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LAVONNE GRIFFIN-VALADE  
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CHERYL MYERS  
DEPUTY SECRETARY OF STATE  
AND TRIBAL LIAISON



ARCHIVES DIVISION

STEPHANIE CLARK  
DIRECTOR

800 SUMMER STREET NE  
SALEM, OR 97310  
503-373-0701

**NOTICE OF PROPOSED RULEMAKING**  
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 735  
DEPARTMENT OF TRANSPORTATION  
DRIVER AND MOTOR VEHICLE SERVICES DIVISION

**FILED**

07/25/2023 4:56 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Release or Assignment of Interest in a Vehicle

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 08/21/2023 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

*A public rulemaking hearing may be requested in writing by 10 or more people, or by a group with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date the Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.*

CONTACT: Ty Yoder  
503-945-5256  
ty.m.yoder@odot.oregon.gov

DMV Program Services  
1905 Lana Avenue NE  
Salem, OR 97314

Filed By:  
Lauri Kunze  
Rules Coordinator

NEED FOR THE RULE(S)

ORS 803.094 permits DMV to, by rule, specify the manner in which a person whose interest is released, terminated, assigned or transferred, shall release or assign that interest. DMV previously adopted OAR 735-020-0075 to provide that information to the public. The rule requires documents provided by a person be in writing and contain, among other things, the person's signature. The intent is to require an applicant to submit a release with an original signature to DMV. DMV recognizes that there is some ambiguity in the rule and this rulemaking clarifies that an applicant must submit an original document or a certified copy of the document when transferring an interest in an Oregon-titled vehicle and the person is releasing or assigning the interest. DMV also recognizes that there may be instances where the person is unable to obtain the original or certified copy. In those instances, the proposed rule will permit DMV to accept a copy to transfer title and describe processes to protect any financial interest in the vehicle.

The proposed change will ensure DMV has the legal authority to protect financial and ownership interests in vehicles by requiring an original or certified copy, while providing an exception authorizing DMV to accept a copy of a document where appropriate.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

None

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

DMV's proposed rulemaking clarifies that an applicant must submit an original document when transferring an interest in an Oregon-titled vehicle and the person is releasing interest. This rulemaking also permits a copy in certain circumstances to protect the interest of all parties to the transaction. DMV finds that the objective criteria and allowance for exception does not factor in race or socioeconomic outcomes. The proposed rules provide a fair and

balanced method for persons to release interest in a vehicle and will have no negative effect on racial equity.

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FISCAL AND ECONOMIC IMPACT:

See statements below.

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COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) None

(2) None

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

DMV sent draft rules to 14 organizations representing small businesses. No responses were received.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

DMV is clarifying its rule to ensure DMV has the legal authority to protect financial and ownership interests in vehicles.

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AMEND: 735-020-0075

RULE SUMMARY: DMV proposes to amend this rule to require an applicant to submit a release with an original signature to DMV. DMV recognizes that there is some ambiguity in the rule and this rulemaking clarifies that an applicant must submit an original document or a certified copy of the document when transferring an interest in an Oregon-titled vehicle and the person is releasing or assigning the interest. DMV also recognizes that there may be instances where the person is unable to obtain the original or certified copy. In those instances, the proposed rule will permit DMV to accept a copy to transfer title and describe processes to protect any financial interest in the vehicle.

CHANGES TO RULE:

735-020-0075

Release or Assignment of Interest; Oregon Title or Salvage Title ¶¶

Authority and Purpose. This rule specifies the requirements for the release or assignment of interest shown on an Oregon-titled vehicle as required by ORS 803.094.¶¶

(1) Definitions. For purposes of ORS 803.094 and this rule:¶¶

(a) "Affiant" means the person who signs a small estate affidavit filed under ORS 114.515;¶¶

(b) "Assign," "assignment" or "assignment of interest" means the act of a lien holder, owner, or security interest holder transferring his or her interest in a vehicle to another person by signing the release section on an Oregon title, a secure odometer form, a bill of sale, or other document showing the transfer of the interest;¶¶

(c) "Authorized agent" means a person given a power of attorney by the owner of a vehicle for the purposes of transferring an interest in the vehicle;¶¶

(d) "DMV" means the Driver and Motor Vehicle Services Division of the Oregon Department of Transportation;¶¶

(e) "Estate" means the real and personal property of a decedent;¶¶

(f) "Heir" means the person who is entitled under intestate succession to the property of a decedent who died wholly or partially intestate (without a will);¶¶

(g) "Interest" means a right, claim or legal share in a vehicle shown on an Oregon title, or other ownership document described in subsection (k) of this section;¶¶

(h) "Interest holder" means a lien holder, owner, or security interest holder;¶¶

(i) "MCO" means ~~a~~either a:¶¶

(A) Manufacturer's Certificate of Origin; or¶¶

(B) Manufacturer's Statement of Origin;

(j) "Operation of law" means a transfer or assignment of interest in a vehicle from one person to another person due to death, divorce, merger, consolidation, dissolution, bankruptcy, inheritance, devise or bequest, court order, dissolution decree, insolvency, seizure or foreclosure;

