

# Dealer Details

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## DMV Business Regulation Section



Oregon  
Department  
of Transportation  
(503) 945-5052

### Section Manager

Chris Ratliff, (503) 945-5283

### Investigation Team Chief Investigator

Ron A. Kramer, (503) 945-5281

### Investigators

Barbara Caine, Denzel Gifford,  
Ron Irving, David Jurgenson,  
Robb McCracken,  
Rick Parsons, Larry Purdy  
**Support:** Esther Reynoso

### Business License Unit Supervisor

Chuck Hoffman  
**Staff:** Betty Fox, Susan  
Kanode, Karen White

### Dealer Details Editor David House

[www.OregonDMV.com](http://www.OregonDMV.com)

Form 735-7022 (9-2009)

## ODAC topics range from cash to clunkers

The third-quarter Oregon Dealer Advisory Committee was held July 23 at DMV Headquarters in Salem. The first topic on the agenda was to address member questions about the financial stability of the Business Regulation section in the tough economic times.

The members of ODAC were pleased to hear that the number of licensees has stabilized. Business Regulation Manager Chris Ratliff and several DMV employees have been working on a forecasting tool to use to determine when and if a fee increase would be needed. The first estimate is that Business Regulation has sufficient reserve funds to cover cost above income for at least two more years.

Wally Gray wanted to discuss the issue of lenders who are requiring dealers to submit title and registration paperwork to them (as lien holder) for submission to DMV rather than allowing the dealer to submit the documents. This makes it difficult for dealers to prove they have submitted the paperwork to DMV.

Ron Kramer, chief of investigations, said DMV hasn't seen many issues arising from this business practice. He said this practice is usually done by only the higher-risk lending institutions.

The dealer has 25 days to submit the paperwork, and that is what the investigators check when they review the paperwork. Ron said dealers should put documentation in their files to prove when the paperwork was submitted to

either DMV or the lien holder.

Difficulties with the "Cash for Clunkers" program was the next topic. The rules seemed to be ever changing. Major issues with the federal program were that there was not enough funding, that the trade-in vehicle's engine must be destroyed and that the federal government had yet to create all the necessary forms.

Mike Wagner opened discussion about bills from the 2009 Oregon Legislature. He explained House Bills 2040, 2578, 2738, 2377 and 2553.

Mary Ann Trout talked about problems with Senate Bill 961 and explained why the dismantler part of the legislation was dropped.

Darrell Fuller said Senate Bills 103 and 570 – the scrap metal bills – passed, along with House Bills 2039 and 2268.

Lori Bowman reviewed the fee increases, including registration and plate manufacturing fees, from HB2001, and Monty King talked about HB2564. Chris Ratliff talked about Senate Bills 124 and 578.

The next ODAC meeting is scheduled for Thursday, Oct. 22, at DMV Headquarters in Salem. Topics to be discussed will include: "Vehicle Equipment Inspections for Dual Sport/Off Road Motorcycles"; "Business Regulations Financial reports"; and "Vehicle Appraiser license requirements."

– Mike Wagner  
ODAC Chairman

# Some lenders file DMV paperwork themselves

Some lenders that finance vehicle purchases are requiring the selling dealer to prepare the application for title/registration and collect the fees, but deliver the application, fees and ownership document to the lender for submission to DMV.

For dealers who are preparing DMV documents and collecting fees, state law – under ORS 822.042(1)(b) and OAR 735-150-0050(1)(5) – requires the dealer to submit the title/registration application to DMV within 30 days from the date of sale and to maintain a record of the date submitted.

When the lender is submitting documents prepared by the dealer, dealers should maintain a record of when the documents were delivered to the lender. DMV recommends using certified mail or similar traceable service.

If the dealer is hand-delivering the documents to the lender, DMV recommends having the lender sign for receipt of the items. It is a good idea for dealers to keep copies of the documents on file as further proof of compliance.

DMV considers the date that the complete document package and fees are delivered to the lender as the date of submission for compliance purposes.

