

House Bill 3324

Sponsored by Representative EVANS

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**.

Establishes Oregon Vehicle Industry Board.

Transfers duties, functions and powers of Department of Transportation related to regulation of vehicle dealers and dismantlers to Oregon Vehicle Industry Board. Becomes operative on January 1, 2022.

Repeals Oregon Dealer Advisory Committee. Becomes operative on January 1, 2024.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the Oregon Vehicle Industry Board; creating new provisions; amending ORS 87.152,
3 184.642, 802.010, 802.200, 810.480, 822.007, 822.009, 822.015, 822.020, 822.022, 822.025, 822.027,
4 822.030, 822.033, 822.035, 822.040, 822.042, 822.043, 822.045, 822.050, 822.055, 822.060, 822.065,
5 822.080, 822.083, 822.084, 822.093, 822.100, 822.110, 822.115, 822.125, 822.130, 822.133, 822.135,
6 822.137, 822.140, 822.145, 822.150, 822.705 and 822.992; repealing ORS 802.370; and declaring an
7 emergency.

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

OREGON VEHICLE INDUSTRY BOARD

10
11
12 **SECTION 1. Oregon Vehicle Industry Board; membership; term; compensation and ex-**
13 **penses.** (1) **The Oregon Vehicle Industry Board is established.**

14 (2) **The Oregon Vehicle Industry Board consists of 13 members appointed by the Gover-**
15 **nor as follows:**

16 (a) **Two individuals who represent franchise dealers of new vehicles;**

17 (b) **Two individuals who represent dealers of used vehicles;**

18 (c) **Two individuals who represent Oregon dismantlers;**

19 (d) **Two individuals who represent the interests of the general public;**

20 (e) **One individual who represents recreational vehicle dealers;**

21 (f) **One individual who represents vehicle dealership office management interests;**

22 (g) **One individual who represents auto auctions;**

23 (h) **One individual who represents dealers of motorcycles, mopeds or all-terrain vehicles;**

24 **and**

25 (i) **One individual, whose interest of representation is determined by the Governor.**

26 (3) **All members of the board must be residents of Oregon.**

27 (4) **The term of office of each member of the board is four years, but a member serves**
28 **at the pleasure of the Governor. Before the expiration of the term of a member, the Gover-**
29 **nor shall appoint a successor whose term begins on July 1 next following. A member is eli-**

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 gible for reappointment. If there is a vacancy for any cause, the Governor shall make an
 2 appointment to become immediately effective for the unexpired term.

3 (5) The appointment of each member of the board is subject to confirmation by the Sen-
 4 ate in the manner prescribed in ORS 171.562 and 171.565.

5 (6) A member of the board is entitled to compensation and expenses as provided in ORS
 6 292.495.

7 **SECTION 2. Initial terms of office.** Notwithstanding the term of office specified by sec-
 8 tion 1 of this 2021 Act, of the members first appointed to the Oregon Vehicle Industry Board:

9 (1) Three shall serve for a term ending July 1, 2022.

10 (2) Three shall serve for a term ending July 1, 2023.

11 (3) Three shall serve for a term ending July 1, 2024.

12 (4) Four shall serve for a term ending July 1, 2025.

13 **SECTION 3. Officers; quorum; meetings.** (1) The Oregon Vehicle Industry Board shall
 14 select one of its members as chairperson and another as vice chairperson, for terms and with
 15 duties and powers necessary for the performance of the functions of the offices as the board
 16 determines.

17 (2) A majority of the members of the board constitutes a quorum for the transaction of
 18 business.

19 (3) The board shall meet at least once a quarter at a time and place determined by the
 20 board. The board shall also meet at such other times and places as are specified by the call
 21 of the chairperson, vice chairperson or a majority of members of the board.

22 **SECTION 4. Director; other employees.** (1) The Oregon Vehicle Industry Board shall ap-
 23 point a director to serve at the pleasure of the Governor. The determination of qualifications
 24 of the director and appointment of the director shall be made by the board after consulting
 25 with the Governor.

26 (2) The director may not be a member of the board.

27 (3) The designation of the director must be by written order, filed with the Secretary of
 28 State.

29 (4) Subject to any applicable provisions of ORS chapter 240, the director shall appoint all
 30 subordinate officers and employees of the board, prescribe their duties and fix their com-
 31 pensation.

32 **SECTION 5. Rulemaking authority; board seal.** (1) In accordance with applicable pro-
 33 visions of ORS chapter 183, the Oregon Vehicle Industry Board may adopt rules necessary
 34 for the administration of the laws that the board is charged with administering.

35 (2) The board may adopt a seal.

36 **SECTION 6. Vehicle Industry Account.** (1) The Vehicle Industry Account is established
 37 in the State Treasury, separate and distinct from the General Fund.

38 (2) The account consists of the following:

39 (a) Fees collected under ORS 822.700 for issuance or renewal of:

40 (A) Dismantler certificates;

41 (B) Vehicle dealer certificates; and

42 (C) Show licenses.

43 (b) Late fees collected under ORS 822.700.

44 (c) Fees collected under ORS 822.705.

45 (d) Moneys from civil penalties imposed under ORS 822.009, 822.100, 822.137 and 822.992.

1 (e) Moneys appropriated to the account by the Legislative Assembly.

2 (f) Moneys from any other source.

3 (3) Moneys in the account are continuously appropriated to the Oregon Vehicle Industry
4 Board to carry out the provisions of sections 1 to 8 of this 2021 Act and the administration
5 of the laws that the board is charged with administering.

6 SECTION 7. Penalties. Violation of any rule adopted under section 5 of this 2021 Act is
7 a Class C misdemeanor.

8 SECTION 8. Vehicle Dealer Records. The Oregon Vehicle Industry Board shall maintain
9 separate records for the regulation of vehicle dealers. The records required under this sec-
10 tion shall include the following information about persons issued vehicle dealer certificates:

11 (1) The person's application for a vehicle dealer certificate.

12 (2) An alphabetical index of the name of each person applying for a vehicle dealer cer-
13 tificate.

14 (3) A numerical index according to the distinctive number assigned to each vehicle
15 dealer.

16
17 **TRANSFER OF FUNCTIONS**

18 (Transfer of Duties, Functions and Powers)

19
20 SECTION 9. The duties, functions and powers of the Department of Transportation re-
21 lated to the regulation of vehicle dealers and dismantlers, including the issuance of certif-
22 icates to vehicle dealers and dismantlers, under the Oregon Vehicle Code are imposed upon,
23 transferred to and vested in the Oregon Vehicle Industry Board.

24
25 (Records and Property)

26
27 SECTION 10. (1) The Director of Transportation shall deliver to the Oregon Vehicle In-
28 dustry Board all records and property within the jurisdiction of the director that relate to
29 the duties, functions and powers transferred by section 9 of this 2021 Act.

30 (2) The Governor shall resolve any dispute between the Department of Transportation
31 and the Oregon Vehicle Industry Board relating to transfers of records and property under
32 this section, and the Governor's decision is final.

33
34 (Unexpended Revenues)

35
36 SECTION 11. (1) The unexpended balances of amounts authorized to be expended by the
37 Department of Transportation for the biennium beginning July 1, 2021, from revenues dedi-
38 cated, continuously appropriated, appropriated or otherwise made available for the purpose
39 of administering and enforcing the duties, functions and powers transferred by section 9 of
40 this 2021 Act are transferred to and are available for expenditure by the Oregon Vehicle In-
41 dustry Board for the biennium beginning July 1, 2021, for the purpose of administering and
42 enforcing the duties, functions and powers transferred by section 9 of this 2021 Act.

43 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
44 expenditures by the Department of Transportation remain applicable to expenditures by the
45 Oregon Vehicle Industry Board under this section.

(Action, Proceeding, Prosecution)

SECTION 12. The transfer of duties, functions and powers to the Oregon Vehicle Industry Board by section 9 of this 2021 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer, except that the Oregon Vehicle Industry Board is substituted for the Department of Transportation in the action, proceeding or prosecution.

(Liability, Duty, Obligation)

SECTION 13. (1) Nothing in sections 1 to 14 of this 2021 Act and the amendments to statutes by sections 16 to 56 of this 2021 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by section 9 of this 2021 Act. The Oregon Vehicle Industry Board may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the Department of Transportation legally incurred under contracts, leases and business transactions executed, entered into or begun before the operative date of section 9 of this 2021 Act are transferred to the Oregon Vehicle Industry Board. For the purpose of succession to these rights and obligations, the Oregon Vehicle Industry Board is a continuation of the Department of Transportation and not a new authority.

(Rules)

SECTION 14. Notwithstanding the transfer of duties, functions and powers by section 9 of this 2021 Act, the rules of the Department of Transportation in effect on the operative date of section 9 of this 2021 Act continue in effect until superseded or repealed by rules of the Oregon Vehicle Industry Board. References in rules of the Department of Transportation to the Department of Transportation or an officer or employee of the Department of Transportation are considered to be references to the Oregon Vehicle Industry Board or an officer or employee of the Oregon Vehicle Industry Board.

AMENDMENTS TO STATUTES

SECTION 15. ORS 87.152 is amended to read:

87.152. (1) Except as provided in subsections (2) and (3) of this section, a person that makes, alters, repairs, transports, stores, pastures, cares for, provides services for, supplies materials for or performs labor on a chattel at the request of the owner or lawful possessor of the chattel has a lien on the chattel in the possession of the person for the reasonable or agreed charges for labor, materials or services of the person, and the person may retain possession of the chattel until the charges are paid.

(2)(a) Except as provided in subsection (3) of this section, a person may not create, attach, assert or claim a possessory lien on a motor vehicle, as defined in ORS 801.360, unless the person performs a service that complies with ORS 646A.480 to 646A.495 and that involves making, altering, repairing, transporting, storing, providing services for, supplying material for or performing labor in con-

1 nection with the motor vehicle and the person:

2 (A) Is a franchised motor vehicle dealership, as defined in ORS 650.120 (5);

3 (B) Holds a towing business certificate that the Department of Transportation issued under ORS
4 822.205, provided that the person creates, attaches, asserts or claims a possessory lien only for
5 transporting or storing the motor vehicle; or

6 (C) Creates, attaches, asserts or claims the lien against an abandoned motor vehicle.

7 (b) A person, other than a person that is described in paragraph (a)(A), (B) or (C) of this sub-
8 section, shall have in effect before making, altering, repairing, transporting, storing, performing
9 services for, supplying materials for or performing labor in connection with a motor vehicle a valid
10 surety bond in an amount not less than \$20,000.

11 (3)(a) As used in this subsection:

12 (A) "Auction company" means an entity:

13 (i) That operates throughout the United States;

14 (ii) That holds a vehicle dealer certificate that the [*Department of Transportation*] **Oregon Ve-**
15 **hicle Industry Board** issued or renewed under ORS 822.020 or 822.040, or a dismantler certificate
16 that the [*department*] **board** issued or renewed under ORS 822.110 or 822.125; and

17 (iii) The primary activity of which, in this state, consists of disposing of totaled motor vehicles.

18 (B) "Motor vehicle" has the meaning given that term in ORS 801.360.

19 (b) An auction company has a lien on a motor vehicle that the auction company possesses and
20 stored on premises the auction company owns or controls. The auction company may title the motor
21 vehicle in the name of:

22 (A) The auction company, if the motor vehicle has remained unclaimed on the auction company's
23 premises for more than 30 days;

24 (B) The insurance company that directed the auction company to take possession of the motor
25 vehicle; or

26 (C) An organization with an exemption from taxation under section 501(c)(3) of the Internal
27 Revenue Code that directed the auction company to take possession of the motor vehicle.

28 (c) ORS 87.166 and 87.172 to 87.212 do not apply to chattel that is subject to this subsection.

29 (4)(a) The owner of a motor vehicle may bring an action to recover from a person that refuses,
30 at the owner's demand and without a valid possessory lien created and attached as provided in
31 subsection (2) or (3) of this section, to release the owner's motor vehicle or restore to the owner title
32 to the owner's motor vehicle if the person changed the title:

33 (A) The greater of \$2,000 or an amount equivalent to twice the value of the motor vehicle, up
34 to a maximum amount of \$20,000; and

35 (B) The owner's reasonable costs and attorney fees.

36 (b) In addition to the recovery described in paragraph (a) of this subsection, the owner may
37 obtain:

38 (A) A judgment that:

39 (i) Directs the Department of Transportation to restore title to the motor vehicle to the owner
40 and to invalidate the title the person obtained; or

41 (ii) Extinguishes the person's interest in the motor vehicle and directs the department to issue
42 title in the name of the plaintiff in the action;

43 (B) A judgment that declares that the person's lien is invalid if the person obtained title to the
44 motor vehicle without complying with this section; and

45 (C) Reimbursement for any fees the owner pays to the department to reissue the title.

