

Dealer Details

Volume 15, No. 2

Newsletter of the DMV Business Regulation Section

Summer 2007

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Form 735-7022 (08-2007)

New licenses have crisper colors, stronger materials

Oregon vehicle dealers and other businesses that ask for identification from customers are beginning to see changes in driver licenses and ID cards issued by DMV.

Customers occasionally will present paper interim cards issued to customers who qualify for Oregon driving privileges or an ID card. Customers will carry this interim card until they receive their permanent plastic card within five to 10 days.

Also, the new permanent card will have a slightly different look and feel from the over-the-counter plastic card that DMV has been issuing since 2004:

- The new permanent card feels thinner and more flexible because it is printed on a more durable, tear-resistant plastic.
- The text and colors are clearer and more vibrant.
- The rainbow colors on the side, as well as the clear plastic laminate coating the entire card, extend to the edge of the card.
- The one-dimensional bar codes (those with vertical lines) on both the interim and permanent cards also will change under the central issuance process. Businesses that scan the new barcodes may get a false reading that a card is invalid. Those businesses may need to check with their software provider for an update.

The two-dimensional barcodes (checkered appearance) are not changing.



Rainbow colors and laminate extend to the edges of the new cards, and the plastic is thinner but stronger.

Still, the centrally issued plastic card has the same security features as the cards DMV has been issuing over the counter until this summer. The requirements for obtaining driving privileges or an ID card – such as driving tests and proof of identity and residency in Oregon – will not change.

Businesses and government agencies that request identification documents from their customers and clients may request additional ID from customers presenting the paper interim card. The interim card is not a secure identification document. It is intended as proof that the person has qualified for a driver license, instruction permit or ID card. Oregon law requires people to carry a driver license or interim card whenever they are driving.

Dealers may need to inform employees about the interim cards and the minor differences in the new plastic cards. Those that use barcode scanners also may need to inform employ-

See Licenses, Page 2

Oregon Dealer Handbook updates for Summer 2007

The July 2007 revision of the Title and Registration Handbook is available to view, print, or copy at DMV's Web site at www.oregondmv.com. This revision updates the April 2007 Handbook.

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

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

Changes in the July 2007 Handbook revision are as follows:

Cover Page: Revision date of July 2007.

Chapter B: Application for Title and Registration, Form 226 – The "Equipment #" field on the application is for applicants that are businesses, so they may optionally record a number they have assigned to the vehicle. Dealers may not use this field unless they are titling a vehicle in the name of their own dealership.

Chapter D: Miscellaneous Title Application Information – Dealers may only do VIN inspections on vehicles in their stock or vehicles they have taken on consignment.

Chapter H: Odometer – Dealers' odometer-related expedite-title applications, when mailed to the DMV Expedite Title Desk with all fees and requirements, do not have to include a written explanation of why a transaction needs to be expedited.

If an expedited title has not been received within 14 days of the date of issue, an Application for Title Never

Received, Form 735-512, may be used to apply for a copy title.

Chapter K: Registration – The one-time mailing address area on Line 9 on Form 735-268, Application for Registration or Replacement Plates and Stickers, is where dealers must list their business address when renewing vehicles in their stock. Include "c/o" along with the dealer name and address in the one-time mailing address area.

If a dealer is renewing a vehicle in his or her own dealer stock and the current vehicle record indicates the vehicle is subject to DEQ emissions inspection, the dealer must obtain a DEQ Certificate of Compliance to renew the registration.

When a renewal application is required to include the insurance company name and policy number, an insurance binder number is acceptable instead of the policy number.

Certification of Oregon Residency or Domicile, Form 735-7182, was revised in June 2007.

Chapter R: Dealers – When dealers take vehicles on consignment, they may not renew the registration. Dealers may only renew registration on vehicles in their stock.

When dealers sell vehicles on consignment, they may collect the fees and submit the title documents to DMV for the buyer. If they are not submitting the documents to DMV, they must remove the stickers from Oregon plates and submit a Notice of Sale or Transfer of a Vehicle, Form 6890, to DMV.

Licensed dealers may conduct dealer shows on a site other than the main or supplemental location without the need for a supplemental certificate if there are at least two dealers displaying vehicles, the show will last 10 days or less, and it is an event for which the public is charged admission.

– Margaret Stephens
Vehicle Policy

Licenses

Continued from Page 1

ees of possible false scans, and to update their scanning software.

