



DEPARTMENT OF JUSTICE
CIVIL ENFORCEMENT DIVISION

MEMORANDUM

DATE: April 1, 2013

TO: Honorable Tobias Read, Chair
House Transportation and Economic Development Committee

FROM: Eva Novick, Assistant Attorney General, Financial Fraud/Consumer Protection

SUBJECT: HB 2067 – Dealer Fees

BACKGROUND ON DEALER TITLE AND REGISTRATION PROCESSING FEES

- Prior to 2006, consumers who purchased vehicles with cash could choose to either ask the dealer to complete and file the title paperwork with the Department of Transportation's Driver and Motor Vehicle Services Division (DMV) or obtain the title from the dealer and complete and file the paperwork themselves.
- ORS 802.033 (renumbered ORS 822.043) was amended in 2005 (SB 997) to allow dealers to decide whether the dealer or consumer would prepare and file the paperwork. Dealers were given the discretion to charge a fee to consumers for the preparation and filing of the paperwork with DMV.
 - Consumers were given the discretion to choose whether the paperwork would be prepared and filed through an electronic vehicle registration program (EVR) called an "integrator."
 - Dealers were permitted to charge a premium for the EVR service. The fees a dealer was permitted to charge were capped at \$50 for a paper submission and \$75 for using EVR. As of January 1, 2011, those caps were raised to \$75 for a paper submission and \$100 for using EVR.
- Under Oregon law, dealers can act as an agent for DMV to prepare and process title and registration documents and collect DMV fees on behalf of a consumer. The Title and Registration Document Preparation Service Fee (Doc Prep Fee) is limited to cover functions a dealer can perform that would otherwise be a DMV function.
 - The Doc Prep Fee does not include other costs of doing business; those costs need to be included in the offering price, the same as with any other consumer good.

- Under Oregon Department of Justice (DOJ) rules, when a dealer advertises a price for a vehicle, that price must be the full cash price the dealer will accept from a purchaser, excluding only taxes, license, registration costs, DEQ fees and a Doc Prep Fee.

HOW HB 2067 CHANGES EXISTING LAW

- Under HB 2067, dealers would be permitted to charge consumers for costs of doing business that are not related to DMV functions. They would be permitted to charge consumers for perfecting, releasing or satisfying a lien or security interest, verifying title insurance and transfer policies and processing any other documents related to the purchase or lease of a vehicle.
- Under HB 2067, the amount dealers would be able to charge for using EVR would be raised to \$125, at a minimum.

THERE IS NO KNOWN FISCAL IMPACT FOR DEPARTMENT OF JUSTICE

DOJ CONTACT

For further information, please contact Aaron Knott at Aaron.D.Knott@state.or.us or 503-378-6002.

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