
OREGON VEHICLE DEALERS AND DISMANTLERS HAVE CONCERNS ABOUT HB3556 -2 AMENDMENT

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Co-Chairs Frederick and McLain, and Members of the Committee:

The Northwest Automotive Trades Association (NATA) represents more than 450 business members across Oregon. NATA members include collision and mechanical repairs shops, dismantlers, and auto parts manufacturers and distributors.

The Oregon Vehicle Dealer Association (OVDA) represents all Oregon businesses required to hold a vehicle dealer certificate. This includes franchise dealers, independent dealers, auctions, wholesalers, RV dealers, and even marine dealers (boat dealers sell trailers, so they need a dealer's certification).



OREGON RV DEALERS ASSOCIATION

OVDA
Oregon Vehicle Dealer Association

The Oregon RV Dealers Association (ORVDA) represents Oregon's franchised dealers of RV trailers and self-propelled RVs. ORVDA members sell, service and repair vehicles which are used for recreation, and in many cases, as homes for retired Oregonians.

The three associations listed above recognize abandoned RVs as a significant issue across the state, both in rural and urban communities. They support efforts to address this issue and believe the RV industry and dismantlers should be key stakeholders in any such discussions.

The -2 amendments to House Bill 3556 are a serious and thoughtful effort to tackle this thorny issue. Nevertheless, on behalf of my clients, I have a number of preliminary concerns, having only seen the 47-page amendment about 30 hours prior to the scheduled Public Hearing. My clients are still digesting and dissecting the amendment, but I believe it is important to comment in writing within the 48 hour deadline after the Public Hearing to have some initial concerns on the record. These are only preliminary observations I have drafted, and do not include specific feedback directly from any of my three clients listed. To wit:

Section 3 (3): Prohibits (I assume) a dismantler (or storage facility) from selling an abandoned recreational vehicle except for scrap. It may be prudent to allow a dismantler to sell an abandoned recreational vehicle to another dismantler. There may be circumstances when dismantlers face time and capacity issues. Or, perhaps, language to at least allow the transfer of an abandoned recreational vehicle from one dismantler to another with appropriate notices to interested parties which may need to locate the abandoned recreational vehicle during the wait period. (See also Section 8 (3).)

Section 5 (7 & 8): Should "destroyed" be replaced with "dismantled"? I don't believe "destroyed" is used in this context elsewhere in the bill.

Section 9 (6): requires a towed Abandoned Recreational Vehicle to be towed to a facility "located in the same community as the site from which the vehicle was removed". What is the maximum distance between the location of the tow and the location of the facility to still qualify as "in the same community"? If there is no facility in some communities willing to accept an abandoned recreational vehicle, does that mean an

enforcement agency may not tow it at all, meaning some communities will not have the ability to use the funds paid by registered RV owners in their community? When an Abandoned Recreational Vehicle is moved from a storage facility to a dismantler for disposal (assuming they are not always, if ever, the same), can the Abandoned Recreational Vehicle then be sent to a dismantler anywhere in the state?

Section 12 (2): 60 days may be an unreasonably brief period to accurately account for all the related costs for, and income from, disposing of an abandoned recreational vehicle. 120 days should be allowed, with a safe harbor for even longer under extraordinary circumstances (such as a pandemic).

Section 13 (1): Reads, “a person must pay the abandoned recreational vehicle disposal fee for registering campers, travel trailers and motor homes each biennial registration period”. However, Section 2 (5) establishes the following definition: “(5) ‘Recreational vehicle’ means a vehicle with or without motive power that is designed for use as temporary living quarters and as further defined by rule by the Director of Transportation”. Should the language be the same? If not, are some vehicles unqualified for disposal paying the fee, or are some vehicles not paying the fee, but are qualified for disposal?

Section 13 (1): The Oregon RV Dealers Association objects to narrowing the cost of a statewide program on the relatively small number of registered Oregon RV owners. This cohort includes a number of people living in their RVs, low-income families, and retired people on limited and fixed incomes. It is not equitable to burden them with the cost of a statewide program. Moreover, an unknown number of abandoned recreational vehicles are from out of state and abandoned in Oregon.

A more appropriate funding source would be a small surcharge on each overnight stay by an RV in an RV park in Oregon. The surcharge should only be charged at transient, short-term parks, not on long term parks where RV owners are primarily using their RVs as a primary residence. This will include out-of-state RV users in the pool of those paying for the program, which is appropriate.

The automatic inflation adjustment should give everyone pause. The Legislature is currently grappling with an automatic inflation adjustment statute on rental properties. In a high-inflation environment, the cost of the abandoned recreational vehicle fund could eclipse the actual cost of the vehicle registration in a few short years.

Section 19 (3) (c): Should “are” be replaced with “were”?

Section 21 (c): This conforming section changes “is” to “may be” for ALL abandoned motor vehicles, not just abandoned recreational vehicles. This could have unintended consequences.

Section 39: Will begin collecting the \$25 per year fee upon registration or renewal of a registration of a recreational vehicle 91 days after Sine Die. This leaves very little time for DMV and vehicle dealers to make all the necessary adjustments to contracts, forms, and computer systems to collect this new fee. At the earliest, the effective date should be January 1, 2024.

Generally: The -2 amendments permit an interested party to claim the abandoned recreational vehicle and take possession of it “by paying all costs incurred in towing and storing the recreational vehicle”. The abandoned recreational vehicle will most likely be in the custody of a dismantler or contracted storage facility (which may be the dismantler). Does the interested party pay the dismantler, the storage company, and the tower separately? Does the interested party pay the enforcement agency? The state? The amendment appears silent on to who an interested party will pay. How will the party to be paid know how much each part of the process is due at the time the interested party arrives and asks to pay the amount due? The amendment gives the tower, the storer and the dismantler 60 days to determine what they are due. What is the notice process by the enforcement agency to let the dismantler or storage facility know they should release the abandoned recreational vehicle? Similarly, are

interested parties interacting only with the enforcement agency to determine if they have the right to collect personal property? What, if any, part does the dismantler/storage facility in custody of the abandoned recreational vehicle play? In other words, to whom is an interested party “presenting proof of ownership or right to possession of the recreational vehicle or its contents”? The amendment does not appear to be sufficiently clear on this point.

The amendments use language stating the state “may” reimburse. “May use funds”. May reimburse “up to 100 percent”. The language appears to provide significant latitude to the state. I wonder if the language should be “shall” or “will” reimburse with appropriate safeguards only for when there is fraud or excessive charges.

“Storage facility” is undefined. What qualifies? What kind of zoning? What kind of security measures qualify it to be considered capable of being a “secure location”? What kind of environmental safeguards must be maintained so environmental biohazards from the abandoned recreational vehicles do not seep into the ground below, and into local waterways. Will personal property be maintained inside the abandoned recreational vehicle and undisturbed, or does the storage facility have an obligation to collect, to separately store, and to safeguard personal property from the elements? It is not unreasonable to assume some percentage of abandoned recreational vehicles will suffer unavoidable damage when being moved. This damage could expose personal contents inside the abandoned recreational vehicle to the elements in a way they were not exposed prior to being moved.

As my clients provided additional feedback, I will stay prepared to provide them. Please let me know if you have any questions.