

# EQUIPMENT LEASE - FOR OREGON INTRASTATE TRANSPORTATION OF HOUSEHOLD GOODS OR PASSENGERS IN REGULAR ROUTE FULL - SERVICE OPERATIONS

**INSTRUCTIONS:** After completing this form, return it to the Oregon Department of Transportation at the address above. Attach a separate sheet, if necessary, to explain fully any of the items 1 through 13 below.

By this lease agreement \_\_\_\_\_, Lessor,

does hereby lease to \_\_\_\_\_, Lessee,

the following described bus, truck or tractor:  
 Year \_\_\_\_\_ Make \_\_\_\_\_ ID/Serial # \_\_\_\_\_ Odometer Reading \_\_\_\_\_ License # \_\_\_\_\_ State \_\_\_\_\_

To be used by the lessee (operating carrier) in transporting household goods or passengers in regular route full-service scheduled operations between points which lessee is lawfully authorized to serve on an intrastate basis within the State of Oregon. The vehicle must be registered under the lessee's operating authority by means of either a valid ODOT plate or temporary pass.

Additionally, leases are valid only after submission to the Department of Transportation, but the **filing of the lease with the Department does not constitute approval by the Department of the terms of the lease or the legality of the operations thereunder.**

- |   |  |
|---|--|
| (a) The lessor is providing a driver to the lessee, who is a for-hire carrier.  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Either the lessee or the lessor has been found by order of the Department to have violated ORS 825.100, OAR 740-045-0170, 740-045-0110 or 740-045-0120 through a leasing arrangement within the preceding two years of the effective date of the lease. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| ▪ If the answer to (a) and (b) is YES, the driver is included on the payroll of the lessee if the lessor is paid on a division of revenue, as required by OAR 740-045-0110.   | <input type="checkbox"/> Yes <input type="checkbox"/> No |

The parties mutually understand and agree as follows:

1. That the sole possession, responsibility, and control of the vehicle for the entire term of this lease is to reside with the lessee, with the exception that the lessor may use the leased vehicle for personal noncommercial uses with the permission of the lessee.
2. That the lessee is solely responsible for the safe operation of the vehicle and the parties agree that the lessee (one of the two boxes must be checked):
  - Pays for all routine and major maintenance costs on the vehicle during the term of this lease.
  - Pays for the costs of the following maintenance items: \_\_\_\_\_
3. That the lessee bears all risk of loss or damage to property or injury to persons incident to the operation of the vehicle during the period of the lease and shall be responsible for maintaining liability insurance and any necessary cargo insurance covering all operations of the vehicle under the lease. The lessor may name the lessee as an insured on the lessor's insurance policy.
4. That the lessee assumes full and sole responsibility for payment of all Oregon highway use taxes, fees, and penalties arising from operation of the vehicle for the full term of the lease and the lessee shall not be reimbursed by the lessor for such taxes, fees, and penalties, directly or indirectly.
5. That lessee assumes full responsibility for compliance with Oregon Administrative Rules related to leasing, and the laws of the State of Oregon applicable to the operation of motor vehicles.
6. That neither the lessor, nor a driver furnished or arranged for by the lessor, shall participate in dispatching traffic, billing and collecting freight charges for transportation performed by the vehicle, or soliciting shipments other than that which takes place in conjunction with the pickup or delivery of freight at a shipper's place of business.
7. That the term of this lease shall be for \_\_\_\_\_ days beginning on \_\_\_\_\_ and shall be extended automatically from month to month thereafter until canceled by either party giving 30 days written notice to the other.
8. That the lessee agrees to pay the lessor for the use of the vehicle the sum of \_\_\_\_\_

(Give a detailed statement of the compensation to be paid. Indicate how much will be paid for a certain period of time.)

**NOTICE: When the lessor provides a driver to a private carrier lessee, the driver shall be included on the payroll of the lessee and shall be to the lessee as employee to employer.**

9. That the lessee shall pay to the lessor all compensation which the lessor has earned under the lease within 90 days from the date of any transportation performed.
10. That vehicles operated under lease shall at all times be externally identified with the lessee's name, as required by OAR 740-100-0010.
11. That a copy of this lease shall be carried in the vehicle at all times.
12. That any agreement between the lessor and lessee pertaining to this lease shall be attached to this lease.
13. That any agreement between the lessor and lessee pertaining to this lease shall not be inconsistent with OAR 740-045-0110 and OAR 740-045-0120.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

<b>LESSEE (OPERATING CARRIER)</b>		<b>LESSOR (VEHICLE OWNER)</b>	
NAME		NAME	
ADDRESS		ADDRESS	
CITY	ST	ZIP CODE	
CITY	ST	ZIP CODE	
SIGNATURE		SIGNATURE	
TELEPHONE NO.		TELEPHONE NO.	

## LEASE RULES

### Oregon Administrative Rule 740-045-0170 LEASING, LOANING, OR RENTING OF CERTIFICATES, LICENSES, OR PERMITS PROHIBITED

- (1) No certificate, permit or license holder shall engage in any conduct which falsely tends to create the appearance that services being furnished or operations under such certificate, permit or license are being provided by the holder, when in fact they are not.
- (2) No lease, device or arrangement constituting a leasing, loaning or renting of a certificate, license or permit will be recognized or approved by the Oregon Department of Transportation.

