
HOUSE BILL 1458

State of Washington

55th Legislature

1997 Regular Session

By Representatives Zellinsky, Fisher and Robertson; by request of Department of Licensing

Read first time 01/28/97. Referred to Committee on Transportation Policy & Budget.

1 AN ACT Relating to licensing; amending RCW 46.70.023; adding a new
2 section to chapter 46.70 RCW; and adding a new section to chapter 88.02
3 RCW.

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

5 **Sec. 1.** RCW 46.70.023 and 1996 c 282 s 1 are each amended to read
6 as follows:

7 (1) An "established place of business" requires a permanent,
8 enclosed commercial building located within the state of Washington
9 easily accessible at all reasonable times. The business of a vehicle
10 dealer must be lawfully carried on at an established place of business
11 in accordance with the terms of all applicable building code, zoning,
12 and other land-use regulatory ordinances. A vehicle dealer may display
13 a vehicle for sale only at its established place of business, licensed
14 subagency, or temporary subagency site, except at auction. The dealer
15 shall keep the building open to the public so that the public may
16 contact the vehicle dealer or the dealer's salespersons at all
17 reasonable times. The books, records, and files necessary to conduct
18 the business shall be kept and maintained at that place. The
19 established place of business shall display an exterior sign with the

1 business name and nature of the business, such as auto sales,
2 permanently affixed to the land or building, with letters clearly
3 visible to the major avenue of traffic. A room or rooms in a hotel,
4 rooming house, or apartment house building or part of a single or
5 multiple-unit dwelling house may not be considered an "established
6 place of business" unless the ground floor of such a dwelling is
7 devoted principally to and occupied for commercial purposes and the
8 dealer offices are located on the ground floor. A mobile office or
9 mobile home may be used as an office if it is connected to utilities
10 and is set up in accordance with state law. A state-wide trade
11 association representing manufactured housing dealers shall be
12 permitted to use a manufactured home as an office if the office
13 complies with all other applicable building code, zoning, and other
14 land-use regulatory ordinances. This subsection does not apply to
15 auction companies that do not own vehicle inventory or sell vehicles
16 from an auction yard.

17 (2) An auction company shall have office facilities within the
18 state. The books, records, and files necessary to conduct the business
19 shall be maintained at the office facilities. All storage facilities
20 for inventory shall be listed with the department, and shall meet local
21 zoning and land use ordinances. An auction company shall maintain a
22 telecommunications system.

23 (3) Auction companies shall post their vehicle dealer license at
24 each auction where vehicles are offered, and shall provide the
25 department with the address of the auction at least three days before
26 the auction.

27 (4) If a dealer maintains a place of business at more than one
28 location or under more than one name in this state, he or she shall
29 designate one location as the principal place of business of the firm,
30 one name as the principal name of the firm, and all other locations or
31 names as subagencies. A subagency license is required for each and
32 every subagency: PROVIDED, That the department may grant an exception
33 to the subagency requirement in the specific instance where a licensed
34 dealer is unable to locate their used vehicle sales facilities adjacent
35 to or at the established place of business. This exception shall be
36 granted and defined under the promulgation of rules consistent with the
37 Administrative Procedure Act.

38 (5) All vehicle dealers shall maintain ownership or leasehold
39 throughout the license year of the real property from which they do

1 business. The dealer shall provide the department with evidence of
2 ownership or leasehold whenever the ownership changes or the lease is
3 terminated.

4 (6) A subagency shall comply with all requirements of an
5 established place of business, except that subagency records may be
6 kept at the principal place of business designated by the dealer.
7 Auction companies shall comply with the requirements in subsection (2)
8 of this section.

9 (7) A temporary subagency shall meet all local zoning and building
10 codes for the type of merchandising being conducted. The dealer
11 license certificate shall be posted at the location. No other
12 requirements of an established place of business apply to a temporary
13 subagency. Auction companies are not required to obtain a temporary
14 subagency license.

15 (8) A wholesale vehicle dealer shall have office facilities in a
16 commercial building within this state, and all storage facilities for
17 inventory shall be listed with the department, and shall meet local
18 zoning and land use ordinances. A wholesale vehicle dealer shall
19 maintain a telecommunications system. An exterior sign visible from
20 the nearest street shall identify the business name and the nature of
21 business. (~~(A wholesale dealer need not maintain a display area as~~
22 ~~required in this section.)~~) When two or more vehicle dealer businesses
23 share a location, all records, office facilities, and inventory, if
24 any, must be physically segregated and clearly identified.

25 (9) A retail vehicle dealer shall be open during normal business
26 hours, maintain office and display facilities in a commercially zoned
27 location or in a location complying with all applicable building and
28 land use ordinances, and maintain a business telephone listing in the
29 local directory. When two or more vehicle dealer businesses share a
30 location, all records, office facilities, and inventory shall be
31 physically segregated and clearly identified.

32 (10) (~~(A listing dealer need not have a display area if the dealer~~
33 ~~does not physically maintain any vehicles for display.~~

34 ~~(11))~~) A subagency license is not required for a mobile home dealer
35 to display an on-site display model, a consigned mobile home not
36 relocated from its site, or a repossessed mobile home if sales are
37 handled from a principal place of business or subagency. A mobile home
38 dealer shall identify on-site display models, repossessed mobile homes,

1 and those consigned at their sites with a sign that includes the
2 dealer's name and telephone number.

3 ~~((12))~~ (11) Every vehicle dealer shall advise the department of
4 the location of each and every place of business of the firm and the
5 name or names under which the firm is doing business at such location
6 or locations. If any name or location is changed, the dealer shall
7 notify the department of such change within ten days. The license
8 issued by the department shall reflect the name and location of the
9 firm and shall be posted in a conspicuous place at that location by the
10 dealer.

11 ~~((13))~~ (12) A vehicle dealer's license shall upon the death or
12 incapacity of an individual vehicle dealer authorize the personal
13 representative of such dealer, subject to payment of license fees, to
14 continue the business for a period of six months from the date of the
15 death or incapacity.

16 NEW SECTION. Sec. 2. A new section is added to chapter 46.70 RCW
17 to read as follows:

18 The director may deny a license under this chapter when the
19 application is a subterfuge that conceals the real person in interest
20 whose license has been denied, suspended, or revoked for cause under
21 this chapter and the terms have not been fulfilled or a civil penalty
22 has not been paid, or the director finds that the application was not
23 filed in good faith. This section does not preclude the department
24 from taking an action against a current licensee.

25 NEW SECTION. Sec. 3. A new section is added to chapter 88.02 RCW
26 to read as follows:

27 The director may deny a license under this chapter when the
28 application is a subterfuge that conceals the real person in interest
29 whose license has been denied, suspended, or revoked for cause under
30 this chapter and the terms have not been fulfilled or a civil penalty
31 has not been paid, or the director finds that the application was not
32 filed in good faith. This section does not preclude the department
33 from taking an action against a current licensee.

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