

SENATE BILL REPORT

SB 5896

As of March 3, 2003

Title: An act relating to vehicle brokers.

Brief Description: Modifying vehicle broker provisions.

Sponsors: Senators Schmidt, Prentice, Winsley, Fairley, Roach and Franklin.

Brief History:

Committee Activity: Commerce & Trade: 3/5/03.

SENATE COMMITTEE ON COMMERCE & TRADE

Staff: Jennifer Ziegler (786-7316)

Background: Every person offering to sell a new vehicle in the state of Washington is required to maintain a valid service agreement with each respective vehicle manufacturer.

Under Washington law, "auto buying services" are companies that shop many auto dealerships in order to obtain the best value on a particular type of vehicle specified by the customer. In exchange for this service, the buyers' agent charges the customer a fee. Buyers' agents are prohibited from accepting fees from both buyers and dealerships; they must be exclusive agents, receiving their fee from only one source.

An auto buying service may choose to accept a fee solely from a dealership. This is called auto "brokering." To sell new cars in the state of Washington, an auto broker must maintain a valid service agreement with the manufacturer of each vehicle offered for sale.

Summary of Bill: An auto broker is no longer required to maintain a valid service agreement with the manufacturer of each vehicle offered for sale, so long as the sale is arranged with a dealership having a valid service agreement.

Appropriation: None.

Fiscal Note: Available.

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