

SENATE BILL REPORT

SB 6068

As Reported By Senate Committee On:
Highways & Transportation, April 7, 2003

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

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

Sponsors: Senators Horn and Eide.

Brief History:

Committee Activity: Highways & Transportation: 4/3/03, 4/7/03 [DP].

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Horn, Chair; Swecker, Vice Chair; Esser, Finkbeiner, Kastama, Mulliken, Oke and Prentice.

Staff: Dean Carlson (786-7305)

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

Testimony For: Washington is the only state without a document service fee. This would be the lowest fee in the country. The minimum amount of documents processed on vehicle purchases is 12, with the maximum being 50.

Testimony Against: None.

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