



## Consultation Responses

### Regulation of Motor Dealers: A Discussion Paper of Issues and Possible Regulations in Saskatchewan

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**Regulation of Motor Dealers:  
A Discussion Paper of Issues and Possible Regulations in  
Saskatchewan  
Consolidation of Discussion Questions**

**Submitted By:**

Sask. Auto Dealers Assoc.  
610 Broad Street, Regina, SK, S4R 8H8

<b>Disclosure</b>
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1. Should a dealer be required to disclose any of the following items to a purchaser or prospective purchaser?

Repair History:

**No. Unfortunately, this would be very difficult to be regulated under mandatory disclosure. To our knowledge, it has not been established, legally, whether work order information belongs to the customer who paid for it, and others should not have access to it without permission. Customers claim that others should not have access to info that they contracted to a dealership to perform. If the repair history is known, it can and is being done now by our members, if asked for by the customer; providing the previous owner's personal information is blocked out. But many times, new car franchises do not know full repair history on used vehicles and are unable to access it. It's virtually impossible to know the full repair history on every vehicle.**

Accident History:

**Yes. This can and is being done now through SGI's website currently (free on Saskatchewan Vehicle searches)**

Inspection reports, if any:

**Yes. However, SADA would like to initiate the idea of having an SGI-approved Saskatchewan Safety Certification done each time a vehicle changes hands in a sale -**

private and business sales. If this action was consistent across the province with ALL vehicles sales, then safety would be greatly improved for the consumer, and it could provide a revenue source for the Government. SADA would like to discuss this idea when we meet with your representatives.

Whether the vehicle has been declared to be a "lemon" under the laws of any other jurisdiction:

**No. Not applicable, as Canada does not have a "lemon law".**

Whether a used vehicle has been acquired from an out of province source:

**No. This is already being done, when the tax is calculated. Saskatchewan used vehicles are tax exempt. If there is tax applied, that means it is coming from out of province (in most cases). Also, these vehicles coming in from out of province have to be Safety Inspected prior to registration.**

Whether the vehicle has been used as a taxi, police or other emergency vehicle, or was a lease or rental vehicle or demonstrator model:

**No. SADA suggests that this shouldn't be mandatory with respect to taxi, police, emergency vehicles - as this information is not readily known to the dealer. Also, the consumer would automatically de-value the vehicle even if there was nothing wrong with it. SADA would like to see more responsibility lie with SGI to provide this information, since SGI will have that information on these types of vehicles.**

**Regarding a Lease or a Rental, SADA feels that perhaps government might have a misconception about Lease/Rental vehicles. These types of vehicles are actually seen as a benefit to a customer, not a negative. In most cases, leases or rentals are very good vehicles to purchase.**

**This is an area in which SADA would like to further discuss when we meet as a group.**

Odometer readings, along with a statement from the dealer about the accuracy of the odometer:

**Yes. This is already being done by SADA Members, as the odometer reading is included in the sales contract, which is approved by Sask Justice. Typically on SADA Dealer Member's Sales Contracts, there is a line for the consumer to sign, about acceptance of the odometer reading. If this is not a common part of other Licensed Dealers Sales Contracts, then SADA suggests that it should be. All Sales Contracts from all licensed dealers should be consistent.**

All charges and fees, except taxes, including documentation fees:

**Yes. Currently, Dealer License regulations require that Admin/Doc Fee signage be displayed...typically at the Finance Office. Also, Sales Contracts currently include all additional fees, environmental charges, taxes, etc. It would be difficult to standardize when these items are disclosed, but in SADA's case, it makes the most sense to disclose in the Business Office.**

The name of the lender financing the vehicle, if any:

**SADA didn't understand what the intent of this question is. Typically, when the customer signs the final financing papers, it states the lender.**

2. What potential issues, if any, arise for the motor dealer in being required to disclose any of the above?

**We feel we have previously discussed the potential issues in the above questions. Example: devaluation of the vehicle in the consumers' eyes.**

3. Is there anything else that should be disclosed to consumers as part of the transaction?

**Nothing comes to mind at time of submission.**

4. If disclosure is required, when should the disclosure be made?

When a consumer expresses interest in a vehicle:

**No**

When the consumer makes a decision to purchase a vehicle:

**No**

As part of the contract of sale:

**Yes. SADA feels that disclosure from the dealership side is best discussed in the Business Office.**

## **Licensing**

5. What would be the effect of requiring separate licences for each location of a motor dealer?

**This would not be an issue if it were to be amended, provided the fees were not radically changed. However, if it was amended to be each location, it might very well be looked upon as a "money grab" for the government. Licensing seems to be working well the way it is now.**

6. Would there be issues with licensing salespersons or requiring them to be registered under the Act?

**Even if sales persons were to be registered or certified, it would not make any difference, internally, in a dealership. At the end of the day, if there are issues with sales persons, the onus will still be on the Dealers for liability.**

7. Should commercial publications and internet sites selling vehicles to Saskatchewan consumers be subject to regulation such as bonding requirements to reduce the loss to a consumer arising from fraudulent vehicle advertising in such publications or sites?

