

Background

A customer visits a dealership, selects a vehicle, signs paperwork, and pays for the vehicle. The customer drives away with the vehicle and a temporary registration. The dealer then has 45 days to provide the paperwork and fees collected from the customer to the Department of Licensing (DOL). DOL mails proof of ownership to the owner and license plates to the dealer for the customer.

Problem

Note, the customer left without proof of ownership or the right to drive after 45 days. The customer is completely reliant on the dealer processing the paperwork. Which they usually do, else they'd lose their license. But that's not much of a consequence when going out of business.

The customer is then left with a vehicle they don't own, can't drive, can't park on a street, and no way to get to work.

Policy Evaluation

Washington's laws and rules intend to prevent fraud and protect vehicle owners. But, in this case they prevent solutions. Not only is the customer reliant on the dealer, but when the dealer fails there is not official process to resolve this issue. The ownership in doubt process, intended to resolve similar situations, is illegal for dealer sales.

As these are clearly not the intentions... WA legislation needs to recognize this is a large repeating problem impacting our most vulnerable citizens. Update our laws and rules to allow customers to apply for ownership in doubt in the case of a dealer out of business.