

Dealer Details

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Newsletter of the DMV Business Regulation Section

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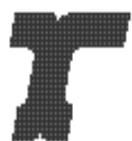
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Form 735-7022 (3-2016)

Pioneering OReGO program showcased at ODAC meeting

The Oregon Dealer Advisory Committee (ODAC) held its first meeting of 2016 on Jan. 28.

The meeting started out with a presentation about ODOT's OReGO road-user charge program by Maureen Bock, OReGO's program manager, and Jenny Erickson, the program's volunteer coordinator. OReGO, created by Senate Bill 810 in 2013, authorizes ODOT to assess a per-mile charge for volunteer drivers.

Oregon is the first state to adopt a road usage charge program for passenger cars – an innovative way to pay for our transportation system needs. OReGO participants pay a per-mile fee of 1.5 cents instead of the fuel tax. The OReGO program started July 1, 2015. The program is open to all Oregonians, but ODOT has to evaluate vehicles for participation based on certain legislative requirements:

- No more than 5,000 cars and light-duty trucks may participate in OReGO.
- No more than 1,500 vehicles rated at less than 17 mpg.
- No more than 1,500 vehicles rated from 17 to less than 22 mpg.

As of January, about 1,000 Oregonians are participating. If you are interested in enrolling or want more information, go to the program's website: www.myorego.org.

Business Regulation's new investigator for southern Oregon, Kelly Garcia, was introduced to ODAC. Kelly brings a lot of investigative experience to the job, and we are truly happy to have her on board. Kelly's office is in White City, and she covers Curry, Jackson, Josephine, Douglas, Lake, and Klamath counties.

On the fiscal side of things, the Business Regulation Section's budget forecast was discussed. The majority of expenditures for the section are paid with the Transportation Operating Fund (TOF) which is made up of vehicle dealer,

dismantler, appraiser and transporter fees. Funding for Business Regulation investigators' work is split approximately 65 percent Transportation Operating Funds and 35 percent highway funds.

ODAC and other interested persons have raised concerns about the huge number of unlicensed people selling vehicles in the state, and they would like to see more staff time dedicated to pursuing unlicensed dealers. Currently, around 15 percent of Business Regulation's investigators' time is allotted to pursuing unlicensed dealers. Lana Tribbey provided ODAC with Business Regulation's estimated revenue and TOF balances projected through fiscal year 2021. Business Regulation plans to provide revised projections at each January ODAC meeting.

In the Fall 2015 issue of *Dealer Details*, ODAC Chair Dan Nicholson shared DMV's planning process to update its core computer systems. Dan outlined DMV's Service Transformation Program (STP), a multi-year program to improve DMV's business processes and replace its computer system, among other projects.

Ben Kahn, STP manager, presented more information to ODAC at the meeting, and showed interest in hearing ODAC's expectations for the program. ODAC's wish list included Oregon DMV providing non-expiring tags (Utah enacted this in 2016), the ability to flip new titles, Oregon being tied to the national law enforcement directly, electronic titling, and a faster look-up process. DMV Administrator Tom McClellan added that the scope of STP is immense as it pertains to Oregon's entire system.

Feel free to attend the April 28, 2016, ODAC meeting at DMV Headquarters, 1905 Lana Ave. NE, in Salem.

Evelyn Hecht
ODAC Vice-Chair

Dealer Handbook updated

The January 2016 revision of the Title and Registration Handbook is available to view, print, or copy at DMV's Web site www.oregondmv.com. This revision updates the November 2015 Handbook. The Handbook is normally updated quarterly. The next revision is scheduled for February 2016.

You may buy a printed copy from one of these organizations:

- Oregon Independent Auto Dealers Association (OIADA), 1-800-447-0302; info@OIADA.com; www.oiada.com.

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

Changes in the November 2015 Handbook revision are as follows:

Cover Page – The cover page reflects the latest revision date of 01-16.

Chapter I, Security Interest Perfection – The Transitional Ownership Document (TOD) chart has been updated to reflect 2016 dates.

