

Dealer Details

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Odometer disclosures needed on newer cars

Automobile dealers need to provide odometer disclosures on all the vehicles they sell that are nine years old and newer, according to state law.

Dealers must meet the requirement for vehicles with both conforming and non-conforming titles.

A conforming title is one that

contains an area for the odometer disclosure to be made by the seller and acknowledged by the buyer

A non-conforming title does not contain an area for the disclosure and acknowledgment.

Dealers need to provide the following information to DMV:

- An odometer disclosure on the title itself from the **owner of record** and the acknowledgement on the title by the first buyer.
- If the vehicle is then sold to another party, such as a dealer, after this initial sale, the next disclosure and acknowledgement can be made either on the reassignment lines on the back of the title or on a Form 735-403, the Secure Odometer Disclosure/Reassignment Form.
- Secure/non-secure forms from other states are acceptable when used for the same purposes and if they contain the same information



as the Oregon forms, which meet federal requirements.

- If the vehicle is then sold to another party, such as a dealer, after this initial sale, the next disclosure and acknowledgement can be made on a state-issued secure disclosure form.

In some circumstances, a Secure Power of Attorney may be used for the disclosure.

Please see your Title and Registration Handbook, Chapter I for more information on this procedure.

Title applications submitted to DMV with improper odometer disclosures will be sent back to the dealer for correction.

Incomplete or incorrect title applications may result in the dealer being out of compliance with title submission requirements.

– David Jurgenson,
DMV Business Regulation

January updates announced for Oregon dealer handbook

The January 2005 revision of the Title and Registration Handbook is available to view, print or copy at www.OregonDMV.com. This revision is an update to the October 2004 Handbook.

Dealers who keep a printed copy of the handbook may simply print the revised cover page and chapters listed below. Remove the previous versions of these pages and insert the revised pages into the handbook.

DMV revises the handbook at DMV's Web site as needed on a quarterly basis. Revisions are announced in *Dealer Details*, or dealers may just check for updates on the Web site.

Summary of the January 2005 revisions:

Chapter B: Application for Title and Registration, Form 226 – An example of the current version (5/04) of the Application for Title and Registration, Form 226, has been placed in the chapter. Line 10 of the new Form 226 now includes three boxes to choose from to instruct DMV how to mail the title and/or registration card when there is a one-time special mailing address. The customer must check the appropriate box that applies to the transaction (Reg. Only, Title Only, or Both).

Chapter E: Miscellaneous Title Application Information – An example of the current version of the Vehicle Identification Number Inspection, Form 11, has been placed in the chapter.

Dealers may do a VIN inspection on a government titled vehicle when there is no indication that the vehicle is from another country. Dealers may not do a VIN inspection on a vehicle titled in another

state when the title indicates there was damage of some kind. Dealers may not do a VIN inspection on a vehicle being titled in the personal name of the owner of the dealership or one of the dealer's employees.

Chapter G: Manufacturer's Certificate of Origin (MCO) – If the vehicle is a glider kit, the title will be branded "Glider Kit."

Chapter H: Operation of Law – Examples of the current versions of the Inheritance Affidavit, Form 516 (revised 8-04), and the Vehicle Repossession Certificate, Form 263 (revised 2-04), have been placed in the chapter.

Chapter N: Fees – A new chart showing the fees for initial issuance of the graphic (tree) plate has been added to the chapter.

Chapter S: Dealers – An example of the current version (5/04) of the Notice of Sale of a Vehicle, Form 6890, has been placed in the chapter.

A few tips for meeting dealer requirements

If a dealer changes its organization by adding or removing a partner, LLC member or corporate officer, an Application to Correct Dealer/Rebuilder Vehicle Dealer Certificate, Form 735-371 must be completed and sent to DMV.

When renewing a Business Certificate, have the surety company complete the bond and have the owner sign.

When ordering additional dealer plates, submit the fees and a letter requesting the plates. The fee for plates is determined by the type of dealer certificate. Call the Business License Unit at (503) 945-5052 for plate fee information.

