

House Bill 3039

Sponsored by Representative PILUSO

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**.

Provides exception to offense of illegal consignment practices.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the offense of illegal consignment practices; amending ORS 822.060; and declaring an
3 emergency.

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

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

6 822.060. (1) **Except as provided in subsection (2) of this section**, a person who holds a vehicle
7 dealer certificate issued or renewed under ORS 822.020 or 822.040 commits the offense of illegal
8 consignment practices if the person does any of the following:

9 (a) Takes a vehicle on consignment from a person who does not hold a vehicle dealer certificate
10 issued or renewed under ORS 822.020 or 822.040, or who is not licensed as a vehicle dealer in an-
11 other jurisdiction, and who does not have proof that the consignor is the registered owner, a secu-
12 rity interest holder or lessor of the vehicle.

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

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

20 (d) Sells a vehicle that the dealer has on consignment and does not pay the consignor within
21 10 days of the sale.

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

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

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

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 terminated.

2 (h) Does not make arrangement for the disposition of money from a consignment transaction
3 with the seller at the time of establishing a consignment agreement.

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

6 _____
7
8 DISCLOSURE REGARDING
9 CONSIGNMENT SALE

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

- 14
15 [] There is a security interest in this vehicle.
16 [] There is not a security interest in this vehicle.

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

21 _____
22
23 **(2) The offense described in this section does not apply if the person who holds a vehicle
24 dealer certificate issued or renewed under ORS 822.020 or 822.040 and takes a vehicle on
25 consignment from an entity other than a retail customer operates a:**

- 26 **(a) Wholesale vehicle auction company; or**
27 **(b) National auction company whose primary activity in this state is the sale or disposi-
28 tion of totaled vehicles.**

29 [(2)] **(3)** The offense described in this section, illegal consignment practices, is a Class A
30 misdemeanor.

31 [(3)] **(4)** The department shall adopt rules to carry out the provisions of this section, including
32 but not limited to rules to specify which persons may take and sell vehicles on consignment and to
33 regulate the taking and selling of vehicles on consignment from other jurisdictions.

34 **SECTION 2. This 2019 Act being necessary for the immediate preservation of the public
35 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
36 on its passage.**