

# SENATE BILL REPORT

## EHB 2501

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As Reported By Senate Committee On:  
Transportation, February 26, 1998

**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: 2/25/98, 2/26/98 [DPA].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended.

Signed by Senators Prince, Chair; Benton, Vice Chair; Wood, Vice Chair; Haugen, Horn, Jacobsen, Morton, Oke, Patterson, Rasmussen and Sellar.

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

**Background:** Current Washington law defines and regulates motor vehicle dealers, hulk haulers and vehicle wreckers. Those regulations do not include wholesale motor vehicle auction dealers.

**Summary of Amended 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 vehicles 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.

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

If a wholesale motor vehicle auction dealer has knowledge that a vehicle is a wrecked vehicle, the dealer must disclose that information on the bill of sale.

**Amended Bill Compared to Original Bill:** Wholesale motor vehicle auction dealers may sell vehicles without a warranty to licensed motor vehicle dealers of the same make. Auction dealers must disclose whether a vehicle is considered wrecked if the dealer has knowledge of that condition.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** All interested parties have worked together on this legislation. It is very important that salvage pool operations are not considered wholesale motor vehicle auctions.

**Testimony Against:** None.

**Testified:** PRO: Rick Jensen, ADT Automotive; Jim Boldt, Car Dealers Association; Marsha McAllister, Insurance Auto Auctions; Robert Smith, DOL.