Dealers need to keep in mind that if the application for title/registration is being prepared by the lender and the dealer merely is delivering the ownership documents to the lender, the dealer must do this within 25 days from the date of sale – as required under ORS 822.042(1)(a) and OAR 735-150-0050(2).

Dealers also must maintain a record of when the title was delivered to the lender.

If there is a title delay and the dealer is unable to meet the 25- or 30-day requirement, then be sure to document the good-faith efforts to obtain the title. Dealers also must notify the purchaser and any lien holders of the delay in writing within 25 business days from the date of sale.

The publication “Title Delivery Requirements and Consignment Practices for the Oregon Dealer” (Form 7080) outlines these requirements and provides a sample letter. This publication is available by visiting [www.OregonDMV.com](http://www.OregonDMV.com) – click on Dealers and Business, then select Forms, Manuals and Publications.

– Rick Parsons  
*Investigations*

## Handbook update with new laws available on Oct. 1

The Title and Registration Handbook is currently being revised to include important legislative changes that affect the automobile industry effective Oct. 1, 2009.

The October 2009 revisions will be available to view, print or copy at [www.OregonDMV.com](http://www.OregonDMV.com) on Oct. 1, 2009.

Changes in the October 2009 Handbook revision will include increases to several vehicle fees and a new “Lemon Law Buyback” brand for vehicle titles.

Dealers should be sure to access the handbook on Oct. 1 so that they are familiar with the upcoming changes and collect the correct fees.

– Dave Adams  
*Vehicle Policy*

# Dealer plate fee will rise with manufacturing cost

The state legislation that is going to affect vehicle buyers is affecting dealers too.

Plate fees increased under House Bill 2001, so the price of dealer plates also will rise, starting Oct. 1, 2009.

To replace an existing dealer plate,

the total fee will increase Oct. 1 from \$13 to \$22 for vehicle dealers and from \$6 to \$15 for dealers in motorcycles, mopeds and Class 1 ATVs and snowmobiles.

– Chuck Hoffman  
*Business Licensing*

Plate type	Current fee	New fee
Vehicle dealer plate	\$45	\$54
Motorcycle, moped	\$12	\$21
Class 1 ATV and/or snowmobile dealer plate		
Transporter plate	\$8	\$17

# Dealer Sanctions

**Note:** Fines and sanctions for dealers and unlicensed dealers may not reflect settlements.

Dealer	City	Violations Found	Offense Count	Amount
<b>Civil Penalties</b>				
Robertson Foster Inc dba Advanced Auto Brokerage	Portland	Failure to allow administrative inspection	1	\$1,000
PDX Motorsports Inc dba Frontline Auto Sales Inc	Hillsboro Eugene	Failure to furnish title within 90 days Failure to satisfy interest in a vehicle within 15 days Failure to furnish ownership documents to purchaser/SIH or submit application on their behalf within 90 days	1 1 1	\$1,000 \$750 \$1,000
Indian Creek Dismantlers Inc Easy Motors LLC	Grants Pass Mliwaukie	Failure to obtain ownership documents and keep records for every vehicle acquired Failure to supply ownership documents to purchaser within 25 days Failure to provide title delay within 25 days to purchaser Making false statement of material fact in an investigation	1 2 2 1	\$21,000 \$250 \$250 \$500
Juan Aguirre dba Michoacan Auto Sales	Salem	Failure to maintain records of title delivery Failure to furnish title within 90 days	2 2	\$1,250 \$1,000
Pro Street Choppers LLC (3 Year Suspension)	Medford	Failure to submit Notice of Vehicle Purchased (Form 165) to DMV Failure to provide means for public contact during business hours Failure to display exterior sign	1 2 2	\$1,000 \$200
Auction Services of America Inc Kathleen I McVey dba K and M Auto Sales	Sandy Lebanon	Failure to display in public vehicle dismantler certificate Failure to obtain supplemental dealer certificate Failure to submit fees and application within 30 days	1 2	\$500 \$2,750
Joey Ristick dba Ever Green Auto Sales (Suspension)	Portland	Failure to provide means for public contact during business hours Failure to display exterior sign Failure to display in public vehicle dealer certificate Failure to maintain original dealer records at main business location Failure to obtain corrected dealer certificate before moving place of business Failure to furnish title within 90 days	2 1 1 2	\$1,000 \$1,000 \$1,000 \$250
Arrow Auto Group Inc dba Molalla Chevrolet Beavercreek Towing Inc	Molalla Oregon City	Failure to maintain sufficient records of vehicles acquired by possessor/lien Failure to furnish title within 90 days	1 1	\$1,000 \$1,000
Scooters NW LLC dba Scooters of Oregon Michael Beber dba Payless Auto Sales	Salem Portland	Failure to remove foreign registration plates	2	\$250
Portland Ski Boat Center Inc Wright and Gentry Investments LLC dba Powder River Motors Chnys Jeep Dodge Discount ATVs LLC (Suspension)	Portland Baker City Springfield	Late Renewal Late Renewal Failure to provide means for public contact during business hours Failure to display exterior sign Failure to display in public vehicle dealer certificate Failure to maintain original dealer records at main business location Failure to obtain corrected dealer certificate before moving place of business Failure to provide means for public contact during business hours Failure to display exterior sign	1 1 1 1	\$100 \$100
Outdoor Power Equipment Co (Suspension)	Springfield	Failure to display in public vehicle dealer certificate Failure to maintain original dealer records at main business location Failure to obtain corrected dealer certificate before moving place of business	1 2	\$500 \$1,000
Magos Auto Sales LLC Pacific Northwest Ventures Inc dba New 2 You Car Company Silverline Automotive Inc Freeman Motor Company Inc	Portland Mliwaukie Portland Portland	Failure to furnish title within 90 days Failure to pay consignor within 10 days Failure to obtain supplemental dealer certificate Failure to satisfy interest in a vehicle within 15 days	1 1 1 1	\$500 \$500 \$500 \$1,000

