

READING & RESPONSE

October 2006

Dealers and the “WEIGHT-MILE” Tax Requirement

When a dealer plate is placed on a vehicle being offered for sale by a dealer and the gross weight of the vehicle is 26,001 pounds or more, the vehicle is subject to Oregon “WEIGHT-MILE” tax. The dealer must also have proof of liability insurance in the minimum amount of \$750,000 filed with the Motor Carrier Transportation Division. (MCTD)

Additionally, the dealer must obtain a “TEMPORARY PASS” from MCTD. The cost of the “TEMPORARY 10-DAY PASS” is \$9 plus a per mile charge that is based on the gross vehicle weight.

Once the dealer has purchased their first “TEMPORARY PASS” the dealer’s insurance company must file the proof of liability insurance with MCTD within 60 days.

The exemption for vehicles not placed in service (ORS 825.032), does not apply to dealers operating vehicles over 26,000 pounds in the furtherance of their business.

If you need additional information or you need to obtain a “TEMPORARY PASS,” please contact Motor Carrier @ 503-378-6699.

(MCTD 09-01-2006) Customer Name(s) on Application Should Match Security Interest Holder Contract/Agreement

Occasionally, DMV receives requests from security interest holders to change a name on a title because it does not match the name on their contract. Depending on the circumstances, DMV may not be able to comply with the request.

DMV does not type each customer’s name and address from their application when issuing a title. DMV simply enters their customer number, which is either their ODL, ID card or instruction permit number, and their date of birth. The name shown in their customer file, which would match their ODL, ID card, or instruction permit, is what appears on the title. This allows DMV to process transactions for the customer in a more efficient manner.

If the name used on the security agreement does not match the name associated with the customer number, the name on the title will not be issued as shown on the security agreement and DMV will not be able to change the title as requested by the security interest holder. This is why it is very important for a dealer to complete their paperwork, including the title application, using the name shown on the customer’s ODL, identification card or instruction permit. The customer number and date of birth should be included on the title application. This will help to limit concerns from security interest holders over names that don’t match. (DMV recognizes limited exceptions when the customer wishes to use a different name due to marriage, divorce, gender change or other legal name change.)

If the customer does not have an ODL, ID card, or instruction permit, leave the customer number field blank on the application. DMV will need to assign a customer number.

Cindi Hormann
Vehicle Programs

YELLOW LIGHT RED LIGHT

By: Larry Hecht, Hecht and Hecht Insurance Agency Inc.

The other day, a local policeman stopped me. After safely parking in a parking stall I started to get out of my car and was greeted by a "friendly" officer who said, "stay in your car". After giving him my driver's license and auto registration and not finding my Insurance Card, he informed me I had illegally gone through a YELLOW Light. According to him a yellow light is just as illegal as a red light and the fine is just the same. After a ten minute lecture I was let go with a just a warning. Later in the week I was on MSN and came across this article written by Christopher Solomon, a freelance writer in Seattle. **ARE RED LIGHT CAMERAS FAR TO DRIVERS?**

Think again before you mash the accelerator at that yellow light, and not just for safety's sake. In more than 100 cities around the country, an electronic eye is watching you. It's not inclined to cut you any slack -- or even to give you a fair shake, as many critics see it.

Despite concerns about everything from accuracy to privacy -- even about whether they reduce accidents at all -- red-light cameras that capture offenders on film so they can be ticketed are proliferating. They're in use in Denver; Atlanta; New York City; Portland, Ore.; and Seattle. More seem to pop up every month.

There is no doubt that red-light running is a big problem. Drivers running red lights account for about 22% of traffic accidents in the U.S., according to the [Insurance Institute for Highway Safety](#). And that number has been growing: Deadly automobile crashes at traffic signals jumped more than 13% between 1993 and 2003, according to data from the National Highway Traffic Safety Administration, far outpacing the nearly 7% rise in other fatal crashes during that period. A big part of that jump is caused by red-light running, the government says. The offense now kills about 900 people annually and injures 176,000 more.

While no one denies the need to stop red-light runners, there's some debate as to whether cameras truly make intersections safer.

Easy money, low manpower

The systems work like this: road sensors usually trigger Cameras when a car encroaches on an intersection after the light has turned red. A camera snaps a picture of the license tag and sometimes photographs the driver, too. That information is then usually forwarded to the local police department to interpret, and a citation is issued. Some systems use short video "clips" instead of a photograph. (Click [here](#) to see a cool, detailed description of how the cameras work -- and you can try running the light!)

That's work that used to tie up traffic enforcers. But freeing up police officers is hardly the only allure to towns and cities. Many (but not all) have found the traffic cameras to be lucrative as well.

