

**SB 974 STAFF MEASURE SUMMARY**

**Senate Committee On Business and Transportation**

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**Prepared By:** Patrick Brennan, LPRO Analyst

**Meeting Dates:** 3/29

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**WHAT THE MEASURE DOES:**

Prohibits persons other than retail customers of vehicle dealers from making a claim against the vehicle dealer under certain circumstances.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

*[-1 amendment]* Deletes specificity that claim must be by person from another jurisdiction. Increases bond requirement for dealer of motorcycles, mopeds, snowmobiles and Class I all-terrain vehicles from \$2,000 to \$10,000 and all other dealers from \$40,000 to \$50,000. Reduces from \$20,000 to \$10,000 the limit on claim against dealer bond by person other than a retail customer. Specifies that persons who are not retail customers must have a bond or letter of credit of \$10,000 and, if from another jurisdiction, must be permitted to file such a claim in that jurisdiction. Prohibits persons other than retail customers from filing claim against dealers who exclusively sell motorcycles, mopeds, all-terrain vehicles and snowmobiles. Prohibits Department of Transportation from issuing new vehicle dealer certificates authorizing holder to deal exclusively in motorcycles.

FISCAL:

REVENUE:

**BACKGROUND:**

Motor vehicle dealers in Oregon are regulated by the Driver and Motor Vehicle Services Division (DMV) of the Oregon Department of Transportation. A standard dealer certificate is good for three years and allows the possessor to sell most motor vehicles; a special certificate allows the dealer to sell only motorcycles, mopeds, snowmobiles or all-terrain vehicles (ATVs).

Under provisions of ORS 822.030, a bond or letter of credit is required to be certified as a vehicle dealer in Oregon. The minimum bond requirement for vehicle dealers is \$40,000, or \$2,000 if the dealer holds a motorcycle/moped/snowmobile/ATV certificate.