

Dealer Details

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DMV Business Regulation Section



Oregon
Department
of Transportation
(503) 945-5052

Section Manager

Chris Ratliff, (503) 945-5283

Investigation Team

Chief Investigator: Steve Gallier,
(503) 945-5281

Investigators: Barbara Caine, Rick Parsons, Denzel Gifford, Ron Irving, David Jurgenson, Ron Kramer

Support: Esther Reynoso

Business License Unit

Supervisor: Chuck Hoffman
Staff: Betty Fox, Susan Kanode, Karen White

Dealer Details Editor:

David House

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online at
www.OregonDMV.com

Form 735-7022 (11-2006)

Major penalty mars dealer's otherwise excellent history

As you read this month's report on civil penalty actions, you will notice that we assessed and collected a large civil penalty from a vehicle dealer. The dealer also had its "agent" status suspended.

DMV's Business Regulation section would like to highlight what we hope all Oregon dealers will take away from this action:

1. All dealerships are subject to Oregon laws and may be assessed penalties for violating the law. The size or type of dealership doesn't matter.

2. DMV takes agent violations seriously. DMV may assess civil penalties even for first time violations if a dealership alters documents, submits false documents or attempts to create false records.

3. The holder of the dealer certificate is held responsible for actions by either employees or those empowered to act on the dealer's behalf. It doesn't matter if a dealer is involved directly in the violations.

4. The agent status is critical to a vehicle dealer's business. Once agent status is lost, a dealer cannot prepare or submit applications for title and registration, or collect fees for title and registration. Dealers cannot perform VIN inspections or issue temporary or trip permits.

In this case, false ownership documents were created and made part of DMV's vehicle records. The purpose was to create false transactions to meet sales goals and to receive special in-

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centives. This represented an extremely serious violation.

DMV depends upon vehicle dealers to submit accurate documents as agents of DMV. The agent status is a privilege granted to dealers who agree to comply with the laws of this state. It can be taken away if necessary, and it carries a big impact.

A dealer with a previously unblemished record was punished in this case. However, we were impressed by the quick action to address the problem. We are satisfied that proper controls and training are in place today.

A lesson learned for other dealers is the importance of agent status. The ability to conduct DMV transactions is invaluable for daily operations. The documents sent to DMV must be accurate, or risk the loss of agent status.

— Chris Ratliff
Business Regulation

October Dealer Handbook update

The October 2006 revision of the Title and Registration Handbook is available to view, print, or copy at DMV's web site www.OregonDMV.com. This revision updates the July 2006 Handbook.

Dealers may buy a printed copy from one of these organizations:

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

Changes in the October 2006 Handbook revision are as follows:

Cover Page: Revision date of 10/06

Index: References to forms have been updated.

Chapter A, General Title Requirements: There are exceptions to a customer's requirement to use the name that is on his or her driver license, identification card or instruction permit when applying for a title. Exceptions are when the customer wishes to use a different name for reasons of marriage or divorce,

gender change, or for any other legal name change.

Chapter E, Releases of Interest: Revised forms:

- Bill of Sale, Form 501, revised 7/06
- Statement of Error or Erasure of a Name, Form 502, revised 7/06
- Lien Satisfaction Statement, Form 524, revised 6/05

Chapter F, Ownership Documents: The sections on imported vehicles are updated. Vehicles imported from Canada and from other countries have the same requirements but may have different ownership documents. Examples of Canadian registration documents are updated.

"Customs" is now called Customs and Border Protection (CBP). CBP has advised DMV about which compliance documents DMV should accept. These are described in the Chapter.

Also, the Certification of Compliance with Federal Emission and Safety Standards, Form 7286, was revised 8/06.

Chapter H, Odometer Disclosure Requirements: Power of Attorney, Form 500, revised 7/06.

Chapter I, Security Interest Perfection: Revised Transitional Ownership Document, Form 227, revised 6/06.

Chapter J, Damaged / Totaled Ve-

hicles: Revised Notice of Vehicle to be Dismantled / Proof of Compliance, Form 6017, revised 8/06.

Chapter K, Registration: Customers who need to make a statement of exemption from DEQ inspection requirements may use Form 1400, Declaration of Exemption: DEQ's Vehicle Inspection Program. A similar form, 1400B, is no longer in use.

Chapter M, Fees: Disabled Veteran Plates are now issued on the tree background for vehicles other than motorcycles and mopeds.

Motorcycle and moped disabled veteran plates are still issued on the yellow background. Purple Heart plates are no longer available.

Chapter R, Dealers: When a dealer is handling the delivery of license plates and/or stickers to the customer, the dealer is responsible for making sure customers receive plates and stickers in a timely fashion. If a dealer's customer calls DMV because he or she has not received their plates and/or stickers from the dealer, DMV will direct the customer back to their dealer for help.

