

D R A F T

SUMMARY

Provides that Department of Transportation must designate vehicle dealer as agent.

Specifies that department may impose penalties against vehicle dealers who do not comply with regulations related to vehicle dealers acting as agents of department.

A BILL FOR AN ACT

1
2 Relating to vehicles; amending ORS 802.031, 822.009, 822.035 and 822.043.

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

4 **SECTION 1.** ORS 822.043 is amended to read:

5 822.043. (1) As used in this section:

6 (a) "Integrator" has the meaning given that term in ORS 802.600.

7 (b) "Vehicle dealer" means a person issued a vehicle dealer certificate
8 under ORS 822.020.

9 (2) A vehicle dealer **that the Department of Transportation has des-**
10 **ignated to act as an agent of the department under ORS 802.031** may
11 elect to prepare, submit, or prepare and submit documents necessary to:

12 (a) Issue or transfer a certificate of title for a vehicle;

13 (b) Register a vehicle or transfer registration of a vehicle;

14 (c) Issue a registration plate;

15 (d) Verify and clear a title;

16 (e) Perfect, release or satisfy a lien or other security interest;

17 (f) Comply with federal security requirements; or

18 (g) Render any other services for the purpose of complying with state and
19 federal laws related to the sale of a vehicle.

1 (3) A vehicle dealer who prepares any documents described in subsection
2 (2) of this section:

3 (a) May charge a purchaser of a vehicle a document processing fee for the
4 preparation of those documents.

5 (b) May not charge a purchaser of a vehicle a document processing fee
6 for the submission of any document or the issuance of a registration plate.

7 (c) May charge a purchaser of a vehicle a document processing fee for
8 performing any of the services described in subsection (2) of this section in
9 connection with preparing the documents described in subsection (2) of this
10 section.

11 (4) A purchaser of a vehicle may negotiate the amount of the document
12 processing fee with a vehicle dealer, but in no case shall the document pro-
13 cessing fee charged by a vehicle dealer under this section exceed:

14 (a) \$150, if the vehicle dealer uses an integrator; or

15 (b) \$115, if the vehicle dealer does not use an integrator.

16 (5) If a vehicle dealer charges a document processing fee under subsection
17 (4)(a) of this section, of the amount collected \$25 shall be paid to the
18 integrator.

19 (6) Unless otherwise provided by rule, if a vehicle dealer uses an
20 integrator and charges a document processing fee greater than that charged
21 for not using an integrator, the dealer must inform the purchaser of the ve-
22 hicle of the option of using an integrator to prepare the documents. The
23 purchaser may then elect whether or not to have the vehicle dealer use an
24 integrator to prepare the documents.

25 (7) If the purchaser of a vehicle pays a document processing fee, the ve-
26 hicle dealer shall prepare and submit all documents to complete the trans-
27 action as permitted by law.

28 **SECTION 2.** ORS 802.031 is amended to read:

29 802.031. (1) Nothing in ORS 802.600 prohibits the Department of Trans-
30 portation from adopting rules **to:** *[that take effect after April 1, 1998, that*
31 *allow the department to designate dealers to act as agents of the department*

1 *for purpose of performing the duties specified in ORS 802.030 (1995 Edition)*
2 *and that allow persons to act as agents for the department for the purpose of*
3 *issuing winter recreation parking permits.]*

4 **(a) Authorize persons to act as agents for the department for the**
5 **purpose of issuing winter recreation parking permits.**

6 **(b) Designate vehicle dealers holding a valid certificate issued under**
7 **ORS 822.020 or 822.040 to act as agents of the department for purposes**
8 **of accepting documents and fees necessary to title and register any**
9 **vehicle the vehicle dealer sells, or to perform other duties the depart-**
10 **ment may authorize. Other duties may include, but need not be lim-**
11 **ited to:**

12 **(A) Issuing permits under ORS 803.600 and 803.625; and**

13 **(B) Performing vehicle identification number inspections.**

14 **(2) A vehicle dealer designated under this section shall:**

15 **(a) Transmit title documents with all required fees to the depart-**
16 **ment within the time specified in ORS 822.042.**

17 **(b) Maintain records as determined by the department to show**
18 **compliance with this section and any rules adopted by the department.**

19 **SECTION 3.** ORS 822.035 is amended to read:

20 822.035. The Department of Transportation:

21 (1) Upon receipt of an application for a vehicle dealer certificate, shall
22 examine the application and may make an individual investigation relative
23 to statements contained in the application.

24 (2) Upon being satisfied that an applicant is entitled to a vehicle dealer
25 certificate and that the proper fees have been paid for the certificate, shall
26 assign the vehicle dealer a distinctive dealer number that allows the dealer
27 to conduct business under the certificate and shall forward to the dealer a
28 vehicle dealer certificate stating thereon the dealer's number.

