

SENATE BILL REPORT

SSB 6173

As Passed Senate, February 12, 1996

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: Labor, Commerce & Trade: 1/22/96, 1/29/96 [DPS].
Passed Senate, 2/12/96, 48-1.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: That Substitute Senate Bill No. 6173 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; A. Anderson, Deccio, Franklin, Fraser, McDonald, Newhouse and Wojahn.

Staff: Katie Healy (786-7403)

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 of Bill: 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.

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. A study group is established to determine whether vehicle dealers are being provided with accurate and timely motor vehicle excise tax schedules and information.

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 purchase order written 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.

Technical corrections are made in the language of the statute.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: 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 ensure that vehicle dealers are being given the appropriate information. The record requirements will be easier without losing any needed enforcement of record retention. There is concern about dropping the requirement to provide information about previous owners, but the privacy concerns of private owners are recognized.

Testimony Against: None.

Testified: Jim Boldt, WA Auto Dealers (pro); Bill Fritz, WA State Independent Auto Dealers Assn. (pro); Doug Walsh, Attorney General's office, consumer protection.

House Amendment(s): 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 of vehicle title branding is added. The amendment removes the requirement for a study of the Department of Licensing's efficiency in providing updated tax information to motor vehicle dealers. Clarification is provided that vehicles sold at auction are not regulated under these provisions.