Perhaps the most dramatic example is the District of Columbia's cash cow. The district likes to boast that it has reduced red-light violations at 49 intersections by two-thirds since the program started in 1999 -- but it's also raked in more than \$37 million in revenue from tickets, mostly from nonresidents. (Running a red light there is a \$75 fine.)

Counting D.C.'s automated speed-enforcement program, the local government has amassed some \$130 million from the electronic monitoring programs, according to AAA Mid-Atlantic. That group has praised the results of the red-light cameras but has been wary of D.C.'s motives.

The troubles with cameras

These dollars come at a price, as many towns and cities have discovered. Faced with problems in the courts and other issues, several even have switched off their cameras, or at least altered the way they operate.

The picture is muddier than you might think. According to a comprehensive, 2005 study sponsored by the Federal Highway Administration, red-light cameras indeed reduced total "T-bone" crashes by 25%. But because drivers at camera-equipped intersections seem to slam on the brakes so they won't get a ticket, total rear-end crashes *increased* 15%, and injury rear-end crashes jumped 24%.

Rear-end crashes tended to be less severe, so the red-light cameras nonetheless do provide a "modest crash-cost benefit," the study estimated. But critics of red-light cameras say that the cameras still end up giving a financial reward to a city or town for having a poorly designed intersection that encourages red-light running

"Our argument has been the same from the beginning: Engineering is the key. It's not an enforcement problem; it's an engineering problem," says Eric Skrum, spokesman for [The National Motorists Association](#), a drivers' rights group.

One of the easiest ways to make these intersections safer without gouging drivers, Skrum and some others say, is simply to make yellow lights linger a little longer. A 2003 Texas Transportation Institute study found that increasing the duration of a yellow light by just 0.5 to 1.5 seconds (but not to more than 5.5 seconds in total) would decrease frequency of red light running by "at least 50%." And though some morons would run even that light, it would still make the intersection safer, the authors concluded.

A conflict of interest?

There's money in traffic tickets. In California, a red-light ticket arriving in the mail will cost you at least \$370, for example, plus a point on your driving record. And while some jurisdictions have only broken even using the traffic cameras, others have made a lot of money.

Since a camera system is complicated, a city often turns over its operation to a private company. These companies install the cameras and maintain them, sometimes in exchange for a cut of the fine proceeds of 50% or more. Occasionally, some contractors have even had a say in which intersections get the cameras, and they -- not the police -- evaluated the pictures.

The appearance of a conflict of interest is plain: The more citations get sent out, the more money a company stands to make. That's why courts, and the Federal Highway Administration, have frowned on both of these practices recently.

Leaders in Chapel Hill, N.C., decided to turn off that city's cameras in 2004 after a growing unease with the idea of subcontracting government functions to a private contractor.

But other problems have surfaced in North Carolina, where the use of private contractors has thrown the red-light camera network into turmoil statewide. A driver who received a citation in the town of High Point appealed, saying that state law requires that at least 90% of the fine go to the local school system. Instead, cities like Charlotte have used the money to pay the companies that run the camera systems. A higher court has agreed, and so Charlotte and other cities are keeping their electronic eyes shut while the case plays out.

The Federal Highway Administration recommends that contractors shouldn't be paid based on the number of citations issued or has any say in the location of cameras. In fact, governments should pay vendors based on a flat fee, or else install and run their own systems.

One of the nation's largest providers, Affiliated Computer Services, says it now works to structure its arrangements with new clients, and restructure its existing arrangements when they come up for renewal, so the company receives a straight fee for its services, and that all appearances are correct.

Still, the older system is alive. Last month, the town council of Swampscott, Mass., narrowly defeated a camera proposal that would have split the ticket revenue with the contractor that would install them. But the proposal, which could bring in \$500,000 annually for the small town, will likely return this fall after a committee studies the issue, says the town accountant, Dave Castellarin.

How reliable are cameras?

In 2001, San Diego attorney Arthur Tait defended several motorists who felt they'd been unfairly nabbed by red-light cameras. He won, big time. A judge tossed out 300 tickets, saying the systems as configured were unreliable and so the results were inadmissible. San Diego shut down its cameras while it fixed the problems. Tait has now represented motorists in about 1,000 red-light camera cases and won about 94% of those cases, he estimates.

"To this day we're still finding so much wrong with the accuracy of these programs," he says. "As long as they're being run unfairly, we're going to be able to keep winning for our clients."

