



Oregon

Tina Kotek, Governor

State Board of Towing
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Salem, OR 97314

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OREGON STATE BOARD OF TOWING DRAFT Board Work Session Notes August 20, 2024

Work Session Location:

Oregon DMV HQ
1905 Lana Avenue
Salem, OR 97314

Attending Board Member:

Chuck Riley, Chair
Trent Hanson, Vice Chair
Bruce Anderson
Kevin Baker
Chief Michael Iwai
Lt. Jason Lindland
Gary McClellan
Jason Shaner

Board Staff:

Torey McCullough, Board Administrator

Absent:

Chris Coughlin

Guests:

DMV: Larry Purdy, DMV Business Regulation and Dealer Services; Dave Adams, DMV Vehicle Services; Kelly Garcia, DMV Investigator. OTTA: Tom Holt, Chelsie Kemp. Michelle Druce, Oregon Consumer League, Csilla Wischner PBOT, Jean Underwood, John Corbin, Ronn Crews, North Valley Towing & Recovery.

Meeting Called to Order:

Mr. Riley called the meeting to order at 1:00 p.m.
Self-introductions were made.

Agenda:

Agenda approved by consensus.

Work Session:

Overview of DMV certificates and requirements.

Larry Purdy provided information on DMV's transporter, dismantler, and salvage appraiser programs. Dave Adams provided additional information relating to possessory liens, current tow business certificates, insurance requirements, and related information.

Transporters

- Transporter certificates are issued to transport vehicles from the manufacturers or vehicle dealers in Oregon.
- Companies who use transporter certificates to transport vehicles from a location other than a manufacturer or certified dealer do not meet the exemption and cannot use the transporter certificate.
- There is no state reciprocity for transporter certificates.

Security interest

- The definition of security interest is under ORS 801.465 “*Security interest*” means an interest in a vehicle reserved or created by agreement and which secures payment or performance of an obligation as more particularly defined by [ORS 71.2010 \(General definitions\)](#)
- Security interest/ownership is required prior to the tow to meet the exemption.
- Tows who are hired to tow a vehicle for an entity with the security interest must have an active Oregon TW plate (repossession, insurance tows, scrap tows, etc.)
- An entity submitting a possessory lien must have possession of the vehicle prior to executing a possessory lien.

Dismantlers

- The purpose of the dismantler exemption is related to ORS 819.280 (1) *A person may make a request to an authority described in [ORS 819.140 \(Agencies having authority to take vehicle into custody\)](#) (1)(b) or (c) to dispose of a vehicle that is on the private property of the person and that is appraised at a value of \$500 or less, as determined by a holder of a certificate issued under [ORS 819.480 \(Vehicle appraiser certificate\)](#), if the person is in lawful possession of the vehicle. For the purposes of this subsection, a person need not have the certificate of title to be in lawful possession of the vehicle.*
- Any person or business providing towing, recovery, or scrapping services outside of ORS 819.280 requires an active TW plate and DMV tow business certificate.

For the purposes of Board policy:

1. Tow business certificate requirement and exceptions:

- A. Any vehicle providing tow or recovery services as a business, for compensation, or for profit must have a tow business certificate to legally operate in Oregon.
- B. “Except when” provisions: The vehicle is exempt from the tow business certificate requirement when the vehicle is used exclusively for the exemption defined under Oregon law.
- C. Any use of the vehicle not specifically exempted by law requires a tow business certificate, even if the primary use of the vehicle is exempt or if the truck’s non-exempt use is occasional or infrequent.

2. Exemptions:

- A. The Board will review complaints and coordinate roles and responsibilities with DMV Business Regulation and DMV Vehicle Services.
- B. Investigations into complaints alleging violation of the transporter, dismantler, and other lawful exemptions may be coordinated with DMV Business Regulation.
- C. Board action will be considered when a vehicle is being used for tow and recovery services for compensation and does not meet the legal exemption requirements.

3. Salvage Vehicle Appraisers

- The Board will work with DMV Business Regulation to develop education and best practices for the salvage vehicle appraisers.
- The Board will monitor complaints and will consider disciplinary options as appropriate.

