

HOUSE BILL REPORT

HB 2512

As Passed House:
February 17, 2016

Title: An act relating to the retention and maintenance of auto dealer and repair facility records.

Brief Description: Concerning the retention and maintenance of auto dealer and repair facility records.

Sponsors: Representatives Clibborn and Orcutt.

Brief History:

Committee Activity:

Business & Financial Services: 1/20/16, 1/26/16 [DP].

Floor Activity:

Passed House: 2/17/16, 98-0.

Brief Summary of Bill

- Authorizes vehicle dealers and automotive repair facilities to maintain certain required records in electronic form if the records can be accessed by computer at the dealer or repair facility's place of business during the remainder of the record-retention period.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 11 members: Representatives Kirby, Chair; Stanford, Vice Chair; Vick, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Blake, Dye, Hurst, Kochmar, Ryu, Santos and G. Hunt.

Staff: Peter Clodfelter (786-7127).

Background:

Retention and Maintenance of Records by Vehicle Dealers.

A vehicle dealer must complete and maintain, for a period of five years, a record of the purchase and sale or lease of all vehicles purchased, sold, or leased by the dealer. Dealers

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

may maintain their recordkeeping and filing systems in accordance with their own particular business needs and practices, but dealers must maintain records that consist of the following:

- the license and title numbers of the state in which the last license was issued;
- a vehicle description;
- the name and address of the person from whom the vehicle was purchased;
- the name of the legal owner, if any;
- the name and address of the purchaser or lessee;
- if purchased from a dealer, the name, business address, dealer license number, and resale tax number of the dealer;
- the price paid for the vehicle and the method of payment;
- the vehicle odometer disclosure statement given by the seller to the dealer, and the vehicle odometer disclosure statement given by the dealer to the purchaser or lessee;
- the written agreement to allow a dealer to sell between the dealer and the consignor, or the listing dealer and the seller;
- trust account records of receipts, deposits, and withdrawals;
- all sale documents, which must show the full name of dealer employees involved in the sale or lease; and
- any additional information the Department of Licensing (DOL) may require.

However, the DOL may not require a dealer to collect or retain the hardback copy of a temporary license permit after the permanent license plates for a vehicle have been provided to the purchaser or lessee, if the dealer maintains some other copy of the temporary license permit together with a log of the permits issued.

The above records that a vehicle dealer must complete and maintain for five years must be maintained separate from all other business records of the dealer. Records older than two years may be kept at a location other than the dealer's place of business if those records are made available in hard copy for inspection within three calendar days, exclusive of Saturday, Sunday, or a legal holiday, after a request by the Director of the DOL (Director) or the Director's authorized agent. Records kept at the vehicle dealer's place of business must be available for inspection by the Director or the Director's authorized agent during normal business hours.

Retention and Maintenance of Records by Automotive Repair Facilities.

Every automotive repair facility must retain and make available for inspection, upon request by the customer or the customer's authorized representative, true copies of written price estimates and invoices for at least one year after the date on which the repairs were performed.

Summary of Bill:

Retention and Maintenance of Records by Vehicle Dealers.

Records must be kept in paper form for at least one year. After a year, records may be kept solely as electronic records and not as hard copies as long as the electronic records can be accessed by computer at the dealer's place of business during normal business hours for the remainder of the five-year retention period. Records that originate as electronic records may be retained as electronic records with no paper form and must be accessible by computer at the dealer's place of business for at least five years.

Paper records more than two years old may be kept at a location other than the dealer's place of business if those records are made available in hard copy for inspection within three calendar days, exclusive of Saturday, Sunday, or a legal holiday, after a request by the Director or the Director's authorized agent.

Retention and Maintenance of Records by Automotive Repair Facilities.

The true copies of the written price estimates and invoices required to be retained by automotive repair facilities under current law may be maintained as electronic records and not as hard copies as long as the repair facility is capable of printing the records in hard copy upon request of the customer or the customer's authorized representative.

The Director may adopt rules necessary to implement electronic records retention.

Appropriation: None.

Fiscal Note: Not requested.

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

Staff Summary of Public Testimony:

(In support) Allowing motor vehicle dealers and automotive repair facilities to maintain certain records in electronic form will help streamline business operations, save employees time, and increase overall efficiency. Safeguards ensure that records required under current law will remain available and that customer information is safe. Car dealerships generate significant amounts of paperwork, and the amount of paperwork involved in each vehicle transaction has increased over the years. Although statute requires a minimum record retention period of five years, standard business practice is to retain records for longer than five years. Maintaining paper records requires dealers to devote substantial physical space to store records; this is unnecessary and this bill remedies that. The DOL has the same ability to review dealers' records under this bill as the DOL currently has.

(Opposed) None.

Persons Testifying: Representative Clibborn, prime sponsor; Gary Gilchrist, Gilchrist Chevrolet Buick GMC; and Scott Hazlegrove, Washington State Auto Dealers Association.

Persons Signed In To Testify But Not Testifying: None.