

Secretary of State
NOTICE OF PROPOSED RULEMAKING*
A Statement of Need and Fiscal Impact accompanies this form

<u>Department of Transportation, Driver and Motor Vehicle Services Division</u>	<u>735</u>
Agency and Division	Administrative Rules Chapter Number
<u>Lauri Kunze</u>	<u>(503) 986-3171</u>
Rules Coordinator	Telephone
<u>Department of Transportation, Driver and Motor Vehicle Services Division, 3930 Fairview Industrial Dr. SE, Salem, OR 97302</u>	
Address	

RULE CAPTION

Updates requirements for possessory lien foreclosure forms and the perfection of a security interest

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing

ADOPT:

AMEND:

OAR 735-020-0010 and 735-020-0012

REPEAL:

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS 184.616, 184.619, 802.010, 803.045, 803.094 & 803.097

Other Authority:

None

Statutes Implemented:

ORS 87.152, 87.162, 87.166, 87.172, 87.176 - 87.206, 90.425, 98.805, 98.810, 98.812, 98.818, 98.830, 98.835, 803.045, 803.094, 803.097, 803.205, 809.720, 811.555, 811.570, 819.110, 819.120, 819.160 & 819.230

RULE SUMMARY

OAR 735-020-0012 designates the forms and procedures to be used when evidence of a possessory lien foreclosure is submitted to DMV in support of an application for vehicle title. Specifically, evidence of a possessory lien foreclosure submitted in support of an application for title must be submitted on a DMV certificate of possessory lien foreclosure form.

The amendment of OAR 735-020-0010 clarifies which primary ownership documents constitute proof of ownership for purposes of ORS 803.205(2). The amendment of OAR 735-020-0012 is needed to specify the information required to be on a DMV certificate of possessory lien foreclosure form and the effect of the lien claimant's signature on the form. To reflect relevant law changes that became effective since the forms were last revised, lien forms submitted to DMV must have a revision date of January 2008 or later. Other, non-substantive changes simplify rule language to improve readability.

Text of proposed and recently adopted ODOT rules can be found at web site <http://www.oregon.gov/ODOT/CS/RULES/>.

A public rulemaking hearing may be requested in writing by 10 or more people, or by an association with 10 or more members, within 21 days following the publication of the Notice of Proposed Rulemaking in the Oregon Bulletin or 28 days from the date Notice was sent to people on the agency mailing list, whichever is later. If sufficient hearing requests are received, the notice of the date and time of the rulemaking hearing must be published in the Oregon Bulletin at least 14 days before the hearing.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

<u>01-23-2012 Close of Business</u>	<u>Lauri Kunze</u>	<u>lauri.g.kunze@odot.state.or.us</u>	<u>12-15-11 12:11p.m.</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address	Date Filed

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or legal holiday when Notice forms are accepted until 5:00 pm on the preceding workday.

ARC 923-2003

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Department of Transportation, Driver and Motor Vehicle Services Division

735

Agency and Division

Administrative Rules Chapter Number

Updates requirements for possessory lien foreclosure forms and the perfection of a security interest

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

the Amendment of OAR 735-020-0010 and 735-020-0012

Statutory Authority:

ORS 184.616, 184.619, 802.010, 803.045, 803.094 & 803.097

Other Authority:

None

Stats. Implemented:

ORS 87.152, 87.162, 87.166, 87.172, 87.176 - 87.206, 90.425, 98.805, 98.810, 98.812, 98.818, 98.830, 98.835, 803.045, 803.094, 803.097, 803.205, 809.720, 811.555, 811.570, 819.110, 819.120, 819.160 & 819.230

Need for the Rule(s):

OAR 735-020-0012 designates the forms and procedures to be used when evidence of a possessory lien foreclosure is submitted to DMV in support of an application for vehicle title. Specifically, evidence of a possessory lien foreclosure submitted in support of an application for title must be submitted on a DMV certificate of possessory lien foreclosure form.

The amendment of OAR 735-020-0010 clarifies which primary ownership documents constitute proof of ownership for purposes of ORS 803.205(2). The amendment of OAR 735-020-0012 is needed to specify the information required to be on a DMV certificate of possessory lien foreclosure form and the effect of the lien claimant's signature on the form. To reflect relevant law changes that became effective since the forms were last revised, lien forms submitted to DMV must have a revision date of January 2008 or later. Other, non-substantive changes simplify rule language to improve readability.

Documents Relied Upon, and where they are available:

None

Fiscal and Economic Impact:

Businesses, including small businesses that provide lien foreclosure services to the public may incur computer-programming costs if they are not using lien forms with a revision date of January 2008, or later. Businesses that provide lien foreclosure services to the public include vehicle dealers, tow businesses, title companies and lending institutions. Most if not all of these businesses already use forms with a revision date of January 2008 or later; consequently, DMV expects any potential impact to be too small to quantify. Other than the businesses listed above, the Department's amendment of these rules has no financial impact on other agencies or business, including small business, or members of the public.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

None

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

None

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

None

c. Equipment, supplies, labor and increased administration required for compliance:

None

How were small businesses involved in the development of this rule?

How were small businesses involved in the development of this rule:

If not, why?:

A special mailing of this rulemaking notice and draft rules was sent to external stakeholders and other persons who may have an interest in this rulemaking. The list included vehicle dealers, tow businesses, title companies and lending institutions. These rule changes have no known financial impact on other agencies, or businesses, including small businesses, other than those mentioned above.

Administrative Rule Advisory Committee consulted?: Yes

Members of the Oregon Dealer Advisory Committee (ODAC) were provided an opportunity to review and comment on the draft rules and Statement of Need and Fiscal Impact. ODAC functions as an ongoing statutorily created advisory committee for DMV rules related to vehicle dealers. ODAC includes representatives from vehicle-related businesses, consumer protection groups and members of the public.

<u>01-23-2012 Close of Business</u>	<u>Lauri Kunze</u>	<u>lauri.g.kunze@odot.state.or.us</u>	<u>12-15-11 12:11 PM</u>
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address	Date Filed

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310.

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