

# FINAL BILL REPORT

## SSB 6173

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### PARTIAL VETO

C 282 L 96

Synopsis as Enacted

**Brief Description:** Regulating motor vehicle dealers.

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

**Senate Committee on Labor, Commerce & Trade**

**House Committee on Transportation**

**Background:** Vehicle dealers and their subagencies must comply with specific requirements in order to receive and maintain a license. An update and clarification of the requirements is desired.

**Summary:** The requirement that a dealer have a display area of a given size is deleted. The only places a dealer may display a vehicle for sale is at its established place of business, licensed subagency, or temporary subagency site. Vehicles sold at auction are not subject to this provision.

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, the department must provide an annual update to the dealers of applicable laws.

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

The requirement that dealers itemize excise taxes and license fees on a separate signed document is deleted as to temporary permits. The itemization is required on the title application when the application is submitted for title transfer.

Dealers are no longer prohibited from passing on to purchasers fees charged the dealers 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 written purchase order.

Dealers are 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. Dealers are 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 salesman, when requested by a prospective purchaser, is required to provide information about the previous owner of a used car if it was owned by a business or governmental agency.

A limitation is placed on the specific brands or comments on the vehicle title which must be disclosed, so that a violation occurs when a vehicle is sold with "salvage/rebuilt," "junk," "destroyed," or "rebuilt" on the title without specific written disclosure of the brand to the consumer. A study is to be done concerning vehicle title branding.

Technical corrections are made in the language of the statute.

**Partial Veto Summary:** The partial veto eliminates vehicle dealers' ability to pass on to purchasers fees charged to the dealer in order to obtain a lien release or a vehicle identification number, to clear title to the vehicle or transfer title to the vehicle. The veto also eliminates the requirement that certain brands or comments on the vehicle title be specifically disclosed to the purchaser in writing. The provision allowing three business days instead of 48 hours to accept or deny a prospective purchaser's written offer is deleted. Dealers continue to be prohibited from renegotiating trade-in terms if excessive additional miles or an undisclosed mileage discrepancy is present. Upon request from a prospective purchaser, a dealer or salesman must provide the previous owner's name and address, instead of only previous owners that are businesses or governmental agencies. Finally, a vehicle dealer may not obtain an additional 45-day temporary permit when the lienholder is paid within the required time period and fails to deliver title.

**Votes on Final Passage:**

Senate	48	1	
House	96	0	(House amended)
Senate	47	0	(Senate concurred)

**Effective:** June 6, 1996