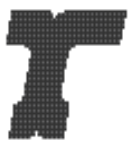


Dealer Details

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Form 735-7022 (2-2018)

Legislation is major topic

The Oregon Dealer Advisory Committee (ODAC) held its first meeting of 2018 on Jan. 25. The Departments of Revenue (DOR) and Environmental Quality (DEQ), which had attended the October 2017 ODAC meeting, provided follow-up information at the January meeting.

DOR also provided an article about the taxes for this issue of Dealer Details. The taxes were created by House Bill 2017, which took effect Jan. 1, authorizing DOR to collect the taxes from vehicle dealers. DMV does not collect the taxes.

As of the date of ODAC's meeting, about 250 Oregon vehicle dealers had registered for the privilege tax and about 100 out-of-state dealers have registered for the use tax with DOR.

HB 2017 also authorizes DEQ to provide electric vehicle (EV) rebates through its Zero Emission Vehicle Rebate and Charge Ahead Rebate Program. The proposed rules for how DEQ will issue rebates are available for public comment. DEQ is holding public hearings on the rules on Feb. 26 in Portland and Feb. 28 in Medford. For information, visit the DEQ sites:

- ZEV program: www.oregon.gov/deq/aq/programs/Pages/ZEV-Rebate.aspx

- Proposed Rulemaking Information: [/www.oregon.gov/deq/Regulations/rulemaking/Pages/Revrebates2018.aspx](http://www.oregon.gov/deq/Regulations/rulemaking/Pages/Revrebates2018.aspx)

Over the last few years, ODAC has received presentations on DMV's planning process to update its core computer systems. The Service Transformation Program (STP)

More on privilege & use taxes See Pages 5-6

is a multi-year program to improve DMV's business processes and replace its legacy computer system.

Stephanie Zellner and Craig Austin presented more STP information to ODAC at the January meeting and asked whether we would support permits on demand that would minimize using trip and temporary registration permit books. It would provide access for dealers to print a permit "on demand" rather than out of a permit book. ODAC supports such a project, even though it would not be available for a couple years.

Feb. 5 was the first day of the five-week 2018 Legislative session. Amy Joyce provided information on two bills relating to HB 2017 from the 2017 session – HB 4060 and HB 4059, which propose technical and policy changes to HB 2017.

HB 4059 contains the technical changes to fix misspelled words and correct formula.

HB 4060 proposes some policy changes. For example, the bill proposes removing some requirements in DEQ's EV rebate program and clarifying requirements in DOR's

Continued on Page 2

Business Regulation hours

As of March 2018, DMV Business Regulation will open at 9 a.m. on Thursdays. Office hours will be 8 a.m. to 4:30 p.m. Monday through Friday, except for Thursdays.

Dealer Handbook updates one chapter

The February 2018 revision of the Title and Registration Handbook is available to view, print, or copy at DMV's website www.oregondmv.com. This revision updates the January 2018 Handbook.

The Handbook is normally updated quarterly. The next revision is scheduled for May 2018. You may buy a printed copy from:

- Oregon Independent Auto Deal-

ers Association (OIADA), 1-800-447-0302; email: info@OIADA.com; www.oiada.com

- Oregon Vehicle Dealers Association (OVDA), 1-877-541-2277; email: ovda@ordealers.com; www.ordealers.com

Changes in the February 2018 Handbook revision are as follows:

Cover Page – The cover page reflects the latest revision date of 02-18.

Chapter R, Dealers – The 2017 Oregon Legislature passed House Bill 2017, which included two new vehicle taxes. The vehicle privilege tax is a tax for the privilege of selling new vehicles as a dealer in Oregon. The chapter was revised to emphasize that dealers are not to submit privilege tax information or fees to DMV.

For more information about the privilege/use tax, visit www.oregon.gov/dor.

– *Dave Adams*
Vehicle Policy

Continued: ODAC meeting

Continued from Page 1
privilege and use taxes.