But digging into the complexities of how traffic cameras work (or don't) isn't easy for the average person, he concedes. "I don't like the fact that innocent people can't defend themselves without having to hire a lawyer," says Tait, who's helped set up the Web site [TrafficFighters](#) to help people fight their own tickets. More cities are switching to cameras that use videotape instead of just take a snapshot. Video footage, while not perfect, at least gives more context, he says. "Overall, video is 100 times better."

But he adds, "I think the bigger problem, and what more cities are trying to do, I believe, is ensure an extra level of government control and oversight." In other words, workers who don't have a financial interest in the traffic cameras need to be used to regularly recalibrate the devices, and roads need to be regularly closed down for road tests, he says. "San Diego has tried to do that."

That doesn't mean the city is going any easier on drivers, however.

In July, the city also passed an ordinance allowing citations to be issued after a "grace period" of just one-tenth of a second after a traffic signal turns red (instead of the previous 0.6 seconds), which will boost the number of tickets and the dollars coming into city coffers.

Privacy and due process

A few critics of the cameras have also worried about privacy and due process. The American Civil Liberties Union (ACLU) has urged a halt to the use of the cameras until due process and fairness issues can be settled. For example, efforts to reinstate red-light cameras in 2005 in Virginia Beach, Va., and in Northern Virginia died after the state House decided to let legislation expire that permitted them. Some legislators had been troubled by the fact that owners of the car could be ticketed even though a picture is only taken of a vehicle and its license plate, not the driver. "The burden of proof usually then falls on the owner to prove he or she was not driving at the time," says the ACLU. "This is a violation of the bedrock American principle that the accused be considered innocent until proven guilty."

The rights group says it's also worried about the "mission creep" of cameras in society -- that data collected may be used to do more than tag reckless drivers.

"It's only a matter of time before these cameras are used to investigate crimes other than speeding and running red lights -- I could see them being used for hit-and-runs, or evading police," adds Lee Rittenburg, whose San Bernardino, Calif., law office, Traffic Defenders, focuses on defending against traffic infractions. "It's a very slippery slope that we're on," says Rittenburg. No one wants traffic accidents," he adds, but "these are the modern-day Robocop's, these cameras."

Hecht And Hecht Insurance is a full service insurance agency. We are here to assist in all your dealer insurance and personal insurance needs. Give us a call when we can be of assistance. Reach us in Portland at 503-288-6371 or 800-285-1773 or by email at info@hechtinsurance.com

READING & RESPONSE FORMOIADA CONTINUING EDUCATION PROGRAM

Complete this test or the Certificate of Completion form for Oct. 2006

- | ARTICLE: | QUESTION |
|------------------------|--|
| "Weight-Mile" | When a dealer plate is placed on a vehicle being offered for sale by a dealer and the gross weight of the vehicle is 26,001 pounds or more, the vehicle is subject to Oregon "Weight-Mile" tax. (1) True _____ False _____ |
| DMV | It is very important for a dealer to complete their paperwork, including the title application, using the name shown on the customer's ODL, identification card or instruction permit. (2) True _____ False _____ |
| Hecht & Hecht | Drivers running red lights account for about 22% of traffic accidents in the U.S., according to the Insurance Institute for Highway Safety. (3) True _____ False _____ |
| Kelly's Korner | If you want to solve the revolving door of sales personnel, attend to the orientation, training and compensation of new hires while they learn the dealership's process. New sales personnel are like a bank account. You must make a deposit before you can make a withdrawal. (4) True _____ False _____ |
| LLR
Etching Lawsuit | Motor vehicle dealers continue to be targets for disputes about improper disclosures and deceptive trade practices and, in particular, dealership F & I practices. The best way for a dealer to protect its dealership is to stay abreast of changes and to be proactive, as well as stay on top of the paperwork and day-to-day business activities to make sure your in compliance with the laws. (5) True _____ False _____ |
| Hecht & Hecht | According to an Oregon Metro area police officer, running a yellow light is just as illegal as running a red light and the fine is just the same. (6) True _____ False _____ |
| LLR
Identity Theft | The Federal Financial Institution Regulatory Agencies and the FTC are proposing new rules that would require dealers to establish Identity Theft prevention programs. (7) True _____ False _____ |

I certify to OIADA that I have personally read these articles in Squeaky Wheel Magazine issue Oct. 2006

Oct. 2006

Continuing Education Packet # 10-06

My Name _____ (printed)

Dealership Name _____ Dealership # _____

Dealer License Expiration Date:(Month) _____ Year) _____

Signed: _____ Date _____

FAX TO: 503-364-7331 or mail to OIADA, 1475 Capitol St NE, Salem, Oregon 97301

Answers: (1) T, (2) T, (3) T, (4) T, (5) T, (6) T, (7) T,