

January 23, 2025 9:00 AM to Noon Hybrid Meeting

# Oregon Dealer Advisory Committee Meeting Minutes

**Chair: Mike Wagner** 

Members Present:			DMV Representatives Present:	
Mike	Wagner	Tow Company Representative	Amy Joyce – DMV Administrator	
Matthew	Casebeer	New Dealer Representative	Judith Ingram Moore - Business Regulation and Oregon Dealer Services Manager	
Lori	Gill	Auction Representative	Larry Purdy – Chief of Investigations (Unit Manager)	
Gary	Sargent	Power Sports Representative	Danny Lopez - Oregon Dealer Services Unit Manager	
Kelly	Martin	At Large Representative	Katelyn Keefer – Business Regulation and Oregon Dealer Services Analyst	
Eric	Winston	New Dealer Representative	John Corbin – Dealer Investigator	
Peter	Van Houten	Dismantler Representative	Chuck Hoffman – Business Licensing Unit Program Specialist	
Isabel	Cordova	General Public Representative		
Bryan	Steward	Independent Dealer Representative		
Scott	Short	Independent Dealer Representative		
Membe	rs Absent:			
Lisa	Larkin	RV Representative		
Susan	Thayer	Office Management Representative		
	Iı	 ndustry Association Represer	ntatives and Other Guests Present	
Teri	Yeoward	VITU		
Torey	McCullough	State Board of Towing		
Darrell	II Fuller OVDA, ORVDA, OPSA, AAO, NATA			

## Call to Order /Roll Call

Mike Wagner

Mike Wagner called the meeting to order. Roll was called with 10 of 12 members present for a quorum.

Mike introduced two new ODAC members Matthew Casebeer and Eric Winston. He also announced that the DMV Administrator re-appointed Susan Thayer and Isabel Cordova to ODAC.

Peter Van Houten nominated Eric Winston to be the ODAC Co-Chair. Gary Sargeant seconded, and Eric was unanimously confirmed.

There are two vacant positions, the general Public Representative and a Dismantler Representative. Judith asked ODAC members to send nominations for these positions to her and she would forward to the DMV Administrator.

## **Approval of October Minutes**

**ODAC** 

Kelly Martin motioned to approve the minutes and Gary Sargeant seconded the motion. The October meeting minutes were approved unanimously.

#### 2025 Legislative Session

### Justin Hauschild, ODOT Legislative Liaison

Justin explained that ODOT's number one priority going into legislative session is to address the agency's revenue challenges. The fuel tax is not bringing in the revenue it once did as vehicles have become more fuel efficient. Inflation and the limitations on how the State Highway Fund can be used have also contributed to the problems. Justin stated ODOT is optimistic from the feedback received in conversations during the legislature's twelve-stop statewide tour which highlighted transportation funding needs around the state and included discussion of potential funding solutions. The tour could be thought of as Phase 1 of the legislature's larger effort to explore solutions to ODOT's structural revenue challenges.

Phase 2 involved legislative <u>workgroups</u> before session started, which focused on maintenance and operations, public and active transportation, and finishing HB 2017 (2017 Legislative Session) priority commitments, which involved discussions about the larger mega projects that sprang from HB 2017. Surveys were sent to workgroup members to identify the preferred funding options for the department.

Justin mentioned ODOT is focusing on 3 legislative concepts. One is a DMV omnibus legislative concept that concerns DMV statutes including appraisers, dismantlers and dealers. This bill is SB 840.

The other two concepts that are now bills are <u>SB 839</u> which is an omnibus bill for the Commerce and Compliance Division, and the third bill, <u>HB 2931</u>, pertains to the Interstate Bridge Project and operationalizing tolling on that facility in coordination with the State of Washington.

Gary asked why they did not bring SB 840 to ODAC. Judith said it was just introduced. One change in the bill allows a certified Vehicle Appraiser to appraise an abandoned vehicle valued at \$1,000, which is an increase from the current \$500 value.

## The bill can be read at:

https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/SB840/Introduced

Justin said that if anyone has concerns about the bill to reach out to him, as this is not the final version of it and they are more than willing to review the concerns anyone has.

Judith highlighted several sections of the bill that pertain to dealers and dismantlers. Most of the discussion concerned proposed mandatory NMVTIS checks and dealer bond amount increase.

