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HOUSE BILL 1878

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State of Washington                      52nd Legislature                      1991 Regular Session

By Representatives Cooper, Betrozoff, R. Meyers, Day, Prince and Haugen.

Read first time February 13, 1991.      Referred to Committee on Transportation.

1            AN ACT Relating to motor vehicle dealer license plates; and  
2 amending RCW 46.70.090, 46.70.083, and 46.70.101.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 46.70.090 and 1983 c 3 s 123 are each amended to read  
5 as follows:

6            (1) The department shall issue a vehicle dealer license plate which  
7 shall be attached to the rear of the vehicle only and which is capable  
8 of distinguishing the classification of the dealer, to vehicle dealers  
9 properly licensed pursuant to this chapter and shall, upon application,  
10 issue manufacturer's license plates to manufacturers properly licensed  
11 pursuant to this chapter.

12            (2) The department shall not issue a vehicle dealer license plate  
13 to any vehicle dealer selling fewer than five vehicles annually. After  
14 the first dealer plate is issued, the department shall limit the number  
15 of dealer plates to six percent of the vehicles sold during the

1 preceding license period. For an original license the vehicle dealer  
2 license applicant shall estimate the first year's sales.

3 (3) Motor vehicle dealer license plates may be used:

4 (a) To demonstrate motor vehicles held for sale when operated by an  
5 individual holding a valid operator's license, if a dated demonstration  
6 permit, valid for no more than seventy-two hours, is carried in the  
7 vehicle at all times it is operated by any such individual.

8 (b) On motor vehicles owned, held for sale, and which are in fact  
9 available for sale by the firm when operated by an officer of the  
10 corporation, partnership, or proprietorship or by their spouses, or by  
11 a bona fide full-time employee of the firm, if a card so identifying  
12 any such individual is carried in the vehicle at all times it is  
13 operated by such individual. Any such vehicle so operated may be used  
14 to transport the dealer's own tools, parts, and equipment of a total  
15 weight not to exceed five hundred pounds.

16 (c) On motor vehicles being tested for repair.

17 (d) On motor vehicles being moved to or from a motor vehicle  
18 dealer's place of business for sale.

19 (e) On motor vehicles being moved to or from motor vehicle service  
20 and repair facilities before sale.

21 (f) On motor vehicles being moved to or from motor vehicle  
22 exhibitions within the state of Washington, if any such exhibition does  
23 not exceed a period of twenty days.

24 ~~((3))~~ (4) Mobile home and travel trailer dealer license plates  
25 may be used:

26 (a) On units hauled to or from the place of business of the  
27 manufacturer and the place of business of the dealer or to and from  
28 places of business of the dealer.

29 (b) On mobile homes hauled to a customer's location for set-up  
30 after sale.

1 (c) On travel trailers held for sale to demonstrate the towing  
2 capability of the vehicle if a dated demonstration permit, valid for  
3 not more than seventy-two hours, is carried with the vehicle at all  
4 times.

5 (d) On mobile homes being hauled from a customer's location if the  
6 requirements of RCW 46.44.170 and 46.44.175 are met.

7 (e) On any motor vehicle owned by the dealer which is used only to  
8 move vehicles legally bearing mobile home and travel trailer dealer  
9 license plates of the dealer so owning any such motor vehicle.

10 (f) On vehicles being moved to or from vehicle exhibitions within  
11 the state of Washington, if any such exhibition does not exceed a  
12 period of twenty days.

13 (~~(4)~~) (5) Miscellaneous vehicle dealer license plates may be  
14 used:

15 (a) To demonstrate any miscellaneous vehicle: PROVIDED, That:

16 (i) No such vehicle may be demonstrated on a public highway unless  
17 the customer has an appropriate endorsement on his driver's license, if  
18 such endorsement is required to operate such vehicle; and

19 (ii) A dated demonstration permit, valid for no more than seventy-  
20 two hours, is carried with the vehicle at all times it is operated by  
21 any such individual.