**Yes. All people and/or companies selling vehicles to Saskatchewan consumers should have consistent regulations with those dealers who have their business in Saskatchewan.**

8. Should pawn shops that sell vehicles, vehicle display lots, bailiffs, consignment sales dealers and others mentioned above be licensed?

**Yes**

If yes, should there be different fees or lot requirements?

**No. SADA would like further clarification on this question when we meet, as these groups don't typically sell vehicles. However if they do, the regulations should be consistent with all others.**

## **Contract of Lease or Sale**

9. If Saskatchewan legislates the minimum elements of a contract for the sale or lease of a vehicle, which of the following elements should be required:

- ✓ **the names and addresses of the purchaser and vendor**
- ✓ **the date of the sale**
- ✓ **the make, model and year of the vehicle**
- ✓ **the vehicle identification number (VIN)**
- ✓ **particulars of extra equipment or accessories**
- ✓ **odometer readings, along with a statement from the dealer about the accuracy of the odometer**
- ✓ **price**
- ✓ **taxes**
- ✓ **down payment or deposit**

- ✓ any other charges for which the purchaser is responsible
- ✓ the total price of the vehicle to be paid by the purchaser
- × other:

SADA Members already including all of these items in their sales contracts now. SADA would like to work with government in producing a generic, common, consistent Sales Contract for all licensed dealers. It would make it simpler for the government to only have to work with one entity, rather than to work with 800 plus licensed dealers when it comes to approving Sales Contracts.

10. Should auction sales contracts and consignment sales contracts be separately regulated?

No. All vehicle sales, no matter from what source, should follow the same regulations and requirements.

### Examination of Salespersons

11. Should a vehicle salesperson be required to pass a knowledge examination administered by the industry association?

No. Please refer to #6.

### Advertising

12. Should a dealer be required to list his or her licence number in advertisements?

Yes. It is just good business. Provides credibility to the consumer. The License Number AND the corresponding dealership name (not a numbered company name) should be included so consumers can see that they are legitimate dealers.

13. Should additional advertising rules be legislated?

Yes. Although Saskatchewan has sufficient rules and regulations now, SADA feels that they should be more strictly enforced. If all licenced dealers are forced to abided by the rules (by proper policing of them), then there really shouldn't be any major issues.

SADA would also like to see increased penalties and fines - so that they have more impact on the wrong doers.

SADA would like to see "Freight-in" pricing.

SADA would also like to encourage the development of an "Ethical Advertising" document.

SADA would like to discuss this question further when we meet as a group.

### Low-Cost Vehicles

14. Should Saskatchewan provide additional protections for purchasers of low-priced vehicles?

No. This answer relates back to the suggestion of doing a Safety Certification on EVERY vehicle that is sold, by everyone who sells vehicles.

SADA feels that it would be unfair to our Members and to the consumer if additional protections were imposed. It would drive up the price of these vehicles, which would not benefit the consumer.

If there were additional protections, it would force these vehicles "underground", which would create more problems.

### Additional Comments or Suggestions

Do you have any additional comments or suggestions for regulations respecting motor dealers or the administration of consumer protection in the area of motor dealers?

**Private Vehicle Sales:** To prove ownership and to encourage legitimate consumer-to-consumer sales, SADA would like to see more information printed on the Vehicle Registration Sales stubs. These Registration Sales Stubs should be included with a hand-written Bill of Sale upon transfer of the vehicle. This would assist in better tracking Curbers.

**Dealer Licenses:** SADA would like to see Dealer License terms be annual renewals, rather than the current 5 year terms. This would enable better control of issued Dealer Licenses and abuse of Dealer Licenses.

**Fines/Penalties:** SADA would like to see substantially increased fines/penalties.

**Enforcement:** Substantially more enhanced enforcement of Regulations/Legislation.

**Dealer Plates:** We would like to bring this issue up for discussion when we meet with your group. SADA would like to see substantially higher fees associated with acquiring Dealer Plates.

