



Oregon

Tina Kotek, Governor

Department of Transportation

Director's Office

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DATE: Feb. 18, 2025

TO: Joint Committee on Transportation

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

SUBJECT: HB 2663, Temporary Registration to Complete Emissions Testing

INTRODUCTION

Vehicle Dealers and DMV issue a temporary registration to the owner of a vehicle who has submitted all necessary documents and fees for valid registration, but for which license plates and stickers have not yet been issued. These temporary permits last 90 days, with the expectation that within that time the transaction is fully processed, with license plates and registration stickers sent to the customer. If anything is knowingly not included in the transactions, under current law a temporary registration would not be issued.

BILL CONTENT

HB 2663 would make an exception to the standard above. Under the bill, a vehicle purchased at an Oregon dealership that has all paperwork and fees ready, except that it has not yet passed DEQ emissions testing, if required, would be given a special temporary registration. This would allow the purchaser time to conduct the DEQ testing and obtain a certificate of compliance. Once the certificate is submitted and everything else is complete, DMV could then process the entire transaction and issue title, license plates, and registration stickers.

Oregon dealers act as agents of DMV for processing paperwork for title and registration, which means they must submit a complete transaction for DMV to process. Under this bill, that means they would need to send in the vehicle emissions certificate with the packet of the remaining documents and fees. If not, DMV could not process the transaction, including issuing a title. DMV suggests that for the sake of clarity and consumer awareness, that the bill specify the notice to purchaser also advise they would not receive the title, as well as the license plate and registration, if they don't submit the necessary proof of compliance within the period allotted. In addition, this may cause issues for Dealers, who by law are required to submit customer paperwork within 30 days of the transaction. Because this would be a 90-day permit, presumably some customers would not submit their DEQ certificate in 30 days, which would put the dealer beyond their compliance date.

More broadly, ODOT is concerned that this bill could result in more vehicle owners not paying their registration fees, which support the state highway fund. It is not uncommon to see vehicles with no plates or long-expired temporary registration. That typically indicates the owner of such a vehicle is not paying their fair share for operating on Oregon roads. Under this bill, dealers would be required to hold title and registration packets, including relevant fees, until they receive a vehicle emissions certificate from the vehicle owner. If an owner fails to submit their certificate to the dealer, no title



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and registration packet would be submitted to DMV. In this case, ODOT never receives title and registration fees, which would negatively impact the State Highway Fund and thereby the agency's overall budget. Considering the structural funding challenges ODOT is facing, we urge the committee to carefully consider whether it's advisable to create another mechanism by which registration fees may go unpaid.

CONCLUSION

This bill would allow vehicle dealers to issue a temporary registration permit for vehicles without first obtaining proof of compliance with pollution control equipment requirements where relevant. The department recommends the notice that the bill requires dealers to send to vehicle purchasers include language specifying that title will be among the items that ODOT will not issue without proof of compliance with DEQ testing. ODOT also encourages the committee to consider how this bill could negatively impact department finances by creating a new opportunity for registration fees to go unpaid.