

Dealer Details

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Newsletter of the DMV Business Regulation Section

Summer 2018

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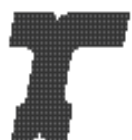
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DMV Business Regulation Section



Oregon
Department
of Transportation
(503) 945-5052

Section Manager

Judith Ingram Moore
(503) 945-5283

Investigation Team

Chief of Investigations

Larry Purdy, (503) 945-5287

Investigators

Kelly Garcia

Andy Kapileo

Dennis Keena

Dan Liu

Robb McCracken

Jessica Miller

Darlene Watson

Support: Esther Reynoso

Business Licensing

Christianne Parsons

Karen White

Courtney Wimberly

Analyst

Becky Ortiz

Dealer Details Editor

David House

www.OregonDMV.com

Form 735-7022 (8-2018)

ODAC gets updates on Privilege Tax and more

Happy summer! This issue of *Dealer Details* has less left but just as much importance as the previous and past editions.

The Oregon Dealer Advisory Committee (ODAC) held its third-quarter meeting July 26 and received information about ODOT's OreGO Program and updates on DMV's Service Transformation Program (STP).

Although the Oregon Department of Revenue (DOR) did not attend ODAC's meeting, DOR provided some information on the new privilege tax program.

Maureen Bock, OreGO Program Manager, spoke about Oregon's Road Usage Charge Program, launched July 1, 2015. Oregonians can sign up by visiting www.MyOREGO.org.

OREGO volunteers pay a road usage charge for the amount of miles they drive on public roads in Oregon. The road usage charge is set at 1.7 cents per mile. Volunteers will receive credits on their bill for the fuel tax they pay at the pump. The current version of OreGO is limited in statute to 5,000 cars and light-duty commercial vehicles.

As a result of the passage of House Bill 2017 last year, the volunteer program is able to expand to allow fully electric vehicles enrolled in OReGO to be exempt from paying the DMV enhanced registration fees. The base fee will still be required.

Also, ODOT is looking at interoperability with other states' programs. There are several pilot

programs across the nation.

Karen McCarty, STP Business Manager, provided an update regarding future system changes. Things will be a little different for dealer work. Once implementation of the new vehicle registration system starts on Jan. 22, 2019, DMV employees will enter vehicle data at field offices instead of sending transactions to DMV Headquarters for entry.

Dealers will still be able to drop off their vehicle transaction paperwork at DMV field offices. The DMV *Title and Registration Handbook*, Chapter R (Dealers) states dealers can wait in line like other customers if they have five or fewer transactions at a time. When the new system goes live, it could take more time to get dealer transactions completed at field offices due to them needing to take the time to enter the information into the system.

Karen said they are looking at ways to speed up the process, and in the future STP will be working with a dealer focus group to discuss the details. With DMV's new computer system, dealers will be able to electronically submit Notices of Vehicle Sale and Purchase (forms 735-165 and 735-6890).

Dealers can create a running list for the forms throughout the day and then upload the list at the end of the day to DMV. DMV will verify that the vehicle has an Oregon VIN and alert the dealer if it does not.

Karen also shared that STP took

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Vehicle Use Tax, Pacific Wonderland laws updated

The 2018 Legislature passed a bill that clarifies which vehicles are subject to the Vehicle Use Tax and eliminates the 80,000-plate-issuance limit that had been placed on Pacific Wonderland vehicle registration plates.

House Bill 4059 made revisions to laws passed as a result of HB 2017 in 2017, Oregon's major new transportation funding package:

- **Vehicle Use and Privilege Tax** – HB 4059 refined the definition of “taxable motor vehicle” to clarify that it includes trailers (not equipped with an odometer). If the taxable motor vehicle is equipped with an odometer, the tax applies if it has 7,500 miles or less on the odometer. If the taxable motor vehicle is without an odometer, it also must have a manufacturer's certificate of origin or statement of origin. DMV is revising administrative

rules OAR 735-030-0005 and OAR 735-030-0025 to update the definition of a “taxable motor vehicle.”

- **Pacific Wonderland Vehicle Registration Plates** – Effective June 2, 2018, the limit of 80,000 sets of Pacific Wonderland registration plates that may be issued by DMV was removed. The Pacific Wonderland plate configurations will be expanded to allow more plates. DMV will allow Pacific Wonderland plates to be issued by Motor Vehicles Services Corporation (MVSC), DMV's Electronic Vehicle Registration program (EVR), starting Oct. 1, 2018.

DMV-related questions may be directed to (503) 945-5000 or (503) 299-9999 (Portland Metro Area), or visit the DMV website at www.oregondmv.com.

– *Vehicle Programs*

Trip permits you never issued are eligible for refund

You may return voided (unused) trip permits to DMV Business Licensing Unit (BLU), 1905 Lana Ave NE, Salem OR 97314, with a refund request and an explanation of why the permit was voided.

