

House Bill 2779

Sponsored by COMMITTEE ON BUSINESS AND LABOR

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits vehicle dealer from taking vehicle on consignment from person who does not hold vehicle dealer certificate from this state or another jurisdiction.

A BILL FOR AN ACT

1
2 Relating to motor vehicle consignments; amending ORS 822.060.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 822.060 is amended to read:

5 822.060. (1) A vehicle dealer **who holds a vehicle dealer** *[issued a]* certificate **issued** under ORS
6 822.020 **or renewed under ORS 822.040** commits the offense of illegal consignment practices if the
7 dealer does any of the following:

8 (a) Takes a vehicle on consignment from a person who is not *[a]* certified **as a vehicle dealer**
9 **under ORS 822.020 or 822.040 or in another jurisdiction** and does not have proof that the
10 consignor is the registered owner, a security interest holder or lessor of the vehicle.

11 (b) Takes a vehicle on consignment from a security interest holder without the security interest
12 holder first completing a repossession action prior to consigning the vehicle and providing the
13 dealer with proper documentary proof of the repossession action.

14 (c) Takes a vehicle on consignment and does not have the terms of the consignment agreement
15 in writing and provide a copy of the agreement to the consignor. The agreement shall include a
16 provision stating that if the terms of the agreement are not met, the consignor may file a complaint
17 in writing with the Department of Transportation, Salem, Oregon.

18 (d) Sells a vehicle that the dealer has on consignment and does not pay the consignor within
19 10 days of the sale.

20 (e) Sells a vehicle that the dealer has on consignment and does not either provide the purchaser
21 with a certificate of title to the vehicle or with other primary ownership records in the form of
22 documents or apply to the department in the purchaser's name for title to the vehicle within 30 days
23 of the sale in a manner provided by the department by rule.

24 (f) Does not allow the department or any duly authorized representative to inspect and audit
25 any records of any separate accounts into which the dealer deposits any funds received or handled
26 by the dealer or in the course of business as a dealer from consignment sale of vehicles at such
27 times as the department may direct.

28 (g) Takes any part of any money paid to the dealer in connection with any consignment trans-
29 action as part or all of the dealer's commission or fee until the transaction has been completed or
30 terminated.

31 (h) Does not make arrangement for the disposition of money from a consignment transaction

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 with the seller at the time of establishing a consignment agreement.

2 (i) Sells a vehicle that the dealer has taken on consignment without first giving the purchaser
3 the following disclosure in writing:

4 _____

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DISCLOSURE REGARDING
CONSIGNMENT SALE

7

8

9 _____ (Name of Dealer) is selling the following described vehicle:
10 _____ (Year) _____ (Make) _____ (Model) _____ (Vehicle Identification Num-
11 ber) on consignment.

12

13

There is a security interest in this vehicle.

14

There is not a security interest in this vehicle.

15

16

YOU SHOULD TAKE ACTION TO ENSURE THAT ANY SECURITY INTERESTS ARE RE-
17 LEASED AND THAT THE TITLE TO THE VEHICLE IS TRANSFERRED TO YOU. OTHERWISE,
18 YOU MAY TAKE TITLE SUBJECT TO ANY UNSATISFIED SECURITY INTERESTS.

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(2) The offense described in this section, illegal consignment practices, is a Class A
22 misdemeanor.

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