



April 25, 2024
9:00 AM to Noon
Hybrid Meeting

Oregon Dealer Advisory Committee Meeting Minutes

Chair: Mike Wagner

| Members Present: | | | <i>DMV Representatives Present:</i> |
|------------------|------------|-----------------------------------|---|
| Mike | Wagner | Tow Company Representative | <i>Linda Beuckens- Program Services Manager</i> |
| Kelly | Martin | At-Large Representative | <i>Judith Ingram Moore - Business Regulation and Oregon Dealer Services Manager</i> |
| Lori | Gill | Auction Representative | <i>Danny Lopez - Oregon Dealer Services Unit Manager</i> |
| Isabel | Cordova | General Public Representative | <i>Kelly Garcia – Dealer Investigations Lead</i> |
| Bryan | Steward | Independent Dealer Representative | <i>Katelyn Keefer – Business Regulation and Oregon Dealer Services Section Policy Analyst</i> |
| Scott | Short | Independent Dealer Representative | <i>Andy Kapileo – Dismantler Investigator</i> |
| Peter | Van Houten | Dismantler Representative | <i>John Corbin – Dealer Investigator</i> |
| Susan | Thayer | Office Management Representative | <i>Josh Boatner – Dealer Investigator</i> |
| | | | <i>Chuck Hoffman – Business Licensing Unit Program Specialist</i> |

| Members Absent: | | |
|-----------------|---------|-------------------------------|
| Dale | Geiger | General Public Representative |
| Jeff | Helget | Auction Representative |
| Lisa | Larkin | RV Representative |
| Gary | Sargent | Power Sports Representative |

| Industry Association Representatives and Other Guests Present | | |
|---|---------------------|---------------------------------------|
| <i>Greg</i> | <i>Remensperger</i> | <i>OADA</i> |
| <i>Diane</i> | <i>Sparks</i> | <i>OIADA</i> |
| <i>Darrell</i> | <i>Fuller</i> | <i>OVDA, ORVDA, OPSA AAO, NATA</i> |
| <i>Terry</i> | <i>Medina</i> | <i>VITU</i> |
| <i>Torey</i> | <i>McCullough</i> | <i>Oregon Tow Board Administrator</i> |

Call to Order /Roll Call

Mike Wagner

Mike called the meeting to order. Roll was called with 8 of 12 members present for a quorum.

Greg Remensperger introduced a guest at the meeting – Matthew Casebeer with Capitol Auto Group.

Approval of January 26, 2024, Meeting Minutes

ODAC Members

Peter Van Houten motioned to approve the minutes which were approved unanimously.

DEQ Oregon Clean Vehicle Rebate Program - Update

Erica Timm

Coordinator for the Oregon Clean Vehicle Rebate Program, Erica Timm, presented an overview of the program.

The program offers two types of Rebates.

- Standard Rebates – Available to Oregon residents for new vehicles only, and range between \$750 to \$2,500. This is for plug-in hybrids, battery electric vehicles and zero emission motorcycles.
- Charge Ahead Rebates – Limited to income qualified Oregon residents with a new or used vehicle. It is a set rebate of \$5,000 for battery electric and plug in hybrid vehicles.

Both rebates can be combined for up to \$7,500.

Funding for the program comes from the privilege tax, with no less than \$12 million available per year. For 2024, it is projected that \$14 million in rebates will be available.

Since the program began, DEQ has issued around 30,000 rebates totaling \$85 million. So far in 2024, around 20% to 25% of the rebates were through the Charge Ahead program. There are currently over 500 rebate applications in the queue.

The open period for this year started April 3rd and runs through June 3rd. Eligible vehicles must be purchased or leased during this time.

If funds run out and DEQ develops a waiting list, those on the list will be the first to be refunded next year. All 2023 refund requests that were waitlisted received rebates before any 2024 requests were processed.

Applicants must pre-qualify to enroll in the program. They can do this by using a DEQ web form, providing proof of enrollment in another income verification program or allowing review of their Oregon state tax transcripts.

Dealers who want to apply for the program, which would allow customers to apply the same day as purchase, can go to: <https://evrebate.oregon.gov/become-participating-dealership>.

Greg Remensperger asked if the dealer would be held accountable if a customer put false information on their prequalified voucher. Erica said they would not since they would have been vetted in the voucher process.