Sections 20 and 21 would require dealers to conduct a vehicle title search using National Motor Vehicle Title Information System (NMVTIS) before finalizing a sales transaction. There was lengthy discussion about this proposal. Scott Short stated most dealers already conduct title searches, and this would help the dealer and protect the consumer. Darrell Fuller asked what the problem is we're trying to solve. DMV responded there has been a rise in use of fraudulent MCOS, and a NMVTIS search may find a title elsewhere i.e., recorded with a different jurisdiction.

Justin and Amy emphasized that if ODAC and other partners have concerns, they can bring them to Judith or Larry or herself. Nothing survives the process without extensive amendment. Amy emphasized that her commitment to ODAC is to work through the process and get to a good solution.

Gary suggested a subcommittee be formed to iron out any issues with SB 840. Justin said that was a possibility, but they could also have more informal discussions. He wanted to facilitate conversations that were most productive and accessible for those at the table.

Mike Wagner suggested the trade group organizations discussed the proposed changes in SB 840 first, before ODAC decides on a subcommittee because everybody's trade group has an interest in protecting their members. Mike said all members should read the bill before they decide whether a subcommittee should be formed.

Danny Lopez clarified that vehicles without a motor are not required to be titled in Oregon and would not be subject to the NMVTIS check requirement.

Section 29 of the bill proposes to double the amount of the dealer bond to \$100,000. Gary Sargent was concerned the increased bond amount would cause some smaller dealers to go out of business and lead to less revenue for DMV. He asked if dealers would still be able to qualify for the bond. Kelly Martin said the cost of a bond is credit based and a dealer's time in business is also taken into consideration. Gary asked if it would double the cost of the bond. Kelly said he would make some inquiries and get back with ODAC. Kelly mentioned that one surety company charges \$375 annually for a \$50,000 bond. He added that someone with a credit score of less than 650 could still qualify for one paying \$500 to \$1,250 per year. He said the primary variables to obtaining a bond are time in business, credit activity and credit score.

Larry said \$100,000 does not go very far when there are 15 to 20 customers making a claim on the bond. Kelly asked why increase the bond if even \$100,000 is not enough. Gary agreed saying it was probably closer to one million dollars. Darrell stated that one purpose of the bond is consumer protection. The other is the barrier to the marketplace. If a prospective dealer cannot qualify for the bond, they should not be in the business. Darrell stated making a 100% jump might be a bit, and suggested stair-stepping the increase.

## **Business Regulation & Oregon Dealer Services Section Report**

Larry Purdy reviewed the Dealer Investigations statistics for 2024. Last year there were 1552 Dealer inspections, 220 Dismantler Inspections and 75 Lien Claimant Inspections. Overall, dealer inspections increased over the past 5 years.

Dealer complaints decreased compared to last year (2023), while dismantler complaints and unlicensed dealer and dismantler complaints held stable with the previous year.

Civil Penalties issued to dealers and dismantlers increased from the previous year.

Larry added that Investigations Unit issued 126 legal notices of proposed civil penalties and sanctions in 2024. DMV did not receive a response for 29 of the 126 notices sent, 21 of which were certified dealers and dismantlers and 8 were unlicensed. No response is a default. DMV reached a settlement with 30 licensed dealers and dismantlers and 10 unlicensed.

Gary asked for follow up information on dealers that are sanctioned. Larry said there are several variables to consider such as what information to give and whether enhancements to OLIVR (DMV's computer system) programming would be needed to accommodate the parameters used in providing follow-up information.

Larry indicated Investigations has seen an increase in fraudulent activities. Dealers have had their websites cloned where payments are redirected from the real dealer to a fake one. He advises dealers to check their web sites regularly. Dealers can contact the Oregon DOJ and the Federal Communications Commission (FCC) to work towards resolving fraudulent situations.

Judtih reviewed the Business Licensing data for 2024. The biggest change was the drop in transporters which could be attributed to a change in law from the 2023 legislative session, which limited Oregon transporter plates to intra-state and no more than 10 plates for each transporter certificate. She continues to put some transporter certificate holders on notice for using their plates in a manner not consistent with statute. Transporter plates are for the use of dealers and auctions, or third parties that transport cars (wheels on the ground) from dealer to dealer, and from manufacturer to dealer. Transporter plates are not intended for detail and mechanic shops test driving vehicles or transporting to their customers.