SECTION 16. ORS 184.642 is amended to read:

184.642. (1) The Department of Transportation Operating Fund is established in the State Treasury separate and distinct from the General Fund and separate and distinct from the State Highway Fund. Except as otherwise provided in subsection [(3)(e)] **(3)(d)** of this section, moneys in the Department of Transportation Operating Fund are continuously appropriated to the Department of Transportation to pay expenses of the department that are incurred in the performance of functions the department is statutorily required or authorized to perform and that may not constitutionally be paid from revenues described in section 3a, Article IX of the Oregon Constitution.

(2) The operating fund shall consist of the following:

(a) Taxes paid on motor vehicle fuels or on the use of fuel in a motor vehicle for which a person is entitled to a refund under a provision described in this paragraph but for which no refund is claimed, in amounts determined under ORS 184.643. This paragraph applies to refund entitlements described in ORS 319.280 (1)(a) and (e), 319.320 (1)(a) and 319.831 (1)(b).

(b) Fees collected under ORS 822.700 for issuance or renewal of:

[(A) *Dismantler certificates;*]

[(B) *Vehicle dealer certificates;*]

[(C) *Show licenses;*]

[(D)] **(A)** Vehicle transporter certificates;

[(E)] **(B)** Driver training instructor certificates;

[(F)] **(C)** Commercial driver training school certificates; and

[(G)] **(D)** Vehicle appraiser certificates.

[(c) *Late fees collected under ORS 822.700.*]

[(d) *Fees collected under ORS 822.705.*]

[(e)] **(c)** Moneys from civil penalties imposed under ORS 822.009 **(2)**.

[(f)] **(d)** Fees collected under ORS 807.410 for identification cards.

[(g)] **(e)** Fees collected by the department for issuance of permits to engage in activities described in ORS 374.302 to 374.334 that are not directly connected to the construction, reconstruction, improvement, repair, maintenance, operation and use of a public highway, road, street or roadside rest area.

[(h)] **(f)** Fees collected under ORS 835.017 for services provided to the Oregon Department of Aviation.

[(i)] **(g)** Interest and other earnings on moneys in the operating fund.

(3) Moneys in the Department of Transportation Operating Fund established by subsections (1) and (2) of this section may be spent only as follows:

(a) Taxes described in subsection (2)(a) of this section may be used only for payment of expenses of the Department of Transportation that:

(A) May not constitutionally be paid from revenues described in section 3a, Article IX of the Oregon Constitution;

(B) Are incurred in the performance of functions the department is statutorily required or authorized to perform; and

(C) Are not payable from moneys described in paragraphs (b) to [(e)] **(d)** of this subsection.

(b) Fees collected under subsection (2)(b) of this section may be used only to carry out the regulatory functions of the department relating to the businesses that generate the fees.

[(c) *Fees collected under ORS 822.705 may be used only for the purposes described in ORS 822.705.*]

1 [(d)] (c) Moneys collected from civil penalties imposed under ORS 822.009 (2) may be used only
2 for regulation of vehicle dealers.

3 [(e)] (d) Moneys collected under ORS 807.410 from fees for identification cards shall be used first
4 to pay the expenses of the department for performing the functions of the department relating to
5 identification cards. After paying the expenses related to identification cards, the department shall
6 transfer the remaining moneys collected under ORS 807.410 to the Elderly and Disabled Special
7 Transportation Fund established in ORS 391.800.

8 [(f)] (e) Moneys from the permits described in subsection [(2)(g)] (2)(e) of this section may be
9 used for costs of issuing the permits and monitoring the activities that generate the fees.

10 [(g)] (f) Moneys from interest and other earnings on moneys in the operating fund may be used
11 for any purpose for which other moneys in the fund may be used.

12 **SECTION 17.** ORS 184.642, as amended by section 9, chapter 15, Oregon Laws 2020 (first special
13 session), is amended to read:

14 184.642. (1) The Department of Transportation Operating Fund is established in the State
15 Treasury separate and distinct from the General Fund and separate and distinct from the State
16 Highway Fund. Except as otherwise provided in subsection [(3)(e)] (3)(d) of this section, moneys in
17 the Department of Transportation Operating Fund are continuously appropriated to the Department
18 of Transportation to pay expenses of the department that are incurred in the performance of func-
19 tions the department is statutorily required or authorized to perform and that may not constitu-
20 tionally be paid from revenues described in section 3a, Article IX of the Oregon Constitution.

21 (2) The operating fund shall consist of the following:

22 (a) Taxes paid on motor vehicle fuels or on the use of fuel in a motor vehicle for which a person
23 is entitled to a refund under a provision described in this paragraph but for which no refund is
24 claimed, in amounts determined under ORS 184.643. This paragraph applies to refund entitlements
25 described in ORS 319.280 (1)(a) and (e), 319.320 (1)(a) and 319.831 (1)(b).

26 (b) Fees collected under ORS 822.700 for issuance or renewal of:

27 [(A) *Dismantler certificates;*]

28 [(B) *Vehicle dealer certificates;*]

29 [(C) *Show licenses;*]

30 [(D)] (A) Vehicle transporter certificates;

31 [(E)] (B) Driver training instructor certificates;

32 [(F)] (C) Commercial driver training school certificates; and

33 [(G)] (D) Vehicle appraiser certificates.

34 [(c) *Late fees collected under ORS 822.700.*]

35 [(d) *Fees collected under ORS 822.705.*]

36 [(e)] (c) Moneys from civil penalties imposed under ORS 822.009 (2).

37 [(f)] (d) Fees collected under ORS 807.410 for identification cards.

38 [(g)] (e) Fees collected by the department for issuance of permits to engage in activities de-
39 scribed in ORS 374.302 to 374.334 that are not directly connected to the construction, recon-
40 struction, improvement, repair, maintenance, operation and use of a public highway, road, street or
41 roadside rest area.

42 [(h)] (f) Fees collected under ORS 835.017 for services provided to the Oregon Department of
43 Aviation.

44 [(i)] (g) Interest and other earnings on moneys in the operating fund.

45 (3) Moneys in the Department of Transportation Operating Fund established by subsections (1)

1 and (2) of this section may be spent only as follows:

2 (a) Taxes described in subsection (2)(a) of this section may be used only for payment of expenses
 3 of the Department of Transportation that:

4 (A) May not constitutionally be paid from revenues described in section 3a, Article IX of the
 5 Oregon Constitution;

6 (B) Are incurred in the performance of functions the department is statutorily required or au-
 7 thorized to perform; and

8 (C) Are not payable from moneys described in paragraphs (b) to [(e)] (d) of this subsection.

9 (b) Fees collected under subsection (2)(b) of this section may be used only to carry out the reg-
 10 ulatory functions of the department relating to the businesses that generate the fees.

11 [(c) Fees collected under ORS 822.705 may be used only for the purposes described in ORS
 12 822.705.]

13 [(d)] (c) Moneys collected from civil penalties imposed under ORS 822.009 (2) may be used only
 14 for regulation of vehicle dealers.

15 [(e)] (d) Moneys collected under ORS 807.410 from fees for identification cards shall be used first
 16 to pay the expenses of the department for performing the functions of the department relating to
 17 identification cards. After paying the expenses related to identification cards, the department shall
 18 transfer the remaining moneys collected under ORS 807.410 to the Statewide Transportation Im-
 19 provement Fund established in ORS 184.751.

20 [(f)] (e) Moneys from the permits described in subsection [(2)(g)] (2)(e) of this section may be
 21 used for costs of issuing the permits and monitoring the activities that generate the fees.

22 [(g)] (f) Moneys from interest and other earnings on moneys in the operating fund may be used
 23 for any purpose for which other moneys in the fund may be used.

24 **SECTION 18.** ORS 802.010 is amended to read:

25 802.010. (1) The Department of Transportation shall perform all of the duties, functions and
 26 powers with respect to the following:

27 (a) The administration of the laws relating to the motor vehicle fuel license tax, aircraft fuel
 28 license tax and use fuel license tax including ORS chapter 319.

29 (b) The administration of the laws relating to motor vehicle registration and titling [*and the is-*
 30 *suance of certificates to vehicle dealers and dismantlers*] including but not limited to the adminis-
 31 tration of the vehicle code.

32 (c) The administration of the laws relating to driving privileges granted under licenses and
 33 permits and under the vehicle code.

34 (d) The administration of the laws relating to operation of vehicles on highways and of vehicle
 35 size, weight and use limits under the vehicle code.

36 (e) The administration of ORS 820.130 and 820.140.

37 (f) The administration of the provisions relating to proof of compliance with financial responsi-
 38 bility requirements and future responsibility filings.

39 (2) The Director of Transportation shall act as a reciprocity officer for the purposes of ORS
 40 802.500 and 802.520.

41 (3) The director shall have the authority to execute or make such arrangements, agreements or
 42 declarations to carry out the provisions of ORS 802.500 and 802.520. The director shall receive no
 43 additional compensation for service performed under this subsection but shall be allowed actual and
 44 necessary expenses incurred in the performance of the duties to be paid from the account of the
 45 department.

1 **SECTION 19.** ORS 802.200, as amended by section 16, chapter 701, Oregon Laws 2019, is
2 amended to read:

3 802.200. In addition to any other records the Department of Transportation may establish, the
4 department is subject to the following provisions concerning records:

5 (1) The department shall maintain records concerning the titling of vehicles in this state. The
6 records under this subsection shall include the following:

7 (a) For vehicles issued a title by this state, the records shall identify the vehicle and contain
8 the following:

9 (A) The name of the vehicle owner and any security interest holders in order of priority, except
10 that a security interest holder need not be identified if the debtor who granted the interest is in the
11 business of selling vehicles and the vehicles constitute inventory held for sale;

12 (B) The name of any lessor of the vehicle;

13 (C) The vehicle description; and

14 (D) Whether a certificate of title was issued for the vehicle.

15 (b) If the vehicle is an antique vehicle that is reconstructed, the records shall indicate that the
16 vehicle is reconstructed.

17 (c) If the vehicle is a replica, the records shall indicate that the vehicle is a replica.

18 (d) Any other information concerning the titling of vehicles that the department considers con-
19 venient or appropriate.

20 (e) All odometer disclosures and readings for a vehicle that are reported to the department un-
21 der provisions of the vehicle code. The department shall keep the most recent version of records
22 required under this paragraph in electronic form.

23 (f) If the vehicle has been reported to the department as a totaled vehicle under the provisions
24 of ORS 819.012 or 819.014, the records shall indicate that the vehicle is a totaled vehicle unless the
25 reason for the report was theft and the vehicle has been recovered.

26 (2) If a vehicle that has been registered or titled in another jurisdiction is registered or titled
27 in this state, the department shall retain a record of any odometer readings shown on the title or
28 registration documents submitted to the department at the time of registration or title.

29 (3) Except as otherwise provided in ORS 826.003, the department shall maintain records con-
30 cerning the registration of vehicles required to be registered by the department. The records con-
31 cerning the registration of vehicles may be stored along with records concerning the titling of
32 vehicles. The records under this subsection shall include the following:

33 (a) For vehicles registered by the department, the records shall identify the vehicle and contain
34 the following:

35 (A) The registration plate number assigned by the department to the vehicle;

36 (B) The name of the vehicle owner;

37 (C) The vehicle description and vehicle identification number; and

38 (D) An indication that the vehicle is a totaled vehicle if it has been reported to the department
39 as a totaled vehicle under the provisions of ORS 819.012 or 819.014, unless the reason for the report
40 was theft and the vehicle has been recovered.

41 (b) Any other information concerning the registration of vehicles that the department considers
42 convenient or appropriate.

43 *[(4) The department shall maintain separate records for the regulation of vehicle dealers. The re-
44 cords required under this subsection shall include the following information about persons issued
45 dealer certificates:]*

1 *[(a) The person's application for a vehicle dealer certificate.]*

2 *[(b) An alphabetical index of the name of each person applying for a vehicle dealer certificate.]*

3 *[(c) A numerical index according to the distinctive number assigned to each vehicle dealer.]*

4 **[(5)] (4)** The department shall maintain a file on vehicles for which the title record is canceled
 5 under ORS 819.030. The records required under this subsection shall disclose the last registered
 6 owner of each vehicle, any security interest holder or holders and lessors of each vehicle as shown
 7 by the canceled title record for each vehicle and the make and year model for each vehicle.

8 **[(6)] (5)** The department shall maintain a record of each agreement or declaration under ORS
 9 802.500 and 802.520.

10 **[(7)] (6)** The department shall maintain separate and comprehensive records of all transactions
 11 affecting the Revolving Account for Emergency Cash Advances described under ORS 802.100.

12 **[(8)] (7)** The department shall maintain suitable records of driver licenses, driver permits and
 13 identification cards. The records required under this subsection shall include all of the following:

14 (a) An index by name and number.

15 (b) Supporting documentation of all driver licenses, driver permits or identification cards issued.

16 (c) Every application for a driver license, driver permit or identification card.

17 (d) All driver licenses or driver permits that have been suspended, revoked or canceled.

18 (e)(A) For each driver license, driver permit or identification card, the Social Security number
 19 of the person to whom the driver license, driver permit or identification card is issued or the written
 20 statement that the person has not been assigned a Social Security number.

