

OFFICE OF THE SECRETARY OF STATE
TOBIAS READ
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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: 05/26/2026 4:41 PM

ARCHIVES DIVISION SECRETARY OF STATE

FILING CAPTION: Financial Responsibility Law, Beliefs That Do Not Constitute a Reasonable and Good Faith Belief

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 06/21/2026 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 97314

Filed By:

Winnie Dawn

Rules Coordinator

NEED FOR THE RULE(S):

DMV proposes to amend Oregon Administrative Rule (OAR) 735-050-0062 to provide clearer guidance on what does not constitute a reasonable and good faith belief regarding financial responsibility requirements. The amendments add an example specifying that a belief based on ignorance of the financial responsibility law does not meet this standard.

DMV is also revising additional subsections to improve clarity, organization, and overall readability.

These changes are needed to ensure the public has clearer, more accessible information about the standards for establishing a reasonable and good faith belief.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

DMV did not rely upon any documents for this rulemaking.

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

This rulemaking is not expected to impact racial equity in Oregon, as the amendments are technical in nature and apply uniformly to all individuals regardless of race.

FISCAL AND ECONOMIC IMPACT:

See below.

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) There are no anticipated impacts on the public, state agencies, or units of local government resulting from these rule amendments.

(2) There are no anticipated impacts on small businesses.

(2)(a) No small businesses are subject to the rules.

(2)(b) There are no expected reporting, recordkeeping, or administrative activities or costs required to comply with this rule.

(2)(c) There are no cost of professional services, equipment supplies, labor and increased administration required to comply with the rule.

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

DMV sent the proposed rules to 14 small business representatives to request their input on the amendments and any potential economic impacts.

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

The proposed amendment adds examples of beliefs that do not constitute a reasonable and good faith belief and does not result in any policy changes.

AMEND: 735-050-0064

RULE SUMMARY: DMV proposes to amend Oregon Administrative Rule (OAR) 735-050-0062 to provide clearer guidance on what does not constitute a reasonable and good faith belief regarding financial responsibility requirements. The amendments add an example specifying that a belief based on ignorance of the financial responsibility law does not meet this standard. DMV is also revising to improve clarity, organization, and overall readability.

CHANGES TO RULE:

735-050-0064

What Does Not Constitute Reasonably and in Good Faith

(1) Examples of beliefs that do not constitute a reasonable and good faith belief of compliance with financial responsibility requirements include, but are not limited to, any of the following:

(a) Belief that a vendor's single interest (VSI) or other policy issued by a dealer or financing institution provides motor vehicle liability coverage. That policy or its declarations must clearly state that it does not provide motor vehicle liability insurance, does not meet financial responsibility requirements or contain some other similar statement;

(b) Belief by a person who is not yet 21 years of age, not attending school or not in military service, and not residing with a parent that he or she is covered by a parent's policy;

- (c) Belief by a person that a policy meets the requirements of the financial responsibility law when the person has not read the policy declarations and limitations;¶
- (d) Belief that a policy is still in force because of non-receipt of a notice of cancellation, unless the person presents substantial evidence showing that the insurance company did not meet the notification requirements for cancellation found in ORS Chapter 742;¶
- (e) Belief that a spouse or partner in a domestic partnership, normally pays all bills and must have paid an insurance premium; ~~and because the spouse or partner normally pays all bills.~~¶
- (f) Belief based only upon an insurance carrier's or insurance producer's (agent) representation after an accident has occurred when, at the time of the accident, the person did not reasonably and in good faith believe that they were ~~covered~~ in compliance.¶
- (g) Belief based on ignorance of the financial responsibility law.¶

(2) The Driver and Motor Vehicle Services Division of the Department of Transportation will use the examples in section (1) of this rule as guidelines in making decisions. ~~However, each request for the rescinding of a suspension under this rule will be reviewed regarding whether to terminate requirements for a future responsibility filing and rescind any corresponding suspension notice or suspension, as described in OAR 735-050-0060. DMV reviews evidence and makes determinations~~ on a case-by-case basis.

Statutory/Other Authority: ORS ~~184.616, 184.619, 802.010-806.245, 809.380, 809.450~~

Statutes/Other Implemented: ORS 806.245, 809.380, 809.440, 809.450