

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 3 - 2 - 0

Yeas: Avakian, Monroe, Prozanski

Nays: Beyer, Gordly

Exc.: 0

Prepared By: Anna Braun, Administrator

Meeting Dates: 4/9, 4/30

WHAT THE MEASURE DOES: Requires a permit from the Secretary of State to conduct a going out of business sale. Limits sale length to 90 days. Limits sales to one per year. Exempts bankruptcy sales. Requires rulemaking by the Secretary of State. Provides authority for individuals to enjoin a “sham” sale. Defines “sham” sale. Makes violations an unlawful trade practice, with Attorney General enforcement and a private right of action. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Deceptive business practice
- Free speech issues

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: Currently, Oregon does not regulate of going out of business sales. Some businesses hold perpetual going out of business sales but, in fact, are using the term solely for advertising. SB 684-A provides for regulation of going out of business sales by the Secretary of State and provides for enforcement by the Attorney General as well as a private right of action. SB 684-A also allows for a private action by an individual to enjoin a sale as a “sham sale.”