Amy briefed ODAC on two other bills: HB 4062, which would round up DMV fees that end in \$0.50 to the next dollar; and HB 4087, which would require persons who plan to assert a possessory lien on a vehicle to have in effect a \$20,000 bond. In the next *Dealer Details*, I'll share whether these bills passed or died.

Chief of Investigations Larry Purdy introduced Business Regulation's new investigator for Multnomah, Hood River and Wasco Counties: Valarie Applegate-Andalon.

Valarie brings experience to the job, having worked at a DMV Field Office for several years, in addition to theft recovery work in the private sector. We are truly happy to have her on board. Valarie's office is in Portland, and she shares coverage of Multnomah County with Jessica Miller.

Feel free to attend the next ODAC meeting, which is scheduled for April 26, at DMV Headquarters, 1905 Lana Ave. NE, in Salem.

– *Susan Thayer*
ODAC Chair

When to collect new or old fees

The new title, registration and trip permit fees that took effect on Jan. 1, 2018, has caused some confusion. DMV wants to clarify which fees are due depending on when a sale takes place and when the transaction is turned in or mailed to DMV.

Titles

- When the date of sale is Dec. 31, 2017, or earlier: DMV collects \$77
- When the date of sale is Jan. 1, 2018, or later: DMV collects \$93

Registration

- If a dealer collects registration fees for a vehicle with a registration period that starts on or after Jan. 1, 2018, DMV collects the new registration fees regardless of the transaction date.

- Registration begins when DMV receives the transaction or an Oregon dealer issues a temporary registration permit. Mailed-in transactions go by the postmark date.

- Dealer turns in transaction Dec. 31, 2017, or earlier: DMV collects old registration fee.

- Dealer mails in transaction Dec. 31, 2017, or earlier: DMV collects old registration fee.

- Dealer sold the customer a \$32 trip permit in either 2017 or 2018 and turns in the transaction Jan. 1, 2018, or later: DMV collects new registration fee.

- Dealer mailed in transaction Jan. 1, 2018, or later: DMV collects new registration fee.

- Dealer issued a temporary registration permit dated Jan. 1, 2018, or later, turned in the transaction to DMV Jan. 1, 2018, or later: DMV collects new registration fee.

Trip Permits

- The fees for light vehicle trip permits and RV trip permits increased by \$2, from \$30 to \$32. The trip permit fees have been removed from the trip permit forms because there will be future fee increases in 2020, 2022 and 2024.

If you have questions concerning the new fees, please call (503) 945-5000 or (503) 299-9999 (Portland Metro Area), or visit DMV website at www.oregondmv.com.

Contact Business Licensing at 503-945-5052 if you have any questions regarding trip permit books.

