

Dealer Details

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Visit Business Regulation online at www.OregonDMV.com

Dealers, car buyers turn to Internet to connect

Much has been written about Internet auto sales.

In the 1990s dot-com companies were saying that traditional vehicle dealers would be going out of business. As we all know, this did not happen, and it is not likely to happen. Nevertheless, the Internet has had a dramatic effect on how a dealer does business today.

Qualified vehicle buyers are researching vehicles before they set foot on your lot. They want the highest possible trade value and lowest possible price on the vehicle they are purchasing. A typical buyer will have been to the Kelley Blue Book Web site to find the value of their trade and the price of the vehicle they are interested in before they go to a dealer.

Consumers also are willing to buy online to get the best deal on a vehicle. If they can't get the deal they want from a local dealer, some are willing to buy online.

Every month hundreds of vehicles are sold over the Web, many from vehicle dealers. An example of this is a Staten Island real estate entrepreneur who bought a Chevrolet Suburban from a Dallas dealership that advertised on the EBay Internet auction site.

He bought the vehicle for \$4,000 less than the market price at the time. He paid an \$800 shipping fee and felt the

vehicle was well worth the effort of buying online—despite not actually seeing and driving the vehicle before the purchase. When asked if he was satisfied, he said, “It was a great transaction. There’s no doubt in my mind this is

the way I’ll buy my next car.”

The first thing I noticed when I read the newspaper article about buying online was that the vehicle was purchased from a dealer, not a private party. Even for online purchases, consumer comfort level is higher when they know they are buying from a dealer. The Texas dealer was a fran-

chised store that had, and still has, several of their “aged” vehicles up for bid. They have been using Web-based auctions to sell off “over-age” inventory.

Vehicle dealers have discovered the Internet is an effective advertising tool. Dealers who use the Internet also generate additional foot traffic at their lots.

Buyers see the vehicle dealer’s inventory, then go to see a vehicle they are interested in purchasing. Reluctance by many shoppers to buy before kicking the tires is the major reason most will not buy sight unseen.

There are drawbacks to selling online, but the benefits are starting to outweigh the problems of online sales.

— Chris Ratliff,
Business Regulation



New brands start to appear on Oregon's vehicle titles

Dealers are likely to see new title brands as Oregon changes its branding policy and process.

In the past, Oregon issued a title with a "previous damage" brand when DMV received a title application and a vehicle title from outside Oregon that was branded as "damaged," "salvaged" or otherwise indicated damage in the vehicle's history.

New Oregon title brands will no longer use "previous damage" but instead will issue a title with one of these notations:

- Glider kit
- Glider kit (jurisdiction name)
- Lemon law (jurisdiction name)
- Flood (jurisdiction name)
- Replica (jurisdiction name)
- Branded (jurisdiction name)

If there is not an Oregon brand equivalent to the out-of-state brand, Oregon will issue a title with the "branded" notation and the name of the previous jurisdiction.

Oregon will not issue a title on a vehicle that has a title with a "junk" brand or certificate, or other notation indicating that the vehicle has been damaged so severely that it cannot be made safe

to drive again.

EVR impacts

Dealers who use DMV's Electronic Vehicle Registration system will find a box to check that indicates whether the vehicle bears a damage brand from an out-of-state title.

CVR intends to upgrade the Dealer PC to include the new brands in the drop-down menu.

Revised Certificate of Title and Registration Card

DMV is issuing a revised Certificate of Title and Salvage Title. It includes a bold red outlined "Title Brands" box that takes the place of the previous black-outlined brand box.

The backs of the certificates also have been revised so that there is only one reassignment area. There now is additional space for instructions and information regarding seller notice requirements and title brands.

A blue-shaded "Title Brands" box has been added to the registration card. If there is a brand on the title, it also will be printed in the blue-shaded area on the registration card.

— Ron Kramer, *Vehicle Programs*

Oregon Dealer Handbook updates

Look for these updates in the online version of the Oregon Dealer Handbook at www.OregonDMV.com. The online handbook is updated quarterly. Here is a summary of the most recent updates:

- Chapter G (Ownership Documents): An example of the 5/04 Oregon title is shown. The April 2004 version of the handbook shows a title with a revision date of 1/04, but that date is incorrect. DMV never issued a

version of the title in 1/04.

- Chapter L (Registration): Clarification on plate transfers and registration of vehicles by weight. *See related article in this issue.*

- Chapter N (Fees): Clarification on plate transfers.

- Cover Page: July 2004 revision date.

