

SB 974-1  
(LC 2443)  
3/27/17 (HE/ps)

Requested by SENATE COMMITTEE ON BUSINESS AND TRANSPORTATION

**PROPOSED AMENDMENTS TO  
SENATE BILL 974**

1 On page 1 of the printed bill, line 2, after “dealers;” insert “creating new  
2 provisions; and”.

3 Delete lines 4 through 31 and delete page 2 and insert:

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

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

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

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

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

19 “(A) If the applicant is seeking a certificate to be a dealer exclusively in  
20 motorcycles, mopeds, Class I all-terrain vehicles or snowmobiles or any  
21 combination of those vehicles, the bond or letter of credit shall be for

1 [~~\$2,000~~] **\$10,000**.

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

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

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

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

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

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

22 “(a) Vehicle registration;

23 “(b) Vehicle permits;

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

25 “(d) The regulation of vehicle dealers.

26 “(3) Notwithstanding subsection (2) of this section:[, *the*]

27 “(a) **\$10,000 is the** maximum amount available under a bond **or letter**  
28 **of credit** described in subsection (1)(c)(B) of this section for the payment of  
29 claims by [*persons*] **a person** other than **a retail [*customers*] customer** of the  
30 dealer [*is \$20,000*]:

1       **“(A) Who has a bond or letter of credit in the amount of \$10,000 or**  
2 **more under this section; or**

3       **“(B) Who is licensed or certified as a vehicle dealer in another ju-**  
4 **risdiction and has a bond or letter of credit in the amount of \$10,000**  
5 **or more and a vehicle dealer in this state is permitted to file a claim**  
6 **in the other jurisdiction under a substantially similar law in the other**  
7 **jurisdiction; and**

8       **“(b) If the person is someone other than a retail customer of the**  
9 **dealer, the person may not make a claim against a vehicle dealer,**  
10 **against the surety on the vehicle dealer’s bond or against the letter**  
11 **of credit relating to a vehicle described in subsection (1)(c)(A) of this**  
12 **section.**

13       **“(4) If the certificate of a vehicle dealer is not renewed or is voluntarily**  
14 **or involuntarily canceled, the sureties on the bond and the issuer of the**  
15 **letter of credit are relieved from liability that accrues after the department**  
16 **cancels the certificate.**

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

19       **“SECTION 3. The Department of Transportation may not issue a**  
20 **vehicle dealer certificate authorizing a person to deal exclusively in**  
21 **motorcycles.**

22       **“SECTION 4. Section 3 of this 2017 Act applies to new vehicle dealer**  
23 **certificates issued on or after the effective date of this 2017 Act and**  
24 **does not apply to a person who holds a vehicle dealer certificate to deal**  
25 **exclusively in motorcycles as of the day immediately preceding the**  
26 **effective date of this 2017 Act.”.**

27