



COMMONWEALTH of VIRGINIA

Department of Motor Vehicles
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December 1, 2022

The Honorable David W. Marsden, Senator
Chair Senate Committee on Transportation
Pocahontas Building, Room E618
900 East Main Street
Richmond, Virginia 23219

RE: Report of the Vehicle History Report Working Group (SB 368)

Dear Chair Marsden:

In the 2022 General Assembly Session, Senator Reeves introduced SB 368. The bill would have required vehicle history report companies to notify a vehicle owner and lienholder if a vehicle had been deemed nonrepairable or any comparable term in the records of the vehicle history report company. The bill would also have required vehicle history report companies to establish and maintain a process for disputing such a designation and having it corrected in a timely manner. The bill provided that a failure to notify the owner would constitute a violation of the Virginia Consumer Protection Act and authorized the Department of Motor Vehicles (DMV) to release the name and address of the vehicle owner and lienholder for the purpose of the required notification. The bill was continued in the Senate Transportation Committee to the 2023 General Assembly Session to give DMV the opportunity to meet with vehicle history report companies and other stakeholders to address issues raised during the session.

By letter dated July 1, 2022, you requested that DMV convene a working group including representatives of vehicle history report companies, the Virginia Automobile Dealers Association, and Virginia State Police to consider and make recommendations on the following vehicle history report issues:

- How to automate the records research and correction process for the purpose of resolving customer concerns and improving response time;
- Offering assistance and resources to improve the accuracy of vehicle crash reports used in vehicle history reports; and

- Educating the public to improve the accuracy of mileage data reported by vehicle owners, improve consumer awareness of options to obtain and review crash reports and vehicle history reports, and improve customer awareness on the importance of reviewing vehicle history and correcting information whenever necessary.

DMV met with representatives of Carfax and Experian, the two vehicle history report companies currently receiving vehicle history information from DMV, as well as representatives of the Virginia State Police, the Virginia Sheriffs' Association, the Virginia Association of Chiefs of Police, local law enforcement, the Department of Criminal Justice Services, and the Virginia Automobile Dealers Association to discuss the issues raised by SB 368. Discussion covered the current processes of completing, submitting, and sharing crash report data, information sources used by vehicle history report companies to gather additional vehicle data and how the data is validated, and processes used by DMV, vehicle history report companies, and law enforcement agencies to correct crash reports when a vehicle owner contests information found in crash and vehicle history reports. The group also discussed sources of odometer data and how to ensure odometer data is reported accurately.

After considering all the information discussed during these sessions, sharing ideas, and receiving feedback, the working group makes the following recommendations regarding the issues raised by SB 368:

- **Process Automation:** DMV will establish a dedicated email channel for vehicle history report companies to make data validation inquiries and will explore whether DMV can legally disclose additional crash report data to aid verification efforts.
- **Maintaining Crash Report Accuracy:** The group determined that law enforcement should continue exercising the exclusive right to alter crash reports and that the process of expeditiously referring customers seeking report alterations to the appropriate law enforcement officials should be maintained.
- **Public Education:** DMV will seek to improve public education about crash reports, vehicle history reports, and odometer readings as part of its current website redesign effort and in daily customer service operations.

Details on the working group's findings and these recommendations are discussed below.

Automating the records research and correction process to resolve customer concerns and improve response time

To improve response time for customers, DMV will establish a dedicated email address with a shared inbox for vehicle history report companies to use when making data validation inquiries to DMV. While DMV has not received complaints from vehicle history report companies about the timeliness of its current process, establishing a more formal process and

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training additional staff to respond to inquiries will serve to avoid any future problems or potential delays if current staffing changes.

In addition, DMV is working directly with the vehicle history report companies to determine if there is additional data from the crash report that DMV is statutorily authorized to disclose to them that would help the companies verify the data they receive and ensure they have the best data available to maintain accurate vehicle history reports.¹

Offering assistance and resources to improve the accuracy of vehicle crash reports used in vehicle history reports

DMV's current practice when a customer alleges there is an error in the crash report is to provide those customers with the contact information for the law enforcement officer and agency submitting the crash report.

During the working group meetings, law enforcement representatives unanimously agreed that the crash report is a law enforcement report and should not be altered by anyone other than the law enforcement officer and agency submitting the report. They pointed out that a person might seek a change in a crash report for fraudulent purposes. Only the law enforcement officer and law enforcement agency submitting the report and maintaining the original investigative notes of the crash have the information necessary to determine if a change to the crash report is warranted.

