

Dealer

OVDA
Oregon Vehicle Dealers Association

Solutions

They're baaaaack!

Jan-Feb-Mar
2021



Governor
Brown



Speaker
Kotek



President
Courtney



Senate Dem. Ldr.
Wagner



House Dem. Ldr.
Smith Warner

2021 LEGISLATIVE AGENDA

- ☑ **TAX PAYCHECK PROTECTION PROGRAM MONEY**
- ☑ **EXPAND FAMILY LEAVE TO THE SMALLEST BUSINESSES**
- ☑ **EMPLOYERS REQUIRED TO MONITOR AIR QUALITY**
- ☑ **WORKERS COMP TO COVER ALL COVID-19 CASES**

In this Issue

Is it time for an Oregon Vehicle Industry Board?

Has your bond writer threatened to cancel your bond?

Legislature proposes additional tax on diesel, tires, more

AG "Top Ten" consumer complaint list combines auto sales, repairs

Moratorium on expired registration citations until 2022

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NOTE: NOTHING IN DEALER SOLUTIONS SHOULD BE CONSIDERED LEGAL OR TAX ADVICE.
CONSULT YOUR ATTORNEY OR TAX ADVISOR IF YOU HAVE ANY QUESTIONS.

Being a member of OVDA doesn't cost, IT PAYS!

	<u>COST</u>
<i>Membership:</i>	<i>-\$ 250</i>
<i>ADESA Portland discount</i>	<i>+\$200</i>
<i>ADESA NW discount</i>	<i>+\$200</i>
<i>Crosspoint NW discount</i>	<i>+\$200</i>
<i>DAA Spokane discount</i>	<i>+\$200</i>
<i>DAA Seattle</i>	<i>+\$200</i>
<i>Manheim Portland discount</i>	<i>+\$200</i>

More benefits coming soon!

(Presale, post sale or detailing)

From the Editor's Desk

A message for our readers...

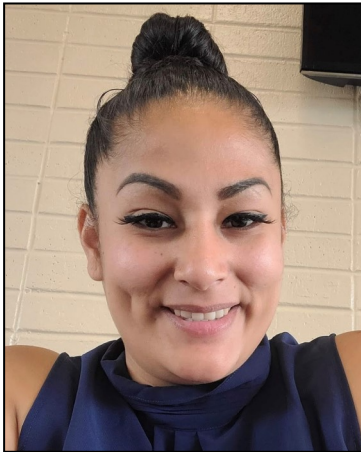
Fellow Dealers:

NEW STAFF ON BOARD

OVDA is continuing to work hard on behalf of all licensed dealers in Oregon. We'd like to introduce a new staff member: **Christa Flores**, our new

Lead Coordinator.

She is a hardworking mother of four. She has been in the Automotive Industry for 16 years. She enjoys spending time with her children and Husband. Most days you will find Christa answering the phones and responding to your emails.



If you have questions about your membership, questions about continuing education, or need to purchase high quality dealer forms at a fair price, just give Christa a call at 503-399-9199 or email OVDA@ordealers.com.

YOUR VOICE AT ODAC

Each quarter the Oregon Dealer Advisory Committee meets. ODAC is a committee created by Oregon law to ensure dealers, DMV staff and related industries meet and talk through issues. ODAC members receive notice in

advance of any sanctions (monetary or otherwise) against a dealer and have an opportunity to comment on those recommendations.

There are two seats on ODAC for independent auto dealers. **OVDA President Scott Short** holds one of those two seats. The other independent dealer representative is **Bryan Steward** of AAA Oregon AutoSource. In addition, **OVDA Board Member Brian Hardy** from Crosspoint NW is the auto auction representative to the Board. They ensure you are well represented during each meeting.

LOBBYING AT THE CAPITOL

While the Capitol Building remains closed, our lobbyist, Darrell Fuller, continues to work virtually to represent all licensed auto dealers in Oregon. Franchised auto dealers — OADA — have an excellent lobbyist in Salem. But at the Capitol, **only OVDA represents new, used, ATV, motorcycles, boats — if you have a dealer's certificate in Oregon, OVDA represents your interest and needs your support.** OVDA is the only "all dealers" association with a lobbyist in the Capitol. If you want to have a voice in the Legislature, you need to be a member of OVDA.