**Continued on Page 4**

**Dealer Sanctions/continued from Page 3**

**Note:** Fines and sanctions for dealers and unlicensed dealers may not reflect settlements.

Dealer	City	Violations Found	Offense Count	Amount
<b>Civil Penalties</b>				
Arrow Imports Inc dba The Used Car Warehouse	Milwaukie	Failure to submit fees and application within 30 days	3	\$500
		Failure to provide purchaser/SIH of title delay within 25 days	3	\$500
		Failure to satisfy interest in a vehicle within 15 days	1	\$1,000
		Failure to maintain records of title submission/delivery delays	2	\$2,250
Guillermo Leon dba Leons Auto Sales	Brooks	Charging processing fee without submitting title/registration documents to DMV	1	\$1,750
		Failure to furnish ownership documents to purchaser/SIH or submit application on their behalf within 90 days	1	\$9,000
		Failure to allow inspection	1	\$1,000
MC Auto Sales Inc (1 Year Probation)	Brooks	Failure to submit fees and application within 30 days	2	\$500
		Failure to maintain records of title submission/delivery delays	2	\$750
		Charging processing fee without submitting title/registration documents to DMV	1	\$250
		Failure to maintain proper records	2	\$750
		Failure to furnish ownership documents to purchaser/SIH or submit application on their behalf within 90 days	1	\$1,000
Public Auto Wholesale LLC (3 Year Suspension)	Portland	Failure to submit Notice of Vehicle Purchased (Form 165) to DMV	2	\$150
		Failure to furnish title within 90 days	1	\$4,000
SS Cars Inc	La Grande	Failure to submit fees and application within 30 days	2	\$500
		Failure to submit fees and application within 30 days	2	\$250
		Charging processing fee without submitting title/registration documents to DMV	1	\$250
		Failure to satisfy interest in a vehicle within 15 days	1	\$1,000
		Failure to furnish title within 90 days	1	\$1,000
Richs Xtreme Auto LLC (1 Year Probation)	Salem	Failure to maintain original dealer records at main business location	2	\$500
		Failure to follow proper procedure in issuing Temporary Registration Permits	2	\$50
		Failure to maintain proper records	3	\$750
Reliant Auto Sales LLC	Clackamas	Failure to submit Notice of Vehicle Purchased (Form 165) to DMV within 7 days	2	\$900
C Color Corp dba Loughridge Motorsports	Grants Pass	Failure to obtain corrected dealer certificate before moving place of business	1	\$500
		Failure to maintain proper records for vehicle including defaced VIN statement	1	\$750
Active Towing LLC	Prineville	Late Renewal	1	\$100
Bruce Gilbert Inc dba Horizon Mazda of Roseburg	Roseburg	Late Renewal	1	\$100
Larrys RV Inc	Bend	Late Renewal	1	\$100
Michael M Hayward dba Peggys Classic Cars	Oregon City	Failure to maintain proper records	2	\$1,500
		Failure to maintain sufficient records of vehicles acquired by possessory lien	1	\$2,000
BBB Marine LLC dba Brinsfields Boat Basin	Portland	Failure to pay consignor within 10 days	1	\$2,000
William Douglas Coates	Eugene	Acting as a vehicle dealer without a current dealer certificate	1	\$15,000

