### Agenda Items

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<thead>
<tr>
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<th>Sponsor</th>
<th>Time Allocated</th>
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<tbody>
<tr>
<td>1.</td>
<td>Call to Order / Roll Call / Welcome Guests</td>
<td>Susan and Courtney 9:00 – 9:10</td>
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<td>2.</td>
<td>Approval of October 26, 2017 Meeting Minutes</td>
<td>All 9:10 – 9:15</td>
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<td>3.</td>
<td>Plate Transfers Update - Rule Amendments</td>
<td>Linda Beuckens 9:15– 9:30</td>
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<td>- Xann Culver, Business Special Programs, DOR</td>
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<td>- Rachel Sakata, Air Quality Planner, DEQ</td>
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<td>6.</td>
<td>Service Transformation Program (STP) - Trip and Temporary Registration Permits’ Future Process</td>
<td>Judith 10:05 – 10:30</td>
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<td>- Stephanie Zellner &amp; Craig Austin, DMV Office of Transformation</td>
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<td>7.</td>
<td>Break</td>
<td>All 10:30 – 10:50</td>
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<td>8.</td>
<td>2018 Legislative Session and Committee Bills Dealing with HB 2017</td>
<td>Judith 10:50 – 11:10</td>
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<td>- Amy Joyce, ODOT Legislative Liaison</td>
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<td>9.</td>
<td>Business Regulation Section / DMV Report</td>
<td>Larry and Judith 11:10 – 11:30</td>
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<td>- Dealer Investigations Update</td>
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<td>- Dealer Investigator New Hire Valarie Applegate-Andalon</td>
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<td>- Unlicensed Dealer Investigator</td>
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<td>- AAMVA Internet Vehicle Sales Working Group - Update</td>
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<td>- Licensing Update</td>
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<td>- 2017 Application/Renewal Data</td>
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<td>- SB 974 (Dealer Bond Increase)</td>
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<td>- HB 2017 (Trip Permit Fee Increase)</td>
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<td>10.</td>
<td>New Business / Announcements</td>
<td>All 11:30 – 12:00</td>
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<td>- Please share information that may relate to ODAC</td>
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<td>11.</td>
<td>Adjournment</td>
<td>All 12:00</td>
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Date of next regularly scheduled meeting: April 26, 2018

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 25, 2018  
9:00 AM to Noon  
DMV HQ - Rm. 382

Oregon Dealer Advisory Committee  
Meeting Minutes

Chairperson: Susan Thayer

Members Present:
Susan Thayer  Office Management Rep  
Dale Geiger  General Public Representative  
Dennis Keena  General Public Representative  
Mary Ann Trout  Dismantler Representative  
Jeff Helget  Dismantler Representative  
Shannon Nill  New Dealer Representative  
Robert Lanphere Jr  New Dealer Representative  
Gary Sargent  Power Sports Representative  
Scott Short  Used Dealer Representative  

Members Absent:
Robert Lanphere Jr  New Dealer Representative  
Mike Wagner  Tow Representative (excused)  
Alex Fraser  Auction Representative (excused)  
Dan Nicholson  Used Dealer Representative (excused)  

Guests:
Roger Kirschner  RV Representative  
Kyle Haugan-Walker  VITU  
Amy Joyce  ODOT Government Relations  
Shannon Johns  Department of Revenue  
Xann Culver  Department of Revenue  
Rachel Sakata  Department of Environmental Quality  
Liz Woods  DMV Policy Analyst, Rules Coordinator  
Mary Liedtke  DMV Policy Analyst  
Amy Joyce  ODOT Government Relations  
Chris Fry  Enterprise Holdings  
George Roeske  Auto Recycling  
Loni Neilsen  IAA Eugene  
Carrie Preisinger  IAA Portland  
Stephanie Zellner  Service Transformation Project (DMV)  
Craig Austin  Service Transformation Project (DMV)  

Industry Association Representatives Present
Darrell Fuller  OVDA  
BJ Clark  OVDA

Call to Order /Roll Call  
Susan Thayer called the ODAC meeting to order at 9:06 am. Eleven members were present to make a quorum.
Introductions

ODAC members and guests identified themselves and their respective affiliations.

Approval of October 26, 2017 meeting minutes

ODAC Members

Susan asked if everyone received the minutes and if there were any edits or questions. Bob Lanphere moved to pass the minutes. Minutes approved.

Plate Transfers Update – Rule Amendments

Linda Beuckens

DMV initially looked at plate transfers as an issue because it appeared by transferring the registration with plates, it left the door open to a lot of plate theft. DMV has realized that registration shouldn’t be transferred with a plate. Linda was hoping there was more information to provide regarding plate transfers but the issue seems to be more challenging to find a solution. Linda does not have an implementation timeline for that at this time. There is a rule advisory committee that has met once regarding plate transfers and one meeting next week. Linda thanked everyone on the rule advisory committee for their participation thus far.

