



Testimony in Support of HB 2975

Submitted by Shamus Lynsky,
Executive Director, Oregon Consumer League
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Chair Holvey and Members of the House Committee on Business and Labor,

I am writing today on behalf of Oregon consumers to encourage you to vote yes on HB 2975 to protect Oregon consumers against used car dealers selling cars without the car's title.

A problem far too many Oregon consumers are running into is that when they buy a used car, often from a small dealership, they don't receive the title for the car they just bought for six months or more, sometimes never receiving the title! This happens because the law allows dealers to purchase cars on credit and get the title once they receive payment from the consumer (or their lender) and use that payment to satisfy the lien and clear the title. The problem is, sometimes dealers do not immediately pay off the lien and therefore do not receive, or pass on, a clean title to the consumer. This leaves the consumer with no title.

Current vehicle code allows the Oregon Department of Motor Vehicles (DMV) to cite dealers if they do not release the title within 30 days of sale. However, because of how widespread the problem is, the DMV does not have the resources to address all of these failures to deliver the title. This leaves the consumer with taking the dealer to civil court as a last resort.

The current law (ORS 822.030(2)) gives consumers a private right of action for these vehicle code violations, but because the statute does not provide attorney fees, the private right of action is impractical - it has no teeth. Consumers need the threat of statutory damages and having the wrongdoer pay attorneys fees to get them to actually take these violations seriously.

HB 2975 adds language to ORS 822.030, which allows the court to "award statutory damages of \$500 and reasonable attorney fees for prevailing consumers who bring an action under subsection (2) of this section." This language will give consumers the leverage they need to get the titles to the cars they purchase and will actually prevent these cases from going to court, as the car dealers have no defense for these violations and will not want to pay attorneys fees for their actions which are clearly in violation of the law.

Please vote **YES on HB 2975** to protect Oregon consumers.