

Dealer Details

A newsletter from
Oregon Department of
Transportation, DMV Business
Regulation Section

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SUPPLEMENTAL CERTIFICATES

Oregon Administrative Rules (OAR 735-150-0030)(4)(a) requires dealers to have a certificate or supplemental certificate for each location where the dealer **sells** or **displays** vehicles for sale. The certificate must be obtained from DMV **prior** to conducting business at the new location.

There are some limited exemptions. The most common one is for dealers who are participating in a formal display of vehicles with other licensed dealers for a period of ten days or less (such as a show).

Violations of this rule are often found in shopping malls and shopping centers, airports, fairs, or other public areas. Frequently this involves a dealer putting one car on display with window pricing and information on the dealership. If the dealer is not properly licensed for the location or not participating in a display with other dealers they are in violation. Civil penalties may be assessed for even the first violation.

A little pre-planning will save you some grief later on and keep your name out of Dealer Details! If you are anticipating selling or displaying vehicles at a location other than you licensed lot, make sure you obtain the proper license first! If you have questions check with the Business License Unit or your area investigator for guidance.

Rick Parsons
DMV Business Regulation Investigator

ADDITIONAL ODOT STOREROOM ORDERING TIPS

1. Orders cannot be picked up at the storeroom.
2. Check your inventory periodically and order in advance.
3. Temporary Registration Permit and Trip Permit books are ordered through the Business License Unit.

Remember, Secure Power of Attorney, Form 402, and Secure Odometer Disclosure/Reassignment, Form 403, **must** be ordered from either Oregon Automobile Dealer's Association or Oregon Independent Auto Dealer's Association. The ODOT Storeroom and DMV will not supply these forms to dealers, lenders, or other bulk users, such as banks.

Randy Pantle
ODOT Storeroom



TITLE AND REGISTRATION HANDBOOK REVISIONS

Sections of the *Title and Registration Handbook*, Form 39 (also known as the “Dealer Handbook”) have been revised effective July 1, 2003. These revisions are available online to view and print at <http://www.oregondmv.com/Vehicles/DealerHandbook.htm>. You may also view or print the entire current Handbook at this site.

Sections of the Handbook revised effective July 1, 2003:

- Chapter L – Registration
- Chapter N – Fees, Makes, and Body Styles
- Chapter P – Tow/Recovery Vehicles
- Chapter T – Trip/Temporary Permit Charts
- Cover Page
- Foreword

Topics included in the July 1, 2003 Handbook revision:

- the new plate manufacturing fee,
- corrections to trip permit charts,
- exhaustion of Oregon Trail plates stock, and
- revised forms

If you have a Handbook, you are responsible for keeping it up to date. Check the new online *Effective Date List* at <http://www.oregondmv.com/Vehicles/DealerHandbook.htm> to see if your Handbook contains the latest revisions.

Margaret Stephens
DMV Vehicle Programs
(503) 945-5243

HOUSE BILL 3048 ANSWERS

On June 24th, Governor Ted Kulongoski signed HB 3048 regarding dealer bond/insurance cancellation into law. There are several points that dealers need to know:

1. As soon as you are notified the bond or insurance is being cancelled, **immediately** contact your agent to start the process of getting replacement coverage. New coverage can take up to 6 weeks to be issued.
2. On the date the bond or insurance is cancelled, **cease all** dealer activities. You will be asked to certify in writing that you have not conducted any dealer activity during the period of time the bond or policy was terminated. You will also be required to provide proof of bond and/or liability coverage **prior** to your dealer certificate being reactivated.
3. Along with your new policy or bond, have your agent provide you with a letter stating you were attempting to obtain replacement coverage or a bond before the termination of the existing bond or insurance.

Chris Ratliff
Section Manager, Business Regulation

DEQ AND WHAT DOES IT MEAN TO ME?

Certain year/model motor vehicles, being purchased or owned by people in the Rogue Valley and Portland metro areas, are required to obtain a Department of Environmental Quality (DEQ) Certificate of Compliance prior to being registered or renewed for use. Most dealers in the Rogue Valley and the Portland metro areas are aware of these additional requirements.

Often, dealerships located outside of DEQ areas sell vehicles to customers who reside in the Rogue Valley or Portland metro areas. Many dealers make the mistake of issuing a temporary registration permit (TRP) without first obtaining proof in the form of a DEQ certificate, showing that the vehicle has passed an emissions test. Issuing a temporary permit, without first receiving proof of DEQ compliance for these vehicles, is a violation of OAR 735-150-0060(3). Dealers planning to have “off-site” shows in the Rogue Valley and the Portland metro areas, need to be aware of this.

When a purchaser claims their address is outside DEQ boundaries, they must submit a signed statement to that effect (DEQ Form 1400 or Form 1400B, Declaration of Exemption). If it is determined the applicant’s address falls within the DEQ boundaries, DMV will not accept the application for registration or renewal without the DEQ Certificate of Compliance for the vehicle.

Due to the DEQ requirement, a new vehicle sold to a resident of Multnomah, Clackamas, Washington, Columbia and Yamhill Counties, is also only eligible only for a **two-year** registration (*This requirement will change on January 1, 2004*).