Chapter K, Registration – The Application for Registration, Renewal, Replacement or Transfer of Plates and/or Stickers, Form 268, has been replaced with the latest revision, dated 10-15. The “Flex-Fuel” box in the motor power section should be checked if the vehicle uses flex-fuel. Line 11 contains new information for CURRENT OR PREVIOUS MILITARY SERVICE to request DMV provide their address to the Oregon Department of Veterans Affairs (ODVA) for the purpose of receiving benefit information. Line 12 includes an additional certification if the vehicle is a commercial vehicle. Line 13 text has changed from “HOME” and “WORK” Telephone # to “TELEPHONE.” Line 15 now includes a section for noting the disposition of plates, registration card, or stickers. “Wine Country” plate type has been added.

Senate Bill 943, passed during the 2015 Legislative Session, prohibits counties and districts from imposing

vehicle registration fees on vehicles registered to an employment address when an eligible public employee or household member's residence address is not in the same county as the employment. Customers purchasing a vehicle, who are currently using or requesting to use a work-in-lieu address, must submit a Request for Police or Public Agency Address on DMV Records, Form 6438A, signed and certified by a police or public agency authorized representative. If the application shows an address in a county that collects vehicle registration fees, but the customer actually lives at an address outside of that county, do not collect the county vehicle registration fee if these requirements are met. Include the authorized Request for Police or Public Agency Address on DMV Records, Form 6438A, with the transaction when submitted to DMV.

Chapter M, Fees – The Camper and Travel Trailer Schedule of Registration Fees, Form 464, has been replaced with the latest revision, dated 11-15.

Vehicles registered to an employment address as provided in ORS 802.250 are exempt from county vehicle registration fees when their resident address is not within the county of employment address. (See information on Senate Bill 943 in Chapter K.)

Chapter R, Dealers – House Bill 2282, passed during the 2015 Legislative Session, increases the processing fee amount dealers may charge the customer, from \$75 to \$150, if the dealer uses an integrator. The integrator is entitled to \$25 of the fee charged to the customer. If the dealer does not use an integrator, the fee is increased from \$50 to \$115. Customers may negotiate the document processing fees with the dealer.

Index – The index has been updated to include references to dealer processing fees and work-in-lieu addresses.

Dave Adams
Vehicle Policy

Newer cars don't need DEQ testing

The Department of Environmental Quality does not require emissions testing of newer model year vehicles. These vehicles typically have lower mileage and are less likely to experience problems with their emissions control systems.

As of Feb. 1, 2016, use the model year of the vehicle to determine if a vehicle being titled and registered is subject to DEQ emissions testing. Each year, the oldest model year will drop off the exempt list and the new model year will be added. For example:

During calendar year 2016, the following model years qualify as a “newer model year vehicle:”

Model Year 2013 (unless the 2013 vehicle has a DMV registration expiration date that is after Dec.31, 2016)

Model Year 2014

Model Year 2015

Model Year 2016

Model Year 2017

If the vehicle you are titling and registering is a “newer model year vehicle” as described above, the vehicle does not need to go through DEQ.

Note: If for some reason you take a “newer model year vehicle” to DEQ, DEQ has been and will continue to issue a free certificate as determination of meeting the “newer model year vehicle” exemption. But again, you do not need to take a “newer model year vehicle” through DEQ.

Keep in mind that at the beginning of each year, the oldest model year will no longer qualify as a “newer model year vehicle” and will be subject to DEQ emissions testing.

DMV-related questions may be directed to (503) 945-5000 or (503) 299-9999 (Portland Metro Area), or visit the DMV website at <http://www.oregondmv.com>.

DEQ-related questions may be directed to (877) 476-0583, or visit the DEQ website at <http://www.DEQToo.org/nmy>.

