
OREGON MOTOR VEHICLE DEALERS SUPPORT HOUSE BILL 2886

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Chair McKeown and members of the Transportation Committee:

The Oregon Vehicle Dealers Association represents nearly 600 independent business owners across the state of Oregon, making OVDA the largest auto dealer trade association in Oregon as far as we know. These dealers are primarily small businesses. On their behalf, OVDA monitors the Legislature and regulatory agencies with authority over motor vehicle dealers.

Oregon law requires anyone who buys and sells motor vehicles for income to be certified as a motor vehicle dealer. Even if they only sell one vehicle for income, they are required by law to be certified. This is true even if they are buying and selling vehicles as a wholesaler.

However, current statutory language creates an ambiguity when it comes to people buying and selling vehicles on behalf of dealers at "dealer only" vehicle auctions.

Motor vehicle auctions hold "dealer only" auctions to sell vehicles between dealers. It is common for out-of-state and out-of-area dealers to buy and sell at these large, regional events. Rather than assuming the cost of employees traveling to and from these large auctions, many dealers hire locally-based people to buy and sell on their behalf. A single person may work for many dealers.

If these people are employees of the dealership or dealerships, then they clearly are acting under the authority of the dealer's license or certificate. (Most states license dealers while Oregon certifies dealers). However, we believe the practice of retaining an "independent contractor" to buy and sell on behalf of a dealer should violate both dealer laws and independent contractor statutes. An independent contractor is required to have all of the requirements to work independent of the business for which they are providing services. As such, in the world of dealer only auctions, we believe independent contractors should be certified dealers rather than acting under the auspices of someone else's certification.

The reason this is important is that these independent contractors can purchase vehicles and sell them independent of the businesses with which they have contracts and then sell those vehicles to end-users without being a licensed or certified dealer. This is "curbing" or "curbstoning" and should be a violation of the law.

Thank you for considering this important bill. I am happy to answer any questions.

Oregon Vehicle Dealers Association

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