4. Repossessions and collections

- If used in repossessions or collection actions, a vehicle must:
 - Have an active TW plate and DMV tow business certificate
 - Comply with the tow business certificate requirements.
- Repossession Companies are required to be registered with the Dept. of Consumer and Business Services (DCBS), Division of Financial Regulation.
- The Board will develop educational materials, monitor complaints and consider disciplinary options as appropriate.

5. Operating an illegal tow business.

ORS 822.200 applies to any business or person using a vehicle for tow/recovery services; compliance is determined by the services provided, not the original design, adaptation or equipment attached to the vehicle used in providing those services.

6. Leasing vehicles

- DMV requires tow business certificates/TW plates are to be issued, and the vehicle registered, under the name of titled vehicle owner.
- A tow business certificate holder cannot lease the registered vehicle to another person or business unless the lessee is on the title of the vehicle and tow business certificate.
- The Board will review complaints to identify possible exceptions and work with DMV in determining when an exemption exists and when a “leased” vehicle violates the registration requirement and is grounds for disciplinary action.

7. Insurance

Failure to comply with the TW Plate/tow business certificate insurance requirements equals grounds for investigation into operating without an active tow certificate.

Education:

The Board will coordinate with DMV in creating educational materials and outreach specific to towers for:

- Salvage appraiser requirements
- Lien claimant records
- Proper use of possessory liens
- Business certificate insurance requirements

Compliance Process Updates:

1. Correspondence sent by regular mail in the complaint process will be sent with a certificate of mailing.
2. Complainants will have 30 days to provide information required to complete the complaint. If the information is not provided within 30 days, the complaint will be closed.

3. Complaint files may be reopened if the complainant submits the required information within a reasonable time frame (determined by the factors and circumstances of the complaint, and timeliness of the submission of the required documents).
4. Towers with active TW plates/business certificates will be advised when a complaint has been (a) closed or (b) when a complaint is open for investigation, whichever comes first, and kept informed on the complaint and investigation status.
5. If the complaint is closed at the initial review stage (incomplete, no jurisdiction, no violation, etc.) the Complainant information will remain confidential- UNLESS the tower is already aware of the complainant (e.g., DOJ forwarded complaint).
6. "Closed File" letters to towers and complainants may contain information to educate either the consumer or the tower on Oregon laws or additional resources as appropriate and when the information is relevant to the situation.
7. For complaints requiring information from the tower or an investigation: Towers will have 30 days to provide requested information and respond to a records request.

Upcoming Events:

10/01/2024: Board of Towing Regular Meeting

09/24-25/2024: Oregon Traffic Incident Management (TIM) Conference (Albany)

09/28/2024: OTTA Quarterly Meeting (Eugene)

10/29/2024: Towing Board Annual Board Meeting with possible proposed rules hearing.

Legislative Concepts:

Concept 1: ORS 822.250

A technical correction to the plain language of ORS 822.250 to represent the intent of the original 2021 legislation in creating the Board as a Governor Appointed Board separate and distinct from ODOT. The requested clarification of the text is supported by DMV, OTTA, the original sponsors and many of the supporters of SB 300.

ORS 822.250 State Board of Towing

~~1. The State Board of Towing is established within the Department of Transportation.~~

1. The Department of Transportation is charged for administrative and technical support of the State Board of Towing until such time the administrative and technical support is no longer needed.
2. The State Board of Towing is established separate and distinct from the Department of Transportation and its operations.

Jason Shaner moved to forward the suggested on for legislative consideration.

Motion passed by unanimous vote (McClellan and Anderson abstaining per tower vote requirements).

Concept 2: Business or Facility Permit/License issued by the Board

Discussion tabled until the Board members review complaints and information to determine need, identify scope and define relationship/differences between the current DMV tow business certificate registration of the vehicles and a tow business license issued by the Board.

Adjourned:

There being no further business before the Board, and no public comments, Chair Riley adjourned the meeting at 3:20 p.m.

Documents Considered by the Board

- Agenda
- Policy on ORS 822.200 - Initial Concept and Policies
- ORS 822.200 Objectives Worksheet
- Compliance Process Work Session Packet

Minutes prepared by Torey McCullough

Minutes APPROVED by Board vote: 10/01/2024