– Margaret Stephens
Vehicle Programs

New dealer plates ready to order in January

Oregon vehicle dealers will be able to order redesigned dealer license plates starting in January 2007.

DMV redesigned the plate after dealers raised concerns about the current plate at an Oregon Dealer Advisory Committee meeting. Dealers said that the current plate was not easily recognized by law enforcement and the public as a dealer plate.

Representatives suggested that the word "DEALER" could be added to the plate and that a distinctive color could be used. DMV then provided

options to ODAC members, who agreed to a silver background with black letters and numbers for the new dealer license plate.

Dealers will be able to order the new plates starting in January.

For dealers who wish to surrender their old yellow plates to DMV, a duplicate showing the same configuration on the new silver plate may be purchased for \$13. All requests for plates must be made in writing and be accompanied by a payment. Requests for plates may be made in person at the

DMV Business Regulation counter or by mail.

A 90-day temporary dealer plate will be issued once DMV receives a request for a new plate, allowing time for DMV to order the plates from the manufacturer and send them to the dealer.

Dealers who have questions about ordering the new dealer plates may contact Business Licensing at 503-945-5052.

– Brandi Leos
Vehicle Programs

Three permit types cover various customer needs

Oregon vehicle dealers may issue three types of temporary vehicle registration permits to buyers of passenger cars, but it's important to know which permit to use and when a dealer may issue it.

Temporary Permit: Form 735-315 may be issued to a vehicle purchaser if the dealer collects title and registration fees, and if the dealer submits the combined title and registration application with the fees to DMV on behalf of the purchaser.

However, a Temporary Permit may not be issued:

- until a Department of Environmental Quality Certificate of Compliance has been obtained, where testing is required;
- when the purchaser is submitting his or her own application to DMV;
- when the dealer is submitting application for title only; or
- to out-of-state purchasers.

Temporary permits must always be issued for exactly 90 days (not 3 months, for example). Charts listing permit expiration dates are provided in Chapter S of the DMV Title and Registration Handbook, which is available at www.OregonDMV.com.

Dealers may not extend the expiration date of a Temporary Permit, nor may they issue a second permit for the same customer. Subsequent Temporary Permits may be issued only by DMV.

Dealer Trip Permit: Form 735-306 may be issued:

- to a buyer who needs to use the vehicle on highways to leave the state;
- to allow the vehicle to be taken to a DEQ inspection station;

- to allow a purchaser to drive the vehicle to DMV or to a law enforcement agency for a VIN inspection; or

- to allow a purchaser to drive the vehicle to DMV to submit an application for title and/or registration.

Dealers may issue this type of permit for a 21-day period only. No more than one 21-day trip permit may be issued, except when the vehicle is to be taken to DEQ – up to two 21-day permits may be issued for DEQ inspections.

Dealer / Tower Trip Permits: Form 735-307 may be issued when a dealer or tower removes the current registration year stickers from Oregon registration plates that are on passenger vehicles that they sell, as is required when the purchaser is to submit his or her own application for title to DMV.

Dealers and towers may issue up to two 10-day trip permits per vehicle.

See Chapter S of the DMV Title and Registration Handbook for expiration dates.

Dealers may not issue a Trip Permit to a customer who does not have insurance and cannot provide his or her insurance company name and policy number.

Dealers may purchase 21-day and 10-day trip permits in books of 25 permits. The 21-day books are \$500, and the 10-day books are \$250.

To obtain Trip Permits, dealers may complete a Trip Permit Order Request, Form 735-6937, which is available at OregonDMV.com. Instructions are on the form.

– Denzel Gifford
Business Regulation



New disabled veteran plate on tree design

The look of disabled veteran registration plates has changed.

DMV began issuing disabled veteran plates on the regular issuance tree background on Sept. 20, 2006.

The tree replaced the yellow background with blue lettering.

Because of size and readability issues, the yellow background plate still will be used for disabled veteran plates issued for motorcycles and mopeds.

To fit the tree background, the veteran plate's configuration was redesigned slightly. The "D" is smaller and moved to the upper-left side of the plate, with the first number printed directly beneath the "D."

The other numbers are printed on both sides of the tree – two on each side – with the word "PERMANENT" across the bottom and "VETERAN" down the right side.

All previously issued disabled veteran plates remain valid and can continue to be transferred to other vehicles by the plate's registrant.

Qualification requirements for disabled veteran registration plates have not changed.

– Lori Bowman
Vehicle Programs

Registration knowledge adds customer service

Dealers can help their customers, and themselves, by keeping up to date on Oregon vehicle registration requirements and keeping the information handy for their employees and customers.

