



July 27, 2023
 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	Linda Beuckens - Program Service Group Manager.
Lisa	Larkin	RV Representative	Judith Moore - Business Regulation / Oregon Dealer Services Manager
Peter	Van Houten	Dismantler Representative	Larry Purdy - Chief of Investigations
Jeff	Helget	Dismantler Representative	Lisa Martinez – Stakeholder Engagement Manager
Dale	Geiger	DOJ Representative	Steve Palomo - Senior Legislative Analyst
Scott	Short	Used Dealer Representative	David Hamby – Policy Analyst
Gary	Sargent	Power Sports Representative	John Corbin – Investigator
Susan	Thayer	Office Management Representative	Dennis Keena – Investigator
Bryan	Steward	Used Dealer Representative	Torey McCullough- Tow Board Administrator
			Chuck Hoffman – Business Licensing

Members Absent:			
Kelly	Martin	At Large Representative	
Robert	Lanphere Jr	New Dealer Representative	
Brian	Hardy	Auction Representative	
Isabel	Cordova	General Public Representative	

Industry Association Representatives Present

Greg	Remensperger	OADA
Darrell	Fuller	OVDA, ORVDA, OPSA AAO, NATA
Tracy	Allison	Vitu
Jan	Mueller	Vitu
Terry	Medina	Vitu

Call to Order /Roll Call

Mike/Judith

Roll was called with 8 of 13 members present for a quorum with another joining later.

Approval of April 2023 Meeting Minutes

ODAC Members

Mike called the meeting to order. Jeff Helget motioned to approve the minutes. The minutes were approved unanimously.

Use and Privilege Taxes – HB 2017 (2017) – Update

Marcus Cridge

Marcus Cridge Special Programs Policy Analyst at the Oregon Department of Revenue (DOR) provided an update on HB 2017 from the 2017 transportation bill. It included 3 major tax components.

- (1) Vehicle privilege tax – taxes on new vehicles sold in Oregon.
- (2) Vehicle use tax – Taxes on new vehicles purchased out of state and registered in Oregon.
- (3) Bicycle Excise Tax – Tax on new bicycles purchased in Oregon.

Collection of the three taxes have been steady. Part of the revenue generated by the privilege tax was put into the Oregon Clean Rebate Program for electric vehicles. The funds have now been exhausted and no more funding was provided in the latest legislative session. The other portion of the privilege, use and excise tax goes to Connect Oregon with ODOT.

Mike Wagner asked if the current money collected through the privilege tax is being spent. Marcus said DOR was responsible for collecting and depositing it, but he has no knowledge on how ODOT uses the funds, or whether they are holding or have already spent them. Marcus added that in 2022, \$34 million was collected for the privilege tax; \$800,000 for the bicycle tax and about \$2.7 million for the use tax.

Rachel Sakata, OCVRP Program Manager / Senior Air Quality Planner with Oregon DEQ, who oversees the rebate program, asked Marcus if they would be getting more funds for the Oregon Clean Vehicle Rebate Program for 2023. She had heard they would get 45% of the funds or up to \$14 million. DEQ already had a sizable waiting list for it. Marcus said that was a reasonable assumption, but demand is higher than funds available so not everyone will receive a refund. Rachel added that \$5 million of the \$12 million allotment they hope to receive by next year has already been applied for.

Wade Sadler, Regional Operations Manager for DEQ's Vehicle Inspection Program, said the Vehicle Inspection Program verifies that emissions and vehicles are still functioning properly, to reduce the carbon footprint. Tests are done in the Portland Metro and Medford areas. Besides testing, DEQ is responsible for other activities such as:

Administrative Support including:

- Annual EPA Reporting
- Manage Vehicle Emission Complaints
- Direct people to recognized automotive repair shops.
- A clean air program that helps low-income people get repairs on their vehicles.
- Diesel Retrofit Compliance for heavy duty trucks.

Logistical Support and Program Enhancement including:

- Testing Software Enhancement
- IT infrastructure and maintenance and improvements including multiple servers.
- Conducting studies on roadside emissions
- Insuring accurate boundary data collection by rule

Testing and Services via Clean Air Stations including:

- Six clean air testing locations primarily in Portland with one in Medford.
- 576,599 tests performed in 2022, with 559,593 certificates of compliance issued.
- VIN inspections and DMV registrations issued for vehicles.
- Mobile on-site testing offered for dealers in Portland metro area.

DEQ Too is a program that has been in operation since 2016. "DEQ Too Hosts" such as private garages and oil change shops can be used as testing stations where people can go to have their vehicles tested.

Dealers can also partner with DEQ, allowing them to conduct tests on their own lot. The dealer is responsible for the cost of purchasing an Onboard Diagnostic Device (OBD) from a list of DEQ pre-approved vendors.

Testing can only be performed on 2005 model year vehicles and newer because the plug into the vehicle's diagnostics system for OBD's was not universally installed in cars prior to that time. Once the diagnostic is completed, dealers have up to 6 months to access the DEQ web portal to verify the test results and make a payment for the certificate of compliance.

Participating in DEQ Too benefits dealers with unlimited onsite testing, as dealers can test the same vehicle repeatedly without the obligation of purchasing a certificate of compliance for each test.

Darrell Fuller asked if the cost to the consumer is the same whether they tested through DEQ or through a host. Wade said it was.

Dealers located outside of the testing areas can enroll in the DMV Too program to provide the service for their customers who live inside the testing areas.

Linda Beuckens asked if the DEQ Too partners are allowed to charge an additional fee for the tests. Wade confirmed Hosts are allowed to charge an additional device use fee which is at their own discretion.

