

# Senate Bill 614

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Changes education requirements for vehicle dealers.

## A BILL FOR AN ACT

1  
2 Relating to education requirements for vehicle dealers; creating new provisions; and amending ORS  
3 822.027 and 822.040.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 822.027 is amended to read:

6 822.027. (1) Except as provided in subsection (2) of this section, *[the following education re-*  
7 *quirements apply to an applicant for a vehicle dealer certificate under ORS 822.020 or 822.040:]*

8 *[(a)]* an applicant for a vehicle dealer certificate under ORS 822.020 must complete a minimum  
9 of eight hours of approved education programs described in subsection *[(4)]* **(3)** of this section and  
10 pass a test *[within one year prior to]* **before** submitting an application for the certificate.*[,] and]*

11 *[(b)]* An applicant for a renewal certificate under ORS 822.040 must complete a minimum of five  
12 hours per year in a licensing period of approved continuing education programs described in subsection  
13 *(4) of this section prior to submitting an application for the renewal certificate.]*

14 (2) The education *[requirements]* **requirement** in subsection *[(1)(a)]* **(1)** of this section *[do]* **does**  
15 not apply to an applicant for a vehicle dealer certificate under ORS 822.020 *[or 822.040]* if, at the  
16 time of application, the applicant holds another certificate issued under ORS 822.020 *[or 822.040]*.

17 *[(3)]* *The continuing education requirements of subsection (1)(b) of this section do not apply to an*  
18 *applicant for renewal of a vehicle dealer certificate under ORS 822.040 if the applicant is:]*

19 *[(a)]* A dealer having a franchise in this state for nationally advertised and recognized motor vehi-  
20 cles;*]*

21 *[(b)]* A dealer having a franchise in this state for new recreational vehicles;*]*

22 *[(c)]* A motor vehicle rental company having a national franchise under the ownership of a corpo-  
23 ration that operates throughout the United States; *or]*

24 *[(d)]* A national auction company that holds a vehicle dealer certificate and a dismantler certificate  
25 whose primary activity in this state is the sale or disposition of totaled vehicles.*]*

26 *[(4)]* **(3)** Education programs and the test required in subsection (1) of this section may be de-  
27 veloped by any motor vehicle industry organization, *[including, but not limited to, the Oregon Inde-*  
28 *pendent Auto Dealers Association]* **accredited educational institution, private vocational school,**  
29 **correspondence school or trade association** and shall be submitted to the advisory committee  
30 established under ORS 802.370 for approval. The committee shall approve any program or test that  
31 pertains to the motor vehicle industry and includes state and federal law in at least the following  
32 areas:

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (a) Motor vehicle advertising;
- 2 (b) Odometer laws and regulations;
- 3 (c) Vehicle licensing and registration;
- 4 (d) Unlawful dealer activities;
- 5 (e) Environmental rules and regulations;
- 6 (f) Oregon and industry standard motor vehicle forms;
- 7 (g) Truthful lending practices;
- 8 (h) Motor vehicle financing;
- 9 (i) Service and warranty contracts; and
- 10 (j) Land use regulations governing motor vehicle dealers.

11 *[(5) Education programs and the test required in subsection (1) of this section may be provided by*  
 12 *accredited educational institutions, private vocational schools, correspondence schools or trade associ-*  
 13 *ations if the education programs and test have been approved by the advisory committee established*  
 14 *under ORS 802.370 as required in subsection (4) of this section.]*

15 **SECTION 2.** ORS 822.040 is amended to read:

16 822.040. (1) The holder of a current, valid vehicle dealer certificate issued under ORS 822.020  
 17 may exercise the following privileges under the certificate:

18 (a) A dealer is authorized, without violating ORS 803.025 or 803.300, to use and operate over  
 19 and along the highways of this state all vehicles displaying the dealer's plates whether registered  
 20 or not or whether or not a title is issued for the vehicle. This paragraph does not authorize dealers  
 21 to use or operate vehicles under dealer plates unless the vehicles are actually owned or controlled  
 22 by the dealer and in actual use by the dealer, members of the dealer's firm, any salesperson thereof  
 23 or any person authorized by the dealer. Vehicles operated under dealer plates may be used for the  
 24 same purposes as are any other vehicles registered in this state that are registered by payment of  
 25 the fee under ORS 803.420. This paragraph is subject to the limitations under ORS 822.045.