Though dealers are not obligated by law to act as DMV agents, a lack of a little knowledge can lead to a customer getting a ticket and a fine.

One example is the sale of small cargo trailers. These trailers are exempt from registration only when they are operated with a loaded weight not exceeding 1,800 pounds (ORS 803.305). Loaded weight is defined as the weight transmitted to the road, through an axle or set of axles, when the vehicle is fully loaded (ORS 801.330).

DMV has learned that some customers have been lead to believe that because the trailer itself weighs less than 1,800 pounds, no registration is required.

Under Oregon law, DMV registers these vehicle based on loaded weight, as declared by the owner. If the owner does not register the vehicle but uses it with a loaded weight exceeding 1,800 pounds, the owner may be cited by law enforcement.

When the loaded weight exceeds 8,000 pounds, the vehicle must be registered as a heavy trailer.

Customers look to dealers to be knowledgeable about these issues, and dealers are granted options to perform some services as DMV agents as part of their licenses. These services may include accept-

ing applications for titles and registrations, performing VIN inspections on vehicles they sell, and issuing temporary or trip permits for unregistered vehicles they sell.

Dealers are not obligated by law to perform any of these agent duties (with the exception of snowmobile dealers). Some dealers elect to have the customer do his or her own DMV work and simply provide the ownership documents to the customer.

Whether a dealer acts as an agent of DMV and processes the title and registration for the customer, or the dealer lets the customer do the DMV work, the dealer should be aware of basic title and registration requirements. In the case of trailer sales, good customer service might include asking customers what they intend to carry to determine if registration is required.

It may be wise for customers to err on the side of caution and title and register trailers if the loaded weight might exceed 1,800 pounds. Because DMV accepts vehicle owners' certification of loaded weight, it is ultimately their responsibility if they are cited by law enforcement.

Dealers and customers who are unsure of registration requirements may check with DMV Customer Service at 503-945-5000 or visit www.OregonDMV.com for more information.

– Rick Parsons
Business Regulations

Buyer names must match DMV record

Occasionally, DMV receives requests from security interest holders to change a name on a title because it does not match the name on the contract.

Depending on the circumstances, DMV may not be able to comply with the request.

DMV does not type each customer's name and address from the application when issuing a title. DMV simply enters their customer number – the driver license, identification card or instruction permit number – and the customer's date of birth.

The name shown in the DMV customer file is what appears on the title. This allows DMV to process transactions for the customer in a more efficient manner.

If the name used on the security agreement does not match the name associated with the customer number, the name on the title will not be issued as shown on the security agreement, and DMV will not be able to change the title as requested by the security interest holder.

This is why it is very important for a dealer to complete paperwork, including the title application, using the name shown on the customer's driver license, ID card or instruction permit. The customer number and date of birth should be included on the title application. This will help to limit concerns from security interest holders over names that don't match.

DMV recognizes limited exceptions when the customer wishes to use a different name due to marriage, divorce, gender change or other legal name change.

If the customer does not have a driver license, ID card or instruction permit, dealers should leave the customer number field blank on the application. DMV will need to assign a customer number.

– Cindi Hormann
Vehicle Programs

Heavy trailers need extra attention

Dealers who sell flatbed trailers, horse trailers or many other such cargo-hauling trailers that have loaded weights over 8,000 pounds need to register them with DMV as heavy trailers.

In Oregon, a heavy trailer is defined as any trailer that has a loaded weight in excess of 8,000 pounds, except travel trailers, fixed loads and special-use trailers.

Heavy trailers are registered on a permanent basis with a one-time fee of \$10, plus the plate manufacturing fee.

Customers that purchase a heavy trailer that will be operated at a loaded weight over 8,000 pounds need to be aware of the requirements for hauling the trailer. Heavy trailers are required to be hauled by a motor vehicle that is registered by weight or that is operated under the appropriate permit.

The intent of the permanent heavy trailer registration is that the weight of

the trailer and the load it's carrying would be included with the registration of the motor vehicle that is pulling the trailer. Then the motor vehicle would be required to register by combined weight, including the total empty weight of all vehicles in the combination, plus the total weight of the load carried on that combination of vehicles.

Customers have the option to purchase a Registration Weight Trip Permit (Form 303 issued by dealers or Form 304 issued by DMV) each time they haul the heavy trailer if the motor vehicle hauling the trailer has regular passenger registration.

The permit costs \$5 and is valid for 10 days. A Registration Weight Trip Permit can be purchased in advance from the time it will be used, and up to three Registration Weight Trip Permits may be purchased at one time.