Judith mentioned it seems some recipients of Oregon vehicle appraiser certificates use the Oregon certificate to meet a requirement for an appraiser certificate in a different state. DMV's certificate has fewer requirements than other jurisdictions e.g., no bond or insurance or testing required. Scott Short said there are no uniform standards that people can follow. Mike Wagner said it was time for the program to be reviewed.

Danny Lopez updated ODAC on Dealer Services (ODS). ODS will be opening the Beaverton dealer service center within the next couple of weeks and afterword, a dealer center will be established at the Springfield DMV field office.

The North Salem dealer center will close at the end of February. Dealers with lockers at North Salem will be notified and have access to the dealer boxes at DMV Headquarters.

DMV continues to work on the online payment option for dealers with their only missing requirement for transactions being insufficient fees submitted. DMV anticipates the system will be operable by summer.

Danny added that ODS plans to expand window services for dealers and is considering an increase in transactions submitted per day per dealer.

Judith announced that Larry Purdy will retire at the end of January but will stay on as a temporary employee through the biennium.

Gary asked if Mall 205 is closing. Judith and Danny confirmed that it is. Amy Joyce clarified that it is a facilities issue, and that the location no longer met standards. Amy explained that staffing was reallocated to other nearby offices and that DMV is actively seeking another location in the area to establish a new office.

#### Oregon Clean Vehicle Rebate Program - Update

## **Erica Timm, DEQ Rebate Coordinator**

There are two types of rebates. Standard rebates are for new vehicles only and are available to all Oregonians. They range from \$720 to \$2500. They are available at the point of sale or if it is purchased from a non-participating dealer.

Charge Ahead Rebates are for new and used vehicles and range between \$5,000 for a used vehicle and \$7,500 for a new vehicle. Participants must meet 400% of the federal poverty guideline.

Funding for the rebates comes from the vehicle privilege tax created by HB 2017 (2017 Legislative Session). DEQ also received a \$31 million grant from the federal government which should allow the program to remain open longer than last year.

Common to both programs, vehicles must be purchased or leased through a certified dealership, the rebate application must be submitted within 6 months post purchase or lease, and the vehicle must be registered in Oregon for at least 24 months.

As of December 13, 2024, DEQ approved over 33,000 rebates and issued over \$99 million since the beginning of the program.

The 2025 open period begins in spring 2025. The Charge Ahead Prequalification application is available now.

Dealers can enroll at https://evrebate.oregon.gov/become-participating-dealership.

#### Medium and Heavy-Duty Rebate Program – Pending

#### **Dalton Sheppard, DEQ Rebate Coordinator**

The Medium and Heavy-Duty Rebate Program is still in development. The Zero Fleet program accelerates the adoption of zero-emission vehicles through rebates designed for medium and heavy-duty vehicles. A website will be launched soon. Total funding is \$17 million with rebates ranging from \$2,500 to \$120,000 depending on the vehicle weight class.

The program is for businesses and non-profits licensed to do business in Oregon and is targeted at communities disproportionately affected by diesel pollution. Forty percent of the rebates will be targeted for projects improving air quality in vulnerable areas.

Gary asked if there was a charging infrastructure for heavy-duty vehicles. Dalton responded that was a concern, and DEQ is working on solutions.

Mike asked if they expect to expend all the money provided by the government. Erica said they anticipate they would.

Torey McCullough asked if first responders were being trained in handling EV's where a potential thermal event could happen. Erica said she would do some research and get back with Judith.

#### HB 2017 (2017 ODOT) Update:

**ODAC** 

Judith requested Oregon Department of Revenue to provide a handout with revenue updates on the Privilege and Use taxes. Department of Revenue did not provide the handout in time for the meeting. Judith will provide it to ODAC once she receives it.

#### Announcements/Roundtable

**ODAC** 

Darrell provided a summary of HB 2659 with ODAC which would create the Oregon Vehicle Industry Board, a separate agency from ODAC and provide authority for this board to adopt administrative rules. This proposed board would operate similar to the State Board of Towing, independent of ODOT/DMV.

Meeting adjourned at 11:45 a.m.