In addition, DMV surveyed other jurisdictions through its trade organization, the American Association of Motor Vehicle Administrators, to find out how other jurisdictions handle customer allegations that a crash report contains inaccurate information. Of the 23 jurisdictions responding to the survey, all responded that a crash report can be changed only by the law enforcement officer or agency submitting the report.

DMV reviewed its records for calendar year 2021 and the first six months of calendar year 2022 and discovered that in the 18-month period, there were only 10 customer requests made to DMV's highway safety office to have a crash report corrected. A small number of customers also made requests for crash report corrections through DMV's data services office. The number of requests made to the data services unit was not tracked.

Law enforcement representatives indicated they currently receive training on crash reporting. Though the amount and type of training varies across agencies, they did not believe a change in the training curriculum would improve the process. Law enforcement representatives indicated simplifying the crash report form would benefit officers. Although many of the data

¹ Virginia Code § 46.2-380 authorizes DMV to release the crash report only to parties involved in the crash, their insurers, authorized representatives of the parties or insurers, and the Federal Motor Carrier Safety Administration. Data from the crash report is entered into Virginia's Traffic Records Electronic Data System (TREDS), which provides a data warehouse of accurate, timely and detailed safety information for analysis and reporting. The release of data maintained in TREDS is governed by Virginia Code § 46.2-208. Section 46.2-208 protects personal information while allowing the release of certain crash data. Data contained in TREDS is released to vehicle history report companies as permitted under Virginia Code § 46.2-208.

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fields on the crash report follow state and federal guidelines, DMV is working with these representatives to review the crash report form to determine if any beneficial changes can be made to simplify the reporting.

For these reasons, the working group recommends that no change be made to the current process of referring customers to the law enforcement officer or agency submitting the crash report when a customer believes a correction should be made to the crash report.

Educating the public

The working group recommends using DMV's existing web page and existing customer notification resources to continue to educate the public about the importance of accurate odometer reporting; improve consumer awareness of options to obtain and review crash reports and vehicle history reports; and improve customer awareness on the importance of reviewing vehicle history and correcting information whenever necessary.

DMV is currently redesigning its website and will seek to highlight information about obtaining a crash report after a reportable crash and the importance of reviewing it for accuracy. DMV will also highlight information regarding the availability of vehicle history reports and the importance of reviewing them prior to selling or purchasing a vehicle. Finally, DMV will emphasize that accurate odometer readings are required by law and a current and accurate odometer report should be made at the time of titling any vehicle.

In addition to updating web content, DMV customer service representatives are trained to remind customers to accurately report odometer readings, instructing them to return to the parked car to verify the odometer reading or to call the person in possession of the vehicle when the vehicle is not present at the time of titling.

DMV has worked with Virginia State Police in the past to explore the feasibility of using odometer data recorded from state motor vehicle safety inspections. After receiving data, DMV determined there were a number of concerns which prevented adoption of this solution as a method to improve the accuracy of odometer reporting. As the vehicle inspection occurs at a time unrelated to a sale, there was often a disparity in the odometer reading reported at the time of inspection as opposed to what was reported at the time of titling. In addition, a customer providing odometer information at the time of titling certifies that the information provided is true and correct. When the customer certifies to providing accurate information, DMV accepts the customer's reported information. For this reason, any discrepancy found from the motor vehicles safety inspection record was generally not useful for purposes of ensuring the accuracy of the data.

Conclusion

In conclusion, the working group recommends no change to the current process of referring customers, with contact information, to the law enforcement officer and agency

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submitting the report when a customer complains of an error in a crash report. This recommendation is made with the support of the state and local law enforcement representatives.

DMV will establish a dedicated email account for information verification requests made by vehicle history report companies and will dedicate additional staff to respond to these requests. DMV will work with vehicle history report companies to determine whether the current law will permit the release of any additional information from the crash reports to the vehicle history report companies that would serve to improve the accuracy of vehicle history reports. These recommendations are made with the support of representatives of vehicle history report companies.

DMV will work to enhance the information available both on its website and, in the case of odometer reporting, as provided to customers at the time of titling, to ensure the public is aware of the ability to obtain and review crash reports and vehicle history reports, and of the legal duty and importance of providing accurate odometer readings when a vehicle is titled. The working group supports these actions and provided no other recommendation for improving public education and awareness of the issues raised by SB 368.

Sincerely,



Linda Ford

c: The Honorable W. Sheppard Miller III
Secretary of Transportation

The Honorable Bryce Reeves
Senate of Virginia