

# Dealer Details

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Form 735-7022 (2-2006)

## Dealers can help 'curb' unlicensed competition

Unlicensed dealers (curbers) are a constant problem to the public and vehicle industry.

In the past year, DMV has continued to take proactive steps in dealing with this issue. One of these steps involves the use of advisory letters and vehicle notices to educate persons who may be unintentionally violating the law.

DMV issued 59 advisory letters and 547 vehicle notices in 2005. In addition, DMV assessed civil penalties to 12 persons for intentional unlicensed activity with the penalties issued totaling \$ 195,000.

One factor hampering DMV efforts is the lack of limits on the number of vehicles a dealer, or anyone for that matter, can sell to an unlicensed party. With no controls over the number of vehicles available to unlicensed parties, it is becoming increasingly difficult to slow the growth in the number of unlicensed dealers.

DMV investigators receive many examples of suspected unlicensed activity reported only after numerous vehicles had been sold to an unlicensed party.

For several years DMV has been contacting dealers, towing companies, auctions, charities and other licensed entities to solicit their help in voluntarily monitoring and limiting the number of vehicles they sell to unlicensed individuals or businesses.

Some of the businesses have been very cooperative, and DMV has experienced some success. Nevertheless,

DMV still needs help from licensed dealers to make the licensing program effective.

Sometimes a dealer is reluctant to share information. If it means cutting off a consistent source of sales, dealers resist reporting the information to DMV.

However, when the unlicensed dealer resells the vehicles, misrepresents the condition or history and doesn't properly complete any DMV paperwork, it can become a problem for the licensed dealer who supplied the vehicles.

With no overhead, unlicensed dealers can sell the cars cheaply and take potential customers away from legitimate dealers.

Licensed dealers can help keep the competitive field level by voluntarily limiting the number of vehicles they sell to unlicensed buyers.

Checking whether someone has a dealer's license is easy. Visit the DMV Web site at [www.OregonDMV.com](http://www.OregonDMV.com) or contact the Business License Unit at 503-945-5052.

If someone provides a copy of a dealer's certificate and claims to be an authorized representative or employee of a business, take the time to actually verify it with the dealer. That check may save time and money in the long run.

With dealers' help, DMV will be even more successful in curbing the curber problem in 2006.

— Rick Parsons  
DMV Investigations

# Dealer handbook updates

Since the October 2005 Title and Registration Handbook revision, the handbook has been entirely revised.

The January 2006 edition is available to view, print or copy at DMV's Web site at [www.OregonDMV.com](http://www.OregonDMV.com).

Dealers who maintain a printed copy of the handbook will need to re-print the entire document. Or dealers may purchase a printed copy from one of these organizations:

- Oregon Independent Auto Dealers Association (OIADA), 1-800-447-0302; email: [info@OIADA.com](mailto:info@OIADA.com)
- Oregon Vehicle Dealer Association (OVDA), 1-877-541-2277; email: [ovda@oregonvda.com](mailto:ovda@oregonvda.com); [www.oregonvda.com](http://www.oregonvda.com)

Several revisions are highlighted below. For further information, review the handbook, Oregon Revised Statutes and Dealer Details.

## Electronic Vehicle Registration

Under Senate Bill 997 from the 2005 Oregon Legislature, vehicle dealers may charge customers a fee of up to \$75 when using EVR. The new handbook clarifies procedures for:

- Changing information on file for a licensed dealer/rebuilder
- Renewing a dealer business certificate
- Retaining copies of trip permits issued

See Chapter R of the handbook for details.

## Dismantlers

Under House Bills 2429 and 2507, the term "wrecker" has been changed to "dismantler." Other changes include:

- New process for dismantlers to notify DMV when receiving a vehicle

- New requirements for a dismantler's business operations

Vehicle record Flags 35 and 38 have been created to indicate that a vehicle is in a dismantler's stock.

See Chapter P for information about dismantlers. See Chapter T for information about flags.

