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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

February 25, 2003

COMMITTEES

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

Original: 2309

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?

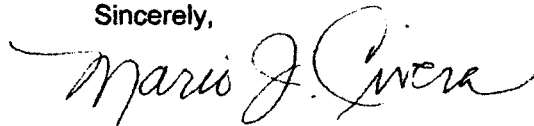
John R. McGinley, Jr., Chairman
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February 25, 2003

The Committee voted to take no formal action on Regulation 13A-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-603

State Board of Vehicle Manufacturers, Dealers and Salespersons

PROPOSAL: Regulation 16A-603 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 vehicle auctions.

The proposed Rulemaking was published in the Pennsylvania Bulletin on November 2, 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 create a new class of licensure for vehicle auctions. Vehicle auctions were divided into two categories, wholesale auctions and public or retail auctions. Vehicle auctions had previously been conducted by licensed brokers, however, Act 27 eliminated the broker license and made brokering activity illegal.

Proposed Sec. 19.19 sets forth the standards for licensure for retail or public auction, and proposed Sec. 19.20 sets forth the standards for licensure for wholesale auction. Both kinds of auctions would be required to have a business identity separate from other businesses owned or operated by the auction. Auction activities would be permitted only at the auction's established place of business, and brokering activities other than the auctioning of vehicles would be prohibited.

Even though Act 27 expressly provides that auctions are not subject to the same premises requirements as dealerships, in the interest of public safety the Board proposes minimum requirements for auction facilities. These requirements would include a permanent enclosed building, a private office separate from the display and auctioning areas, a single business line telephone listed under the auction's licensed name, and compliance with all applicable building codes, zoning ordinances and other land-use ordinances. Public or retail auctions must display a sign that shows the licensed name of the auction and have a display area for potential buyers. Public and retail auctions must post a sign indicating the days and hours that the public may attend for either inspection or auctioning of vehicles, while wholesale auctions must post a sign indicating that the auction is not open to the public.

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 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?

House of Representatives
Professional Licensure Committee
February 19, 2003

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