

Dealer Details

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Form 735-7022 (11-2007)

'Buyer's agent' misuse can ruin your business

A certified dealer in Eastern Oregon recently closed his doors despite having been a successful vehicle dealer for more than 14 years.

He left damaged consumers, dealers and lenders. He was quoted in the Eastern Oregonian saying, "I 'stupided' away my money."

The dealer issued a buyer's agent letter to an Idaho auction for an independent buyer to purchase cars at the dealer-only auction. The dealer got a few of the vehicles for his lot and was paid a fee for the use of his license.

The independent agent then sold the vehicles to other dealers in Idaho and Nevada, and the agent pocketed the cash. When the agent failed to pay for the vehicles, the legitimate dealer was liable for payment to the auction.

"I lost everything," he said.

Business Regulation occasionally has seen a licensed dealer who is willing to gamble his or her reputation and livelihood for a small return. In this case the dealer was comfortable that he would not get caught because the buyer was operating outside of Oregon and selling the vehicles in other states.

In effect, he was helping his agent curb vehicles in other states.

Here are four rules certified dealers should follow to protect themselves:

- Don't allow anyone to purchase vehicles using your license, unless he or she is under your direct control. Pay for the vehicles yourself and place all the vehicles in your inventory.

ODAC meeting dates set

The Oregon Dealer Advisory Committee members voted to hold future ODAC meetings on a quarterly basis.

Each meeting is scheduled to begin at 9 a.m. on a Thursday at DMV Headquarters, 1905 Lana Ave. NE in Salem. The 2008 meeting dates are:

- Jan. 24
- April 24
- July 24
- Oct. 24

ODAC meetings are open to the public. Anyone who wants directions to the meeting location or would like to suggest a topic for consideration needs to contact the DMV Business Regulation Section or one of the members of ODAC.

If you don't have control over the entire process, you are setting yourself up.

- Don't buy vehicles from anyone who is not a certified dealer or an employee of a certified dealer, and always make payments for the vehicles directly to the dealer or dealership, never to the employee.

- Don't buy vehicles from anyone who is not selling a personally owned vehicle or who is exempt under Oregon law (ORS 822.015).

- Don't sell to anyone who is not certified, who is not purchasing the vehicle for personal use or is exempt under Oregon law (ORS 822.015).

— Ron Kramer

Chief of Investigations

Dealer Handbook updates for Fall 2007

The October 2007 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 2007 Handbook.

Dealers 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

Many DMV vehicle-related forms are online, and many of these online forms are available in a fillable format, in which they can be filled in online, then printed. The regular, non-fillable forms are still on the DMV Web site.

The links to forms throughout the Handbook now go to the online fillable version when one is available.

The revision date of the chapter or section stayed the same until there were other changes.

Dealers who are unable to open a fillable form can instead try the non-fillable version located on DMV's

Forms page at www.oregon.gov/ODOT/DMV/forms/index.shtml.

Information about fillable forms is located at www.oregon.gov/ODOT/DMV/forms/filetypes.shtml.

Here are the changes made in the October 2007 Handbook revision:

Cover Page – Revision date of October 2007.

Chapter B, Application for Title and Registration, Form 735-226 – DMV is asking that dealers write the engine displacement in cubic centimeters for motorcycles and mopeds in the remarks section of the application. The purpose is to help ensure that the correct types of plates are issued.

Chapter C, Application for Replacement Title, Form 735-515 – An example of the February 2007 revision of the Application for Replacement Title form is included. This revision of the application removed survivorship information, and line numbers changed.

Chapter F, Ownership Documents – The most current Oregon title form is dated May 2007. An example is included in this chapter.

Chapter G, Operation of Law & Trusts – An example of the February 2007 revision of the Inheritance Affi-

davit, Form 735-516, is included. This revision added the statement that the form must be completed by the heir(s).

Chapter I, Security Interest Perfection – The Transitional Ownership Document chart for 2007 has been added. The TOD chart is also online at www.oregon.gov/ODOT/DMV/dealers/index.shtml, under "Other business-related info." This chapter will be updated with newer year charts.

Chapter L, Vehicle Types – DMV is asking that dealers write the engine displacement in CCs for motorcycles and mopeds in the remarks section of the Application for Title and Registration form. The purpose is to help ensure that the correct types of plates are issued.

Chapter N, Model, Makes, & Body Styles – All lists have been updated.

