

January 24, 2019
 9:00 a.m. to Noon
 DMV HQ
 Conference Room 382

ODAC

Oregon Dealer Advisory Committee

Presiding Chair: Susan Thayer, Chair

<u>Agenda Items</u>	<u>Presenter</u>	<u>Time Allocated</u>
1. Call to Order / Roll Call / Welcome Guests / Introduce New Member Mark Melton	Susan	9:00 – 9:10
2. Approval of October 25, 2018 Meeting Minutes	All	9:10 – 9:15
3. Use and Privilege Taxes (HB 2017) – Update - Xann Culver, Business Special Programs, DOR	Department of Revenue	9:15 – 9:30
4. Legislative Session and Committee Bills (Vehicle Related) - Amy Joyce, ODOT Legislative Liaison	ODOT	9:30 – 9:45
5. Service Transformation Program / News & Update - Lisa Martinez, STP Change & Communications - Lauren Mulligan, STP Communications	Service Transformation Program	9:45 – 10:15
6. Break	All	10:15 – 10:30
7. Electric Vehicle Rebates (HB 2017) – Update - Rachel Sakata, Air Quality Planner, DEQ	Environmental Quality	10:30 – 10:50
8. ODAC Authority & Purpose, Guidelines, and Government Ethics Law	Judith	10:50 – 11:10
9. Business Regulation Section / DMV Report - <u>Dealer Investigations Update</u> • Unlicensed Dealer Investigator Report - <u>Licensing Update</u> • 2018 Application/Renewal Data	Larry, Robb and Judith	11:10 – 11:30
10. Announcements / Roundtable - Please share information that may relate to ODAC	All	11:30 – 12:00
11. Adjournment	All	12:00

Date of next regularly scheduled meeting: April 25, 2019

Accommodations will be provided to persons with disabilities, and alternate formats of printed material are available upon request. Please call (503) 986-4188 (or statewide relay 7-1-1) at least 48 hours prior to the meeting. Questions about the meeting in general? Please call Judith Moore at 503-945-5283.



January 24, 2019
9:00 AM to Noon
DMV HQ - Rm. 382

Oregon Dealer Advisory Committee Meeting Minutes

Chairperson: Susan Thayer

Members Present:			DMV Representatives Present:
Susan	Thayer	Office Management Rep	<i>Tom McClellan - DMV Administrator</i> <i>Linda Beuckens - Program Services Manager</i> <i>Judith Ingram Moore - Bus. Reg./Fraud Prevention Mgr.</i> <i>Larry Purdy - Chief of Investigations</i> <i>Robb McCracken - Investigator</i> <i>Becky Ortiz – Bus. Reg./Fraud Prevention Policy Analyst</i> <i>Monica Love – Interim Vehicle Programs Manager</i> <i>Tracy Olander – Program Services Senior Policy Analyst</i> <i>Lisa Martinez – STP Change & Communications Manager</i> <i>Lauren Mulligan – STP Communications Lead</i> <i>Craig Austin – STP Lead Business Analyst</i>
Robert	Lanphere Jr	New Dealer Representative	
Marie	Dodds	General Public Representative	
Jeff	Helget	Dismantler Representative	
Mary Ann	Trout	Dismantler Representative	
Gary	Sargent	Power Sports Representative	Members Absent:
Scott	Short	Used Dealer Representative	<i>Roger Kirschner – RV Representative</i> <i>Dale Geiger – General Public Representative</i> <i>Shannon Nill – New Dealer Representative</i>
Jose	Pinomesa	Used Dealer Representative	
Michael	Wagner	Tow Company Representative	
Kelly	Martin	At-Large Representative	
Mark	Melton	Auction Representative	Guests:
			<i>Xann Culver – Oregon Dept. of Revenue</i> <i>David Black – Oregon Dept. of Revenue</i> <i>Rachel Sakata – Oregon Dept. of Environmental Quality</i> <i>Terry Medina – Vitu</i> <i>Kyle Haugan-Walker – Vitu</i> <i>Bob Price – Oregon Community Credit Union</i>
Industry Association Representatives Present			
<i>Diane</i>	<i>Sparks</i>	<i>OIADA</i>	
<i>Darrell</i>	<i>Fuller</i>	<i>OVDA, ORVDA</i>	

Call to Order /Roll Call

Susan/Judith

Susan Thayer called the ODAC meeting to order at 9:10 am. A quorum was present.

New ODAC member Mark Melton introduced himself.

Larry Purdy introduced Dina Delarosa who is taking over Esther Reynoso’s position as Program Specialist for Dealer Investigations. Esther retired from DMV after 30 years of service.