– Margaret Stephens
Vehicle Programs

Tax incentive may help sales of diesel trucks

Oregon automobile dealers may be able to offer an additional sales incentive to customers shopping for some 2003 and newer heavy-duty diesel trucks.

Buyers of these vehicles, bearing gross vehicle weights of 26,000 pounds or more, may be eligible for an Oregon tax credit.

The credit applies to newer trucks that meet the latest federal emission standards. The purpose of the credit is to encourage the purchase of diesel trucks that emit less nitrogen oxide, a contributor to smog.

The credit varies from \$400 to \$925, depending on the size of the buyer's fleet. Smaller operators receive the higher credit. The vehicle must be purchased between January 2004 and December 2007, and be registered in Oregon.

The credit may be applied to a qualifying used truck, as long as that particular vehicle has not received the tax credit already.

Heavy-duty trucks carry about 94 percent of freight in Oregon and therefore make a significant contribution to the state's economy. However, the diesel engines that power virtually all these trucks also are significant contributors to air pollution. Although heavy-duty diesel vehicles makeup 6 percent of the state's total motor vehicle number, they emit about 65 percent of the fine-particulate pollution and 35 percent of the nitrogen oxide pollution from motor vehicles.

Application forms for the tax credit and fact sheets are available at www.deq.state.or.us/msd/taxcredits/TruckEngine/ or by contacting Maggie Vandehey at the Department of Environmental Quality at 503-229-6878.

– Kevin Downing
Oregon Department
of Environmental Quality

File titles, registrations promptly to avoid hassle

Sometimes slow and steady can lose the race.

Although Oregon law gives automobile dealers 30 days after a sale to submit title and registration applications, they might be better off filing as quickly as possible. Here's why:

When the name of a security interest holder – a lender or lessor, for example – is going on a title, that process, called security interest perfection, must be completed within 20 days of the date of sale.

Going over the 20-day limit might cause problems for a dealer and the security interest holder if the customer were later to default or file for bankruptcy.

In addition, the security interest holder also might have placed conditions on the face or reverse of their check related to the dealer's responsibility to perfect interest.

Some of these conditions might be more strict than Oregon law.

Chapter J of DMV Business Regulation's Title and Registration handbook covers these requirements in more detail.

The handbook also outlines procedures for using a transitional ownership document, or TOD, to perfect interest in a vehicle when the primary ownership document or title is not available to submit to DMV.

To read, download or print the handbook, visit the Business Regulation section of the DMV Web site at www.OregonDMV.com.

– Rick Parsons
DMV Business Regulation

Guidelines clarify when to charge processing fee

Remembering when to charge customers for title and registration processing fees, and how the fees must be disclosed, can be confusing.

Here are some guidelines automobile dealers can use:

- Dealers may charge a fee not to exceed \$50 when they are processing title and/or registration documents *and* collecting the required fees for submission to DMV on behalf of the buyer or lessee.

- This includes processing applications for title transfers only where no registration or renewal is being submitted.

- This includes processing title and/or registrations being submitted to *any* state's DMV, not just Oregon's.

- When a dealer is preparing documents, collecting DMV fees and then providing both the documents and fees to the lender or consumer for final delivery to a DMV, the dealer may charge a title and registration process-

ing fee.

- If a dealer provides the title or ownership documents to the lender or customer without preparing the title and registration documents *and* collecting the fees, the dealer *may not* charge a processing fee.

- The title and registration processing fee must be clearly disclosed to the consumer on the sales contract or lease. *Do not* include this fee with other charges or the actual DMV title and registration fees.

- The customer must be given the option of doing his or her own title work in cases where there is no lien to be secured as part of the transaction.

- When a dealer discovers that a title and registration processing fee was charged improperly or was in excess of \$50, the dealer must promptly provide a refund of the fee or excess amount to the customer.

– Rick Parsons
DMV Business Regulation

New DMV Web site makes debut

DMV's new Web site made its debut in December with the goal of making government services and information easier for Oregonians to find.