21 (B) As used in this paragraph, a "driver license," "driver permit" or "identification card" means
 22 a driver license, driver permit or identification card that is not a:

23 (i) Real ID;

24 (ii) Commercial driver license; or

25 (iii) Commercial learner driver permit.

26 (f) For each commercial driver license and commercial learner driver permit, the Social Security
 27 number of the person to whom the license or permit is issued, or any other number or identifying
 28 information that the Secretary of the United States Department of Transportation determines ap-
 29 propriate to identify the person.

30 (g) For each Real ID, the Social Security number of the person to whom the Real ID is issued,
 31 or proof that the person is not eligible for a Social Security number.

32 **[(9)] (8)** The Department of Transportation shall maintain a two-part driving record consisting
 33 of an employment driving record and a nonemployment driving record for each person as required
 34 under this subsection. All of the following apply to the records required under this subsection:

35 (a) The department shall maintain driving records on each person the department determines
 36 requires an Oregon driving record to comply with federal regulations or provisions of the vehicle
 37 code. The department shall establish rules for maintaining driving records under this subsection.

38 (b) In addition to other information required by this paragraph, the employment driving record
 39 shall include all reports of drug test results that are made to the department under ORS 825.410 or
 40 825.415. Notwithstanding any other provision of law, release of the portion of the employment driv-
 41 ing record that shows drug test results reported under ORS 825.410 or 825.415 is permitted only in
 42 accordance with ORS 802.202. The employment driving record shall also include all motor vehicle
 43 accidents that the person is required to report under ORS 811.720, all suspensions of driving privi-
 44 leges required to be placed on the record under ORS 809.280, all suspensions of the person's com-
 45 mercial driving privileges that result from operation or use of a commercial motor vehicle and all

1 convictions, as determined by the department by rule, of the person for violation of motor vehicle
2 laws except convictions for offenses requiring mandatory revocation or suspension of driving privi-
3 leges under ORS 809.409, 809.411, 809.510 to 809.545 and 813.400, but shall include only such acci-
4 dents, suspensions and convictions that occur while the person is driving a motor vehicle:

5 (A) In the course of the person's employment when the person is employed by another for the
6 principal purpose of driving a motor vehicle;

7 (B) Carrying persons or property for compensation;

8 (C) In the course of the person's employment in the collection, transportation or delivery of mail
9 if the vehicle is government owned or marked for the collection, transportation or delivery of mail
10 in accordance with government rules;

11 (D) That is an authorized emergency vehicle;

12 (E) That is a commercial motor vehicle; or

13 (F) In the course of the person's employment with a federal, state or local government in a
14 public works project involving repair or maintenance of water, sewer or road systems.

15 (c) The nonemployment driving record shall include the person's:

16 (A) Motor vehicle accidents that the person is required to report under ORS 811.720, other than
17 the motor vehicle accidents that are included on the person's employment driving record;

18 (B) Suspensions, cancellations and revocations of licenses, permits and driving privileges;

19 (C) Judgments and convictions, as determined by the department by rule, for violation of the
20 motor vehicle laws including, for each violation of ORS 811.100 or 811.111, the speed at which the
21 person was convicted of traveling and the posted speed, the speed limit or the speed that constitutes
22 prima facie evidence of violation of the basic speed rule, as appropriate; and

23 (D) Diversion agreements entered into under ORS 813.220 within the preceding 15 years.

24 (d) The department may record other entries to indicate correspondence, interviews, partic-
25 ipation in driver improvement programs or other matters concerning the status of the driving priv-
26 ileges of the person.

27 (e) When a person is issued a driver license or driver permit by this state, the department may
28 request a copy of driving records that exist for the person in any other jurisdiction. The department
29 shall adopt rules specifying when the department may request driving records from other jurisdic-
30 tions and may apply entries from out-of-state records for use in Oregon.

31 (f) When a suspension of a driver permit, driver license or other driving privilege is placed on
32 the driving record under ORS 809.280 for failure to appear in court on a traffic crime, the depart-
33 ment shall note on the record that the suspension was for failure to appear in court and shall also
34 note the offense charged against the person on which the person failed to appear.

35 (g) The Department of Transportation, in consultation with the Department of State Police, shall
36 devise and implement a method of noting suspensions and revocations of driving privileges on the
37 record in such a way that police agencies can determine directly from the record what class of of-
38 fense, as provided by law, is committed by a person who drives in violation of the suspension or
39 revocation. If the Department of Transportation and the Department of State Police devise a mutu-
40 ally agreeable alternative method of informing police agencies of the nature of a suspension or re-
41 vocation and the consequences of its violation, the implementation of that method shall satisfy the
42 duty of the Department of Transportation under this paragraph.

43 [(10)] (9) The department shall maintain accident reports filed with the department under ORS
44 810.460 and 811.725 to 811.735.

45 [(11)] (10) The department shall maintain records of bank checks or money orders returned un-

1 der ORS 802.110.

2 [(12)] (11) The department shall maintain records of trip permits issued by the department under
 3 ORS 803.600, as provided under this subsection. The records required by this subsection shall in-
 4 clude the following:

5 (a) A description of the vehicle sufficient to identify the vehicle.

6 (b) The person to whom the permit was issued.

7 (c) When the permit was issued.

8 (d) The type of permit issued.

9 (e) For registration weight trip permits, the maximum allowable registration weight permitted
 10 for operation under the permit.

11 (f) Any other information the department determines appropriate or convenient.

12 **SECTION 20.** ORS 810.480 is amended to read:

13 810.480. (1) A police officer, during normal business hours, may inspect the records a vehicle
 14 dealer is required to keep under ORS 822.045 and vehicles included in the inventory or located on
 15 the premises of a dealer issued a certificate under ORS 822.020. The inspections shall be limited in
 16 scope to that necessary to determine compliance with the regulation of dealers under the vehicle
 17 code and with vehicle title and registration provisions under the vehicle code and for the purposes
 18 of identifying stolen vehicles.

19 (2) A police officer, at any time, may inspect the books, records and inventory of and premises
 20 used by any business issued a certificate under ORS 822.110 for the purpose of determining whether
 21 the provisions relating to the regulation of dismantlers, rules adopted by the [*Department of Trans-*
 22 *portation*] **Oregon Vehicle Industry Board** relating to the regulation of dismantlers and laws re-
 23 lating to licensing, titling and wrecking of vehicles are being complied with. Every business issued
 24 a certificate under ORS 822.110 shall be inspected not less than two times each year.

25 **SECTION 21.** ORS 822.007 is amended to read:

26 822.007. (1) In addition to any other remedies provided by law, the [*Department of*
 27 *Transportation*] **Oregon Vehicle Industry Board** may petition the circuit court to enjoin a person
 28 from acting as a vehicle dealer in violation of the Oregon Vehicle Code or any rule adopted by the
 29 [*department*] **board**.

30 (2) A single act in violation of the provisions of the Oregon Vehicle Code or of any rules
 31 adopted by the [*department*] **board** relating to vehicle dealers shall be sufficient ground for the court
 32 to issue the injunction.

33 (3) In addition to issuing an injunction, the court may assess a penalty not to exceed \$15,000 if
 34 the [*department*] **board** proves by a preponderance of the evidence that a person is acting as a ve-
 35 hicle dealer without possessing a vehicle dealer certificate. The court shall also award reasonable
 36 costs and disbursements, attorney and enforcement fees.

37 **SECTION 22.** ORS 822.009 is amended to read:

38 822.009. (1) The [*Department of Transportation*] **Oregon Vehicle Industry Board** may levy and
 39 collect a civil penalty, in an amount not to exceed \$1,000 for each violation, against any person who
 40 has a vehicle dealer certificate if it finds that the dealer has violated any provisions of the Oregon
 41 Vehicle Code or of any rules adopted by the [*department*] **board** relating to the regulation of vehicle
 42 dealers designated to act as agents of the [*department,*] **board and** the sale of vehicles[, *vehicle titl-*
 43 *ing or vehicle registration*].

44 (2) **The Department of Transportation may levy and collect a civil penalty, in an amount**
 45 **not to exceed \$1,000 for each violation, against any person who has a vehicle dealer certif-**

1 **icate if it finds that the dealer has violated any provisions of the Oregon Vehicle Code or of**
 2 **any rules adopted by the department relating to the regulation of vehicle dealers designated**
 3 **to act as agents of the department, vehicle titling or vehicle registration.**

4 [(2)] (3) The [department] board may levy and collect a civil penalty, in an amount not to exceed
 5 \$5,000 for each vehicle improperly sold, brokered, exchanged or offered or displayed for sale, against
 6 any person if it finds that the person is in violation of:

7 (a) ORS 822.005 (1); or

8 (b) Any rules adopted by the [department] board relating to the sale of vehicles and the person
 9 is not subject to subsection (1) of this section.

10 **SECTION 23.** ORS 822.015 is amended to read:

11 822.015. (1) In addition to any exemptions from the vehicle code under ORS 801.026, ORS 822.005
 12 does not apply to the following vehicles or persons:

13 (a) Road rollers, farm tractors, farm trailers, trolleys, implements of husbandry, emergency ve-
 14 hicles, well-drilling machinery and boat or utility trailers with a gross weight of 1,800 pounds or
 15 less.

16 (b) The owner of a vehicle as shown by the vehicle title issued by any jurisdiction if the person
 17 owned the vehicle primarily for personal, family or household purposes. If the person has sold,
 18 traded, displayed or offered for sale, trade or exchange more than five vehicles in one calendar year,
 19 the person shall have the burden of proving that the person owned the vehicles primarily for per-
 20 sonal, family or household purposes or for other purposes that the [Department of Transportation]
 21 **Oregon Vehicle Industry Board**, by rule, defines as constituting an exemption under this section.

22 (c) A receiver, trustee, personal representative or public officer while performing any official
 23 duties.

24 (d) The lessor or security interest holder of a vehicle as shown by the vehicle title issued by
 25 any jurisdiction.

26 (e) Except as otherwise provided in this paragraph, a manufacturer who sells vehicles the man-
 27 ufacturer has manufactured in Oregon. Nothing in this paragraph prevents any manufacturer from
 28 obtaining a vehicle dealer certificate under ORS 822.020. This paragraph does not exempt a man-
 29 ufacturer who sells or trades campers or travel trailers.

30 (f) An insurance adjuster authorized to do business under ORS 744.515 or 744.521 who is dis-
 31 posing of vehicles for salvage.

32 (g) Except as otherwise provided in this paragraph, a person who sells or trades or offers to sell
 33 or trade a vehicle that has been used in the operation of the person's business. This paragraph does
 34 not exempt a person who is in the business of selling, trading, displaying, rebuilding, renting or
 35 leasing vehicles from any requirement to obtain a certificate for dealing in those vehicles.

36 (h) A person who receives no money, goods or services, either directly or indirectly, for dis-
 37 playing a vehicle or acting as an agent in the buying or selling of a vehicle.

38 (i) A person who collects, purchases, acquires, trades or disposes of vehicles and vehicle parts
 39 for the person's own use in order to preserve, restore and maintain vehicles for the person's own
 40 use or for hobby or historical purposes.

41 (j) A manufactured structure dealer subject to the licensing requirement of ORS 446.671 or a
 42 person exempt from licensing under ORS 446.676 when selling a vehicle, trailer or semitrailer ac-
 43 cepted in trade as part of a manufactured structure transaction. A manufactured structure dealer-
 44 ship or exempt person may not directly sell more than three vehicles per calendar year under
 45 authority of this paragraph, but by consignment with a dealer certified under ORS 822.020 or 822.040

1 may sell an unlimited number of vehicles acquired as described in this paragraph.

2 (k) A lien claimant who sells vehicles in order to foreclose possessory liens.

3 (L) A lien claimant who, in a 12-month period, sells 12 or fewer vehicles that the lien claimant
4 acquired through possessory liens if the vehicles are sold at the business location of the lien
5 claimant.

6 (m) Electric personal assistive mobility devices.

7 (n) A tower that received title for a vehicle under ORS 822.235.

8 (2) Notwithstanding ORS 822.005, the following may participate with other dealers in a display
9 of vehicles, including but not limited to an auto show, if the display is an event that lasts for 10 days
10 or less and is an event for which the public is charged admission:

11 (a) A person who is licensed as a vehicle dealer in another jurisdiction; or

12 (b) Any employee of a person who is licensed as a vehicle dealer in another jurisdiction.

13 (3) Notwithstanding ORS 822.005, a person who is licensed as a vehicle dealer in another juris-
14 diction or an employee of a person who is certified or licensed as a vehicle dealer may participate
15 in a vehicle auction if the vehicle auction is:

16 (a) Conducted by a vehicle dealer who holds a vehicle dealer certificate issued or renewed under
17 ORS 822.020 or 822.040; and

18 (b) Open only to certified or licensed vehicle dealers or their employees.

