

Requested by HOUSE COMMITTEE ON BUSINESS AND LABOR

**PROPOSED AMENDMENTS TO  
A-ENGROSSED SENATE BILL 974**

1 On page 1 of the printed A-engrossed bill, delete lines 4 through 26.

2 On page 2, delete lines 1 through 38 and insert:

3 **“SECTION 1.** ORS 822.030 is amended to read:

4 “822.030. (1) A bond or letter of credit required to qualify for a vehicle  
5 dealer certificate under ORS 822.020 or to qualify for renewal of a certificate  
6 under ORS 822.040 must comply with all of the following:

7 “(a) The bond shall have a corporate surety licensed to do business within  
8 this state. A letter of credit shall be an irrevocable letter of credit issued  
9 by an insured institution, as defined in ORS 706.008. The surety or institu-  
10 tion shall notify the Department of Transportation if the bond or letter of  
11 credit is canceled for any reason. The surety or institution shall continue to  
12 be liable under the bond or letter of credit until the department receives the  
13 notice required by this paragraph, or until the cancellation date specified in  
14 the notice, whichever is later.

15 “(b) The bond or letter of credit shall be executed to the State of Oregon.

16 “(c) Except as otherwise provided in this paragraph, the bond or letter  
17 of credit shall be in the following sum:

18 “(A) If the [*applicant is seeking*] **person holds** a certificate to be a dealer  
19 exclusively in motorcycles, mopeds, Class I all-terrain vehicles or  
20 snowmobiles or any combination of those vehicles, the bond or letter of  
21 credit shall be for [*\$2,000*] **\$10,000.**

1 “(B) Except as provided in subparagraph (A) of this paragraph, if the ap-  
2 plicant is seeking a certificate to be a vehicle dealer, the bond or letter of  
3 credit shall be for [~~\$40,000~~] **\$50,000** for each year the certificate is valid.

4 “(d) The bond or letter of credit described in this subsection shall be ap-  
5 proved as to form by the Attorney General.

6 “(e) The bond or letter of credit must be conditioned that the person is-  
7 sued the certificate shall conduct business as a vehicle dealer without fraud  
8 or fraudulent representation and without violating any provisions of the ve-  
9 hicle code relating to vehicle registration, vehicle permits, the transfer or  
10 alteration of vehicles or the regulation of vehicle dealers.

11 “(f) The bond or letter of credit must be filed and held in the office of the  
12 department.

13 “(g) The vehicle dealer shall purchase a bond or letter of credit under this  
14 subsection annually on or before each anniversary of the issuance of the  
15 vehicle dealer’s certificate.

16 “(2) Any person shall have a right of action against a vehicle dealer,  
17 against the surety on the vehicle dealer’s bond and against the letter of  
18 credit in the person’s own name if the person suffers any loss or damage by  
19 reason of the vehicle dealer’s fraud, fraudulent representations or violations  
20 of provisions of the vehicle code relating to:

21 “(a) Vehicle registration;

22 “(b) Vehicle permits;

23 “(c) The transfer or alteration of vehicles; or

24 “(d) The regulation of vehicle dealers.

25 “(3) Notwithstanding subsection (2) of this section, the maximum amount  
26 available under a bond **or letter of credit** described in subsection (1)(c)(B)  
27 of this section for the payment of claims [by] **to** persons other than retail  
28 customers of the dealer is [~~\$20,000~~] **\$10,000**.

29 “(4) **Notwithstanding subsection (2) of this section, a person other**  
30 **than a retail customer of the vehicle dealer may not make a claim**

1 **under subsection (2) of this section against the surety on the vehicle**  
2 **dealer’s bond, or against the vehicle dealer’s letter of credit, if the**  
3 **vehicle dealer holds a vehicle dealer certificate to deal exclusively in**  
4 **motorcycles, mopeds, Class I all-terrain vehicles or snowmobiles or**  
5 **any combination of those vehicles.**

6 “[4] (5) If the certificate of a vehicle dealer is not renewed or is volun-  
7 tarily or involuntarily canceled, the sureties on the bond and the issuer of  
8 the letter of credit are relieved from liability that accrues after the depart-  
9 ment cancels the certificate.

10 **“SECTION 2. Section 3 of this 2017 Act is added to and made a part**  
11 **of the Oregon Vehicle Code.**

12 **“SECTION 3. The Department of Transportation may not issue a**  
13 **vehicle dealer certificate authorizing a person to deal exclusively in**  
14 **motorcycles, mopeds, Class I all-terrain vehicles or snowmobiles or**  
15 **any combination of those vehicles.**

16 **“SECTION 4. Section 3 of this 2017 Act applies to new vehicle dealer**  
17 **certificates issued on or after the effective date of this 2017 Act and**  
18 **does not apply to a person who holds a vehicle dealer certificate to deal**  
19 **exclusively in motorcycles, mopeds, Class I all-terrain vehicles or**  
20 **snowmobiles or any combination of those vehicles, as of the day im-**  
21 **mediately preceding the effective date of this 2017 Act.”.**

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