

REVENUE: No revenue impact

FISCAL: No fiscal impact

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Action: Do Pass

Vote: 8 - 0 - 1

Yeas: Doherty, Johnson, Keny-Guyer, Lively, Richardson, Thatcher, Vega Pederson, Holvey

Nays: 0

Exc.: Smith

Prepared By: Bob Estabrook, Administrator

Meeting Dates: 2/14, 2/26

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**WHAT THE MEASURE DOES:** Adds consignment sales to existing statute governing auctions and adds certain responsibilities for both consignees and auctioneers. Exempts certain consignment sales. Makes violation of consignment sale provisions unlawful trade practice.

**ISSUES DISCUSSED:**

- Consumer complaints received by Department of Justice
- Existing regulation of auctions
- Practices of estate sale operators
- Frequency of larger consignment sales

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Existing Oregon law does not generally regulate consignment sales, such as estate sales, except in discrete circumstances. Those already regulated transactions are exempt from the proposed consignment sale provisions. Current law governing auction sales prohibits non-disclosure of the auctioneer in advertising, limits the ability of an auctioneer to purchase property the auctioneer has agreed to sell, and requires that proceeds of a sale be fully accounted for and kept in a discrete trust account for the seller, with payment made and unsold property returned within 21 days of the sale unless otherwise agreed in writing. House Bill 2059 would require consignment sales to follow the same procedures as auction sales.

Unfair trade practices may be prosecuted by the Attorney General or the district attorney of the county where the unlawful practice is alleged to have occurred, and harmed individuals have a private right of action as well.