARBY, PENNSYLVANIA 19082
PHONE: (610) 352-7800
FAX: (610) 352-3389



House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

February 25, 2003

COMMITTEES

PROFESSIONAL LICENSURE,
MAJORITY CHAIRMAN
LIQUOR CONTROL
FIREFIGHTERS' CAUCUS,
COCHAIRMAN EMERITUS

John R. McGinley, Jr., Chairman
Independent Regulatory Review Commission
14th Floor, Harristown 2
333 Market Street
Harrisburg, PA 17101

Dear Chairman McGinley:

I am writing to inform you that the House Professional Licensure Committee held a meeting on February 25, 2003.

The Committee voted to take no formal action on Regulation 16A-607, State Board of Vehicle Manufacturers, Dealers and Salespersons, until final form regulations are promulgated. However, the Committee submits the following comments:

1. As set forth in Annex A, the draft of the proposed regulation is not underlined to indicate that it is an amendment to the Board's regulations.
2. The Committee recommends that the Board adopt minimum size and clarity specifications for the written disclosure required by Sec. 19.18a(d) to ensure proper notice to potential buyers.

The Committee voted to take no formal action on Regulation 16A-604, State Board of Vehicle Manufacturers, Dealers and Salespersons, until final form regulations are promulgated. However, the Committee submits the following comment:

1. How is the public to be kept out of non-conforming display areas, especially during non-business hours when no dealership personnel are present? Is the lowering of public safety measures for economic reasons justified, especially when the Board indicates that no neighboring states have lowered safety standards?

The Committee voted to take no formal action on Regulation 16A-603, State Board of Vehicle Manufacturers, Dealers and Salespersons, until final form regulations are promulgated. However, the Committee submits the following comment:

1. In requiring a display area that is open to the public for public or retail auctions, should the Board not require the same safety measures in regard to grading, surfacing, etc. that are required for dealership display areas?

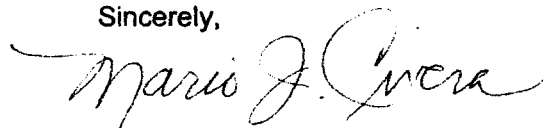
John R. McGinley, Jr., Chairman
Page 2
February 25, 2003

The Committee voted to take no formal action on Regulation 16A-454, State Board of Cosmetology, until final form regulations are promulgated. However, the Committee submits the following comment:

1. The Committee requests an explanation as to what is meant by "sufficient" equipment for each additional licensee in a shop. How would this requirement be enforceable?

Please feel free to contact my office if any questions should arise.

Sincerely,



Mario J. Civera, Chairman
House Professional Licensure Committee

MJC/sms
Enclosures

cc: Edward J. Cernic, Jr., Chairperson
State Board of Vehicle Manufacturers,
Dealers and Salespersons
Franklin K. Schoeneman, Chairman
State Board of Cosmetology
Honorable Benjamin Ramos, Acting Secretary of the Commonwealth
Department of State

Regulation 16A-607

State Board of Vehicle Manufacturers, Dealers and Salespersons

PROPOSAL: Regulation 16A-607 amends 49 PA Code, Chapter 19, regulations of the State Board of Vehicle Manufacturers, Dealers and Salespersons. The amendment implements 1996 amendments to the Board of Vehicles Act relating to consignment sales.

The proposed Rulemaking was published in the Pennsylvania Bulletin on December 14, 2002, and resubmitted to the Professional Licensure Committee on February 5, 2003. The Professional Licensure Committee has until February 25, 2003 to submit comments on the regulation.

ANALYSIS: The Board of Vehicles Act, (P.L. 306, No. 84), was amended by Act 27 of 1996 to allow licensed vehicle dealers to act as vehicle brokers, and provided that vehicle dealers do not need to hold a vehicle auction license in order to sell a vehicle on a consignment basis. Proposed Section 19.18a sets forth the conditions under which licensed dealers would be permitted to engage in consignment sales.

Vehicle dealers would be required to maintain and display a copy of a written consignment agreement with the consignor at the lot where the vehicle is displayed. The proposed regulation sets forth a list of information which must appear in the agreement, which includes the name and signature of the consignor; the make, model, year, vehicle identification number and license plate number; the length of the consignment period; the terms of sale and the amount of the dealer's commission; the terms of insurance coverage during the period of consignment; warranties extended by the consignor; a list of all current lien holders; and any material facts relative to the vehicle including an accident history.

Other documents that must be maintained at the vehicle's location would include a copy of the current registration card or title; an executed power of attorney from the consignor to the dealer authorizing the assignment of title; an unexecuted title if the title is unencumbered, or a title release from each lien holder if the title is encumbered. The dealer would be responsible for having the title assigned from the consignor to the dealer prior to applying for title in the name of the buyer. Dealers would be required to disclose in writing on or attached to the vehicle that the vehicle is held on consignment and is not owned by the dealer.

RECOMMENDATIONS: It is recommended that the Professional Licensure Committee take no formal action until final form regulations are promulgated, however, the Committee submits the following comments:

1. As set forth in Annex A, the draft of the proposed regulation is not underlined to indicate that it is an amendment to the Board's regulations.
2. The Committee recommends that the Board adopt minimum size and clarity specifications for the written disclosure required by Sec. 19.18:(d) to ensure proper notice to potential buyers.

House of Representatives
Professional Licensure Committee
February 14, 2003

PROFESSIONAL LICENSURE COMMITTEE
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