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Daniel Haslam	Vancouver WA	Acting as a vehicle dealer without a current dealer certificate	1	9	\$45,000
Alvaro Jesus Arredondo Mejorada	Portland	Acting as a vehicle dealer without a current dealer certificate	1	10	\$25,000
Carey Gaskins III	Roseburg	Acting as a vehicle dealer without a current dealer certificate	1	10	\$25,000
Esmer Iribe	Clackamas	Acting as a vehicle dealer without a current dealer certificate	1	10	\$25,000
Mauro Castro dba EF Parts LLC	Salem	Acting as a vehicle dismantler without a current dismantler certificate	1	1	\$2,500
Jesus A Cervantes Garcia	White City	Acting as a vehicle dealer without a current dealer certificate	1	7	\$17,500
Israel Lopez dba Dylans Auto LLC	Portland	Acting as a vehicle dealer without a current dealer certificate	1	6	\$15,000
Curtis Lee Fisher	Brookings	Acting as a vehicle dealer without a current dealer certificate	1	8	\$20,000
Brian Worden Jr dba B & B Towing	Klamath Falls	Acting as a vehicle dealer without a current dealer certificate	1	3	\$7,500
Darrell Roy Huskey dba Salem Auto Auction	Salem	Acting as a vehicle dealer without a current dealer certificate	1	7	\$17,500
Trucks Are Us LLC (3 YR Suspension)	Portland	Failure to maintain records allowing for timely/efficient retrieval by DMV	1	1	\$1,000
Crazy Joe Auto LLC	Portland	Failure to obtain supplemental certificate prior to displaying or selling vehicles	1	1	\$500
		Knowingly making a false statement of material fact in a DMV investigation	1	1	\$500
		Failure to furnish title to purchaser within 90 days	1	1	\$1,000
		Failure to submit all fees and documents to DMV within 30 days	2	5	\$1,250
		Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
Carfordable LLC	Portland	Issuing DMV a dishonored check	1	1	\$1,000
Car Safari LLC	Independence	Failure to submit all fees and documents to DMV within 30 days	2	1	\$250
Autonet LLC (3 YR Suspension)	Cornelius	Failure to furnish title to DMV within 90 days	1	3	\$3,000
		Failure to allow an inspection	1	1	\$1,000
Bass Motors LLC dba New 2 You (3 YR Suspension)	Roseburg	Knowingly making a false statement of material fact in a DMV document	1	1	\$1,000
		Failure to submit title to DMV within 90 days	2	1	\$1,000
		Failure to maintain proper records	2	2	\$2,000
		Failure to submit all taxes and fees due this state in connection with sale/transfer of vehicle	1	1	\$1,000
		Failure to allow an administrative inspection	1	1	\$1,000
		Failure to maintain records vehicle was result of possessory lien including signed and dated documents	1	1	\$1,000
		Failure to maintain records vehicle was result of possessory lien including notice to owner of possessory lien	1	1	\$1,000
Affordable Auto Connection LLC	Portland	Failure to furnish title to purchaser within 90 days	1	1	\$1,000
		Failure to notify DMV of vehicle transferred to dealer within 7 days	2	8	\$400
		Failure to submit Notice of Sale or Transfer of a Vehicle to DMV within 10 days	2	3	\$750
		Failure to obtain corrected dealer certificate	1	1	\$500
		Failure to maintain records allowing for timely/efficient retrieval by DMV	1	1	\$1,000
Lisa Ephrem dba JTE Auto Wholesale (3 YR Suspension)	Happy Valley	Failure to maintain records vehicle was result of possessory lien including signed and dated documents	1	3	\$3,000
Brian Worden Jr dba B & B Towing	Klamath Falls	Failure to maintain records vehicle was result of possessory lien including signed and dated documents	1	6	\$6,000
A1 Group Inc (1 YR Probation)	Portland	Failure to submit all fees and documents to DMV within 90 days	1	4	\$4,000
		Failure to furnish title to purchaser within 90 days	2	4	\$1,000
		Failure to maintain proper records	1	2	\$2,000
Big Boys Trucks LLC (3 YR Suspension)	Portland	Failure to allow an administrative inspection	1	10	\$500
		Failure to notify DMV of vehicle transferred to dealer within 7 days	1	10	\$2,500
		Failure to notify DMV of sale or transfer of a vehicle within 10 days	1	1	\$1,000
West Main Auto LLC	Medford	Issuing DMV a dishonored check	1	1	\$2,500
Lee Murphy Auto Sales Inc (1 YR Probation)	Cornelius	Failure to submit all fees and documents to DMV within 30 days	2	10	\$2,500

NOTE: Fines and sanctions for dealers and unlicensed dealers may not reflect settlements or judgments

