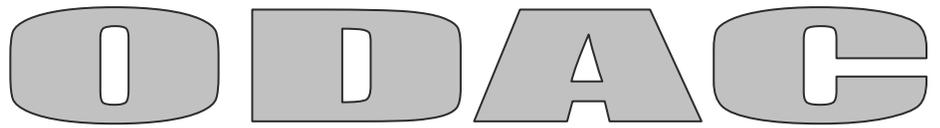


April 25, 2019  
 9:00 a.m. to Noon  
 DMV HQ  
 Conference Room 382



## 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  | Susan                          | 9:00 – 9:10           |
| 2. Approval of January 26, 2019 Meeting Minutes  | All                            | 9:10 – 9:15           |
| 3. Service Transformation Program / News & Update<br>- Karen McCarty, STP Business Manager<br>- Lisa Martinez, STP Change & Communications | Service Transformation Program | 9:15 – 9:45           |
| 4. Electric Vehicle Rebates (HB 2017 [2017]) – Update<br>- Rachel Sakata, Air Quality Planner  | DEQ                            | 9:45 – 10:10          |
| 5. National Motor Vehicle Title Information System (NMVTIS)<br>- Handouts provided by AAMVA  | AAMVA via video                | 10:10 – 10:30         |
| 6. Break   | All                            | 10:30 – 10:45         |
| 7. Legislative Session and Committee Bills (Vehicle Related)<br>- Amy Joyce, ODOT Legislative Liaison                                      | ODOT                           | 10:45 – 11:00         |
| 8. Education Subcommittee Review of Providers' Renewal Application   | Becky                          | 11:00 – 11:10         |
| 9. Business Regulation Section / DMV Report<br>- Dealer Investigations Update<br>- Licensing Update  | Larry and Judith               | 11:10 – 11:30         |
| 10. Announcements / Roundtable<br>- Please share information that may relate to ODAC   | All                            | 11:30 – 12:00         |
| 11. Adjournment  | All                            | 12:00                 |

Date of next regularly scheduled meeting: July 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.



**April 25, 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>Linda Beuckens - Program Services Manager<br/>           Judith Ingram Moore - Bus. Reg./Fraud Prevention Mgr.<br/>           Larry Purdy - Chief of Investigations<br/>           Darlene Watson - Investigator<br/>           Becky Ortiz - Bus. Reg./Fraud Prevention Policy Analyst<br/>           Karen McCarty - STP Business Manager<br/>           Lisa Martinez - STP Change &amp; Communications Manager<br/>           Sonya McIntosh - Field Services / STP Rotation</i> |
| Shannon  | Nil                 | New Dealer Representative          |   |
| Scott  | Short               | Used Dealer Representative         |   |
| Gary   | Sargent             | Power Sports Representative        |   |
| Michael  | Wagner              | Tow Company Representative         |   |
| Jose   | Pinomesa            | Used Dealer Representative         |   |
| Kelly  | Martin              | At-Large Representative            |   |
| Roger  | Kirschner           | RV Representative                  | <b>Members Absent:</b><br><i>Mark Melton, Auction Representative<br/>           Dale Geiger - General Public Representative<br/>           Robert Lanphere, Jr. - New Dealer Representative<br/>           Marie Dodds - General Public Representative<br/>           Jeff Helget - Dismantler Representative<br/>           Mary Ann Trout - Dismantler Representative</i>   |
| Industry Association Representatives Present   |                     |                                    |   |
| <i>Diane</i>   | <i>Sparks</i>       | <i>OIADA</i>                       |   |
| <i>Darrell</i>   | <i>Fuller</i>       | <i>OVDA, ORVDA, OPSA AAO, NATA</i> |   |
| <i>Greg</i>  | <i>Remensperger</i> | <i>OADA</i>                        |   |
| Guests:  |                     |                                    |   |
| <i>Rachel Sakata - Oregon Dept. of Environmental Quality via telephone<br/>           Jennifer Mueller - Vitu<br/>           Kyle Walker - Vitu<br/>           Kendra Mervine - Guaranty RV Inc.<br/>           Young Walgenkim - Consumer Attorney<br/>           Adam Hanson - Consumer Attorney</i> |                     |                                    |   |

**Call to Order /Roll Call**

**Susan/Judith**

Susan Thayer called the ODAC meeting to order at 9:05 am. A quorum was met during the third agenda item.

