

Odometer fraud – rolling back the mileage – isn't a new problem, but we can do better to find and stop the people responsible for it.

The objective of the bill is to **help consumers, business, and law enforcement agencies avoid the costs of dishonest business practices by recording odometer readings regardless of age of vehicle.**

Odometer fraud isn't a nuisance problem; it costs Oregonians millions of dollars a year: the lower mileage means the vehicle **price** is inflated; the cost of **insurance** is higher, and the buyer probably didn't factor in higher **maintenance** and repair costs when deciding what kind of car, in what condition, to buy. Both consumers and businesses have an interest in being protected from this fraud.

So is odometer fraud a problem in Oregon? Yes. You'll probably hear about a couple of high profile stories from others who testify. Based on projections from the National Highway Traffic Safety Administration<sup>i</sup>, Oregon would have over 5,400 instances of odometer fraud a year. The federal government publishes information about Odometer Fraud on the NHTSA website.

We can do something to help: direct the Department of Motor Vehicles to keep odometer readings on vehicles regardless of the vehicle age. I'll just give you the short-hand version and hope that you will support this bill. Other people are here to tell you more about the details and what's going on in Oregon.

Federal law prohibits the disconnecting, resetting, or altering a motor vehicle's odometer with intent to change the number of miles indicated<sup>ii</sup>, and requires that the seller provide written information on the vehicle title when the ownership of a vehicle is transferred. But -- it exempts vehicles older than 10 years from the written disclosure requirement. That's a big hole, especially considering the number of older cars being bought and sold. **In Oregon, we can do better** to protect car purchasers. DMV maintains the most recent odometer reading on vehicles less than ten years old, and that complies with federal law. But once a vehicle reaches its 10th birthday, DMV will not update the reading, even when it's provided on the form.

More than half of the cars in Oregon are over 10 years old. Nearly half of the time for those cars, people voluntarily include the odometer reading when supplying information. This bill just says to DMV: when you get the information, record it! It's useful!

## HB 3137: Crack down on odometer fraud. March, 2013

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### Notes:

Carfax, the company that provides vehicle history reports, does an odometer rollback check on vehicle identification number, but it's based on information from DMV. No info from DMV, nothing for Carfax, nothing for the honest dealer and consumers.

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<sup>i</sup> (NHTSA.gov),

<sup>ii</sup> <http://www.nhtsa.gov/Vehicle+Safety/Odometer+Fraud/Odometer+Information+Overview+for+Consumers>.

Federal odometer law, 49 U.S.C. Chapter 327 (Public Law 103-272)