Ballot Measure 97
Trail Blazers Plate Coming!
DAA Northwest Hosted Iconic Band Chicago in July
7 Questions from a Dealer in Points to Ponder
Calendar of Events and Education

All classes start promptly at 8:30 AM and end at 4:30 PM. Classes are usually held once a month on Friday's. Call the office for the latest updates or to register.

Calendar & Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 28</td>
<td>Budweiser Super Custom Car Show, by Best of Show Magazine.</td>
<td><a href="http://www.PORTLANDRACEWAY.com">www.PORTLANDRACEWAY.com</a></td>
</tr>
<tr>
<td>Sept 16</td>
<td>Wilsonville Holiday Inn, 8:30am to 4:30 pm. North Wilsonville I-5 Exit 286, on</td>
<td>West side of Freeway. 25425 SW 95th Ave, Wilsonville, OR 97070</td>
</tr>
<tr>
<td>Oct 14</td>
<td>Wilsonville Holiday Inn, 8:30am to 4:30 pm. North Wilsonville I-5 Exit 286, on</td>
<td>West side of Freeway. 25425 SW 95th Ave, Wilsonville, OR 97070</td>
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<tr>
<td>Oct 27</td>
<td>Oregon Dealer Advisory Committee at DMV Headquarters 9am to 12 noon.</td>
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<tr>
<td>Nov 11</td>
<td>Wilsonville Holiday Inn, 8:30am to 4:30 pm. North Wilsonville I-5 Exit 286, on</td>
<td>West side of Freeway. 25425 SW 95th Ave, Wilsonville, OR 97070</td>
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<tr>
<td>Nov 14-18</td>
<td>Used Car Week Conferences: CPO Forum, Subprime Lending, Remarketing, and Auc-</td>
<td>Red Rock Casino Resort &amp; Spa, Los Vegas, NV</td>
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<td>tioneering.</td>
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<tr>
<td>Dec 8</td>
<td>Wilsonville Holiday Inn, 8:30am to 4:30 pm. North Wilsonville I-5 Exit 286, on</td>
<td>West side of Freeway. 25425 SW 95th Ave, Wilsonville, OR 97070</td>
</tr>
</tbody>
</table>

Classes: Classes are usually held every month on a Friday. Call the office for the latest updates.

Democracy must be something more than two wolves and a sheep voting on what to have for dinner.

.........James Bovard, Civil Libertarian (1994)
Oregon Dealer Advisory Committee

The ODAC met July 28 at DMV HQQ in Salem. Industry representatives attending were:

Monty King, OVDA/OPSA, Luke Brandeberry, OVDA/OPSA, Dan Nicolson, Chair, Tommy Wilson (used car dealer reps), Shannon Nill (New Car dealers), Alex Fraser (auctions), Mike Wagner (tow operators), Roger Kirschner (RV dealers), Evelyn Hecht (insurance agents), Dale Geiger and Paul Gustafson (consumer representatives), May Ann Trout (Dismantlers) and various agency staff.

First report of a problem with some temporary Trip Permits printed by DMV’s vendor mis-numbered a large print order, so some of the books dealers will get look a little different. The rest of the shipment is being sent back and reprinted so the weirdness will be short-lived.

Investigators said they had Jan to June 2016: 653 investigations conducted, up 50; 350 complaints, up 100; 78 Civil Penalties issued, up

60, 14 illegal (curber) penalties issued, up 9.

Dave Jorgensen was introduced, He has 32 years of experience in DMV dealer activities and has been an investigator for 18 years.

A discussion about bonds was held, and it was generally agreed that although some companies were dropping bonds for dealers who had flooring plans, it was a small minority, and is mainly because the bonding companies changed their rules and the flooring companies started putting UCC filings on their clients, causing the Bond companies to cancel their bond. Bond companies do not want flooring companies to have first position on reimbursement after a bond claim. OVDA supported the legislation to fix a glitch in legislation from 2005, from the auctions and in return got support for making sure dealer only auctions are only dealers and their employees, not just an undefined ‘representative’. OVDA President Monty King state if the industry wanted to review the bonding situation, the association would participate. Monty reviewed several aspects of dealer bonding in Oregon that had not been mentioned up to that point in the conversation.

A ‘Clear and Present Danger’ enforcement definition was discussed, as a way to stop bad dealers from continuing to hurt consumers and other dealers better. It turns out a former Biz Reg manager may have convinced a DOJ lawyer to stop the rule from being used. OVDA asked the DMV to have a new opinion done on the rule. OVDA/OPSA does not support dealers who are hurting other dealers and consumers and are a clear and present danger to them, not just physically, but economically.