26 (b) A dealer is entitled to receive dealer plates or devices and replacement or additional dealer  
 27 plates or devices. As many additional dealer plates as may be desired may be obtained upon the  
 28 filing of a formal application for additional plates with the Department of Transportation. The plates  
 29 issued to dealers shall require the payment of fees as provided under ORS 805.250.

30 (c) The person is not subject to the prohibitions and penalties under ORS 822.005 as long as the  
 31 holder's vehicle dealer business is conducted in a location approved under the certificate.

32 (d) The dealer shall be considered the owner of vehicles manufactured or dealt in by the dealer,  
 33 before delivery and sale of the vehicles, and of all vehicles in the dealer's possession and operated  
 34 or driven by the dealer or the dealer's employees.

35 (2) The holder of a vehicle dealer certificate may open additional places of business under the  
 36 same business name by obtaining a supplemental certificate from the department under this sub-  
 37 section. The following all apply to a supplemental certificate issued under this subsection:

38 (a) The department shall not issue a supplemental certificate under this subsection if the addi-  
 39 tional place of business opened will be operated under a different business name than that indicated  
 40 on the current certificate. Any business that a vehicle dealer operates under a separate business  
 41 name must be operated under a separate certificate and the dealer must apply for and pay the fees  
 42 for a regular dealer certificate for the business.

43 (b) A supplemental certificate issued under this subsection is subject to the fee for supplemental  
 44 certificate under ORS 822.700.

45 (3) The holder of a vehicle dealer certificate may move a place of business or change a business

1 name by obtaining a corrected certificate from the department. For purposes of this subsection,  
 2 “place of business” includes a recreational vehicle service facility as defined in ORS 822.082. The  
 3 following apply to a corrected certificate issued under this subsection:

4 (a) The department shall prescribe the form for application for a corrected certificate.

5 (b) A person applying for a corrected certificate shall pay the fee for the corrected certificate  
 6 established in ORS 822.700.

7 (4) The department may establish by rule the requirements a holder of a vehicle dealer certif-  
 8 icate must meet to display a vehicle at a location other than the dealer’s place of business for the  
 9 purpose of advertising without first obtaining a supplemental certificate from the department. In  
 10 addition to any requirements established by the department by rule, all of the following apply:

11 (a) The dealer must have a signed agreement with the owner of the property or the person using  
 12 the property where the vehicle is to be displayed stating that the vehicle is for an advertising pro-  
 13 motion only and that the processing of any documents or other activities required to purchase a  
 14 vehicle must be done at the dealer’s place of business.

15 (b) The vehicle on display must be clearly marked with the dealer’s name and contact informa-  
 16 tion and a notice that the vehicle is displayed only for the purpose of advertising and may be pur-  
 17 chased only at the dealer’s place of business.

18 (c) Displaying the vehicle must not violate any zoning laws or ordinances.

19 (d) The dealer or the dealer’s employees may not remain with the vehicle except for the purpose  
 20 of moving the vehicle in or out of the display area.

21 (5) A vehicle dealer certificate is valid for a three-year period and may be renewed as provided  
 22 by the department. The department shall only renew a certificate if the applicant for renewal does  
 23 all of the following:

24 (a) Pays the required fee for renewal under ORS 822.700.

25 (b) Delivers to the department a bond that meets the requirements under ORS 822.030.

26 (c) Delivers to the department a certificate of insurance that meets the requirements under ORS  
 27 822.033.

28 (d) Provides the names of all partners or corporate officers.

29 *[(e) Certifies completion of the education requirements of ORS 822.027 (1) if the person is a dealer*  
 30 *subject to the education requirements.]*

31 *[(f)]* (e) If the dealer offers new recreational vehicles for sale under the certificate, certifies that  
 32 the dealer maintains a recreational vehicle service facility as listed in the dealer certificate appli-  
 33 cation described in ORS 822.025.

34 (6) The department may adopt suitable rules for the issuance and renewal of certificates under  
 35 this section and ORS 822.020.

36 **SECTION 3. The amendments to ORS 822.027 and 822.040 by sections 1 and 2 of this 2013**  
 37 **Act apply to applications for vehicle dealer certificates submitted on or after the effective**  
 38 **date of this 2013 Act.**