

SB 797 A STAFF MEASURE SUMMARY

House Committee On Judiciary

Prepared By: Michael Lantz, Counsel

Meeting Dates: 5/2, 5/15

WHAT THE MEASURE DOES:

Provides that national or wholesale vehicle auction company is exempt from prohibitions on certain consignment practices if taking vehicle from a non-retail customer. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Interpretation of current law
- Vehicle auction business model
- Effects of measure

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon law contains a list of requirements and prohibitions related to vehicle consignments. ORS 822.060. This includes bans on taking consignments from an individual who is not either the registered owner of a vehicle or a vehicle dealer, taking a vehicle from a security interest holder who has not first completed a repossession action with documentary proof, or taking a vehicle without having the terms of the consignment agreement in writing.

Senate Bill 797 A provides that wholesale vehicle auction companies and national auction companies specializing in totaled vehicles do not have to comply with the requirements and prohibitions contained in ORS 822.060 so long as the auction company is taking the vehicle from a non-retail consignor, such as a bank or consignment company.