

Dealer Details

Volume 27, No. 1

Newsletter of the DMV Business Regulation Section

Winter 2019

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Form 735-7022 (02-2019)

Many bills affect dealers

The Oregon Dealer Advisory Committee held its first quarterly meeting for 2019 on Jan. 24.

ODAC received updates from the Department of Revenue's privilege tax program, legislative bills that may impact vehicle-related industries that ODAC represents, DMV's Service Transformation Program, and the Department of Environmental Quality's electric vehicle rebate program.

Representatives from the Department of Revenue shared with ODAC that through November 2018, DOR collected \$21 million from the privilege tax and \$6 million from the use tax. \$12 million from the privilege tax was transferred to DEQ's Electric Vehicle Rebate Program, and \$5.8 million went to the Connect Oregon fund. \$5.3 million from the use tax went to the Highway Fund.

DOR collected \$489,000 from the bicycle tax, and \$331,000 was transferred to Connect Oregon for bicycle and pedestrian project grants.

DOR is required to submit up to \$12 million to DEQ's Electric Vehicle Rebate Program fund each calendar year through 2023, less administrative costs. Starting in 2024, all of the revenue less administrative costs will be transferred to Connect Oregon.

The Oregon Legislature convened for the 2019 session on Jan. 22. There are hundreds of proposed bills that could become law.

Here are some examples of bills

that dealers may have some interest in:

- **SB 113** would provide a dealer 30 days to cure a problem between the dealer and their customer. After that time, the consumer's attorney can go to court and if the consumer prevails, then the attorney can be awarded attorney fees.

- **HB 2105** would license auto repair shops through Department of Consumer and Business Services. If passed, DCBS would issue specialty vehicle mechanic licenses and master vehicle mechanic licenses to qualified applicants.

- **HB 2082** would require Class II and IV ATV operators 16 years of age or older to carry and present their driver's license and their ATV operator permit when asked by law enforcement. Requires ATV operators to pass a safety education course to get their operator permit.

- **HB 2556** would require DMV to title and register ATVs.

- **SB 453** would provide a clarification of the privilege tax established in 2017 under HB 2017 that Oregon vehicle dealers selling or trading taxable motor vehicles to other dealers for resale are not liable for privilege tax on such sales or trades.

- **HB 2576** is a plate transfer bill. It would provide that when a vehicle is totaled or substantially altered the owner of the vehicle may keep the registration plates with the vehicle if vehicle is issued a branded title or

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Handbook requires major updates in 2019

The February 2019 revision of the Title and Registration Handbook is available at OregonDMV.com.

The Handbook is normally updated quarterly. The next revision is set for May. You may buy a printed copy from one of these organizations:

- Oregon Independent Auto Dealers Association (OIADA), 1-800-447-0302; info@OIADA.com; or www.oiada.com.
- Oregon Vehicle Dealers Association (OVDA), 1-877-541-2277; ovda@ordealers.com; or www.ordealers.com.

Changes in the February 2019 Handbook revision are as follows:

Cover Page – The cover page reflects the latest revision date of 02-19.

Table of Contents – Chapter T, Flags, has been deleted from the manual. In the new DMV system, flags have been replaced with “indicators.” These are notations on the vehicle record that denotes the status of the vehicle. Most indicators are self-explanatory. All references to flags in the manual have been replaced with the indicator title. If you have a question concerning an indicator on the record, call Customer Assistance at (503) 945-5000.

Chapter B, Application for Title and Registration, Form 226 – The Form 226 has been revised, revision date 1-19. Dealers can use the existing stock of previous versions of the Form 226.

An example of the Application for Title and Registration, Form 226 dated 1-19 has been added to the chapter. There are some changes which are explained in another Dealer Details article.

Chapter D, Miscellaneous Title Application Information – The Oregon Vehicle Dealer Expedite Title Service envelope, Form 333Y, has been replaced with the latest version.

The Third Party Authorization to Pick up a Dealer Expedite Title, Form 7287, has been replaced with the latest revision dated 4-18.

Chapter F, Ownership Documents – The Oregon Certificate of Title, revised 1-19, has been added to the chapter. This title is printed on 8½-by-11-inch paper, but the page is perforated. The actual title is 8½ by 8½ inches.

