

HOUSE BILL REPORT

HB 2048

As Passed House:
February 7, 2008

Title: An act relating to vehicle dealer transfer of title requirements.

Brief Description: Modifying the requirements for executing assignment and warranty of title when the purchaser or transferee is a dealer.

Sponsors: By Representatives O'Brien, Chandler, Wood, Williams, Moeller, Conway and Condotta.

Brief History:

Committee Activity:

Transportation: 2/26/07, 3/1/07 [DP].

Floor Activity:

Passed House: 3/10/07, 97-0.

Floor Activity:

Passed House: 2/7/08, 94-0.

Brief Summary of Bill

- Clarifies that, if a vehicle dealer rejects a vehicle sale or lease contract that contains contingencies under the "bushing" statute, the dealer is not required to make an application for a certificate of title in the purchaser's or lessee's name.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 26 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Jarrett, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Appleton, Armstrong, Campbell, Curtis, Dickerson, Eddy, Ericksen, Hailey, Hankins, Hudgins, Kristiansen, Lovick, Rodne, Rolfes, Sells, Simpson, Springer, B. Sullivan, Takko, Upthegrove, Wallace and Wood.

Staff: Teresa Berntsen (786-7301).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Vehicle Dealer Transfer of Title

When selling, leasing, or otherwise disposing of a vehicle, vehicle dealers must promptly make an application to the Department of Licensing (DOL) for a certificate of title in the purchaser's or lessee's name. By Washington Administrative Code, the dealer must file the title application within 45 calendar days of the vehicle delivery date.

Vehicle Dealer Offers to Purchase

If an offer to purchase or lease a vehicle is accepted contingent on securing financing, or on some other factor, the vehicle dealer must give final acceptance or rejection of the offer within three days (excluding Saturdays, Sundays, and holidays), without further negotiation. If the dealer rejects the agreement, before there can be any attempt to reopen negotiations, the deal must be cancelled and any money, trade-in vehicle, or anything else given as initial payment or security must be returned.

Failure to adhere to the three-day limit to accept or reject an agreement to purchase or lease a vehicle is often referred to as "bushing."

Summary of Bill:

If a vehicle dealer rejects a contract that contains contingencies under the "bushing" law, the dealer is not required to make an application to the DOL for a certificate of title in the purchaser's or lessee's name.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill will make the business atmosphere easier for auto dealers in the state so they can be more competitive and produce more jobs. The bill clarifies a law and removes an ambiguity.

(Opposed) None.

Persons Testifying: Representative O'Brien, Prime Sponsor; and Scott Hazelgrove, Washington State Auto Dealers Association.

Persons Signed In To Testify But Not Testifying: None.