22 (b) On vehicles owned, held for sale, and which are in fact  
23 available for sale, by the firm when operated by an officer of the  
24 corporation, partnership, or proprietorship or by a bona fide full-time  
25 employee of the firm, if a card so identifying such individual is  
26 carried in the vehicle at all times it is operated by him.

27 (c) On vehicles being tested for repair.

28 (d) On vehicles being transported to or from the place of business  
29 of the manufacturer and the place of business of the dealer or to and  
30 from places of business of the dealer.

1 (e) On vehicles on which any other item sold or to be sold by the  
2 dealer is transported from the place of business of the manufacturer to  
3 the place of business of the dealer or to and from places of business  
4 of the dealer if such vehicle and such item are purchased or sold as  
5 one package.

6 (~~(5)~~) (6) Manufacturers properly licensed pursuant to this  
7 chapter may apply for and obtain manufacturer license plates and may be  
8 used:

9 (a) On vehicles being moved to or from the place of business of a  
10 manufacturer to a vehicle dealer within this state who is properly  
11 licensed pursuant to this chapter.

12 (b) To test vehicles for repair.

13 (~~(6)~~) (7) Vehicle dealer license plates and manufacturer license  
14 plates shall not be used for any purpose other than set forth in this  
15 section and specifically shall not be:

16 (a) Used on any vehicle not within the class for which the vehicle  
17 dealer or manufacturer license plates are issued unless specifically  
18 provided for in this section.

19 (b) Loaned to any person for any reason not specifically provided  
20 for in this section.

21 (c) Used on any vehicles for the transportation of any person,  
22 produce, freight, or commodities unless specifically provided for in  
23 this section, except there shall be permitted the use of such vehicle  
24 dealer license plates on a vehicle transporting commodities in the  
25 course of a demonstration over a period not to exceed seventy-two  
26 consecutive hours from the commencement of such demonstration, if a  
27 representative of the dealer is present and accompanies such vehicle  
28 during the course of the demonstration.

1 (d) Used on any vehicle sold to a resident of another state to  
2 transport such vehicle to that other state in lieu of a trip permit or  
3 in lieu of vehicle license plates obtained from that other state.

4 ~~((7))~~ (e) Used on any new vehicle unless the vehicle dealer has  
5 provided the department a current service agreement with the  
6 manufacturer or distributor of that vehicle as provided in RCW  
7 46.70.041(1)(k).

8 (8) In addition to or in lieu of any sanction imposed by the  
9 director pursuant to RCW 46.70.101 for unauthorized use of vehicle  
10 dealer license plates or manufacturer license plates, the director may  
11 order that any or all vehicle dealer license plates or manufacturer  
12 license plates issued pursuant to this chapter be confiscated for such  
13 period as he deems appropriate.

14 **Sec. 2.** RCW 46.70.083 and 1990 c 250 s 66 are each amended to read  
15 as follows:

16 The license of a vehicle dealer or a vehicle manufacturer expires  
17 on the date that is twelve consecutive months from the date of  
18 issuance. The license may be renewed by filing with the department  
19 prior to the expiration of the license, a renewal application  
20 containing such information as the department may require to indicate  
21 the number of vehicle sales transacted during the past year, and any  
22 material change in the information contained in the original  
23 application. Failure by the dealer to comply is grounds for denial of  
24 the renewal application or dealer license plate renewal.

25 The dealer's established place of business shall be certified by a  
26 representative of the department at least once every thirty-two months,  
27 or more frequently as determined necessary by the department. The  
28 certification will verify compliance with the requirements of this  
29 chapter for an established place of business. Failure by the dealer to

1 comply at any time is grounds for license suspension or revocation,  
2 denial of the renewal application, or monetary assessment.

