

**HB 3178 B STAFF MEASURE SUMMARY**

**Carrier:** Sen. Taylor

**Senate Committee On Labor and Business**

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**Action Date:** 04/24/25

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Vote:** 5-0-0-0

**Yeas:** 5 - Bonham, Hayden, Patterson, Pham, Taylor

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 4/17, 4/22, 4/24

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**WHAT THE MEASURE DOES:**

The measure requires a seller in a motor vehicle transaction involving a retail installment contract or lease agreement to provide the buyer a disclosure document, that includes a right to void the transaction within 10 calendar days under specified circumstances, contact information for the Oregon State Bar and the Oregon Department of Justice in case the seller fails to comply, and a statement that the document is available in multiple languages. It requires the Attorney General to provide the model form and translations in five specified languages. The measure specifies requirements for a seller if it voids the transaction and outlines several eventualities if a trade-in vehicle that is part of the transaction is sold by the seller before receiving lender's final approval of funding. Applies to retail installment contracts and lease agreements entered into on or after effective date of this measure.

**ISSUES DISCUSSED:**

- Measure impacts auto dealer financing
- Changes time period to finalize lending agreement from 14 days to 10 days
- Procedure when a trade-in vehicle is part of the motor vehicle transaction and lending agreement is not finalized

**EFFECT OF AMENDMENT:**

The amendment makes a technical correction.

**BACKGROUND:**

In the course of selling cars on days when financial institutions are closed, car dealers can make deals contingent on financing. The dealer will look for a financial institution willing to take the loan at the terms that were negotiated. If no financial institution is willing to accept the terms, the dealer must undo the transaction. Under current law the dealer has 14 days to try to find a financial institution to purchase the installment contract or lease agreement.

HB 3178 B shortens the statutory time allowed for an auto dealer to finalize a lending agreement after a transaction has been completed from 14 days to 10 days and requires the dealer to provide the buyer with a retail installment contract or lease agreement disclosure document.