

Dealer Details

Volume 16, No. 4

Newsletter of the DMV Business Regulation Section

Spring 2009

Inside

- Oregon Dealer Handbook updates, Page 2
- Dealer Sanctions, Pages 3-4
- Zoning laws apply, Page 4
- Corrected titles are no cause for worry, Page 5
- Industry is changing, Page 5
- Guard plates option, Page 6
- Please keep temp permit copies intact, Page 6

DMV Business Regulation Section



Oregon
Department
of Transportation
(503) 945-5052

Section Manager

Chris Ratliff, (503) 945-5283

Investigation Team Chief Investigator

Ron A. Kramer, (503) 945-5281

Investigators

Barbara Caine, Denzel Gifford,
Ron Irving, David Jurgenson,
Robb McCracken,
Rick Parsons, Larry Purdy
Support: Esther Reynoso

Business License Unit Supervisor

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

Dealer Details Editor
David House

www.OregonDMV.com

Form 735-7022 (6-2009)

'Red Flag' ID theft plan is required under law

The April meeting of the Oregon Dealers Advisory Committee was held on April 23 at DMV Headquarters. The next meeting will be held on July 23 at the DMV Headquarters. The public and licensees are invited to attend.

Greg Remensperger opened the April meeting with an explanation of the Red Flag rules.

The Red Flag rules are an identity theft prevention program. They are rules issued by the Federal Trade Commission and are created to reduce the risk of identity theft.

Every business is required to appoint a board, committee or person to be responsible for the company's Identity Theft Protection Plan (ITPP). This person would need to identify potential problems that may occur.

These "Red Flags" are indicators of potential identity theft.

Greg said that the plans must be updated on a regular basis.

The ITPP must comply with the ongoing requirements, and there must be periodic checks and reviews for compliance.

If a business is determined to be noncompliant, its ability to offer credit

Next ODAC meeting set for July 23

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

Meetings for 2009 are scheduled for Thursdays. This year's remaining meetings are on:

- July 23
- Oct. 22

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

can be revoked and a fine of \$11,000 per violation can be imposed.

Greg added that dealers can order a book on how to set up the program from oada.biz.

The balance of the meeting was a lively discussion on current legislative proposals.

— Mike Wagner
ODAC Chair

Next Dealer Details to focus on new laws

The next Dealer Details will be a special legislative edition focusing on major changes from the 2009 session.

One of the biggest changes will be

increased fees for vehicle plates, registrations, titles and other DMV services, as part of a new highway funding package.

Handbook updates released in May

The May 2009 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 January 2009 Handbook. The Handbook is updated quarterly, and the next revision is scheduled for August 2009.

Printed copies of the handbook are available from these organizations:

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

Changes in the May 2009 Handbook revision are as follows:

Cover Page

Though no revisions were made, the date of 5/09 reflects the latest review.

Chapter B, Application for Title and Registration, Form 226

Previously, dealers were asked to write the cubic-centimeter displacement of motorcycles and mopeds in the "Remarks" section of the Application for Title and Registration, Form 226. On page B1, under "Remarks Section," it now reads: "Write the cc displacement of motorcycles in this section. For mopeds, write the cc displace-

ment and the speed capability."

The speed notation helps DMV determine whether the vehicle meets the definition of motorcycle or moped. Some mopeds with 50 cc or less are able to exceed the 30 mph threshold and are therefore considered motorcycles.

Chapter D, Miscellaneous Title Application Information

Minor revisions were made, but they do not affect the content.

Chapter F, Ownership Documents

DMV will not issue registration for imported motorcycles or mopeds unless proof of compliance with U.S. federal safety and emissions standards is submitted with the application, unless the maker is recognized as a major manufacturer. A list of major manufacturers is included in the chapter.

The list of acceptable proofs of com-

pliance is included in the chapter.

Chapter J, Damaged/Totaled Vehicles

The Stolen Vehicle Information, Form 6927, was replaced with the updated form, dated 2-08. The Notice of Vehicle to be Dismantled/Proof of Compliance, Form 6017, was replaced with the updated form, dated 12-08. The Application for Replacement Salvage Title, Form 230, was replaced with the updated form, dated 6-08.