Refunds will NOT be issued if the strip has been removed or tape has been added to the window copy.

Fees paid for trip permits do not apply toward registration fees and are not refunded. DMV will not refund money when a trip permit has been issued but is unused.

The Business Licensing Unit makes every effort to make its services more convenient and responsive to its customers' needs while staying within all applicable laws and rules.

– *DMV Business Licensing*

CONTINUED: Updates on Privilege Tax and more

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feedback from ODAC and acted on the committee's motion to provide an electronic, print-on-demand trip permit. Both 21-day and 10-day permits will be available. This future process will follow the same rules that are in place today.

This is a friendly reminder for those who are required to and have already registered with the Oregon Department of Revenue with regard

to the privilege tax.

The tax was adopted with House Bill 2017. Make sure you submit your returns! DOR informed DMV that as of June 2018, there were 448 registrants under the privilege tax and that DOR had received only 395 returns. DOR will address that gap through its enforcement process, where it will request registrants to file a return and remit the tax due. DOR said it is common for

the compliance (return) number at the beginning of a tax program to be lower than the number of businesses registered because it takes a bit of time to get familiar with the requirements and due dates.

Everybody is welcome to attend the next ODAC meeting, which will be Oct. 25, 2018, at DMV Headquarters, 1905 Lana Ave. NE, in Salem.

– *Susan Thayer*
ODAC Chair

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Eric Boyer dba Salem Auto Auction	Bend	Acting as a vehicle dealer without a current dealer certificate	1	7	\$17,500
Shane Hollis Heath	Portland	Acting as a vehicle dealer without a current dealer certificate	1	12	\$30,000
Jim James Ellis	Portland	Acting as a vehicle dealer without a current dealer certificate	1	10	\$25,000
Matthew Peter Ephrem	Happy Valley	Acting as a vehicle dealer without a current dealer certificate	1	1	\$2,500
Fernando Hernandez Cardenas	Hillsboro	Acting as a vehicle dealer without a current dealer certificate	1	7	\$17,500
Atlay Vazquez Martinez	Canby	Acting as a vehicle dealer without a current dealer certificate	1	12	\$30,000
Iukhym V Tyshevskyy	Troutdale	Acting as a vehicle dealer without a current dealer certificate	1	1	\$2,500
Jeffery Scott Stone	Clackamas	Acting as a vehicle dealer without a current dealer certificate	1	11	\$27,500
Sherwin Clay Jones	Cloverdale	Acting as a vehicle dismantler without a current dismantler certificate	1	1	\$2,500
Daniel G Scott dba The Auto Locator (3 YR Suspension)	Portland	Failure to allow an administrative inspection	1	1	\$1,000
Bobbys Auto Sales LLC	Portland	Failure to submit all fees and documents to DMV within 30 days	2	5	\$1,250
Keith and Brian Enterprises LLC dba 5th Gear Motorz (3 YR Suspension)	Portland	Failure to submit title to DMV within 90 days	2	1	\$1,000
Moda Cars LLC (3 YR Suspension)	Portland	Failure to submit title/fees/application to DMV within 90 days	3	1	\$1,000
OR Dream Motors LLC (3 YR Suspension)	Portland	Failure to submit fees and application to DMV within 30 days	3	8	\$4,000
Truckland Inc (3 YR Suspension)	Portland	Failure to furnish ownership documents to purchaser within 25 days	2	1	\$250
		Failure to satisfy a prior security interest holder within 15 days	3	1	\$1,000
		Failure to furnish ownership documents to purchaser within 25 days	3	1	\$500
		Failure to maintain records of title delivery	2	2	\$500
		Knowingly making a false statement of material fact in a DMV investigation	1	3	\$1,500
		Failure to make records available in a timely manner to DMV for inspection	1	4	\$4,000
		Failure to allow an administrative inspection	1	1	\$1,000
		Knowingly making a false statement of material fact on application for dealer certificate	1	1	\$500
		Knowingly making a false statement of material fact in a DMV investigation	1	1	\$500
		Failure to provide a means of public contact	1	3	\$750
		Failure to display an exterior sign	1	3	\$750
Grand Auto LLC	Portland	Issuing DMV a dishonored check	1	1	\$1,000
Car Safari LLC (3 YR Suspension)	Independence	Failure to submit fees and application to DMV within 30 days	3	2	\$1,000
		Failure to submit title to DMV within 90 days	2	2	\$2,000
		Knowingly making a false statement of material fact in a DMV document/investigation	1	5	\$2,500
Volante Motors LLC (3 YR Suspension)	Portland	Failure to allow an administrative inspection	1	1	\$1,000
Prestine Motors Inc	Portland	Failure to submit title to DMV within 90 days	1	1	\$1,000
Affordable Luxury Motors LLC (1 YR Suspension)	Milwaukie	Failure to obtain supplemental certificate for each location dealer sells or displays	1	4	\$2,000
SEBCO LLC dba Tonkin Subaru	The Dalles	Failure to allow an administrative inspection	1	1	\$1,000
Javier Martinez dba Martinez Auto Sales	Fairview	Failure to submit title to DMV within 90 days	1	1	\$500
Elegant Auto Sales LLC (3 YR Suspension)	Milwaukie	Failure to obtain corrected dealer certificate prior to moving place of business	1	1	\$500
I Motorz Corporation (3 YR Suspension)	Milwaukie	Failure to submit title to DMV within 90 days	4	1	\$1,000
Dorn Good LLC dba Syd Dorns Vehicle Buyers Serv	Lake Oswego	Failure to submit fees and application to DMV within 30 days	3	7	\$3,500
		Failure to satisfy a prior security interest holder within 15 days	2	1	\$1,000
		Failure to allow an administrative inspection	1	1	\$1,000
		Failure to obtain corrected dealer certificate prior to moving place of business	1	1	\$500
		Failure to provide buyer written brokerage service disclosure prior to providing service	2	2	\$500
		Failure to provide buyer with written fee statement	2	2	\$500