DMV piloted the transition to centralized issuance in the Eugene-Springfield area in June and then began to roll it out across the state in July. The rest of the state's field offices will be converted by the end of summer.

DMV is converting its field offices from over-the-counter issuance to centralized issuance of cards in preparation for anti-fraud "facial recognition" software.

"Starting in July 2008, Oregon law will allow DMV to issue a card only if it finds no other matching photos under any other names of the same individual in its database," DMV Administrator Lorna Youngs said. "When this new software is installed, the applicant's photo will be checked after business hours against all photos on file, including customers who received interim cards that day."

Once the new technology is in place, if an applicant's photo appears similar to an existing photo under a different name, DMV will not issue the permanent card and instead will contact law enforcement.

In cases where photos are similar but not identical, DMV will ask those individuals to return to DMV with additional proof of identity before issuing a final card.

This fraud-prevention law originated in the 2005 Oregon Legislature and is not related to the federal Real ID Act.

For details about centralized issuance and facial recognition, visit OregonDMV.com.

– David House
DMV Public Affairs

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Hillsboro Auto Warehouse LLC (3 Year Suspension)	Hillsboro	Failure to submit title and application fees to DMV within 30 days	1	4	\$4,000
		Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
		Failure to allow an inspection during normal business hours	1	1	\$1,000
		Making a false statement of material fact on an application for dealer certificate	1	1	\$500
Auto Link Inc (1 Year Probation)	Gresham	Failure to pay consignor within 10 days	6	5	\$5,000
		Failure to satisfy interest in a vehicle within 15 days	4	1	\$1,000
		Failure to deliver title to DMV within 30 days	2	1	\$250
		Failure to disclose in writing to consignor has right to file complaint with ODOT	3	13	\$6,500
		Failure to disclose in writing to purchaser vehicle sold was a consignment	4	1	\$1,000
Haslam Auto Sales Inc (1 Year Probation)	Pendleton	Failure to submit title and application fees to DMV within 30 days	2	36	\$9,000
		Issuance of subsequent Temporary Registration Permits to extend registration period	2	14	\$700
Steves Auto Sales Inc	Portland	Failure to satisfy interest in a vehicle within 15 days	2	2	\$2,000
		Failure to submit title and application fees to DMV within 30 days	4	4	\$4,000
		Failure to satisfy interest in a vehicle within 15 days	3	1	\$1,000
United Auto Inc dba Budget Auto Sales (Suspension)	Portland	Failure to obtain a corrected dealer certificate	3	1	\$500
		Failure to allow an inspection during normal business hours	1	1	\$1,000
Tony Schneider dba A-1 Light Truck & Van Parts	Portland	Removing parts or destroying motor vehicle prior to obtaining ownership record	1	1	\$500
AAAAuto Wrecking & Parts LLC	Portland	Possession of motor vehicle with missing VIN	1	1	\$1,000
		Failure to physically separate/label wrecked vehicle	1	2	\$500
		Failure to remove/destroy plates from wrecked vehicle at time ownership record received	2	1	\$250
David Morris dba Motorsports 4 Less (Suspension)	Portland	Failure to allow an inspection during normal business hours	1	1	\$1,000
Jerry O Stone	Ontario	Late Renewal	1	1	\$100
Richs Auto Sales LLC dba Richs Vovos Only	Portland	Failure to furnish title within 90 days of date of sale	2	1	\$250
		Failure to obtain a corrected dealer certificate	1	1	\$500
Baker Financial Services LLC	Portland	Failure to pay consignor within 10 days	1	1	\$500
Shawn Charles Grant dba Oasis Automotive (Suspension)	Eugene	Failure to provide means of public contact	1	1	\$500
		Failure to display an exterior sign	1	1	\$500
		Failure to obtain a corrected dealer certificate	1	1	\$500
		Failure to display dealer business certificate	1	1	\$500
William F Nielsen dba Northwest Boat Center	Portland	Failure to maintain original records at main business location	2	6	\$1,500
		Failure to maintain records of MCO or title delivery	1	1	\$1,000
		Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
		Failure to submit Dealer Notice of Vehicle Purchased to DMV	2	5	\$250