### Confidentiality - Please select one

✓ I understand that my response is a public document

**Please keep my name confidential**

**Please keep my entire response confidential**

**Submitted By:**

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<b>Disclosure</b>
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1. Should a dealer be required to disclose any of the following items to a purchaser or prospective purchaser?

Repair History:

**Yes. Repair history give a pretty good snapshot of how the vehicle was cared for. Repair history if available can enhance the value or saleability of a vehicle also it can have the opposite effect.**

Accident History:

**Yes. This information is generally available through SGI and can be used to form an information package on vehicles.**

Inspection reports, if any:

**Yes. Inspection reports are more of an internal function. Most serious buyers get an independent condition report or buyers check prior to purchasing.**

Whether the vehicle has been declared to be a "lemon" under the laws of any other jurisdiction:

**No. Manufacturers are closed mouthed about situations like this and this information is hard to obtain and could be quite subjective to an individual case, client or vehicle.**

Whether a used vehicle has been acquired from an out of province source:

**Yes. Presently all out of province vehicles require a certification for first time licensed which is good. SGI search will tell you what jurisdiction this vehicle was last licensed in.**

Whether the vehicle has been used as a taxi, police or other emergency vehicle, or was a lease or rental vehicle or demonstrator model:

**Yes. This information is usually quite obvious and when it is not the correct history of the vehicle should be made available.**

Odometer readings, along with a statement from the dealer about the accuracy of the odometer:

**No. Odometer reading are carefully recorded and form an essential part of the vehicle history. A statement from the dealer would not enhance this situation.**

All charges and fees, except taxes, including documentation fees: **Yes**

**Yes. Taxes are usually the largest after sticker expense so they should be disclosed as well as any other service fees.**

The name of the lender financing the vehicle, if any:

**No. This would serve no purpose as liens are registered by the lenders against the vehicle and purchaser.**

2. What potential issues, if any, arise for the motor dealer in being required to disclose any of the above?

**Most issues are presently in place and are carefully discharged by reputable dealers.**

3. Is there anything else that should be disclosed to consumers as part of the transaction?

**Name of previous owners should be allowed by permission only as this constitute serious privacy issues.**

4. If disclosure is required, when should the disclosure be made?

When a consumer expresses interest in a vehicle:

**Yes. All this information becomes an information package for that vehicle. This will allow the consumer to decide if he wishes to proceed with this transaction.**

When the consumer makes a decision to purchase a vehicle:

**Yes. As above**

As part of the contract of sale:

**Yes. As above**

<b>Licensing</b>
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5. What would be the effect of requiring separate licences for each location of a motor

dealer?

**Increased revenue for the Gov't of Sask. Increased expenses for multiple franchised dealers.**

6. Would there be issues with licensing salespersons or requiring them to be registered under the Act?

**Prior to 1990 all vehicle salesperson were licensed. The Govn't decided to do away with this as they found it was ineffective and a burden to both the dealer and Consumer Affairs .**

7. Should commercial publications and internet sites selling vehicles to Saskatchewan consumers be subject to regulation such as bonding requirements to reduce the loss to a consumer arising from fraudulent vehicle advertising in such publications or sites?

**Yes**

8. Should pawn shops that sell vehicles, vehicle display lots, bailiffs, consignment sales dealers and others mentioned above be licensed?

**Yes**

If yes, should there be different fees or lot requirements?

**No**

### **Contract of Lease or Sale**

9. If Saskatchewan legislates the minimum elements of a contract for the sale or lease of a vehicle, which of the following elements should be required:

- ✓ **the names and addresses of the purchaser and vendor**
- ✓ **the date of the sale**
- ✓ **the make, model and year of the vehicle**
- ✓ **the vehicle identification number (VIN)**
- ✓ **particulars of extra equipment or accessories**
- ✓ **odometer readings, along with a statement from the dealer about the accuracy of the odometer**
- ✓ **price**
- ✓ **taxes**
- ✓ **down payment or deposit**

- ✓ any other charges for which the purchaser is responsible
- ✓ the total price of the vehicle to be paid by the purchaser
- ✓ other: odometer readings only

10. Should auction sales contracts and consignment sales contracts be separately regulated?

No

### Examination of Salespersons

11. Should a vehicle salesperson be required to pass a knowledge examination administered by the industry association?

No

### Advertising

12. Should a dealer be required to list his or her licence number in advertisements?

No. Whether the dealer license number is listed or not the paper work regarding the sale must comply with all the rules and regulations.

13. Should additional advertising rules be legislated?

No. There are presently legislations and laws governing truth in advertising which would apply to any dealership.

