

# House Bill 2740

Sponsored by COMMITTEE ON TRANSPORTATION

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits motor vehicle broker from collecting nonrefundable earnest money deposit without written contract with buyer. Modifies definition of broker.

### A BILL FOR AN ACT

Relating to motor vehicle brokers; creating new provisions; and amending ORS 822.047.

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

**SECTION 1.** ORS 822.047 is amended to read:

822.047. (1) **As used in this section, "broker" means any person who, for commercial purposes, negotiates on behalf of a buyer the purchase of a motor vehicle:**

**(a) From another motor vehicle dealer; and**

**(b) Without any interest in the motor vehicle being transferred to the broker.**

*[(1)]* (2) A broker may not collect a nonrefundable *[fee]* **earnest money deposit** from a buyer unless the broker has a written contract with the buyer that includes:

(a) A description of the specific services to be provided by the broker;

(b) A description of the fees the broker will charge, including any fee that is required to be paid before the motor vehicle is delivered to the buyer; and

(c) A statement of whether or not the broker is responsible for warranty service work on the motor vehicle.

*[(2)]* (3) A broker may not calculate any fee charged to the buyer as a percentage of the savings achieved by the broker for the buyer on the purchase of the motor vehicle.

*[(3)]* (4) When representing a buyer, a broker must act only as an agent for the buyer but may receive a fee **from either the buyer or the seller** in connection with the transaction.

*[(4) As used in this section, "broker" means any person who, for commercial purposes, negotiates on behalf of a buyer the purchase of a motor vehicle from another motor vehicle dealer.]*

**SECTION 2. The amendments to ORS 822.047 by section 1 of this 2005 Act apply to broker transactions on or after the effective date of this 2005 Act.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.