3 **Sec. 3.** RCW 46.70.101 and 1989 c 337 s 16 are each amended to read  
4 as follows:

5 The director may by order deny, suspend, or revoke the license of  
6 any vehicle dealer or vehicle manufacturer or, in lieu thereof or in  
7 addition thereto, may by order assess monetary penalties of a civil  
8 nature not to exceed one thousand dollars per violation, if the  
9 director finds that the order is in the public interest and that the  
10 applicant or licensee:

11 (1) In the case of a vehicle dealer:

12 (a) The applicant or licensee, or any partner, officer, director,  
13 owner of ten percent or more of the assets of the firm, or managing  
14 employee:

15 (i) Was the holder of a license issued pursuant to this chapter,  
16 which was revoked for cause and never reissued by the department, or  
17 which license was suspended for cause and the terms of the suspension  
18 have not been fulfilled or which license was assessed a civil penalty  
19 and the assessed amount has not been paid;

20 (ii) Has been adjudged guilty of a crime which directly relates to  
21 the business of a vehicle dealer and the time elapsed since the  
22 adjudication is less than ten years, or suffering any judgment within  
23 the preceding five years in any civil action involving fraud,  
24 misrepresentation, or conversion. For the purposes of this section,  
25 adjudged guilty shall mean in addition to a final conviction in either  
26 a state or municipal court, an unvacated forfeiture of bail or  
27 collateral deposited to secure a defendant's appearance in court, the  
28 payment of a fine, a plea of guilty, or a finding of guilt regardless  
29 of whether the sentence is deferred or the penalty is suspended;

1 (iii) Has knowingly or with reason to know made a false statement  
2 of a material fact in his application for license or any data attached  
3 thereto, or in any matter under investigation by the department;

4 (iv) Has knowingly, or with reason to know, provided the department  
5 with false information relating to the number of vehicle sales  
6 transacted during the past one year in order to obtain a vehicle dealer  
7 license plate;

8 (v) Does not have an established place of business as required in  
9 this chapter;

10 (~~(v)~~) (vi) Refuses to allow representatives or agents of the  
11 department to inspect during normal business hours all books, records,  
12 and files maintained within this state;

13 (~~(vi)~~) (vii) Sells, exchanges, offers, brokers, auctions,  
14 solicits, or advertises a new or current model vehicle to which a  
15 factory new vehicle warranty attaches and fails to have a valid,  
16 written service agreement as required by this chapter, or having such  
17 agreement refuses to honor the terms of such agreement within a  
18 reasonable time or repudiates the same;

19 (~~(vii)~~) (viii) Is insolvent, either in the sense that their  
20 liabilities exceed their assets, or in the sense that they cannot meet  
21 their obligations as they mature;

22 (~~(viii)~~) (ix) Fails to pay any civil monetary penalty assessed by  
23 the director pursuant to this section within ten days after such  
24 assessment becomes final;

25 (~~(ix)~~) (x) Fails to notify the department of bankruptcy  
26 proceedings in the manner required by RCW 46.70.183;

27 (~~(x)~~) (xi) Knowingly, or with reason to know, allows a  
28 salesperson employed by the dealer, or acting as their agent, to commit  
29 any of the prohibited practices set forth in subsection (1)(a) of this  
30 section and RCW 46.70.180.

1 (b) The applicant or licensee, or any partner, officer, director,  
2 owner of ten percent of the assets of the firm, or any employee or  
3 agent:

4 (i) Has failed to comply with the applicable provisions of chapter  
5 46.12 or 46.16 RCW or this chapter or any rules and regulations adopted  
6 thereunder;

7 (ii) Has defrauded or attempted to defraud the state, or a  
8 political subdivision thereof of any taxes or fees in connection with  
9 the sale or transfer of a vehicle;

10 (iii) Has forged the signature of the registered or legal owner on  
11 a certificate of title;

12 (iv) Has purchased, sold, disposed of, or has in his or her  
13 possession any vehicle which he or she knows or has reason to know has  
14 been stolen or appropriated without the consent of the owner;

15 (v) Has willfully failed to deliver to a purchaser a certificate of  
16 ownership to a vehicle which he has sold;

17 (vi) Has committed any act in violation of RCW 46.70.090 relating  
18 to vehicle dealer license plates or manufacturer license plates;