Guests were introduced.

Approval of October 25, 2018 meeting minutes

ODAC Members

Susan asked if there were any edits or questions for the minutes. Mary Ann moved to accept the minutes. The minutes were approved.

Use and Privilege Taxes (HB 2017) – Update

Xann Culver and David Black

Oregon Department of Revenue (DOR) provided information to the House Revenue and Senate Finance and Revenue Committees during the December 2018 Legislative Days. The privilege tax revenue collected is very close to what was forecasted. The use tax revenue exceeded forecast and the bicycle tax was below the forecast. Through November 2018, DOR collected \$21 million from the privilege tax and \$6 million from the use tax. \$12 million from privilege tax was transferred to DEQ's Electric Vehicle Rebate Program, with another \$5.8 million going to the Connect Oregon fund. \$5.3 million from the use tax went to the Highway Fund. DOR collected \$489,000 from the bicycle tax and \$331,000 was transferred to Connect Oregon for bicycle and pedestrian project grants.

Xann explained that DOR is required to submit up to \$12 million to DEQ's Electric Vehicle Rebate Program fund each calendar year through 2023, less administrative costs. Starting in 2024, all of the revenue less administrative costs will be transferred to Connect Oregon.

2019 Legislative Session – Summary of Vehicle-Related Bills

Amy Joyce

Amy Joyce provided updates on bills that may impact ODAC. There are four (4) ODOT bills, and one is a DMV bill, for optimization of the Services Transformation Program (STP). There are proposed minor statute amendments to streamline how ODOT/DMV communicates with customers. There is also a proposal to eliminate the ODL address change sticker.

- HB 2556: Bill from Rep. Witt where ATVs would be registered. The bill currently states an ATV owner needs to get title. Proponents of the bill include Trout Unlimited. Discussion ensued with Bob and Gary supporting the bill because it will help dealerships know if the ATV is stolen, requiring proof of ownership. Amy mentioned the registration process would still be a dual system where you would get information from the Parks Department.
- HB 2394: "Zombie RV" bill. Towing companies and OSP have proposed this bill that proposes a fund for towers that dispose of the abandoned RVs on public right-of-way. Currently, the bill would charge a \$6 fee for titling, registering and renewing RVs.
- HB 2576: License plate transfer bill which is still a work in progress. The bill proposes to clarify how transfers will be handled if a motor vehicle is totaled.
- SB 113: This is a reboot of a 2017 session bill (HB 2975). The bill provides a dealer 30 days to cure a problem. After that time, the consumer's attorney can go to court. If consumer prevails, then the attorney can be awarded attorney fees.
- SB 453: This bill clarifies that Oregon dealers selling taxable motor vehicles to other Oregon dealers for resale are not liable for privilege tax on such sales or trades. Such vehicles would be exempt from requirement of obtaining resale certificate to prove sale is exempt from privilege tax.
- SB 538 and SB 548: Placeholder and study bills on the subject of regulating towing industry.

- SB 623: This is considered a placeholder for autonomous vehicles. Limits types of new vehicles person can register if person resides in county with large population (600,000+). A new bill is expected regarding the process for autonomous vehicles.

There are several bills that are not necessarily a DMV issue. For example, there is a ‘tiny homes’ bill which would require DMV to issue vehicle titles only for homes 400 square feet or less in size.

Darrell provided information on the bills he is tracking.

- HB 2105: To license auto repair shops. Allows Department of Consumer and Business Services to issue specialty vehicle mechanic licenses and master vehicle mechanic licenses to qualified applicants.
- SB 372: Reduces time where towing company must provide notice to owners and lienholders of vehicle after towing vehicle.
- HB 2082: Requires Class II and Class IV all-terrain vehicle operator 16 years of age or older to carry and present both driver license and all-terrain vehicle operator permit.
- HB 2602: Modifies definitions of light-duty zero-emission vehicle and plug-in hybrid electric vehicle to include vehicles with at least three wheels.
- SB 403: Authorizes police officers to perform vehicle identification number inspections.

Service Transformation Program Lisa Martinez, Lauren Mulligan, Craig Austin

Lisa Martinez, Service Transformation Program (STP) Change & Communication Manager, and Lauren Mulligan, STP Communications Lead, provided a brief overview to tools available to dealers: Partner Toolkit, Logon instructions for DMV2U, and the dealer info sheet “DMV is Changing.” A new *Shifting Gears* newsletter also is now available.