CONTINUED ON PAGE 4

Dealer Sanctions

CONTINUED FROM PAGE 3

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
GT Auto Sport Inc (1 YR Probation)	Portland	Failure to obtain corrected dealer certificate		1	\$500
Adventure Trading RV LLC	Milwaukie	Failure to submit all fees and documents to DMV within 90 days		1	\$1,000
Butcher Enterprise LLC (3 YR Suspension)	Silverton	Knowingly making a false statement of material fact in a DMV investigation		1	\$500
Best Value Automotive	Eugene	Violation of DMV agent qualifications		1	\$1,000
Hillis Family Auto LLC (3 YR Suspension)	Grants Pass	Failure to furnish title to purchaser within 90 days		5	\$1,000
		Issuing DMV a dishonored check		1	\$1,000
		Failure to submit title to DMV within 90 days		2	\$3,000
		Failure to submit all fees and documents to DMV within 30 days		2	\$250
		Failure to provide written delay to SIH and purchaser		2	\$750
		Issuing DMV a dishonored check		3	\$1,000
Jesse Ephrem dba Good Fellows Auto Sales (1 YR Probation)	Salem				
Clete Cunningham and Timothy Cunningham dba C and C Auto Sales (1 YR Probation)	Medford	Failure to obtain a supplemental dealer certificate		2	\$250
Moberly Motors LLC TTV Motors LLC	Rainier	Issuing DMV a dishonored check		1	\$1,000
Pines Auto Group LLC (1 YR Suspension)	Portland	Failure to obtain a supplemental dealer certificate		1	\$1,500
McCurry Baker City Motors LLC dba Baker City Auto Ranch	Salem	Failure to submit all fees and documents to DMV within 90 days		1	\$6,000
Branch Motors LLC dba Emerald Motors	Baker City	Failure to satisfy interest in a vehicle within 15 days		1	\$1,000
		Failure to maintain records at main business location		2	\$500
	Portland	Knowingly making a false statement of material fact in a DMV document		1	\$1,000

NOTE: Sanctions may not reflect settlements or judgments

Continuing education requirement clarified

The Business Licensing would like to provide dealers with some clarification regarding how continuing education exemption requirements for franchise dealers are applied. The following scenarios are provided for clarification:

Scenario 1: If a franchise dealer obtains a new dealer certificate to sell used cars under a different corporation name, would they meet the exemptions under ORS 822.027(3)?

Response 1: No, franchise dealers who obtain a new dealer certificate to sell used cars would not meet the exemption in ORS 822.027(3) for continuing education requirements if the new business is not licensed under the same corporation name. The dealer must meet the continuing education requirements set forth in ORS 822.027(b).

Scenario 2: If an existing vehicle dealer purchases or opens a new dealership under a separate dealer number, is precertification education required by the applicant or one of its listed principals?

Response 2: No, the precertification education is not required if the applicant or one of its principals hold a current and valid dealer certificate issued by Oregon DMV. See ORS 822.027(2).

For a list of approved dealer education providers please visit www.oregon.gov/ODOT/DMV/pages/dealers/dealerbecome.aspx or contact Business Licensing at 503-945-5052.

- DMV Business Licensing

Welcome Chris to licensing

Christianne “Chris” Parsons joined the Business Licensing Unit on Feb. 1. She replaces retiree Betty Fox, who will continue to help us during Chris’s training. She joins Susan Kanode and Karen White in assisting Business Licensing customers and DMV customers looking for a field office. Chris previously worked as an administrative support specialist for a private company for 13-plus years in Sonoma County (California). She specialized in ensuring the accuracy of death certificates, and worked with doctors in gathering medical information and with California and its counties in certificate registration.

Vehicle privilege and use taxes explained

The new vehicle privilege and use taxes have been in effect for more than a month now. These taxes were part of House Bill 2017, the transportation package from the 2017 Legislature.

Understandably, there’s still some confusion as to who is responsible for paying these new taxes, and how and when the taxes need to be paid.

What are these taxes?

The vehicle **privilege tax** is a tax on the privilege of selling new vehicles and applies **only to sales in Oregon**.

The vehicle **use tax** is a tax on the purchase of taxable vehicles **outside Oregon by Oregon residents or businesses**.

Who has to pay the tax?

Vehicle privilege tax: In-state dealers have to pay this tax, which is a tax on the privilege of selling vehicles in Oregon. They can, however, pass it on to the purchaser, but

Frequently asked questions

See Page 6

it is not a tax on the privilege of purchasing a taxable vehicle. There is no certificate of tax paid issued for this tax.