Chapter R, Dealers – Recreational vehicles may not be issued trip permits totaling more than 10 days within a 12-month period. The new Temporary Motorcycle Permit, Form 735-309, is described, and an example is included.

– Margaret Stephens
Vehicle Policy

DMV cannot refund registration fees under law

Registration plates for most vehicle types may be transferred to a similar vehicle for a fee of \$6 – for example, a transfer of a set of plates from one passenger vehicle to another.

However, a customer cannot purchase new registration for a vehicle and then receive a refund of those registration fees paid after the point when they

transfer their plates to the vehicle.

DMV cannot legally refund registration fees once registration has been issued.

Lately, some customers have been told by vehicle dealers that they must purchase new registration and can get a refund of those registration fees when they transfer their current registration

plates to their vehicle later.

Current registration plates can be transferred in most cases, including Disabled Veteran registration plates. Vehicle dealers may consult Chapter K of the DMV Title and Registration Handbook for exceptions.

– Lori Bowman
Vehicle Policy

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Peach Street Enterprises Inc	Grants Pass	Making a false statement of material fact on application	1	1	\$1,000
False Idol Motorsports LLC	Scappoose	Knowingly swearing/affirming falsely to matter relating to titling of vehicles	1	1	\$1,000
Jesse James Ephrem dba Lancaster Motors	Salem	Failure to allow an inspection during normal business hours	1	1	\$1,000
Auto Link Inc	Gresham	Failure to submit fees and application to DMV within 30 days	1	9	\$4,500
West Coast Auto LLC	Portland	Failure to pay consignors within 10 days	1	1	\$1,000
Vitali Kachun dba Vital Auto Brokers	Portland	Failure to obtain a corrected dealer certificate	2	1	\$1,000
(1 Year Probation/Agent Status Suspension)		Failure to pay consignors within 10 days	1	1	\$500
		Failure to obtain written consignment agreement	2	2	\$500
		Failure to maintain record of title delivery	3	1	\$500
		Failure to submit Dealer Notice of Vehicle Purchased to DMV	3	5	\$500
		Failure to remove foreign registration plates	2	1	\$50
Northwest Recreational Motorsports LLC (Suspension)	Yamhill	Failure to provide a means for public contact	1	1	
		Failure to display an exterior sign	1	1	
		Failure to display the dealer business certificate	1	1	
		Failure to maintain original records at main business location	1	1	
		Failure to obtain a corrected dealer certificate	1	1	
Sherry Ann Sanderbrink (Suspension)	Cottage Grove	Failure to provide a means for public contact	1	1	
		Failure to display an exterior sign	1	1	
		Failure to display the dealer business certificate	1	1	
		Failure to maintain original records at main business location	1	1	
		Failure to obtain a corrected dealer certificate	1	1	
Kev Auto Sales Inc	Portland	Failure to submit title and application fees within 30 days	3	1	\$500
		Failure to provide ownership documents to purchaser within 25 days	4	3	\$3,000
		Failure to maintain proper records	4	6	\$1,000
		Failure to allow an administrative inspection	1	1	\$1,000
Charles S Leveque dba Reliable Auto Sales NW	Beavercreek	Failure to obtain supplemental dealer certificate	1	1	\$500
Approved Auto Sales Inc	Redmond	Failure to submit title and application fees within 30 days	2	1	\$250
		Failure to notify purchaser/lien holder of title delay	2	1	\$250
		Improperly conducting dealer business/failure to maintain proper records	2	1	\$200
Haslam Auto Sales Inc	Pendleton	Failure to submit title and application fees within 30 days	3	3	\$1,500
Affordable Auto Sales For You LLC	Salem	Failure to satisfy interest in a vehicle within 15 days	3	4	\$4,000
VIP Collision Center LLC dba VIP Auto Sales	Portland	Failure to submit title and application fees within 30 days	2	4	\$1,000
Ralph Lee Tidwell dba Action Auto Brokers	Milwaukie	Late Renewal	1	1	\$100
MyAuto.Com Inc	Milwaukie	Failure to satisfy interest in a vehicle within 15 days	1	1	\$1,000
Dorn Good LLC dba Syd Dorns Vehicle Buyers Service	Lake Oswego	Late Renewal	1	1	\$100

