

# SENATE BILL REPORT

## SB 5282

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As Passed Senate, February 8, 2023

**Title:** An act relating to authorizing vehicle dealers to file a report of sale.

**Brief Description:** Authorizing vehicle dealers to file a report of sale.

**Sponsors:** Senators Valdez, MacEwen, Gildon, Lias and Nguyen.

**Brief History:**

**Committee Activity:** Labor & Commerce: 1/19/23, 1/24/23 [DP].

**Floor Activity:** Passed Senate: 2/8/23, 49-0.

**Brief Summary of Bill**

- Allows a vehicle dealer to file a report of sale on behalf of an owner who trades in or sells a vehicle to the dealer, and to collect and remit the required fees from the owner.

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### SENATE COMMITTEE ON LABOR & COMMERCE

**Majority Report:** Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King, Ranking Member; Braun, MacEwen, Robinson, Schoesler and Stanford.

**Staff:** Susan Jones (786-7404)

**Background:** Owner Releasing Interest. An owner releasing interest in a vehicle must:

- sign the release of interest section provided on the certificate of title or on a release of interest document;
- give the certificate of title to the person gaining the interest in the vehicle;
- give the person gaining interest in the vehicle an odometer disclosure statement if one is required; and

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- report the vehicle sold.

Report of Sale. An owner must notify the Department of Licensing (DOL), the county auditor, or other agent in writing within five business days after a vehicle is or has been:

- sold;
- given as a gift to another person;
- traded, either privately or to a dealership;
- donated to charity;
- turned over to an insurance company or wrecking yard; or
- disposed of.

A report of sale is properly filed if it is received by DOL, the county auditor, or other agent within five business days after the date of sale or transfer and it includes:

- the date of sale or transfer;
- the owner's full name and complete, current address;
- the full name and complete, current address of the person acquiring the vehicle, including street name and number, and apartment number if applicable, or post office box number, city or town, and postal code;
- the vehicle identification number and license plate number;
- a date or stamp by DOL showing it was received on or before the fifth business day after the date of sale or transfer; and
- payment of the required fees.

Vehicle dealer means any person or entity engaged in the business of buying, selling, listing, exchanging, offering, brokering, leasing with an option to purchase, auctioning, soliciting, or advertising the sale of new or used vehicles, or arranging, offering or attempting to solicit or negotiate on behalf of others, a sale, purchase, or exchange of an interest in new or used motor vehicles, whether or not the motor vehicles are owned by that person.

**Summary of Bill:** A vehicle dealer may, but is not required to, file a report of sale on behalf of an owner who trades in, sells, or otherwise transfers ownership of a vehicle to the dealer. A vehicle dealer who files on behalf of an owner may collect and remit the required fees from the owner.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony:** PRO: Individuals selling their cars must file a

report of sale to notify DOL that they are no longer the owner of the car. If they forget to file or do not understand they need to file, they may receive the new owner's parking tickets, towing charges, and fines. This bill will allow the option for auto dealers to ask when a sale is made if the seller would like the dealer to file the report on the seller's behalf and collect and remit the fee. This would solve a problem that happens to many people. This will not affect any bargained work with state employees at DOL that may take place. Dealers are asking for this bill to remove potential friction with sellers that may occur.

**Persons Testifying:** PRO: Senator Javier Valdez, Prime Sponsor; Scott Hazlegrove.

**Persons Signed In To Testify But Not Testifying:** No one.