The new car dealers association OADA stated they will have legislation for the 2017 session to deal with the state law requiring dealers to send their fees to DMV within 24 hours of accepting them. More on this later as we find out more.

Insurance payoffs to consumers on totaled vehicles needs to be changed, was the general opinion of the attendees. Salvage titles and how the vehicles are re-titled were reviewed.

DMV managers reviewed the next actions on getting a new electronic system up over the next 4-5 years. Motor vehicle information will be the first data processing that will be updated.
Monty-

Thank you so much for lunch the other day. It was great to speak with you and I really appreciated your advice.

Please extend my thanks to the OVD & the OPSA for the endorsement.

I look forward to being the next pro-business legislator.

-Thank you

Evan

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VOTE Dennis Richardson
Oregon Secretary of State
The Most Important Election for Oregon Businesses

Dennis Richardson

CORPORATE TAX INCREASE - MEASURE 97 (IP 28)

✔ OPPOSES

✘ SUPPORTS

PRIVATE BUSINESSES & JOBS

✔ Will work for Oregon businesses so they grow & create good paying jobs

✘ Promises to spend his time investigating & auditing private businesses

GOVERNMENT SPENDING

✔ Will audit state government to find out & report where your tax dollars have gone

✘ Believes the audits division has done a fine job preventing waste & keeping you in the loop

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The CARLAWYER® By Thomas B. Hudson and Nicole Frush Munro

We’re back, passing on what we’ve recently learned about legal developments in the auto sales, finance and lease world. This month, we feature developments from the Consumer Financial Protection Bureau and the Federal Trade Commission, as well as our “Case of the Month.” Remember – we aren’t reporting every recent legal development, only those we think might be particularly important or interesting to industry.

Why do we include items from other states? We want to show you new legal developments and trends. Also, another state’s laws might be a lot like your state’s laws. If attorneys general or plaintiffs’ lawyers are pursuing particular types of claims in other states, those claims might soon appear in your state.

Note that this column does not offer legal advice. Always check with your own lawyer to learn how what we report might apply to you, or if you have questions.

This Month’s CARLAWYER® Compliance Tip

Signed up for the CFPB’s complaint portal yet? You need to be monitoring complaints from all sources, and the CFPB offers one more source for determining whether your customers are unhappy with you. And taking care of complaints is one of the most effective ways of staying out of the regulators’ crosshairs. What, exactly, are you waiting for?

Federal Developments

Adios, Arbitration Agreements in Credit Contracts. On May 5, the CFPB issued a proposed rule limiting mandatory arbitration clauses in a wide variety of contracts. The CFPB is seeking comment on a proposal to prohibit companies from using class action waivers in pre-dispute mandatory arbitration clauses with consumers. Companies would still be able to include arbitration clauses in their contracts, but for contracts subject to the proposal, the clauses would have to say explicitly that they cannot be used to stop consumers from being part of a class action in court. The proposal provides the specific language that companies must use. The proposal also requires companies using pre-dispute arbitration agreements to submit to the CFPB claims, awards, and certain related materials filed in arbitration cases to allow the Bureau to monitor arbitrations to ensure that the process is fair for consumers. Comments on the proposed rule are due by August 22.

Case of the Month

Dealership’s Inflation of “Cash Price” to Compensate for Trade-In Over-Allowance Did Not Violate TILA: A consumer agreed to buy a new car from a dealership for $31,322. The manufacturer’s suggested retail price for the car was $24,150. The dealership subtracted $3,500 from the $31,322 price for the car that the consumer traded in as part of a promotion in which the dealership agreed to provide a $3,500 discount for any trade-in, regardless of the trade-in’s actual value, which in the consumer’s case was close to $0. In cases where the dealership gives the $3,500 discount, the buyer agrees not to negotiate the sale price, and the dealership adds $3,500 to the sale price.

The consumer sued the dealership for violating the federal Truth in Lending Act and the Connecticut Unfair Trade Practices Act. The federal trial court granted the dealership’s motion for summary judgment. The consumer claimed that the dealership violated TILA by failing to accurately itemize the amount financed and failing to accurately disclose the finance charge in the retail installment contract she signed.

Both arguments were based on the fact that the dealership inflated the cash price of the car the consumer bought to compensate for the trade-in discount it gave her for a car with almost no value.

Continued on page 7
Continued from page 6

First, the court found that the dealership accurately disclosed the finance charge. The consumer claimed that the increase in the sale price of the car to compensate for the trade-in discount constituted an undisclosed finance charge. The court disagreed, noting that because the dealership increased the sales prices of its cars to offset the trade-in allowances in both cash and credit transactions, the increase did not amount to a finance charge.