Continued on Page 4

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
Roman Magac dba Pacific Car Wholesale (Agent Status Suspension)	Portland	Failure to follow procedures when issuing Temporary Reg Permits			
A Better Deal Auto & Truck Recycling Inc	Portland	Failure to submit title and application fees within 30 days	1	2	\$1,000
Gary Miller dba Miller Enterprises	Woodburn	Failure to maintain proper records	2	2	\$500
Chet Owen dba Western Motorsports	Silverton	Failure to obtain corrected dealer certificate	2	1	\$1,000
Magnum Auto Inc Motosport Motorcycles Inc dba Hillsboro Motorcycles	Eugene Hillsboro	Failure to obtain supplemental dealer certificate Failure to furnish title within 90 days	2 2	6 1	\$6,000 \$250
UNLICENSED DEALERS					
Karla Patricia Gaitan dba Kaind Auto Sales	Portland	Late Renewal Late Renewal	1 1	1 1	\$100 \$100
		Acting as a vehicle dealer without a current dealer certificate	1	10	\$25,000

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

Appraiser signature required for vehicles left on private land

DMV Form 272, Vehicle Abandoned On Private Property Certificate, must be completed and signed by an appropriate authority and a licensed vehicle appraiser before submitting it to DMV.

An appropriate authority is the agency that has the authority to remove and take vehicles into custody and to exercise the powers relating to authority over a vehicle.

ORS 819.280 does not provide for an appropriate authority to delegate such responsibilities to a towing service or anyone else. It does allow an appropriate authority to contract with a towing service to dispose of the vehicle to a licensed dismantler.

The appropriate authority should provide a copy of the certificate (Form 272) to the towing contractor in order to provide it to a vehicle dismantler.

– Karen Van Luven
Vehicle Policy

Oregon rules explain who is and isn't a dealer employee

Who is a dealer's employee, and who is not?

For vehicle dealers certified by the Oregon DMV, the answer is covered in Oregon Administrative Rule 735-150-010 (19).

Under this rule, "employee" means a person over whom a dealer exercises the type of control typically associated with an employer, including but not limited to:

- (a) Determining the frequency, method and amount of compensation;
- (b) Determining whether the person's work is continuous or intermittent;
- (c) Determining the hours or frequency of a person's work; or
- (d) Retaining the ability to terminate the relationship.

Additionally, dealers are accountable for the dealer-related business activities of all employees of the dealer, even if that employee works as infrequently as one day a week.

– Business Regulation

2007 LEGISLATIVE UPDATE

Military-related plates get new look soon

Changes are coming to Oregon license plates that recognize military service or the families of U.S. service personnel.

The 2007 Legislature placed military-related plates in a Veteran Recognition Group plate program and created Gold Star Family plates for families of service personnel killed in action. DMV will start issuing these plates in January 2008.

Veteran Recognition Group

The Oregon Department of Veterans Affairs worked with DMV to create a unique plate background to be used on all veteran group plates. The new law will allow veteran groups to use a unique military-related decal or words on the plate to describe or represent the veteran group.

Plates issued under the veteran recognition program are available only for passenger vehicles.

Veteran recognition plates may be issued only to qualifying veterans. Qualifying veterans may choose from one of the following service-related insignia or medals:

- Service-related insignia – Air Force, Army, Coast Guard, Marines and Navy
- Service-related medals – Distinguished Service Cross, Navy Cross, Bronze Star, Air Force Cross and Silver Star
- Service campaign medals – World War II Victory, Korea Service, Vietnam Service, Southwest Asia, Global War on Terrorism Expeditionary, Iraq Campaign and Afghanistan Campaign

Customers must provide proof that



This is a sample of the Veteran Recognition Group plate. The decal or medal goes on the left. Plate options will be posted at Oregon DMV.com around the end of the year.

they qualify for veteran recognition plates. The proof required is listed on the Application for Veteran Recognition Plates, Form 7307. This form must be completed by the qualifying veteran and submitted with an Application for Title and Registration, Form 226.

There is a \$10 surcharge – \$20 for four-year registration – due at the time of application, in addition to any other required DMV fees.

Qualifying veterans also may choose new veteran recognition plates without a service-related insignia or medal and instead have just the veteran-plate background.

Plate choices, including insignia and medals options, are expected to be available for viewing on the DMV Web site the last week of December, 2007.

Gold Star Family plates

Gold Star Family vehicle plates will be issued to a surviving parent, spouse or dependent of a person who was killed in action during an armed conflict while serving in the armed forces of the United States.

