



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

DATE: April 5, 2017
TO: House Committee on Transportation Policy
FROM: Amy Joyce, Legislative Liaison
SUBJECT: HB 3120 -1, vehicle dealers as agents of ODOT

INTRODUCTION

Vehicle dealers are regulated by DMV, and in some cases are official agents for purposes of processing paperwork. The bill, with the -1 amendment, makes small adjustments in the law around that agent relationship.

DISCUSSION

Under Oregon law, motor vehicle dealers must be certified by the Driver and Motor Vehicle Services Division (DMV) of ODOT. The Business Regulation section of DMV regulates the industry, enforcing requirements for insurance, bonds, training, and more. Certified dealers can act as agents of DMV for such purposes as accepting title and registration applications and fees, issuing temporary registration, and vehicle trip permits. The dealer's role as a designated agent of DMV is separate from the privileges granted by a dealer certificate, which include buying and selling vehicles and receiving dealer plates. Under existing statutory language DMV's authority to withhold designation as an agent of the department without completely denying, revoking or suspending a dealer's certificate is unclear.

The bill makes three small changes to provide clarity and improve oversight. First, the bill clarifies the DMV-dealer agency relationship. It makes it clear that DMV designates a dealer as an agent before a dealer may perform specific functions on behalf of the department. It specifies those functions, requires they be carried out appropriately, and requires the dealer to keep records. Second, the bill gives the department specific rule-writing authority necessary to regulate dealer activities when acting as an agent on behalf of the department.

Third, the bill provides clarity to DMV's range of tools designed to bring dealers into compliance. Current law may be read to limit those regulatory options to suspending / revoking the ability to do business, or to do nothing. The bill enables DMV to allow the dealer to continue to operate but under specific conditions.

SUMMARY

HB 3120 with the -1 amendment makes small adjustments to the law providing oversight of vehicle dealer businesses. The changes clarify the establishment of the agent relationship with DMV, and provide sanction authority for more graduated options that can be appropriately matched to the seriousness of the infraction.