## Passenger vehicle weight

Under Senate Bill 998, vehicles of as much as 10,000 pounds may qualify for passenger registration. Before the bill took effect, vehicles weighing 8,001 pounds or more were required to be registered by weight. Passenger registration is not applicable to truck tractors, commercial buses or other vehicles that are required by law to be registered by weight or length.

See Chapters K, L, M and R.

## Plate transfers

Under House Bill 2825, several license plates now may be transferred to another vehicle without the custom plate fee. These plates include: all Oregon Trail plates, group plates for motor homes and travel trailers, and ham radio motor home plates on Salmon, Crater Lake and Cultural Trust back-grounds.

See Chapters K, L and M.

## DEQ Certification of Compliance

House Bill 2422 extends the number of days a DEQ Certificate of Compliance for pollution control can be dated prior to motor vehicle registration or renewal. The limit increased to 180 days from the prior law's 90 days. The DEQ certificate must be valid on the date that the customer signs the DMV application.

See Chapter K.

## Rental or leasing company reg-

## istration periods

Under House Bill 2741, rental or leasing companies may register new vehicles for a one-, two- or four-year initial registration period.

See Chapters K and M.

## Imported motorcycles/mopeds

Under DMV Policy PS V-0089, proof of compliance with federal emissions and safety standards must be provided to DMV in order to obtain registration for imported motorcycles and mopeds that have VINs beginning with the letter L. A number of types of proof may be provided, including a certification from the Oregon dealer on Form 735-7290, Dealer Certification of Compliance with Federal Emission and Safety Standards.

DMV sent an informational letter on this topic to Oregon licensed motorcycle and moped dealers on Nov. 18, 2005.

See Chapter F.

## Sticker removal correction

An error in a previous version of the handbook misstated the requirements under House Bill 2114, which took effect May 18, 2005. Here is a corrected summary of the requirement:

An Oregon vehicle dealer does not need to remove the year registration stickers if the dealer submits title and registration documents to DMV on behalf of the buyer; or if the dealer sells the vehicle to another Oregon vehicle dealer. An Oregon tow business does not need to remove the year registration stickers if the tow business sells the vehicle to an Oregon vehicle dealer, or if the tow business sells the vehicle to an Oregon licensed dismantler.

See Chapters G, O and R.