Chapter H, Odometer Disclosure Requirements – The Power of Attorney, Form 500, has been replaced with the latest revision dated 4-18.

Chapter I, Security Interest Perfection – The Transitional Ownership Document (TOD) date chart has been replaced for 2019.

Chapter J, Damaged/Totaled Vehicles – The Oregon Salvage Title Certificate, Form 417, has been replaced with the latest revision dated 1-19. This title is printed on 8½-by-11-inch paper, but the page is perforated. The actual title is 8½ by 8½ inches.

Chapter K, Registration – The Application for Registration, Renewal, Replacement or Transfer of Plates and/or Stickers, Form 268, has been replaced with the latest revision dated 1-19.

Newer Model Year information has been updated to show current dates as they relate to 2019 for DEQ determination.

The Certification of Oregon Residency or Domicile, Form 7182, has been replaced with the latest revision dated 9-18.

The 2018 Legislature approved the Special Registration Plate Program. The Gray Whale plate is part of this program. These plates may be issued to passenger vehicles only. Passenger vehicles may be issued custom plates with the Gray Whale plate background.

The Custom Plate Application,

Form 205, has been replaced with the latest revision dated 2-18.

The Application for Amateur Radio Operator Registration Plates, Form 231, (Ham Plates) has been replaced with the latest revision dated 5-18.

Chapter L, Vehicle Types – Ham radio passenger plates may be issued on Special Registration Plate Program (Gray Whale) backgrounds.

Chapter M, Fees – Special Registration Plate Program fees have been added to the chapter.

The Heavy Motor Vehicles and Buses Fee Schedule, Form 6013, has been replaced with the latest revision dated 11-18.

Chapter P, Dismantlers – The indicator “In Dismantler Stock” has replaced the Flags 35 and 38 in the DMV system. This indicator is added to the vehicle record upon receipt of a Dismantler’s Notice, Form 270.

The Dismantler’s Vehicle Notice to Driver and Motor Vehicle Services, Form 270, has been replaced with the latest revision dated 10-18.

Chapter R, Dealers – The Notice of Sale or Transfer of a Vehicle, Form 6890, and the Dealer Notice of Vehicle Purchase, Form 165, can be submitted to DMV by accessing DMV2U. Information about DMV2U is in another Dealer Details article.

The Dealer Notice of Vehicle Purchase, Form 165, has been replaced with the latest revision dated 12-18.

Index – The index has been updated to remove Chapter T, Flags. References to the Special Registration Plate Program, including the Gray Whale Plate, and DMV2U have been added to the index.

