
OVDA / ORVDA / NATA OPPOSE HOUSE BILL 3178

Before: House Committee on Commerce and Consumer Protection / February 4, 2025

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Chair Sosa, and Members of the Committee:

The Oregon Vehicle Dealer Association (OVDA) represents all businesses required to possess an Oregon vehicle dealer certification. Oregon RV Dealers Association (ORVDA) represents franchised RV dealers in Oregon. Northwest Auto Trades Association (NATA) represents mechanical and collision repair shops, parts stores, and dismantlers.



OVDA, ORVDA, and NATA oppose House Bill 3178.



Section 1.(3)(a)

This section adds several new and significant sections to Oregon law:

- (1) A new written “conspicuous” disclosure on spot delivery;
- (2) A two-day right of rescission on all vehicle purchases (consumer can cancel the purchase without cause);
- (3) Informing purchasers they have the right to contact the Attorney General or the attorney referral service of the Oregon State Bar;
- (4) Providing contact information for the Attorney General and the attorney referral service of the Oregon State Bar; and
- (5) Provide items (1) through (4) in English and six additional languages.

Comment: If the Legislature chooses to direct dealers to provide certain information to all customers in seven different languages, we believe the Legislature should direct a government agency (the Department of Justice, perhaps) to provide the exact language (and translations) which dealers must use. Without providing the exact language (and translations), dealers, consumers, and interested parties will likely face litigation on what is and is not “conspicuous”, which six additional languages should be translated, how often the most common languages should be determined, whether a translation is accurate, what constitutes a full and accurate statement of the terms of the spot delivery (with blanks for the varying factors), the appropriate contact information for the Attorney General, and the appropriate contact information for the attorney referral service of the Oregon State Bar.

Section 1.(3)(b)

This requires dealers to make “good faith efforts” to sell the retail installment contract.

Comment: I assume the expectation is courts will make determinations on what defines a good faith effort on a case-by-case basis all across the state.

Section 1.(3)(c)

This section reduces from 14 calendar days to four calendar days the time available to a dealer to make “good faith efforts” to sell the retail installment contract.

Comment: If a dealer sells a vehicle on a Friday evening, that will be day one. The weekend will be days two and three, leaving the dealer and lenders only one day to complete all the requirements to fund the purchase. If that one day is a Federal holiday, the transaction will be voided without lending institutions ever seeing the contract. This makes no sense.

At the very least, the next business day should be day one, and weekend days and Federal holidays should not be counted.

Please note, when a contract is not immediately purchased by a lender, it is usually because the lender is requesting the purchaser provide additional proof on the accuracy of the credit application (proof of income, for example). In this very common situation, the delays are due to waiting for the purchaser to satisfy the stipulations. This provision will disadvantage many customers by requiring them to travel roundtrip to the dealership on multiple occasions just to resign paperwork identical to paperwork they have previously signed.

Section 1.(3)(c-e)

This Section requires the dealer to either buy the contract in-house if a lender will not accept the contract or provide a notice the contract is voided. The notice must be sent within two days.

Comment: This section requires the dealer to notify the customer by first class U.S. mail and “written electronic communication” (email). Not all customers have or provide an email address. The one and only penalty for missing the two-day deadline is that the dealer must purchase the contract. This is a fairly extreme penalty for a clerical error, especially when, on a three-day weekend, U.S. Post Offices can be closed for two consecutive days. Moreover, this section does not provide any exceptions for extreme weather, pandemic, or natural disasters which could impact a dealer’s ability to comply with this section.

Section 1.(3)(f)

This Section provides a menu of possible prices the dealer must pay the customer for a traded in vehicle which was sold.

Comment: This provision will create unneeded confusion and complexity by requiring the dealer and customer to negotiate the value of the traded in vehicle based on the statutory options. They will need to agree on the “value,” or the “fair market value”.

When the customer agrees to trade in their vehicle as part of a purchase, the customer and dealer agree on the value of the traded in vehicle. It is in writing, signed by both parties. This figure should be the only option so that the customer can get their check immediately, rather than negotiating with the dealer. This section will invite additional litigation with the customer potentially waiting on litigation to determine the actual value of the traded in vehicle.

Section 1.(4)

This section prohibits a dealer from charging a customer mileage if the contract is voided and the customer returns the purchased vehicle.

Comment: Oregon law already restricts a dealer to charging no more than the reimbursement rate established by the Federal government. It is not unreasonable to permit a dealer to charge for the ordinary use of the vehicle while in the possession of the purchaser.

OVDA, ORVDA, and NATA do not believe the provisions of HB3178 will assist customers purchasing vehicles from dealers. Rather, these provision will disadvantage customers by requiring them to travel roundtrip to the dealership just to resign identical paperwork, and it will add unnecessary complexity to the value of a traded in vehicle in those rare cases that a traded in vehicle is sold before a purchase is completed.

***OVDA, ORVDA, and NATA urge the Committee to take no further action on HB3178.
I am happy to answer any questions. Thank you.***