Gold Star Family plates will be issued using the veterans' group plate background. The plates will include a gold star decal, a tri-fold flag and the words "Gold Star Family" along the bottom of the plate.

Customers must complete a Group Plate Eligibility Certification, Form 6940, to be submitted with their Application for Title and Registration, Form 226. Dealers need to be aware that the Group Plate Eligibility Certification form is also used for Purple Heart and 1st Marine Division plates.

There is a \$10 surcharge – \$20 for four-year registration – due at time of application, in addition to any other required fees.

More information

Vehicle dealers may refer to Chapters K and M of the Title and Registration Handbook for information on processing group plates.

Additional information on veterans' group plates and the Gold Star Family plate will be added to the DMV Web site at www.oregondmv.com and in updates to the Title and Registration Handbook.

DMV will begin issuing these plates the first week of January 2008.

Unchanged military plates

Dealers should be aware that Disabled Veteran, Ex-POW, National Guard and Support Our Troops plates are not veteran group plates, so these will remain unchanged.

*– Debi Mercer
Vehicle Programs*

 2007 LEGISLATIVE UPDATE

'09 and later vehicles to fall under emission rule

Even some slightly used vehicles in the near future will be required to meet Oregon's new low-emission vehicle standards, starting with the 2009 model year.

Under House Bill 2272 passed by the 2007 Oregon Legislature, DMV must deny an application for registration of a vehicle that does not comply with the Department of Environmental Quality's new Oregon low emission vehicle standards.

This LEV requirement will apply to 2009 or later model year vehicles that have 7,500 or fewer miles at the time of Oregon registration.

For vehicle dealers, vehicle mileage at the time of sale is determined by the odometer reading at the time a dealer acquires a vehicle.

Licensed automobile dealers can determine compliance with the LEV requirement by either reviewing the manufacturer's certificate of origin for new vehicles, or by performing an under-the-hood check on new-to-Oregon vehicles with an out-of-state title.

To determine compliance with the LEV requirement, verify that the vehicle's emissions label or MCO provides one or more of the following statements:

- "This vehicle conforms to (or with) U.S. EPA and State of California regulations"
- "This vehicle conforms to (or with) U.S. EPA regulations and is certified for sale in Cali-

fornia"

- "This vehicle has a California emission system"
- "This vehicle meets/satisfies California emission standards"
- "This vehicle is certified/legal for sale in California"
- "This vehicle is certified/legal for sale in 50 states"
- A similar statement that clearly indicates the vehicle complies with California emission standards or Oregon LEV standards; is certified legal for sale in 50 states; or is certified legal for sale in California

If the LEV requirement is met, or if the vehicle is exempt (see DMV Form 735-7309, Declaration of Exemption From the Oregon Low Emission Vehicle Requirement), the vehicle will qualify for Oregon registration if all other existing registration requirements are satisfied.

If the LEV requirement is not met, a vehicle may be titled, but not registered in Oregon.

For additional information, see the January 2008 revision of the Title & Registration Handbook or visit the DMV Web site at www.OregonDMV.com.

Form 735-7309 can be accessed directly at: www.odot.state.or.us/forms/dmv/7309.pdf.

– Jeff Wheeler
Vehicle Programs

Fee to decline for smaller motor homes

The two-year registration fee for motor homes 14 feet or less in length will decrease to \$54 for vehicles sold after Jan. 1, 2008, under House Bill 2936 from the 2007 Legislature.

Under current state law, the registration fee for motor homes that are 14 feet or shorter ranged from \$125 to \$156 for two years.

Those fees will remain in effect until the end of 2007.

Therefore vehicle dealers need to:

- Continue to collect the current registration fee for motor homes sold before Jan. 1, 2008.
- Collect \$54 for motor homes that are 14 feet in length or shorter that are sold on or after Jan. 1, 2008.

Registration renewal fees are collected based on the existing registration period of the vehicle. Examples:

- A motor home that measures 6 to 14 feet long with existing registration that expires prior to Jan. 1, 2008, will pay the current renewal fee.
- A motor home 6-14 feet long with existing registration that expires Jan. 1, 2008, or later will cost \$54 for a two-year renewal.

There are no changes to registration fees for motor homes longer than 14 feet.

For more information, visit the DMV Web site at www.OregonDMV.com.

Fees for motor homes can be accessed directly at: www.odot.state.or.us/forms/dmv/465.pdf.

– Jeff Wheeler
Vehicle Programs