STP sent a letter (01/25/2019) to all dealers with a special web personal identification number (PIN) that allows dealers to establish their unique log-on to the DMV2U portal. DMV2U is where all the online dealer functions will happen.

Craig Austin, STP Lead Business Analyst, informed ODAC that the Notice of Transaction is no longer on the 226 (Title and Registration Application) form. When a transaction is processed at DMV, registration cards will be printed at DMV field offices and given to customers as part of the dealer transaction. Dealers will have everything available to them; e.g., plates, stickers and registration. Discussion ensued to clarify the title-only process.

STP will be rolling out Print-on-Demand Trip Permits as a pilot program. After the program has been tested and any issues are corrected, it will be rolled out to all dealers. There will not be a letter sent out to all dealers about this pilot program.

Electric Vehicle Rebates (HB 2017) – Update Rachel Sakata

Rachel Sakata, DEQ Air Quality Planner, provided an update on the Electric Vehicle Rebate Program. DEQ is currently processing rebates for customers who purchased electric vehicles. DEQ is prioritizing processing backlogged rebate requests from January through May 2018. DEQ is also encouraging dealers to enter into agreements with DEQ to offer “cash on the hood” rebates, where a purchaser or lessee can assign the rebate to the dealer and DEQ would pay the dealer the rebate. DEQ’s turnaround time to remit the rebate is ten (10) business days. Rachel encourages

dealers to visit DEQ's website and to contact her directly if interested in pursuing the dealer agreements.

The Electric Vehicle Program is allocated \$12 million annually for two types of rebates – Standard and Charge Ahead. Standard covers new plug-in hybrid or battery electric vehicles, and rebates range from \$1,500 to \$2,500 depending on the battery capacity. Charge Ahead is intended for low- and moderate-income Oregon households and rebates of \$2,500 are for new and used battery, electric vehicles. Plug-in hybrid and hybrid vehicles are not eligible. Hydrogen-fueled cars are eligible; however, there are no hydrogen fuel stations in Oregon yet. Charge Ahead can be combined with standard rebate, and rebate applications must be submitted to DEQ within six months of purchase/lease.

ODAC Authority & Purpose, Guidelines and Government Ethics

Judith Moore

Judith reviewed the ODAC authority and purpose. Statute and administrative rules pertaining to ODAC establishment and governmental ethics were provided. Even though ODAC members are volunteers, ODAC is considered a public body and Oregon ethics laws apply to ODAC. Oregon Government Ethics Commission (OGEC) offers a booklet for public officials that answers a lot of questions. Judith provided ODAC members a copy of the booklet. For more information on or from OGEC, email OGEC.mail@oregon.gov or call 503-378-6808.

Judith thanked everyone who completed the harassment and discrimination training on the state's iLearn website. For 2019, use of state information systems has been added as part of the mandatory training requirement. Training must be completed by 12/31/2019.

Business Regulation Section Report

Larry Purdy, Robb McCracken, Judith Moore

Larry provided an annual report for 2018, including statistics on the activities of both the Dealer Investigators and the Unlicensed Activity Investigator. He explained that DMV has begun enforcing the statute that allows DMV to charge unlicensed dealers for displaying vehicles for sale, instead of waiting to confirm sales actually occurred before charging violators.

Robb summarized his work involving unlicensed dealer cases and how he researches to create a solid case against the individuals. Persons suspected of dealing vehicles without a certificate are often mailed advisory letters for first time offenses. Not only does DMV issue civil penalties to unlicensed dealers, but the dealer investigators also educate unlicensed dealers on the importance of obtaining a dealer certificate. Larry informed ODAC that the number of unlicensed dealers who eventually obtain a dealer certificate is difficult to quantify and not reflected in the statistics provided.

Larry explained that the investigators have been more frequently conducting inspections of possessory lien claimant records. DMV has authority to issue civil penalties for noncompliance with lien claimant record retention requirements, regardless of whether or not the lien claimant is a certified dealer or otherwise involved in dealer activity.

Data on Business Licensing application processing was provided in the ODAC meeting packet. The licensing totals for vehicle dealers showed an increase from 2017 numbers. In 2018, there were 332 new, non-franchised dealers; and in 2017 there were 242. There were 48 new franchise dealers in 2018, compared with 26 in 2017.

There was discussion of proposed revisions to administrative rules concerning vehicle dealer hours of operation. ODAC was encouraged to submit comments to DMV rules coordinator Ty Yoder.

DMV encourages ODAC to submit topics they would like to discuss at meetings. Please let Judith, Larry or Becky know so DMV can prepare for discussion.

The meeting adjourned at 12:02 PM