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Erik McKeachie dba Quality Cars of Bend (6 MTH Agent Status Suspension)	Bend	Failure to submit application to DMV within 90 days	2	1	\$1,000
		Failure to satisfy security interests within 15 days	1	1	\$1,000
		Failure to pay consignor within 10 days	1	1	\$500
Northwest RV Sales Inc (7 DAY Suspension)	Salem	Failure to submit application/documents/fees to transfer title within 90 days	3	1	\$1,000
Kar Auto Sales LLC	Portland	Issuing DMV a dishonored check	1	1	\$1,000
John Warner dba Five Star Auto Sales	Eugene	Failure to submit fees and application to DMV within 30 days	2	1	\$250
		Allowing non-employee imply/represent affiliation w/dealership to engage in activity	1	5	\$1,250
John Bradley dba Johnny B Auto Wrecking (1 YR Probation)	Portland	Dismantler's failure to maintain proper records for vehicle taken into inventory	2	5	\$5,000
A-Z Affordable Autos LLC (3 YR Suspension)	Hillsboro	Dismantler's failure to confine vehicles without title/ownership documents from public	2	1	\$500
		Illegal odometer tampering	1	1	\$1,000
		Failure to submit application/documents/fees to transfer title within 90 days	1	10	\$10,000
		Failure to provide clear title by failing to satisfy interest within 15 days	1	1	\$1,000
		Failure to allow a police inspection	1	1	\$1,000
		Failure to allow an administrative inspection	1	1	\$1,000
		Failure to provide means of public contact during normal business hours			
Wooster Auto Wreckers LLC (Cancellation)	Veneta	Failure to permanently display an exterior sign			
		Failure to exhibit dismantler certificate at business location			
		Failure to maintain records at business location			
		Failure to furnish title within 90 days of the date of sale			
		Failure to obtain a corrected dealer certificate			
		Failure to maintain a proper records			
Nazcar Auto Center LLC (1 YR Probation)	Portland	Dismantler possessing vehicle with missing VIN	1	1	\$1,000
		Dismantler's failure to maintain proper records for vehicle taken into inventory	2	1	\$1,000
		Dismantler's failure to confine vehicles without title/ownership documents from public	1	1	\$500
Stephen James Amstutz dba U Need A Part (1 YR Probation)	Portland	Dismantler's failure to demolish registration plates of wrecked vehicles	1	1	\$1,000
		Dismantler's failure to submit Dismantler's Notice/title/ownership docs within 30 days	1	1	\$250
		Failure to furnish title within 90 days	1	2	\$500
Two Dogs LLC dba Luxe Autohaus (3 YR Suspension)	Portland	Failure to submit fee and application to DMV within 30 days	2	5	\$5,000
		Failure to supply ownership documents to purchaser within 25 days	2	21	\$5,250
		Failure to provide purchaser with consignment disclosure	1	12	\$3,000
		Failure to provide purchaser title within 30 days of consignment sale	2	1	\$250
		No proof consignor is registered owner/legal owner or lessor of a consigned vehicle	2	1	\$250
		Failure to establish money disposition for the sale of a consigned vehicle	2	1	\$250
		Failure to submit Dealer Notice of Vehicle Purchased within 7 days	3	14	\$1,400
		Failure to notify purchaser/lien holder of title document delay within 25 days	2	39	\$9,750
		Violation of 90-Day DMV Temporary Registration Permit Issuance	3	5	\$500
		Violation of DMV Trip Permit Issuance	3	2	\$200
		Failure to maintain proper records	2	5	\$1,250
		Failure to maintain records at the main business location	2	1	\$500
Lisa Ephrem dba Carr City (1 YR Probation)	Happy Valley	Collecting excessive processing fee without submitting title documents	1	1	\$250
		Failure to maintain proper records	2	16	\$4,000
		Failure to furnish title within 90 days of the date of sale	1	1	\$1,000
		Failure to submit Dealer Notice of Vehicle Purchased within 7 days	2	5	\$250
		Failure to have sufficient space to display one or more vehicles			
		Failure to provide means of public contact at all times during normal business hours			
		Failure to exhibit an exterior sign			
Car Auto Direct LLC (Cancellation)	Bend	Failure to conspicuously display dealer's certificate			
		Failure to maintain records at main business location			
		Failure to have sufficient space to display one or more vehicles	2	1	\$250
		Failure to provide means of public contact at all times during normal business hours	2	1	\$250
		Failure to exhibit an exterior sign	2	1	\$250

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

State amends rules that affect vehicle dealers

The Oregon Department of Justice amended two rules that pertain to motor vehicles – OAR 137-020-0020 (Motor Vehicle Price and Sales Disclosure) and OAR 137-020-0050 (Motor Vehicle Advertising). Highlights of the changes are outlined below. The rules can be found on the Secretary of State's website at http://arcweb.sos.state.or.us/pages/rules/oars_100/oar_137/137_020.html.

- The definition of "Dealer Title and Registration Document Preparation Service Fee" has been amended to reflect the changes in 2015 HB 2282. The "document processing fee" is now defined as "any monies or other thing of value which a dealer charges to prepare, submit or prepare and submit documents pursuant to ORS 822.043." If a consumer pays a document processing fee, the dealer must prepare and submit all documents to complete the transaction, if permitted by law. Dealers can use an abbreviation such as "doc," "doc. proc. fee" or "doc process fee" to describe the fee in advertisements.

