



Oregon Dealer Advisory Committee Meeting Minutes

January 26, 2017
9:00 AM to Noon
DMV HQ - Rm. 382

Chairperson: Susan Thayer
Vice Chair:

Members Present:			DMV Representatives Present:		
Susan	Thayer	Chair/Office Management Rep	<i>Tom McClellan, DMV Administrator Linda Beuckens, Program Services Manager Judith Ingram Moore, Bus. Reg./Fraud Prevention Mgr. Larry Purdy, Investigations Manager Chuck Hoffman, Business Licensing Lead</i>		
Alex	Fraser	Auction Representative			
Dale	Geiger	DOJ- Representative			
Jeff	Helget	Dismantler Representative			
Dennis	Keena	General Public Representative	Members Absent:		
Shannon	Nill	New Dealer Representative	<i>Roger Kirschner – RV Representative Dan Nicholson – Used Dealer Representative</i>		
Gary	Sargent	Power Sports Representative	<i>Mary Ann Trout – Dismantler Representative Robert Lanphere Jr – New Dealer Representative</i>		
Mike	Wagner	Tow Representative	Guests:		
			Kelly Martin – KMI Agency		
Industry Association Representatives Present					
<i>Diane</i>	<i>Sparks</i>	<i>OIADA</i>			
<i>Monty</i>	<i>King</i>	<i>OVDA</i>			
<i>Darrell</i>	<i>Fuller</i>	<i>NATA/OVDA</i>			

For questions concerning the ODAC agenda or if you need to request ADA accommodations, such as Interpreter services or auxiliary aids for persons with disabilities, please do not hesitate to contact DMV Business Regulation at 503-945-5283 48 hours prior to the meeting.

Call to Order /Roll Call

Dan/Chuck

Susan Thayer called the ODAC meeting to order. Chuck took the roll. Nine members were present making a quorum.

Introductions of New Members and Visitors

All

Tom McClellan asked the new members to give a brief description of their background. Dennis Keena said he currently runs two businesses – he is a vehicle appraiser and he owns a car parts store, and is retired from the Salem Police Department after 23 years of service.

Tom mentioned that Dan, Robert, Mike, Mary Ann and Roger agreed to serve another three-year term on ODAC. There is also a vacant at-large position that Tom is still accepting nominations for. Scott Short, who could not make today's meeting, has been appointed as a used vehicle representative.

Approval of October 27, 2016 Meeting Minutes

ODAC Members

Gary Sargent motioned to approve the October minutes and Jeff Helget seconded. The minutes passed unanimously.

Transportation Operating Fund (TOF)

Judith

Judith reviewed the handout that projected the Business Regulation TOF balance and revenue through 2022. She emphasized that these were estimates and the figures given may not reflect the actual outcome. Based on the data, a fee increase would not be needed sooner than 2022.

She said dealer investigators spend about 65% of their time on TOF-related activities and the rest is highway fund related. If DMV were to hire an additional investigator they could only investigate unlicensed dealers as the money to fund the position would need to come only from the TOF fund. She said it would reduce the ending balance by approximately \$100,000 a year. Linda Beuckens emphasized that DMV would need authorization from the Legislature for an additional permanent position. Tom added that the governor's budget for 2017-2019 does not include any additional positions for Business Regulation.

The current figures do not reflect that some funds may be used for the Business Regulation portion of DMV's Service Transformation Program (STP) which will update DMV computer systems.

Tom added that DMV watches the TOF balance carefully to limit its vulnerability to reallocation by the Legislature.

Monty King asked what the process would be to get the extra investigator position. Tom said the authority would come from the Legislature's Joint Committee on Ways and Means. He said if it does not happen this session, the next opportunity to request a position would be during the next session or when the 2017-2019 Emergency Board meets.

Tom said if ODAC made a recommendation for an additional investigator who would focus on unlicensed dealers then he would carry it forward through the proper channels.

Monty said he would like ODAC to take a position and recommend a new investigator be hired. He said curbers are the number one problem affecting dealers.

Monty suggested dropping the licensing fees to reduce the fund and limit its vulnerability for reallocation. Alex Fraser said the number of dealers may go down in the next few years and the extra money would be better spent on the computer upgrades for Business Regulation.

Mike asked if there was a way to take the computer money out sooner to keep the Legislature from reallocating it.

Judith reviewed several bills:

SB134 is a trade practices regulation bill that subjects motor vehicle sellers and buyers to certain conditions contingent on the lender's agreement or failure to agree to purchase a retail installment contract or lease agreement.

HB2514 is an electric motor vehicle sales incentive program that rewards \$250 to salespeople when they sell/lease or exchange a vehicle on a trade-in for a new electric motor vehicle.

HB2569 is a trade practices regulation bill. Dealers must disclose to the customer any information about manufacturer recalls on the price sticker as well as on a separate written form. Failure to comply would be unlawful.

HB2142 says a court can suspend any licenses or permits by an agency if the licensee or certificate holder is convicted of solicitation/prostitution. This would include driver's licenses and dealer certificates.

Susan said there was a bill that increased plate transfer fees from \$6 to \$30. Judith said this was the DMV's bill that was reviewed at the July 2016 meeting. Tom said most DMV fees are very low and the current fees do not cover expenses. Judith said she would send a link for the bill (HB2290) to everyone.