# Corvallis and Grants Pass DMVs to close temporarily

DMV's Corvallis and Grants Pass field offices will close temporarily until DMV relocates these offices.

The Corvallis office will close at the end of the business day on Sept. 18, 2009, and Grants Pass will close at the end of the day Oct. 15, 2009.

DMV will announce new locations for these offices once the state Department of Administrative Services finalizes new leases.

Dealer transactions can be mailed to DMV Headquarters at 1905 Lana Ave NE, Salem, OR 97314. The work will be processed there, and plates and stickers will be mailed directly to the dealers' customers.

If dealers need immediate service, they can visit any other DMV offices.

For a list of nearby offices, hours and directions please visit [www.OregonDMV.com](http://www.OregonDMV.com).

Also, the South Salem Dealer Processing Center will move to the New North Salem field office in December 2009.

More information will be available in the next issue of Dealer Details.

- Toni Markley  
DMV Field Services



# 'Lemon' vehicles need title brand

Senate Bill 515 amends Oregon's existing consumer warranty law and requires manufacturers to title motor vehicles in their name that have been repurchased by the manufacturer in accordance with the law.

The title is required to be permanently inscribed with a "Lemon Law Buyback" brand.

SB515 applies only to motor vehicles – not to trailers, campers, etc. – and only to motor vehicles purchased or leased on or after the operative date of Sept. 21, 2009.

Effective Sept. 21, 2009, manufac-

turers must notify DMV that a vehicle must be branded "Lemon Law Buyback" and apply for title in their name when they have repurchased the vehicle.

The Manufacturer – or the dealer acting as the manufacturer's agent – must signify "Lemon Law Buyback" in the Remarks section of the application for title.

Manufacturers and subsequent sellers also must notify the buyer of the status of the vehicle with the following statement accompanying the transaction:

"This vehicle was repurchased by its manufacturer in accordance with Oregon's consumer warranty law because of a defect in the vehicle. The title to this vehicle has been permanently inscribed with the notation 'Lemon Law Buyback.'"

A statement signifying that the buyer, lessee or transferee has received and understands the notice must include a space for their signature.

DMV does not require a copy of the statement.

– Dave Adams  
Vehicle Policy

# 'Cash for Clunkers' sparks rush for records

The federal government's "Cash for Clunkers" rebate program sparked a "Dash for DMV" in July.

The program offered financial incentives to people who wanted to trade in older, low-MPG vehicles for new, more fuel-efficient vehicles. The savings were \$3,500 or \$4,500, depending on the vehicles involved in the deal.

Under the program – officially titled the Cash Allowance Rebate System, or CARS – one of the requirements is that the trade-in vehicle must have been continuously registered and insured by its owner for at least one year prior to the trade-in.

"During the first week of the program, we received dozens of records requests from people trying to qualify for Cash for Clunkers," Records Policy Manager Craig Daniels said. "We put a priority on filling these requests to help customers take advantage of this federal program."

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**"We put a priority on filling these requests to help customers take advantage of this federal program."**

– Craig Daniels  
DMV Records Policy Manager

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The urgency resulted in an initial rush by car buyers to use the program. The \$1 billion appropriated by Congress nearly ran out in the first two weeks. Some vehicle dealers halted Cash for Clunkers deals until Congress approved an additional \$2 billion for the program.