*Dave Adams
Vehicle Policy*

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Steven Neal Mitchell	Bend	Acting as a vehicle dealer without a current dealer certificate	1	10	\$25,000
Dakota Sky Kampfen	Albany	Acting as a vehicle dismantler without a current dismantler certificate	1	1	\$2,500
Jesus M Arredondo-Oceguera	Portland	Acting as a vehicle dealer without a current dealer certificate	1	11	\$27,500
Abundio Lazaro-Cervantes	Portland	Acting as a vehicle dealer without a current dealer certificate	1	7	\$17,500
NW Metals Inc (3 Years Probation)	Portland	Failure to remove and destroy registration plates	2	5	\$1,250
Mocks Ford Sales Inc	Grants Pass	Failure to submit Dismantler's Notice to DMV within 30 days	2	8	\$2,000
Supreme Motors LLC (3 Years Suspension)	Portland	Failure to submit fees and application to DMV within 30 days	2	7	\$1,750
MM Motorz LLC	Beaverton	Failure to maintain records in manner allowing for timely/efficient retrieval by Investigator	1	2	\$2,000
Japanese Auto Sales Inc (1 Year Probation)	Portland	Failure to obtain corrected dealer certificate	1	1	\$500
Mars Auto Inc (1 Year Probation)	Milwaukie	Failure to obtain supplemental certificate for each location dealer sells or displays	1	2	\$2,500
		Failure to submit title/fees/application to DMV within 90 days	1	1	\$1,000
		Failure to submit title/fees/application to DMV within 30 days	2	4	\$1,000
		Failure to maintain records of document delays	2	1	\$250
		Failure to maintain proper records	2	4	\$1,000
		Failure to furnish title to purchaser within 90 days	1	1	\$1,000
		Failure to submit notice of vehicle purchase to DMV within 7 days of purchase	2	3	\$150
		Failure to submit notice of vehicle sale to DMV within 10 days of date of sale	2	2	\$500
		Failure to allow an administrative inspection	1	1	\$1,000
SRS1 Auto Sales LLC (3 Years Suspension)	Lake Oswego				
West Coast Remarketing LLC	Oak Grove	Failure to obtain supplemental certificate for each location dealer sells or displays	1	1	\$500
		Failure to submit notice of vehicle sale to DMV within 10 days of date of sale	1	3	\$750
Whip City Auto LLC	Hermiston	Failure to satisfy interest in a vehicle within 15 days from date of sale	1	1	\$1,000
Xtreme Truck Sales LLC	Woodburn	Failure to submit fees and application to DMV within 30 days	1	6	\$1,500
		Failure to submit title/fees/application to DMV within 90 days	1	2	\$2,000
		Failure to pay consignor within 10 days of the date of sale	1	1	\$500
New Generation Motorz LLC (3 Years Suspension)	Portland	Failure to submit title/fees/application to DMV within 90 days	1	1	\$1,000
Grove Auto Center LLC	Forest Grove	Failure to submit fees and application to DMV within 30 days	2	15	\$3,750
		Failure to submit fees and application to DMV within 30 days	2	3	\$750
NW Auto Source LLC	Portland	Failure to submit fees/title/application to DMV within 90 days	1	4	\$4,000
		Failure to submit title/fees/application to DMV within 90 days	1	3	\$3,000
VIP Motors LLC (1 Year Probation)	Portland	Failure to submit fees and application to DMV within 30 days	2	1	\$250
Pam Pams Junk Inc	Portland	Failure to physically inspect a vehicle to verify its VIN	1	1	\$1,000
GSANDHU LLC dba Lucky Aces Auto Sales J and S Auto Sales LLC (3 Years Suspension)	Dayton	Knowingly making a false statement of material fact in a DMV document	1	1	\$1,000
Global Auto Center LLC dba Global Auto Firm (1 Year Suspension)	Milton Freewater	Failure to maintain proper records	1	10	\$2,500
		Failure to submit Dismantler's Notice and ownership document to DMV within 30 days	1	8	\$2,000
		Failure to submit title/fees/application to DMV within 90 days	1	1	\$1,000
BMR Auto Recycle LLC (3 Years Probation)	Milwaukie	Failure to allow an administrative inspection	1	1	\$1,000
		Failure to maintain records of title delivery/submission/delays	1	3	\$750
		Failure to maintain proper records	3	1	\$500
		Failure to notify DMV of vehicle transferred to dealer within 7 days	3	14	\$1,400
		Failure to immediately remove foreign registration plates	3	1	\$100
		Failure to confine vehicles without title/ownership documents to an off limits area	1	6	\$1,500
		Failure to maintain proper records	1	8	\$2,000
		Destroying vehicles prior to receiving an ownership document	1	5	\$1,250
		Failure to submit Dismantler's Notice and ownership document to DMV within 30 days	1	12	\$3,000

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

Gray Whale license plate is available

The Oregon State University Marine Mammal Institute Gray Whale license plate became available to the public Feb. 1, 2019.

Gray Whale plates are available for passenger vehicles only and have their own unique background.

The plate configuration has two alpha characters on the left of the plate, one above the other, followed by five numeric characters. The Gray Whale plate configuration started with GW 00001.

Gray Whale license plates are also available as Custom and Amateur Radio Operator (Ham) plates.

A surcharge of \$40 or a pre-paid voucher is required at the time of issuance of the Gray Whale plates and \$40 at each registration renewal.

The surcharge is \$40 regardless of whether the customer is receiving a two-year or four-year registration – the surcharge is NOT doubled.

If a customer purchases Gray Whale plates and later decides they do not want them, the plate transaction is not eligible for a refund.

Gray Whale license plates are available at DMV field offices, through the mail from DMV Headquarters and through dealers participating in Electronic Vehicle Registration.

Dealers participating in EVR may collect a pre-paid voucher instead of the \$40 surcharge.

However, any transaction with a plate voucher must be submitted in hard copy at a DMV field office or submitted via mail to DMV headquarters, not through the electronic system. The DMV field office or headquarters will issue the inventory.