Greg also asked if they would extend the program if additional funds became available or hold them for the next cycle. Erica said it would depend on the amount and how many people were on the waiting list. DEQ may open the program earlier next year instead of extending it this year.

Kelly Martin asked how far they are from having to deny payouts. Erica said they have only used about \$1,000,000 of their allocated funds. Denials probably would happen only as they draw closer to June.

Business Regulation and Oregon Dealer Services Section

Dealer Investigations lead Kelly Garcia noted that DMV's Abandoned Vehicle Certificate, form 735-271, was updated on March 1st. If a tow occurred before March 1st, the tower could use the older form but they must use the updated form for any tows after that date.

Business Licensing Program Specialist Chuck Hoffman noted that there was a decrease in transporter renewals from the previous year, from 31 to 14, which he attributed to the new law limiting Oregon transporters to 10 plates and disallowing use of the plates outside of Oregon.

Judith shared that Business Licensing is seeing an increase in Appraiser applications from out of state applicants. Oregon does not require a bond like other states and applicants might use an Oregon appraiser certificate to gain admission in other states as a vehicle appraiser. Oregon has no reciprocity agreements with other states for vehicle appraisers. DMV is considering a proposal to restrict certified appraisers to abandoned vehicle appraisals, as was the case prior to a 2009 law change which allowed Oregon vehicle appraisers to "appraise any vehicle" rather than just vehicles under ORS 819. [ORS Chapter 819 - Destroyed, Totaled, Abandoned, Low-Value and Stolen Vehicles; Vehicle Identification Numbers; Vehicle Appraisers]

Danny Lopez, Oregon Dealer Services Unit Manager, said DMV is working on a capability for dealers to pay missing requirement fees online to help finalize transactions.

A new Dealer Service Center will be established in the Springfield area, anticipating it will be in operation by the end of this summer. The Beaverton Dealer Center is also expected to reopen by the end of summer.

As of April 22, 2024, dealers are able ask questions about transactions and submit expedited transactions from 8AM to 3PM at the DMV Headquarters lobby. The SE Portland began offering the same service in March 2024. Dealers are restricted to submitting one expedited title and registration transaction per day per dealer. DMV Headquarters and the SE Portland Dealer Center also have smart lockers that dealers can sign up to use for drop-off and pick-up. Dealers can drop off their paperwork and receive a text when their documents are ready for pick up from the locker.

The turnaround time for mailed-in transactions at DMV Headquarters has been below 30 days for the last 2 to 3 months and is currently at about 20 days.

Lori Gill asked Danny who is specifically targeted for the new services offered at Headquarters. Danny said there is no specific dealer group the services are targeted for. If providing counter service for dealers at SE Portland and Headquarters is successful, then Oregon Dealer Services would like to offer the services at all Dealer Centers. Counter service at the SE Portland location is limited to Tuesdays through Thursdays due to new staff in training.

Diane Sparks asked if there would ever be lockers in all the field offices. Danny is looking at ways to expand services at all locations, however, due to space restrictions it may not be possible to install lockers at all field offices.

Roundtable

ALL

Susan Thayer said sometimes a customer will re-contract their purchase and want a new trip permit. She asked if there was a way to void the first permit and write a new one from the re-contract date. Danny said they are allowed to issue a second trip permit, but the dealer must make the second trip permit's issue date after the first permit expires.

Rules Advisory Committee Meeting – Proposed Amendments to OAR 735

Ty Yoder, Administrative Rules Specialist, Program Services, DMV

The Rules Advisory Committee (RAC) Meeting began at 10:15 am.

Ty explained the process for Oregon Administrative Rule amendments. There are two types of RACs. One that helps develop the rules and another that weighs in on fiscal impacts after the rules are developed. The proposed rules are currently in the development stage.

The proposed rule amendments presented to the RAC (ODAC) is a draft. It is just a starting point to begin the conversation about the amendments. After receiving feedback from interested parties and finalizing draft amendments, the proposed rules are sent to the Oregon Department of Justice (DOJ) for an Assistant Attorney General (AAG) to review for legal compliance. After the AAG review, DMV Administrator Amy Joyce reviews the proposed amendments. There is then a 21-day public comment period posted by ODOT. After that period, the Oregon Transportation Commission (OTC) reviews and either approves or denies the proposed amendments.

