

# Dealer Details

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Form 735-7022 (6-2008)

## Committee discusses background checks

The first topic of the April meeting was on background checks. During the January meeting DMV was asked to check on the possibility of Business Regulation doing background checks on business licensees. The topic was researched, and it was determined that DMV does not have the statutory authority to perform background checks on applicants.

The membership was polled and asked if background checks are needed and whether the committee should pursue legislation on this topic. Some members felt background checks were important and that ODAC should pursue legislation.

In developing such legislation, there are a number of questions that need discussion and will be topics at the July 24 ODAC meeting.

For example: What type of crimes would prevent an applicant from getting licensed? Are there rules in place that prohibit a licensee acting as an agent for DMV if there is a felony on their record? Do other states do background checks?

ODAC members also discussed the possessory lien law, and DMV reported that it does not have statutory authority to do more than it does currently. The towing industry is going to introduce legislation that would require "proof of mailing," similar to that used in the state of Washington, to ensure compliance with Oregon law.

Also in April, the amount of the

## Next meeting is July 24

You are invited to attend meetings of the Oregon Dealer Advisory Committee at the DMV Headquarters, 1905 Lana Ave. NE, in Salem.

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

The remaining 2008 meetings are scheduled for July 24 and Oct. 23.

bond and exemption from insurance for some motorcycle dealers was discussed. Some members felt that the dealer bond needs to be increased because the average price of a motorcycle has increased. Additionally, there were those who felt that if there was no insurance required, DMV should not issue a dealer plate to the dealer.

It was decided that more research is needed as to the type and amount of insurance needed by motorcycle dealers. No resolution was reached on the amount of bond needed. Both of these items will be put back on the agenda for the next meeting.

The "Total Loss Statement" was reviewed, and DMV announced that the next time forms were ordered that the language will be cleaned up to state specifically what is said in statute.

Please feel free to join us at the ODAC meeting July 24.

— Lisa Larkin  
ODAC chairperson

# Dealer Handbook updates for June

The revised Title and Registration Handbook is available to view, print, or copy at DMV's Web site, [www.oregondmv.com](http://www.oregondmv.com).

The Handbook is updated quarterly. This article describes changes to the April and July 2008 revision.

**Changes in the April 2008 and July 2008 Dealer Handbook are as follows:**

**Cover Page:** Latest revision date is 7/08.

**Index:** General update, including references to low-emissions vehicles (4/08).

**Chapter B, Application for Title and Registration, Form 226:** References to Form 315 now read "Temporary Registration Permit" (4/08).

**Chapter C, Application for Replacement Title, Form 515:** There have been minor revisions to Form 515. The changes do not affect completion of the form (7/08).

**Chapter F, Ownership Documents:** Some vehicles are manufactured in more than one stage by different manufacturers. These manufacturers issue an MCO for their stage. When this is the case, DMV requires, at initial title application, submission of all the MCOs issued for the vehicle. (4/08)

Low-speed and four-wheeled electric vehicles, in addition to passenger vehicles, must comply with low-emissions standards beginning with the 2009 model year, unless exempt (7/08).

The Oregon title form was revised 5/08; this revision changed the watermark design.

**Chapter G, Operation of Law:** DMV does not include dates as part of a trust name, such as the date a trust was established (4/08).

## Dealer Handbook also is available in printed form

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

Oregon Independent Auto Dealers Association (OIADA) at 1-800-447-0302; [info@OIADA.com](mailto:info@OIADA.com); or [www.oiada.com](http://www.oiada.com)

Oregon Vehicle Dealer Association (OVDA) at 1-877-541-2277; [ovda@oregonvda.com](mailto:ovda@oregonvda.com); or [www.oregonvda.com](http://www.oregonvda.com)

**Chapter J, Damaged/Totaled Vehicles:** There have been minor revisions to Stolen Vehicle Notification, Form 6927. The changes do not affect completion of the form. (7/08)

Information was added to clarify that salvage-titled vehicles may be operated with a trip permit.

**Chapter K, Registration:** DMV revised Form 268, Application for Registration, to prevent the ODL/ID/customer number and date of birth fields from copying through to the Notice of Transaction Submitted. This revision does not affect filling out the fields on the front of the form. (4/08)

References to Form 315 now read "Temporary Registration Permit."

DMV does not issue four-year registration for a vehicle already issued a title.

Low-speed and four-wheeled electric vehicles, in addition to passenger vehicles, must comply with low-emissions standards beginning with the 2009 model year, unless exempt (7/08).

When a vehicle was previously titled only with an MCO, then the owner later applies for registration, the vehicle is not subject to the four-year registration requirement.

Custom Plate Application, Form 205, was revised 4/08. The changes do not affect completion of the form. The revision was to the back of the form, clarifying to what fund the plate surcharges go.

**Chapter N, Model, Makes and Body Styles:** Make tables have been updated (7/08).

**Chapter P, Dismantlers:** Information was reviewed for accuracy, and minor revisions and formatting changes were made (7/08).