Second, the court found that the dealership accurately itemized the amount financed. The court noted that although the consumer agreed to a bad bargain, the itemization of amount financed represented a true and accurate description of the terms to which she agreed. After the court dismissed the consumer's federal claims, it declined to exercise jurisdiction over her state law claims.

Just because the court found for the dealer on the Truth in Lending claim doesn’t mean the dealer is home free. The court didn’t rule on the buyer’s state law unfair trade practice claims, leaving the buyer free to bring those claims in state court. Note that we have seen these “$X dollars for anything you can push, pull, drive or drag” ad campaigns successfully attacked in other cases – you should avoid these sorts of advertisements.  See Morales v. Barberino Brothers, Inc., 2016 U.S. Dist. LEXIS 59726 (D. Conn. May 5, 2016).

July Issue Case

Security Interest Perfected More than 30 Days after Debtor Took Possession of Car and within 90 Days of Debtor's Bankruptcy Filing Avoided as Preferential Transfer: An individual and his company bought a car on December 29, 2014. The individual applied for a certificate of title on January 30, and the title, listing the lienholder, was issued on February 17. The individual and his wife filed a Chapter 7 bankruptcy petition on April 16, and the Chapter 7 trustee filed an adversary proceeding seeking to avoid the lien as a preferential transfer. The federal bankruptcy court granted judgment for the trustee. The court noted that the only element at issue in the case was whether the transfer of a security interest in the car was for or on account of an antecedent debt owed by the individual before the transfer was made. Section 547(e)(2)(A) of the Bankruptcy Code provides that if a transfer is perfected more than 30 days after the transfer takes effect between the transferor and the transferee, the transfer is deemed made at the time the transfer is perfected. The court found that the transfer was not perfected within 30 days of the date the individual signed the retail installment contract and took possession of the car and, therefore, the transfer of the security interest was on account of an antecedent debt. Finally, the court rejected the lienholder's argument that the "new value" defense applied. That defense provides an exception to the finding of a preferential transfer for a transfer that creates a security interest in property acquired by the debtor for new value if the security interest is perfected on or before 30 days after the debtor receives possession of the property. Because the security interest was perfected, at the earliest, 32 days after the individual took possession of the car, the court found that the defense did not apply. You can bet that the bank that bought the finance contract at issue in this case will be demanding that the dealer make good on the bank's losses. See In re Resler (Reynard v. Bank of America, N.A.), 2016 Bankr. LEXIS 2187 (Bankr. D. Idaho June 3, 2016).

So there’s this month’s roundup! Stay legal, and we’ll see you next month.

Tom (thudson@hudco.com) and Nikki (nmunro@hudco.com) are partners in the law firm of Hudson Cook, LLP. Tom has written several books and is the publisher of Spot Delivery®, a monthly legal newsletter for auto dealers. He is Editor in Chief of CAR-LAW®, a monthly report of legal developments for the auto finance and leasing industry. Nikki is a contributing author to the F&I Legal Desk Book and frequently writes for Spot Delivery. For information, visit www.counselorlibrary.com. Copyright CounselorLibrary.com 2016, all rights reserved. Single publication rights only, to the Association. (6/16). HC# 4851-4777-3234.
DATE: August 9, 2016

TO: Oregon Dealers
   Oregon Dealer Associations

FROM: Tracy Olander
      Vehicle Policy

SUBJECT: New “Trail Blazers” License Plate

The 2015 Legislature authorized the issuance of a new license plate called the “Trail Blazers” registration plate. The new Trail Blazers plate will be available to the public starting September 1, 2016.

If you have any questions regarding these changes, please call DMV Customer Assistance (in Salem call 503-945-5000, in Portland call 503-299-9999, or call the DMV number listed in your local directory). For further information or after September 1, 2016 you can visit the DMV website at www.oregondmv.com.

New “Trail Blazers” Plate Effective September 1, 2016

Trail Blazers plates will be available for passenger vehicles only and have their own unique background. The plate configuration will have two alpha characters on the left of the plate, one above the other, followed by five numeric characters. The Trail Blazers plate configuration will start with TB 00001. Trail Blazers license plates will also be available as Custom and Amateur Radio Operator (HAM) plates.

A surcharge of $40 is required at the time of issuance of the Trail Blazers plates and $40 upon each registration renewal. The Trail Blazers plate surcharge is $40 regardless of whether the customer is receiving a two-year or four-year registration – the surcharge is NOT doubled. If a customer purchases Trail Blazers plates and later decides they do not want them, the customer is not eligible for a refund.

Trail Blazers plates will be available at DMV field offices, through the mail from DMV headquarters and through participating Electronic Vehicle Registration (EVR) dealerships.

