

## HOUSE AMENDMENTS TO A-ENGROSSED SENATE BILL 974

By COMMITTEE ON BUSINESS AND LABOR

June 5

1 On page 1 of the printed A-engrossed bill, delete lines 4 through 26.

2 On page 2, delete lines 1 through 38 and insert:

3 “**SECTION 1.** ORS 822.030 is amended to read:

4 “822.030. (1) A bond or letter of credit required to qualify for a vehicle dealer certificate under  
5 ORS 822.020 or to qualify for renewal of a certificate under ORS 822.040 must comply with all of the  
6 following:

7 “(a) The bond shall have a corporate surety licensed to do business within this state. A letter  
8 of credit shall be an irrevocable letter of credit issued by an insured institution, as defined in ORS  
9 706.008. The surety or institution shall notify the Department of Transportation if the bond or letter  
10 of credit is canceled for any reason. The surety or institution shall continue to be liable under the  
11 bond or letter of credit until the department receives the notice required by this paragraph, or until  
12 the cancellation date specified in the notice, whichever is later.

13 “(b) The bond or letter of credit shall be executed to the State of Oregon.

14 “(c) Except as otherwise provided in this paragraph, the bond or letter of credit shall be in the  
15 following sum:

16 “(A) If the [*applicant is seeking*] **person holds** a certificate to be a dealer exclusively in motor-  
17 cycles, mopeds, Class I all-terrain vehicles or snowmobiles or any combination of those vehicles, the  
18 bond or letter of credit shall be for [~~\$2,000~~] **\$10,000**.

19 “(B) Except as provided in subparagraph (A) of this paragraph, if the applicant is seeking a  
20 certificate to be a vehicle dealer, the bond or letter of credit shall be for [~~\$40,000~~] **\$50,000** for each  
21 year the certificate is valid.

22 “(d) The bond or letter of credit described in this subsection shall be approved as to form by the  
23 Attorney General.

24 “(e) The bond or letter of credit must be conditioned that the person issued the certificate shall  
25 conduct business as a vehicle dealer without fraud or fraudulent representation and without violat-  
26 ing any provisions of the vehicle code relating to vehicle registration, vehicle permits, the transfer  
27 or alteration of vehicles or the regulation of vehicle dealers.

28 “(f) The bond or letter of credit must be filed and held in the office of the department.

29 “(g) The vehicle dealer shall purchase a bond or letter of credit under this subsection annually  
30 on or before each anniversary of the issuance of the vehicle dealer’s certificate.

31 “(2) Any person shall have a right of action against a vehicle dealer, against the surety on the  
32 vehicle dealer’s bond and against the letter of credit in the person’s own name if the person suffers  
33 any loss or damage by reason of the vehicle dealer’s fraud, fraudulent representations or violations  
34 of provisions of the vehicle code relating to:

35 “(a) Vehicle registration;

- 1       “(b) Vehicle permits;  
2       “(c) The transfer or alteration of vehicles; or  
3       “(d) The regulation of vehicle dealers.

4       “(3) Notwithstanding subsection (2) of this section, the maximum amount available under a bond  
5 **or letter of credit** described in subsection (1)(c)(B) of this section for the payment of claims [by]  
6 **to persons other than retail customers of the dealer is [\$20,000] \$10,000.**

7       **“(4) Notwithstanding subsection (2) of this section, a person other than a retail customer  
8 of the vehicle dealer may not make a claim under subsection (2) of this section against the  
9 surety on the vehicle dealer’s bond, or against the vehicle dealer’s letter of credit, if the  
10 vehicle dealer holds a vehicle dealer certificate to deal exclusively in motorcycles, mopeds,  
11 Class I all-terrain vehicles or snowmobiles or any combination of those vehicles.**

12       “[(4)] (5) If the certificate of a vehicle dealer is not renewed or is voluntarily or involuntarily  
13 canceled, the sureties on the bond and the issuer of the letter of credit are relieved from liability  
14 that accrues after the department cancels the certificate.

15       **“SECTION 2. Section 3 of this 2017 Act is added to and made a part of the Oregon Vehicle  
16 Code.**

17       **“SECTION 3. The Department of Transportation may not issue a vehicle dealer certifi-  
18 cate authorizing a person to deal exclusively in motorcycles, mopeds, Class I all-terrain ve-  
19 hicles or snowmobiles or any combination of those vehicles.**

20       **“SECTION 4. Section 3 of this 2017 Act applies to new vehicle dealer certificates issued  
21 on or after the effective date of this 2017 Act and does not apply to a person who holds a  
22 vehicle dealer certificate to deal exclusively in motorcycles, mopeds, Class I all-terrain ve-  
23 hicles or snowmobiles or any combination of those vehicles, as of the day immediately pre-  
24 ceding the effective date of this 2017 Act.”.**

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