Roundtable introductions occurred and guests were introduced. Larry Purdy introduced Darlene Watson who is the DMV Dealer Investigator for Coos, Lane and Linn Counties.

**Approval of January 26, 2019 meeting minutes**

**ODAC Members**

Susan asked if there were any edits or questions for the minutes. The minutes were approved.

Karen McCarty presented through Power Point “How Dealers Can Help Us Help You” that showed the results of an informal survey completed by DMV field office employees throughout the state and from each region: Sunset, Mt. Hood, Northwest, Central, East and South. The majority of dealers are located in the Mt. Hood and Sunset regions as they are within the greater Portland metropolitan area.

STP gathered data from a sampling of field offices to track the most common errors that delay the processing of dealer transactions. Data was collected for two weeks. All DMV Field Offices did not submit reports, and the data did not track specific dealers. The statewide top errors were: (1) Missing customer information (e.g., DOB, Customer #), (2) Missing security interest holder (SIH) information (Customer #, Address), (3) Incorrect fees, (4) Incomplete or no dealer log, and (5) Missing plate transfer information.

The top errors varied for each region.

| <b>Region</b>    | <b>Top 5 Errors</b>   |
|------------------|---|
| Central          | Missing SIH info & Disable Veteran proof (tie)<br>Customer address not current<br>Missing customer info<br>Missing fees   |
| East             | Missing customer info<br>Missing SIH info<br>Missing plate transfer<br>Other (one in same)<br>No Dealer log / Incomplete  |
| Mt. Hood Region  | Missing customer info<br>Missing SIH info<br>Missing fees<br>No Dealer transmittal submitted<br>Excess fees   |
| Northwest Region | Missing customer info<br>Missing survivorship<br>Missing SIH info<br>Missing fees<br>Missing documents  |
| South Region     | Lien number missing<br>Missing fees<br>Missing / Incomplete VIN inspection (tie)<br>Missing signature on application (tie)<br>DEQ missing & Missing customer info (tie) |
| Sunset Region    | Missing customer info<br>Missing SIH info<br>No Dealer transmittal submitted<br>No Dealer log / Incomplete<br>Stickers on title   |

Regarding SIH information missing (customer #, address), it was noted there are problems with maintaining an accurate list of SIH. Inactive financial institutions or banks may still be on the SIH information list. Sonya McIntosh (Field Services) mentioned DMV field offices provide a list to dealer customers. Kyle Walker (Vitu) stated that his company provides Vitu (electronic vehicle registration – EVR) dealers a list of customer numbers. Kyle will provide Becky Vitu's list of plate fees that Vitu provides dealers. Some customer numbers change and that can create complications with provide customer numbers for SIH's. SIH's (lenders) have customer numbers and if it's a new lender, then DMV will produce a number for the lender. There was discussion for DMV to provide a common customer number list for dealers.

Greg Remensperger asked whether the survey data can be separated by new and used dealers. Karen responded that at some point STP could expand on the survey, but currently there are no plans to differentiate the types of dealers. The information was limited to dealer transactions submitted to DMV field offices, and did not include Vitu or transactions mailed to DMV HQ.

Lisa Martinez suggested ODAC assist with ways to better communicate with the dealer and dismantler community. Three questions were presented: (1) Who needs to get this information? (2) What communication channels work best? (3) What approaches and tools are most helpful? Lisa recorded ODAC and guests' responses on poster paper.