19 (4) The [department] **board** shall adopt rules to carry out the provisions of this section, including
20 but not limited to specifying which dealers may take vehicles on consignment from other jurisdic-
21 tions.

22 **SECTION 24.** ORS 822.020 is amended to read:

23 822.020. Except as provided in ORS 822.022 and 822.035 (8), the [Department of Transportation]
24 **Oregon Vehicle Industry Board** shall issue a vehicle dealer certificate to any person if the person
25 meets all of the following requirements:

26 (1) The person must complete the application for a dealer certificate described under ORS
27 822.025.

28 (2) The person must deliver to the [department] **board** a bond or letter of credit that meets the
29 requirements under ORS 822.030.

30 (3) The person must deliver to the [department] **board** a certificate of insurance that meets the
31 requirements established by ORS 822.033.

32 (4) The person must pay the fee required under ORS 822.700 for issuance of a vehicle dealer
33 certificate.

34 (5) The person must certify completion of the precertification education and test requirements
35 of ORS 822.027 (1)(a) if the person is a dealer subject to the education and test requirements.

36 **SECTION 25.** ORS 822.022 is amended to read:

37 822.022. The [Department of Transportation] **Oregon Vehicle Industry Board** may not issue a
38 vehicle dealer certificate authorizing a person to deal exclusively in motorcycles, mopeds, Class I
39 all-terrain vehicles or snowmobiles or any combination of those vehicles.

40 **SECTION 26.** ORS 822.025 is amended to read:

41 822.025. An application for a vehicle dealer certificate issued by the [Department of Transporta-
42 tion] **Oregon Vehicle Industry Board** under ORS 822.020 shall be in a form prescribed by the [de-
43 partment] **board** and shall contain all of the following:

44 (1) The names and residence addresses of the persons applying, as follows:

45 (a) If the applicant is a firm or partnership, the name of the firm or partnership with the names

1 and residence addresses of all members thereof.

2 (b) If the applicant is a corporation, the name of the corporation with the names of the principal
3 officers and their residence addresses and the name of the state under whose laws the corporation
4 is organized.

5 (2) The name under which the business will be conducted.

6 (3) The street address, including city and county in Oregon, where the business will be con-
7 ducted.

8 (4) Whether or not used vehicles are handled.

9 (5) A certificate from the applicant showing that the applicant will act as a vehicle dealer and
10 will conduct business at the location given on the application.

11 (6) A certificate signed by a person authorized by the local governing body to do so, stating that
12 the location of the business as given in the application for a certificate complies with any land use
13 ordinances or business regulatory ordinances of the city or county. The provisions of this subsection
14 do not apply to renewal of a vehicle dealer certificate under ORS 822.040 unless the location of the
15 business is being changed at the time of renewal.

16 (7) Any information required by the Department **of Transportation** to efficiently administer the
17 registration of vehicles [*and regulation of*].

18 **(8) Any information required by the board to regulate** dealers or other relevant information
19 required by the department **or board**.

20 [(8)] **(9)** If the applicant is a dealer subject to the education and test requirements under ORS
21 822.027 (1)(a), a certificate from the provider of each precertification education program listing the
22 courses that the applicant has completed and the tests that the applicant has passed in the precer-
23 tification education program.

24 [(9)] **(10)** If the applicant will offer new recreational vehicles for sale, a certificate from the
25 applicant stating that the applicant will maintain a recreational vehicle service facility at the street
26 address provided by the applicant pursuant to subsection (3) of this section.

27 **SECTION 27.** ORS 822.027 is amended to read:

28 822.027. (1) Except as provided in subsections (2) and (3) of this section, the following education
29 requirements apply to an applicant for a vehicle dealer certificate under ORS 822.020 or 822.040:

30 (a) An applicant for a vehicle dealer certificate under ORS 822.020 must complete a minimum
31 of eight hours of courses in any approved precertification education program described in subsection
32 (4) of this section and pass the tests required under paragraph (c) of this subsection within one year
33 prior to submitting an application for the certificate;

34 (b) An applicant for a renewal certificate under ORS 822.040 must, for each year of a certifica-
35 tion period, complete a minimum of four hours of courses in any approved continuing education
36 program described in subsection (4) of this section and pass the tests required under paragraph (c)
37 of this subsection prior to submitting an application for the renewal certificate. An applicant may
38 not repeat a course in an approved continuing education program for which the applicant previously
39 obtained credit within the same certification period; and

40 (c) For each course hour required under paragraphs (a) and (b) of this subsection, the provider
41 shall administer a test and the applicant must pass each test with a score of at least 70 percent in
42 order to receive credit for the course hour. Each test must contain at least 10 questions.

43 (2) The precertification education requirements in subsection (1)(a) of this section do not apply
44 to an applicant for a vehicle dealer certificate under ORS 822.020 or 822.040 if, at the time of ap-
45 plication, the applicant holds another certificate issued under ORS 822.020 or 822.040.

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

3 (a) A dealer having a franchise in this state for nationally advertised and recognized motor ve-
 4 hicles;

5 (b) A dealer having a franchise in this state for new recreational vehicles;

6 (c) A motor vehicle rental company having a national franchise under the ownership of a cor-
 7 poration that operates throughout the United States; or

8 (d) A national auction company that holds a vehicle dealer certificate and a dismantler certif-
 9 icate whose primary activity in this state is the sale or disposition of totaled vehicles.

10 (4) Precertification and continuing education programs and the tests required in subsection (1)
 11 of this section may be developed by any motor vehicle industry organization including, but not lim-
 12 ited to, the Oregon Independent Auto Dealers Association. Each education program shall be sub-
 13 mitted to the [*advisory committee established under ORS 802.370*] **Oregon Vehicle Industry Board**
 14 for approval every two years. The [*committee*] **board** shall vote to approve or deny approval of each
 15 program. A program that is approved must cover state and federal law in at least the following
 16 areas:

17 (a) Motor vehicle advertising;

18 (b) Odometer laws and regulations;

19 (c) Vehicle licensing and registration;

20 (d) Unlawful dealer activities;

21 (e) Environmental rules and regulations;

22 (f) Oregon and industry standard motor vehicle forms;

23 (g) Truthful lending practices;

24 (h) Motor vehicle financing;

25 (i) Service and warranty contracts; and

26 (j) Land use regulations governing motor vehicle dealers.

27 (5) Precertification and continuing education programs required in subsection (1) of this section
 28 may be provided by accredited educational institutions, private vocational schools, correspondence
 29 schools or trade associations if the education programs have been approved by the [*advisory com-*
 30 *mittee established under ORS 802.370*] **board** as required in subsection (4) of this section.

31 (6) The approval of an education program under subsection (4) of this section expires two years
 32 from the date of the approval.

33 **SECTION 28.** ORS 822.030 is amended to read:

34 822.030. (1) A bond or letter of credit required to qualify for a vehicle dealer certificate under
 35 ORS 822.020 or to qualify for renewal of a certificate under ORS 822.040 must comply with all of the
 36 following:

37 (a) The bond shall have a corporate surety licensed to do business within this state. A letter
 38 of credit shall be an irrevocable letter of credit issued by an insured institution, as defined in ORS
 39 706.008. The surety or institution shall notify the [*Department of Transportation*] **Oregon Vehicle**
 40 **Industry Board** if the bond or letter of credit is canceled for any reason. The surety or institution
 41 shall continue to be liable under the bond or letter of credit until the [*department*] **board** receives
 42 the notice required by this paragraph, or until the cancellation date specified in the notice, which-
 43 ever is later.

44 (b) The bond or letter of credit shall be executed to the State of Oregon.

45 (c) Except as otherwise provided in this paragraph, the bond or letter of credit shall be in the

1 following sum:

2 (A) If the person holds a certificate to be a dealer exclusively in motorcycles, mopeds, Class I
 3 all-terrain vehicles or snowmobiles or any combination of those vehicles, the bond or letter of credit
 4 shall be for \$10,000.

5 (B) Except as provided in subparagraph (A) of this paragraph, if the applicant is seeking a cer-
 6 tificate to be a vehicle dealer, the bond or letter of credit shall be for \$50,000 for each year the
 7 certificate is valid.

8 (d) The bond or letter of credit described in this subsection shall be approved as to form by the
 9 Attorney General.

10 (e) The bond or letter of credit must be conditioned that the person issued the certificate shall
 11 conduct business as a vehicle dealer without fraud or fraudulent representation and without violat-
 12 ing any provisions of the vehicle code relating to vehicle registration, vehicle permits, the transfer
 13 or alteration of vehicles or the regulation of vehicle dealers.

14 (f) The bond or letter of credit must be filed and held in the office of the [department] **board**.

15 (g) The vehicle dealer shall purchase a bond or letter of credit under this subsection annually
 16 on or before each anniversary of the issuance of the vehicle dealer's certificate.

17 (2) Any person shall have a right of action against a vehicle dealer, against the surety on the
 18 vehicle dealer's bond and against the letter of credit in the person's own name if the person suffers
 19 any loss or damage by reason of the vehicle dealer's fraud, fraudulent representations or violations
 20 of provisions of the vehicle code relating to:

- 21 (a) Vehicle registration;
- 22 (b) Vehicle permits;
- 23 (c) The transfer or alteration of vehicles; or
- 24 (d) The regulation of vehicle dealers.

25 (3) Notwithstanding subsection (2) of this section, the maximum amount available under a bond
 26 or letter of credit described in subsection (1)(c)(B) of this section for the payment of claims to per-
 27 sons other than retail customers of the dealer is \$10,000.

28 (4) Notwithstanding subsection (2) of this section, a person other than a retail customer of the
 29 vehicle dealer may not make a claim under subsection (2) of this section against the surety on the
 30 vehicle dealer's bond, or against the vehicle dealer's letter of credit, if the vehicle dealer holds a
 31 vehicle dealer certificate to deal exclusively in motorcycles, mopeds, Class I all-terrain vehicles or
 32 snowmobiles or any combination of those vehicles.

33 (5) If the certificate of a vehicle dealer is not renewed or is voluntarily or involuntarily can-
 34 celed, the sureties on the bond and the issuer of the letter of credit are relieved from liability that
 35 accrues after the [department] **board** cancels the certificate.

36 **SECTION 29.** ORS 822.033 is amended to read:

37 822.033. A certificate of insurance required to qualify for a vehicle dealer certificate under ORS
 38 822.020 or to qualify for renewal of a certificate under ORS 822.040 must comply with all of the
 39 following:

40 (1) The certificate shall:

- 41 (a) Be issued by an insurance carrier licensed to do business within this state;
- 42 (b) Show that the dealer is insured by a policy that provides the minimum limits of coverage
 43 required under ORS 806.070;

44 (c) Show that the dealer is insured by a policy that provides for payment of judgments of the
 45 type described in ORS 806.040;

1 (d) Show that the dealer is insured by a policy covering all vehicles manufactured, owned, op-
 2 erated, used or maintained by or under the control of the dealer;

3 (e) Show that the dealer is insured by a policy that also covers all other persons who, with the
 4 consent of the dealer, use or operate vehicles manufactured, owned or maintained by or under the
 5 control of the dealer;

6 (f) Be dated as of the date of the motor vehicle policy for which it is given;

7 (g) Contain the policy number; and

8 (h) Provide that the insurer shall give the *[Department of Transportation]* **Oregon Vehicle In-**
 9 **dustry Board** written notice of any cancellation of the policy and that the insurer shall continue
 10 to be liable under the policy until the *[department]* **board** receives the notice required by this par-
 11 agraph or until the cancellation date specified in the notice, whichever is later.

12 (2) The certificate of insurance must be filed and held in the office of the *[department]* **board**.

13 (3) A dealer is exempt from the requirement to file the certificate of insurance described in this
 14 section if the dealer certifies, in such form as may be required by the *[department]* **board**, that the
 15 dealer will be dealing exclusively in one or more of the following:

16 (a) Antique vehicles issued permanent registration under ORS 805.010;

17 (b) Farm trailers;

18 (c) Farm tractors;

19 (d) Implements of husbandry; or

20 (e) Snowmobiles, Class I or Class III all-terrain vehicles.

21 **SECTION 30.** ORS 822.035 is amended to read:

22 822.035. The *[Department of Transportation]* **Oregon Vehicle Industry Board**:

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

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

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

31 (4) Has authority to make suitable rules for the issuance of vehicle dealer certificates to expire
 32 consistently with ORS 822.040.

33 (5) May make inspections of any vehicle dealer records required under ORS 822.045 and of any
 34 vehicles included in a vehicle dealer's inventory or located on the vehicle dealer's premises. In-
 35 spections authorized by this subsection may be conducted by the *[department]* **board** at reasonable
 36 intervals, during normal business hours, and may not exceed a scope of inspection necessary for the
 37 *[department]* **board** to determine the following:

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

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

42 (c) A vehicle dealer's compliance with rules adopted by the *[department]* **board** relating to the
 43 regulation of vehicle dealers *[and the registration and titling of vehicles]*; *[and]*

44 (d) **A vehicle dealer's compliance with rules adopted by the Department of Transportation**
 45 **relating to the regulation of registration and titling of vehicles; and**

1 [(d)] (e) The identification of stolen vehicles.