Chapter K, Registration.

Minor revisions were made, but they do not affect the content. The Application for Registration, Renewal, Replacement or Transfer of Plates and/or Stickers, Form 268, was replaced with the updated form, dated 2-09.

Index

Information was updated. References were added for clarification.

– Dave Adams, *Vehicle Policy*

Handbook changes quarterly update schedule

The Title and Registration Handbook's quarterly updates are on a new schedule now.

In the past, the handbook was updated at the beginning of January of each year. But DMV recently adjusted

the quarterly issues to be published one month later than they have in the past.

Effective in May 2009, the new quarterly publication months will be February, May, August and November each year.

There also may be an additional special issue of the Dealer Details during legislative sessions to include law changes that affect dealers or dismantlers.

– Dave Adams, *Vehicle Policy*

Dealer Handbook also available in print

Printed copies of the handbook are available from these organizations:

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

Dealer Sanctions

Dealer	City	Violations Found	Offense	Count	Amount
Civil Penalties					
Daniel Sanchez dba Wholesale Auto Sales	Ontario	Failure to furnish title within 90 days		2	\$8,000
Bobby Ephrem dba BJs Cars (1 Year Probation)	Eugene	Failure to submit title and application fees within 30 days		2	\$750
Frontier Motors Inc	Island City	Failure to obtain supplemental dealer certificate		1	\$500
Lee Ephrem dba S and E Motors	Portland	Failure to maintain records at main business location		2	\$500
TWW Inc dba Cornelius Auto Sales (1 Year Probation)	Cornelius	Failure to furnish title within 90 days		2	\$6,000
		Failure to satisfy interest in a vehicle within 15 days		1	\$4,000
Bridge City Watersports Inc	Wilsonville	Failure to provide notice to purchaser/lien holder of title delay within 25 days		2	\$750
		Failure to maintain records of the title/MSO delivery		2	\$750
		Failure to furnish title/MSO within 90 days of the date of sale		2	\$2,000
		Making false statement of material fact in application for dealer certificate		1	\$500
Donald E Kramer dba Don Kramer Trailer Sales	Salem	Failure to obtain supplemental dealer certificate		1	\$500
		Failure to supply ownership documents to purchaser within 25 days		2	\$1,000
		Failure to provide notice to purchaser/lien holder of title delay within 25 days		2	\$750
		Failure to maintain records of title delivery/submission/delay		2	\$1,250
		Permitting unlawful operation of an unregistered vehicle		1	\$1,000
		Improperly conducting dealer business/failure to maintain proper records		2	\$1,250
		Failure to submit Notice of Vehicle Purchased (Form 165) to DMV		2	\$300
		Failure to pay consignor within 10 days		1	\$500
Sergey Verdernikov dba Pacific West Motor	Portland	Failure to maintain records of title delivery		2	\$250
		Failure to submit Notice of Vehicle Purchased (Form 165) to DMV		2	\$350
		Failure to notify DMV of sale or transfer of vehicle and did not accept DMV fees or submit application on behalf of purchaser		2	\$1,750
RMCL Inc dba Crazy Craigs Fine Cars	Bandon	Charging excessive document preparation fees		1	\$6,000
		Failure to furnish ownership documents to purchaser/SIH or submit application on behalf of purchaser within 90 days		1	\$3,000
Kevin and Kristina Smith dba Kevz Karzz	Milwaukie	Failure to satisfy interest in a vehicle within 15 days		1	\$3,000
		Failure to furnish title within 90 days		1	\$7,000
Harold B McCourt dba Bud McCourt Auto Sales	Pleasant Hill	Late Renewal		1	\$100
The Briggs Group LLC dba Southside Marine	Corvallis	Late Renewal		1	\$100
J Lew Motoring Inc	Lake Oswego	Failure to supply ownership documents to purchaser within 25 days		1	\$1,000
Oregon City Marine Center Inc	Oregon City	Late Renewal		1	\$100
Choice Automotive Inc	Fairview	Late Renewal		1	\$100
Ahmed Hamade dba Diamond Motors (1 Year Probation)	Milwaukie	Failure to submit title and application fees within 30 days		3	\$2,500
		Failure to provide notice to purchaser/lien holder of title delay within 25 days		2	\$1,250
Rollin Woodruff dba Rollins Motor Co	Aloha	Failure to satisfy interest in a vehicle within 15 days		2	\$1,000
		Failure to obtain supplemental dealer certificate		1	\$500

