

# HOUSE BILL REPORT

## HB 2435

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As Reported By House Committee On:  
Transportation

**Title:** An act relating to unlicensed vehicle dealers.

**Brief Description:** Strengthening enforcement and penalties against unlicensed vehicle dealers.

**Sponsors:** Representatives Zellinsky and King.

**Brief History:**

Reported by House Committee on:  
Transportation, January 31, 1994, DP.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 24 members:  
Representatives R. Fisher, Chair; Brown, Vice Chair; Jones, Vice Chair; Schmidt, Ranking Minority Member; Backlund; Brough; Brumsickle; Cothorn; Eide; Finkbeiner; Forner; Hansen; Heavey; Horn; Johanson; J. Kohl; R. Meyers; Orr; Patterson; Quall; Romero; Sheldon; Shin and Zellinsky.

**Minority Report:** Do not pass. Signed by 1 member:  
Representative Fuhrman.

**Staff:** Brad Lovaas (786-7307).

**Background:** It is unlawful to engage in the vehicle dealer business without first obtaining a vehicle dealer license from the Department of Licensing (DOL). A person selling a vehicle with the title in the name of the seller, and any person selling less than five vehicles in a 12-month period are exempt from vehicle dealer registration requirements.

A person acting as a vehicle dealer without a vehicle dealer license is guilty of a gross misdemeanor. A second offense is a Class C felony. In addition, acting as a vehicle dealer without a vehicle dealer license is a per se violation of the Unfair Business Practices Act.

**Summary of Bill:** Authority is established for the director of DOL to assess a civil monetary penalty of up to \$1000 per violation against a person acting as a vehicle dealer without a vehicle dealer license, after a cease and desist order has been issued.

Authority is established for civil monetary penalties equal to the amount of sales tax and motor vehicle excise tax owed on each vehicle identified in the cease and desist order. All monetary penalties are to be deposited in the motor vehicle fund.

If monetary penalties established in the legislation are not paid to the DOL within 30 days of the cease and desist order, DOL may not renew the driver's license of the person named in the cease and desist order until the penalties are paid.

Authority is granted to the DOL director or the director's designee to issue criminal citations with respect to the unlicensed vehicle dealer statute. Law enforcement officers have the sole authority to make arrests. County prosecutors shall prosecute all actions under Chapter 46.70, the vehicle dealer statutes.

Liability that arises out of the exercise or alleged exercise of authority granted to DOL in this legislation rests with DOL unless there exists between DOL and another agency an agreement assigning the liability to the other agency.

**Fiscal Note:** Not requested.

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

**Testimony For:** None.

**Testimony Against:** None.

**Witnesses:** None.