

SENATE BILL REPORT

SB 5137

As Reported By Senate Committee On:
Transportation, February 22, 2005

Title: An act relating to vessel dealer trust accounts.

Brief Description: Adjusting procedures of vessel dealer trust accounts.

Sponsors: Senators Haugen, Swecker, Oke and Poulsen.

Brief History:

Committee Activity: Transportation: 2/21/05, 2/22/05 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Haugen, Chair; Poulsen, Vice Chair; Swecker, Ranking Minority Member; Benson, Eide, Esser, Kastama, Mulliken, Oke, Spanel and Weinstein.

Staff: Dalene Sprick (786-7321)

Background: Under current law, a vessel dealer who receives a deposit in excess of \$1000, or any deposit which will be held for more than 14 days, must place the funds in a separate trust account. The deposit must be placed in the trust account by the close of banking hours the day following the receipt of such funds. Furthermore, a dealer must not commingle the purchaser's funds with any other funds at any time.

Summary of Bill: When a vessel dealer receives a deposit in excess of \$1000, or any deposit which will be held for more than 14 days, the dealer must deposit the funds into the trust account within 48 hours of acceptance of the offer by the seller and the buyer. Moreover, the offer must be made to the seller within 48 hours of receipt of the funds, or the deposit must be returned to the buyer or deposited in the trust account. Additionally, the dealer is no longer prohibited from commingling the purchasers funds with any other funds; however, the dealer must place the funds in a separate noninterest bearing trust account.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Testimony For: This bill makes it easier to administer trust accounts without compromising funds. We worked with interested parties over the interim and have support.

Testimony Against: None.

Who Testified: PRO: Cliff Webster, NW Marine Trade Association.