Bob Lanphere said it would be simple if the registered owner of the plate was the only person that could transfer. Linda said they’ve looked into that but it essentially eliminates a whole category of people that are legitimately doing plate transfers. If we wanted to limit who could transfer, it would be a statutory change. DMV does not have the authority to limit who can transfer plates and who cannot.

Update Regarding Use and Privilege Taxes (HB 2017)

Judith Xann from the Department of Revenue (DOR) spoke about litigation. At the last meeting Xann mentioned that AAA was filing an appeal. Oral arguments are scheduled for Wednesday March 14th. A decision is not expected to be seen from the oral arguments and briefs until about three months later. Both the vehicle privilege and use taxes are implemented and moving forward until a Supreme Court decision rules otherwise. The Supreme Court has a link online in order to watch the oral arguments. With the current legislation, the joint transportation committee approved two concepts that would be technical and policy changes to House Bill 2017. Those bills have been dropped into the Oregon Legislative Information System (OLIS) which is the website database; they are House Bill 4059 and House Bill 4060. Those are the technical policy changes to House Bill 2017. The transportation committee is considering a big list of changes that are not in the bills. In the January legislative meetings under the joint transportation committee meeting materials, there’s a document that’s called the Omnibus that has a list of all the changes that have been suggested. Not all of the changes are in the bills. The committee is well aware that they have a lot of work to do during the very short session that starts on February 5th thru March 11th if no extensions are approved.

Xann spoke about the implementation update. Tax collection started on January 1, 2018 and DOR has been getting a fair number of phone calls and e-mails about the tax implementation and how they apply, along with a small number of policy questions. There have been a lot of questions regarding navigating the online system. Xann says they have over 250 dealers registred for the vehicle privilege tax and just fewer than 100 registered for the use tax. The privilege tax is for Oregon dealers and the Use Tax is for Oregon purchasers of vehicles when they purchase outside of Oregon. There’s been a lot of confusion about the certificate. DMV is required to verify that the
Use Tax has been paid before they can title and register a vehicle that was purchased from an outside Oregon dealer that is subject to the Use Tax. A certificate is what DOR produces when the tax has been reported as collected by the dealer that sold it, or reported and paid by the consumer. There’s a lot of confusion that dealers selling vehicles in Oregon also have to have a certificate and that is not the case. Privilege Tax is a tax on the dealer and not on the purchase. Dealers can pass it on to the consumer. There’s no certificate required because the consumer doesn’t have to pay the tax. The tax is reported by the dealer quarterly and the first returns are due by the end of April 2018.

Bob Lanphere said the problem they’re having is that the consumer is hearing they don’t have to pay for the tax. He said they’re getting a lot of pushback from it and telling the consumer they don’t have to pay it is a mis-statement.

There has been two letters sent to all Oregon licensed dealers informing them of the bills. Included in the massive mailing were dealers that aren’t necessarily included in the Privilege Tax because they may not sell vehicles that qualify as a taxable vehicle. There was also a press release that was picked up by a few news outlets.

Gary Sargent spoke about wanting a purchase price defined and if the DMV fees are taxable. Xann said the department adopted three temporary rules related to the vehicle Privilege and Use Tax. The retail sales price includes but is not limited to the price charged for a motor vehicle as equipped by the manufacturer, any charges for transportation of a motor vehicle before it’s sale, and any charges for accessories, parts or products that are sold with the motor vehicle as well as charges included for installation or application labor.

Xann said they’ve determined that the Privilege and Use Tax applied on a leased transaction is the sale between the dealer and the lessor. The lessor is technically the purchaser of the vehicle. Xann said they’re hoping the legislature addresses leases as well in the upcoming session.

Xann said if the state loses the appeal and with the way the law is drafted, the Privilege and Use Taxes would be repealed on the day the decision is made. There won’t be any refunds for previous purchases or sales made before that date. Taxes stand as they were adopted by the legislature until the Supreme Court decides otherwise.

**Update Regarding Electric Vehicle Rebates (HB 2017)**

Rachel Sakata was on the phone and gave an update regarding the Electric Vehicle Rebate. A PowerPoint slide was presented. Rachel went on to inform ODAC that House Bill (HB) 2017 directed DEQ to implement a zero emission electric vehicle rebate program in Oregon. DEQ has proposed rules to implement the program which is out for public comment.