Vehicle use tax: Oregon residents or businesses that purchase taxable vehicles outside of Oregon have to pay this tax, which is the companion to the vehicle privilege tax.

The Oregon Department of Revenue (DOR) provides a certificate showing the use tax was paid to present to DMV when registering and/or titling the vehicle in Oregon.

Out-of-state dealers who have a physical presence in Oregon that makes them subject to Oregon’s taxation authority must collect the tax on sales to Oregon residents and businesses and remit the tax to DOR, but the customer is responsible for paying it.

Out-of-state dealers without a

physical presence in Oregon may choose to collect and remit the tax on their customers’ behalf, but aren’t required to.

If the dealer collects the tax from the purchaser, the dealer will request and receive the “Certificate of Vehicle Use Tax Payment.” The dealer should send the certificate to the DMV, but they may also give it to the purchaser directly.

If the out-of-state dealer does not collect and remit the tax, the purchaser is required to pay the tax to DOR. After payment, the purchaser will receive the Certificate of Vehicle Use Tax Payment which they must provide to DMV to get the vehicle registered and/or titled in Oregon.

For more information on both taxes, including how to register, pay, and file a return, see the table below or visit www.oregon.gov/dor.

– *Oregon Department of Revenue*

Get trip permit books from Business Licensing

The November Dealer Details article and the Legislative letter that was mailed to dealers in December stated that the trip permit forms will be distributed to DMV field offices and that trip permit books would be sold to dealers at the field offices.

The trip permit books are only available for purchase at Business Licensing. Trip permit books are not distributed to DMV field of-

fices.

Dealers may request a refund of the old unused trip permit books. Send any unused trip permit books to Business Licensing with a written request for a refund. Refunds are taking around two months to process.

Trip Permit Fees:

The fees for light vehicle trip permits and recreational vehicle trip

permits increased by \$2 from \$30 to \$32 per permit on Jan. 1, 2018. All other trip permit fees remain the same.

The trip permit fee amount was removed from the trip permits because of future fee increases in 2020, 2022 and 2024. This eliminates the need to recycle forms with outdated fees.

– *Business Licensing*

Permit Type	Former Fee	Current Fee
RV Trip Permit (305) 25/book	\$750	\$800
Dealer Light Vehicle Trip Permit (306) 25/book	\$750	\$800
Dealer Light Vehicle Trip Permit (306A) 5/book	\$150	\$160

Vehicle privilege and use taxes FAQs

See article on Page 5

	Vehicle privilege tax (sales in OR)	Vehicle use tax (purchases outside of OR by an OR resident/business)
When is the tax due?	Quarterly.	Out-of-state dealers: Quarterly. Purchasers: By the 20 th of the month following the month of sale. Must be paid before registering or titling the vehicle in Oregon.
How much is the tax?	One-half of 1 percent.	One-half of 1 percent.
What is subject to the tax?	Sales of vehicles with 7,500 miles or less and a gross vehicle weight rating of 26,000 lbs. or less.	Vehicles with 7,500 miles or less and a gross vehicle weight rating of 26,000 lbs. or less.
What is <u>not</u> subject to the tax?	<ul style="list-style-type: none"> • ATV sales. • Sales to purchasers who are not Oregon residents. • Sales to businesses if the primary storage or use of the vehicle will be outside Oregon. • Sales at auctions. • Sales to purchaser ordinarily engaged in selling taxable vehicles for purpose of reselling, when presented with resale certificate. 	<ul style="list-style-type: none"> • ATV sales. • Sales to purchaser ordinarily engaged in selling taxable vehicles for purpose of reselling, when presented with resale certificate. • Vehicles purchased at auctions.
Where is the money going?	Each year, \$12 million will go to the Zero-Emission Fund for electric vehicle rebates. The remainder will go to the Connect Oregon Fund for grants for air, marine, rail, public transit, bicycle, or pedestrian improvement projects.	State Highway Fund for activities including construction, repair, and maintenance of public highways, roads, streets, and rest areas.