

2 **SSB 6173** - S AMD - 158

3 By Senators Wojahn, Deccio, Moyer, Thibaudeau, Pelz, Wood, Schow,
4 Fairley

5 RULED OUT OF SCOPE AND OBJECT 2/12/96

6 On page 10, after line 15, insert the following:

7 "NEW SECTION. **Sec. 6.** A new section is added to chapter 46.70 RCW
8 to read as follows:

9 At the time of licensing, registration, title verification,
10 transfer of title, perfecting title, or releasing or satisfying a lien
11 or other security for any motor vehicle, the dealer shall collect a
12 documentary service fee of at least ten dollars and may collect up to
13 fifteen dollars. Ten dollars of the fee shall be transmitted to the
14 department for deposit in the emergency medical services and trauma
15 care system trust account. Subagents shall collect the ten dollar fee
16 when performing any function listed in this section, and such fee shall
17 be transmitted to the department for deposit in the emergency medical
18 services and trauma care system trust account under this section."

19 Renumber the sections consecutively and correct any internal
20 references accordingly.

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25 On page 11, line 16, after "order." insert "Any documentary service
26 fee charged by a dealer for licensing, registration, title
27 verification, transfer of title, perfecting title, or releasing or
28 satisfying a lien or other security interest in an amount not to exceed
29 a total of fifteen dollars per vehicle sale or vehicle lease shall not
30 be considered a violation of subsection (1) or (2) of this section.
31 Dealers are required to disclose in any advertisement that a
32 documentary service fee in an amount not to exceed fifteen dollars may
33 be added to the sale price."

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5 On page 15, after line 32, insert the following:

6 "**Sec. 7.** RCW 63.14.010 and 1993 sp.s. c 5 s 1 are each amended to
7 read as follows:

8 In this chapter, unless the context otherwise requires:

9 (1) "Goods" means all chattels personal when purchased primarily
10 for personal, family, or household use and not for commercial or
11 business use, but not including money or, except as provided in the
12 next sentence, things in action. The term includes but is not limited
13 to merchandise certificates or coupons, issued by a retail seller, to
14 be used in their face amount in lieu of cash in exchange for goods or
15 services sold by such a seller and goods which, at the time of sale or
16 subsequently, are to be so affixed to real property as to become a part
17 thereof, whether or not severable therefrom;

18 (2) "Lender credit card" means a card or device under a lender
19 credit card agreement pursuant to which the issuer gives to a
20 cardholder residing in this state the privilege of obtaining credit
21 from the issuer or other persons in purchasing or leasing property or
22 services, obtaining loans, or otherwise, and the issuer of which is
23 not: (a) Principally engaged in the business of selling goods; or (b)
24 a financial institution;

25 (3) "Lender credit card agreement" means an agreement entered into
26 or performed in this state prescribing the terms of retail installment
27 transactions pursuant to which the issuer may, with the buyer's
28 consent, purchase or acquire one or more retail sellers' indebtedness
29 of the buyer under a sales slip or memorandum evidencing the purchase,
30 lease, loan, or otherwise to be paid in accordance with the agreement.
31 The issuer of a lender credit card agreement shall not be principally
32 engaged in the business of selling goods or be a financial institution;

33 (4) "Financial institution" means any bank or trust company, mutual
34 savings bank, credit union, or savings and loan association organized
35 pursuant to the laws of any one of the United States of America or the
36 United States of America, or the laws of a foreign country if also

1 qualified to conduct business in any one of the United States of
2 America or pursuant to the laws of the United States of America;

3 (5) "Services" means work, labor, or services of any kind when
4 purchased primarily for personal, family, or household use and not for
5 commercial or business use whether or not furnished in connection with
6 the delivery, installation, servicing, repair, or improvement of goods
7 and includes repairs, alterations, or improvements upon or in
8 connection with real property, but does not include services for which
9 the price charged is required by law to be determined or approved by or
10 to be filed, subject to approval or disapproval, with the United States
11 or any state, or any department, division, agency, officer, or official
12 of either as in the case of transportation services;

13 (6) "Retail buyer" or "buyer" means a person who buys or agrees to
14 buy goods or obtain services or agrees to have services rendered or
15 furnished, from a retail seller;

16 (7) "Retail seller" or "seller" means a person engaged in the
17 business of selling goods or services to retail buyers;

18 (8) "Retail installment transaction" means any transaction in which
19 a retail buyer purchases goods or services from a retail seller
20 pursuant to a retail installment contract, a retail charge agreement,
21 or a lender credit card agreement, as defined in this section, which
22 provides for a service charge, as defined in this section, and under
23 which the buyer agrees to pay the unpaid balance in one or more
24 installments or which provides for no service charge and under which
25 the buyer agrees to pay the unpaid balance in more than four
26 installments;