"Since the program was renewed, we've averaged a few dozen requests per day," Daniels said.

At first, some customers were perplexed when they learned that it could take up to seven business days to get proof of continuous registration

from DMV.

"The typical turnaround for requests like these is five to seven business days," Daniels said. "The requests are usually made by mail, and DMV typically needed a day or two to retrieve the documents from microfilm, print them and mail them."

"But because of customers' need for quick action in Cash for Clunkers, we were providing turnaround in three days or less, and even faxing documents to many customers or vehicle dealers."

Fortunately, there were several other ways people could meet the requirement, such as Oregon vehicle registration cards issued at least a year before the trade-in or private online vehicle history services.

For more information about Cash for Clunkers, visit [www.cars.gov](http://www.cars.gov), the program's official federal Web site.

– David House  
DMV Public Affairs

# New vehicle fees take effect Oct. 1

As a result of new legislation, DMV will collect different fees for various vehicle-related transactions. All new revenue generated from the increase in vehicle fees will be divided between the state, city and county for use on various transportation projects throughout the state.

## Registration, plates and custom plates

Transactions completed by a dealer through Sept. 30, 2009, but submitted to DMV after Oct. 1, 2009, will be accepted with the old title and plate fees (for replacement plates) until Nov. 16, 2009.

Transactions completed by a dealer on or after Oct. 1, 2009, are subject to the new title and plate fees.

The registration fees collected are based on the registration period of the vehicle, rather than the transaction date.

If the dealer is collecting registration fees for a vehicle with a registration period or an expiration date in October 2009 or later, the increased registration fees should be collected regardless of the transaction date.

If collecting registration fees for a vehicle with a registration period or an expiration date that is before Oct. 1, dealers should collect the old registration fees.

If the registration expires on or after Oct. 1, 2009, dealers should collect the new plate fees.

All Electronic Vehicle Registration transaction sales occurring prior to Oct. 1, 2009, that are finalized on or after Oct. 1, 2009, cannot be finalized through the EVR system because of the change in fees. These transactions must be mailed directly to: DMV Headquarters, EVR Desk, or Vehicle Mail, 1905

## List of affected fees

Titles	Current fee	New fee
Regular	\$55	\$77
Heavy vehicle (over 26,000 lbs.)	\$90	No change
Salvage	\$17	\$27

Registrations	Period	Current fee	New fee
Passenger, including hybrid or electric	Initial 4-year	\$108	\$172
Light trailers (8,000 lbs. or less)	Biennial	\$54	\$86
Motorcycles and mopeds	Initial 4-year	\$108	\$172
2- or 3- wheeled electric vehicles	Biennial	\$54	\$86
Low-speed vehicles	Biennial	\$60	\$96
		\$30	\$48
		\$27	\$43

Custom plates	Current fee	New fee
Annual custom fee	\$25	\$50

Plate manufacturing fee	Current fee	New fee
Single plate	\$3	\$12
Pair	\$5	\$23

Trip permits	Current fee	New fee
Heavy motor vehicle	\$21	\$43
Light vehicle	\$20	\$30
New registered vehicle	\$5	\$7.50
Dealer 10-day permit	\$10	\$15

Lana Ave. NE, Salem, OR 97314.

### Trip permits

As of Oct. 1, 2009, dealers will not be able to issue trip permits that list the old fee.

Dealer Trip Permits – DMV will create two smaller trip permit books (books of five trip permits each) for dealer trip permits (form 735-306a) and dealer no-sticker trip permits (form 735-307a).

New Registered Vehicle trip permits – HB 2001 created a new fee for the

registered vehicle trip permit that previously was issued with the registration weight trip permit. There will now be a separate permit for these two trip permits (new registered vehicle trip permit – form 735-303B and the registration weight trip permit – form 725-303).

For additional information, call (503) 945-5000 or (503) 299-9999 (Portland Metro Area), or visit [www.OregonDMV.com](http://www.OregonDMV.com).

– Deb Mercer  
Vehicle Programs