

HB 2975 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 3/13, 4/10

WHAT THE MEASURE DOES:

Allows court to award \$500 in statutory damages as well as reasonable attorney fees to prevailing retail customer who bring action against vehicle dealer with claim of fraud, fraudulent representation or violations relating to vehicle registrations, vehicle permits, transfer or alteration of vehicles or regulation of vehicle dealers.

- No expenditure impact
- No revenue impact

ISSUES DISCUSSED:

- Problem consumers face when seller does not transfer title
- Frequency of complaints regarding vehicle dealers
- Time it takes to turn title over to consumer
- Staffing levels at DMV to investigate complaints
- Whether minimum bond value is sufficient
- Attorney fees
- Sanctions for filing frivolous lawsuits

EFFECT OF AMENDMENT:

BACKGROUND:

Vehicle dealers must be certified by the Oregon Department of Transportation and pay an annual fee of \$1,100 when operating a single place of business and \$350 for each additional location. The vehicle dealer must complete an application, purchase a \$40,000 bond or letter of credit, obtain insurance, and complete the education and examination requirements. A person claiming loss or damage by reason of the dealer's fraud, fraudulent representations or relevant violations of vehicle code has a right of action against the vehicle dealer, against the surety on the bond and against the letter of credit. House Bill 2975 allows the court to award statutory damages equal to \$500 and reasonable attorney fees to the prevailing plaintiff.