
Transportation Committee

HB 2995

Brief Description: Allowing vehicle dealers to charge documentary service fees.

Sponsors: Representative Fisher.

Brief Summary of Proposed Substitute Bill

- Authorizes auto dealers to charge a documentary service fee of up to \$35 per vehicle sale or lease, to recover costs associated with administrative and documentary services rendered in connection with the sale or lease of a vehicle.

Hearing Date: 2/27/02

Staff: Reema Griffith (786-7301).

Background:

Under current law, licensed vehicle dealers are required to license and title vehicles they sell, as well as collect a variety of related taxes and fees. However, current law prohibits vehicle dealers from charging any kind of fee for carrying out their licensing and titling responsibilities.

Summary of Proposed Substitute Bill:

PSHB 2995 authorizes auto dealers to charge a documentary service fee of up to \$35 per vehicle sale or lease, to recover costs associated with administrative and documentary services rendered in connection with the sale or lease of a vehicle.

In order to charge the document service fee, vehicle dealers must observe the following conditions:

- The service fee must be disclosed in writing before the execution of a purchase and sale or lease agreement.
- The service fee is not represented to the buyer as a fee or charge required by the state to be paid by either the dealer or the buyer.
- The service fee must be separately designated from the selling price of the vehicle and from any other taxes, fees or charges.
- Dealers must disclose in any advertisement that a document service fee of up to \$35 may

be added to the sale price of a vehicle.

This bill is null and void if HB 2969 is not ratified by the voters by January 1, 2003.

Appropriation: None.

Fiscal Note: Not Requested.

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