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

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

6 (8) May not issue a vehicle dealer certificate under ORS 822.020 to an applicant who has been
7 issued a similar certificate from another jurisdiction that has been revoked or is currently suspended
8 unless the applicant possesses a current, valid vehicle dealer certificate issued under ORS 822.020.

9 (9) May not use the revocation or suspension by another [state] **jurisdiction** of a vehicle dealer
10 certificate or similar certificate as a basis for refusing to allow a vehicle dealer holding a current,
11 valid vehicle dealer certificate issued under ORS 822.020 to obtain a vehicle dealer certificate under
12 ORS 822.020 or a supplemental certificate under ORS 822.040 or to renew a certificate under ORS
13 822.040.

14 (10) May adopt any reasonable rules necessary for the administration of the laws relating to the
15 regulation of vehicle dealers, the issuance of vehicle dealer certificates, the issuance of vehicle
16 dealer identification cards, regulation of vehicle dealers designated as agents under ORS 802.031 and
17 the issuance of vehicle dealer plates. The rules adopted under this subsection must be consistent
18 with the statutory provisions of the vehicle code. The rules may include, but are not limited to,
19 grounds and procedures for the revocation, denial, probation or suspension of vehicle dealer certifi-
20 cates or of a vehicle dealer's designation to act as an agent of the [department] **board**.

21 **SECTION 31.** ORS 822.040 is amended to read:

22 822.040. (1) The holder of a current, valid vehicle dealer certificate issued under ORS 822.020
23 may exercise the following privileges under the certificate:

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

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

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

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

41 (e) Notwithstanding ORS 825.474, in lieu of paying the weight-mile tax imposed under ORS
42 825.474, the dealer may pay the fuel taxes imposed under ORS 319.020 and 319.530, when the vehicle:

43 (A) Displays the dealer's plates;

44 (B) Is actually owned or controlled by the dealer and in actual use by the dealer, members of
45 the dealer's firm, any salesperson of the dealer or any person authorized by the dealer;

1 (C) Is operated on the highway for the purpose of test driving the vehicle; and

2 (D) Is unloaded.

3 (2) The holder of a vehicle dealer certificate may open additional places of business under the
4 same business name by obtaining a supplemental certificate from the [department] **Oregon Vehicle**
5 **Industry Board** under this subsection. The following all apply to a supplemental certificate issued
6 under this subsection:

7 (a) The [department] **board** may not issue a supplemental certificate under this subsection if the
8 additional place of business opened will be operated under a different business name than that in-
9 dicated on the current certificate. Any business that a vehicle dealer operates under a separate
10 business name must be operated under a separate certificate and the dealer must apply for and pay
11 the fees for a regular dealer certificate for the business.

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

14 (3) The holder of a vehicle dealer certificate may move a place of business or change a business
15 name by obtaining a corrected certificate from the [department] **board**. For purposes of this sub-
16 section, “place of business” includes a recreational vehicle service facility as defined in ORS
17 822.082. The following apply to a corrected certificate issued under this subsection:

18 (a) The [department] **board** shall prescribe the form for application for a corrected certificate.

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

21 (4) The [department] **board** may establish by rule the requirements a holder of a vehicle dealer
22 certificate must meet to display a vehicle at a location other than the dealer’s place of business for
23 the purpose of advertising without first obtaining a supplemental certificate from the [department]
24 **board**. In addition to any requirements established by the [department] **board** by rule, all of the
25 following apply:

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

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

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

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

36 (5) A vehicle dealer certificate is valid for a three-year period and may be renewed as provided
37 by the [department] **board**. The [department] **board** shall only renew a certificate if the applicant
38 for renewal does all of the following:

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

40 (b) Delivers to the [department] **board** a bond that meets the requirements under ORS 822.030.

41 (c) Delivers to the [department] **board** a certificate of insurance that meets the requirements
42 under ORS 822.033.

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

44 (e) Certifies completion of the continuing education requirements of ORS 822.027 (1)(b) if the
45 person is a dealer subject to the education requirements.

1 (f) If the dealer offers new recreational vehicles for sale under the certificate, certifies that the
2 dealer maintains a recreational vehicle service facility as listed in the dealer certificate application
3 described in ORS 822.025.

4 (6) The [department] **board** may adopt suitable rules for the issuance and renewal of certificates
5 under this section and ORS 822.020.

6 **SECTION 32.** ORS 822.045 is amended to read:

7 822.045. (1) A vehicle dealer improperly conducts a vehicle dealer business and is subject to the
8 penalties under this section if the vehicle dealer commits any of the following offenses:

9 (a) A vehicle dealer commits the offense of failure to obtain a supplemental vehicle dealer cer-
10 tificate if the vehicle dealer opens any additional place of business using the same business name
11 as a place of business approved under a vehicle dealer certificate without first obtaining a supple-
12 mental dealer certificate under ORS 822.040.

13 (b) A vehicle dealer commits the offense of failure to obtain a corrected vehicle dealer certif-
14 icate if the dealer moves a place of business or changes the business name without first obtaining
15 a corrected dealer certificate under ORS 822.040.

16 (c) A vehicle dealer commits the offense of failure to maintain proper vehicle dealer records if
17 the dealer does not keep records or books with all of the following information concerning any used
18 or secondhand vehicles or campers the dealer deals with:

19 (A) A record of the purchase, sale or exchange or of the dealer's receipt for purpose of sale.

20 (B) A description of the vehicle or camper.

21 (C) The name and address of the seller, the purchaser and the alleged owner or other person
22 from whom the vehicle or camper was purchased or received or to whom it was sold or delivered.

23 (D) For motor vehicles, the vehicle identification number and any other numbers or identifica-
24 tion marks as may be thereon and a statement that a number has been obliterated, defaced or
25 changed, if such is a fact.

26 (E) For trailers and campers, the vehicle identification number and any other numbers or iden-
27 tification marks as may be thereon.

28 (F) A duly assigned certificate of title or other primary ownership record or a bill of sale from
29 the registered owner of the vehicle or camper from the time of delivery to the dealer until the dealer
30 disposes of the vehicle or camper. If title is issued for the vehicle in a form other than a certificate,
31 or if the primary ownership record is in a form other than a document, a dealer shall keep records
32 in accordance with rules adopted by the Department of Transportation for the purpose of complying
33 with this subparagraph.

34 (d) A vehicle dealer commits the offense of failure to allow administrative inspection if the
35 dealer refuses to allow the [department] **Oregon Vehicle Industry Board** to conduct an inspection
36 under ORS 822.035 at any time during normal business hours.

37 (e) A vehicle dealer commits the offense of failure to allow police inspection if the dealer refuses
38 to allow any police officer to conduct an inspection under ORS 810.480 at any time during normal
39 business hours.

40 (f) A vehicle dealer commits the offense of illegal use of dealer vehicle for hire if the dealer
41 allows any vehicle operated under vehicle dealer registration to be loaned or rented with or without
42 driver for hire or direct compensation.

43 (g) A vehicle dealer commits the offense of improper use of dealer plates or devices if the dealer
44 or employee of the dealer causes or permits the display or use of any special vehicle dealer regis-
45 tration plate or device on any vehicle not owned or controlled by the dealer.

1 (h) A person commits the offense of improper display of dealer plates if the person operates over
 2 and along the highways of this state any unregistered vehicle owned or controlled by the dealer and
 3 any dealer plates issued are not displayed in the manner provided in ORS 803.540 for the display
 4 of registration plates.

5 (i) A vehicle dealer commits the offense of failure to exhibit the dealer certificate if the dealer
 6 fails to permanently exhibit the certificate at the place of business of the person at all times while
 7 the certificate is in force.

8 (j) Except as provided in subsection (2) of this section, a vehicle dealer commits the offense of
 9 failure to provide clear title if:

10 (A) Within 15 days of transfer of any interest in a vehicle or camper to the dealer by a con-
 11 sumer, the dealer fails to satisfy:

12 (i) The interest of any person from whom the dealer purchased or obtained the vehicle or
 13 camper;

14 (ii) The interest of any person from whom the person described in sub-subparagraph (i) of this
 15 subparagraph leased the vehicle or camper; and

16 (iii) All security interests in the vehicle or camper entered into prior to the time of transfer.

17 (B) Within 15 days of receiving clear title to a vehicle or camper from another dealer, the pur-
 18 chasing dealer fails to satisfy the interest of the dealer from which the purchasing dealer received
 19 the certificate of title or other primary ownership document. For purposes of this subparagraph, a
 20 purchasing dealer receives a certificate of title or other primary ownership document from a dealer
 21 on the date:

22 (i) The purchasing dealer or the Department of Transportation takes physical possession of the
 23 certificate or document; or

24 (ii) A written notice is mailed by certified or registered mail, return receipt requested, to the
 25 purchasing dealer from the dealer, stating that the certificate or document is available to be picked
 26 up at a place and time prearranged by both parties. The written notice must be mailed to a business
 27 address of the purchasing dealer that is on file with the department. Service by mail under this
 28 sub-subparagraph is effective on the date of mailing.

29 (k) Except as provided in subsection (3) of this section, a vehicle dealer commits the offense of
 30 failure to furnish certificate of title or application for title if, within 90 calendar days of transfer
 31 of any interest in a vehicle or camper by the dealer, the dealer has failed to:

32 (A) Furnish the certificate of title or other primary ownership record for the vehicle or camper
 33 and any release thereon or, if title has been issued or is to be issued in a form other than a certif-
 34 icate, any information or documents required by rule of the department, to the security interest
 35 holder next named, if any, otherwise to the lessor or, if none, to the purchaser; or

36 (B) Submit to the department in a manner that complies with any applicable statutes and rules,
 37 an application for title on behalf of the person to whom the title is to be furnished or whose name
 38 is to be shown on the title record.

39 (L) A vehicle dealer commits the offense of failure to maintain bond or letter of credit coverage
 40 if the dealer permits a bond or letter of credit to lapse during the period that the bond or letter of
 41 credit is required under ORS 822.020 or 822.040 or if the dealer fails to purchase a bond or letter
 42 of credit required by ORS 822.030.

43 (m) A person commits the offense of acting as a vehicle dealer while under revocation, cancel-
 44 lation or suspension if the person conducts business as a vehicle dealer in this state and the person's
 45 vehicle dealer certificate is revoked, canceled or suspended, regardless of whether the person is li-

1 censed as a vehicle dealer in another jurisdiction. This paragraph does not apply if the person has
 2 other current, valid dealer certificates issued in this state.

3 (n) A vehicle dealer commits the offense of improper display of a vehicle for advertising pur-
 4 poses if the dealer displays a vehicle at a location other than the dealer's place of business for the
 5 purpose of advertising and the dealer does not comply with the provisions of ORS 822.040 (4).

6 (2) A dealer is not considered to have committed the offense described in subsection (1)(j)(A) of
 7 this section if the dealer fails to satisfy an interest in a vehicle or camper that arises from an in-
 8 ventory financing security interest for which the dealer is the debtor.

9 (3) A dealer is not considered to have committed the offense described in subsection (1)(k) of this
 10 section if the dealer demonstrates that:

11 (a) The dealer has made a good faith effort to comply; and

12 (b) The dealer's inability to provide title is due to circumstances beyond the dealer's control.

13 (4) The offenses described in this section are subject to the following penalties:

14 (a) The offense described in this section, failure to obtain a supplemental vehicle dealer certif-
 15 icate, is a Class A misdemeanor.

16 (b) The offense described in this section, failure to obtain a corrected vehicle dealer certificate,
 17 is a Class A misdemeanor.

18 (c) The offense described in this section, failure to maintain proper vehicle dealer records, is a
 19 Class A misdemeanor.

20 (d) The offense described in this section, failure to allow administrative inspection, is a Class
 21 A misdemeanor.

22 (e) The offense described in this section, failure to allow police inspection, is a Class A
 23 misdemeanor.

24 (f) The offense described in this section, illegal use of dealer vehicle for hire, is a Class B traffic
 25 violation.

26 (g) The offense described in this section, improper use of dealer plates or devices, is a Class D
 27 traffic violation.

28 (h) The offense described in this section, improper display of dealer plates, is a Class B traffic
 29 violation.

30 (i) The offense described in this section, failure to exhibit the dealer certificate, is a Class A
 31 misdemeanor.

32 (j) The offense described in this section, failure to provide clear title, is a Class A misdemeanor.

33 (k) The offense described in this section, failure to furnish certificate of title or application for
 34 title, is a Class A misdemeanor.

35 (L) The offense described in this section, failure to maintain bond or letter of credit coverage,
 36 is a Class A misdemeanor.

37 (m) The offense described in this section, acting as a vehicle dealer while under revocation,
 38 cancellation or suspension, is a Class A misdemeanor.

39 (n) The offense described in this section, improper display of a vehicle for advertising purposes,
 40 is a Class A misdemeanor.