To order a set through the mail from DMV Headquarters: In the “Remarks” section at the top of the Application for Title and Registration, Form 226, or the Application for Registration, Renewal, Replacement or Transfer of Plates and/or Stickers, Form 268, write “Trail Blazers.” The Form 268 will be revised to include this new plate option at next re-order.

The DMV Title and Registration Handbook will include information about the new Trail Blazers plates as of September 1, 2016. Please check the online handbook for these changes at: http://www.oregondmv.gov/ODOT/DMV/dealers/titlereghndbk.shtml.
QUESTION FROM A DEALER 1: Question: Are we required by law to buy a Carfax report on every car?
Answer: Not to our knowledge. Good idea though. The DOJ rules say you have to tell buyers about serious problems you ‘knew about or should have known’ about. That is a tough rule. How can you say you didn’t ‘know and shouldn’t have known’ about the problem, if you don’t even look at the history. Just looking at the title is not enough. Tens of thousands of cars titled in Oregon were totaled, and there is no record of it in the DMV records, but there is in the history reporting companies and at NMVTIS (Federal).

QUESTION FROM A DEALER 2: Question: Where are we as far as making sure recalls are done on vehicles? Are we required to or is it just best practices?
Answer: If it is a safety recall, you should inform them. If you can get it done at the franchise dealerships, also do that. Regular recalls can also be disclosed. You are not responsible, from what we hear, for the actual repairs and being sued, unless you try to hide safety recalls. The FTC site has a link for recalls to be checked.

QUESTION FROM A DEALER 3: Questions:
I was told by a customer that their contract to pay for a car was no longer valid because it was signed more than 6 years ago. Is there any law like that in Oregon? Does not seem right.
Answers: No, according to the association attorney Shawn Lindsay. He sees no law like that, except a statute of limitation in Oregon of bringing a Breach of Contract’ claim within 6 years. This is not one of those.

FRESNO DEALER PAYS
A Fresno California dealer, while admitting no liability, has paid out a settlement, reported in Used Car News, of almost $1 million, because the dealership did little to nothing to make sure a vehicle was not stolen in 2013. The vehicle was stolen a few days after the keys were noticed as missing, and then the thief came back and stole the car and killed another motorist after a high speed chase by police.

QUESTION FROM A DEALER 4: Question: I’ve been considering putting my vehicles through my own certification program and marketing them as such. I have seen a few other dealers do a self sponsored CPO program. What do you think? What should I watch out for?
Answer: Watch out for DOJ. I asked a question to them last week about if there were any open investigations about dealers doing self-certification. The answer was ‘yes’, but they would of course provide no details. I’m pretty sure they are going to say it is deceptive if done internally or as just an advertising ploy, but I’m not a lawyer and don’t give legal advice.

We would like to be able to put a program together as an association. Will get back to you asap.

CONGRESS ACTS
There was a proposed rule by the federal Environmental Protection Agency to prohibit the use of a regularly built car or truck from being modified to race on racetracks. As you likely are pro vehicle racing, at least a little bit, this rule seems a little over the top for another control of society by Federal government bureaucrats. Evidently Congress is agreeing, and the EPA is withdrawing the proposed regulation, but is maintaining they already have the authority to assert their authority in this regard. Congress is considering action to prevent the EPA from using Federal funds for such a rule.
QUESTION FROM A DEALER 5: Question: I gave a dealer plate to a customer so they could get home because their trip permit expired. Now they won’t give it back, what should I do?
Answer: The DMV rule is, you cannot put a dealer plate on a vehicle after it is sold. The DMV can fine civil penalties. An option to get your plate back is issue them another trip permit. Even if you have to pay for the permit yourself, it’s better than losing the plate.

QUESTION FROM A DEALER 6: Question: We signed up with an auction in Wichita Kansas and would like to know if we can buy there and wholesale to a dealer there that David knows?
Answer: Basically the answer is yes, at a dealer only auction. Practically, the reality is a bit different in real life, but each state is a bit different, for retail and wholesale. For members, call the office for a full explanation of this question and the other questions that arise when a dealer operates in a different state.

QUESTION FROM A DEALER 7: Question: How many days do I have to pay somebody for their vehicle?
Answer: 15 days from the time you take possession of the vehicle.

CURBER REPORT
The DMV Business Regulation Section reported progress in the search for illegal dealers at the last ODAC meeting. A further report with more details is:

Investigators have spent much more time this year sending violation notices and making calls to alleged ‘curbers’, and have cited more dealers this year than any in recent memory, and we still have 5 months to go. Congrats to our Southern Oregon investigator for her stepping up and working the issue hard. She has cited 2 dealers this year already, equaling the number cited by Southern Oregon investigators over the previous 14 years. We hope to see more of this in the future.

