



NORTH DAKOTA HOUSE OF REPRESENTATIVES

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Representative Emily O'Brien

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COMMITTEES:

Industry, Business and Labor
Transportation

March 12, 2021

House Bill 1368
Senate Transportation Committee
Senator Clemens, Chairman
March 12, 2021

Chairman Clemens and members of the Senate Transportation Committee:

I am Representative Emily O'Brien, from District 42, in Grand Forks, North Dakota.

House Bill 1398 was brought forward from a constituent – who purchased a vehicle from a subprime used car dealership.

To understand what this bill does – i am going to explain the scenario that got us to this legislation.

An individual who was looking to purchase a vehicle – went to a subprime used car dealership.

A subprime lender is often referred to as bad credit auto lenders, since their expertise is in financing borrowers with less than perfect credit. Subprime lenders are third party lenders, meaning the dealer works with the lenders to get the buyer financed.

The buyer found the vehicle they wanted to purchase - they admitted to the dealer that their credit was poor. After running a credit check – indeed the individuals' credit was poor. The subprime used car dealer considers these buyers a 'high risk sale'.

The dealer told the buyer that they were going to detail the car for, and they could pick it up the next day.

Fast forward.

The buyer who purchased the vehicle was then notified by a gentleman who was doing some work on the vehicle a few months later that there was a GPS tracker installed in the vehicle. The buyer did not install the GPS tracker themselves and was not aware that one was on her vehicle. She contacted local law enforcement to report a GPS tracker that was located on her vehicle. After contacting the manufacturing company of the GPS tracker – law enforcement was able to locate the purchaser of this specific GPS tracker – which brought them to the subprime used car dealership.

The individual that sold the vehicle to the buyer – expressed that they did have a GPS tracker installed on the vehicle and put a GPS tracker on every 'high risk sale'. These trackers only cost \$100. Once the vehicle is paid off he does not remove the GPS tracker because he figures \$100 is the cost of doing business. According to the individual or dealer– this is a very common occurrence in the subprime used car dealerships. The

individual was able to show law enforcement real time tracking of the GPS tracking devices that is installed on what they considered 'high risk sales'.

Currently, the way the North Dakota Century Code is written, they do not need to disclose that they have installed a GPS tracker on the vehicle.

The committee understood the intention that the subprime used car dealerships are trying to accomplish by placing a GPS tracker on the vehicles.

HB 1368 provides the disclosure of installing and maintaining a GPS system. The removal of the GPS system and the penalty if it is not disclosed or removed from the motor vehicle.

Thank you, Chairman Clemens and members of the Senate Transportation Committee. I will stand for any questions.

A handwritten signature in black ink, appearing to read "E. O'Brien", with a stylized flourish at the end.

Representative Emily O'Brien

District 42, Grand Forks