
OVDA / ORVDA / NATA OPPOSE HOUSE BILL 3177

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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 3177.

Roughly half of vehicles sold in Oregon each year are sold through dealerships. The other half are sold through private party transactions. Sellers in private party transactions have no legal obligation to inform purchasers of an unresolved safety recall on the vehicle. And, in many cases, the seller may not know the vehicle is under a safety recall.



In 2024 alone, more than 21 million cars were subject to more than 600 separate recalls. Do you know for certain your vehicle is not currently under a safety recall? You can check [here](#).

Vehicles sold through dealerships ensure the seller, the dealer, and the buyer know if the vehicle is subject to a safety recall. Dealers are already obligated to inform a purchaser if a vehicle for sale is subject to a safety recall. And, smart dealers are checking safety recall information prior to establishing the trade in value of the vehicle.

If House Bill 3177 becomes law, more and more vehicle sales will be done through the unregulated private party sales market, rather than through dealerships. And, if House Bill 3177 becomes law, an unsuspecting portion of the motoring public will experience a devaluation of their vehicle when they attempt to sell it through a dealership. Consider the following:

There are thousands of vehicles in Oregon subject to safety recalls where the manufacturer does not yet have a solution to fix the safety issue (see this [Consumer Reports](#) article). An excerpt from another December, 2024 Consumer Reports story reads,

Owners of some Nissan Pathfinder SUVs with [faulty hood latches](#) have been waiting since 2022 for a fix that's now promised by March 2025. Hyundai and Kia took nearly a year to develop a remedy for [SUVs that can catch fire](#) due to faulty trailer hitch wiring. And Chrysler has issued multiple recalls for fires in some [Pacifica PHEV minivans](#). ([What to do when there's no fix for your car's recall](#), [Consumer Reports](#), December 22, 2024)

In these cases, no dealer will accept the vehicle as a trade in since the dealer has no way to sell the vehicle, and no idea when the vehicle can be fixed and available for sale. So, dealers will simply refuse to take these vehicles as a trade in. These customers will be forced to sell their vehicles in the private party market, where they will not be required to disclose that the vehicle is under a recall.

In cases where a vehicle being traded in is subject to a safety recall, and the vehicle can be fixed, the dealership will have two broad options: First, they can purchase the vehicle, but will likely discount the trade in value since the vehicle is subject to a safety recall and the dealer will have to spend the time and resources to have it

repaired before it can be sold; or, Second, they can refuse to accept the vehicle on trade until the customer has the safety recall repair completed. In both these scenarios, the customer is disadvantaged.

The final scenario is a new safety recall on vehicles which are already in the inventory of a dealership. In these cases, the dealership has no option but to keep vehicles indefinitely. This could cripple small dealerships. Recall the Consumer Reports article above, where an SUV repair has taken more than three years.

And, not all safety recalls are created equally. One recall occurred because the vehicle's rear view camera didn't activate quickly enough, while another recall was issued because the shade of amber of the turn signal was wrong.

If House Bill 3177 were to be amended to strengthen the notification of an unresolved safety recall to a potential buyer, we may be able to support an amended bill.

***OVDA, ORVDA, and NATA urge the Committee to take no further action on House Bill 3177.
I am happy to answer any questions. Thank you.***