

# FINAL BILL REPORT

## ESHB 2056

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Synopsis as Enacted

**Brief Description:** Regulating recreational vehicle shows.

**Sponsors:** By House Committee on Commerce & Labor (originally sponsored by Representatives Conway and Wood).

**House Committee on Commerce & Labor**

**Senate Committee on Labor, Commerce, Research & Development**

### **Background:**

Motor vehicles, miscellaneous vehicles, and mobile home and travel trailer dealers (dealers) are regulated by the Department of Licensing (Department). Dealers are required to file a surety bond with the Department prior to obtaining a dealer's license and must meet certain contractual and record keeping requirements prior to and for a certain period after obtaining their licence. Additionally, dealers must identify an established place of business, and advise the Department of the names and locations of, and any subsequent changes in, their established place of business after obtaining their license.

An established place of business requires a permanent, enclosed, commercial building located within Washington easily accessible at all reasonable times. Additionally, dealers must meet various requirements with regard to their place of business such as compliance with the terms of all applicable building codes and regulatory ordinances, and they must keep the building open to the public so that the public may contact the dealer or the dealer's salespersons at all reasonable times. Mobile offices may be used under certain conditions, and manufacturers and sales promotional organizations for particular vehicle brands may maintain factory branches for the purposes of selling vehicles to distributors, wholesalers, or dealers.

During periods where dealers are conducting business for specific purposes, and are physically and geographically separated from their established or principal place of business, a licensed dealer may secure a temporary subagency license. No more than six temporary subagency licenses are issued to licensees in any 12-month period.

Violations of the vehicle dealer provisions are per se violations of the Consumer Protection Act (CPA). Under the CPA, a court may impose civil penalties in the amount of \$2,000 per violation or order restitution to injured parties, or court costs and attorney fees, or an injunction.

### **Summary:**

Specific requirements related to temporary subagency permits for recreational vehicle dealers are established.

## Recreational Vehicles

The term "recreational vehicle" is defined to include travel trailers, motor homes, truck campers, or camping trailers that are primarily designed and used as temporary living quarters, and are either self propelled or mounted behind another vehicle. Recreational vehicles do not include vehicles that are used as primary residences and are immobilized or permanently affixed to a mobile home lot.

## Temporary Subagency Permits for Recreational Vehicles

Before the Department may issue a temporary subagency license a recreational vehicle dealer must submit a manufacturers' written authorization for the sale. The recreational vehicle dealer must specify the dates of the show, the location of the show, and the manufacturers' brand or model names of the vehicles.

For events with three or fewer recreational vehicle dealer participants, the number of temporary subagency licenses that may be issued to licensees in any 12-month period is reduced to two. For events where there are four or more recreational dealer participants, up to six temporary subagency licenses may be issued to a recreational dealer within a 12-month period.

Additional limitations for recreational vehicle dealers are also established. The Department may issue a temporary subagency license for the sale of used recreational vehicles only where the location of the recreational vehicle show is within 50 miles of the dealer's established place of business. If the location of the show is more than 50 miles from the dealer's established place of business, the vehicles must be new and within the factory designated territory for the brand.

Where three or fewer dealers participate in a show under a temporary subagency license, each dealer must conspicuously, in specified size and manner, include the dealer's business name, the location of the business, the brand or model names of the recreational vehicles for sale, and whether the vehicles are new or used in all advertising and promotional materials.

## Violations

A violation of the requirements for recreational vehicle sales is a violation of the Consumer Protection Act.

## **Votes on Final Passage:**

House 96 1

House 94 3

Senate 45 0

**Effective:** June 7, 2006