### Low-Cost Vehicles

14. Should Saskatchewan provide additional protections for purchasers of low-priced vehicles?

No. If the proper information package is presented the purchaser will be informed on what they are buying. Additional protection would only raise the price of vehicle and make them less affordable to people who can lease afford them.

### Additional Comments or Suggestions

Do you have any additional comments or suggestions for regulations respecting motor dealers or the administration of consumer protection in the area of motor dealers?

Years ago we were instrumental in getting rid of settlers effect exemption on

vehicles because people were abusing this privilege. I feel that auto dealers should always be on the look out to enhance consumers protection and the image of licensed dealers. Open communication with the Ministry and dealers should result in positive change when it is deemed necessary.

**Confidentiality - Please select one**

✓ I understand that my response is a public document

Please keep my name confidential

Please keep my entire response confidential

**Submitted By:**

Gabrielle Battiste

<b>Disclosure</b>
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1. Should a dealer be required to disclose any of the following items to a purchaser or prospective purchaser?

Repair History:

**Yes. There is an imbalance of power between the knowledgeable dealer and uninformed purchaser. A car is a necessity for many individuals to maintain employment - in particular for lower income families with employment in manual labour positions or who are forced to work long distances from home. Those individuals are forced to buy used vehicles and are often not privy to the options available under legislation and are certainly not informed by the dealers. Requiring dealers to obtain and disclose relevant vehicle histories should be mandatory. Dealers also need some form of protection in that they cannot guarantee an accurate representation of the histories based on prior owner commentary and dealers should not be required to pursue the matter any further unless they become aware of a situation that makes it likely further inquiry should be pursued. For instance, if a dealer obtains written confirmation from a prior owner that there were no repairs, but later discovers that repairs have been made, that dealer should now be obligated to inquire further and disclose the repairs that have come to its attention.**

Accident History:

**Yes. Same comment as above. Safety is critical. Failure to disclose known accident history or to request it from prior owners, should result in criminal charges. There are many statistics about vehicular deaths. Dealers are the only ones in the position to obtain that information at the time they obtain the vehicle.**

Inspection reports, if any:

**Yes. Same comments.**

Whether the vehicle has been declared to be a "lemon" under the laws of any other jurisdiction:

**Yes. Same comments.**

Whether a used vehicle has been acquired from an out of province source:

**Yes. This will allow the purchaser to understand if different safety measures apply based on provincial requirements. It makes for a more informed purchaser and dealer. It avoids potential costs..**

Whether the vehicle has been used as a taxi, police or other emergency vehicle, or was a lease or rental vehicle or demonstrator model:

**Yes. This information will provide an indication as to likelihood of earlier repair requirements due to prior strenuous use and is therefore intrinsically linked to safety.**

Odometer readings, along with a statement from the dealer about the accuracy of the odometer:

**Yes. Same comments as above.**

All charges and fees, except taxes, including documentation fees:

**Yes. Again, this will better inform the purchaser as to the costs incurred by dealers as well as the purchaser and allow for a better negotiation of price and less wasting of time by both parties.**

The name of the lender financing the vehicle, if any:

**Yes. The purchaser should always know who is ultimately controlling the debt in case the dealer closes and the purchaser is now left dealing exclusively with the lender. The purchaser has as much right to determine whether he wishes to become indebted to that particular lender as the lender has to determine whether or not to provide the loan.**

2. What potential issues, if any, arise for the motor dealer in being required to disclose any of the above?

**The potential issues are: 1. cost of time and potential searches that will need to be rolled into asking price and passed on to the purchaser. 2. liability for representations based upon what may have been misrepresented to the dealer in the first place. Although, that can be solved through proper wording.**

3. Is there anything else that should be disclosed to consumers as part of the transaction?

**Not that I can think of.**

4. If disclosure is required, when should the disclosure be made?

When a consumer expresses interest in a vehicle:

**No. That is too onerous for the dealer in time and cost.**

When the consumer makes a decision to purchase a vehicle:

**Yes. Similar to many commercial transactions, the conditions of sale are an inducement presented by the dealer to the purchaser to enter into the contract. All disclosures should be made prior to finalizing the contract, or the contract needs to be conditional upon the purchaser having adequate time to review documents. Again, this is a high pressure environment and time is not generally provided by the dealer. "deals" are usually time limited and force the purchaser to make quick decisions without adequate time to review. therefore, waiting until the contract is being signed is much too late.**

As part of the contract of sale:

**No. This is too late in the day for the reasons previously stated.**

## **Licensing**

5. What would be the effect of requiring separate licences for each location of a motor dealer?

**No answer.**

6. Would there be issues with licensing salespersons or requiring them to be registered under the Act?

**The issue will always be cost to the dealer. However, the benefits to the consumer are huge in comparison.**

7. Should commercial publications and internet sites selling vehicles to Saskatchewan consumers be subject to regulation such as bonding requirements to reduce the loss to a consumer arising from fraudulent vehicle advertising in such publications or sites?