— Margaret Stephens,
Vehicle Programs

Some SUVs need to be registered by weight

Some of the larger pickups and sport-utility vehicles normally considered passenger vehicles might need to be registered by weight in Oregon.

Many vehicles with a combined weight over 8,000 pounds must be registered by weight. Examples include: motor trucks, truck tractors, armored cars, wreckers, tow vehicles, hearses, ambulances, self-propelled cranes and any motor vehicle registered as a farm vehicle.

Motor vehicles that pull trailers that have a loaded weight over 8,000 pounds must register as trucks with a T plate.

Some vehicles typically considered passenger vehicles also fall under this category, even if they are purchased for personal use rather than business use. If an SUV, pickup or other passenger vehicle has a combined weight over 8,000 pounds, then it must be registered by weight.

However, when calculating combined weight, campers are excluded. Also excluded from the calculation of combined weight are:

- Trailers with a loaded weight of 8,000 pounds or less.
- Special-use trailers.
- Travel trailers.
- Manufactured structures.
- Fixed-load vehicles.
- Towed motor vehicles.

In addition, some vehicles that weigh over 8,000 pounds are exempted from registration by weight. Motor homes, for example, are registered by length rather than weight.

— Margaret Stephens,
Vehicle Programs

Staff notes

Chief investigator's position will change hands in August



Rick Parsons

Rick Parsons will become acting chief investigator starting Aug. 9, 2004.

Rick is the Eugene investigator and has been with the Business Regulation Section for six years.



Rollie Husen

He will replace Rollie Husen, who has accepted a position with the ODOT Right of Way unit.

Rollie was chief of investigations for seven years and has been with Business Regulation for eight years.

Dealer Details editor moves to ODOT job

After more than 17 years of DMV service, Dealer Details editor Clyde Carrick has moved into the Oregon Department of Transportation's Highway Division.

As of July 6, Clyde is a Program Technician 2 in the Alternative Delivery Unit in Salem. Everyone in DMV Business Regulation will miss Clyde and wish him the best in his new position.

A new Dealer Details editor is expected to be in place for the Fall 2004 issue.

Many motorized scooters and bikes not street-legal

They can go places sport-utility vehicles can't go. They get better fuel economy than any hybrid car on the market.

And they are selling like crazy.

But many of the motorized scooters, mini-choppers, pocket bikes and similar toys never will compete for customers against cars.

Why? Because they cannot be driven legally on public roads or highways.

Still, automobile dealers are likely to hear more questions about them from customers.

Many vehicles that look like "motor-assisted scooters" are not manufactured to operate on public roads.

In order to fit the Oregon definition of a motor-assisted scooter, the vehicle must meet this description in Oregon law:

- It is designed to be operated on the ground with no more than three wheels.
- It has handlebars and a foot support or seat.
- It can be propelled by human power.
- It has a power source that can propel the vehicle no faster than 24 mph on level ground.
- Its power source is no larger than 35 cubic centimeters if a combustion engine, or no more powerful than 1,000 watts if an electric motor.

(ORS 801.348)

In addition, many of these vehicles also do not fit the definition of motorcycle. Makers do not provide Manufacturer's



Certificates of Origin or standardized 17-digit Vehicle Identification Numbers.

Unless the manufacturer provides proof that a vehicle meets U.S. Department of Transportation equipment and safety standards, it cannot be titled and registered in Oregon and is not intended to be driven on public roads or highways.

Many vendors of these vehicles are not licensed automobile dealers, and some have given inaccurate information to customers.

Law enforcement has begun to cite operators using these on roads, bike lanes, parks and sidewalks.

DMV Business Regulation is telling retailers that if they are selling vehicles other than motor-assisted scooters then the vendor must be licensed as a motorcycle dealer.

In addition, consumers are receiving conflicting information about legal motor-assisted scooters.

Motor-assisted scooters are subject to the same traffic laws as other motor vehicles, such as signaling stops and turns. However, there are exceptions, not only in state law but also in local laws. These are a few examples of laws that apply to the use of a motor-assisted scooter on a public roadway:

- The rider must be at least 16 years old, although a driver license is not required.
- The scooter must not be driven faster than 15 mph, even though it is capable of going faster.
- The scooter must use a bicycle lane, unless local ordinance prohibits it.
- Scooters may be restricted in Oregon State Parks.
- The rider must wear protective headgear.

(ORS 814.510 through 814.536)

— Lana Cully, *Vehicle Programs*

Sanctions

Location suspensions

The following dealers were suspended for moving their places of business without obtaining a corrected dealer certificate and/or violating dealer location regulations:

None for the second quarter of 2004.