Unlicensed dealer/dismantler activity totals for the first six months of 2016:
82 - complaint investigations conducted
106 - investigator self-initiated investigations conducted
204 - advisory notices posted/letters mailed

Civil penalties that have been imposed or are in process on unlicensed dealers/dismantlers in the following locales:
Amity – 1
Eugene – 3
Medford and Winston - 2
Salem and Mehama - 4
Portland – 4
Madras - 1
WHAT DO YOU THINK?

OVDA and OPSA want to know what you think about the proposal for higher taxes through IP 28, being put on the Oregon ballot by public employee unions.

July 21, 2016

**Measure 97 could mean the end for Powell's Books**, The (Portland) Business Tribune
by Joseph Gallivan

“The challenge for all of us, and for the small businesses too, it’s not just the bill for the 2.5 percent tax, I fully expect our power bill will go up, many of our utilities will go up, and probably some of our cost of goods will be impacted. I fully expect our margins will go down from some of our suppliers — because they’ll be impacted as well — it’s going to hit us in a lot of places. Pacific Power have already said they’ll be passing this increase along as a price increase. We’re not sure yet but some of our publishers and wholesalers will be impacted, and they may now say, instead of offering us a previous discount, they may say we’re going to have to cut that.”

*****************************************************************************************************************************

July 21, 2016

**The business of Measure 97**, The (Portland) Business Tribune, by Vance W. Tong

"If a business is a sole proprietorship, partnership, LLC, S Corporation, LLP, co-op, non-profit or a C Corporation with less than $25 million in sales, it’s true, they won’t directly pay the tax. However, what the proponents aren’t telling you is the story about the businesses who will be paying the tax. They mention businesses such as McDonald’s or Walmart, alleging that these big, out-of-state businesses should be paying their fair share. What never seems to come up is how this tax, if passed, will affect local businesses. To that end, the Business Tribune will be running several Q&A articles with Portland business leaders on the potential impact that the gross receipts tax would have on them."

*****************************************************************************************************************************

July 20, 2016

**In Our Opinion: Ultimately, the Legislature will decide where IP 28 proceeds will be spent**, The Newberg Graphic, by Editorial Board.

"A majority of board members in the Bend-area school district — the sixth largest in Oregon — recognized that a proposed tax currently known as Initiative Petition 28 might do very little for students and teachers, while imposing a major burden on taxpayers. According to an article in the Bend Bulletin, school board member Cheri Helt worried that voters would think a “yes” vote would mean significant improvements for schools, but that the public-union-backed initiative in reality would just be giving the Legislature “a blank check.”

*****************************************************************************************************************************

*July 19, 2016

**Think tank: Corporate tax measure would increase prices**, The Salem Statesman Journal
by Gordon Friedman

"The Tax Foundation’s analysis supports the Legislative Revenue Office findings, chiefly that the tax would increase the price of goods in Oregon by 0.9 percent by 2022, amounting to $2 billion in new consumer costs. The think tank’s analysis goes further, saying the state report may underestimate price increases for businesses with long supply chains because gross receipts taxes can compound prices along the chain of production. The report called gross receipts taxes ‘worse than a sales tax’ because of their ability to compound price increases."
4938 Consigned Units
3690 Sold - 75% Sale
Over 1,000 Dealers in the Lanes

A Record-Breaking Event
THANK YOU!
USED MOTOR VEHICLE DEALER AND FORMER STATE EMPLOYEE ARRESTED IN GEORGIA FOR ODOMETER TAMPERING SCHEME

Two Atlanta, Georgia, residents were arrested this week by a team of federal and Georgia state agents, the Department of Justice announced.

Rojen Burnett, 33, and Amber McLaughlin, 32, were charged in a 25-count indictment with securities fraud, making false odometer statements and conspiracy to commit these offenses. Burnett owned and operated Lifestyle Auto Broker LLC, a Georgia corporation that bought and sold used motor vehicles. McLaughlin was a customer service specialist at the Motor Vehicle Department (MVD) of the Georgia Department of Revenue, the indictment alleges.

According to the indictment, as early as February 2012 and through at least May 2013, the defendants devised a scheme to defraud buyers of used motor vehicles by rolling back the vehicles’ odometers and causing consumers to pay more for the vehicles than they would have paid if they had known the vehicles’ actual miles.

As part of the scheme, the indictment charges that Burnett purchased high-mileage, used motor vehicles from auctions in Maryland and Virginia. Burnett then caused the odometers in these vehicles to be altered to reflect false, lower mileage, according to the charges. The indictment also alleges that Burnett caused the existing titles associated with these vehicles to be altered to reflect the false, lower mileages. McLaughlin provided him with newly issued, clean Georgia titles reflecting the false, lower mileages, according to the charges.

