



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

DATE: Feb. 3, 2025

TO: Joint Committee on Transportation

FROM: Amy Joyce, DMV Administrator, Oregon Department of Transportation

SUBJECT: SB 840 – DMV Omnibus bill

Co-Chairs Gorsek and McLain, Vice Co-Chairs Bosshart Davis and Starr, and members of the Joint Committee on Transportation:

Thank you for the opportunity to provide information regarding SB 840, which is the omnibus bill for the Driver and Motor Vehicles Services (DMV) Division of the Oregon Department of Transportation (ODOT). DMV is continuing to work with interested partners to address questions about the bill and ensure alignment. We anticipate bringing an amendment before the bill is ready for work session.

BACKGROUND

Oregon DMV's mission is to promote driver safety, protect the ownership interest in vehicles, and raise revenue for the State Highway Fund. DMV is responsible for issuing driver licenses, learner's permits, ID cards, vehicle title, and vehicle registration. DMV must apply state law and, in cases like Commercial Driver Licensing, federal law, too. Among those responsibilities, DMV takes steps to verify registered vehicles have insurance and regulates vehicle dealers as well as other vehicle related businesses.

Each odd-year legislative session, DMV brings an omnibus bill to make critical changes to comply with federal law, to address shortcomings, and to adjust requirements to be more efficient and effective for customers.

BILL CONTENT

SB 840 identifies issues and proposes solutions in eight areas: regulation of drivers, commercial driver license (CDL) federal compliance, VIN inspections for Park Model vehicles, low-dollar vehicle appraiser certification, vehicle dealer regulation, dismantler regulation, law enforcement coordination with other states, and insurance verification. These changes are outlined in further detail below, and a section-by-section summary is attached.

Sections 1-10: Driving Privileges: The first group of proposed changes involve driving privileges. While some provisions are true housecleaning measures, some will improve DMV's ability to better serve and protect customers. DMV recently deployed nine self-serve kiosks, and more are coming. Current statute limits DMV to using these for vehicle transactions only; the bill would allow driver-type transactions to be added to kiosks. While an initial issuance always requires visiting a DMV



office, simple replacement transactions would be an ideal use for the kiosk. The bill would also assist military families stationed out of state or overseas. Current law allows DMV to renew a license for military members even if their photo is too old, under normal circumstances, to be renewed without a fresh photo. The bill expands this convenience to families of such military members.

The bill would also allow DMV to share an individual's photo with another state for the sole purpose of resolving identity discrepancies. Current law does not allow DMV to share photos with anyone except law enforcement. The change would allow Oregon to partner with another state, manually compare photos, and either combat identity theft and fraud or expedite appropriate issuance where there is an initial question about identity.

Sections 11-15: Alignment with Federal Regulations. This group of changes would ensure Oregon is compliant with federal regulations, which is necessary for DMV to issue CDLs. It would also allow ODOT in the future to act by administrative rule to achieve compliance when relevant federal regulatory deadlines are out of sync with the next legislative session.

Sections 16: Park Model RVs. This section would remove the requirement that Park Model RVs, which in most cases are small homes on wheels, must get a vehicle identification number (VIN) inspection to get a title. While Park Models are technically vehicles, they are huge structures on wheels and taking them to a DMV office for VIN inspections has become untenable.

Sections 17-19: Vehicle Appraisers. The changes in these sections concern DMV's regulation of vehicle appraisers who deal with very low values, usually towing operators. The bill would raise the value of an abandoned vehicle that can be appraised by towers and other low-value vehicle appraisers from the current \$500 to \$1,000 to appropriately reflect the values of cars being towed—a value that hasn't been updated since 1983.

Sections 20-29: Vehicle Dealers. The changes in these sections relate to vehicle dealers. DMV proposes several changes to improve consumer protection, both from purchasing vehicles that are stolen and from unscrupulous dealers. The bill requires dealers to check the vehicle's title in the national database (National Motor Vehicle Title Information System or NMVTIS) to check for stolen status, title brands, odometer discrepancies, and other anomalies that would impact the customer purchasing the vehicle. The bill increases the amount of the surety bond a dealer must have; this would help safeguard consumers from dealers who go out of business. The bond increase from \$50,000 to \$100,000 reflects the increasing value of cars. The bill would also change the law to reflect the modern conduct of vehicle sales by dealers, explicitly allowing for on-line sales and home delivery of vehicles.

Sections 30-39: Vehicle Dismantlers. These changes impact vehicle dismantlers. The bill eliminates the need for an insurer to notify DMV within 30 days that a vehicle is totaled. That notification is redundant as DMV currently receives this information from other sources. To better protect consumers, the bill requires dismantlers to report to DMV a vehicle received within seven days and report to NMVTIS each vehicle received within 30 days. These changes ensure consumers have better information about a vehicle's negative history when considering purchase.



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Section 40: Law Enforcement Plate Exchange. The new language in this section gives DMV explicit authority to facilitate license plates exchanges with other states to assist law enforcement.

Sections 41-45: Vehicle Insurance. These changes would improve DMV's ability to verify that vehicles have required insurance and address inconsistencies in sanctions for failure to carry insurance. The primary goal of the statutory insurance verification program is to encourage compliance with Oregon's motor vehicle insurance law which compensates others who are injured or have property damage in a collision. Another goal is having a consequence for failing to carry insurance. The bill proposes several changes that would incentivize drivers to obtain and keep insurance. The bill would eliminate the three-year proof of carrying high risk "SR-22" insurance—which is expensive and may discourage drivers from maintaining insurance. Instead, the change would have DMV suspend a vehicle's registration until the person proves they have insurance, or an anticipated future electronic system verifies they hold insurance. For a person involved in an uninsured collision, rather than suspending them for a full year, the bill would align the DMV consequence with that imposed by courts—suspension until they prove they have SR-22 insurance. The bill would also reduce the length of the SR-22 requirement from three years to one year.

CONCLUSION

DMV seeks to serve all Oregonians through improved service and efficiencies, as well as to protect Oregonians from the negative impacts of others such as through fraud or failing to carry insurance. SB 840 seeks to make small adjustments to the law to improve how DMV works for our customers.

Thank you for your time, attention, and dedication to ensuring a sufficiently-resourced, safe, efficient, and reliable transportation system in Oregon.