— Margaret Stephens  
Vehicle Programs

## Dealer sanctions

Dealer	City	Violations Found	Offense	Count	Amount
<b>Civil Penalties</b>					
Jaysen Klopfenstein dba The Import Connection	Salem	Disposing of stolen vehicles		1	\$3,000
		Possession of vehicles with defaced vins		1	\$5,000
American Car Company dba Tradelink I 1 Year Probation	Hillsboro	Failure to satisfy interest in a vehicle within 15 days		1	\$2,000
		Failure to submit fees and application to DMV within 30 days		1	\$2,000
		Failure to supply ownership documents to purchaser within 25 days		2	\$250
		Failure to submit fees and application to DMV within 30 days		1	\$250
Tonys Auto Sales Inc	Portland	Late Renewal		1	\$100
Richard Stangel Joseph Stangel and Robert Stangel dba Stangel Truck and Equipment Sales	Enterprise	Failure to submit fees and application to DMV within 30 days		2	\$250
TWV Inc dba Cornelius Auto Sales	Cornelius	Late Renewal		1	\$100
Triple M Truck Sales LLC	Hermiston	Failure to satisfy interest in a vehicle within 15 days		1	\$1,000
M J Goss Motor Co	LaGrande	Failure to supply ownership documents to purchaser within 25 days		7	\$2,000
Kev Auto Sales Inc	Portland	Failure to maintain proper records		5	\$2,000
1 Year Probation and 1 Year Agent Status Suspension		Failure to properly issue DMV trip permits		2	\$50
Sunset Automotive Partners LLC dba Tualatin Valley Chevrolet	Forest Grove	Failure to submit fees and application to DMV within 30 days		1	\$26,000
		Failure to satisfy interest in a vehicle within 15 days		1	\$22,000
3 Year Suspension Frontier Motors Inc	Island City	Failure to satisfy interest in a vehicle within 15 days		1	\$2,000
		Failure to pay consignior within 10 days		1	\$500
K B E Corp dba Cascade Marine Center Inc	Portland	Failure to have proof consignior is registered/legal owner or lessor		2	\$250
		Failure to provide purchaser with ownership documents within 30 days		2	\$250
		Failure to provide purchaser with consignment disclosure in writing		2	\$250
		Failure to supply ownership documents to purchaser within 25 days		2	\$250
Affordable Auto Wholesale Inc Central Oregon Workensport LLC dba Central Oregon Workensport	Portland	Late Renewal		1	\$100
		Late Renewal		1	\$100
		Late Renewal		1	\$100
Carcorp,Biz	Portland	Late Renewal		1	\$100
Richard Wilson dba Rich's Rods and Relics	Myrtle Creek	Late Renewal		1	\$100
Jon T Mather dba JD Auto Wholesale	Portland	Late Renewal		1	\$100
Genco Enterprises Inc dba Gateway Auto Brokers	Portland	Failure to submit fees and application to DMV within 30 days		2	\$750
		Failure to satisfy interest in a vehicle within 15 days		1	\$2,000
		Failure to obtain a supplemental dealer certificate		1	\$1,000
Jon Bartholomew dba Lasting Impressions J & M Auto Brokerage Div	Oak Grove	Late Renewal		1	\$100
Royal D Kropf dba Diamond K Sales	Halsey	Failure to obtain a supplemental dealer certificate		1	\$1,000
David Clozner dba DC Auto Sales	Bend	Continuing to fail to submit fees and application to DMV within 30 days		1	\$2,000
Good Guys Auto Inc	Portland	Failure to submit fees and application to DMV within 30 days		2	\$500
		Failure to maintain proper records		2	\$250

Continued on Page 4

## Dealer sanctions

Continued from Page 3

Dealer	City	Violations Found	Offense	Count	Amount
<b>Civil Penalties</b>					
Import Service Center Inc dba Garry Small Saab & Volvo Service Center	Portland	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
Canby Ford Inc	Canby	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
Taylor's Auto Outlet Inc	Baker	Failure to submit fees and application to DMV within 30 days	2	6	\$1,500
RSV Auto Inc	Portland	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
1 Year Probation		Making a false statement of material fact in an application	1	3	\$1,500
Don McNeil dba	Tillamook	Failure to pay consignor within 10 days	3	7	\$7,000
North Coast RV Center		Failure to submit fees and application to DMV within 30 days	2	7	\$1,750
3 Year Suspension					
Bobby Ellis dba B and E Cars	Portland	Failure to satisfy interest in a vehicle within 15 days	1	3	\$3,000
Coos Bay Nissan Inc	Coos Bay	Failure to obtain a supplemental dealer certificate	1	1	\$500
Jesse James Ephrem dba Lancaster Motors	Salem	Failure to submit fees and application to DMV within 30 days	2	22	\$5,500
1 Year Probation					
Good Guys Auto Inc	Portland	Failure to satisfy interest in a vehicle within 15 days	2	1	\$1,000
Kev Auto Sales Inc	Portland	Failure to supply ownership documents to purchaser within 25 days	12	1	\$1,000
		Failure to submit fees and application to DMV within 30 days	2	1	\$250
Linda Ephrem dba United Motors	Portland	Failure to submit fees and application to DMV within 30 days	3	1	\$500
Seaport Auto Wholesale Inc	Milwaukie	Failure to submit fees and application to DMV within 30 days	2	6	\$1,500
Tony's Auto Sales Inc	Portland	Failure to obtain a supplemental dealer certificate	1	1	\$500
		Failure to maintain proper records	2	1	\$250
Santiam Auto Consultants Inc dba Santiam Auto	Salem	Failure to obtain corrected dealer certificate	1	1	\$500
		Failure to allow inspection	1	1	\$1000
Location Suspension					
Ward Ockenden dba All American Motors	Grants Pass	Late Renewal	1	1	\$100
Page Stevens dba Rogue Auto Sales	Tigard	Failure to obtain a supplemental dealer certificate	1	1	\$500
Howard Karp dba Howard's Used Cars	Springfield	Late Renewal	1	1	\$100