- (1) The audience for the information is primarily title clerks, finance managers, and the dealership/business' owner or principal(s)
- (2) Ways to reach this audience include through ODAC, the dealer investigators, the auto dealers associations, DMV dealer centers, live classes, vendors working directly with dealers (Insurance companies, EVR providers), mailings to dealers, Internet (email distribution), interoffice mail, and Dealer Handbook
- (3) Responses to what tools work best included SIH list (with caution to confirm correct SIHs on list), dealer report card, flyers, fees cheat sheet, Dealer Details, reference guide for common errors (easy to understand, include copy of highlighted title & registration application ('226'), and pre-licensing certificate requirements

Gary Sargent raised a concern that DMV does not date stamp paperwork dealers submit at field offices. Dealers are under a statutory requirement to submit paperwork within a certain amount of time. Larry mentioned that a DMV policy group is looking for a consistent way to provide a receipt to dealers. For example, the dealer can make a copy of the form(s) submitted and ask the field office to date stamp the form. Becky added the Field Initiative Team (FIT) is working on the process to date stamp the copy of the form and provide to the dealer.

### **Electric Vehicle Rebates (HB 2017 [2017 Session]) – Update Rachel Sakata**

Rachel Sakata, DEQ Air Quality Planner, provided an update on the Electric Vehicle Rebate Program. DEQ has processed 1,400 rebates for customers who purchased electric vehicles, which means \$2.4 million in rebates provided. There are two types of rebates – Standard and Charge Ahead. Currently, DEQ is issuing only standard rebates. Charge Ahead rebates are expected starting in fall 2019, when the contractor for program implementation begins working. Rachel discussed the “cash on the hood” rebates at the January 2019 meeting and reminded ODAC about this rebate program that encourages dealers to create an agreement with DEQ to offer “cash on the hood” rebates, where a purchaser can assign the rebate to the dealer and the dealer could then provide the rebate at the time of sale. DEQ's turnaround time to remit the rebate is ten (10) business days. Thus far, 20 dealers have signed up, and DEQ has issued 34 rebates directly to

dealers. Rachel encourages dealers to contact her directly if interested in pursuing the dealer agreements. The Charge Ahead program allows customers to prequalify. Charge Ahead is an income-based program, and more information is available on DEQ's website. The website also includes a list of eligible vehicles and motorcycles.

An FAQ will be posted to DEQ's website for dealers interested in the Cash on the Hood process. Google: "Oregon electric vehicle rebate" for more information. Also, DEQ proposes to present a webinar for dealers that will explain the rebate processes. The webinar could be ready in the next few months.

The Electric Vehicle Program is allocated \$12 million annually for the two types of rebates – Standard and Charge Ahead. Any unused money from a previous year will roll over to the next year. The program is set to sunset in 2024

### **2019 Legislative Session – Summary of Vehicle-Related Bills** **Amy Joyce**

Amy Joyce provided updates on bills that impact DMV and may impact ODAC. There are four (4) ODOT bills, and the DMV bill is Senate Bill (SB) 57, for optimization of the Services Transformation Program (STP). Elimination of the ODL address change sticker is part of this bill.

- House Bill (HB) 2020 – Carbon Bill, cap-and-trade idea.
- HB 2007 – Dirty / Clean Diesel bill similar to Washington and California laws where old diesel trucks are taken out of service or retrofitted to become clean burning.
- HB 2015 – Removes legal presence requirement. This would take effect after Real ID (2020), in 2021.
- HB 2394: "Zombie RV" bill that would have provided funds to towers and dismantlers. The bill is dead but the topic is not dead.
- HB 2556: Bill where ATVs would be registered. It is likely the bill will die, but there will be interim work with the Parks Department's ATV Advisory Group.
- HB 2770: Creates licensing for autonomous vehicle testing is going forward, with a hearing on 29 April 2019.
- HB 3176: Requires dealers and everyone to submit a notice of sale each time vehicle transfers. Bill may die, and there will be interim work concerning vehicle transfers.
- SB 792: Bill requires dismantlers to get a permit from DEQ. Due to its fiscal impact, the bill is at the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development (Ways and Means). If the bill passes it would require an additional Dealer Investigator to comply with the bill's requirements that include annual review of all dismantler business locations.
- SB 548: Bill would create a towing board, modeled after Montana. It would be administratively housed within ODOT/DMV.
- HB 2314: This would allow lane splitting for motorcycles.
- HB 2576: License plate transfer bill to clarify how transfers will be handled if a motor vehicle is totaled.

