



NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 735
DEPARTMENT OF TRANSPORTATION
DRIVER AND MOTOR VEHICLE SERVICES DIVISION

FILED

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ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Issuance of Temporary Permits Pending DEQ Certificate of Compliance

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 02/21/2026 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.

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NEED FOR THE RULE(S)

Oregon Laws 2025, chapter 415, sections 51 and 52 (Senate Bill (SB) 840) amended Oregon Revised Statutes (ORS) 803.350 and ORS 803.625, to authorize vehicle dealers to issue temporary registration permits for motor vehicles that do not have proof of compliance with pollution control equipment Department of Environmental Quality (DEQ) requirements at the time of sale.

When a motor vehicle is sold without the required proof of compliance, the law requires the dealer to provide the purchaser with a written notice that includes the following information:

1. The vehicle is subject to pollution control equipment requirements under ORS 815.295;
2. The purchaser must comply with ORS 815.295 before the temporary registration permit expires or will be required to reapply for registration;
3. The vehicle cannot be registered in Oregon without proof of compliance;
4. The purchaser agrees to immediately notify the dealer if the vehicle fails testing and is not issued proof of compliance under ORS 815.310;
5. The dealer is responsible for ensuring the vehicle complies with pollution control equipment requirements; and
6. Once the dealer has fulfilled the obligation described in (5), the dealer is not responsible for ensuring the vehicle complies with future testing requirements.

To align with these statutory changes, DMV proposes amending Oregon Administrative Rule (OAR) 735-150-0060 to remove the current prohibition on issuing temporary registration permits for motor vehicles lacking a Department of Environmental Quality (DEQ) Certificate of Compliance. The amendment will also incorporate the new statutory requirements, including the written notice provisions and procedures for issuing the notice.

DMV also proposes to amend OAR 735-150-0110 to add a new basis for imposing civil penalties on vehicle dealers that

fail to comply with the written notice requirements. This amendment is being incorporated into the “Title Branding; Dealer/Dismantler Operations, Recordkeeping, and Civil Penalties and Sanctions Under SB 840 (2025)” rulemaking. Because DMV may not amend a rule in multiple rulemakings at one time, and the related rulemaking will include more extensive changes to OAR 735-150-0110, DMV will make these necessary amendments in a separate dealer civil penalty rulemaking.

DMV proposes to make other changes for clarity.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

Enrolled SB 840 (2025) -

<https://olis.oregonlegislature.gov/liz/2025R1/Downloads/MeasureDocument/SB0840/Enrolled>

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

DMV believes this rulemaking will have no impact on racial equity in Oregon. The proposed amendments align OAR with recent statutory changes. DMV anticipates the new law may benefit Oregon vehicle dealers and provide an additional basis for issuing temporary registration permits to their customers when submitting a customer’s title and registration applications to DMV.

If a dealer fails to provide the required written notice or provides a notice that does not include all necessary elements, there may be consequences for noncompliance. Any consequences will apply uniformly among Oregon dealers and would not disproportionately affect individuals based on 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) Oregon vehicle dealers and customers that purchase motor vehicles from dealers are subject to this rule if the non-exempt motor vehicles will be registered in the Portland and Medford metropolitan areas. Non-exempt motor vehicles registered within these testing boundaries are required to meet DEQ pollution control equipment standards under ORS 815.295 when they have no proof of compliance at the time of sale.

The proposed rule applies to all Oregon vehicle dealers who choose to issue a temporary registration permit for a vehicle lacking proof of DEQ compliance at the time of sale. While nothing prohibits a dealer from obtaining proof of compliance before the sale, if a dealer proceeds without proof, they are required by ORS 803.625, as amended, to provide the purchaser with a written notice. Dealers that fail to provide the notice or provide a notice that lacks any of the required information may be subject to sanctions. Any potential sanctions are not the subject of this rulemaking.