**Yes.**

8. Should pawn shops that sell vehicles, vehicle display lots, bailiffs, consignment sales dealers and others mentioned above be licensed?

**Yes**

If yes, should there be different fees or lot requirements?

**Yes.**

## **Contract of Lease or Sale**

9. If Saskatchewan legislates the minimum elements of a contract for the sale or lease of a vehicle, which of the following elements should be required:

- ✓ the names and addresses of the purchaser and vendor
- ✓ the date of the sale
- ✓ the make, model and year of the vehicle
- ✓ the vehicle identification number (VIN)
- × particulars of extra equipment or accessories
- ✓ odometer readings, along with a statement from the dealer about the accuracy of the odometer
- ✓ price
- ✓ taxes
- ✓ down payment or deposit
- ✓ any other charges for which the purchaser is responsible
- ✓ the total price of the vehicle to be paid by the purchaser
- ✓ other: repairs if any, prior use statements, "lemon" findings, etc - this protects both parties - no different than a house sale

10. Should auction sales contracts and consignment sales contracts be separately regulated?

No.

### Examination of Salespersons

11. Should a vehicle salesperson be required to pass a knowledge examination administered by the industry association?

Yes.

### Advertising

12. Should a dealer be required to list his or her licence number in advertisements?

No. No real benefit to this. There should be a registry that can be searched by name of dealer if needed. In the same way that professionals are not required to give their

license numbers - just their names. The public can then search the registry if they are worried that the professional is practicing without a license.

13. Should additional advertising rules be legislated?

No answer.

### Low-Cost Vehicles

14. Should Saskatchewan provide additional protections for purchasers of low-priced vehicles?

Yes. Additional protection should be provided for return/refund if not all elements outlined above are disclosed, or are misrepresented.

### Additional Comments or Suggestions

Do you have any additional comments or suggestions for regulations respecting motor dealers or the administration of consumer protection in the area of motor dealers?

No Answer.

### Confidentiality - Please select one

I understand that my response is a public document

Please keep my name confidential

Please keep my entire response confidential

**Submitted By:**

Blackburn Motors

**Disclosure**

1. Should a dealer be required to disclose any of the following items to a purchaser or prospective purchaser?

Repair History:

**No.**

Accident History:

**Yes. All dealers must disclose a SGI , carfax, or carproof history report to prospective buyer**

Inspection reports, if any:

**Yes. All vehicles should have a buyers inspection. The vehicles does not have to pass the inspection. All items needing repaired are disclosed to prospective buyer. See attached insurance inspection form as example**

Whether the vehicle has been declared to be a "lemon" under the laws of any other jurisdiction:

**Yes. All dealers having to provide history report will solve this issue**

Whether a used vehicle has been acquired from an out of province source:

**Yes. All dealers having to provide history report will solve this issue**

Whether the vehicle has been used as a taxi, police or other emergency vehicle, or was a lease or rental vehicle or demonstrator model:

**Yes. All dealers having to provide history report will solve this issue**

**Licensing**

5. What would be the effect of requiring separate licences for each location of a motor dealer?

**No answer.**

6. Would there be issues with licensing salespersons or requiring them to be registered under the Act?

No.

7. Should commercial publications and internet sites selling vehicles to Saskatchewan consumers be subject to regulation such as bonding requirements to reduce the loss to a consumer arising from fraudulent vehicle advertising in such publications or sites?

No answer.

8. Should pawn shops that sell vehicles, vehicle display lots, bailiffs, consignment sales dealers and others mentioned above be licensed?

No answer.

### Contract of Lease or Sale

9. If Saskatchewan legislates the minimum elements of a contract for the sale or lease of a vehicle, which of the following elements should be required:

No answer.

10. Should auction sales contracts and consignment sales contracts be separately regulated?

No answer.