For further questions feel free to call or email OVDA!

Phone: 503-399-9199

OVDA defends dealers on business and regulatory issues in Salem

Look up bill text

You face the same issues as any other business. As employers, you are concerned about workers compensation, hiring practices and regulation. So, OVDA participates in coalitions of other business associations in an effort to push back against government overreach. During the current session of the Legislature, currently virtually underway in Salem, OVDA has joined with other business groups in opposing many bad bills.

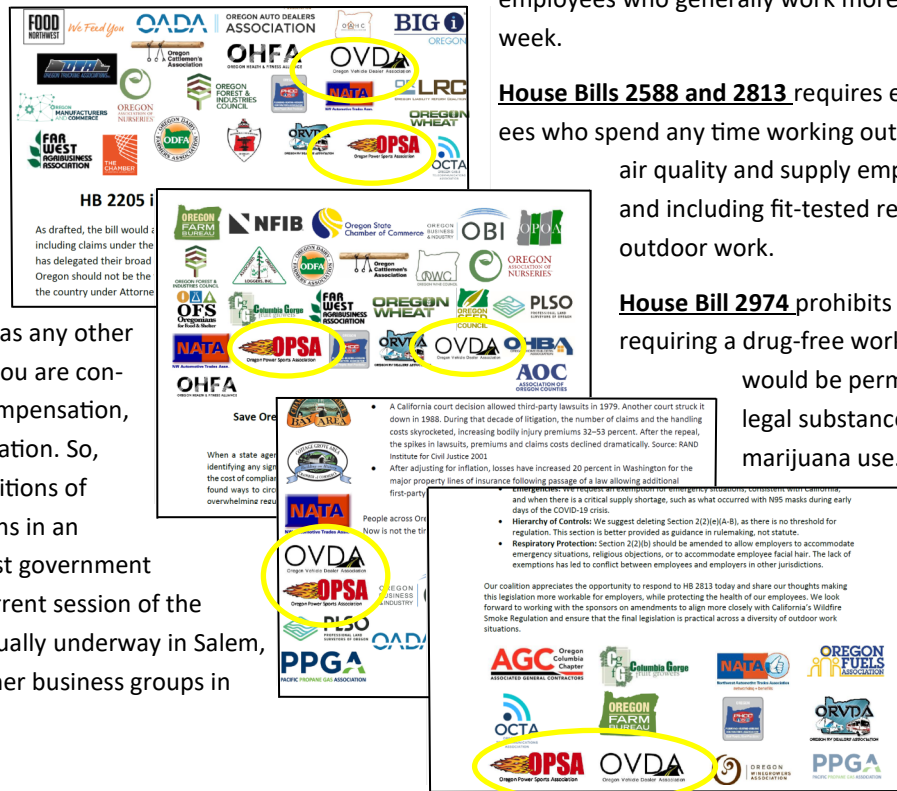
House Bill 2253 will tax any Paycheck Protection Program loan that is not repaid as income. Some legislators actually want to tax the Federal money designed to help businesses from closing, but they want to be sure the state government gets its “fair” share.

House Bills 2588 and 2813 requires employers of employees who spend any time working outdoors to monitor the air quality and supply employees with PPE, up to and including fit-tested respirator, or cease all outdoor work.

House Bill 2974 prohibits employers from requiring a drug-free workplace. Employees would be permitted to consume “any legal substance”. It is focused on marijuana use. Employers would not

be able to take any action against the employee unless the employer can prove the employee was impaired while at work.

Senate Bill 483 creates a presumption that any action by an employer is retaliation against an employee who files a complaint if the action is taken within 60 days of an employee's complaint.



Legislative Update

OVDA introduces two bills and works for dealers on others

To look up any of the bills on this page, just click on this link below, click on “bills” in the top right corner, and then enter the bill number:

[Look up bill text](#)

At the Capitol in Salem, OVDA is the “voice of the dealers.” Our lobbyist, Darrell Fuller, has been working on behalf of the vehicle industry since 1995. He currently represents ORVDA (franchised RV dealers) NATA (parts, collision and mechanical repair, and dismantlers), and OVDA/OPSA. On behalf of dealers, OVDA has requested introduction of two different bills:

OREGON VEHICLE INDUSTRY BOARD

House Bill 3324 moves certifying, regulating and investigating dealers from DMV Business Regulation to a newly created Oregon Vehicle Industry Board. The board would be comprised of dealers and other stakeholders appointed by the Governor and approved by the Oregon Senate. It would be patterned after similar industry boards like the Construction Contractors Board, the Real Estate Board, the State Board of Architect Examiners, and the Landscape Contractors Board.