NOTE: Fines and sanctions for dealers and unlicensed dealers may not reflect settlements or judgments

Avoid these top 10 violations by dealers

Here’s a Top 10 list that you don’t want to be associated with.

It’s a list of violations by dealers that seem to occur most often. Please have your title clerks and other folks you work with note these and make an extra effort to avoid them.

The Top 10 to avoid

- Failure to submit fees and applications to DMV within 30 days
- Failure to provide purchaser with title within 25 days
- Failure to maintain records of title delivery

- Failure to provide written notice of delay concerning submissions of title/registration and fees to DMV or of title to purchaser
- Failure to pay off trade-ins within 15 days of purchase
- Failure to pay off selling dealer within 15 days of obtaining clear title from selling dealer
- Failure to follow consignment laws – particularly failure to pay off consigning parties within 10 days of sale, failure to have sufficient written agreements, failure to give a consignment disclosure to the purchaser, failure to ensure that

the selling party has title and failure to provide title to the purchaser in a timely manner

- Failure to file Form 165 (Notice of Vehicle Purchase) with DMV within 7 days of purchase
- Failure to follow proper procedure when issuing temporary registration permits and trip permits
- Issuing temporary registration permits instead of trip permits to a person not domiciled in Oregon or without having a DEQ certificate when required

– DMV Business Regulation

Dismantlers must complete form in applications, renewals

All renewals and applications for a dismantler certificate require information on the location’s dimensions and your National Motor Vehicle Title Information System (NMVTIS) number. There are no exceptions.

You must provide a description of the dimensions of the place or places where your business is located and conducted. This is state law (ORS 822.115(4)).

You also must provide a NMVTIS number on the application, also under state law (ORS 822.115(5)).

DMV Business Licensing has received renewal applications that do not include dimensions or the NMVTIS number. The new computer system will not accept blank portions on the application. Any required information not provided on new and renewal applications will delay processing of the application.

– DMV Business Licensing

The image shows a DMV form titled 'APPLICATION FOR BUSINESS CERTIFICATE AS A DISMANTLER OF MOTOR VEHICLES OR SALVAGE POOL OPERATOR'. The form is numbered 1 through 10 and includes sections for:

- 1. Applicant information (Name, Address, Phone, Email, FEE: \$600)
- 2. Business information (Business Name, Address, Phone, Email)
- 3. Principal's Dismantler History (Information on principals of the business)
- 4. Local Government Approval (City/County approval)
- 5. Dimensions of the property (Length, Width, Height)
- 6. NMVTIS number
- 7. Signature and Date
- 8. Declaration of accuracy
- 9. Signature and Date
- 10. Signature and Date

 The form also includes a 'Clear Form' section with fields for Certificate Number, Effective Date, and Expiration Date. There are checkboxes for 'ORIGINAL' and 'RENEWAL'.

Dealer plates go out in sequence

In the past, DMV had been able to issue a dealer license plate to dealers who request a customized configuration, instead of the next in DMV’s inventory sequence.

In other words: A sort of “custom plate” of the dealer’s choice instead of the next available from DMV in sequence, such as DA0001A, then DA0001B, DA0001C and so forth.

DMV has ceased allowing this in its transition to a new computer system over the next few months. Also, if a custom configured plate is lost, it will not be replaced. DMV Business Regulation hopes that this is a small trade-off for the benefits that the new system will bring to dealers.

– DMV Business Regulation