

HB 2818 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/8

WHAT THE MEASURE DOES:

Expands definition of “consumer contract” to include purchases of used motor vehicles used primarily for personal, family or household purposes. Allows consumer to revoke provision of consumer contract that requires consumer to assert claim against other party to contract in forum that is not in this state. Provides that if provision in contract requires arbitration in forum that is not in this state, sole effect of revocation is that proceeding that requires or allows attendance by consumer must be conducted in this state. Provides that party seeking to enforce revoked provision is liable for reasonable attorney fees incurred by consumer. Expands offense of acting as vehicle dealer without certificate to include individuals who act as agents of Department of Transportation without authorization. Establishes civil cause of action for improper sale of vehicle.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Currently, Oregon law only allows those who are designated as agents of the Department of Motor Vehicles (DMV) to submit paperwork on another person’s behalf. When a car dealer receives an Oregon license to sell cars, they also obtain the status of DMV’s agent to process titles for another person. National or online dealers, not licensed in Oregon, sell cars to Oregonians and charge a fee to submit the application for title and registration on their behalf. These national and online dealers are violating Oregon law by attempting to act as agents of the DMV without being agents.

House Bill 2818 permits a person sold a car by a national or out-of-state dealer, who falsely claims to be an agent of the DMV, to reverse or undo the deal and receive a full refund of the purchase price of the vehicle; expenses associated with returning the vehicle to the defendant; economic damages and noneconomic damages; reasonable attorney fees; and other appropriate equitable relief.