ABOVE: Sample Gray Whale plate
LEFT: Sample specialty plate voucher

\$40 surcharge or pre-paid voucher, in addition to any other required fees. Form 268 was revised to include this new plate option.

When a customer submits a pre-paid Gray Whale license plate voucher, the dealer must verify that the purchaser listed on the voucher or the person to whom the voucher was transferred is a registered owner of the vehicle. If not, the voucher cannot be accepted, and the customer must pay the \$40 surcharge for their set of Gray Whale plates.

Upon receipt of the vehicle transaction paperwork, DMV will verify the voucher is valid. If it is valid, the transaction will be processed. If it is not valid, the transaction cannot be processed, and DMV will contact the dealer for a valid voucher or the \$40 surcharge.

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

At some point, DMV and its EVR provider MVSC will be able to process specialty plate vouchers electronically. DMV and MVSC have not set a completion date.

To order a set of Gray Whale plates: Note the request in the “Remarks” section at the top of the Application for Title and Registration, Form 226, or check the box at the bottom of the Application for Registration, Renewal, Replacement or Transfer of Plates and/or Stickers, Form 268, for “Gray Whale.” Collect the plate fee, the applicable replacement fee (\$5 or \$10) and the

Old Form 226 in use until supply gone

Dealers, financial institutions and other users will see revisions to the Form 226, Application for Title and Registration (dated 1-19). Form 226 has been revised to accommodate changes DMV made as part of its new vehicle system.

For more information on the new system visit www.oregon.gov/odot/dmv/pages/stp/stp_information.aspx.

DMV released the new Form 226 on Jan. 22, 2019, but dealers, financial institutions and others may continue to order the current Form 226 (1-18) while supply lasts, or they may order the new version.

The revised Form 226 incorporates the following changes:

1. The DMV coding boxes along the top have been removed (e.g., plate code; trans code; etc.). DMV's new system eliminates this manual process entirely.
2. The Notice of Transaction Submitted (yellow NCR copy) is no longer part of the form. DMV is notifying law enforcement that the

735-6110		REQUEST FOR DMV FORMS TO BE MAILED				
LINE NO.	2 QUANTITY		3 STOCK NUMBER	4 FORM NUMBER	5 FORM TITLE (DESCRIPTION)	
	ORDERED	UNIT				
1	2	PKG	300097	735-226	APPLICATION FOR VEHICLE TITLE (1-18)	← (1-18) version (old) will be sent
2	1	PKG	300097	735-226	APPLICATION FOR VEHICLE TITLE (1-19)	← New 226 will be sent (1-19)
3	3	pkg	300097	226	Application for Vehicle Title	← Not specified - (1-18) version (old) will be sent

EXAMPLE: How to specify which version of the 226 you want sent

Notice of Transaction Submitted is going away. Instead of the Notice, when DMV processes a vehicle title and/or registration transaction at a field office, a receipt will be printed on standard 8½-by-11-inch paper. This receipt will contain the following:

- a) Vehicle description: VIN, year, make, model, and body style
- b) Name of primary (registered) owner(s)
- c) The location of the DMV office that processed the transaction (for example, 017 – Salem, North)
- d) Date issued (the date DMV processed the transaction)
- e) List of fees, total amount collected, and method of payment (cash, check, etc.)
- f) DMV's main address, phone number and web address
- g) A letter ID number used by

DMV that is unique to the transaction

Dealers who have the Form 226 programmed into their systems and want to begin using the new form should update their system to accommodate the revisions. The revised Form 226 may be found here: www.oregon.gov/ODOT/Forms/DMV/226fill.pdf.

When ordering the Form 226 using the Request for DMV Forms to be mailed (Form 735-6110), the requestor should specify whether they want the old (1-18) or new (1-19) version of Form 226. To do this, note the version requested in the "Form Title (Description)" column. See the example above. If neither the old or new version is specified, the old version will be mailed while supply lasts.

Dave Adams
DMV Vehicle Programs

Packet process updated

Dealer packets will work differently with the new system at DMV.