Shannon Nill said he had heard about a bill that would generate fees to repair road damage caused by chains. Judith said she would look into it.

Mike Wagner mentioned SB133, which is a towing bill that further tightens regulations on private property impounds (PPI) towing. He said there was not much teeth to enforce it. Dale Geiger said there were about 3 tow companies that cause 95% of the problem.

Susan said SB461 was copying Washington DEQ's standards of vehicles 5 years and younger which do not need emissions testing.

Monty said he wanted the law changed on appraisers. He said anyone should be able to train to become an appraiser instead of how the law is currently written.

Monty's group is presenting a bill that changes the date of sale for the delivery of title on a consignment. Currently, the dealer has to pay the consignor within 10 days of sale but the consignor does not have to give the dealer the title. They want to change it so a dealer is not required to pay the consignor until the consignor provides the dealer with the title.

Dale said that the consignment process is a mess and that ODAC needs to discuss the issues. It was agreed that regulation of consignment vehicles will be an agenda item at the next meeting. Monty will send everyone a copy of his proposed legislation to help come up with solutions.

Subcommittee for Supplemental Location**Subcommittee**

Greg Remensperger offered to spearhead a subcommittee regarding this issue. Shannon said the meeting had been delayed. Judith said she found a 2011 survey completed by Nevada regarding internet sales that she will provide to the subcommittee. The Supplemental Location topic will be tabled for the next ODAC meeting.

Larry informed ODAC that Barbara Caine is retiring after 31 years with DMV. He is transferring Dan Liu to Portland to fill Barbara's position and recruitment is open for Dan's position in Eugene.

Larry presented statistics on 2016 Investigations. Information on "Dealers out of Business" and "Outside Agency Assist" was added for 2016 since these can take a significant amount of time from the investigators.

Larry also presented details on the number of investigations completed, complaints received, and reports issued. He said Investigations exceeded their monthly case benchmark for 15 investigations. The monthly average for each investigator in 2016 was 16.5 investigations.

Larry pointed out that dealer complaints far outweigh those for dismantlers. Unlicensed dealer complaints are about one-third of dealer complaints. With dismantlers, Investigations receives more complaints on unlicensed ones compared to those that are licensed. Each investigator averages 6 complaints per month. He said it takes time to get complaints resolved. This is reflected in the average of 822 miles per month each investigator travels.

A great deal of investigators' time is spent writing reports which can be from 6 to 20 pages and consumes much of their time.

Gary suggested that most of the unlicensed dealer complaints were from other dealers. Larry said he would guess two thirds were from them and that it did not necessarily reflect the amount of unlicensed activity that actually occurs.

Alex said he would like to see investigators go after curbbers before a complaint is made. Larry said with 7 investigators that is very difficult to do. He would like to have more people to focus on unlicensed activity.

Shannon made the motion to include an extra investigator to investigate unlicensed dealers for Business Regulation. Gary seconded and the motioned passed unanimously.

Mike added a motion that ODAC be supportive of the new computer system (STP) being developed and he wants their industry (TOF) funds to support it for Business Regulation, specifically as opposed to other programs. He added that an upgraded computer system will aid in investigations. Gary seconded the motion. The motion passed unanimously.

Chuck reviewed the Business Licensing statistics for 2016. He said DMV started issuing the new "DL" license on December 9th, and has issued 26 new dealer certificates since then.

Judith mentioned that the fee tolerance increased effective February 1st from five to ten dollars. If a DMV customer overpays a fee by \$10, a refund will not be provided unless DMV receives a written request. She mentioned this to stress that Licensing only accepts cash or check, and tells customers we can only accept exact change. If a dealer does not have enough money, Licensing will not accept their application.

Gary mentioned in the last meeting there was a discussion about Enterprise having information on possessory liens. Susan said she did not get a chance to follow up on it. She added she would find out more.

New Business/ Announcements / Roundtable

ALL

Monty asked ODAC if auctions should be required to title all the vehicles they sell. Dealers have been suggesting to him that the auctions should do it. Gary said the public auctions should be processing the title into the new registered owner's name. He said it would help with tracking unlicensed dealers and collection of fees.

Dale said it would help with the unlicensed dealers but may hurt the dismantlers. Gary said they could put in an exemption for them. Alex said it would put a serious burden on the auctions and some would end up closing. It is not part of their business practice and he felt the burden is on the consumer when they buy a car from an auction.

Action Items

ALL

Judith will send a link to ODAC for DMV's fee bill (HB2290).

Judith will find out if there is a bill that will generate fees to repair road damage caused by chains.

Judith will provide information to ODAC about a survey completed in 2011 regarding internet sales.

The Supplemental locations sub-committee will meet and they will make a presentation/update to the April ODAC meeting.

Consignment vehicles will be on the agenda for the April ODAC meeting.

Susan will find out what Enterprise is doing regarding possessory liens and update ODAC with the information.

ODAC, this is the link to find all bills proposed during the 2017 Legislative Session:
https://www.oregonlegislature.gov/citizen_engagement/Pages/Find-a-Bill.aspx

You can also access past sessions' bills.