**Chapter R, Dealers:** Recent legislation changed the requirements for consignment disclosures (4/08).

References to Form 315 now read "Temporary Registration Permit" (4/08).

DMV revised the Temporary Registration Permit, Form 315, to prevent the customer name, address, and driver license number from copying through to the part that is to be displayed on the window of the vehicle (7/08). Note: The form revision date remains the same (1/07).

**Chapter T, Flags:** When a Flag 8, 35, or 38 is on the vehicle record, the vehicle cannot be titled or registered again. DMV will not accept a title or registration application. (4/08)

– Margaret Stephens  
Vehicle Policy

# Dealer Sanctions

Dealer	City	Violations Found	Offense Count	Amount
<b>Civil Penalties</b>				
A+ Auto Sales LLC (3 Year Suspension)	Hillsboro	Failure to submit fees and application to DMV within 30 days Failure to supply ownership documents to purchaser within 25 days Failure to maintain records of title application submission to DMV/purchaser	3 3 3	\$18,000 \$1,500 \$7,000
		Issuance of Temp Reg Permits prior to obtaining DEQ certificate	2	\$750
		Failure to maintain proper vehicle dealer records	3	\$5,500
		Failure to a obtain corrected dealer certificate	1	\$1,000
		Failure to satisfy interest in a vehicle within 15 days	2	\$4,000
		Failure to have consignment agreement in writing	3	\$500
		Failure to pay consignors within 10 days	3	\$2,000
		Failure to maintain records of title delivery	4	\$1,000
		Failure to maintain proper records	4	\$1,000
Flavel Auto Sales Inc (1 Year Probation) (Agent Status Suspension)	Portland			
Diamond B Trailers Inc (3 Year Suspension)	Redmond	Failure to furnish title within 90 days Failure to submit fees and application to DMV within 30 days	2 1	\$12,000 \$5,000
		Failure to pay consignors within 10 days	1	\$500
		Failure to a obtain supplemental dealer certificate	1	\$500
		Failure to maintain records of title delivery	2	\$1,250
		Failure to maintain proper records	2	\$1,250
		Failure to provide means of public contact	2	\$250
		Failure to permanently exhibit dealer certificate	2	\$250
		Destroying a vehicle prior to obtaining ownership record	1	\$1,500
		Failure to maintain proper records	2	\$2,000
		Failure to physically separate or visually label a wrecked vehicle	1	\$4,750
		Failure to destroy registration plates	2	\$750
		Failure to a obtain corrected dealer certificate	1	\$500
Nael Saker dba Saker Auto Sales	Portland			
Haslam Auto Sales Inc (3 Year Suspension)	Pendleton	Failure to submit fees and application to DMV within 30 days Failure to satisfy interest in a vehicle within 15 days	4 4	\$12,000 \$2,000
		Failure to pay consignors within 10 days	1	\$1,000
		Late Renewal	1	\$100
		Failure to supply ownership documents to purchaser or SIH within 25 days	2	\$250
Fisher Implement Co Mark Michael Hayward dba Peggys Classic Cars	Tangent Oregon City			
Sterling Truck Corporation DRT LLC dba Edge Performance Sports	Portland Ontario	Late Renewal Late Renewal	1 1	\$100 \$100
RV Direct Inc dba Johnson RV Sales	Portland	Failure to submit fees and application to DMV within 30 days Issuance of Temp Reg Permits prior to obtaining DEQ certificate	3 2	\$4,000 \$350
Sage Hanna (Suspension)	Eugene	Failure to provide a means for public contact Failure to display an exterior sign Failure to display the dealer business certificate Failure to maintain original records at main business location Failure to obtain a corrected dealer certificate	2 1 1 1 1	

Continued on Page 4



# DMV urges dismantlers to avoid buying from unlicensed towers

*It's risky to buy a vehicle when the seller provides only a possessory lien*

With scrap metal prices sky-rocketing, anyone who has a truck is offering to remove junk vehicles from property.

These individuals either buy the vehicles or trade the cost of their services for the vehicle, which is then resold to a dismantler.

Ads from both licensed towers and unlicensed towers usually say, "No title required."

DMV has been told that unlicensed towers – using vehicles with no TW plates – shop for dismantlers who will buy vehicles without evidence of ownership or dismantlers who do not look closely at the possessory lien forms.

In most cases, the licensed towers are following the proper lien process, while the unlicensed towers are filling out any form they happen to have and giving it to the dismantler or recycler – without meeting any of the legal requirements.

Although most of these cars are being taken where they belong – to a dismantler or recycler – and not sold to the public, dismantlers are taking a risk when they accept vehicles from unlicensed towers when a possessory lien is all that is provided.

DMV has seen cases where the vehicle was towed from a public right of way, lien papers were created, and the owner, who was looking for the vehicle, has then demanded that the

## Dismantlers have 30 days to file ownership documents

Vehicle title or other ownership documents must be surrendered to DMV within 30 days of receipt by a dismantler.