Unlicensed dealers investigated

David Earl Johnson, Portland, \$7,500.

Jose Wilson Rangel, DBA J&W Auto Towing, Salem, \$25,000.

Yacht Spot, Portland, \$12,500.

Penalty amounts and sanctions may not reflect negotiated settlements.

Licensed dealer penalties, sanctions

USA Auto Wholesale, Portland, failure to supply ownership documents to purchaser within 25 days, 3 offenses, 1 count, \$500.

Car Truck Sales, Portland, failure to obtain a supplemental certificate, 1 offense, 2 counts, \$1,000; **suspended 3 years** for failure to pay civil penalty.

Better Cars & Trucks LLC, Bend, failure to submit fees and application to DMV within 30 days, 2 offenses, 3 counts, \$750.

Friendly Motors, Grants Pass, failure to furnish title within 90 days, 2 offenses, 1 count, \$250.

The RV Corral, Eugene, failure to follow proper consignment laws by not providing purchaser with required con-

signment disclosure, 2 offenses, 4 counts, \$1,000.

Key Auto Sales Inc., Portland, failure to supply ownership documents to purchaser within 25 days of date of sale, 2 offenses, 1 count, \$250.

RPM Motors, Canby, failure to have a complete consignment agreement in writing, 2 offenses, 1 count, \$250; failure to pay consignor within 10 days of date of sale, 1 offense, 1 count, \$500.

Cottage Grove Chevrolet Inc., Cottage Grove, failure to pay consignor within 10 days of date of sale, 1 offense, 1 count, \$500.

Lot 181 Inc., Portland, failure to obtain a corrected dealer certificate, 1 offense, 1 count, \$500.

Lancaster Motors, Salem, failure to supply ownership documents to purchaser within 25 days, 3 offenses, 1 count, \$500; failure to maintain proper records, 2 offenses, 1 count, \$250; failure to notify DMV of a vehicle transferred to the dealer, 2 offenses, 1 count, \$50.

Superior Performance, Portland, failure to obtain a supplemental location, 1 offense, 1 count, \$500; failure to maintain records of title delivery, submission or document delays, 2 offenses, 5 counts, \$1,250.

Volvos and More, Newberg, failure to submit fees and application to DMV within 30 days, 1 offense, 2 counts, \$2,000; selling a vehicle with a removed or altered vehicle identification number to conceal identity of vehicle, 1 offense, 9 counts, \$1,000; **1 year probation** from June 23, 2004, through June 23, 2005.

Florence RV Consignments, Florence, failure to pay consignor within 10

days, 2 offenses, 14 counts, \$14,000; failure to submit fees and application to DMV within 30 days, 2 offenses, 10 counts, \$2,500; failure to supply ownership documents to purchaser within 25 days, 3 offenses, 2 counts, \$1,000; failure to maintain proper records of title delivery, 2 offenses, 15 counts, \$3,750; making false statement of material fact, 1 offense, 2 counts, \$2,000; **1 year probation** from April 16, 2004, through April 16, 2005.

Tualatin Valley Chevrolet, Forest Grove, failure to submit fees and application to DMV within 30 days, 2 offenses, 20 counts, \$5,000; failure to satisfy interest in a vehicle within 15 days, 1 offense, 8 counts, \$8,000; **6 months probation** from May 28, 2004, through Nov. 28, 2004.

Grant & Haynes Community Chevrolet, Portland, failure to satisfy interest in a vehicle within 15 days, 4 offenses, 11 counts, \$11,000.

Tony's Auto World, Portland, charging a title and registration processing fee without submitting title and/or registration documents to DMV, 1 offense, 4 counts, \$1,000.

Harley Davidson of Portland, Gladstone, failure to obtain a corrected dealer certificate, 1 offense, 1 count, \$500.

First Rate Auto Inc., Portland, failure to submit fees and application to DMV within 30 days, 4 offenses, 1 count, \$1,000; failure to satisfy interest in a vehicle within 15 days, 1 offense, 2 counts, \$2,000.

Penalty amounts and sanctions may not reflect negotiated settlements.

Oregon Dealer Advisory Committee (ODAC)

The meeting dates for the rest of 2004 are: Thursday, Aug. 26; Thursday, Oct. 21; and Thursday, Dec. 2. All meetings

are held from 9 a.m. to noon in Conference Room 382, DMV Headquarters, 1905 Lana Ave. NE, Salem.

