



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

DATE: March 12, 2019

TO: Senate Committee on Environment and Natural Resources

FROM: Amy Joyce, Legislative Liaison

SUBJECT: SB 792 with amendments, regulation of auto dismantlers

INTRODUCTION

Oregon DMV regulates the business of automobile dismantlers relative to their processing of vehicle title paperwork to ensure the business operates in the approved location and that vehicles in its possession are not stolen. Amendments to SB 792 would have DMV inspecting dismantlers for environmental violations. DMV is concerned its Compliance Specialists lack the expertise to fulfill expectations implicit in the bill.

DISCUSSION

DMV regulates automobile dismantlers for purposes related to DMV and broader ODOT business. Dismantlers apply for a certificate to operate in Oregon. The application includes location information, sign-off from the local government indicating the business is legal in the jurisdiction, a certification the grounds are suitably fenced from public view, and a \$10,000 bond protecting against loss from violating the dismantler statutes. The business certificate lasts three years, and DMV is expected to inspect the business once every three years.

The goal of a routine inspection is to determine whether the business is keeping adequate records and demonstrating that vehicles are being acquired and disposed of in accordance with the law, such as not putting salvage cars back on the road. An inspection consists of the following:

- Contact responsible party and explain reason for visit
- Walk through yard documenting vehicle identification number (VIN) for approximately one dozen vehicles
- Return to dismantler's office and ask for corresponding paperwork
- Inspect the paperwork for the vehicles
- Inspect paperwork for random major component parts located at the yard
- Seek verbal clarification from responsible party
- Explain the results of the inspection and answer questions
- Finalize inspection form and, if necessary, begin sanction report

In addition to dismantler work, DMV Compliance Specialists are also responsible for inspecting all Oregon auto dealers, both certified and non-certified, which is the area generating the highest volume of complaints from the public.

Amendments to SB 792 would change the criteria and timeline for issuance or renewal of the DMV certificate, plus the scope of work and responsibility of DMV Compliance Specialists.

Under the amendments, the business certificate would be valid one year rather than three. In addition to current requirements, the applicant would submit a fire response plan and proof of compliance with any permits required by DEQ. The amendments also allow DMV to impose sanctions, including canceling a dismantler's certificate, if its owner is convicted of certain felony environmental crimes.

The amendments require DMV Compliance Specialists, while performing their vehicle and paperwork inspections, to assess whether the dismantler may have violated any environmental laws or permits. These laws include solid waste disposal, all of the Oregon Clean Air Act, and all of the Oregon Clean Water Act. The inspections, like the certificate renewal, are to happen every year. DMV Compliance Specialists have no particular knowledge of environmental laws, and no training or experience in identifying environmental violations.

If the amendment became law, DMV would call upon DEQ to provide training in the appropriate level of detail to be able to identify the potential violations. The current DMV employees do not have any experience or training in recognizing or identifying violations of environmental laws, and would require significant training to be able to do so. The agencies would need to decide the appropriate violation types on which to focus. For example, should DMV staff be trained in the violations that are easiest for minimally trained staff to identify, or on the most egregious environmental risks that perhaps are not easy to identify but have significant impact?

The DMV Compliance Specialists would contact DEQ if they have reason to believe violations of environmental laws or DEQ permits are occurring. DMV would have no authority to sanction the dismantler for violating environment laws (absent a felony conviction).

SUMMARY

DMV currently inspects dismantlers for their compliance with vehicle title paperwork requirements. Amendments to SB 792 add a new body of work to those Compliance Specialists who would be hard-pressed to fulfill the environmental expectations of the legislation.