27 (9) "Retail installment contract" or "contract" means a contract,
28 other than a retail charge agreement, a lender credit card agreement,
29 or an instrument reflecting a sale made pursuant thereto, entered into
30 or performed in this state for a retail installment transaction. The
31 term "retail installment contract" may include a chattel mortgage, a
32 conditional sale contract, and a contract in the form of a bailment or
33 a lease if the bailee or lessee contracts to pay as compensation for
34 their use a sum substantially equivalent to or in excess of the value
35 of the goods sold and if it is agreed that the bailee or lessee is
36 bound to become, or for no other or a merely nominal consideration, has
37 the option of becoming the owner of the goods upon full compliance with
38 the provisions of the bailment or lease. The term "retail installment
39 contract" does not include: (a) A "consumer lease," heretofore or

1 hereafter entered into, as defined in RCW 63.10.020; (b) a lease which
2 would constitute such "consumer lease" but for the fact that: (i) It
3 was entered into before April 29, 1983; (ii) the lessee was not a
4 natural person; (iii) the lease was not primarily for personal, family,
5 or household purposes; or (iv) the total contractual obligations
6 exceeded twenty-five thousand dollars; or (c) a lease-purchase
7 agreement under chapter 63.19 RCW;

8 (10) "Retail charge agreement," "revolving charge agreement," or
9 "charge agreement" means an agreement between a retail buyer and a
10 retail seller that is entered into or performed in this state and that
11 prescribes the terms of retail installment transactions with one or
12 more sellers which may be made thereunder from time to time and under
13 the terms of which a service charge, as defined in this section, is to
14 be computed in relation to the buyer's unpaid balance from time to
15 time;

16 (11) "Service charge" however denominated or expressed, means the
17 amount which is paid or payable for the privilege of purchasing goods
18 or services to be paid for by the buyer in installments over a period
19 of time. It does not include the amount, if any, charged for insurance
20 premiums, delinquency charges, attorneys' fees, court costs, the
21 vehicle dealer documentary service fee as provided in section 5 of this
22 act, or official fees;

23 (12) "Sale price" means the price for which the seller would have
24 sold or furnished to the buyer, and the buyer would have bought or
25 obtained from the seller, the goods or services which are the subject
26 matter of a retail installment transaction. The sale price may include
27 any taxes, registration and license fees, any vehicle dealer
28 documentary fee as provided for in section 5 of this act and charges
29 for transferring vehicle titles, delivery, installation, servicing,
30 repairs, alterations, or improvements;

31 (13) "Official fees" means the amount of the fees prescribed by law
32 and payable to the state, county, or other governmental agency for
33 filing, recording, or otherwise perfecting, and releasing or
34 satisfying, a retained title, lien, or other security interest created
35 by a retail installment transaction;

36 (14) "Time balance" means the principal balance plus the service
37 charge;

38 (15) "Principal balance" means the sale price of the goods or
39 services which are the subject matter of a retail installment contract

1 less the amount of the buyer's down payment in money or goods or both,
2 plus the amounts, if any, included therein, if a separate identified
3 charge is made therefor and stated in the contract, for insurance, any
4 vehicle dealer documentary service fee, and official fees;

5 (16) "Person" means an individual, partnership, joint venture,
6 corporation, association, or any other group, however organized;

7 (17) "Rate" means the percentage which, when multiplied times the
8 outstanding balance for each month or other installment period, yields
9 the amount of the service charge for such month or period.

10 **Sec. 8.** RCW 63.14.130 and 1992 c 193 s 1 are each amended to read
11 as follows:

12 The service charge shall be inclusive of all charges incident to
13 investigating and making the retail installment contract or charge
14 agreement and for the privilege of making the installment payments
15 thereunder and no other fee, expense or charge whatsoever shall be
16 taken, received, reserved or contracted therefor from the buyer, except
17 for any vehicle dealer documentary service fee as provided for in
18 section 5 of this act.

19 (1) The service charge, in a retail installment contract, shall not
20 exceed the dollar amount or rate agreed to by contract and disclosed
21 under RCW 63.14.040(1)(7)(g).

22 (2) The service charge in a retail charge agreement, revolving
23 charge agreement, lender credit card agreement, or charge agreement,
24 shall not exceed the schedule or rate agreed to by contract and
25 disclosed under RCW 63.14.120(1). If the service charge so computed is
26 less than one dollar for any month, then one dollar may be charged."

27 Renumber the sections consecutively and correct any internal
28 references accordingly.

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33 On page 1, line 2 of the title, after "46.70.130," strike "and" and
34 after "46.70.180" insert ", 63.14.010, and 63.14.130"

1 On page 1, line 2 of the title, after "46.70.180;" insert "adding
2 a new section to chapter 46.70 RCW;"

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