

## **MEMORANDUM**

Date: July 22, 2025

To: ODAC Members & DMV Staff

From: Scott Short, ODAC Member (Used Dealer Representative)

Re: ORS 802.370(2) / Back to the Basics

*ORS 802.370(2): The department shall consult with the committee established under this section before the department adopts any rules under ORS 822.035 or before taking any disciplinary action against a dealer under ORS 822.050 to revoke, suspend, place the dealer on probation or levy a civil penalty against the dealer.*

ODAC Members:

Oregon law clearly states ODAC has two – and only two -- lawful purposes. I am not opposing our other informative pursuits during ODAC meetings, but I think we should be intentional about going back to the basics – back to the two purposes for which ODAC was created in 1983.

(1) *ORS 802.370(2): The department shall consult with the committee established under this section before the department adopts any rules under ORS 822.035 or before taking any disciplinary action against a dealer under ORS 822.050 to revoke, suspend, place the dealer on probation or levy a civil penalty against the dealer.*

Currently, ODAC acts as a Rules Advisory Committee (RAC), but only when DMV proposes to change or create rules. So, DMV is complying with this section of the law. But, should ODAC simply wait for DMV to propose a change? I believe ODAC should begin a comprehensive review of all existing Oregon Administrative Rules (OARs) related to dealers to determine if dealers (and other regulated entities) find a need to add, subtract or change administrative rules. Doing this one section at a time will take time, but it may really make a positive difference.

*(2) ORS 802.370(2): The department shall consult with the committee established under this section before the department adopts any rules under ORS 822.035 or before taking any disciplinary action against a dealer under ORS 822.050 to revoke, suspend, place the dealer on probation or levy a civil penalty against the dealer.*

ORS 802.370(2) **REQUIRES BY LAW** that DMV Business Regulation consult ODAC members **BEFORE** issuing any proposed sanctions on dealers. **BY LAW**, ODAC members are a legal part of the process of determining the appropriate response to any allegations of wrongdoing by a dealer.

Unfortunately, DMV Business Regulation has either been unaware of their statutory obligation, or they have chosen to ignore it altogether. As an ODAC Member for several years, I cannot remember the last time (if at any time) I received a proposed penalty letter PRIOR to DMV Business Regulation sending it to a dealer.

I believe we need a clear commitment from DMV to begin sending sanction letters to ODAC Member BEFORE they are sent to the sanctioned dealer.

I am asking DMV Business Regulation to create and provide clear written guidelines on ODAC Member participation in the sanction process. This written guideline should include:

- (a) how long ODAC members have to respond to a PROPOSED dealer sanction (I believe we should have a week – five business days);
- (b) in what form an ODAC member can submit input (I believe comments should be in writing, and individual comments should be available to all ODAC members to review); and
- (c) how DMV Business Regulation staff will consider, and respond, to input (I believe they provide ODAC with a summary of comments and explain what changes, if any, they made resulting from comments, or why they made no changes at all).

ODAC input on PROPOSED sanctions is one of the two reasons we exist. Changes need to be made immediately so that DMV Business Regulation is complying with ORS 802.370.

Thank you.