

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 1 - 0
Yeas:	Doherty, Keny-Guyer, Lively, Richardson, Smith, Thatcher, Vega Pederson, Holvey
Nays:	Johnson
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/11, 2/13

WHAT THE MEASURE DOES: Requires lien claimant, when providing notice of foreclosure sale, to provide lien debtor and persons with security interest copies of records and documents that are evidence of the basis for the lien when the chattel is a motor vehicle, boat, or aircraft. Provides that failure to give lien debtor or persons with security interest notice of foreclosure sale is an unlawful trade practice under ORS 656.608. Deletes provision that allows security interest to remain attached to chattel sold at foreclosure sale when the lien claimant fails to provide notice of sale to the person with security interest. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Existing statutory requirements for repair shops to give estimate and receive authorization
- What lien debtor or person with security interest can do if charges are disputed

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: The House Interim Committee on Consumer Protection and Government Efficiency heard from representatives of credit unions that problems existed with mechanic and towing liens being foreclosed without proper notice or, in cases when notice is provided, under circumstances when charges were disputed as being unreasonable or for work performed without authorization. The current process allows the lien to be discharged by paying the lien claimant the amount of the lien claim, but there is not a clear process for disputing the amount of the claim.

House Bill 4103-A makes failure to provide notice of foreclosure sale an unlawful trade practice. The measure also holds harmless the person who purchases a vehicle at a foreclosure sale when the proper notice was not provided to the lien debtor or person with a security interest in the vehicle.