



October 25, 2018
 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 Linda Beuckens - Program Services Manager Judith Ingram Moore - Bus. Reg./Fraud Prevention Mgr. Larry Purdy - Chief of Investigations Esther Martinez - Investigator Becky Ortiz – Bus. Reg./Fraud Prevention Policy Analyst Sherry McCarthy - Business Licensing Office Specialist Monica Love – Vehicle Programs Manager Sonja McIntosh – Field Services STP Coordinator William Dunn – Field Services Policy Analyst</i>
Dale	Geiger	General Public Representative	
Marie	Dodds*	General Public Representative	
Jeff	Helget	Dismantler Representative	
Mary Ann	Trout	Dismantler Representative	
Shannon	Null	New Dealer Representative	
Scott	Short	Used Dealer Representative	Members Absent:
Jose	Pinomesa	Used Dealer Representative	<i>Roger Kirschner – RV Representative Robert Lanphere Jr – New Dealer Representative</i>
Gary	Sargent	Power Sports Representative	
Michael	Wagner	Tow Company Representative	
Kelly	Martin	At-Large Representative	
VACANT		Auction Representative	Guests:
		*Marie Dodds appointed to ODAC at meeting.	<i>Karen McCarty – STP Business Manager David Parker – FAST Project Manager Shannon Johns – Oregon Dept. of Revenue Xann Culver – Oregon Dept. of Revenue Marie Dodds – AAA Oregon/Idaho Mark Melton – ADESA Northwest David Driscoll – Vitu Kyle Haugan-Walker - Vitu</i>
Industry Association Representatives Present			
Diane	Sparks	OIADA	
Darrell	Fuller	OVDA	

Call to Order /Roll Call

Susan/Judith

Susan Thayer called the ODAC meeting to order at 9:06 am. A quorum was present.

Kelly Martin has been appointed to ODAC as an at-large representative for the insurance industry.

Susan asked if everyone received the minutes and if there were any edits or questions. There were no edits or questions. The minutes were approved.

Use and Privilege Taxes (HB 2017) – Update

Xann Culver and Shannon Johns

The Oregon Supreme Court ruled on August 2, 2018, that the distribution of the vehicle privilege tax is constitutional. This determination comes in response to an appeal challenging that distributing revenues from the tax on vehicles to any fund other than the State Highway Fund goes against the Oregon Constitution. With this decision, Department of Revenue (DOR) was able to transfer just over \$10 million to the zero emissions fund administered by the DEQ for the electric vehicle rebate program. As of the end of August approximately \$13 million was collected from the privilege tax. Dealers are required to report the amount of taxable sales for the third quarter by 10/31/2018 so no details are available at this meeting.

DEQ is not issuing rebates at this time. No rebate distribution was allowed until the Supreme Court decision was made. DEQ is in the RFP process to find an outside vendor to manage the rebates. Checks will be issued when the system is in place. Requirements for the rebates are available on the DEQ website.

The Legislature made some modifications to the bicycle excise tax to include electric bicycles. That modification became effective June 2, 2018. All-electric bicycles are required to pay the \$15 tax.

Diane Sparks is a member of the DEQ Advisory Committee and shared that DEQ has received around 1,400 Phase 1 applications representing people interested in the rebate. This does not mean they have made a purchase yet. Phase 2 is the true application for the rebate. Nothing can happen with the rebate program until the outside vendor is in place.

There was discussion about revisions to the tax return form to make it less confusing. Shannon stated the most important thing is to report the amount of taxable sales. She appreciates the feedback on the form and will look to see if revisions can be made.

Legislative Days this year are December 12-14. The Joint Committee on Transportation has asked DOR to present an update on all three of the transportation project taxes. The Committee also asked that DEQ be there to give an update on the electric vehicle rebate program. Information on the December Legislative Days will be available on the Legislature's website:
<https://www.oregonlegislature.gov/commdays> .

Service Transformation Program / Updates

Karen McCarty and David Parker

Karen McCarty, Service Transformation Program (STP) Business Manager, and David Parker, FAST Project Manager, gave an update regarding future system changes that will impact dealers.

With DMV's new computer system (OLIVR) that goes live January 22, 2019, dealers will have the ability to upload their Notices of Sale and dealer stock flags (forms 735-6890 and 735-165) online. This change comes with some policy changes. Dealers will have the option to enter each vehicle notice individually, or upload a spreadsheet using a standardized format. Information entered into the new system will be available in real time, so dealers will no longer be required to keep a copy for their records. This is only true for transactions entered online. This change will help dealer investigators access the information from their laptops as they complete their inspections. This change will provide an almost instant access to the data and there will no longer be a 7-day delay

for the information to be available for review. This change, however, could impact the timing of remedies if a vehicle sale unwinds.

One of the changes being worked on is that written notices of correction will no longer be needed if information has been entered into the online system. This feature will not be ready to roll out on the go-live date, January 22nd. Accounting practices will also be changing. In the future, dealer payments for transactions will be deposited before their paperwork is finalized. Dealers may need to submit a refund request for overpayments, but the project team is exploring a more automatic process. DMV Field Services is revising policy and procedures to reflect the new process.

STP and FAST are in the process of figuring out how to electronically notify dealers when batches are completed. In the future, dealers will be required to specify the transaction amounts for the check in the batch being submitted. An online, fillable form is being created for dealers to use for this process. The form will be ready by the go-live date if not sooner. Field offices will continue to work with title clerks to remedy shortages.

There was some discussion about the confusion of calculating fees. David Parker shared that another STP initiative for the future, is for dealers to calculate fees using the online portal. Electronic payments may also be added.