To help outline these changes, and share some tips on successfully submitting dealer work, we have created a short handout for you to share with your staff. You can find the information sheet online here:

- On the DMV dealers and business page here – www.oregon.gov/ODOT/DMV/Pages/Dealers/Dealers-Home.aspx
- As a printable document from the STP Partner Toolkit here – <https://oregondot.instantmagazine.com/odot/stp-partner-toolkit/cover/>

DMV Vehicle Programs

DMV2U replaces Dealer Notices

The Dealer Notices web page has been decommissioned, and dealers who want to submit forms electronically must use the online service that went live on Jan. 22: DMV2U.

Go directly to the partner login at:
<https://dmv2u.oregon.gov/eServices>.

DMV mailed a letter on Jan 25 to dealers that provided a unique PIN for logging in. If you have difficulties logging in, contact Customer Assistance at 503-945-5310.

DMV Vehicle Programs

Some tow businesses switch to DMV

DMV now collects the full tow vehicle registration required in statute when a tow vehicle changes registration from the Motor Carrier Transportation Division to DMV. The change took effect Jan. 22, 2019.

Most tow businesses will not be impacted by this change because it only applies when:

- The tow vehicle is currently registered with Motor Carrier, or registered under the International Registration Plan, commonly called prorated (proportional) registration; and
- The tow vehicle switches registration from MCTD to DMV; and
- The tow business certificate will expire in less than 12 months.

During the past five years, only 46 tow vehicles have switched registration from MCTD to DMV – both divisions of the Oregon Department of Transportation.

DMV's new vehicle system, which launched Jan. 22, automatically sets the tow vehicle registration expiration to match the tow business certificate. The system also calculates the registration fee based on the registered weight and any other applicable fees, such as plate fees or county registration fees.

This process change along with the new system automation will improve accuracy and reduce overall transaction processing time.

If you are one of the rare customers who needs to switch registra-

tion from MCTD to DMV, here is a handy tip:

- Tow business owners can save money and ensure their vehicles are legally registered by waiting to switch registration from MCTD to DMV at the same time the tow business certificate expires. This will prevent tow business owners from paying a registration fee for a partial-year certification.

To find more information about tow vehicles, look in the DMV Title and Registration Handbook under Chapter O: Tow/Recovery Vehicles here: www.oregon.gov/ODOT/DMV/docs/Chapter_O.pdf.

Craig Austin

Service Transformation Program

CONTINUED: Many bills in 2019 session affect dealers

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the owner may transfer plates to another vehicle if the totaled vehicle's title is canceled or retired.

ODAC received information from DEQ about the Electric Vehicle Rebate Program. DEQ is processing rebates for consumers who purchased electric vehicles. DEQ is also encouraging dealers to enter into agreements with DEQ to offer "cash on the hood" rebates, where a purchaser or lessee can assign the rebate to the dealer and DEQ would pay the dealer the rebate. DEQ's turnaround time to remit the rebate is 10 business days. Visit DEQ's website if you're interested in pursuing the dealer agreements.

DMV successfully launched its new vehicles system on Jan. 22 – on time and on budget. The second half of its system replacement, drivers system, will launch in July 2020. DMV's new

system provides more online services for vehicle transactions through its online services website DMV2U.

There are real-time updates to the system so that agencies like law enforcement can access information as soon as it is added to a vehicle record. Check out these websites for more information: www.oregon.gov/ODOT/DMV/pages/STP/STP_Information.aspx and <https://dmv2u.oregon.gov/eServices>.

DMV's Service Transformation Program recently mailed letters to dealers that provided a special web personal identification number (PIN) that allows dealers to establish a logon to DMV2U, where all the dealer functions will happen. If you have not received the letter make sure DMV Business Licensing has your correct mailing address.

Another great thing with OLIVR

(DMV's new computer system) is that STP will be rolling out print-on-demand trip permits as a pilot program. After the pilot has been tested and any issues corrected, it will be rolled out to all dealers. Information will be posted on the DMV2U website once print on demand is available for all dealers.

Please read previous Dealer Details and Shifting Gears newsletter that is produced by STP for more information about DMV's computer system changes, both available online at: www.oregon.gov/ODOT/DMV/Pages/Dealers/dealerdetails.aspx and www.OregonDMV.com.

Everybody is welcome to attend the April 25 ODAC meeting, 9 a.m. to noon at DMV Headquarters, 1905 Lana Ave. NE, Salem.

Susan Thayer

ODAC Chair