

SENATE BILL REPORT

SB 5615

AS OF FEBRUARY 22, 1991

Brief Description: Creating additional licensing requirements for vehicle dealers.

SPONSORS: Senators Matson, Bauer, Hayner, Sutherland, Saling, McCaslin, West, Vognild, Jesernig and L. Smith.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Forrest Bathurst (786-7429)

Hearing Dates: February 21, 1991

BACKGROUND:

The Department of Licensing regulates vehicle dealers in 46.70 RCW. The legislative declaration of purpose section states regulation is necessary "to prevent frauds, impositions, and other abuses upon its citizens and to protect and preserve the investments and properties of the citizens of this state."

The definition of "vehicle dealer" includes any person engaged in the business of buying, selling, listing, exchanging, offering, brokering, leasing with an option to purchase, auctioning, soliciting, or advertising the sale of new or used vehicles, or arranging or offering or attempting to solicit or negotiate on behalf of others, a sale, purchase, or exchange of an interest in new or used vehicles.

SUMMARY:

Gender references are updated from "his" to "his or her."

A person that lists, brokers, solicits, negotiates or arranges for the sale of new or current model vehicles must provide the Department of Licensing with a manufacturer's or distributor's "service agreement" as a condition for obtaining a vehicle dealer license.

The "service agreement" required by the Department of Licensing affirms that the applicant has made arrangements with the vehicle's manufacturer or distributor to complete warranty work on the vehicle at or within a reasonable distance from the applicant's established place of business.

An applicant for a vehicle dealer's license must describe on his or her application the classification of vehicles he or she will be buying, selling, listing, exchanging, offering, brokering, leasing with an option to purchase, auctioning, soliciting, advertising, providing, or for which the dealer will use his or her facilities for displaying or repairing

vehicles, or for which the dealer will be providing services for compensation of any kind that brings together potential buyers and sellers.

Appropriation: none

Revenue: none

Fiscal Note: requested February 17, 1991