41 **SECTION 33.** ORS 822.050 is amended to read:

42 822.050. (1) The [*Department of Transportation*] **Oregon Vehicle Industry Board** may revoke,
 43 suspend or place on probation a vehicle dealer if the [*department*] **board** determines at any time for
 44 due cause that the dealer has done any of the following:

45 (a) Violated any grounds for revocation, suspension or probation adopted by the [*department*]

1 **board** by rule under ORS 822.035.

2 (b) Failed to comply with the requirements of the vehicle code with reference to notices or re-
3 ports of the transfer of vehicles or campers.

4 (c) Caused or suffered or is permitting the unlawful use of any certificate or registration plates.

5 (d) Violated or caused or permitted to be violated ORS 815.410, 815.415, 815.425 or 815.430.

6 (e) Falsely certified under ORS 822.033 that the dealer is exempt from the requirement under
7 ORS 822.020 or 822.040 to file a certificate of insurance.

8 (f) Continued to fail to provide clear title or repeatedly failed to provide clear title in violation
9 of ORS 822.045.

10 (g) Knowingly certified false information required by the [*department*] **board** on an application
11 for a vehicle dealer certificate, supplemental certificate or corrected certificate.

12 (2) The [*department*] **board** shall cancel a vehicle dealer certificate 45 days after receipt of legal
13 notice that the bond described under ORS 822.030 is canceled, unless the [*department*] **board** re-
14 ceives proof from the vehicle dealer that the dealer has obtained another bond. Between the day
15 that the [*department*] **board** receives notice that the bond is canceled and the day the vehicle dealer
16 presents proof of another bond, the vehicle dealer may not act as a vehicle dealer.

17 (3) The [*department*] **board** shall cancel a vehicle dealer certificate 45 days after receipt of no-
18 tice that the certificate of insurance required under ORS 822.033 is canceled, unless the
19 [*department*] **board** receives proof from the vehicle dealer that the dealer has obtained another cer-
20 tificate of insurance. Between the day that the [*department*] **board** receives notice that the certif-
21 icate of insurance is canceled and the day the vehicle dealer presents proof of another certificate
22 of insurance, the vehicle dealer may not act as a vehicle dealer.

23 (4) The [*department*] **board** shall cancel a vehicle dealer certificate immediately upon receipt of
24 notice that zoning approval for the business has been revoked.

25 (5) Upon revocation, cancellation or suspension of a vehicle dealer certificate under this section,
26 the [*department*] **board** shall recall and demand the return of the certificate and any vehicle dealer
27 plates issued.

28 **SECTION 34.** ORS 822.055 is amended to read:

29 822.055. (1) A person commits the offense of failure to return a revoked, canceled or suspended
30 vehicle dealer certificate if the [*Department of Transportation*] **Oregon Vehicle Industry Board**
31 recalls and demands the person to return any certificate or registration plates under ORS 822.050
32 and the person has those items requested and does not return them to the [*department*] **board**
33 without further demand.

34 (2) The offense described in this section, failure to return revoked, canceled or suspended vehi-
35 cle dealer certificate, is a Class A misdemeanor.

36 **SECTION 35.** ORS 822.060 is amended to read:

37 822.060. (1) Except as provided in subsection (2) of this section, a person who holds a vehicle
38 dealer certificate issued or renewed under ORS 822.020 or 822.040 commits the offense of illegal
39 consignment practices if the person does any of the following:

40 (a) Takes a vehicle on consignment from a person who does not hold a vehicle dealer certificate
41 issued or renewed under ORS 822.020 or 822.040, or who is not licensed as a vehicle dealer in an-
42 other jurisdiction, and who does not have proof that the consignor is the registered owner, a secu-
43 rity interest holder or lessor of the vehicle.

44 (b) Takes a vehicle on consignment from a security interest holder without the security interest
45 holder first completing a repossession action prior to consigning the vehicle and providing the

1 dealer with proper documentary proof of the repossession action.

2 (c) Takes a vehicle on consignment and does not have the terms of the consignment agreement
3 in writing and provide a copy of the agreement to the consignor. The agreement shall include a
4 provision stating that if the terms of the agreement are not met, the consignor may file a complaint
5 in writing with the [Department of Transportation] **Oregon Vehicle Industry Board**, Salem, Oregon.

6 (d) Sells a vehicle that the dealer has on consignment and does not pay the consignor within
7 10 days of the sale.

8 (e) Sells a vehicle that the dealer has on consignment and does not either provide the purchaser
9 with a certificate of title to the vehicle or with other primary ownership records in the form of
10 documents or apply to the Department **of Transportation** in the purchaser's name for title to the
11 vehicle within 30 days of the sale in a manner provided by the department by rule.

12 (f) Does not allow the [department] **board** or any duly authorized representative to inspect and
13 audit any records of any separate accounts into which the dealer deposits any funds received or
14 handled by the dealer or in the course of business as a dealer from consignment sale of vehicles at
15 such times as the [department] **board** may direct.

16 (g) Takes any part of any money paid to the dealer in connection with any consignment trans-
17 action as part or all of the dealer's commission or fee until the transaction has been completed or
18 terminated.

19 (h) Does not make arrangement for the disposition of money from a consignment transaction
20 with the seller at the time of establishing a consignment agreement.

21 (i) Sells a vehicle that the dealer has taken on consignment without first giving the purchaser
22 the following disclosure in writing:

23 _____

24
25 **DISCLOSURE REGARDING**
26 **CONSIGNMENT SALE**

27
28 _____ (Name of Dealer) is selling the following described vehicle:
29 _____ (Year) _____ (Make) _____ (Model) _____ (Vehicle Identification Num-
30 ber) on consignment.

31
32 [] There is a security interest in this vehicle.

33 [] There is not a security interest in this vehicle.

34
35 **YOU SHOULD TAKE ACTION TO ENSURE THAT ANY SECURITY INTERESTS ARE RE-**
36 **LEASED AND THAT THE TITLE TO THE VEHICLE IS TRANSFERRED TO YOU. OTHERWISE,**
37 **YOU MAY TAKE TITLE SUBJECT TO ANY UNSATISFIED SECURITY INTERESTS.**

38 _____

39
40 (2) The offense described in this section does not apply if the person takes a vehicle on
41 consignment from an entity other than a retail customer and the person holds a vehicle dealer cer-
42 tificate issued or renewed under ORS 822.020 or 822.040 and operates a:

43 (a) Wholesale vehicle auction company; or

44 (b) National auction company whose primary activity in this state is the sale or disposition of
45 totaled vehicles.

1 (3) The offense described in this section, illegal consignment practices, is a Class A
2 misdemeanor.

3 (4) The [department] board shall adopt rules to carry out the provisions of this section, including
4 but not limited to rules to specify which persons may take and sell vehicles on consignment and to
5 regulate the taking and selling of vehicles on consignment from other jurisdictions.

6 **SECTION 36.** ORS 822.080 is amended to read:

7 822.080. (1) Civil penalties under ORS 822.009 (2) shall be imposed in the manner provided in
8 ORS 183.745.

9 (2) An application for a hearing on a civil penalty imposed under ORS 822.009 (2):

10 (a) Must be in writing;

11 (b) Must be postmarked or received by the Department of Transportation within 20 days from
12 the date of service of the notice provided for in ORS 183.745;

13 (c) Must state the name and address of the person requesting a hearing; and

14 (d) Must state the action being contested.

15 (3) Hearings on civil penalties imposed under ORS 822.009 (2) shall be conducted by an admin-
16 istrative law judge assigned from the Office of Administrative Hearings established under ORS
17 183.605.

18 (4) The department may, at its option, assign any unpaid civil penalty to the Department of
19 Revenue for collection. The Department of Revenue shall deduct reasonable expenses from any
20 amounts collected.

21 (5) All civil penalties received under ORS 822.009 (2) shall be paid into the State Treasury each
22 month and credited to the Department of Transportation Operating Fund established by ORS 184.642
23 (1) and (2).

24 **SECTION 37. Section 38 of this 2021 Act is added to and made a part of the Oregon Ve-**
25 **hicle Code.**

26 **SECTION 38.** (1) Civil penalties under ORS 822.009 (1) or (3) shall be imposed in the
27 manner provided in ORS 183.745.

28 (2) An application for a hearing on a civil penalty imposed under ORS 822.009 (1) or (3):

29 (a) Must be in writing;

30 (b) Must be postmarked or received by the Oregon Vehicle Industry Board within 20 days
31 from the date of service of the notice provided for in ORS 183.745;

32 (c) Must state the name and address of the person requesting a hearing; and

33 (d) Must state the action being contested.

34 (3) Hearings on civil penalties imposed under ORS 822.009 (1) or (3) shall be conducted
35 by an administrative law judge assigned from the Office of Administrative Hearings estab-
36 lished under ORS 183.605.

37 (4) The board may, at its option, assign any unpaid civil penalty to the Department of
38 Revenue for collection. The department shall deduct reasonable expenses from any amounts
39 collected.

40 (5) All civil penalties received under ORS 822.009 (1) or (3) shall be paid into the State
41 Treasury each month and credited to the Vehicle Industry Account established by section 6
42 of this 2021 Act.

43 **SECTION 39.** ORS 822.083 is amended to read:

44 822.083. (1) As used in this section, “show” means a site where recreational vehicles are tem-
45 porarily displayed and offered for sale. “Show” does not include a site that is used to display rec-

1 recreational vehicles for more than 10 days or that is a place of business listed on a supplemental
 2 certificate issued under ORS 822.040.

3 (2) A recreational vehicle dealer may not participate in a show conducted at a site that is more
 4 than 50 miles from the dealer's place of business listed in the dealer certificate application described
 5 in ORS 822.025 unless the show includes a display by at least two recreational vehicle dealers and
 6 the dealer obtains a show license from the [*Department of Transportation*] **Oregon Vehicle Industry**
 7 **Board** as described in ORS 822.084.

8 **SECTION 40.** ORS 822.084 is amended to read:

9 822.084. (1) A person who organizes a show, as defined in ORS 822.083, shall apply to the [*De-*
 10 *partment of Transportation*] **Oregon Vehicle Industry Board** at least 30 days prior to the com-
 11 mencement of the show for a show license for each recreational vehicle dealer participating in the
 12 show. The application must include for each dealer participating in the show the name under which
 13 the business is being conducted and the street address, city and county of the dealer's place of
 14 business, both as listed in the dealer certificate application described in ORS 822.025.

15 (2) A person who receives a show license from the [*department*] **board** shall pay the fee for a
 16 show license established under ORS 822.700.

17 (3) The [*department*] **board** may adopt all rules necessary and proper for the administration and
 18 enforcement of ORS 822.082 to 822.084.

19 **SECTION 41.** ORS 822.093 is amended to read:

20 822.093. (1) Notwithstanding ORS 822.015 (1)(k) or (L), a lien claimant who sells or offers for sale
 21 vehicles being sold to foreclose possessory liens, or sells or offers for sale vehicles acquired through
 22 possessory liens, shall keep records sufficient to establish that all vehicles being sold or offered for
 23 sale were acquired by the lien claimant as the result of a possessory lien. Records kept in accord-
 24 ance with this subsection must be made available to the [*Department of Transportation*] **Oregon**
 25 **Vehicle Industry Board** on request.

26 (2) The [*department*] **board** may adopt such rules as are necessary to carry out the provisions
 27 of this section, including but not limited to rules that:

28 (a) Specify the form in which the records must be kept, how the records must be maintained and
 29 the period for which they must be retained.

30 (b) Specify how the records will be provided to the [*department*] **board** if requested.

31 (c) Specify how lien claimants will notify the [*department*] **board** when vehicles are sold to
 32 foreclose possessory liens and when vehicles acquired through possessory liens are sold.

33 (3) Rules adopted under this section shall be developed in consultation with representatives of
 34 those lien claimants who may be affected by this section, including but not limited to towing busi-
 35 ness operators.

36 (4) The [*department*] **board** may impose a civil penalty, in an amount not to exceed \$1,000 for
 37 each violation, against any person who violates this section or any rules adopted by the
 38 [*department*] **board** under this section. Civil penalties shall be imposed as provided in ORS 183.745.

39 **SECTION 42.** ORS 822.100 is amended to read:

40 822.100. (1) A person commits the offense of conducting a motor vehicle dismantling business
 41 without a certificate if the person performs any actions of a dismantler and is not the holder of a
 42 valid, current dismantler certificate issued under ORS 822.110.

43 (2) The offense described in this section does not apply to persons or vehicles exempted from
 44 this section under ORS 822.105.

45 (3) The offense described in this section, conducting a motor vehicle dismantling business with-

1 out a certificate, is a Class A misdemeanor.

2 (4) In addition to the penalty described in subsection (3) of this section, the [*Department of*
3 *Transportation*] **Oregon Vehicle Industry Board** may impose a civil penalty of not more than
4 \$5,000 on a person who conducts a motor vehicle dismantling business without a certificate. A civil
5 penalty under this subsection shall be imposed in the manner provided in ORS 183.745.