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

Dealer Sanctions Continued from Page 3

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Robert W Lane dba Bob Lane Auto Wholesale	Portland	Late Renewal	1	1	\$100
Als Trailer Sales of Salem Inc	Salem	Failure to obtain a supplemental dealer certificate	1	1	\$500
Kerry Lehne and Aleksandr Pochtaryov dba Gateway Auto Sales	Portland	Failure to submit title and application fees within 30 days	2	1	\$250
		Failure to provide ownership documents to purchaser within 25 days	2	2	\$500
		Failure to maintain record of title delivery	2	2	\$500
		Failure to maintain proper records	2	3	\$750
		Failure to submit Dealer Notice of Vehicle Purchased to DMV	2	4	\$200
David Spangenberg dba D and R Auto Sales	Hermiston	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
South Coast Holdings Inc dba Brookings Harbor Ford	Brookings	Failure to submit title and application fees within 30 days	3	1	\$500
Miranda Enterprises LLC	Hillsboro	Late Renewal	1	1	\$100
Cool Trailers NW Inc	Portland	Late Renewal	1	1	\$100
Northwest Recycling Inc dba Portland Auto Wrecking	Portland	Processing motor vehicle with missing VIN	1	1	\$1,000
		Failure to physically separate/label wrecked vehicle	1	1	\$250
		Removing parts or destroying motor vehicle prior to obtaining ownership record	1	1	\$500
UNLICENSED DEALERS					
Michael Tulchinsky dba American Auto Brokers	Springfield	Acting as a vehicle dealer without a current dealer certificate	1	4	\$10,000

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

Online ads must indicate if dealer is selling vehicle

DMV and the Department of Justice receive numerous complaints regarding possible unlicensed dealer or broker activity advertised on Internet sites such as eBay or Craigslist. Many times, dealers or their employees are advertising the vehicles or services without clearly disclosing that they are a dealer.

The Spring 2006 edition of Dealer Details provides guidelines from the Oregon Department of Justice regarding Internet advertising. This article is available for review at the DMV Web site at www.OregonDMV.com.

DMV and the Oregon DOJ also have found that some dealers are unaware that their employees are placing ads on the Internet. Some of these ads list only a first name and a cell phone number.

If it's not clear to DMV or DOJ that the vehicle is being sold by or for a licensed dealer, it is certainly not clear to consumers. Dealers should make sure that their employees are also aware of these guidelines.

Failure to properly identify the name of the business, or at a minimum that the vehicle or service is being offered by a dealer, may violate provisions of the Oregon Unlawful Trade Practices Act. It also hinders DMV and DOJ in the investigation of unlicensed dealer activity.

Dealers who have questions regarding proper advertising disclosures may contact their dealer association or the Oregon DOJ at 503-974-4333.

— Rick Parsons
Business Regulation

Avoid motorcycle-moped mixups

Oregon law defines motorcycles and mopeds, and with few exceptions, motorized vehicles that don't fit within these definitions are unlikely to be legal to drive on public roads in the state.

DMV issues one type of license plate for motorcycles and a different kind for mopeds, and dealers need to make sure they apply for the correct registration for their customers who buy each type of vehicle.

The cubic centimeter displacement of the engine helps determine whether the vehicle is a moped or a motorcycle.

Manufacturers Certificates of Origin do not always list the engine displacement for motorcycles and mopeds. This has resulted in DMV issuing the wrong type of registration for mopeds, which has an impact on buyers of these vehicles.

In order to help DMV employees know which type of registration to issue, DMV is asking dealers to write the displacement in cubic centimeters in the "Remarks" section of the Application for Title and Registration, Form 735-226.

Here are definitions of mopeds and motorcycles from Oregon Revised Statutes:

Moped (ORS 801.345)

A moped is a vehicle, including any bicycle equipped with a power source, other than an electric-assisted bicycle or a motor-assisted scooter that complies with all of the following:

1. Is designed to be operated on the ground upon wheels.
2. Has a seat or saddle for use of the rider.
3. Is designed to travel with not more than three wheels in contact with

New permits fit MC, moped plate frame

DMV now has a solution for dealers and buyers of motorcycles and mopeds who have been unable to display a temporary registration permit because the vehicle lacks a window.

Dealers and riders suggested that DMV create a smaller temporary registration permit that could be mounted on the rear license plate frame of a motorcycle or moped.

DMV has designed a temporary permit to fit motorcycle/moped license plate frames and will begin issuing them to vehicle dealers in August.

The permit will have four pre-drilled holes for easy attachment to the license plate holder and will be made of water-resistant material. It will contain an inventory number

(MT000000), a space for the effective date, expiration date, counter date and dealer number.