Using these new Georgia titles, Burnett subsequently sold the motor vehicles to other dealers through an auto auction, the indictment alleges.

“Individuals who buy and sell used vehicles cannot alter odometers and the associated paperwork to increase their value,” said Principal Deputy Assistant Attorney General Benjamin J. Mizer, head of the Justice Department’s Civil Division. “Consumers who purchase used vehicles need accurate mileage information to assess the value and safety of a potential vehicle purchase. We take seriously our obligation to prosecute those who violate these statutes and prey upon unsuspecting consumers.”

If convicted, each defendant faces up to 10 years in prison on the most serious of the charges.

This case was investigated by the Auto Crimes Title Fraud Unit of the Georgia Department of Revenue and the U.S. Department of Transportation, National Highway Traffic Safety Administration. It is being prosecuted by Trial Attorneys Kerala Thie Cowart and David Sullivan of the Civil Division’s Consumer Protection Branch.

More information on odometer fraud is available on the NHTSA’s website, and tips on detecting and avoiding odometer fraud are available at this page. For more information about the Consumer Protection Branch and its enforcement efforts, visit its website at http://www.justice.gov/civil/consumer-protection-branch.

These charges are only allegations and the defendants are presumed innocent unless and until proven guilty.

OVDA/OPSA Note: It does not matter what year the vehicle is, it is ALWAYS illegal (a felony) to roll back odometers.

SALES TAX UPDATE: MEASURE 97 –

THE $6 BILLION NEW TAX ON OREGON SALES ON THE NOVEMBER BALLOT

The $6 billion tax increase that you may have heard about under the title Initiative Petition 28 is now officially known as Measure 97, a staggering $6 billion new tax increase -- the largest in state history -- that former state economist Tom Potiowsky said would be “like a sales tax on steroids.”

Far from the claims made by M97’s sponsors, two-thirds of this unprecedented tax on sales would end up being paid by consumers, costing the average Oregon household more than $600 every year, according to a study by the nonpartisan Legislative Revenue Office. The same study also estimated that passage of M97 would ultimately result in the loss of more than 38,000 private sector jobs.

Specific impacts on vehicle sales could be especially negative as M97’s tax could be added multiple times – for example, on dealers’ wholesale and then retail sales – thereby increasing the cost to the consumer.

The harm M97 would do to Oregon consumers, Oregon’s overall economy, small business and multiple industries would be significant. And, there is no guarantee that any of the new billions in tax revenues would go to schools, healthcare or senior services. All of the new taxes would go to the General Fund. The Legislative Counsel recently confirmed that “[M97] would not bind a future legislature in its spending decisions. If [M97] becomes law, the Legislative Assembly may appropriate revenues generated by the measure in any way it chooses.” It’s a blank check for politicians to spend billions of dollars as they please with no accountability to the public.
Gavels have dropped at the national conventions in Cleveland and Philadelphia, and the presidential campaigns have begun in earnest, but Hillary Clinton and Donald Trump face some stiff competition for voters’ attention from small-business owners throughout Oregon who have started campaigns of their own: Educating their employees and communities on the issues vital to their survival and about the candidates most supportive of Main Street.

Small-business owners comprise 15 percent of all registered voters in the United States. By comparison, union voters make up 11.9 percent. When small-business employees are added, the small-business voting bloc swells to 43 percent. Here in Oregon, there are nearly 370,000 small businesses, representing 97.6 percent of all businesses in the state and providing jobs for 55.7 percent of the private-sector workforce.

Are you a small-business owner? Are you a small-business employee? Are you a small-business shopper? If you answered “yes” to any of these questions, then you are a small-business voter. Just how important is the support of the small-business community? Voters prefer candidates supported by small business by a margin of 3 to 1 over those supported by organized labor, according to the Winston Group.

Simply put, voters trust small businesses. They not only provide jobs, but chances are they also support local charities, non-profit organizations, and the business owners themselves often volunteer their time and energy to help strengthen their communities.

Now you might be thinking to yourself, “Sure, they can do all that because they are very wealthy!” Think again – according to the most-recent data available from the U.S. Small Business Administration, the median income for individuals in Oregon who were self-employed is $42,722 per year – not exactly the millionaires and billionaires that come to mind when we think about big business executives, which reinforces the reason why voters place so much confidence in their small-business friends and neighbors. Small-business owners are working people supporting families, just like all of us.