These permits are only to be issued

to the power unit and are only required if the registration weight of the entire combination of vehicles – not including travel trailers, fixed loads, and special-use trailers – exceeds the total registration weight for which the power unit is registered.

Passenger vehicles are registered with passenger registration if the loaded weight of the vehicle is 10,000 pounds or less.

If customers will be hauling a heavy trailer more frequently, they also have the option to register the motor vehicle by weight with truck "T" plates if the combined weight is more than 10,000 pounds.

Dealers who have questions about trailer registrations may contact the DMV Vehicle Policy Unit at (503) 945-5243.

– *Stephanie Zellner*
Vehicle Programs

Oregon won't title out-of-state junk vehicles

Severely damaged vehicles from other states may have titles, but Oregon will not issue a title or register a vehicle that is unsafe to drive.

Many states issue a non-repairable vehicle certificate, junk certificate or a title with a brand that indicates the vehicle is considered unsafe and can no longer be operated on public roads.

Since Oregon law changed Jan. 1, 2004, DMV has not issued a title or salvage title for a vehicle that has been issued any ownership document that contains a notation including, but not limited to the following: destroyed, dismantled, hulk, junk, non-rebuildable, non-repairable, parts only, scrap,

wreck, dismantler or wrecker only.

If an Oregon dealer purchases a vehicle with one of these types of ownership documents, the dealer will not be able to obtain an Oregon title. If a dealer sells a vehicle with one of these types of ownership documents, the customer will not be able to title or register the vehicle in Oregon.

In addition, Oregon DMV cannot accept a California "Acquisition" Bill of Sale as an ownership document for the purpose of titling a vehicle in Oregon.

Several years ago, Oregon DMV received information from the California DMV that the California Vehicle/Vessel Transfer and Reassignment

Form (REG 262), is not an ownership document for the purpose of titling a vehicle. Since Dec. 1, 2002, Oregon DMV has not accepted the REG 262 as an ownership document when applying for Oregon title.

The REG 262 is regarded only as a bill of sale, odometer disclosure, or power of attorney.

Title transactions received from an Oregon licensed dealer that include the Form REG 262 as an ownership document will be returned to the dealer if the vehicle purchase date by the dealer was on or after Dec. 1, 2002.

– *Stephanie Zellner*
Vehicle Programs

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
CIVIL PENALTIES					
Williamette Pontiac Inc dba Williamette Auto Group	Salem	Falsely applying for a title by knowingly altering or forging a title to transfer ownership on the title		1	117
					\$117,000
(30 day Suspension of the dealer's authority to act as an agent of DMV) Frank and Debra Low dba Import Auto Wholesale (1 Year Probation)	Island City	Failure to submit fees and application to DMV within 30 days		3	8
					\$4,000
United Equipment Sales Inc Canaan Car Connection LLC	Portland Madras	Late Renewal Failure to obtain corrected dealer certificate Failure to allow an inspection		1 1 1	1 1 1
					\$1,000 \$500 \$1,000
Pacific Truck Colors Inc Mid Columbia Marina Inc	Tualatin Hood River	Late Renewal Late Renewal		1 1	1 1
					\$100 \$100
Tech Auto & Division Inc dba Elite Motors	Portland	Failure to supply ownership documents to purchaser within 25 days		2	1
					\$250
BCM Auto Sales Inc Rose City Auto Sales Inc (3 Year Suspension)	Canby Portland	Failure to obtain a supplemental dealer certificate Failure to obtain a supplemental dealer certificate Failure to obtain corrected dealer certificate Failure to maintain proper records		1 1 1 2	4 18 1 18
					\$500 \$9,000 \$500 \$4,500
G and S Auto LLC (Suspended)	Dexter	Making a false statement of material fact in an application for dealer certificate Failure to provide means of public contact Failure to exhibit an exterior sign Failure to conspicuously display dealer certificate Failure to maintain records at main business location		1	1
					\$500
Castlerock Auto LLC Smiley RV Sales and Service Inc Brooks Motor Company LLC Browns Landing Inc	Eugene Milton Freewater Milwaukie Scappoose	Late Renewal Late Renewal Failure to obtain a supplemental dealer certificate Late Renewal		1 1 1 1	1 1 3 1
					\$100 \$100 \$500 \$100
UNLICENSED DEALERS					
Danny Lee Murasko Mark Oldenstadt dba Motion Marine	Redmond West Linn	Acting as a vehicle dealer without a current dealer certificate Acting as a vehicle dealer without a current dealer certificate		1 1	4 6
					\$10,000 \$15,000
Larry W Shaddon and April M Scott dba April's and Larry's New and Used Cars	Eugene	Acting as a vehicle dealer without a current dealer certificate		1	5
					\$12,500

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