

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 3 - 2 - 0

Yeas: Monnes Anderson, Prozanski, Shields

Nays: Baertschiger, George

Exc.: 0

Prepared By: Channa Newell, Administrator

Meeting Dates: 5/17, 5/22, 5/29

WHAT THE MEASURE DOES: Regulates certain consignment sales. Provides definition for “consignee” and “consignment sale.” Includes consignment sales within statutes governing auctions and auction marts. Specifies procedure for delayed payments by auctioneer, auction mart operator, or consignee to person offering property for sale. Exempts certain consignment sales. Makes violation of measure unlawful trade practice.

ISSUES DISCUSSED:

- Unregulated practices in consignment sales
- Complaints to Department of Justice regarding consignment sales
- Certain sales, such as yard sales, not covered by measure
- Concerns with effects of further regulation on consignment industry

EFFECT OF COMMITTEE AMENDMENT: Resolves conflicts.

BACKGROUND: Current Oregon law regulates only a few types of consignment sales, such as vehicle dealer consignment sales and consignment sales of agricultural products. Estate sales are not regulated. Since 2007, the Oregon Department of Justice reports 273 complaints of consignees failing to pay consignors for property sold.

House Bill 2059-A adds consignment sales, which includes sales of personal property at a consignment store and estate sales run by a third party, to current statutes governing auctions, auctioneers, and auction markets. As with advertisements for auctions, advertisements for consignment sales must include the person responsible for or conducting the sale. In addition, the consignee may not purchase property in an undisclosed manner or prevent the sale of consigned goods, prohibitions which already apply to auctioneers and auction market operators. The measure specifies that if an auctioneer or consignee owes a person money for property sold, the auctioneer or consignee will hold the money in trust for the person, account to the person for all moneys, pay the person within 21 calendar days of the sale, and return all unsold property to the person within 21 calendar days of the sale. Certain types of consignments are exempted from the measure, including consignments of vehicles, agricultural and shellfish products, and art. Additionally, violation of the measure falls under the Unlawful Trade Practice Act, providing for action by the Attorney General, district attorney, or a private right of action by individuals.