
NORTHWEST AUTO TRADES ASSOCIATION SUPPORTS HOUSE BILL 2913

House Business and Labor Committee / February 20, 2019

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Chair Barker and Members of the Committee:

The Northwest Automobile Trades Association (NATA), representing more than 450 business members across Oregon, requested the introduction of House Bill 2913 and supports the bill. NATA represents collision and mechanical repairs shops, dismantlers, and auto parts manufacturers and distributors.

The Short Version

February, 2018's HB4087 required certain auto repair shops to obtain a \$20,000 bond starting January 1, 2019. Companies supplying bonds deemed it too risky. No company has issued the bonds. Repair shops cannot buy a product the law requires of them. HB2913, using an Emergency Clause, immediately removes the bond requirement. Then, it recreates it in July, 2020. The delay will allow us to regroup to fashion a workable statute.

The Long Version

In 2017 Representative Paul Evans (et al) introduced House Bill 3322 at the request of his constituent, Mr. John Gear, who is a consumer protection lawyer. NATA supports efforts to penalize bad-actor repair shops, but opposed the solution offered by HB3322. From those discussions, Rep. Evans created a workgroup which included NATA, OADA, OVDA, OTLA, DOJ, DMV, and DCBS.

The workgroup settled on a concept which became House Bill 4087 in the February, 2018 short session. The bill passed and became law January 1, 2019. However, the work group did not include anyone from the bond writing industry (but not from a lack of trying).

After completing our work, we learned from the bond writing companies that they viewed the requirement as too risky. The workgroup met again in December, 2018 to determine if the problem could be resolved without tweaking the statutory language. Everyone agreed the statute would need to be fixed. The stakeholders agreed to a process that first removes the requirement -- since repair shops currently cannot purchase the bond. Then, the stakeholders will reconvene and work in cooperation with *The Surety and Fidelity Association of America* in crafting a requirement that will work. The delayed July 1, 2020 effective date gives the workgroup the rest of 2019 to find a solution for the 2020 short session.

NATA requests the House Business and Labor Committee move House Bill 2913 to the Floor of the House of Representatives with a "Do Pass" recommendation. I am happy to answer any questions. Thank you.