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
Civil Penalties					
Flavel Auto Sales Inc	Portland	Failure to furnish title within 90 days	1	1	\$1,000
Arrow Imports Inc dba The Used Car Warehouse	Milwaukie	Allowing or permitting the unlawful use of a registration plate Failure to submit title and application fees within 30 days	1	1	\$100
Ryan, Christopher and Richard Reneau dba Affordable Auto Sales (Suspension)	Roseburg	Failure to provide notice to purchaser/lien holder of title delay within 25 days Failure to provide means for public contact during business hours Failure to display exterior sign	2	1	\$250
Western Equipment and Supply Inc M and M Jr LLC dba	Roseburg Nyssa	Failure to display in public vehicle dealer certificate Failure to maintain original dealer records at main business location Late Renewal Late Renewal	1	1	\$100
Gregs Wholesale Inc dba Gregs Auto Wholesale	Gresham	Failure to furnish title within 90 days	1	1	\$1,000
Ralph Lee Tidwell dba Action Auto Brokers	Milwaukie	Failure to obtain supplemental dealer certificate Failure to supply ownership documents to purchaser within 25 days Failure to provide purchaser of title delay within 25 days	2	1	\$1,000
GMS Logistites LLC Vern Kirk dba	Portland Lebanon	Failure to obtain supplemental dealer certificate Failure to maintain sufficient records of vehicles acquired by possessionary lien	1	1	\$500
Aaruns Autow Mark Groom dba	Bend	Failure to furnish title within 90 days	1	2	\$2,000
Groom Auto Group Newhouse and Hutchins Towing Service Inc	Portland	Failure to satisfy interest in a vehicle within 15 days	1	3	\$1,000
Jesse Ephrem dba Jesse and Sons Unlicensed dealers	Salem	Late Renewal Failure to submit title and application fees within 30 days	1	1	\$100
John Cullett dba John's Auto Refinishing Inc/Cullett Towing	Riddle	Acting as a vehicle dismantler without a current dismantler certificate	1	1	\$5,000
James Taylor Nicholas Butkovich	Salem Sandy	Acting as a vehicle dealer without a current dealer certificate Acting as a vehicle dealer without a current dealer certificate	1	8	20,000
			1	13	52,500

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

Dealers still must follow zoning laws

Although vehicle dealers can renew their existing dealer's licenses without approval of their city or county, the business owners still must follow land-zoning laws.

The requirement for obtaining local government approval when renewing an existing dealer's license was eliminated several years ago. However, this does not mean that the dealer can violate local zoning laws without recourse by the city or county.

Oregon law (ORS 822.050) requires that DMV cancel a vehicle dealer certificate upon receipt of notice that zoning approval for the business has been revoked.

Local zoning laws may place restrictions on such things as the number of vehicles that can be displayed, the type vehicles that can be displayed or the size or placement of signage.

Violations can result not only in local fines but also cancellation of the zoning approval. This can be very costly to the dealer, who would then be required to reapply for a new license.

Dealers who have questions about DMV location requirements can contact the DMV Business Regulation unit's local investigator.

For questions about local zoning ordinances, contact the city or county planning authority or code enforcement unit.

– Rick Parsons
DMV Business Regulation

Corrected titles no cause for worry

Many dealers run vehicle history reports through companies such as Experian, AutoCheck or Carfax. Sometimes the vehicle history reports indicate an entry of a “corrected title.”

A customer may be concerned by this entry if the dealer doesn’t have an explanation for the reasons behind why a corrected title may have been issued.

A corrected title entry is not an indicator of previous damage, and it should not negatively impact the vehicle’s history.

It is important to explain to customers that a corrected title indicator does not affect the value of the vehicle.

Title corrections may be the result of incorrect information submitted to DMV or the result of DMV error.

Regardless of the reason for a title correction, the correction is done in order to ensure that DMV records and the vehicle title contain accurate information.