Legislative Update

Steve Palomo

Steve Palomo reviewed enrolled bills from the 2023 Legislative session that would be of interest to industry members:

SB 256 Defines air bags, counterfeit supplemental restraint system, prohibits manufacture, sale, installation, and use old counterfeit, nonfunctional systems or systems that do not comply with federal standards. Effective 1/1/24.

SB 569 requires close captioned television receivers in public spaces. Effective 9/24/23.

SB 780 creates offense of unlawful fender height modification. Effective 1/1/24.

SB 889 changes definition of class IV ATVs and removes the requirement for them to have wipers. Effective 1/1/24.

HB 2099 is ODOT's Omnibus bill that includes technical corrections and programming changes such as normal business hours for dealer inspections and clarifying dealer expiration date and conditions for use of a dealer plate. It also outlines consequences for non-payment of a civil penalty and amends the transporter certification to three years with a maximum of 10 transporter plates allowed, and limits transporter plates to in-state use. Effective 1/1/24.

HB 2100 raises various driver and vehicle fees. Larry mentioned that EVR dealers will be allowed to charge up to \$250 per transaction and non-EVR dealers up to \$200. Effective 1/1/24.

HB 3001 waives surcharge for Gold Star Family registration plate if applicant is a Gold Star family member. Effective 7/1/23.

HB 3080 allows vehicle dealers and financial institutions to transmit title and registration applications to DMV electronically. Allows for dealer records to be maintained electronically. Effective 1/1/27.

Judith mentioned HB 2714 was folded into HB 3409, DEQ's omnibus bill, that requires DEQ to establish a rebate program for medium and heavy duty zero emission vehicles.

Steve added that the tow registration is proposed to increase from \$17 to \$117. The tow board will meet to decide whether to move forward on it.

Larry said they are seeing more dealers struggling, like they were around 2007 to 2009. The investigators are busy with increased customer complaints.

Larry announced Dennis Keena was retiring and presented him a retirement plaque. Investigations has begun the process to fill the vacancy.

Investigators and law enforcement have been seeing an increase in fraudulent trip permits being displayed on vehicles. Larry was contacted by the Multnomah County Auto Theft Task Force, and he and Investigator Robb McCracken met with the task force and gave a presentation on what valid trip permits look like and how to identify fraudulent ones.

Larry added that there is also an ongoing investigation with a dealer who has been issuing fraudulent trip permits.

Judith reviewed the Business Licensing quarterly numbers and concurred with Larry that there appears to be an increase in the number of dealers that are struggling. There is a constant flow of applications.

Dealer Services has been receiving many calls since they opened the phone lines. From 10 to over 30 per day. Judith encouraged the dealers to use email for things like transaction status checks, and to only call for time sensitive issues. Elevated phone call volumes reduce the amount of time staff has for processing dealer paperwork.

The pilot project with smart lockers (dealer boxes) at DMV headquarters in Salem will be implemented in early September. The lockers will not be assigned to dealers as they currently are. They can use any locker and will receive notification once their transaction is ready to be picked up. This will free up the space for another dealer's paperwork. There will be no additional cost to dealers for the service.

Judith said eventually dealers without boxes will be able to submit transactions at the counter, but not yet, as they need to secure the area.

A new newsletter has been started by analyst David Fischer covering topics such as the 5 most common errors on paperwork. The idea is to educate dealers on how the transaction process can run smoother with less mistakes. It is delivered via email.

Gary asked if the amount of proposed civil penalties against a dealer can be reduced. Larry said they have an opportunity through a settlement meeting to have the fine reduced if warranted. He added that extenuating circumstances are taken into consideration when determining if a proposed civil penalty will be reduced.

Gary asked if dealers with assigned boxes will eventually have to give them up as the new smart lockers are rolled out. Linda said DMV is just starting to test the program at headquarters, and those decisions will be made as the test progresses. DMV will send out communications as the program is implemented.

Gary reminded Judith that a sign at the southeast Portland Dealer Center is misspelled, and Judith said it will be corrected.

Greg Remensperger said that a dealer contacted him about privacy requirements. They wanted to know if they were in violation of new federal and state privacy laws when handing over a title with a previous owner's information on it.

Jen From VITU asked if it would be OK for the dealership to redact the prior owner's address on the document, so the new owner does not see it.

Belinda Exner, DMV Oregon Dealer Services Technical Assistant stated that historically they have not stopped a title transaction with redacted address information, so long as the other owner information is not redacted. Dave Adams concurred that it should be acceptable.

Dismantler Representative Peter Van Houten shared that he recently attended training in the hazards of processing electric (EV) vehicles, and learned that in the past year there had been three fatalities from people attempting to remove batteries from EV vehicles. He said within the next 5 years there will be 2 million end-of-life EV vehicles. Dismantlers need proper training, machinery, and equipment to appropriately dismantle EV vehicles. Peter emphasized it is very dangerous. He said EV vehicles should not be stacked, because stacking can result in off-gassing and an explosion or fire.

Peter added that the industry is working with the Security Energy Agency to develop online training awareness and hands-on training where technicians will be trained on the proper use of equipment.

Peter said as more EV's are salvaged, there is an increased probability for fires, explosions and deaths in dismantler yards. Off-gassing cannot be seen except with a thermal camera.

Mike Wagner said the towing industry is also concerned with EV's. Current methods towers use for vehicle storage are incompatible with EV's.

Judith said they would provide Peter with a DEQ contact to discuss the issue.

Meeting adjourned at 11:30 am.