

Enrolled House Bill 2941

Sponsored by COMMITTEE ON BUSINESS AND LABOR

CHAPTER

AN ACT

Relating to motor vehicle transactions; creating new provisions; and amending ORS 646.315 and 646.877.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 646.315 is amended to read:

646.315. As used in ORS 646.315 to 646.375:

(1) "Consumer" means:

(a) The purchaser or lessee, other than for purposes of resale, of a new motor vehicle normally used for personal, family or household purposes;

(b) Any person to whom a new motor vehicle used for personal, family or household purposes is transferred for the same purposes during the duration of an express warranty applicable to such motor vehicle; and

(c) Any other person entitled by the terms of such warranty to enforce the obligations of the warranty.

(2) "Motor vehicle" means a passenger motor vehicle as defined in ORS 801.360 [*that is sold in this state*].

SECTION 2. ORS 646.877 is amended to read:

646.877. (1) As used in this section:

(a) "Buyer" means the purchaser or lessee of a motor vehicle.

(b) "Final approval of funding" means a lender's irrevocable agreement to finance a sale or lease of a motor vehicle according to the exact terms that the seller and buyer have negotiated.

(c) "Lender" means any person that finances a sale or lease of a motor vehicle.

[(b)] (d) "Motor vehicle" means a motor vehicle, as defined in ORS 801.360, that is sold or leased in this state for personal, family or household purposes.

[(c)] (e) "Seller" means a holder of a current, valid vehicle dealer certificate issued under ORS 822.020 or renewed under ORS 822.040.

(2) A seller may make an offer to sell or lease a motor vehicle to a buyer or prospective buyer that is subject to future acceptance by a lender that may finance the transaction at the request of the seller.

(3) In any transaction described in subsection (2) of this section:

(a) If a lender does not agree to finance the transaction on the exact terms negotiated between the seller and the buyer **within 14 days after the date on which the buyer takes possession of the motor vehicle and the seller has not received final approval of funding from the lender,**

the seller shall return to the buyer all items of value received from the buyer as part of the transaction; [or] **and**

(b) If the seller has accepted a trade-in motor vehicle from the buyer or prospective buyer, the seller shall not sell or lease the buyer's or prospective buyer's trade-in motor vehicle before the seller has received final approval of funding from the lender.

(4) In any transaction described in subsection (2) of this section, if the buyer has accepted a motor vehicle from the seller, and a lender does not agree to finance the transaction on the exact terms negotiated between the seller and the buyer, the buyer shall return to the seller all items of value received from the seller as part of the transaction. The offer or contract to sell or lease the motor vehicle may provide in writing that the buyer is liable to the seller for:

(a) The fair market value of damage to, excessive wear and tear on or loss of the motor vehicle occurring between the date the buyer takes possession of the motor vehicle and the date the buyer returns the motor vehicle to the seller's custody; and

(b) If, within [20] 14 days of the date the buyer takes possession of the motor vehicle, the seller sends notice to the buyer by first class mail that financing is unavailable, a reasonable charge per mile for the use of the motor vehicle. If the buyer returns the motor vehicle within five days of the mailing of the notice, the seller may charge the buyer for miles driven during the first [20] 14 days that the buyer had possession of the motor vehicle. If the buyer does not return the vehicle within five days of the mailing of the notice, the seller may charge the buyer for all miles driven while the buyer has possession of the motor vehicle. The charge may not exceed the rate per mile allowed under federal law as a deduction for federal income tax purposes for an ordinary and necessary business expense.

(5) It is an affirmative defense to a claim or charge of violating subsection (3)(a) of this section that the buyer failed to return the motor vehicle after the seller sent notice to the buyer by first class mail that financing was unavailable.

SECTION 3. The amendments to ORS 646.315 and 646.877 by sections 1 and 2 of this 2007 Act apply to all motor vehicle transactions that occur on or after the effective date of this 2007 Act.

Passed by House April 4, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate May 18, 2007

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President of Senate

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State