19 (vii) Has committed any act in violation of RCW 46.70.180 relating  
20 to unlawful acts and practices;

21 (viii) Has engaged in practices inimical to the health or safety of  
22 the citizens of the state of Washington including but not limited to  
23 failure to comply with standards set by the state of Washington or the  
24 federal government pertaining to the construction or safety of  
25 vehicles;

26 (ix) Has aided or assisted an unlicensed dealer or salesperson in  
27 unlawful activity through active or passive participation in sales,  
28 allowing use of facilities, dealer license number, or by any other  
29 means;



1 (x) Converts or appropriates, whether temporarily or permanently,  
2 property or funds belonging to a customer, dealer, or manufacturer,  
3 without the consent of the owner of the property or funds; or

4 (xi) Has sold any vehicle with knowledge that it has "REBUILT" on  
5 the title or has been declared totaled out by an insurance carrier and  
6 then rebuilt without clearly disclosing that fact in writing.

7 (c) The licensee or any partner, officer, director, or owner of ten  
8 percent or more of the assets of the firm holds or has held any such  
9 position in any other vehicle dealership licensed pursuant to this  
10 chapter which is subject to final proceedings under this section.

11 (2) In the case of a manufacturer, or any partner, officer,  
12 director, or majority shareholder:

13 (a) Was or is the holder of a license issued pursuant to this  
14 chapter which was revoked for cause and never reissued by the  
15 department, or which license was suspended for cause and the terms of  
16 the suspension have not been fulfilled, or which license was assessed  
17 a civil penalty and the assessed amount has not been paid;

18 (b) Has knowingly or with reason to know, made a false statement of  
19 a material fact in his application for license, or any data attached  
20 thereto, or in any matter under investigation by the department;

21 (c) Has failed to comply with the applicable provisions of chapter  
22 46.12 or 46.16 RCW or this chapter or any rules and regulations adopted  
23 thereunder;

24 (d) Has defrauded or attempted to defraud the state or a political  
25 subdivision thereof, of any taxes or fees in connection with the sale  
26 or transfer of a vehicle;

27 (e) Has purchased, sold, disposed of, or has in his possession, any  
28 vehicle which he knows or has reason to know has been stolen or  
29 appropriated without the consent of the owner;

1 (f) Has committed any act in violation of RCW 46.70.090 relating to  
2 vehicle dealer license plates and manufacturer license plates;

3 (g) Has committed any act in violation of RCW 46.70.180 relating to  
4 unlawful acts and practices;

5 (h) Sells or distributes in this state or transfers into this state  
6 for resale, any new or unused vehicle to which a warranty attaches or  
7 has attached and refuses to honor the terms of such warranty within a  
8 reasonable time or repudiates the same;

9 (i) Fails to  
10 maintain one or more resident employees or agents to provide service or  
11 repairs to vehicles located within the state of Washington only under  
12 the terms of any warranty attached to new or unused vehicles  
13 manufactured and which are or have been sold or distributed in this  
14 state or transferred into this state for resale unless such  
15 manufacturer requires warranty service to be performed by all of its  
16 dealers pursuant to a current service agreement on file with the  
17 department;

18 (j) Fails to reimburse within a reasonable time any vehicle dealer  
19 within the state of Washington who in good faith incurs reasonable  
20 obligations in giving effect to warranties that attach or have attached  
21 to any new or unused vehicle sold or distributed in this state or  
22 transferred into this state for resale by any such manufacturer;

23 (k) Engaged in practices inimical to the health and safety of the  
24 citizens of the state of Washington including but not limited to  
25 failure to comply with standards set by the state of Washington or the  
26 federal government pertaining to the construction and safety of  
27 vehicles;

28 (l) Is insolvent either in the sense that his or her liabilities  
29 exceed his or her assets or in the sense that he or she cannot meet his  
30 or her obligations as they mature;

1 (m) Fails to notify the department of bankruptcy proceedings in the  
2 manner required by RCW 46.70.183.