These motorcycle/moped permits will be available in books of 25 and will contain a four-part form – the permit, plus copies for the customer, the dealer and DMV.

DMV and dealers can begin issuing the new motorcycle/moped registration permits Aug. 15, 2007. Dealers can begin ordering the new permits from DMV/Business License the first week of August to assure availability by Aug. 15.

Dealers should continue to issue the larger temporary registration permit until they have used all their stock.

– *Debi Mercer*
Vehicle Programs

the ground.

4. Is equipped with an independent power source that:

- Is capable of propelling the vehicle, unassisted, at a speed of not more than 30 miles per hour on a level road surface; and
- If the power source is a combustion engine, has a piston or rotor displacement of 35.01 to 50 cubic centimeters regardless of the number of chambers in the power source.

5. Is equipped with a power drive system that functions directly or automatically only and does not require

clutching or shifting by the operator after the system is engaged.

Motorcycle (ORS 801.365)

1. A motorcycle is any self-propelled (motorized) vehicle other than a moped or farm tractor that:

Has a seat or saddle for use of the rider;

2. Is designed to be operated on the ground upon wheels; and

3. Is designed to travel with not more than three wheels in contact with the ground.

– *Margaret Stephens*
Vehicle Policy

Dismantlers must verify ownership

During the course of inspecting dismantler records, DMV investigators are finding that titles or other ownership documents, such as possessory liens, are often not properly completed.

Oregon law requires dismantlers to obtain a “duly assigned” ownership document for motor vehicles they acquire (ORS 822.135).

“Duly assigned” means there are releases of interest from all parties on the title or having an interest in the vehicle, linking bills of sale or other documents showing the chain of ownership, and an assignment of interest from the last owner or party having interest in the vehicle to the dismantler.

DMV has found copies of titles that have no signatures releasing interest, possessory lien forms that are incomplete, and no subsequent bills of sale from the lien claimants to the dismantlers showing the transfer of interest.

Some unlicensed towers are taking

advantage of this by towing vehicles off private property, filling out a lien form and taking the vehicle to a dismantler to sell for scrap.

In that scenario, none of the legal lien requirements have been fulfilled. The lien document is given to the dismantler with no other documentation.

This presents some risk to the dismantler if the person they acquired the vehicle from was not the owner, did not have an interest in the vehicle, or did not have a legal right to sell it.

Dismantlers also should verify that the vehicle identification numbers on vehicles they are acquiring match the ownership documents. DMV has found non-existent VINs in dismantler records.

DMV has also received duplicate ownership documents submitted for the same vehicle at different times.

For example, one vehicle was sold

to a dismantler by an unlicensed tower with a possessory lien document provided as the ownership record. Later, a different vehicle was sold to the dismantler by the same unlicensed tower, who gave the dismantler the original title belonging to the first vehicle.

For Oregon-titled vehicles, the original ownership documentation, along with a dismantler’s Vehicle Notice (Form 270), must be submitted to DMV within 30 days of the dismantler acquiring both the vehicle and ownership documentation.

For vehicles titled in another state, dismantlers may copy the original ownership documentation, send the originals to the issuing state and maintain a record of when the originals were sent. No Dismantler’s Vehicle Notice is submitted to DMV.

— Rick Parsons
Business Regulation

Motor home registration case results in charges

The Oregon Department of Justice recently completed a complex, 18-month investigation of fraudulent registrations of out-of-state luxury motor coaches by charging Tualatin resident Denise Harden with 10 counts of tampering with a public record and civil violations of Oregon’s Racketeer Influenced and Corrupt Organization law.

In August 2005, the DOJ began investigating Harden regarding her alleged involvement in a scheme to assist out-of-state businesses and individuals in avoiding sales tax and registration fees

in their home states by fraudulently registering their motor vehicles, primarily luxury motor coaches, in Oregon.

Harden allowed her personal residential address to be used to establish what appeared to be a legitimate address for out-of-state vehicle owners, according to the DOJ investigation.

The out-of-state owners took advantage of Oregon’s relatively low registration fees by fraudulently listing the address of a residence in Oregon as their home addresses on their registration application forms.

This practice is commonly called a “mail drop.”

Out-of-state vehicle buyers in this scenario also may be avoiding sales taxes in their home states because Oregon has no sales tax.

None of the corporations that owned vehicles subject to this investigation have conducted business in Oregon other than to purchase and register motor vehicles; therefore, they were not entitled to register vehicles in this state.

— Business Regulation