The small-business person also has a unique perspective when it comes to politics and public policy. They don’t deal in hypotheticals, which are always especially popular at the national level this time of year when politicians debate the issues incessantly, noting that if we could only do more for this group or that group, everyone would be better off. The politicians themselves, however, have very little at stake, except for their political careers.

When it comes to “skin in the game,” small businesses are clearly the most legitimate sources for understanding how a change in policy will affect the local economy. Their personal livelihoods depend on keeping the doors open and keeping the budget in the black – another reason why we should listen when they identify a problem that needs to be addressed in the realm of politics.

It’s no secret that 2016 is shaping up to be an election year the likes of which many have never seen. Major philosophical disagreements between the parties, divisions within those parties, and the interesting personalities who have emerged as the red and blue standard-bearers have all made this year especially unusual.

Still, the underlying questions ahead of us as Oregonians are those of policy, not politics. Challenge yourself to have a conversation with someone you know from the business community about that new $6 billion tax increase initiative (Measure 97), how the new minimum wage law is affecting labor costs and profitability, or how unaffordable health insurance premiums have become in the last several years.

Bottom line: If you are a business owner, share your perspectives with those around you. If you are a small-business employee or shopper, listen to what those owners have to say. We all have an interest in seeing our local businesses succeed, so we all should be small-business voters this November. If you are interested, you can follow and contribute to the conversation online at #smallbizvoter on social media.

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For more information or to become a members of NFIB, please visit www.NFIB.com or call (503) 364-4450.
THOUGHTS FROM MONTY KING
OVDA & OPSA PRESIDENT

IP 28 OR BALLOT MEASURE 97 FOR NOVEMBER 2016

This ballot measure has lately been termed a ‘sales tax on steroids’ by former state economist Tom Potiowsky. The Campaign manager for Our Oregon, Ben Unger, an ultra-liberal democrat from the Portland area, who gathered the signatures to put the $ 6.6 Billion tax increase on the ballot, then talked Mr. Potiowsky, now a professor at Portland State University, into not making public statements unless he checked in with Unger first. So much for free speech, right?

This tax measure is the largest in Oregon history. It is regressive, affecting low income people more than anyone else. It will increase public sector jobs by almost 14,000 and cut private sector jobs by almost 34,000 jobs. The cost of vehicles for dealers wholesale and retail will increase, and will be taxed multiple times, according to some analyses.

The unions, we believe, want the money so they can get higher wages at the government jobs they already have, and to increase and make even better the retirement benefits they have, which are much more than almost anyone in the private sector enjoys.

For ‘Our Oregon’, it is about all of society paying them more. It is not about better education in Oregon’s failing schools or better roads and bridges. That’s why they titled their group ‘Our Oregon’. They really mean it. Not you and I’s Oregon, but in reality ‘Their Oregon’. We pay, they play.

OVDA note: The above was written in late July. On Aug 7, page 6D, there was a political cartoon in the Statesman Journal (and likely other newspapers) with a building titled ‘PERS’ burning, with a person on top screaming “Have you tried putting the fire out?” and Oregon Gov Brown at the bottom with a fireman’s outfit on, with a small safety hoop titled “Measure 97”. This points the way for what the Governor and the unions are really trying to do, pay for a PERS rescue with the stealth sales tax in IP28, now titled Measure 97. It was never about better schools, veterans services or Oregon roads.

OREGON DEALER BOND

Expect some pressure for a higher bond amount sometime soon. About 9 months ago, police raided a Corvallis auto dealership (Jones 5 Auto) and determined he had scammed several retail and non-retail consumers and businesses. They basically stole a lot of money by scamming other dealers with fake titles, and did not pay consignors for their cars.

Also, at the Oregon Dealer Advisory Committee there have been many comments the motorcycle dealer bond should be raised, and perhaps the motorcycle dealer license should be retired.

There is some logic to that point of view. Members who are interested in these subjects should call the office and talk with staff.

Monty King, OVDA, OPSA & AAO President
HIGHLIGHTS OF DAA NORTHWEST’S 2016 ROCK & ROLL SALE
By Luke Brandeberry, Assistant Director OVDA

I’ve been to car auctions before, but never with an international headliner like Chicago. That is, until last week when I was lucky enough to attend DAA Northwest’s 21st Annual Rock & Roll Sale in Spokane, Washington. DAA is an independent, wholesale auto auction located in Spokane. Their past Rock & Roll Sale performers have included Heart, Huey Lewis & The News, Styx, REO Speedwagon and The Doobie Brothers, to name a few. In only two days, DAA Northwest offered 4,938 vehicles and sold 3,690 with an average sale price of $16,700. The event grossed $61,500,000 in sales!