The following types of vehicles are exempt from DEQ requirements: New vehicles, motorcycles, snowmobiles, Class I All-Terrain vehicles, strictly off-road Class II and Class III All-Terrain vehicles, golf carts, all pure electric vehicles (powered solely by electricity), vehicles designed as natural gas powered and diesel powered vehicles with a gross vehicle weight rating in excess of 8,500 lbs.

If you have any questions about DEQ requirements, please contact DEQ at (541) 776-6140 in the Rogue Valley area and (503) 229-6235 in the Portland area. For boundary issues and vehicles temporarily out of state, contact DEQ at (503) 229-5066.

Rollie Husen, Chief Investigator
DMV Business Regulation

UNLICENSED DEALER ADVISORY LETTERS

Part of our efforts in dealing with unlicensed dealers involves the use of advisory letters. Advisory letters are sent to suspected unlicensed dealers in the early stages of an investigation. These letters advise the suspect that Business Regulation is aware of the vehicles that they have sold or displayed, and encourages them to seek dealer certification if they plan to continue in the business. It also advises them that any future unlicensed dealer activity may result in civil penalties and that their activity may also be reported to law and code enforcement officials. From April to June 2003 thirty-one (31) advisory letters were mailed.

*Rollie Husen, Chief Investigator
Dale Geiger, Investigator*

UNLICENSED DEALERS INVESTIGATED

Note: PENALTY AMOUNTS AND SANCTIONS MAY NOT REFLECT NEGOTIATED SETTLEMENTS

Name	DBA	City	Amount
Leslie T Quintanilla	De Jimenez	Portland	\$17,500.00
Johan Lukkes		Florence	\$25,000.00
Gary David Brace		The Dalles	\$27,500.00

Licensed Dealer Penalties and Sanctions

Note: PENALTY AMOUNTS AND SANCTIONS MAY NOT REFLECT NEGOTIATED SETTLEMENTS

Dealer	City	Violations Found	offense	count	Amount
Palm Harbor Homes	Millerburg	Failure to furnish certificate of title or application for title within 90 calendar days of transfer	1	2	\$2000
AP Motor Co	Beaverton	Failure to obtain a corrected vehicle dealer certificate	1	2	\$ 500
H & L Motors	Salem	Failure to satisfy interest in a vehicle within 15 days	1	6	\$6000
Terry Ryan's Used Cars	Cascade Locks	Failure to obtain a supplemental vehicle dealer certificate	1	1	\$ 500
Deena's Car Deals	The Dalles	Failure to obtain a supplemental vehicle dealer certificate	1	1	\$ 500
Ele Home Sales	Clackamas	Received commission/fee prior to transaction completion	1	1	\$ 500
Bears and Roses Harley-	Bend	Failure to notify purchaser/lien holder of delay in title documents	2	1	\$ 250
J and R Motors	Portland	Failure to maintain dealer records at main business location	1	1	\$ 500
Hertz Car Sales	Bend	Failure to submit fees/application to DMV within 30 days	2	1	\$ 250
		Failure to notify purchaser/lien holder of delay in title documents	2	1	\$ 500
Trade Link Inc	Hillsboro	Failure to satisfy interest in a vehicle within 15 days	2	2	\$2000
AP Motor Co	Beaverton	Failure to obtain a corrected dealer certificate	1	1	\$ 500

Licensed Dealer Penalties and Sanctions

Note: PENALTY AMOUNTS AND SANCTIONS MAY NOT REFLECT NEGOTIATED SETTLEMENTS

Dealer	City	Violations Found	offense	count	Amount
NW Auto Group Suspended for Failure to pay civil penalty	Portland	Failure to supply ownership documents to purchaser within 25 days	3	1	\$ 500
		Failure to satisfy interest in a vehicle within 15 days	2	2	\$2000
		Failure to maintain records of title delivery/submission	3	1	\$1000
		Failure to provide notice of title delay	2	1	\$ 250
		Failure to obtain a corrected vehicle dealer certificate	1	1	\$ 500
Scozzaris Auto Sales Dealer Certificate/Right to Apply Suspended 3 yrs	Milwaukie	Failure to maintain records of title delivery/submission	2	1	\$ 250
		Failure to satisfy interest in a vehicle within 15 days	2	9	\$9000
		Failure to satisfy interest in a vehicle within 15 days	3	1	\$1000
		Failure to pay consignor within 10 days of sale	1	9	\$4500
		Failure to pay consignor within 10 days of sale	1	6	\$3000
Franchuk Auto Brokers	Portland	Failure to maintain record of title delivery	1	1	\$ 250
		Failure to maintain proper records	2	7	\$1750
		Failure to notify DMV within 7 days of vehicle being transferred to dealer stock	3	5	\$ 500
		Failure to remove foreign registration plate	2	1	\$ 50
Auto Finders LLC	Aloha	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1000
Tompkins Auto	Salem	Failure to maintain proper records	2	1	\$ 250
		Charging a title/registration processing fee when not collecting required DMV fees and submitting documents to DMV	1	1	\$ 250
Dan Arenson & Associates	Tigard	Failure to submit fees and application to DMV within 30 days	2	7	\$1750
Affordable Used Cars	Medford	Failure to obtain a supplemental dealer certificate	1	1	\$ 500
Own A Car	Gresham	Failure to submit fees and application to DMV within 30 days	2	1	\$ 250
Harmon Homes	Portland	Failure to obtain a corrected dealer certificate	1	1	\$ 500
		Failure to furnish title within 90 Days	2	1	\$ 250

