

SENATE BILL REPORT

SB 5610

As Reported By Senate Committee On:
Transportation, March 8, 1999

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: Senators Prentice, Finkbeiner, T. Sheldon and Costa.

Brief History:

Committee Activity: Transportation: 2/9/99, 3/8/99 [DPS, DNPS].

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: Kelly Simpson (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 Substitute 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.

Substitute Bill Compared to Original Bill: Authority for the DOL to issue a civil penalty for any violation of Washington's vehicle dealer laws was narrowed to penalizing those selling five or more vehicles within a year without a valid dealer's license.

Appropriation: None.

Fiscal Note: Requested on February 3, 1999.

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.