

**Enrolled**  
**Senate Bill 797**

Sponsored by Senator MONNES ANDERSON; Representative PILUSO

CHAPTER .....

AN ACT

Relating to the offense of illegal consignment practices; amending ORS 822.060; and declaring an emergency.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 822.060 is amended to read:

822.060. (1) **Except as provided in subsection (2) of this section**, a person who holds a vehicle dealer certificate issued or renewed under ORS 822.020 or 822.040 commits the offense of illegal consignment practices if the person does any of the following:

(a) Takes a vehicle on consignment from a person who does not hold a vehicle dealer certificate issued or renewed under ORS 822.020 or 822.040, or who is not licensed as a vehicle dealer in another jurisdiction, and who does not have proof that the consignor is the registered owner, a security interest holder or lessor of the vehicle.

(b) Takes a vehicle on consignment from a security interest holder without the security interest holder first completing a repossession action prior to consigning the vehicle and providing the dealer with proper documentary proof of the repossession action.

(c) Takes a vehicle on consignment and does not have the terms of the consignment agreement in writing and provide a copy of the agreement to the consignor. The agreement shall include a provision stating that if the terms of the agreement are not met, the consignor may file a complaint in writing with the Department of Transportation, Salem, Oregon.

(d) Sells a vehicle that the dealer has on consignment and does not pay the consignor within 10 days of the sale.

(e) Sells a vehicle that the dealer has on consignment and does not either provide the purchaser with a certificate of title to the vehicle or with other primary ownership records in the form of documents or apply to the department in the purchaser's name for title to the vehicle within 30 days of the sale in a manner provided by the department by rule.

(f) Does not allow the department or any duly authorized representative to inspect and audit any records of any separate accounts into which the dealer deposits any funds received or handled by the dealer or in the course of business as a dealer from consignment sale of vehicles at such times as the department may direct.

(g) Takes any part of any money paid to the dealer in connection with any consignment transaction as part or all of the dealer's commission or fee until the transaction has been completed or terminated.

(h) Does not make arrangement for the disposition of money from a consignment transaction with the seller at the time of establishing a consignment agreement.

(i) Sells a vehicle that the dealer has taken on consignment without first giving the purchaser the following disclosure in writing:

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DISCLOSURE REGARDING  
CONSIGNMENT SALE

\_\_\_\_\_ (Name of Dealer) is selling the following described vehicle:  
\_\_\_\_\_ (Year) \_\_\_\_\_ (Make) \_\_\_\_\_ (Model) \_\_\_\_\_ (Vehicle Identification Number) on consignment.

- There is a security interest in this vehicle.  
 There is not a security interest in this vehicle.

YOU SHOULD TAKE ACTION TO ENSURE THAT ANY SECURITY INTERESTS ARE RELEASED AND THAT THE TITLE TO THE VEHICLE IS TRANSFERRED TO YOU. OTHERWISE, YOU MAY TAKE TITLE SUBJECT TO ANY UNSATISFIED SECURITY INTERESTS.

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**(2) The offense described in this section does not apply if the person takes a vehicle on consignment from an entity other than a retail customer and the person holds a vehicle dealer certificate issued or renewed under ORS 822.020 or 822.040 and operates a:**

- (a) Wholesale vehicle auction company; or**  
**(b) National auction company whose primary activity in this state is the sale or disposition of totaled vehicles.**

[2] (3) The offense described in this section, illegal consignment practices, is a Class A misdemeanor.

[3] (4) The department shall adopt rules to carry out the provisions of this section, including but not limited to rules to specify which persons may take and sell vehicles on consignment and to regulate the taking and selling of vehicles on consignment from other jurisdictions.

**SECTION 2. This 2019 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect on its passage.**

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**Passed by Senate April 23, 2019**

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Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House May 30, 2019**

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Tina Kotek, Speaker of House

**Received by Governor:**

.....M,....., 2019

**Approved:**

.....M,....., 2019

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Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2019

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Bev Clarno, Secretary of State