

**Testimony Submitted by
Chris Coughlin, Policy Director
Oregon Consumer Justice
To the House Committee on Business and Labor**

February 8, 2023

Regarding: Support for HB 2818

Chair Holvey, Vice-Chair Sosa, Vice-Chair Elmer, and Members of the Committee,

For the record, my name is Chris Coughlin, and I appreciate the opportunity to testify on behalf of Oregon Consumer Justice today in support of HB 2818.

Oregon Consumer Justice (OCJ) advances a justice movement to ensure Oregonians have the freedom to thrive and equitably share in our abundance of resources. For too long, flawed systems and economic policies that favor profits over people have stood in the way of this reality, with communities of color most often experiencing the greatest harm. Strengthened through responsive and reciprocal community relationships, OCJ organizes, advocates, and litigates to put people first. We envision an inclusive future where financial and business transactions can be relied upon as safe and where all Oregonians know and have recourse to exercise their consumer rights.

Owning a car is essential to maintain employment, access education, or obtain medical care for oneself or a loved one. As it presently operates, car buying is often a stressful process representing the most expensive purchase many consumers will ever make. Car buying can be a transparent process where consumers can trust that dealers will follow the law.

Car dealerships have outsized power in the car buying process. Dealerships often walk consumers along a predatory path that leverages pressure tactics,

manipulation, and vague or misrepresentative communications. These predatory auto purchasing practices often target BIPOC and immigrant communities and people with limited English proficiency.

In listening sessions conducted by OCJ, [participants most frequently raised issues with auto dealers](#), from the quality of the vehicles sold to predatory and unfair financing. The Federal Trade Commission (FTC) reports that [consumers of color often pay higher prices for autos](#) and experience discrimination during sales and financing. In 2021, auto sales and repairs topped the [Oregon Department of Justice's consumer complaint list](#).

Consumers in Oregon who have purchased vehicles from national and online car dealers with operations outside of Oregon have reported not receiving their titles on time. As these dealers are unlicensed in Oregon, seeking remedies in Oregon courts is challenging. Furthermore, the Oregon Department of Motor Vehicles (DMV) is not responsible for regulating these activities.

HB 2818 will provide recourse for consumers harmed by unfair business practices committed by out-of-state car dealers. Out-of-state dealers, unlicensed in Oregon, are selling cars to Oregon consumers and then charging the consumer a fee to submit the application for title and registration on their behalf. Currently, Oregon law only allows those designated as agents of the DMV to submit paperwork on another person's behalf. These dealers are violating Oregon law by attempting to act as agents of the DMV when they are not.

Under HB 2818, consumers sold a car by a dealer who falsely claims to be an agent of the DMV will be able to reverse or unwind the deal and receive a full refund.

We urge you to provide this important protection for consumers and support HB 2818.

Thank you for your consideration and your service to Oregon's communities.