

# HOUSE BILL REPORT

## EHB 2501

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### As Passed Legislature

**Title:** An act relating to wholesale motor vehicle auctions.

**Brief Description:** Exempting wholesale auto auctions from certain regulations.

**Sponsors:** Representatives Zellinsky, Robertson, L. Thomas and Carrell.

#### **Brief History:**

##### **Committee Activity:**

Transportation Policy & Budget: 1/28/98, 2/2/98 [DP].

##### **Floor Activity:**

Passed House: 2/10/98, 96-0.

Senate Amended.

House Concurred.

Passed Legislature.

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### HOUSE COMMITTEE ON TRANSPORTATION POLICY & BUDGET

**Majority Report:** Do pass. Signed by 27 members: Representatives K. Schmidt, Chairman; Hankins, Vice Chairman; Mielke, Vice Chairman; Mitchell, Vice Chairman; Fisher, Ranking Minority Member; Cooper, Assistant Ranking Minority Member; Backlund; Buck; Cairnes; Chandler; Constantine; DeBolt; Gardner; Hatfield; Johnson; McCune; Murray; O'Brien; Ogden; Radcliff; Robertson; Romero; Scott; Skinner; Sterk; Wood and Zellinsky.

**Staff:** Jennifer Hanlon (786-7316).

**Background:** Current Washington law regulates the sale and purchase of vehicles by motor vehicle dealers, hulk haulers and vehicle wreckers. Those regulations do not include wholesale motor vehicle auction dealers.

**Summary of Bill:** A wholesale motor vehicle auction dealer is defined as any person or firm offering motor vehicles for sale by competitive bidding at a permanent location and at regularly scheduled dates and times. Wholesale motor vehicle auction dealers may sell any classification of motor vehicle. The dealers may only sell to motor vehicle dealers and vehicle wreckers licensed in Washington or another state. However, a wholesale auction dealer may sell a vehicle belonging to the United States government

or to the state of Washington to nonlicensed persons, as may be required by the contracting public agency.

Any vehicle dealer is not subject to license suspension for the sale of a vehicle that does not have a valid written service agreement, if the sale was made by a wholesale motor vehicle auction dealer to a licensed franchise motor vehicle dealer of the same make.

Additionally, any vehicle dealer is not subject to license suspension for noncompliance with the standards set by the state of Washington or the federal government pertaining to the construction or safety of vehicles, if a wholesale auto auction dealer sold the vehicle to a licensed vehicle dealer or wrecker. If a wholesale auction dealer has knowledge that the vehicle is wrecked, the dealer must disclose that information on the bill of sale.

Salvage pool operators do not constitute wholesale motor vehicle auction dealers.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Since auto auctions are licensed dealers, they have to meet federal standards. The interested parties worked together over the summer to find a solution for everyone. The industry and the Department of Licensing support this legislation.

**Testimony Against:** None.

**Testified:** Rick Jensen, ADT Automotive; Don Phelps, Auto Recyclers of Washington; and Robert Smith, Department of Licensing.