



DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL

DATE: February 8, 2023

TO: Representative Paul Holvey, Chair
House Committee on Business and Labor

FROM: Kate Denison, Deputy Legislative Director
Oregon Department of Justice

SUBJECT: HB 2818 - Online Auto Sales

This testimony is presented in support of HB 2818.

Consumer complaints related to auto sales and repairs have appeared at or near the top of the Oregon Department of Justice “Top 10 Consumer Complaints” list for several years running. In 2021 alone, consumers filed over 712 complaints of this type.

In recent years, more consumers have opted to purchase cars online instead of making a lengthy visit to their local car dealer. But with this trend, we are seeing an emerging and ongoing problem with titling and registration issues related to online vehicle purchases. Online vehicle sellers have been the source of numerous complaints related to titling and registration issues, with many consumers alleging they did not receive title for months after purchasing through these online companies. Since 2020, the Department of Justice has received 116 consumer complaints related to dealers’ failure to deliver title.

A car’s title is the most important legal document associated with a car purchase, as it actually provides ownership of the vehicle. Without valid title and registration, vehicle owners may not legally be able to drive the cars they have purchased.

Because our current DMV laws are not structured to contemplate out-of-state dealers acting as agents of the Department of Transportation for purposes of titling and registering vehicles in Oregon, this practice has raised a lot of thorny questions about how to protect consumers when something goes wrong.

The purpose of HB 2818 is to clarify consumers’ ability to enforce their rights in these types of vehicle transactions. The Department of Justice strongly supports more protections for consumers in this area.

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