DMV and its integrators may receive incomplete title and registration transactions as a result of noncompliance. In such cases, DMV will issue letters to the dealers requesting additional information. DMV may also need to allocate resources to address cases where dealers fail to meet the written notice requirements.

(2) The proposed rule amendments apply to all Oregon vehicle dealers considered small businesses that choose to issue

a temporary registration permit for a vehicle that lacks proof of DEQ compliance at the time of sale. While dealers are not prohibited from obtaining proof of compliance before completing the sale, those that proceed without it are legally required to provide the purchaser with a written notice. Dealers that fail to provide the notice or provide one that is incomplete or missing required information may be subject to sanctions. Any potential sanctions are not the subject of this rulemaking.

(2)(a) All Oregon vehicle dealers, franchises and independent operations, that choose to sell a vehicle without proof of DEQ compliance at the time of sale are subject to the requirements established by SB 840 and the proposed rules. DMV is unable to quantify the number of affected dealers, as there is no prohibition against obtaining proof of compliance prior to completing the sale. There are approximately 2,100 certified (licensed) vehicle dealers in Oregon.

(2)(b) Vehicle dealers are required to provide a written notice to their customers where applicable, and maintain records demonstrating that they provided the notice.

(2)(c) DMV believes that compliance with the proposed rules can be achieved without incurring additional costs for professional services, equipment, supplies, labor, or administrative resources.

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

DMV shared the draft rules with small business representatives; however, no responses were received. While small businesses were not directly involved in the development of these rules, the Oregon Dealer Advisory Committee (ODAC) was informed of the legislative changes, expressed support for the amendments, and was provided with a draft of this Statement of Need and Fiscal Impact as well as the proposed rule changes.

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

DMV shared a draft of this Statement of Need and Fiscal Impact with the proposed rule amendments to members of the Oregon Dealer Advisory Committee and other vehicle industry partners for their input.

AMEND: 735-150-0060

RULE SUMMARY: Oregon Laws 2025, chapter 415, sections 51 and 52 (Senate Bill (SB) 840) amended Oregon Revised Statutes (ORS) 803.350 and ORS 803.625, to authorize vehicle dealers to issue temporary registration permits for motor vehicles that do not have proof of compliance with pollution control equipment Department of Environmental Quality (DEQ) requirements at the time of sale. To align with these statutory changes, DMV proposes amending Oregon Administrative Rule (OAR) 735-150-0060 to remove the current prohibition on issuing temporary registration permits for motor vehicles lacking a Department of Environmental Quality (DEQ) Certificate of Compliance. The amendment will also incorporate the new statutory requirements, including the written notice provisions and procedures for issuing the notice.

CHANGES TO RULE:

735-150-0060

Issuance of Temporary Registration Permits~~¶¶~~

(1) A designated dealer who collects and submits title and registration fees to DMV on behalf of a purchaser may issue a temporary registration permit as provided for in ORS 803.625 for a:¶

~~(a) A vehicle or camper that the dealer sells, pending receipt of permanent registration plates from DMV. A temporary registration permit may not be¶~~

~~(b) A motor vehicle being sold that is, sued unless all applicable title, registration and plate transfer fees have been collected and a title and registration application is to be submitted to DMV by the dealer on behalf of the~~

~~owner~~ subject to the pollution control equipment requirements under ORS 815.295 and does not have proof of compliance with the requirements. A dealer issuing a temporary registration permit under this section must provide the purchaser of the vehicle a written notice that includes the information described in ORS 803.625(3).¶

(2) A temporary registration permit ~~may not be issued by a designated dealer until a Department of Environmental Quality (DEQ) Certificate of Compliance, if needed, issued under section (1) of this rule may not be issued unless all applicable title, registration and plate transfer fees have been obtained. A trip permit may be issued as provided in OAR 735-150-0070(1)(b) and (6)(b) if the vehicle must be taken to a DEQ inspection station collected and a title and registration application is submitted to DMV by the dealer on behalf of the purchaser.~~¶