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

# Imported motorcycles may require forms

Summer sun and increasing gas prices spurred many people to purchase motorcycles last summer. Manufacturers rushed to fill the demand as quickly and inexpensively as possible.

Unfortunately, for many consumers and Oregon dealers, some imported motorcycles do not meet federal standards for safety and emissions and cannot be registered in Oregon.

DMV must be satisfied that the vehicle meets the U.S. Department of Transportation and U.S. Environmental Protection Agency standards before issuing registration. There are several ways to provide proof of compliance for an imported motorcycle/moped:

- A dealer may view the federal safety standards certification label and the EPA certification label affixed to the motorcycle or moped. After viewing the certification labels, the dealer may complete a Dealer Certification of Compliance with Federal Emission and Safety Standards, Form 7290, for submission

with the application for title and registration. The form is available at [www.OregonDMV.com](http://www.OregonDMV.com). To order a supply of these forms, complete a Request for Forms to be Mailed, Form 735-6110, and mail or fax the request to: ODOT Storeroom, DMV Forms Supply, 455 Airport Road S.E. Bldg. K, Salem OR 97301-5348

- An original letter from the manufacturer or U.S. distributor that clearly identifies the vehicle (including the VIN) and states that the vehicle was manufactured to meet federal safety and emission standards.

- Letters from the National Highway Traffic Safety Administration (NHTSA) and EPA stating the vehicle meets federal safety and emission standards.

- U.S. Customs documentation that contains a vehicle description, including the VIN, and a U.S. Customs stamp. This may include a NHTSA Form HS-7 and EPA Form 3520-1.

- Manufacturer's Certificate of Origin (MCO) that contains a statement that the vehicle was manufactured to meet U.S. federal safety and emission standards.

If a motorcycle was manufactured for off-road use only, DMV will not issue registration. Although it is not necessary to title these vehicles, a customer may choose to do so under Oregon's optional titling rule. All off-highway motorcycles and ATVs titled in Oregon will contain a notation on the record to indicate that the vehicle is not eligible for registration unless proof of compliance with federal safety and emission standards is provided.

For more information on importing motorcycles and applicable federal standards, go to the National Highway Traffic Safety Administration Web site at [www.nhtsa.dot.gov/cars/rules/maninfo](http://www.nhtsa.dot.gov/cars/rules/maninfo) and the Environmental Protection Agency Web site at [www.epa.gov/otaq/roadbike.htm](http://www.epa.gov/otaq/roadbike.htm).

## Dismantlers may sell whole vehicles only to other dismantlers

Licensed vehicle dismantlers – formerly known as wreckers – may sell whole or complete vehicles only to other dismantlers.

They may not sell whole vehicles to the public, licensed vehicle dealers or other types of businesses, under a new law that took effect Jan. 1, 2006.

What happens when the licensed dismantler is also a licensed vehicle dealer? Can the dismantler take in a vehicle and then transfer ownership to its dealer business in order to sell it as a whole vehicle?

The answer is no. The new law is clear that a dismantler may sell a whole vehicle only to another dismantler. The

intent of the law is to ensure that any vehicle received by a dismantler will be parted out or destroyed – not put back on the street as an operable vehicle.

A business that holds both licenses should make a determination up front which business is purchasing or acquiring the vehicle. If a dual-licensed business intends to sell the whole vehicle, then it should be acquired by the dealer side of the operation.