- HB 3172: Reduces notice period for towing abandoned vehicles from private property to 24 hours.
- SB 443: Requires vehicle headlights on at all times of the day when in motion.
- HB 2112 / HB 2403: 'Speedbump bills' used to gut and stuff with other transportation-related issues.

**Education Subcommittee Review of Provider's Renewal Application**

Mike, Jose, Gary and Mary Ann reviewed. Motion to approve OIADA's dealer education was passed.

5<sup>th</sup> Gear did not provide renewal application, and expires on 30 April 2019. They will be removed from the dealer education provider list posted on the DMV Business Regulation web page.

**National Motor Vehicle Title Information System (NMVTIS) Videos from AAMVA**

With DMV's new computer system, Oregon is now using NMVTIS to instantly and reliably verify information on a title with the electronic data from the state that issued the title. NMVTIS is designed to protect consumers from fraud and unsafe vehicles and to keep stolen vehicles from being resold. NMVTIS is also a tool that assists states and law enforcement in deterring and preventing title fraud and other crimes. Consumers can use NMVTIS to access important vehicle history information.

Two brief information videos were shown. One is geared for the consumer to explain how to use NMVTIS and the other video provided testimonials from other states' DMV's and AAMVA officers on the benefits of NMVTIS

**Business Regulation Section Report Larry Purdy, Judith Moore**

Larry reviewed dismantler inspection data provided on a handout. Inspections were conducted April 1 through 19, 2019 by Dealer Investigators. Sixty-two inspections were conducted, 18 different violations were observed and 99 total violations were identified. The inspections resulted in one case pending civil penalties, one case pending sanctions, and one dismantler certificate voluntarily surrendered because they were not an active business. Two or three unlicensed dismantlers are being investigated. There was one joint inspection during this period with Department of Environmental Quality (DEQ) which is pending administrative action from DEQ.

Most common violations were failure to submit notices to DMV and failure to destroy plates. None of the violations were deemed hazardous or egregious

Larry is a member of AAMVA's Abandoned Vehicles and Mechanics Lien Work Group which meets next week in North Carolina. This work group plans to wrap up and create a best practices document by October 2019. Larry is also a member of AAMVA's Vehicle Sales Working Group which is a 2-year project, expecting completion of a best practices document in July 2019.

Data on Business Licensing application processing during first quarter of 2019 was provided in the ODAC meeting packet.

Department of Revenue (DOR) did not attend the meeting. DOR provided a handout that showed the status of the transportation (HB 2017 [2017]) tax payments and administrative costs. Administration of the tax programs (vehicle privilege tax, use tax, and bicycle excise) has stabilized. The tax auditor for the three tax programs started in February 2019. DOR anticipates very little

change resulting from the 2019 legislative session, and plans to attend ODAC meeting after session for further updates.

## **Announcements / Roundtable**

**All**

Mike provided an update on SB 548. The bill will allow insurance companies to submit complaints to the proposed Towing Board.

Greg mentioned the dealer practices of Carvana. It is well funded, and all of their transactions are not occurring at a business location. Greg suggested that DMV watch their transactions. Carvana's business practices impact all dealers.

Scott Short raised a concern about inadequate consumer protections under public fleet sales/auctions (public fleet sales, GSA sales, police cars). The concern is that any damage of public vehicles cannot be discovered because there are no reports if the vehicles were in crashes. Governments are self-insured and do not carry liability insurance like other vehicle owners. There was general consensus of concern and acknowledgement that there might not be a fix to the sale of public fleet vehicles. Any proposed fix would require a statute change.

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

The meeting adjourned at 11:52 PM