When a dealer or customer notices a corrected title entry on a full vehicle

Common reasons titles are corrected

- Incorrect vehicle year or make
- Incorrect vehicle identification number – for example, the VIN has transposed digits, or a completely wrong number
- Correction to or change of name for the owner or any person the title indicates owns an interest in the vehicle
- Change of primary owner or primary owner’s address if the title has more than one registered owner
- Removal of a brand placed on the title in error
- Removal of a “totaled” notation issued either in error or if a stolen vehicle is recovered without damage that meets the definition of a totaled vehicle
- Change in body style, if the vehicle’s appearance is altered, such as a change to assembled, reconstructed or replica
- Change in body style, if the style on the title is wrong; for example, a pickup listed as a two-door, or a truck converted to a motor home
- Incorrect odometer listed by DMV
- Incorrect odometer disclosure on the part of the customer within 90 days of title issuance
- Incorrect odometer disclosure on the part of the customer after 90 days of title issuance with evidence of error, such as maintenance or service records such as oil change

history report, there should not be any cause for concern.

– Tracy Olander
DMV Vehicle Policy

Auto industry is going through huge changes

We at DMV Business Regulation want all of you to know that DMV cares about what is happening in the industry.

We were dismayed when Chrysler filed for bankruptcy and again when GM announced it has also filed. This does not bode well for anyone in the industry.

We recognize the importance of all in the vehicle industry and care about your success.

You are business owners, employers and vital to the well being of your community and Oregon.

Business Regulation is willing to do what we can to help you through this trying time. For example, we have stepped up our activity to catch unlicensed dealers. There are many operating, and we expect to see even more.

Here are a couple of things you should keep in mind.

First, keep us in the loop. It is bet-

ter to have us close at hand when you have questions about closing or changing your business plan.

Also, if you are one of the franchised dealers that is going into the used vehicle business, do not forget that you will be required to have the continuing education hours when you renew your dealer license.

– Chris Ratliff
Manager
DMV Business Regulation

Guard plates require note on form

Oregon Driver and Motor Vehicle Services offers several veteran and military service-related license plates.

Active National Guard members are eligible for the National Guard plate, which is available for passenger vehicles and motor homes. The applicant for the National Guard plate must be a Guard member and must be a registered owner or lessee on the vehicle title.

To get National Guard plates, customers must obtain a completed Oregon Military Department Certificate of Eligibility, AGO Form 4309, from the Oregon Military Department. The certificate is required upon a person's initial application for National Guard plates. If customers have questions regarding their eligibility, direct them to contact their unit commander.

The registration, renewal, plate manufacturing, and replacement fees for National Guard plates are the same as those for the vehicle type for which the plates are issued. There are no sur-



charges or extra fees for National Guard plates.

National Guard plates have the prefix "NG" and are issued with the tree background for both passenger vehicles and motor homes.

If a customer wants to apply for National Guard plates, vehicle dealers need to write "National Guard plates" in the "Remarks" section of the Application for Title and Registration.

The dealer must collect the same title and registration fees normally charged for a passenger vehicle or motor home. The dealer should issue a Temporary Registration Permit for 90 days and inform the customer that DMV will issue the plates from its headquarters in Salem and mail them directly to the customer.

– Tracy Olander
DMV Vehicle Policy

Temporary permit copies need to be kept intact

As most dealers are aware, when you have finished with your temporary permit books they must be returned to the DMV Business License Unit.

We then send you new books unless you add a note stating that you do not need them.

Upon receipt of your used temp books, we often need to arrange the yellow issuer's copies in numerical order in the manner they were originally sent out.

This makes it easier to retrieve a

permit when law enforcement, for example, requests a copy from DMV.

We have noticed that some dealers type their temp permits, which means they tear the whole permit out of the book. This is understandable because it makes the permits much easier to read.

When putting the yellow copies back into the book, some dealers will staple each copy back in with every successive permit stapled to the pile. We end up getting back a book of 25

yellow permits with 25 or more staples in them.

This makes the process of separating the permits very tedious and damages many of them in the process, making them more difficult to read.

Please re-assemble your books with the consideration that the yellow copy of the temporary permits should remain as intact as possible with little or no damage.

– Chuck Hoffman
Business Licensing