(3) Temporary registration permits must be obtained in bulk from the Salem DMV Headquarters, 1905 Lana Avenue NE, Salem, OR 97314. There is no charge for temporary registration permits. A designated dealer may not charge a fee for the issuance of a temporary registration permit.¶

(4) Temporary registration permits are valid for a period not to exceed 90 consecutive days from the date they are issued or until plates and, if applicable, stickers are received from DMV and placed on the vehicle, whichever occurs first. A dealer may not extend the expiration date of a temporary registration permit or issue a subsequent permit to extend the registration period of the initial permit.¶

(5) A designated dealer must comply with the following requirements when issuing temporary registration permits:¶

(a) Legibly complete each temporary registration permit with the following information:¶

(A) The name and address of the person(s) or business registering as the owner(s) of the vehicle. The name and address must only be recorded on the issuer's copy and DMV's copy of the permit and must not be recorded on the purchaser's (windshield) copy of the permit;¶

(B) The driver license number and the state of issuance for the person(s) registering as the owner(s) of the vehicle, unless the person does not have a driver license or the permit is issued to a business. The driver license number must only be recorded on the issuer's copy and DMV's copy of the permit and must not be recorded on the purchaser's (windshield) copy of the permit;¶

(C) The vehicle description, including year, make, body style and identification number;¶

(D) A written signature of the employee who issued the permit. Initials are not acceptable;¶

(E) The effective date and expiration date of the permit. The permit must only be issued for a period not to exceed 90 consecutive days, including the effective date of the permit;¶

(F) Dealer certificate number; and¶

(G) The title fee and registration fee collected on behalf of DMV.¶

(b) ~~Submit~~ DMV's copy of the temporary registration permit ~~attached to, and submitted with;~~ the application for title and registration.¶

(c) At the time of issuance, notify an owner who pays a plate transfer fee under section (1) of this rule to not attach the registration plates from their ~~old~~ previous vehicle to the vehicle or camper sold by the dealer before receiving an updated registration card from DMV.¶

(6) To be valid, the owner's (window) copy of a temporary registration permit must be affixed to the vehicle for which the permit is issued as specified by DMV on the permit.¶

(7) The ~~DMV's~~ ~~issuer's~~ copy of the temporary registration permit must remain attached in the temporary registration permit book. Once all permits have been issued from a book, the book and issuer's copies must be returned to DMV.¶

(8) Alteration of a temporary registration permit will automatically void the permit.¶

(9) When a temporary registration permit is voided for any reason, the owner's (window) copy and ~~DMV's~~ ~~issuer's~~ copy of the permit, together with a written explanation about why the permit was voided, must be ~~left~~ placed in the book and must be returned to DMV as described in section (7) of this rule. If either copy of the permit is unavailable for submission to DMV, a written explanation as to why the copy is unavailable must be included with the book.¶

(10) Except as permitted in section (11) of this rule, temporary registration permits (or books of permits) may not be loaned to another dealer or person or issued for vehicles sold by another dealer or individual.¶

(11) A dealer, who delivers a vehicle to a purchaser and submits applications and fees for title and registration in the purchaser's name on behalf of another dealer who sold the vehicle to the purchaser, may issue a temporary registration permit for the vehicle as provided by this rule. The application and supporting documents must accurately reflect the name and address of the dealer who sold the vehicle. The temporary registration permit must show the name and dealer number of the issuing dealer, and the words "Delivery Only" must be clearly written on the DMV and ~~issuer's~~ copies of the permit.¶

(12) If a dealer issues a temporary permit in accordance with subsection (1)(a) of this rule and then later discovers that the vehicle is subject to subsection (1)(b) of this rule, the dealer must send the required written notice to the purchaser within seven calendar days of the discovery.

Statutory/Other Authority: ORS 184.619, 802.010, 802.031, 803.625, 803.640, 822.035

Statutes/Other Implemented: ORS 803.625