

SENATE BILL REPORT

2ESSB 5610

As Passed Senate, February 9, 2000

Title: An act relating to civil penalties levied by the department of licensing for unlawful sale of used motor vehicles by unlicensed parties.

Brief Description: Authorizing the director of the department of licensing to impose a civil penalty for a violation of chapter 46.70 RCW.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Prentice, Finkbeiner, T. Sheldon and Costa).

Brief History:

Committee Activity: Transportation: 2/9/99, 3/8/99 [DPS, DNPS].
Passed Senate, 3/17/99, 46-1; 2/9/00, 47-1.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5610 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Goings, Vice Chair; Benton, Costa, Eide, Horn, Jacobsen, Oke, Patterson, Sellar, Sheahan, T. Sheldon and Shin.

Minority Report: Do not pass substitute.

Signed by Senators Johnson and Morton.

Staff: Michelle Chase (786-7305)

Background: Current Washington law requires vehicle dealers selling either new or used vehicles to obtain a dealer's license from the Department of Licensing (DOL). DOL is charged with the duty to regulate those vehicle dealers licensed in the state of Washington. As well, Washington law prohibits vehicle dealers from engaging in unlawful acts and practices, such as false or deceptive advertising, odometer fraud, and failure to comply with applicable warranties.

The director of DOL is authorized to issue a cease and desist order against those persons who have engaged, or are about to engage, in an act or practice violating Washington's vehicle dealer laws. Reasonable notice and an opportunity for a hearing are required.

A person or firm engaged in buying and offering for sale or buying and selling five or more vehicles in a 12-month period without a valid vehicle dealer license is guilty of a gross misdemeanor, subject to a fine of up to \$5,000 per violation and one year in jail. Such conduct is considered a deceptive practice and is a per se violation of the Consumer Protection Act.

Summary of Bill: The director of DOL is authorized to issue a civil penalty, not to exceed \$1,000 for each violation, against those persons found by the director to be selling five or more vehicles within a year without a valid dealer's license. Reasonable notice and an opportunity for a hearing are required. The civil penalty is due 10 days after issuance of final order. The sale of farm vehicles or equipment, if used for farming purposes, and sold by a farmer, is not a violation under this bill. The sale of cars that are 30 years old or older are exempt from the definition of curbstoning.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill is an attempt to enforce Washington's vehicle dealer laws by penalizing those who are selling vehicles unlawfully.

Testimony Against: None.

Testified: PRO: Senator Prentice, prime sponsor; TK Bentler, Mike Van Dinter, Washington State Independent Auto Dealers Association; Jim Boldt, Washington Auto Dealers.

House Amendment(s): The amendment increases the period of time from ten days to 20 days within which a wholesale auto auction dealer must pay the amount due to the consignor (usually an auto dealer) in a consignment sale. A severability clause is added.