

D R A F T

SUMMARY

Modifies laws related to vehicles sold by vehicle dealers on consignment.

A BILL FOR AN ACT

1
2 Relating to vehicle dealers; creating new provisions; and amending ORS
3 822.060.

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

5 **SECTION 1.** ORS 822.060 is amended to read:

6 822.060. (1) A person who holds a vehicle dealer certificate issued or re-
7 newed under ORS 822.020 or 822.040 commits the offense of illegal consign-
8 ment practices if the person does any of the following:

9 (a) Takes a vehicle on consignment from a person who does not hold a
10 vehicle dealer certificate issued or renewed under ORS 822.020 or 822.040, or
11 who is not licensed as a vehicle dealer in another jurisdiction, and who does
12 not have proof that the consignor is the registered owner, a security interest
13 holder or lessor of the vehicle.

14 (b) Takes a vehicle on consignment from a security interest holder with-
15 out the security interest holder first completing a repossession action prior
16 to consigning the vehicle and providing the dealer with proper documentary
17 proof of the repossession action.

18 (c) Takes a vehicle on consignment and does not have the terms of the
19 consignment agreement in writing and provide a copy of the agreement to
20 the consignor. The agreement shall include **the following:**

21 **(A)** A provision stating that if the terms of the agreement are not met,
22 the consignor may file a complaint in writing with the Department of

1 Transportation, Salem, Oregon.

2 **(B) A provision stating that the dealer is required to pay the**
3 **consignor after the vehicle is sold and the dealer receives the vehicle**
4 **title.**

5 (d) Sells a vehicle that the dealer has on consignment and does not pay
6 the consignor within 10 days of the sale, **unless the dealer has not re-**
7 **ceived the vehicle title before the vehicle is sold. If the dealer receives**
8 **the vehicle title after the vehicle is sold, then the dealer shall pay the**
9 **consignor within 10 days after receiving the vehicle title.**

10 (e) Sells a vehicle that the dealer has on consignment and does not either
11 provide the purchaser with a certificate of title to the vehicle or with other
12 primary ownership records in the form of documents or apply to the depart-
13 ment in the purchaser's name for title to the vehicle within 30 days of the
14 sale in a manner provided by the department by rule.

15 (f) Does not allow the department or any duly authorized representative
16 to inspect and audit any records of any separate accounts into which the
17 dealer deposits any funds received or handled by the dealer or in the course
18 of business as a dealer from consignment sale of vehicles at such times as
19 the department may direct.

20 (g) Takes any part of any money paid to the dealer in connection with
21 any consignment transaction as part or all of the dealer's commission or fee
22 until the transaction has been completed or terminated.

23 (h) Does not make arrangement for the disposition of money from a
24 consignment transaction with the seller at the time of establishing a
25 consignment agreement.

26 (i) Sells a vehicle that the dealer has taken on consignment without first
27 giving the purchaser the following disclosure in writing:

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DISCLOSURE REGARDING
CONSIGNMENT SALE

1 _____ (Name of Dealer) is selling the following described
2 vehicle: _____ (Year) _____ (Make) _____ (Model) _____ (Vehicle
3 Identification Number) on consignment.

4

5 [] There is a security interest in this vehicle.

6 [] There is not a security interest in this vehicle.

7

8 YOU SHOULD TAKE ACTION TO ENSURE THAT ANY SECURITY IN-
9 TERESTS ARE RELEASED AND THAT THE TITLE TO THE VEHICLE IS
10 TRANSFERRED TO YOU. OTHERWISE, YOU MAY TAKE TITLE SUB-
11 JECT TO ANY UNSATISFIED SECURITY INTERESTS.

12

13 (2) The offense described in this section, illegal consignment practices, is
14 a Class A misdemeanor.

15 (3) The department shall adopt rules to carry out the provisions of this
16 section, including but not limited to rules to specify which persons may take
17 and sell vehicles on consignment and to regulate the taking and selling of
18 vehicles on consignment from other jurisdictions.

19 **SECTION 2. The amendments to ORS 822.060 by section 1 of this**
20 **2017 Act apply to vehicles sold on or after the effective date of this 2017**
21 **Act.**

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