The proposed rules have a few rebate eligibility requirements; the vehicle must be purchased or leased on or after January 1, 2018 and the base MSRP must be $50,000 or less. The rebate program has two elements which are standard rebates and charge ahead rebates. There are two rebates offered for purchase or lease of a new zero emission vehicle which is $2,500.00 if the battery capacity is greater than ten kilowatt or $1,500.00 if the battery capacity if less than ten kilowatt.

On the proposed charge ahead rebates which are rebates of $2,500.00 offered for purchase or lease of a new or used zero emission vehicle. Qualified applicants must be a low or moderate income household, reside in an area with poor air quality from transportation related emissions, or
scrap an internal combustion engine car at least twenty years old. DEQ would require documentation that applicants have surrendered the vehicle as scrap including how and when it will be scrapped. There is a proposed bill coming up in the next legislative session that includes removing the scrapping requirement which is HB 4060.

Scott Short asked if there is a cap on how much the state can collect. Xann clarified that the Privilege Tax funds the zero emission incentive funds that the rebates will be paid out of. On an annual basis, the Department of Revenue is required to transfer twelve million dollars from the Privilege Tax received to the Zero Emission Tax fund. Anything over the twelve million from the Privilege Tax will go into the Collect Oregon Fund. It was also clarified that there are two separate rebate funds. One is not limited to income and one limited to income.

Amy Joyce asked Rachel if the Oregon Administrative Rules (OAR) is open for comment and clarified that there was an advisory committee meeting before starting the formal process. Rachel said they had an advisory committee back in November and met with people from Oregon Vehicle Dealer Association (OVDA) and some car manufacturers. They talked about rules and incorporated a lot of their comments and thoughts so that helped formulate what the rule change looks like right now. The rules are currently out for public comment. Two public hearings are scheduled at the end of February in Portland and Medford.

**Service Transformation Program (STP)**

Stephanie Zellner and Craig Austin from the STP program at DMV Headquarters presented slides with examples of trip and temporary permits from other states that are able to print on demand. They asked for input from ODAC about how they feel if DMV were to adopt a similar print-on-demand feature with the new system that was recently named OLIVR. OLIVR stands for Oregon License Issuance and Vehicle Registration.

Stephanie confirmed if this is accepted and supported that they would need to figure out how permits are currently issued and who can issue. Craig said one thing they know for sure is that permits would still be available in paper form. The print-on-demand is just another option in the permit issuing process.

Gary Sargent asked about motorcycle permits. The paper that’s currently used is a special type that can obtain the weather elements. Since the print-on-demand feature is only being spoken about at this stage, it’s unclear how a motorcycle permit would look.

Gary made a motion to endorse the program with concerns for the public having access to the print-on-demand feature. Bob Lanphere seconded the motion. Craig asked ODAC to give a couple names to Judith for a point of contact if STP has any questions when and if they start this process.

**2018 Legislative Session and Committee Bills for HB 2017**

Amy Joyce spoke about two primary bills that are currently open which are HB 4059 and HB 4060. HB 4059 is primarily minor technical changes. Section 10 talks a little about taxable motor vehicle which includes information regarding the 7,500 mile issue. The drafting came out unclear. HB 4060 has items that are a little more technical but some policy that didn’t have much to do with HB 2017. As Amy understands the process, the joint transportation committee will be talking about the two bills and other issues that didn’t make it in. Amy hopes in closing of the bills it will bring everything together which could result to be HB 4061 and ultimately try to pass one single bill at the close of
the 2018 session. The joint committee is meeting in the evenings on Monday’s and Wednesday’s. Those meetings will be streamed online.

**Business Regulation Section / DMV Report**

Larry introduced the newest Portland investigator, Valarie Applegate-Andalon and confirmed that there is currently one position waiting to be filled at this time. Valarie has been with DMV for seven and a half years where she started at the Llyod Center Field Office. While working at the field office she also worked at JC Penney as a loss prevention officer.

Statistics were included with each packet. The number of inspections on unlicensed dealers has been continually increasing over the last five years. The numbers took a dive in 2017 because of personnel changes. Larry suspects the number will rise in 2018. In 2015 the number was the highest due to the fact that they did a push in the Portland area so all dismantlers would be caught up to the three year window.

The largest number of complaints received is regarding unlicensed dealers. Bob Lanphere asked if Larry could separate the new and used dealers in the graph.

Larry confirmed that when the investigators are out conducting inspections, they’re not looking at a years’ worth of transactions but only a small random sampling.

Larry presented a power point regarding the internet vehicle sale working group he’s been on for the last year. The group was established in 2017 and they’ve held two in-person meetings plus multiple conference calls thus far. The next face-to-face meeting will be held in April.

Judith reiterated information regarding trip permit increases that started January 1, 2018 and bond amounts increased as well.

Meeting adjourned at 12:05 pm.