OVDA does not expect House Bill 3324 to become law this session. However, it plans to parlay the public attention on the bill (including at least one public hearing later this Spring) to jump start a larger internal industry conversation on whether an industry board is a more effective form of governance for the vehicle industry in Oregon. We encourage dealers to review the bill and offer your thoughts on an industry board.

OREGON DEALER BOND RESTRICTIONS

House Bill 3370 will prohibit bond companies which write the required \$50,000 bonds from cancelling the bond during the term of the bond unless they are required to pay a claim after a court judgment. OVDA is hearing from dealers that some bond companies are threatening to cancel a bond as soon as a suit is filed. If the dealer doesn’t immediately settle the claim — even if the dealer did nothing wrong — their bond is

cancelled and they are out of business. This prevents a dealer from prevailing in court. HB3370 will prevent bond writers from cancelling a bond based on a mere allegation.

Has your bond company threatened to cancel your bond?

If your bond company has threatened to cancel your bond, please contact OVDA at OVDA@ordealers.com? We’d like to hear your story, we may use it to help pass HB3370.

OTHER DEALER-RELATED LEGISLATION

House Bill 2311 will require nonfranchise repair shops to hold a \$20,000 bond in order to exercise a mechanic’s lien. This bill is at the request of the Northwest Auto Trades Association.

House Bill 2674 (review the –1 amendments, which replace the current bill) creates a series of “clean diesel engine taxes” including a privilege tax on the sale of vehicles with a diesel engine, a rental tax on nonroad diesel equipment, a privilege tax on the sale of heavy-duty motor vehicles, tax on dyed diesel used in nonroad equipment, and an excise tax on tires. **(OVDA opposes)**

House Bill 2690 will alter passenger motor vehicle registration fee from flat rate to a fee based on a formula calculated from age, weight, list price or miles per gallon of vehicle. **(OVDA Opposes)**

House Bill 2783 will increase the dealer privilege tax on new motor vehicles. **(OVDA Opposes)**

House Bill 3305 will prohibit the sale or use of diesel in Oregon starting on January 1, 2027. **(OVDA Opposes)**

Senate Bill 164 modifies the new Corporate Activity Tax by exempting franchised dealer to dealer trades of new vehicles (at the request of OADA). If successful, OVDA will work to expand this provision to all dealer to dealer trades of vehicles. **(OVDA Supports)**

UPDATE ON DMV DELAYS

Let your customers know, paperwork delays are at DMV, not your dealership

We all know (all too well) that DMV is way behind in processing dealer transactions. Checks are sitting in unopened envelopes in box after box of mail at DMV. We should be clear, it is not necessarily DMV's fault. COVID-19 has turned typical work flow upside down, especially in high-volume offices with lots of people, like DMV. They are doing what they can with the staff and resources they have right now.

DMV and law enforcement have been working together to ensure people are

not cited for expired tags or driver's licenses when it is no fault of the driver. In fact, the Legislature is in the process of passing a bill (House Bill 2137) which will extend a moratorium on citations for license and registration issues until the end of 2021. The only caveat is the expiration cannot extend over six months.

While these efforts are needed and appreciated by the motoring public, it does not stem the tide of calls to dealers from customers wondering

when they will get their title and registration. Many purchasers inaccurately assume to delay is the fault of the dealer, when it is not in most cases. To help dealers with this issue, we have created the cut out below. It will let your customers know they delay is with DMV, not the dealer. And it provides DMV's phone number. We recommend all dealers cut out the information below and attach it to the paperwork you give to your customers after a sale.



Oregon Driver & Motor Vehicle Services



STAY HOME. SAVE LIVES.



DMV services have been impacted by COVID-19.

It may take 14 weeks for you to receive a title, plates or stickers. You should not be cited by police for expired plates or trip permits at this time.