### Oregon Administrative Rule 740-045-0110 LEASE OF VEHICLES BY HOUSEHOLD GOODS CARRIERS AND REGULAR ROUTE FULL-SERVICE SCHEDULED PASSENGER CARRIERS

- (1) Except as otherwise expressly provided, a vehicle may be operated under lease in for-hire carriage of household goods or passengers in regular route full-service scheduled operations in Oregon intrastate commerce only in accordance with the terms of OAR 740-045-0110 to 740-045-0130 and a written agreement on a form supplied by the Department. The compliance of a lease with the requirements of the rules of the Department pertaining to leasing is the responsibility of the parties to the lease. The filing of the lease with the Department does not constitute approval by the Department of the terms of the lease or the legality of the operations thereunder.
- (2) A vehicle lease shall contain all of the terms and conditions of the lease, and shall provide:
  - (a) The full name and address of each contracting party (lessor and lessee);
  - (b) A complete description of the vehicle;
  - (c) That the lessee has the right to exclusive possession, use, and control of the leased vehicle, with the exception that the lessor may use the leased vehicle for personal noncommercial uses with the permission of the lessee;
  - (d) A detailed statement of the compensation to be paid for the use of the vehicle while under lease;
  - (e) A statement of the terms of renewal, if any;
  - (f) That during the period of the lease:
    - (A) The lessee shall assume full and sole responsibility for payment of all Oregon highway use taxes, fees and penalties arising from operation of the vehicle, except to the extent the lessee is relieved of such responsibility by OAR 740-045-0150 and shall not be reimbursed by the lessor for such taxes, fees, and penalties, directly or indirectly.
    - (B) The lessee will bear all risk of loss or damage to property or injury to persons incident to the operation of the vehicle and shall be responsible to maintain cargo and liability insurance covering all operations of the vehicle under the lease. In fulfilling this requirement, it is permissible for the lessor to name the lessee as an insured on the lessor's insurance policy;
    - (C) The lessee assumes full responsibility for compliance with the rules of the Department, and in particular OAR 740-045-0110 to 740-045-0130, relating to leasing, and the laws of the State of Oregon applicable to the operation of motor vehicles.
- (3) The lessee shall exercise exclusive supervision and control of a leased vehicle during the period of the lease, except for the personal uses of the lessor referred to in subsection (2)(c) of this rule. Furthermore, neither the lessor, nor a driver furnished or arranged for by the lessor, shall participate in any of the following activities:
  - (a) The dispatching of traffic;
  - (b) The billing and collecting of freight charges for transportation performed by the vehicle; and
  - (c) The solicitation of shipments other than that which takes place in conjunction with the pickup or delivery of freight at a shipper's place of business.
- (4) If the lessor provides a driver to a lessee who is a for-hire carrier of household goods or passengers in regular route full-service scheduled operations and any party to the lease has been found by order of the Department to have violated ORS 825.100, ORS 825.950, OAR 740-045-0170, OAR 740-045-0110, or OAR 740-045-0120 through a leasing arrangement within the preceding two years of the effective date of the lease, the lessee shall include the driver on the payroll of the lessee if lease compensation for the use of the vehicle is based on a division of revenues. "Payroll," as used in sections (4) and (6) of this rule, means that with respect to the compensation paid the driver, the lessee's records reflect that the lessee has included the driver as one of its employees in reports of employment to governmental agencies.
- (5) The lessee shall be solely responsible for the safe operation of the vehicle. The parties may agree that, as between themselves, the lessor may maintain the vehicle and assume such other costs of vehicle maintenance, including fuel costs, as are specifically listed in the lease. If not included as part of the compensation for the use of the vehicle, the terms of compensation for maintenance shall be expressly stated in the lease.
- (6) If the transportation to be performed under the lease is private carriage, the lessee must actually include the driver on the payroll of the lessee and treat such driver as an employee of the lessee in all respects as it does any regular employee.
- (7) Within 90 days from the date of any transportation performed, the lessee shall pay to the lessor all compensation which the lessor has earned under the lease. The payment shall be in settlement of all obligations which have accrued under the lease, after deduction of just credits and offsets. The lessee shall prepare an itemized record of the settlement, including credits and deductions, and shall maintain such record for a period of three years after the termination of the lease.

### Oregon Administrative Rule 740-045-0120 REGISTRATION AND IDENTIFICATION

- (1) No vehicle leased by a motor carrier shall be used in Oregon intrastate commerce unless the lease is presented to the Department and the vehicle is registered for use under the lessee's operating authority.
- (2) Except as provided in subsection (3) of this section relating to short-term leases, no vehicle with a combined weight in excess of 26,000 pounds shall operate under lease in Oregon intrastate commerce, unless the vehicle is displaying identification plates or markers issued by the Department.
- (3) If the vehicle with a combined weight in excess of 26,000 pounds is to be operated under the lease for less than ten days, the carrier must apply for and receive a temporary pass in lieu of identification plates, pay such fees as are required by the Department, and the lessee must agree to pay highway use taxes for extreme miles of travel in Oregon, both loaded and empty, on a declared combined weight basis.
- (4) Vehicles operated under lease shall at all times be externally identified with the lessee's name, in the manner prescribed by OAR 740-100-0010.
- (5) A copy of the lease must be carried on the vehicle during operation under lease and must be maintained at the carrier's principal place of business for a period of three years after the termination of the lease.