

HOUSE BILL REPORT

SSB 6173

As Reported By House Committee On:
Transportation

Title: An act relating to motor vehicle dealers.

Brief Description: Regulating motor vehicle dealers.

Sponsors: Senate Committee on Labor, Commerce & Trade (originally sponsored by Senators Haugen and Schow).

Brief History:

Committee Activity:

Transportation: 2/21/96, 2/26/96 [DPA].

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 22 members: Representatives K. Schmidt, Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Buck; Cairnes; Chopp; Elliot; Hankins; Horn; Johnson; McMahan; Ogden; Patterson; Robertson; Romero; D. Schmidt; Scott and Tokuda.

Staff: Jeff Doyle (786-7322).

Background: A vehicle dealer and his or her subagency must comply with specific requirements in order to receive and maintain a license. An update and clarification of the requirements is desired.

Summary of Amended Bill: The requirement that a dealer have a display area of a given size is deleted. The only place a dealer may display a vehicle for sale is at his or her established place of business, at a licensed subagency, or at a temporary subagency site.

Subagency records may be kept at either the dealer's principal place of business or at the subagency.

When a dealer is issued a license by the Department of Licensing (DOL), the department must provide an annual update to the dealer of applicable laws.

The requirement that a dealer retain a hard copy of temporary permits is removed. Records older than two years may be kept at a location other than the dealer's place of business, and in accordance with the dealer's own particular needs and practices. Hard copies of the records must be provided to DOL within three days if requested.

The requirement that a dealer itemize excise taxes and license fees on a separate signed document is deleted when concerning temporary permits. Itemization is required on the title application when the application is submitted for a title transfer.

A dealer is no longer prohibited from passing on to purchasers fees charged the dealer to obtain a lien release, to clear title to the vehicle, or to transfer title to the vehicle. The expenses and fees must be disclosed on the purchase order.

A dealer is now allowed three business days, instead of 48 hours, to accept or deny a prospective purchaser's written offer. If the purchaser's written order, offer to purchase, or contract is not accepted, the documents must be voided instead of returning all copies of the documents. A dealer is not prohibited from renegotiating trade-in terms if excessive additional miles or an undisclosed mileage discrepancy is present.

A dealer may obtain an additional 45-day temporary permit when the lienholder is paid within the required time period and fails to deliver title.

A vehicle dealer or salesperson is required to provide information to a prospective purchaser about the previous owner of a used car only if it was owned by a taxi company, rental agency, or governmental agency.

Technical corrections are made in the language of the statute.

Amended Bill Compared to Substitute Bill: The requirement for a study of how efficient DOL is at providing updated tax schedules to motor vehicle dealers is removed. A study of vehicle title branding is required. Clarification is provided that cars sold at auctions are not regulated under these provisions.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a necessary clarification and update. The study group is needed to determine whether additional title brands are necessary. Record

requirements will be easier without losing any needed enforcement of record retention. Privacy concerns of private owners are recognized.

Testimony Against: None.

Testified: Jim Boldt, Washington Auto Dealers Association (pro); and Cal Sanders, Department of Licensing (neutral).