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**Transportation Committee**

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**HB 2215**

**Brief Description:** Allowing car dealers to charge documentary service fees.

**Sponsors:** Representatives Murray and Simpson.

**Brief Summary of Bill**

- Authorizes auto dealers 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

**Hearing Date:** 3/26/03

**Staff:** Jeff Doyle (786-7322).

**Background:**

Under current law, licensed vehicle dealers are required to collect a variety of government taxes and fees. Most vehicle dealers also license and title the vehicles they sell. Current law prohibits vehicle dealers from charging any kind of administrative or document preparation fee for performing tax collection, licensing and titling activities.

**Summary of Bill:**

Vehicle dealers are authorized to charge a documentary service fee of up to \$35 per vehicle sale or lease. 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.

**Appropriation:** None.

**Fiscal Note:** Not Requested.

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