However, other laws may apply that only allow a vehicle to be sold to a dismantler. A business with both licenses would not have the option of deciding to purchase it with the dealer license if it can be purchased only by a

dismantler.

One example of this is a new state law relating to persons in lawful possession of a vehicle abandoned on private property with an appraised value of \$500 or less. They can request that the vehicle be disposed of by an appropriate authority – the state, city or county. In these cases, the authority may dispose of the vehicle only to a licensed dismantler. Even a business that holds both licenses does not have the option of acquiring these vehicles through the dealer business for resale.

Businesses should direct any questions about new laws and sales of vehicles to the local DMV investigator.

# Special sales can run afoul of Oregon law

Oregon vehicle dealers need to pay special attention to how they conduct special sales events or participate in them.

The Oregon Department of Justice has found that there has been a continuing pattern of violations by licensed dealers of the Unlawful Trade Practices Act and of statutes and rules administered by the Department of Transportation and DMV. Dealers have crossed the legal line in contracts with unlicensed dealers for special sales events.

Certain companies enter into contracts with licensed Oregon dealers whereby the companies send their sales staff to help sell the dealer's stock. It is clear under Oregon law that only licensed dealers can sell vehicles in Oregon (except for sales exempt by ORS 822.015) and only bona fide employees of a dealership are covered by the dealer's license.

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**Only licensed dealers can sell vehicles in Oregon, and only bona fide employees of a dealership are covered by the dealer's license.**

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Any time a person who is not exempt under ORS 822.015 sells a vehicle or acts as an agent for the owner of the vehicle to sell the vehicle, that person must be licensed as a motor vehicle dealer.

If a licensed dealer allows a person other than a bona fide employee to sell vehicles under the auspices of the dealer's license, that dealer is aiding someone in committing the offense of

acting as a vehicle dealer without a certificate under ORS 822.005.

The Department of Justice views non-compliance with this rule as a serious problem, and strict enforcement for violations should be expected. This article is being published to ensure immediate compliance with the law and to put all dealers on notice regarding the described practices.

Dealers who have any questions regarding this matter should contact the dealers association or Assistant Attorney General Gene Ebersole or Assistant Attorney General Eva Novick at the Financial Fraud Section of the Oregon Department of Justice at (503) 974-4333.

– Eugene F. Ebersole  
Senior Assistant Attorney General  
Consumer Protection – Financial  
Fraud Section  
Oregon Department of Justice

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## Dealers pass 80,000 mark in electronic registrations

Oregon DMV's Electronic Vehicle Registration Program has made buying a car a little more convenient for more than 80,000 customers in the past three years.

The program allows participating vehicle dealers to process a customer's registration through DMV electronically and even issue new license plates and stickers at the dealership when the customer buys a car.

Customers save time and the task of installing a plate and registration stickers, and removing a temporary permit from their window. Dealers eliminate their use of temporary permits and gain an additional convenient service to offer customers.

"I find using EVR saves me time, errors, headaches, and improves customer satisfaction as our customers get their plates right away," a title clerk at one participating dealer said. "The software is easy to use, and guides me through the process. The system has revolutionized the DMV process here."

In addition, the program reduces the workload at DMV, freeing up employees for other tasks.

Essentially, the program reduces red tape for car dealers and buyers through an effective partnership between DMV and a private integration company, CVR ([www.cvrreg.com](http://www.cvrreg.com)). Dealers work through CVR to provide the service.

"This is a successful example of not

only public-private partnership," DMV Administrator Lorna Youngs said, "but also government streamlining, making services more convenient for customers while making their government more efficient."

A total of 80,771 transactions have been completed through Electronic Vehicle Registration, or EVR, in the three years since the program graduated from a pilot in October 2002. As of October 2005, dealers performed an average of 3,200 transactions per month via EVR.

About 124 Oregon vehicle dealers are participating. Most are new-car dealers, but a few RV and motorcycle dealers also offer the service.