6 **SECTION 43.** ORS 822.110 is amended to read:

7 822.110. (1) Except as provided in subsection (2) of this section, the [*Department of Transporta-*
8 *tion*] **Oregon Vehicle Industry Board** shall issue a dismantler certificate to any person if the per-
9 son meets all of the following requirements:

10 (a) The person establishes that the area in which the business is located and the place of busi-
11 ness to be approved under the dismantler certificate for use in the motor vehicle dismantling busi-
12 ness are zoned for industrial use or subject to another zoning classification that permits the type
13 of business conducted by the dismantler.

14 (b) The person pays the fee required under ORS 822.700 for issuance of a dismantler certificate.

15 (c) The person completes the application for a dismantler certificate described under ORS
16 822.115.

17 (d) The person delivers to the [*department*] **board** any approvals by local governments required
18 under ORS 822.140.

19 (e) The person delivers to the [*department*] **board** a bond or letter of credit that meets the re-
20 quirements of ORS 822.120.

21 (2) The [*department*] **board** may refuse to issue a dismantler certificate to a person if:

22 (a) The person has previously had a dismantler certificate or identification card revoked, can-
23 celed or suspended under ORS 822.145; or

24 (b) The [*department*] **board** determines that the application contains false or misleading infor-
25 mation.

26 (3) The [*department*] **board** may issue a duplicate dismantler certificate to a person who has lost
27 or destroyed an original dismantler certificate if the person:

28 (a) Has complied with the requirements of this section for issuance of a certificate; and

29 (b) Is within the renewal period of the original dismantler certificate.

30 **SECTION 44.** ORS 822.115 is amended to read:

31 822.115. An application for a dismantler certificate issued by the [*Department of*
32 *Transportation*] **Oregon Vehicle Industry Board** under ORS 822.110 or for renewal of a certificate
33 under ORS 822.125 shall be in a form prescribed by the [*department*] **board** and shall contain all of
34 the following:

35 (1) A full statement of the name of the person applying for the certificate with the person's
36 residence and business addresses.

37 (2) If the applicant is a firm or partnership, the name of the firm or partnership, with the names
38 and places of residence of all its members.

39 (3) If the applicant is a corporation, the names of the principal officers and their residences and
40 the name of the state under whose laws the corporation is organized.

41 (4) A description of the dimensions and the location of the place or places at which the business
42 is to be carried on and conducted.

43 (5) The applicant's National Motor Vehicle Title Information System identification number.

44 (6) A fire response plan that is approved by the [*department*] **board**. If the plan is disapproved,
45 the applicant may revise the plan to comply with requirements of the [*department*] **board** and re-

1 submit the plan.

2 (7) A description of any applicable permits that are required by the Department of Environ-
 3 mental Quality.

4 (8) Any other relevant information required by the *[Department of Transportation]* **board**.

5 **SECTION 45.** ORS 822.125 is amended to read:

6 822.125. (1) The holder of a current, valid dismantler certificate issued under ORS 822.110 is not
 7 subject to the prohibitions and penalties under ORS 822.100 as long as the holder's motor vehicle
 8 dismantling business is conducted in the location approved under the certificate.

9 (2) The holder of a dismantler certificate may expand the dimensions or move a place of business
 10 approved under the dismantler certificate or open an additional place of business under the certif-
 11 icate upon issuance of a supplemental dismantler certificate by the *[Department of Transportation]*
 12 **Oregon Vehicle Industry Board**. The following apply to supplemental certificates issued under this
 13 subsection:

14 (a) The *[department]* **board** shall grant a supplemental certificate upon request of an applicant
 15 under this subsection if the applicant obtains local government permission for the supplemental
 16 certificate under ORS 822.140.

17 (b) Upon application for renewal of the supplemental certificate, the *[department]* **board** may
 18 waive the requirement that an applicant for renewal under this subsection obtain local government
 19 approval under ORS 822.140 of the suitability of the applicant to establish, maintain or operate a
 20 motor vehicle dismantling business.

21 (c) A fee shall be charged for a supplemental dismantler certificate under ORS 822.700.

22 (3) A dismantler certificate is valid for a one-year period and may be renewed as provided by
 23 the *[department]* **board**. The *[department]* **board** shall only renew the certificate of any certificate
 24 holder who does all of the following:

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

26 (b) Completes the application described in ORS 822.115.

27 (c) Obtains local government approval under ORS 822.140. The *[department]* **board** may waive
 28 the requirement that an applicant for renewal obtain local government approval under ORS 822.140
 29 of the suitability of the applicant to establish, maintain or operate a motor vehicle dismantling
 30 business.

31 (d) Maintains a current bond that meets the requirements under ORS 822.120.

32 (4) The *[department]* **board** may provide the holder of a dismantler certificate with identification
 33 cards in the names of the owners of the business or in the names of authorized employees of the
 34 business.

35 (5) The *[department]* **board** may adopt suitable rules for the issuance and renewal of dismantler
 36 certificates and identification cards.

37 **SECTION 46.** ORS 822.130 is amended to read:

38 822.130. (1) The *[Department of Transportation]* **Oregon Vehicle Industry Board** may inspect
 39 the books, records and inventory of any business issued a certificate under ORS 822.110 for the
 40 purpose of determining compliance with any of the following:

41 (a) Those laws regulating the issuance of certificates to dismantlers.

42 (b) Requirements for records under ORS 822.135 and 822.137.

43 (c) ORS 802.200, 803.140, 819.010, 819.016, 819.030, 819.040 or 822.120.

44 (d) Rules adopted by the *[department]* **board** concerning businesses issued certificates under ORS
 45 822.110.

1 (2) Except as provided in subsection (4) of this section, each year the [department] **board** shall
 2 inspect the premises used by any business issued a certificate under ORS 822.110 for the purpose
 3 of determining whether the items listed in subsection (3) of this section are on the premises and
 4 determining compliance with any of the following:

5 (a) Those laws regulating the issuance of certificates to dismantlers.

6 (b) Requirements for records under ORS 822.135 and 822.137.

7 (c) ORS 802.200, 803.140, 819.010, 819.016, 819.030, 819.040 or 822.120.

8 (d) Rules adopted by the [department] **board** concerning businesses issued certificates under ORS
 9 822.110.

10 (3) If the [Department of Transportation] **board** determines that any of the following items are
 11 on the premises used by a business issued a certificate under ORS 822.110, the [Department of
 12 Transportation] **board** shall submit a report to the Department of Environmental Quality and include
 13 information about the following:

14 (a) The presence of piled waste tires, as defined in ORS 459.705, in an amount greater than 100
 15 waste tires;

16 (b) If there is a metal shredder;

17 (c) If there are any open or unlabeled containers of automotive fluids; and

18 (d) If there is an underground injection control.

19 (4) The [Department of Transportation] **board** may inspect a premises under subsection (2) of this
 20 section every two years if the three most recent, consecutive inspections show that the business is
 21 in compliance with subsection (2)(a) to (d) of this section.

22 (5) Provisions for enforcing this section are established under ORS 822.135 and 822.145.

23 **SECTION 47.** ORS 822.133 is amended to read:

24 822.133. (1) As used in this section:

25 (a) “Crushed motor vehicle” means a motor vehicle, the frame or unibody of which is compacted
 26 or flattened so that it no longer resembles any particular year, model or make of motor vehicle and
 27 is less than half of the motor vehicle’s original volume as measured in cubic feet.

28 (b) “Destroy” means to dismantle, disassemble, damage or substantially alter a motor vehicle:

29 (A) With the intent of rendering the vehicle permanently inoperable;

30 (B) To the extent that the cost of repairing the vehicle exceeds the actual cash value of the
 31 vehicle prior to the damage; or

32 (C) To the extent that the sum of the cost of repairing the vehicle and the salvage value of the
 33 vehicle in its damaged condition exceeds the actual cash value of the vehicle in its repaired condi-
 34 tion.

35 (c) “Mobile motor vehicle crusher” means a machine that compacts or flattens a motor vehicle
 36 into a crushed motor vehicle and is designed to be transported on a highway.

37 (d) “Wrecked vehicle” means a motor vehicle:

38 (A) That is destroyed, or is acquired with the intent to destroy, and that will never be operated
 39 as a motor vehicle; or

40 (B) That has sustained damage to an extent that the vehicle may not lawfully be operated on
 41 the highways of this state.

42 (2) In the operation of a motor vehicle dismantling business, a dismantler:

43 (a) Must physically separate or visually label a wrecked vehicle in a manner that readily iden-
 44 tifies the ownership status of the wrecked vehicle if the dismantler takes possession of the wrecked
 45 vehicle without immediately obtaining an ownership record or salvage title certificate. A dismantler

1 need not separate or visually identify a wrecked vehicle pursuant to this subsection if the vehicle
 2 is subject to an exemption under ORS 803.030 or is obtained from a jurisdiction that does not issue
 3 certificates of title.

4 (b) May not remove parts from or destroy a motor vehicle prior to obtaining an ownership re-
 5 cord or salvage title certificate for the vehicle.

6 (c) Must demolish the registration plates of a wrecked vehicle at the time the ownership record
 7 is received.

8 (d) Must notify the [*Department of Transportation*] **Oregon Vehicle Industry Board** of any
 9 changes in the information provided to the [*department*] **board** in the application for a dismantler
 10 certificate within 30 days of the change.

11 (e) Must furnish a written report to the [*department*] **board**, in a form established by the [*de-*
 12 *partment*] **board** by rule, after a wrecked vehicle is dismantled or destroyed.

13 (f) Must, every year, have the premises inspected by local fire inspectors and furnish a written
 14 report to the [*department*] **board**, in a form established by the [*department*] **board** by rule, on the
 15 findings of the inspection.

16 (g) Must be in compliance with any agreement with, order of or program or process authorized
 17 by the Department of Environmental Quality that governs the conduct of the dismantler.

18 (3)(a) A dismantler using a mobile motor vehicle crusher shall:

19 (A) Hold a current, valid dismantler certificate issued under ORS 822.110.

20 (B) Conspicuously display on the mobile motor vehicle crusher the name of the dismantler's
 21 business as listed on the dismantler's application submitted pursuant to ORS 822.110 and the
 22 dismantler certificate number issued by the [*Department of Transportation*] **board**.

23 (C) Comply with all of the applicable statutes and rules regulating dismantlers at each location
 24 where the dismantler uses the mobile motor vehicle crusher. If the dismantler is using a mobile
 25 motor vehicle crusher at a location approved under a dismantler certificate, the dismantler who
 26 holds the dismantler certificate for the location shall be responsible for complying with all statutes
 27 and rules regarding dismantlers.

28 (b) If a dismantler is using a mobile motor vehicle crusher at a temporary location for 15 con-
 29 secutive business days or less, the dismantler is exempt from obtaining a supplemental dismantler
 30 certificate under ORS 822.125 for the temporary location.

31 **SECTION 48.** ORS 822.135 is amended to read:

32 822.135. (1) A person commits the offense of improperly conducting a motor vehicle dismantling
 33 business if the person holds a dismantler certificate issued under ORS 822.110 and the person does
 34 any of the following:

35 (a) Fails to permanently exhibit a dismantler certificate at a place of business of the person at
 36 all times while the certificate is in force.

37 (b) Expands the dimensions of or moves any of the person's places of business or opens any ad-
 38 ditional places of business without obtaining a supplemental dismantler certificate by the procedure
 39 under ORS 822.125.

40 (c) Fails to maintain records at the person's established place of business that record and de-
 41 scribe the following:

42 (A) Every motor vehicle purchased, transferred, wrecked, dismantled, disassembled or substan-
 43 tially altered by the person;

44 (B) The name and address of the person to and from whom the vehicle was transferred;

45 (C) The vehicle identification number and other identification marks or numbers on the vehicle;

1 and

2 (D) A statement indicating any such numbers or marks that have been obliterated, defaced or
 3 changed.

4 (d) Except as otherwise provided, fails to surrender to the Department of Transportation, within
 5 30 days after the date the person acquires the title, a certificate of title or other primary ownership
 6 document or ownership record for a motor vehicle. If the vehicle is delivered to the person under
 7 the provisions of ORS 819.215 or 819.280, a copy of the notification to the department under ORS
 8 819.215 or 819.280 is sufficient to comply with the provisions of this paragraph.

9 (e) Refuses, at any time, to allow a police officer or an employee of the [*department*] **Oregon**
 10 **Vehicle Industry Board** to inspect the books, records, inventory or premises of the person's motor
 11 vehicle dismantling business.

12 (f) Fails to maintain, for the purposes of the person's motor vehicle dismantling business, a
 13 building or an enclosure or other barrier at least six feet in height that is constructed, established
 14 or formed in compliance with rules adopted by the [*department*] **board**.

15 (g) Fails to keep the premises on the outside of the establishment clear and clean at all times.

16 (h) Conducts any wrecking, dismantling or altering of vehicles outside the building, enclosure
 17 or barrier on the premises of the business.