### Examination of Salespersons

11. Should a vehicle salesperson be required to pass a knowledge examination administered by the industry association?

**Yes, a knowledge exam would build credibility for the industry that salespeople are trained and knowledgeable with the rules and regulations of being a dealer and/or salesperson. Please do not charge an annual fee and include the fee for taking the test in the dealership licensing cost. Please don't implement this policy to get more money.**

### Advertising

12. Should a dealer be required to list his or her licence number in advertisements?

**No, Any dealership that does not have a license should be shut down. Adding dealer number can be an extra cost to advertisement.**

13. Should additional advertising rules be legislated?

No answer.

## Low-Cost Vehicles

14. Should Saskatchewan provide additional protections for purchasers of low-priced vehicles?

**No. Low prices vehicles should not have separate rules and regulations as higher priced vehicles. With the dealer providing a mandatory inspection report and disclosing repairs needed and other problems it empowers the buyer to make an informed decision and gives the dealer assurance the buyer will not come back for unknown issues.**

**What protection should be provided:**

**30 day 1000 km whichever is shortest with only coverage on engine and transmission failure warranty. This should not include fuel system, maintenance items such as spark plugs, wiring, leaks, coolant system etc. Major internal engine failure would include lifters, pistons, crank and major transmission issues would include gears slipping, no reverse, etc.**

## Additional Comments or Suggestions

Do you have any additional comments or suggestions for regulations respecting motor dealers or the administration of consumer protection in the area of motor dealers?

**No Answer.**

## Confidentiality - Please select one

**I understand that my response is a public document**

**Please keep my name confidential**

**Please keep my entire response confidential**

**Submitted By:**

Liam Gannon

**Disclosure**

1. Should a dealer be required to disclose any of the following items to a purchaser or prospective purchaser?

Repair History:

Basic Repair history such as preventative maintenance, oil changes and basic repairs brakes, tires, suspension, engine repairs should not have to be disclosed or be required to inform the purchaser or perspective buyer, nor is this even possible.

Major alterations to the vehicle that could put the purchaser or perspective buyer at a disadvantage, such as lift kits, or lowering kits that have been installed or discovered by the dealership needed to be disclosed. As well as for Diesel Vehicles, if they have had the very expensive emission monitor equipment removed from the vehicle buy the previous owner or dealership it needs to be disclosed to the purchaser or perspective buyer, ensure the liabilities the consumer may face.

However should the dealership be involved with the manufacture in a “buy back process” with the previous customer the dealership should be required to inform the next owner that the vehicle’s previous owner was compensated for lack of quality with the vehicle.

{ Example of “buy back process”: Consumer buys a car brand new, owns it for 2-3 years and has none stop problems. The manufacture compensates the owner “x” amount of dollars towards a new vehicle as well as possibly buy his previous unit for an increased price. (Retail Value:\$55k Manufacture pays \$65k) }

This should be informed to the purchaser or perspective buyer when this has occurred. SGI should also be informed of the nature of the problem and if needed an automotive investigator should investigate whether or not the vehicle should be “branded”, or “rebuilt” title once it is deemed “fixed.”

Accident History:

Yes, any damage that has been claimed on the vehicle. Any accident history found by the dealership or on SGI website needs to be disclosed to the purchaser or perspective buyer in a forth coming environment during initial negotiations, not in the business or F&I office. This cannot be left solely up to the consumer with the excuse that the website is free and known to all people. This must be performed by the dealership

The dealer is knowledgeable and versed in this operation as well as other provinces websites to perform similar searches if the unit was obtained from out of province. If the dealership has received the vehicle from "out of province" as well as performing the inspection, they should perform this operation in other provinces to ensure liability.

Inspection reports, if any:

Yes we feel that Saskatchewan is in need of a "vehicle safety inspection" any time the vehicle is due to change ownership, Private or Business. This is typical in other markets. Typically these inspections are valid for 30-40 days.

This is an absolute requirement for a number reasons, this will create a much safer road system for the people of Saskatchewan. This also keeps our highly trained officers off the road.

As well as, right now only the "dealership" has a basic standard to adhere to under consumer protection, while a private seller of a vehicle can sell a vehicle in any state or condition. This causes an increase in the price of used cars in the private market, this will help stress the value of buying from a SMVIC Licensed dealership. This will also help stabilize the private used market, which is much more expensive than comparable markets. This puts the business or dealership at a disadvantage.

Whether the vehicle has been declared to be a "lemon" under the laws of any other jurisdiction:

Yes, should the dealership have imported the vehicle from the USA and the dealership is performing the RVI process, it is the dealerships responsibility to ensure the vehicle is has not been flagged by the USA's lemon laws. This is easily obtained with a CarFax or Carproof report, also a VIN search at the manufacturing dealer, this would also become known knowledge to the dealer while performing the RVI requirements to verify no open recalls on the vehicle to even be able to register the vehicle. In Canada, we don't have a "lemon Law", but as stated above, should be required disclosure in regards to the "Buy Back Process" Stated in question 1.

