

SENATE BILL REPORT

SHB 2995

As Reported By Senate Committee On:
Transportation, March 4, 2002

Title: An act relating to vehicle dealer documentary service fees.

Brief Description: Allowing vehicle dealers to charge documentary service fees.

Sponsors: House Committee on Transportation (originally sponsored by Representative Fisher).

Brief History:

Committee Activity: Transportation: 3/4/02 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Benton, Eide, Finkbeiner, Horn, Jacobsen, Kastama, Keiser, McAuliffe, Prentice, Shin and Swecker.

Staff: Dean Carlson (786-7305)

Background: Under current law, licensed vehicle dealers are required to license and title vehicles they sell, as well as collect a variety of related taxes and fees. However, current law prohibits vehicle dealers from charging any kind of fee for carrying out their licensing and titling responsibilities.

Summary of Bill: Auto dealers are authorized to charge a documentary service fee of up to \$35 per vehicle sale or lease, to recover costs associated with administrative and documentary services rendered in connection with the sale or lease of a vehicle.

In order to charge the document service fee, vehicle dealers must observe the following conditions:

- the service fee must be disclosed in writing before the execution of a purchase and sale or lease agreement;
- the service fee is not represented to the buyer as a fee or charge required by the state to be paid by either the dealer or the buyer;
- the service fee must be separately designated from the selling price of the vehicle and from any other taxes, fees or charges; and
- dealers must disclose in any advertisement that a document service fee of up to \$35 may be added to the sale price of a vehicle.

This bill is null and void if HB 2969 is not ratified by the voters by January 1, 2003.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: There are 15-50 documents to be prepared for each vehicle. Washington is the only state in the union that does not allow a document service fee. There is a lot of flexibility and public interest in this bill.

Testimony Against: None.

Testified: Jim Boldt, Washington Auto Dealers Association, (pro).