My journey started about 435 miles away in Salem, Oregon. The sun was rising and a cool breeze in the air, I could tell this was going to be a beautiful road trip. I headed north to Portland along I-5 and then east on I-84 towards the Gorge — a steep-sided ravine carved by the Columbia River during the Missoula Floods some 15,000 years ago. It exhibits waterfalls, canyons, cliffs and landscapes so grand, one can only say “the pictures don’t do it justice.”

Fast forward through the hills covered in Paul Bunyan sized wind turbines and vast plans along I-90 East, I reached my destination just in time for my 4:30 p.m. check-in at the Stratford Suites. After a quick shower and a bite to eat, I arrived at DAA Northwest just in time for the opening band – The Cronkites. The Cronkites have been entertaining the Pacific Northwest since 1995, their combination of charisma and music made them a joy to listen to. After taking photos throughout the concert and party and speaking with friendly people from all over the Northwest, I learned that one of the Cronkites is none other than Greg Mahugh – DAA Northwest’s Senior Vice President! That was pretty cool.

By 9:00 pm, Chicago took the DAA Stage, playing hit after hit like “25 or 6 to 4,” “Does Anybody Know What Time it Is?” “Color My World” and more. According to the Billboard charts, Chicago is second only to the Beach Boys as the most successful American rock band in history, in terms of both albums and singles. Lifetime achievements include a Grammy Award, multiple American Music Awards, elected as Founding Artists to the John F. Kennedy Walk of Fame, a Chicago street dedicated to their honor, and Keys to the Proclamations from an impressive list of US cities.

Chicago consists of Robert Lamm - Founding member (Keyboard/Vocals), Lee Loughname - Founding Member (Trumpet/Vocals), James
YOU THOUGHT YOU HAD IT BAD????

In this article, closing fees are the same as processing fees in their state.

South Carolina Revises Motor Vehicle Closing Fee Statute

On June 2, 2016, the South Carolina legislature ratified HB 4548, which amends the South Carolina Consumer Protection Code’s motor vehicle closing fee statute. The new statute gives the South Carolina Department of Consumer Affairs (the “Department”) express authority to determine whether a motor vehicle dealer’s closing fee is reasonable. Fees of $225 or less are automatically deemed reasonable. Fees above $225 must be submitted to the Department for evaluation under the criteria set forth in the statute. Note that dealers are still required to provide written notice to the Department annually of the maximum closing fee the dealer intends to charge, include the closing fee in the advertised price of the vehicle, and display the closing fee in a conspicuous location in the dealership.

The new requirements became effective June 3, 2016. However, dealers that have already made their annual closing fee filing with the Department have until July 3, 2016, to refile their maximum closing fee in accordance with the new statute. On June 6, 2016, the Department released a memo stating that it is in the process of revising its closing fee forms. The revised forms will be available on the Department’s website by this Friday, June 10.

Not only did their legislature pass this law, they only gave dealers a month to comply.
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ABS Auto Auctions Medford
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ADESA Portland
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ADESA Northwest
800-905-3901 Eugene
Cross Point NW Auto Auction
503-594-2800 Portland
Portland Auto Auction (Manheim)
503-286-3000 Off I-5

DEALER AUCTIONS–Western
ADESA Seattle
253-735-1600
ADESA Fresno
800-921-4336
ADESA Boise
800-346-7938
ADESA Reno
775-828-2437
ADESA Fresno
916-991-5555
ADESA Salt Lake
801-322-1234
ADESA San Jose
408-890-2990
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509-244-4500
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866-969-0321
South Seattle Auto Auction
206-762-1600 Manheim

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503-969-3461
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503-501-2415

FINANCING
Car Financial Services, Inc.
800-252-7411
Credit Acceptance
253-279-3230
Finance Express
640-667-8765
Fireside Bank
503-643-0494
People’s Credit Co, Inc
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Reliable Credit Association
503-462-3022
Vehicle Acceptance Corp.
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Western Funding, Inc
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DMV Secure Forms
503-399-9199
ODA Form Orders
1-877-541-2277

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Kelly Blue Book
800-854-0585
NADA Books
800-966-6232
Skywerks.com
866-534-3194

INSURANCE & GAP PRODUCTS
Dealer Net Solutions
503-810-1181
Also see Bonding and Insurance

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Prepaid Legal
503-585-4075

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Frazer Computing DMS Systems
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Auto Manager
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Dealer Net Solutions
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Skywerks.com (Versidata)
866-534-3194
F&I Central
866-219-0926
Finance Express
630-667-8765

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SERVICE CONTRACTS
Auto Services Co.
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Dealer Net Solutions
503-810-1181
Rock Solid Vehicle Protection
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Zurich –
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Eugene 541-461-9160

Terrorist Watch List
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ovda@ordealers.com

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