Whether a used vehicle has been acquired from an out of province source:

No, this should not be part of the disclosure process if the vehicle carries no history as per the conditions stated above. The "out of province" process used by SGI has clearly identifiable markings that any consumer can indentify being placed in or on the driver's door frame. Promoting this information with Saskatchewan Motor Vehicle Industry Council would help people understand.

Whether the vehicle has been used as a taxi, police or other emergency vehicle, or was a lease or rental vehicle or demonstrator model (does not apply):

**Taxi: This would be very difficult to achieve.**

**Police, Emergency Vehicle: YES, This is easily obtained via a VIN search by the selling manufacture. Consumers who purchase these vehicles are no longer able to address quality issues with the Canadian Automobile Manufactures arbitration Progress, CAMVAP. This puts the consumer at a disadvantage by unwittingly removing the rights of the consumer at the federal level.**

**Daily Rental Vehicle: Yes, this is an absolute must and is easily obtained by a VIN search by the manufacture. Ex: 2012 Ford F-150 call ford Service, 2 sec VIN search and you know.**

**PLEASE, I would like to note these vehicles are not of “natural good quality” they are flagged in the manufacture’s system for a reason, many rarely receive proper maintenance on time. As well as this is a required process by other provinces, in other provinces to disclose a vehicle as previous daily rental on the bill of sale is mandatory. These vehicles are heavily discounted in the wholesale market as well, once again for a reason. Adding this to the current VIN search would help assist consumers, would very easy to implement.**

**Demonstrator vehicle: Does not apply here, but if the vehicles was used for a certain period of time by the dealership, over “x” of KMS (over 6000kms in other provinces), to be determined by an industry, it should go through a vehicle safety inspection. Example: 2014 Honda Civic used by salesperson with “1X,000” kms still has the original NVIS unused, should have a safety inspection. (Suggestion: Saskatchewan 12,000 kms over should require a Safety inspection when being sold after being used as company demo)**

Odometer reading, along with a statement from the dealer about the accuracy of the odometer:

**Yes, at this time franchised dealers are performing this, but we would like to see all dealers big or small adopt this process with one central “bill of sale” form. This also has to be monitored by one regulating body not solely paid for by franchised dealerships. This will ensure all contracts are consistent with in the provinces now and years to come.**

All Charges and Fees, except taxes, including documentation fees:

Yes, developing a standard “Bill of Sale” to be used by all dealerships will ensure all required fees to be disclosed properly for the sale of new and used vehicles. Working with a group that represents all dealers rights, not just franchised dealers to develop a form for each, the sale of a new vehicle, and the sale of a used vehicle, with a “bill of sale” form that encourages disclosure at all levels for both types of transactions.

The Name of the Lender Financing the Vehicle, If Any:

Yes, the lender name, payment frequency monthly or bi-weekly, payment amount with payment date and term. (ex: TD Bank 60 months Monthly on the 16th \$474.00) Placing this information on the “Bill of Sale” with other required items of disclosure would organize all essential info in one location. This also ensures transparency within the transaction. Once again this is normal practice in other provinces.

What potential issues, if any, arise for the motor dealer in being required to disclose any of the above information?

Dealers that operate a transparent business would not run into any problems. Dealers that require profits from selling vehicles in a fraudulent manor would face a number of challenges remaining in business. The idea the consumer could devalue the vehicles based on disclosing the history is to be expected. As vehicles that require this type of disclosure, discussed above, should cost less than a comparable vehicle with no history to disclose, as these types of vehicles with history are proven to be worth less. The threat and safety concern to the consumer far outweighs the issues some questionable dealers may face.

Is there anything that should be disclosed as part of the transaction?

Extended warranty information needs to be on the bill of sale. If a consumer has agreed to an Extended warranty contract, it needs to be present on the bill of sale with disclosure.

If the consumer is asked to sign additional disclosure statements, the bill of sale should reflect this with a section for the future owner to initial, acknowledging this.

If disclosure is required, when should the disclosure be made?