With the new vehicle system, registration cards will be printed at DMV field offices and given to customers as part of the dealer transaction. The new registration information will be available instantly. This is helpful for the dealer's customer (convenience) and for law enforcement (tracking). For transactions going through EVR, the registration cards will still be mailed.

STP will be rolling out Print-on-Demand Trip Permits as a pilot program, initially using rental companies only. 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. If dealers have the desire to participate in this program they can submit a request to: STPpartnersupport@odot.state.or.us.

The new system will allow the printing of trip permits at DMV field offices. Security features have been included. Trip permit expiration dates will be printed on black background with white font to reduce the risk of fraud. The permits will be in the system immediately for law enforcement to see. Signatures can be provided at the field offices, using the pen pads used for credit card transactions. Trip permit books will still be issued as requested by vehicle dealers. New legislation regarding collection of signatures for certifications may be needed before the print on demand is available to everyone.

STP will be sending a letter to all dealers in January with a special web personal identification number (PIN) that will allow dealers to establish their log-on in the DMV2U portal. DMV2U is where all the dealer functions will happen. Currently, only the Notice of Sale and dealer stock reporting will be available through this portal. The letter will be sent to the address Business Licensing has on file for each dealer. This special web PIN will be used to validate the correct dealership for that PIN. Each dealership will need to decide who is going to be the primary manager for the online account. The letter will explain how to use the special web PIN to log on and establish the master account. The primary manager will be responsible for assigning log-on information for each person they allow to access the portal. They will also be able to delete employee access. Dismantlers will be given the same access for their 270 transactions, but that will not be available at the January 22nd roll out. David will follow up to verify this information.

There was a discussion about two letters that were previously sent to dealers. STP is working on an information packet that will be sent to dealers as well as the DMV2U letter being sent in January.

Karen spoke about an online magazine that ODOT just purchased and how it will work. Information about this online magazine will be included in the information packet being prepared.

Post Break Discussion

Tom McClellan

DMV Administrator Tom McClellan wanted to discuss a couple items before he left the meeting.

Tom introduced Marie Dodds as a new member appointed to ODAC, filling the vacant General Public Representative position. Marie is Director of Government and Public Affairs for AAA Oregon/Idaho.

Monty King passed away after the July 2018 ODAC meeting, and Tom led a remembrance of Monty who was the owner of Oregon Vehicle Dealers Association (OVDA). Tom mentioned Monty's work in assisting with the passage of laws and creation of programs that support Oregon's vehicle dealer industry, including being the driving force behind dealer education. Monty will be fondly remembered as a person who did not mind inserting himself into any conversation pertaining to vehicle dealers. Others at the meeting also shared their remembrances of Monty.

Review Proposed Education Provider Application

Becky Ortiz

Becky provided information that OVDA was purchased and will continue to provide dealer education. Scott Short, the new President of OVDA, further explained that their plan is to turn OVDA into a non-profit business. A Board of Directors has been established to run OVDA. OVDA's education program is due for renewal in 2019. This was an information discussion only.

ODOT Harassment & Discrimination Training

Judith Moore

Judith distributed an information sheet about ODOT's mandatory training that ODAC members must complete by December 31, 2018, just like all ODOT employees. The classes are offered through the state's 'i-Learn' website. Judith will email more information to ODAC members on how to access and complete the training.

Business Regulation Section / DMV Report

Larry / Judith

Larry provided an update, including statistics on the Unlicensed Activity Investigator position.

Larry also updated the group on the progress of the AAMVA Internet Vehicle Sales Working Group of which he is a member. The group is currently working through the best practices document they've assembled, and are on track to have it completed by March 2019. The group will have another in-person meeting in November, and then a final meeting in early 2019. There are several areas where Larry believes Oregon can tighten up the regulations through administrative rule changes/additions.

Data on Business Licensing application processing was provided in the ODAC meeting packet.

Announcements / Roundtable

All

Alex Frasier, Auction Representative, has resigned and returned to Georgia. There were comments that Mark Melton, who works for Adesa Northwest, may be interested in the position. Mark Melton expressed interest in being a member of the committee. Any member of ODAC individually or as a group can send a nomination suggestion to Tom McClellan who makes those decisions.

Tom appointed Marie Dodds to the second General Public Representative position this morning.

There was discussion about requiring the pre-licensing education class to be a "live" presentation class. Judith shared that this would require an administrative rule change. Judith shared that we

can provide current education providers with an advisory letter, but it is not compulsory because it's not currently in statute or rule. All of this information is set forth in statute, and Judith read part of the statute. As an advisory committee ODAC can send an advisory letter on behalf of DMV, but DMV can't tell the education providers they shall or must do this. The letter wouldn't be enforceable, but most would comply because they appreciate being recertified.

The goal is for investigators to conduct an "educational" inspection on new dealers within 3 months of receiving their dealer certificate. Larry has received feedback that the educational inspections are very beneficial to the dealers. Judith shared that as a stipulation in some settlement agreements, Judith and Larry require dealers to take a live class within a specified amount of time.

There was discussion about consignments and the need to have this topic added to a future agenda. Judith asked for input about what type of questions people need answered for future agenda discussion. A suggestion was made to have Cheryl Hiemstra (DOJ) & Young Walgenkim (civil law attorney) attend the meeting when consignments are discussed.

Susan suggested convening a small group to discuss potential topics of interest to the industries represented by ODAC. The next meeting is after the legislative session begins.

The meeting adjourned at 12:07 PM