

OFFICE OF THE SECRETARY OF STATE

TOBIAS READ  
SECRETARY OF STATE

MICHAEL KAPLAN  
DEPUTY SECRETARY OF STATE



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**

02/20/2025 1:47 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Branded Vehicle Titles and Updated NMVTIS Entries from "Scrap," "Parts Only" or "Crushed" to "Sold"

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 03/21/2025 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

1905 Lana Ave NE  
Salem, OR 97301

Filed By:  
Winnie Dawn  
Rules Coordinator

NEED FOR THE RULE(S)

The DMV proposes to amend OAR 735-020-0070 to explain that DMV may issue a branded title for a vehicle listed in the National Motor Vehicle Title Information System (NMVTIS) if additional information is provided in the Junk and Salvage Information (JSI) section. The proposed rule clarifies that the DMV will issue a branded title for a vehicle that a reporting entity has marked in NMVTIS JSI as "scrap," "parts only" or "crushed" only if the same entity later marks the vehicle as "sold." To meet federal requirements and avoid fines, reporting parties sometimes submit to NMVTIS a disposition of "scrap," "parts only" or "crushed" before knowing whether the vehicle actually can be repaired. If the entity later determines the vehicle can be safely repaired, and they sell it, the entity will add a disposition of "sold."

The DMV understands that sometimes a vehicle is reported as "scrap," "parts only" or "crushed" by a reporting entity, like an insurance company, but later the entity decides the vehicle can be repaired. However, once a vehicle is entered into the JSI section of NMVTIS as "scrap," "parts only" or "crushed," the reporting entity cannot remove that entry because deletion is not allowed. The reporting entity must instead add an "amendment" to the JSI report. An amendment serves to invalidate a JSI entry that was made in error. The reporting entity must then add a new entry in NMVTIS, marking the vehicle as "sold" in the JSI section.

To prevent fraud or title washing, the DMV will not issue a branded title in cases where a reporting entity reports the vehicle as "scrap," "parts only" or "crushed," and another entity later reports it as "sold" in the JSI section, or reports the sale by another means when the vehicle was reported as "scrap," "parts only" or "crushed." An example of potential fraud could be when an insurance company lists a vehicle as "scrap" in NMVTIS and then gives the vehicle to a junkyard for crushing. Instead of crushing the vehicle, the junkyard sells it for profit after marking it as "sold" in NMVTIS.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

None.

---

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

This rulemaking will not affect racial equity in Oregon. DMV is clarifying its current practice and ensuring that only safe vehicles receive Oregon title.

---

FISCAL AND ECONOMIC IMPACT:

None.

---

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) DMV is clarifying its current practice and will not issue fewer or more branded titles as a result of the proposed rule.

There is no additional cost of compliance as a result of this rulemaking.

(2) DMV is clarifying its current practice. There is no additional cost of compliance as a result of this rulemaking for small businesses.

(2)(a) None.

(2)(b) None.

(2)(c) None.

---

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.

---

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

DMV is clarifying its current practice.

---

AMEND: 735-020-0070

RULE SUMMARY: The DMV proposes to amend OAR 735-020-0070 to explain that DMV may issue a branded title for a vehicle listed in the National Motor Vehicle Title Information System (NMVTIS) if additional information is provided in the Junk and Salvage Information (JSI) section. The proposed rule clarifies that the DMV will issue a branded title for a vehicle that a reporting entity has marked in NMVTIS JSI as "scrap," "parts only" or "crushed" only if the same entity later marks the vehicle as "sold."

CHANGES TO RULE:

735-020-0070

Junk Titles ¶¶

(1) Prior to issuance of an Oregon title or salvage title, DMV makes an electronic record inquiry of the National Motor Vehicle Title Information System (NMVTIS), as defined in OAR 735-024-0030.¶¶

(2) DMV may not issue an Oregon title or salvage title for a vehicle if the vehicle has a junk status or similar brand, disposition or notation as described in section (3) of this rule, as indicated:¶¶

(a) In the vehicle record within NMVTIS, as updated by a jurisdiction or other entity that is required to report to NMVTIS under 28 CFR Part 25.¶¶

(b) On the current title, certificate, or ownership document.¶¶

(3) A junk or similar brand, disposition or notation is a word, term, brand or notation that includes, but is not

limited to, any of the following:¶

(a) Destroyed;¶

(b) Dismantled or Dismantler only;¶

(c) Hulk;¶

(d) Junk;¶

(e) Non-rebuildable;¶

(f) Non-repairable;¶

(g) Parts only;¶

(h) Scrap¶

(i) Crushed; or¶

(j) Wreck or Wrecker only.¶

(4) Section (3) of this rule does not include the word, term, brand or notation of "salvage."¶

(5) A designation as described in section (2)(a) of this rule is based solely on a determination made by a jurisdiction or other entity required to report to NMVTIS under 28 CFR Part 25, as indicated in NMVTIS.¶

(6) A designation as described in section (2)(b) of this rule is based solely on a determination made by another jurisdiction, as reflected on the current title or other ownership document issued by that jurisdiction.¶

(7) Notwithstanding section (2) of this rule, DMV may issue a branded title for a vehicle ~~when the vehicle record within NMVTIS lists the~~ if a reporting entity has initially marked the NMVTIS vehicle record as "scrap," "parts only," or "crushed" in the vehicle Junk and Salvage Information (JSI) section, but later the same reepord in NMVTIS subsequently listing entity updates the vehicle astatus to "sold."

Statutory/Other Authority: ORS 184.619, 802.010, 803.045 & 803.140

Statutes/Other Implemented: ORS 803.045, 803.140, 28 CFR Part 25 ~~and~~, 49 U.S.C. § 30502