When a Consumer express interest in the vehicle:

**Yes, the consumer asks for information on the vehicle. This when the consumer needs to know, as this is an integral time to inform the consumer to make an honest and fair decision about the vehicle they are considering purchasing.**

When the Consumer Makes a Decision to purchase the vehicle:

**No, this is too late. The customer has already committed or agreed to buy the vehicle. The temptation to over sell the required disclosure items to complete the sale to ensure financial success would be too tempting to dealers. As well, dealers take an immediate down payment, before anything.**

As part of the contract of the sale:

**Yes, this is when the dealer should receive in writing the consumers understanding of the required disclosure made by the dealership, it should be in line with the disclosure made originally when interest was first expressed on the vehicle. This will ensure the disclosure is once again understood for a 2nd time by the consumer keeping the dealer free from the liability that the consumer was pressured into the sale by the finance office or the salesperson.**

**Suggesting this should be the initial introduction point would only favor dealers.**

## **Licensing**

5. What would be the effect of requiring separate licences for each location of a motor dealer?

**Requiring all dealers to acquire an individual license for each location would ensure a proper way to catalog incidents better. In regards to tracking for trends in fraudulent activity, organizing disclosure.**

6. Would there be issues with licensing salespersons or requiring them to be registered under the Act?

**No, salespeople who are involved in the sale of a motor vehicle must be licensed in the province of Saskatchewan. This will create some challenges for dealerships in regards to hiring people initially, but will also create a savvy professional who operates accordingly within the laws and regulations. This will ensure that a person who has been previously had a license removed for fraud is not engaging in financial discussions around the purchase of a motor vehicle. The valuable information gained by salespeople who have completed the required training helps consumers know the rights available to them as a consumer.**

7. Should commercial publications and internet sites selling vehicles to Saskatchewan consumers be subject to regulation such as bonding requirements to reduce the loss to a consumer arising from fraudulent vehicle advertising in such publications or sites?

**Commercial publications and internet sites that engage in listing or advertising of vehicles for sale, such as autotrader or kijiji, should not be regulated if they do not engage in the actual sale of the vehicle. As the process used by these companies rely on the users to submit necessary information, making it very important that the dealer feels the obligation to advertise proper information.**

8. Should pawn shops that sell vehicles, vehicle display lots, bailiffs, consignment sales dealers and others mentioned above be licensed?

**Should a business engage in the sale of vehicle for profit with more than "x" number of vehicles, they should be required to obtain a dealers license and adhere to the same rules. (ex: Other provinces once you have bought and sold more than 6 vehicles in a year, you are considered to be a dealer.)**

If Yes, Should there be different fees or lot requirements?

**No, all parties engaging in the sale of motor vehicles should be required to adhere to the same policies. Business engaging in consignment lots should be bonded at 2x the required amount currently of \$20,000. (Consignment Sales business Bonded \$40,000)**

### **Contract of Lease or Sale**

9. If Saskatchewan legislates the minimum elements of a contract for the sale or lease of a vehicle, which of the following elements should be required:

**No answer.**

10. Should auction sales contracts and consignment sales contracts be separately regulated?

**No, the contracts used for purchases of motor vehicles should be the same everywhere.**

### **Examination of Salespersons**

11. Should a vehicle salesperson be required to pass a knowledge examination administered by the industry association?

**Yes, salespeople should be required to pass a knowledge exam that will also guarantee the**

ethics of the salesperson to be in line with the expectations required of the dealer. Making the salesperson becoming licensed would allow the ability to prevent certain people who do not operate in an ethical fashion from engaging in the sale of a motor vehicle.

## Advertising

12. Should a dealer be required to list his or her licence number in advertisements?

Yes, this would help identify “curbsider’s” who are selling vehicles without a dealer’s license when using print or image advertisements. For individual listings of vehicles on vehicle listings websites like autotrader and kijiji this information should be required as well.

13. Should additional advertising rules be legislated?

Yes, the current regulation doesn’t adequately address the possible “price leader” style of advertising that dealers advertise one vehicle that is basically never available for sale, all with the expectation the “lead” them on or into a different vehicle. (Too good to be true ads)

Advertising also needs to more of an “all inclusive style” when listing monthly rates.

The fines need to be increased.

## Low-Cost Vehicles

14. Should Saskatchewan provide additional protections for purchasers of low-priced vehicles?

No the same rights and freedoms should be consistent with all levels of investments. Also the advantage the average consumer has with option of Small Claims Court up to \$20,000. Gives the consumer of a low cost vehicle a number of additional options already, so there would be no needed to extended or increase the conditions for low cost vehicles.

## Additional Comments or Suggestions

Do you have any additional comments or suggestions for regulations respecting motor dealers or the administration of consumer protection in the area of motor dealers?

Increase fines.

## Confidentiality - Please select one

✓ I understand that my response is a public document

Please keep my name confidential

**Please keep my entire response confidential**