Judith said the proposed draft rules allow for the possibility of a dealer being sanctioned if their error rate exceeds 10% over a period of 30 days. It provides incentive for dealers to be more conscientious of their work. This may affect their agent status but not their dealer certificate.

The 2nd part of the amendment would allow dealers to conduct VIN inspections for vehicles that are not in their inventory. Linda Beuckens explained that dealers would not be allowed to charge a fee for conducting VIN inspections on non-inventory vehicles.

Ty said the proposed rules redefine "EVR integrator". Linda added the expanded definition allows out-of-state dealers to use EVR in the future.

Ty read the proposed definition of "error rate" in 735-150-0010, clarifying that an unacceptable error rate under the proposed rule would be 10% or more of the transactions submitted to DMV by an agent within any given 30 day period, causing DMV to return the

transaction to the dealer or to otherwise contact the dealer for additional documentation or clarification.

Linda read a statement submitted by ODAC member Gary Sargent that DMV needs to address issues and inconsistencies in DMV procedures first. Gary was concerned about fee errors and whether the percentage is a reflection of the standard DMV uses for itself.

Danny said the current error rate by DMV for mailed-in transactions is between 15% to 20%, adding that the most common missing requirement is related to fees. Mike Wagner suggested that fees should not be included in the error rate resulting in sanctions for the dealer.

Greg Remensperger said he wanted to see a process in place to help dealers improve the quality of their transactions before a sanction is levied.

Lori Gill said too many title clerks at the dealerships are not trained correctly. Danny noted that any Oregon dealer can take training from Vitu, even if they are not a participant, and that Dealer Services will start offering dealer training by the end of May.

Scott Short said that fee errors should not be part of the penalty process. He added that where one DMV employee may reject some things, another employee might not. He asserted that new employees would make more mistakes, and that there needs to be consistency.

Danny said that his staff does not like to process certain dealers' paperwork, because they always have a lot of errors. The proposed rule change is aimed to address these dealers. Oregon Dealer Services staff spend about 80% of their time fixing the errors of 2% of the dealers.

Mike Wagner asked if they could send an investigator out to help. Kelly Garcia replied that the Investigators' purpose is to focus on compliance with dealer certification requirements in statute and rule, not on all the title and registration paperwork requirements.

Ty read the new definition of "EVR Integrator": "a person designated by DMV by written agreement to provide systems and processes that interface, integrate, and interact with DMV systems and processes based on DMV's current design, processes, procedures and Administrative Rules and Oregon Revised Statutes."

Other proposed additions to rule include that the "dealer must maintain an acceptable error rate" and added "Automated Clearinghouse (ACH) transactions" as a form of non-negotiable payment to OAR 735-150-0039(4) *Qualifications for Designation of Dealer as Agent*.

Another proposed amendment is to OAR 735-150-0040(1) which states that agent status becomes effective when the dealer certificate is issued "and remains in effect until the certificate expires, the agent status is suspended or revoked, or the dealer certificate is cancelled."

The acronym VIN is added to definitions in OAR 735-150-0010 and "means vehicle identification number" which allows use of the acronym throughout OAR Chapter 735.

Another proposed rule amendment identifies service channels where dealers must submit paperwork. "...[T]he dealer must submit the documents to DMV through DMV's Oregon Dealer Services Center, an approved EVR integrator or the mail." Greg said dealers in Oregon's remote (rural) areas need to be offered the same types of services. Linda said it was something they needed to look at.

Scott suggested that DMV could use some dealers as Service Centers, like other states do. Susan helped to clarify the suggestion by providing an example of Enterprise potentially processing transactions for other dealers, because they have an experienced staff and established operation.

Ty explained that violation of the "acceptable error rate" is being proposed as sanction only and intentionally omit the use of civil penalties. Dealers would not be fined for an unacceptable error rate. Also, if a dealer's agent status is revoked, they have the right to request a hearing.

Ty sought input for the rule's fiscal impact statement. He reviewed impacts if a dealer loses agent status. Mike said most dealers who lose their agent status would likely go out of business. Greg noted that franchise dealers who cannot submit title applications would be in violation of lender agreements with the franchise.

Ty said he could send out an email with the suggested changes or they could have another meeting. Linda said they would invite everyone who has already provided input to participate in future review of these proposed amendments. Ty notes that all RAC meetings are open to the public.

The RAC meeting and ODAC meeting adjourned at 11:45 a.m.