

# Senate Bill 975

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION (at the request of Oregon Vehicle Dealer Association)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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

## A BILL FOR AN ACT

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

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

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

822.060. (1) A person who holds a vehicle dealer certificate issued or renewed under ORS 822.020 or 822.040 commits the offense of illegal consignment practices if the person does any of the following:

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

(b) Takes a vehicle on consignment from a security interest holder without the security interest holder first completing a repossession action prior to consigning the vehicle and providing the dealer with proper documentary proof of the repossession action.

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

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

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

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

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

(f) Does not allow the department or any duly authorized representative to inspect and audit any records of any separate accounts into which the dealer deposits any funds received or handled

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 by the dealer or in the course of business as a dealer from consignment sale of vehicles at such  
2 times as the department may direct.

3 (g) Takes any part of any money paid to the dealer in connection with any consignment trans-  
4 action as part or all of the dealer's commission or fee until the transaction has been completed or  
5 terminated.

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

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

10 \_\_\_\_\_

11  
12 DISCLOSURE REGARDING  
13 CONSIGNMENT SALE

14  
15 \_\_\_\_\_ (Name of Dealer) is selling the following described vehicle:  
16 \_\_\_\_\_ (Year) \_\_\_\_\_ (Make) \_\_\_\_\_ (Model) \_\_\_\_\_ (Vehicle Identification Num-  
17 ber) on consignment.

18  
19 [ ] There is a security interest in this vehicle.

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

21  
22 YOU SHOULD TAKE ACTION TO ENSURE THAT ANY SECURITY INTERESTS ARE RE-  
23 LEASED AND THAT THE TITLE TO THE VEHICLE IS TRANSFERRED TO YOU. OTHERWISE,  
24 YOU MAY TAKE TITLE SUBJECT TO ANY UNSATISFIED SECURITY INTERESTS.

25 \_\_\_\_\_

26  
27 (2) The offense described in this section, illegal consignment practices, is a Class A  
28 misdemeanor.

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

32 **SECTION 2. The amendments to ORS 822.060 by section 1 of this 2017 Act apply to vehi-**  
33 **cles sold on or after the effective date of this 2017 Act.**

34 \_\_\_\_\_