

House Bill 3120

Sponsored by COMMITTEE ON TRANSPORTATION POLICY

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**.

Provides that Department of Transportation must designate vehicle dealer as agent.
Specifies that department may impose penalties against vehicle dealers who do not comply with regulations related to vehicle dealers acting as agents of department.

A BILL FOR AN ACT

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

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

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

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

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

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

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

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

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

13 (c) Issue a registration plate;

14 (d) Verify and clear a title;

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

16 (f) Comply with federal security requirements; or

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

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

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

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

24 (c) May charge a purchaser of a vehicle a document processing fee for performing any of the
25 services described in subsection (2) of this section in connection with preparing the documents de-
26 scribed in subsection (2) of this section.

27 (4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a
28 vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under
29 this section exceed:

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

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

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

3 (6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a doc-
 4 ument processing fee greater than that charged for not using an integrator, the dealer must inform
 5 the purchaser of the vehicle of the option of using an integrator to prepare the documents. The
 6 purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the
 7 documents.

8 (7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare
 9 and submit all documents to complete the transaction as permitted by law.

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

11 802.031. (1) Nothing in ORS 802.600 prohibits the Department of Transportation from adopting
 12 rules **to:** *[that take effect after April 1, 1998, that allow the department to designate dealers to act as*
 13 *agents of the department for purpose of performing the duties specified in ORS 802.030 (1995 Edition)*
 14 *and that allow persons to act as agents for the department for the purpose of issuing winter recreation*
 15 *parking permits.]*

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

18 (b) **Designate vehicle dealers holding a valid certificate issued under ORS 822.020 or**
 19 **822.040 to act as agents of the department for purposes of accepting documents and fees**
 20 **necessary to title and register any vehicle the vehicle dealer sells, or to perform other duties**
 21 **the department may authorize. Other duties may include, but need not be limited to:**

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

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

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

25 (a) **Transmit title documents with all required fees to the department within the time**
 26 **specified in ORS 822.042.**

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

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

30 822.035. The Department of Transportation:

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

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

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

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

41 (5) May make inspections of any vehicle dealer records required under ORS 822.045 and of any
 42 vehicles included in a vehicle dealer's inventory or located on the vehicle dealer's premises. In-
 43 spections authorized by this subsection may be conducted by the department at reasonable intervals,
 44 during normal business hours, and may not exceed a scope of inspection necessary for the depart-
 45 ment to determine the following:

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

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

5 (c) A vehicle dealer's compliance with rules adopted by the department relating to the regu-
6 lation of vehicle dealers and the registration and titling of vehicles; and

7 (d) The identification of stolen vehicles.

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

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

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

15 (9) May not use the revocation or suspension by another state of a vehicle dealer certificate or
16 similar certificate as a basis for refusing to allow a vehicle dealer holding a current, valid vehicle
17 dealer certificate issued under ORS 822.020 to obtain a vehicle dealer certificate under ORS 822.020
18 or a supplemental certificate under ORS 822.040 or to renew a certificate under ORS 822.040.

19 (10) May adopt any reasonable rules necessary for the administration of the laws relating to the
20 regulation of vehicle dealers, the issuance of vehicle dealer certificates, the issuance of vehicle
21 dealer identification cards, **regulation of vehicle dealers designated as agents under ORS**
22 **802.031** and the issuance of vehicle dealer plates. The rules adopted under this subsection must be
23 consistent with the statutory provisions of the vehicle code. The rules may include, but are not
24 limited to, grounds and procedures for the revocation, denial or suspension of vehicle dealer certifi-
25 cates and for placing vehicle dealers on probationary status.

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

27 822.009. (1) The Department of Transportation may levy and collect a civil penalty, in an amount
28 not to exceed \$1,000 for each violation, against any person who has a vehicle dealer certificate if
29 it finds that the dealer has violated any provisions of the Oregon Vehicle Code or of any rules
30 adopted by the department relating to **the regulation of vehicle dealers acting as agents of the**
31 **department**, the sale of vehicles, vehicle titling or vehicle registration.

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

35 (a) ORS 822.005 (1); or

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

38