18 (i) Stores or displays any motor vehicles or major component parts or conducts the motor vehi-
 19 cle dismantling business outside of the building, enclosure or barrier of the place of business.

20 (j) Fails to immediately file with the [*department*] **board**, upon transfer of a wrecked or disman-
 21 tled motor vehicle, the form furnished by the [*department*] **board** to report the date of transfer, a
 22 description of the vehicle, the name and address of the purchaser and other information respecting
 23 the vehicle required by the [*department*] **board**.

24 (k) Except as otherwise provided in this paragraph, fails to keep the business hidden or ade-
 25 quately screened by the terrain or other natural objects or by plantings, fences or other appropriate
 26 means so as not to be visible from the main traveled way of the highway in accordance with the
 27 rules of the Director of Transportation. This paragraph does not apply to a business that is:

- 28 (A) Located in an area zoned for industrial use under authority of the laws of this state; or
- 29 (B) A business established before June 30, 1967.

30 (L) Expands or moves any place of business approved under a dismantler certificate or opens
 31 any additional locations for the business without obtaining a supplemental certificate under ORS
 32 822.125 or obtaining an additional dismantler certificate.

33 (m) Fails to allow the [*department*] **board** to conduct inspections as provided under ORS 822.130.

34 (n) Fails to deploy or remove any air bag containing sodium azide from a vehicle before the
 35 vehicle is wrecked or dismantled.

36 (o) Fails to ensure that an air bag containing sodium azide that has been removed from a vehicle
 37 is deployed within seven days of removal unless the air bag is properly stored by a motor vehicle
 38 dealer, automobile repair facility or dismantler certified under ORS 822.110.

39 (2) The offense described in this section, improperly conducting a motor vehicle dismantling
 40 business, is a:

- 41 (a) Class A misdemeanor if the person violates subsection (1)(a) to (m) of this section.
- 42 (b) Class D violation if the person violates subsection (1)(n) or (o) of this section.
- 43 (c) Class C misdemeanor, notwithstanding paragraph (b) of this subsection, if the person violates
 44 subsection (1)(n) or (o) of this section and the person has two or more previous convictions for vio-
 45 lating subsection (1)(n) or (o) of this section.

SECTION 49. ORS 822.137 is amended to read:

822.137. (1) As used in this section, “major component part” includes significant parts of a motor vehicle such as engines, short blocks, frames, transmissions, transfer cases, cabs, doors, differentials, front or rear clips, quarter panels, truck beds or boxes, hoods, bumpers, fenders and airbags. The [Department of Transportation] **Oregon Vehicle Industry Board** may by rule designate other motor vehicle parts not specified in this subsection as major component parts. “Major component part” does not include cores or parts of cores that require remanufacturing or that are limited in value to that of scrap metal.

(2) In addition to any other penalty provided by law, the [department] **board** may impose on a dismantler, in the manner provided by ORS 183.745, a civil penalty not to exceed \$1,000 per violation if the dismantler:

(a) Acquires a motor vehicle or major component part without obtaining a certificate of sale and, if applicable, a certificate of title.

(b) Possesses, sells or otherwise disposes of a motor vehicle or any part of a motor vehicle knowing that the vehicle or part has been stolen.

(c) Sells, buys, receives, conceals, possesses or disposes of a motor vehicle or any part of a motor vehicle having a missing, defaced, intentionally altered or covered vehicle identification number, unless directed to do so by a law enforcement official.

(d) Commits forgery in the second degree, as defined in ORS 165.007, or misstates a material fact relating to a certificate of title, registration or other document related to a motor vehicle that has been reassembled from parts of other motor vehicles.

(e) Fraudulently obtains, creates or modifies a dismantler certificate.

(f) Fails to maintain records at the certified place of business for three years from the date of acquisition of a motor vehicle that describe and identify the vehicle, including:

- (A) The certificate of title number;
- (B) The state where the vehicle was last registered, if applicable;
- (C) The number of the last registration plate issued and the state of issuance, if applicable;
- (D) The year, make and model of the vehicle;
- (E) The vehicle identification number;
- (F) The date acquired;
- (G) The vehicle, stock or yard number assigned to the vehicle by the dismantler; and
- (H) Any other information required by the [department] **board**.

(g) Fails to maintain records at the certified place of business for three years from the date of acquisition of a major component part that describe and identify the part, including:

- (A) The physical characteristics of the part;
- (B) The stock or yard number assigned to the part by the dismantler;
- (C) The vehicle identification number of the motor vehicle from which the part came; and
- (D) Any other information required by the [department] **board**.

(h) Commits a dishonest act or omission during the sale of a motor vehicle or major component part that, as determined by the [department] **board**, causes a loss to the purchaser.

(i) Is convicted of a crime involving false statements or dishonesty that directly relates to the business of the dismantler or suffers any civil judgment imposed for conduct involving fraud, misrepresentation or conversion.

(j) Fails to comply with any provision of ORS 822.133.

SECTION 50. ORS 822.140 is amended to read:

1 822.140. (1) To meet the requirement for local government approval of a dismantler certificate
 2 under ORS 822.110 or a supplemental certificate under ORS 822.125, an applicant must comply with
 3 any regulations established by a city or county under this section and must obtain the approval of
 4 the governing body of the:

5 (a) City, if the business is or will be carried on within an incorporated city of less than 100,000
 6 population.

7 (b) County, if the business is or will be carried on outside of any incorporated city.

8 (2) A city or county governing body shall grant approval of a dismantler certificate or renewal
 9 when requested under this section if the governing body:

10 (a) Approves the applicant as being suitable to establish, maintain or operate a motor vehicle
 11 dismantling business;

12 (b) Determines that the location or proposed location meets the requirements for location under
 13 ORS 822.110;

14 (c) Determines that the location does not violate any prohibition under ORS 822.135; and

15 (d) Approves the location and determines that the location complies with any regulations
 16 adopted by a city or county under this section.

17 (3) The governing body of a city or county may regulate the expansion of premises or the es-
 18 tablishment of premises at a new location under a dismantler certificate. An applicant must comply
 19 with the regulations before the [*Department of Transportation*] **Oregon Vehicle Industry Board**
 20 may issue a supplemental dismantler certificate. In adopting regulations under this subsection, a
 21 governing body:

22 (a) Shall consider the extent of development of surrounding property as a residential area;

23 (b) Shall consider the proximity of churches, schools, hospitals, public buildings or other places
 24 of public gathering;

25 (c) Shall consider the sufficiency in number of other motor vehicle dismantling businesses in the
 26 vicinity;

27 (d) Shall consider the health, safety and general welfare of the public;

28 (e) May establish zones in which motor vehicle dismantling businesses are permissible and other
 29 zones where they are prohibited; and

30 (f) May prescribe limitations on the dimensions of the premises on which motor vehicle dis-
 31 mantling businesses are conducted.

32 (4) Regulations of a city governing body that are adopted under this section apply to motor ve-
 33 hicle dismantling businesses located outside of and within six miles of the boundaries of the city
 34 unless the county governing body in which the area is located has adopted regulations under this
 35 section that are applicable in the area.

36 (5) Before granting approval for a supplemental dismantler certificate, the governing body of a
 37 city or county shall notify all property owners that are or that will be adjacent to the motor vehicle
 38 dismantling business once the business moves, expands or opens an additional place of business.

39 **SECTION 51.** ORS 822.145 is amended to read:

40 822.145. (1) In addition to any other penalty provided by law, the [*Department of*
 41 *Transportation*] **Oregon Vehicle Industry Board** may impose sanctions on any person holding a
 42 dismantler certificate issued under ORS 822.110 or identification card or supplemental dismantler
 43 certificate issued under ORS 822.125 including, but not limited to, probation or suspension, revoca-
 44 tion or cancellation of the dismantler certificate or identification card if the [*department*] **board**
 45 determines at any time for due cause that any of the following has occurred:

1 (a) The person holding the certificate has failed to comply with any requirements for registra-
 2 tion of vehicles under the vehicle code.

3 (b) The person holding the certificate has violated ORS 803.140, 819.012, 819.016, 819.040,
 4 822.120, 822.125, 822.133, 822.135, 822.137 or 822.150.

5 (c) The person holding the certificate has caused or suffered or is permitting the unlawful use
 6 of the dismantler certificate.

7 (d) The person holding the certificate has violated any regulation adopted under ORS 822.135.

8 (e) The person holding the certificate has failed to allow the *[department]* **board** to conduct in-
 9 spections as provided under ORS 822.130.

10 (f) The person holding an identification card has unlawfully used or permitted unlawful use of
 11 the card.

12 (g) The person holding the certificate is convicted of an offense under ORS 468.922, 468.926,
 13 468.929, 468.931, 468.936, 468.939, 468.943 or 468.946.

14 (2) The *[department]* **board** shall cancel or suspend any dismantler certificate immediately:

15 (a) Upon receipt of legal notice that the bond described under ORS 822.120 is canceled; or

16 (b) For failure to pay any penalty imposed under ORS 822.135 or 822.137.

17 (3) Upon revocation, cancellation or suspension of a dismantler certificate or identification card
 18 under this section, the *[department]* **board** shall recall and demand the return of the certificate or
 19 identification card.

20 (4) If the *[department]* **board** has reason to believe that a person has engaged in or is engaging
 21 in any activity prohibited under ORS 822.100, the *[department]* **board** may issue an order directed
 22 at the person to cease the activity.

23 (5) The *[department]* **board** shall adopt rules establishing sanctions authorized by subsection (1)
 24 of this section.

25 **SECTION 52.** ORS 822.150 is amended to read:

26 822.150. (1) A person commits the offense of failure to return a revoked, canceled or suspended
 27 dismantler certificate or identification card if the *[Department of Transportation]* **Oregon Vehicle**
 28 **Industry Board** recalls and demands the person to return a certificate or card under ORS 822.145
 29 and the person does not return the certificate or card to the *[department]* **board**.

30 (2) The offense described in this section, failure to return a revoked, canceled or suspended
 31 dismantler certificate or identification card, is a Class A misdemeanor.

32 **SECTION 53.** ORS 822.705 is amended to read:

33 822.705. Each person holding or applying for a current vehicle dealer certificate shall pay a fee
 34 of \$75 to the *[Department of Transportation]* **Oregon Vehicle Industry Board** upon application for
 35 issuance or renewal of a certificate. Moneys from the fee are continuously appropriated to the *[de-*
 36 *partment]* **board** for the purpose of carrying out the provisions of ORS 822.007, 822.009 (1) **and** (3)
 37 and *[822.080]* **section 38 of this 2021 Act**. The fee imposed under this section is in addition to fees
 38 under ORS 822.700 for issuance and renewal of a vehicle dealer certificate.

39 **SECTION 54.** ORS 822.992 is amended to read:

40 822.992. (1) The *[Department of Transportation]* **Oregon Vehicle Industry Board** may levy a
 41 civil penalty on, and collect the civil penalty from, any person holding a dismantler certificate issued
 42 under ORS 822.110 or identification card or supplemental dismantler certificate issued under ORS
 43 822.125 in an amount not to exceed \$1,000 for each violation if the person holding the certificate
 44 has violated ORS 803.140, 819.012, 819.016, 819.040, 822.120, 822.125, 822.130, 822.135 or 822.150.

45 (2) The *[department]* **board** shall impose civil penalties under this section in the manner provided

1 in ORS 183.745.

2
3 **REPEAL OF OREGON DEALER ADVISORY COMMITTEE**

4
5 **SECTION 55. ORS 802.370 is repealed.**

6 **SECTION 56. Section 55 of this 2021 Act becomes operative on January 1, 2024.**

7
8 **OPERATIVE DATE**

9
10 **SECTION 57. (1) Sections 1 to 14 and 38 of this 2021 Act and the amendments to statutes**
11 **by sections 15 to 36 and 39 to 54 of this 2021 Act become operative on January 1, 2022.**

12 **(2) The Oregon Vehicle Industry Board, the Director of the Oregon Vehicle Industry**
13 **Board, the Department of Transportation and the Director of Transportation may take any**
14 **action before the operative date specified in subsection (1) of this section that is necessary**
15 **to enable the Oregon Vehicle Industry Board, the Director of the Oregon Vehicle Industry**
16 **Board, the Department of Transportation and the Director of Transportation to exercise, on**
17 **and after the operative date specified in subsection (1) of this section, all of the duties,**
18 **functions and powers conferred on the board, the department and directors by sections 1 to**
19 **14 and 38 of this 2021 Act and the amendments to statutes by sections 15 to 36 and 39 to 54**
20 **of this 2021 Act.**

21
22 **CAPTIONS**

23
24 **SECTION 58. The unit and section captions used in this 2021 Act are provided only for**
25 **the convenience of the reader and do not become part of the statutory law of this state or**
26 **express any legislative intent in the enactment of this 2021 Act.**

27
28 **EMERGENCY CLAUSE**

29
30 **SECTION 59. This 2021 Act being necessary for the immediate preservation of the public**
31 **peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect**
32 **on its passage.**

33