DMV made the changes as part of the statewide effort to consolidate the hundreds of thousands of state agency Web pages into a consistent look with similar navigation structures.

Customers no longer need to wade through DMV organizational structure and instead can click plain-English links, such as the link to "Dealers & Businesses" now available from the left side of every DMV Web page.

The new Dealers & Businesses page is divided into two sections – "DMV Business Regulation" and "Other Business-Related Info."

Visitors will find links to all the content previously found on the old Business Regulation page, as well as links to enhanced content, such as past issues of Dealer Details.

The new Dealers & Businesses page can be found at:

www.Oregon.gov/ODOT/DMV/dealers/index.shtml.

– Maureen Kirchner
DMV Web development

Unlicensed dealer

Dealer	City	Amount
Peter Wallace Hill	Salem	\$20,000

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

Correction

The Fall 2004 edition of Dealer Details incorrectly listed the names of Arrow Imports, doing business as Action Motor Sports, and Byron David Edmonds, doing business as Auto Link, under Dealer Sanctions. The correct names are Arrow Motor Sports Inc., doing business as Action Motor Sports and Auto Link Inc., doing business as Auto Link.

Oregon Dealer Advisory Committee meeting dates announced for 2005

The Oregon Dealer Advisory Committee meets every other month at DMV Headquarters, 1905 Lana Ave. NE, Salem.

All meetings are held from 9 a.m. to noon in DMV Conference Room 382.

Here are the meeting dates for 2005:

- January 27
- March 31
- May 26
- July 28
- September 29
- December 1



Dealer Sanctions

Dealer	City	Violations Found	Off.	Ct.	Amount
Trinity Motorsports LLC dba Trinity Motorsports	Lake Oswego	Failure to obtain a supplemental dealer certificate	1	1	\$500
Dan Enterprises Inc	Oregon City	Late Renewal	1	1	\$100
Dan Aronson & Associates Inc	Tigard	Failure to submit fees and application to DMV within 30 days	4	13	\$13,000
SUSPENSION		Failure to satisfy interest in a vehicle within 15 days	1	2	\$2,000
Paul D Young & Joshua P Young dba First Rate Auto Sales	Island City	Failure to provide a means of public contact	1	1	
SUSPENSION		Failure to display an exterior sign	1	1	
		Failure to display dealer business certificate	1	1	
		Failure to maintain records at the business location	1	1	
		Failure to maintain records at the business location	1	1	
		Failure to obtain a corrected dealer certificate	1	1	
Team Northwest Automotive LLC dba Tualatin Valley Chev.	Forest Grove	Failure to submit fees and application to DMV within 30 days	3	14	\$7,000
SUSPENSION		Failure to supply ownership documents to a new purchaser within 25 days	2	1	\$250
		Failure to satisfy interest in a vehicle within 15 days	2	11	\$11,000
		Late Renewal	1	1	\$100
B and G Inc dba Gold Coast Truck Repair	Coos Bay	Late Renewal	1	1	\$100
Robbin E Hall dba A Car Company of Oregon	Portland	Failure to pay consignator within 10 days	1	1	\$1,500
Auto Link Inc dba Auto Link	Gresham	Failure to notify purchaser/lien holder of delay in title docs	2	1	\$250
First Rate Auto Inc	Portland	Charging title/registration processing fee without submitting docs	1	1	\$250
		Failure to pay consignator within 10 days	1	1	\$500
Donald K McNeil dba North Coast RV Center	Tillamook	Failure to submit fees and application to DMV within 30 days	2	14	\$3,500
Chad Whitehead dba Chad Whitehead Auto Sales	Roseburg	Failure to allow inspection	1	1	\$1,000
Fred Mitchell dba Executive Sales	Keizer	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
RV Direct Inc dba Johnson RV Sales	Portland	Failure to pay consignator within 10 days	1	1	\$3,000
Bend Auto Auction Inc	Bend	Failure to pay consignator within 10 days	2	3	