If you have any questions, please call at 503-945-5000

Last updated 3/24/2021

Attorney General

AG's Top Ten complaint list unfairly combines sales and repairs

Each year the Office of the Attorney General releases a list of consumer complaints over the previous year. The list is based on broad categories. It doesn't get a lot of attention, but still, it should accurately reflect actual complaints.

For the past several years, the Attorney General has combined all vehicle sales and all vehicle repair complaints into a single category. This is grossly unfair as the two industries are largely distinct from one another. It is akin to combining farmers, grocery stores and restaurants into a "food" category.

In year's past, Attorneys General had categories for franchised car sales, independent car sales, and repairs. With these appropriate distinctions, no auto related complaints were on the Top Ten list.

OVDA has requested raw data from the Department of Justice. We plan to dig deeply to see what would happen if dealer sales and repairs would be split into separate categories. We have also started working with other dealer associations to schedule a meeting with the Department of Justice to request a change in their aggregating methodology.

Finally, we are checking to see if the data is skewed due to complaints against dealers for delays in getting titles and registrations even though those delays are caused by COVID-19 delays at DMV.

Stay tuned for the results...

2020 TOP TEN LIST:

- 1. Telecommunications (1035 complaints)**
- 2. Auto Sales & Repairs (602 complaints)**
- 3. Imposter Scams (534 complaints)**
- 4. Health and Medical (526 complaints)**
- 5. Financial, Credits and Lending (513 complaints)**
- 6. Grocery, Food and Beverage (416 complaints)**
- 7. Travel Services & Products (331 complaints)**
- 8. Real Estate & Property Management (218 complaints)**
- 9. Recreation (183 complaints)**
- 10. Construction Contractors (170 complaints)**

THE GOLDEN RULE:

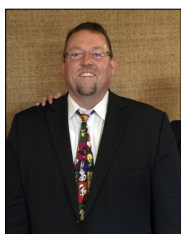
HE WHO HAS THE GOLD MAKES THE RULES.

The Oregon Vehicle Dealer's Association has a campaign fund. We use donations from dealers to support candidates who: support a free market, lower taxes, fewer rules, and government getting out of the way of small businesses trying to grow. Will you help OVDA by making a donation today? Call 503-399-9199 or email OVDA@ordealers.com for details or to

Dealer Industry Leadership

Your Oregon Vehicle Dealer Assn Board

The OVDA Board is comprised of active dealers. You likely see them at the auctions. They are volunteering some of their time to ensure the auto industry has a strong voice in Oregon. Would you like to be an industry leader? We are especially looking for dealers in southern, central and eastern Oregon, and for dealers who represent the large minority community of dealers. Are you passionate about the auto industry? Are you willing to donate a little of your time to improve the business in which you work? If you would consider joining our board, please email OVDA@ordealers.com or call 503-399-9199. Thank you for your interest.



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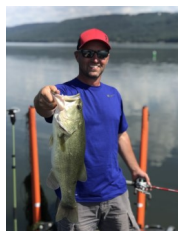
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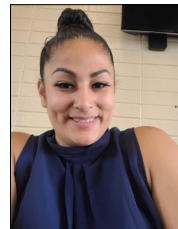
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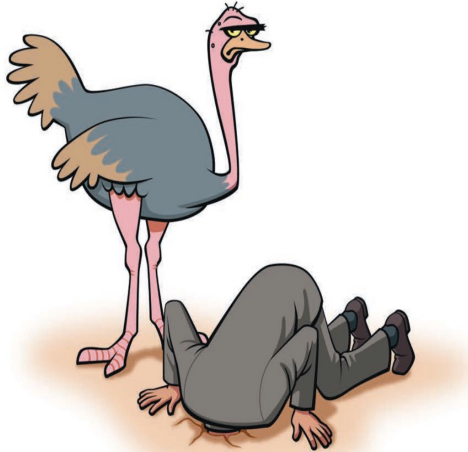
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UPDATE ON CONTRACTS



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your approach to F&I compliance**

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Retail Installment Contract Update

OVDA Dealers please note:

The Retail Installment Agreement Form has been changed. It adds a line to the 4-K Section to account for Oregon's new Corporate Activity Tax (CAT).