- The official commentary following OAR 137-020-0020(3)(c) (offering price) addresses debit or credit card swipe fees.

- Dealers need to check the federal www.safercar.gov website (or use a third party provider) and disclose to consumers if repairs have not been performed pursuant to a safety recall. The official commentary following OAR

137-020-0020(3)(o) (disclosure of material nonconformities and defects) adds information pertaining to DEQ emissions testing.

- There are two new rules pertaining to consignment sales. OAR 137-020-0020(3)(cc), states that a person cannot falsely represent or imply the amount that a potential purchaser offers to pay for the vehicle or the amount the consignor agreed to accept for the sale of the vehicle. OAR 137-020-0050(2)(pp) states that dealers cannot falsely represent that a vehicle is being sold by an individual owner (such as posting on Craigslist under "by owner") when a dealer is selling a vehicle on consignment.

- A dealer cannot misrepresent or fail to disclose the MSRP of a new vehicle. Dealers cannot state or imply that MSRP is the dealer's cost.

- All advertisements of new vehicles that state an offering price must also disclose the MSRP of the vehicle.

- Dealers must provide purchasers of vehicles a copy of all documents signed or initialed by the purchaser or that are material to the terms of the sale.

- OAR 137-020-0050(2)(a) is now consistent with ORS 646A.092. The amended rule permits guaranteed trade-in values in both new and used vehicle advertisements as long as a stated disclaimer is used and the advertisement cites a nationally recognized motor vehicle price guide trade publication (such as KBB).

- If an advertised offering price or monthly payment is calculated by reducing the offering

price by a down payment, minimum trade-in amount or other payment, the financial organization making the offer must be disclosed in the advertisement.

- Dealers that merely sell retail installment contracts to financial organizations cannot represent to consumers that they assist in improving or can improve a consumer's credit record, credit history or credit rating. Selling RICs to financial institutions is not improving consumers' credit.

- Dealers that advertise a monthly lease payment and require the amount due at inception to be more than 10% of the MSRP no longer need to make a separate disclosure without the amount due at inception. Dealers still need to disclose the monthly lease payment and the amount due at inception in the largest type in the lease advertisement.

- The rule and official commentary pertaining to lease advertising, OAR 137-020-0050(3), adds information pertaining to county taxes.

These rules are enforced under the Unlawful Trade Practices Act. Dealers who have additional questions should contact their dealer association, private counsel or Assistant Attorneys General Eva Novick or Althea Cullen at the Financial Fraud/Consumer Protection Section of the Oregon Department of Justice at (971) 673-1880.

Oregon Department of Justice

County fees have exception

Senate Bill 943 prohibits counties and districts from imposing vehicle registration fees on vehicles registered to an employment address when an eligible public employee or household member's residence address is not in the same county as the employment address.

Customers purchasing a vehicle, who are currently using or requesting to use a work-in-lieu address, must submit a Request for Police or Public Agency Address on DMV Records, Form 735-6438A, signed and certified by a police or public agency authorized representative. If the application shows an address in a county that collects vehicle registration fees, but the customer actually lives at an address outside of that county, do not collect the county vehicle registration fee if these requirements are met.

Include the authorized Request for Police or Public Agency Address on DMV Records, Form 735-6438A, with the transaction when submitted to DMV.

*Debi Mercer
Program Services*

Permit books must be returned

When dealers return temporary permit booklets in exchange for a new booklet, DMV's Business Licensing unit sometimes receives booklets that are missing pages.

It is the dealer's responsibility to make sure all of the yellow (issuer's) copies of the booklet are returned to Business Licensing. Under section 735-150-0060 of Oregon Administrative Rules (OAR), the DMV (issuer's) copy of the temporary registration permit must remain attached in the permit book.

Once all permits have been issued from a book, the book and issuer's copies must be returned to DMV.

Remember, all DMV copies (white) need to be attached to the title documents sent to the DMV.

We realize that some dealerships prefer to print out the information required on the temp permits, and pull out the pages to print on the sheets. However, please make sure all of the temp book's pages are returned attached together in the order they came.

Business Regulation