

# FINAL BILL REPORT

## ESHB 1704

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Synopsis as Enacted

**Brief Description:** Eliminating registration requirements for sellers of travel.

**Sponsors:** By House Committee on Commerce & Labor (originally sponsored by Representatives Lisk, L. Thomas, Ballasiotes, Kremen, Chappell, Cooke, Goldsmith, Padden, Radcliff, Mulliken, Pennington, McMorris, Smith, Delvin, Hickel, Mastin, Sehlin, Beekma, Robertson, Cairnes, Koster, Brumsickle, D. Schmidt, Horn, Reams, Campbell, Chandler, Backlund, McMahan and Elliot).

**House Committee on Commerce & Labor**

**House Committee on Appropriations**

**Senate Committee on Labor, Commerce & Trade**

**Background:** Beginning January 1, 1996, the statute regulating travel charter or tour operators is expanded to apply to sellers of travel. A "seller of travel" includes those who transact business with Washington consumers for travel services. Sellers of travel must register with the Department of Licensing.

A seller of travel must comply with the following practices: (1) deposit all sums received for travel services in a trust account maintained in a federally-insured financial institution in Washington; (2) include the registration number in all advertisements; and (3) disclose information to the customer, including conditions for cancellation and the customer's right to refunds.

The Director of the Department of Licensing has the following powers and duties: (1) to adopt, amend, and repeal rules; (2) to issue, renew, and deny registrations; (3) to suspend or revoke registrations; (4) to establish fees; (5) to inspect and audit books and records relating to the trust account and bond requirements; and (6) to do all things necessary to carry out the purposes of the act.

**Summary:** Several changes and clarifications are made to the travel agent registration program under the Department of Licensing.

"Transacting business with Washington consumers" is defined. Merely placing advertising through national media does not constitute transacting business with Washington consumers. Those who wholesale travel services are not considered to be transacting business with Washington consumers.

Sellers of travel, independent contractors, or outside agents working for or under contract with a registered agent need not also be registered if the employees or contract agents are working under the name of the registered agent and money received is collected in the name of the registered agent and is deposited into the registered agent's trust account.

Certain information is required for purposes of registration. The name, business address, and phone number for each employee, independent contractor, and outside agent are required. Social security numbers are not required.

A seller of travel must furnish a written disclosure statement to the consumer. If the sale is by telephone or other electronic media and payment is made by credit or debit card, the disclosure statement must be furnished within three business days.

Trust account reports can be verified by bank officers or licensed or certified public accountants. Reimbursement to the seller of travel for agency operating funds that are advanced for a customer's travel services may be withdrawn from a trust account.

The Director of the Department of Licensing may revoke or suspend a registration; however, the director may no longer base a revocation or suspension on the fact that a person knowingly aided a unregistered seller of travel.

A joint legislative task force is established to consider options for improving the implementation of the sellers of travel registration program. Ten members serve on the task force: two Senate members, two House members, one representative from the Attorney General's office, one representative from the Department of Licensing, and four members from the industry. The task force may meet up to three times and must submit recommendations to the Legislature by December 1, 1996.

**Votes on Final Passage:**

House	82	14	
Senate	47	0	(Senate amended)
House	90	0	(House concurred)

**Effective:** March 28, 1996