29 (3) Has authority to determine whether or not an applicant for a vehicle
30 dealer certificate is a vehicle dealer.

31 (4) Has authority to make suitable rules for the issuance of vehicle dealer

1 certificates to expire consistently with ORS 822.040.

2 (5) May make inspections of any vehicle dealer records required under
3 ORS 822.045 and of any vehicles included in a vehicle dealer's inventory or
4 located on the vehicle dealer's premises. Inspections authorized by this sub-
5 section may be conducted by the department at reasonable intervals, during
6 normal business hours, and may not exceed a scope of inspection necessary
7 for the department to determine the following:

8 (a) A vehicle dealer's compliance with statutes regulating vehicle dealers
9 under the vehicle code;

10 (b) A vehicle dealer's compliance with those provisions of the vehicle code
11 regulating the titling and registration of vehicles;

12 (c) A vehicle dealer's compliance with rules adopted by the department
13 relating to the regulation of vehicle dealers and the registration and titling
14 of vehicles; and

15 (d) The identification of stolen vehicles.

16 (6) Shall provide a vehicle dealer with plates or devices authorized under
17 ORS 805.200 to allow the exercise of the privileges granted under ORS
18 822.040.

19 (7) May provide a vehicle dealer with identification cards in the names
20 of the owners of the business or in the names of authorized employees of the
21 business.

22 (8) May not issue a vehicle dealer certificate under ORS 822.020 to an
23 applicant who has been issued a similar certificate from another jurisdiction
24 that has been revoked or is currently suspended unless the applicant pos-
25 sesses a current, valid vehicle dealer certificate issued under ORS 822.020.

26 (9) May not use the revocation or suspension by another state of a vehicle
27 dealer certificate or similar certificate as a basis for refusing to allow a ve-
28 hicle dealer holding a current, valid vehicle dealer certificate issued under
29 ORS 822.020 to obtain a vehicle dealer certificate under ORS 822.020 or a
30 supplemental certificate under ORS 822.040 or to renew a certificate under
31 ORS 822.040.

1 (10) May adopt any reasonable rules necessary for the administration of
2 the laws relating to the regulation of vehicle dealers, the issuance of vehicle
3 dealer certificates, the issuance of vehicle dealer identification cards, **regu-**
4 **lation of vehicle dealers designated as agents under ORS 802.031** and the
5 issuance of vehicle dealer plates. The rules adopted under this subsection
6 must be consistent with the statutory provisions of the vehicle code. The
7 rules may include, but are not limited to, grounds and procedures for the
8 revocation, denial or suspension of vehicle dealer certificates and for placing
9 vehicle dealers on probationary status.

10 **SECTION 4.** ORS 822.009 is amended to read:

11 822.009. (1) The Department of Transportation may levy and collect a civil
12 penalty, in an amount not to exceed \$1,000 for each violation, against any
13 person who has a vehicle dealer certificate if it finds that the dealer has
14 violated any provisions of the Oregon Vehicle Code or of any rules adopted
15 by the department relating to **the regulation of vehicle dealers acting as**
16 **agents of the department**, the sale of vehicles, vehicle titling or vehicle
17 registration.

18 (2) The department may levy and collect a civil penalty, in an amount not
19 to exceed \$5,000 for each vehicle improperly sold, brokered, exchanged or
20 offered or displayed for sale, against any person if it finds that the person
21 is in violation of:

22 (a) ORS 822.005 (1); or

23 (b) Any rules adopted by the department relating to the sale of vehicles
24 and the person is not subject to subsection (1) of this section.

25

Title: Relating to vehicles.

Type: Member Committee Statewide Elected Official

Chief Sponsor(s)/Committee Chair/Other Filer:

For Member measures only, list other Chief Sponsors here:

1. _____

2. _____

Signature (First Chief Sponsor/Committee Chair/
Statewide Elected Official)

Signature (Second Chief Sponsor/Committee Chair)

Print Name

Print Name

House Transportation Policy

Print Committee Name for Committee Measures

3. _____

Signature (Third Chief Sponsor)

Print Name

Requester(s):

(Attach list of other Chief Sponsors, if more than three.)

All agencies, organizations and persons that have formally requested the measure are named herein in accordance with ORS 171.127.

Additional Sponsors (initial)

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- _____ Beyer
- _____ Boquist
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- _____ Manning Jr
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- _____ Sanchez
- _____ Smith DB
- _____ Smith G
- _____ Smith Warner
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- _____ Sprenger
- _____ Stark
- _____ Vial
- _____ Whisnant
- _____ Williamson
- _____ Wilson
- _____ Witt

FOR INFORMATION ONLY:

CONTACT PERSON (Print Name)

TELEPHONE NUMBER