(k) "Other ownership document" means a primary ownership document as described in OAR 735-020-0010. For example, MCO, a sheriff's bill of sale, a court judgment or a completed signed Certification of Ownership Facts (DMV Form 735-550);

(l) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation or a legal or commercial entity;

(m) "Release" or "release of interest" means the act of a lien holder, owner, or security interest holder transferring an interest in a vehicle by signing the release section on an Oregon title, a secure odometer form, a bill of sale, or other document showing the transfer of the interest. For purposes of these rules, transferring includes release, termination, assignment or transfer of an interest;

(n) "Representative," "authorized agency representative" or "personal representative" means a personal representing agent, government official, receiver, trustee, executor, administrator, or other representative with lawful right or authority to transfer an interest in a vehicle on behalf of the owner or by operation of law;

(o) "Title" means an Oregon certificate of title, Oregon salvage title, other ownership document or electronic equivalent issued by DMV, as evidence of ownership interest in a vehicle recorded in DMV's records;

(p) "Transferee" means a person to whom an interest in a vehicle is transferred, including but not limited to a purchaser of the vehicle;

(q) "Transferor" means any person who transfers an interest in a vehicle.

(r) "VIN" means vehicle identification number.

(2) General Requirements. Except as provided in section (6) of this rule, upon transferring an interest in an Oregon-titled vehicle, any person whose interest is released, terminated, assigned or transferred, or the person's representative, must release or assign that interest in writing. A release or assignment document must be an original or certified copy, unless a copy is permitted under section (8) of this rule, and include the following:

(a) For the vehicle subject to the transfer, the ~~make, model year, VIN or title number or license plate number (if available)~~ and VIN DMV can verify the title or license plate number matches the vehicle;

(b) The full name and signature of the transferor(s), or the transferor's representative;

(c) If available, the date the interest in the vehicle was released or assigned; and

(d) A statement or other indicator in the document that the vehicle was sold, ownership was transferred or released, or any interest, including a lien or security interest, was assigned, released, terminated or transferred.

(3) Although not required, a release or assignment document should include the name of the transferee.

(4) DMV will accept the following as a release or assignment document:

(a) The current title issued for the vehicle with the release/assignment section completed by the transferor(s) or the transferor(s) authorized agent;

(b) The vehicle's MCO with the release section completed by the dealer.

(c) A completed odometer disclosure that meets the requirements of ORS 803.120, 803.122 and OAR 735-028-0050; or

(d) A bill of sale or other document that meets the requirements of section (2) of this rule.

(5) Additional Requirements. In addition to the requirements of section (2) of this rule, a release or assignment of interest for a vehicle with a salvage title must comply with OAR 735-024-0170.

(6) Operation of Law. In addition to other applicable requirements of this rule, if an interest in a vehicle is transferred by operation of law as described in this section, a representative, an authorized agency representative, personal representative, heir, affiant, security interest holder, or lien claimant must release or assign the interest in the vehicle as follows:

(a) Transfer of Interest upon Death. The personal representative of an estate must sign the original release or assignment document unless DMV receives:

(A) If the owner of the vehicle died intestate, an original Inheritance Affidavit (DMV Form 735-516) signed by all of the heirs; or

(B) An original Small Estate Certification (DMV Form 735-6797) signed by the affiant;

(b) Vehicle Repossession. The security interest holder or representative of the security interest holder must sign an original Vehicle Repossession Certificate (DMV Form 735-263).

(c) Possessory Lien Foreclosure. A lien claimant must fulfill all legal requirements to foreclose a possessory lien on the vehicle and sign an original certificate of possessory lien foreclosure form as specified in OAR 735-020-0012.

(d) Government Agency. A government agency may transfer interest in a vehicle in its custody, if it complies with relevant legal requirements and, at the time of transfer, provides the transferee an original certificate of sale, bill of sale or similar document that contains:

(A) A citation of the legal authority authorizing the government agency to transfer or assign interest in the vehicle;¶

(B) The make, model, year and VIN of the vehicle subject to the transfer; and¶

(C) The full name and signature of an authorized agency representative.¶

(7) A person who assigns or releases a partial interest in a vehicle but will remain on the vehicle title as an owner, does not need to complete an assignment or release document. However, the person must acknowledge that the addition of a new owner on the title is authorized by signing:¶

(a) A title application that lists the additional owner; or¶

(b) A written document that identifies and permits the addition of the additional owner on the title.¶

(8) DMV may accept a copy of a document described in section (2) of this rule, when DMV is satisfied the person seeking the transfer has made all reasonable efforts to obtain a release of interest and the interests of all parties to the transfer are protected. Before DMV may accept a copy of a document described in section (2) of this rule, DMV will:¶

(a) Check if the vehicle is listed as stolen;¶

(b) Review any evidence that an interested party is contesting ownership; and ¶

(c) Review any information provided by the person, or required by the department, concerning the missing original document.

Statutory/Other Authority: ORS ~~184.616~~, 184.619, 802.010, 803.094

Statutes/Other Implemented: ORS 803.015, 803.094