The additional line has caused issues with a number of computer systems. We are exploring options to obtain the 300.8 Contract that was discontinued in January, 2020. We will update our forms users as we obtain additional information. For further questions feel free to call or email us.

OVDA

Phone: 503-399-9199

Email: OVDA@ORDealers.com

IF NOT YOU, WHO? IF NOT NOW, WHEN?

Join OVDA today and protect your livelihood by being a part of something that is already making a difference for your dealership every day. Join at www.ordealers.com, call 503-399-9199, or email OVDA@ordealers.com for details.

POWER SPORTS CORNER

A glimpse from inside the Capitol Senate Bill 106: ATV education

By: Rep. Shelly Boshart Davis

After 2020, you're probably tired of the word "unprecedented." But I don't know how else to describe the 2021 Legislative Session. In the middle of a pandemic, the majority party controlling the state's Legislature didn't blink when they allowed more than 4,000 bills to be introduced. At the same time they have increased the number of



ited public access, then we should be limiting the number of bills in front of us and the committees we sit on to avoid the

is not prioritizing the most pressing issues facing Oregonians. It is misguided legislation that takes our focus away from the pandemic and natural disasters that people are still recovering from.

Summary of SB106 requires Class IV all-terrain vehicle operators 16 years of age or older to carry and present both their driver's license and all-terrain vehicle operator permit. It also requires

Now	If SB 106 passes
Youth under 16 can ride youth-sized Class IV after passing online course, and (within six months) com-	No change.
16 and older can ride Class IV with a driver license.	16 and older can ride Class IV with a driver license and after passing online course. Person has the option to try and take online test without going through the course first (challenge the test).
When asked by law enforcement, ATV riders on public land can merely state they have an operating permit.	When asked by law enforcement, ATV riders on public land must present their operating permit.

the vehicle operator to complete a safety education course or pass an equivalency examination to obtain an all-terrain

committees and kept the capitol's doors shut to the public.

You simply cannot produce good public policy without the public. If the capitol only offers very lim-

real risk that we pass legislation without the full support of the people.

Senate Bill 106 is a clear example that this year's legislative session

vehicle operator permit. If you fail to carry this all-terrain vehicle operator permit or fail to present the permit to a police officer, you are subject to a maximum fine of up to \$500.

POWER SPORTS CORNER

This bill is at the request of Governor Kate Brown.

Interestingly, proposals from the Governor account for more than 20% of all bills heard in the House as of the middle of March, but executive overreach with the policy agenda is beside the point.

Listening to the proponents of the bill in the Joint Committee on Transportation, I believed SB106 was completely unnecessary. Someone like me that has been driving these vehicles for years would now need to take a class and carry a permit in order to operate one at the dunes. I reached out to Chris Havel with the Oregon State Parks for clarification after he stated in a testimony that 15% of permits sold were Class IV ATV's but accounted for 30% of accidents. That is a surprising statistic... until you look at the raw data. Which I did.

Of the 233,087 ATV permits sold in Oregon from 2018-2020, **36,045 were Class IV ATV permits**. Of the 111 incidents recorded in 2020 by law enforcement in 14 counties, **34 involved**

a Class IV ATV (18 rollovers, 15 collisions with another ATV, 1 collision with a fixed object).

I asked about intoxication. Of those 34 accidents, only one involved intoxication. There was no data available on the 15 collisions to indicate whether the Class IV ATV was at fault, or if the collision was the fault of another non-class IV ATV.

How much money is the state willing to spend to set up a program and maintain records in order to fine Oregonians because of 34 accidents in 1 year across the entire state? In looking at the massive amount of ATV permits sold and the incredibly low number of accidents, I would conclude this is not a problem. This bill is not needed and undoubtedly, we have already spent too much money in state time on it during a session that should be prioritizing bills that can help Oregonians still recovering from the economic impacts resulting from Covid-19.

SB106 currently sits in the Joint Committee on Transportation



and at any point, can receive a work session to move to the Senate and House Floors. If it has not moved out of committee by May 14th, it is considered dead.

Representative Shelly Boshart Davis is in her 2nd term in the Oregon Legislature, representing House District 15. She and her husband Geoff are raising three daughters, Kyndall, Ashlynn and Sam; all are avid ATV operators and love riding the dunes.