The ownership documents are surrendered with the DMV Form 270, Dismantler's Vehicle Notice to Driver and Motor Vehicle Services.

If the vehicle was titled in Oregon, DMV places a notation on the vehicle record to indicate that the vehicle is now in the possession of a dismantler.

Oregon DMV does not create or maintain a vehicle record for out-

of-state titles that are surrendered to Oregon. DMV stamps a notation on the out-of-state title to indicate the title was surrendered to Oregon DMV by a dismantler and forwards the title to the state that issued the title.

Dismantlers surrendering a title should not attach supporting documents to out-of-state titles — such as bills of sale, powers of attorney, etc. These supporting documents need to be kept with the dismantler's records.

— Karen Van Luven  
Vehicle Policy

dismantler return the vehicle.

Oregon law (ORS 822.200) generally requires a tow/recovery business certificate and tow (TW) plates for anyone who engages in towing or recovery of vehicles for any type of direct or indirect compensation.

Violation of the law is a Class A misdemeanor punishable by a fine of up to \$6,250 and/or up to one year imprisonment.

This law is enforced by state or local law enforcement agencies. DMV has no civil enforcement authority.

Dismantlers can help avoid this problem by not accepting vehicles from

persons who do not have tow certificates and TW plates, unless the vehicle belongs to them.

Unlicensed towers may provide some type of possessory lien form in place of a title or other ownership document, but chances are that the lien process has not been properly followed, which could present some risk to dismantlers and recyclers in accepting the vehicle.

Dismantlers also can help by reporting violators to local law enforcement agencies.

— Rick Parsons  
Investigations

# Dealers may see new temporary driving permits without photos

Although Oregon's new driver license and identification card requirements won't affect vehicle dealers directly, dealers and other businesses may begin to see customers with temporary driver licenses that don't have photos.

These temporary driving permits won't be common. They are a last resort for Oregonians who need extra time to obtain documents that meet stricter state requirements taking effect this summer.

Starting July 1, everyone who applies for a first-time, renewal or replacement Oregon driver license, instruction permit or ID card will need to show DMV documents that provide:

- Proof of U.S. citizenship or lawful presence in the country – such as a birth certificate or U.S. passport, or foreign passport with U.S. immigration documents.
- Proof of a Social Security num-

ber – such as Social Security card, employment document or a tax document.

- Proof that the person is not entitled to a Social Security number, if the applicant is not eligible for an SSN – such as immigration documents that do not include permission to work in the United States.

- Proof of full legal name – such as birth certificate, or a combination of documents that create a link proving current full legal name, such as a birth certificate and government-issued marriage certificate.

“Some of these documents can take weeks to obtain, so DMV is urging Oregonians to get a head start on making sure they have key documents safely in hand before their license or ID card renewal date sneaks up on them – or their card is lost, stolen, damaged or destroyed,” DMV Administrator Tom McClellan said.

“In the meantime, DMV can offer a temporary driving permit, but only to customers who meet all other licensing and ID requirements and only need time to meet the new requirements.”

The new law, passed by the February Oregon Legislature, is intended to reduce fraud and ID theft.

“Oregon had been attracting people from other states that required proof of citizenship or lawful presence,” McClellan said. “These people falsely claimed to live in Oregon in order to obtain a license or ID card, then returned to their true state of residence.”

For up-to-date information on Oregon requirements for driver licenses, instruction permits and ID cards, visit DMV's ID news page here: [www.oregon.gov/ODOT/DMV/news/id\\_news.shtml](http://www.oregon.gov/ODOT/DMV/news/id_news.shtml).

– David House  
DMV Public Affairs

## Dealers need to keep DMV updated on insurance renewals or changes

When a dealer's insurance coverage expires or is cancelled, it is up to the dealer to ensure that DMV Business Licensing Unit has a copy of the new certificate.

DMV Business Regulation urges dealers to be proactive by contacting Business Licensing to make sure DMV has received the insurance certificate.

DMV has been required by law

to cancel dealer licenses because the dealer assumed its insurance company had “taken care of it.”

Dealers can check on whether DMV Business Regulation has received the insurance certificate by visiting <http://dmv.odot.state.or.us/cf/dlrslickup/> or by calling 503-945-5052.

– Chuck Hoffman  
Business Licensing

**Do you know** the difference between Temporary Permits and Trip Permits?

A 90-day **temporary** permit may be issued by dealers for vehicles they sell when they are collecting the DMV title and registration fees and submitting the application to Oregon DMV on behalf of the buyer. Temporary permit books are issued free to the dealer upon request by the DMV Business Regulation Unit.

Dealers who are not collecting the DMV fees and submitting the application for the buyer may issue a **trip** permit. Trip permit books must be purchased by the dealer from DMV. Trip permits may be issued only for vehicles sold by the dealer.