
OREGON MOTOR VEHICLE DEALERS SUPPORT -A4 AMENDMENTS TO SENATE BILL 974-A



Before the House Committee on Business & Labor / May 31, 2017

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Chair Holvey and members of the Committee:

OVDA requested the introduction of SB974-A and we worked collaboratively with consumer protection attorneys, DMV and DOJ in drafting the Senate and House amendments. If amended with the -A4s, SB974-A will make the following changes to statutes regulating the certification of motor vehicle dealers in Oregon:

- ⊙ Increase the dealer bond from \$40,000 to \$50,000;
- ⊙ Reduce business access to a bond from \$20,000 to \$10,000;
(This will double the consumer only protection from a bond from \$20,000 to \$40,000.)
- ⊙ Increases the motorcycle-only dealer bond from \$2,000 to \$10,000;
- ⊙ Restrict the motor-cycle only dealer bond to only consumers; and
- ⊙ Prohibit DMV from issuing any new motorcycle only dealer certifications
(they are being phased out).

Dealership failures are very rare. In 2016, DMV completed 1,172,444 title transactions. Approximately 40 percent are dealer-generated, or about 468,000 dealer transactions. From dealer transactions, DMV receives roughly 1,500 inquires per year regarding an issue which may require the customer to file against a dealer bond. That is a 0.3% complaint rate. DMV intervention resolves approximately 85 percent of complaints.

OVDA supports enhancing consumer protections by gradually increasing the dealer bond, while ensuring consumers have primary access to the bond when a dealership fails to properly transfer title and register vehicles.

Thank you for considering this important consumer protection bill.

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