
SUBSTITUTE HOUSE BILL 2429

State of Washington

61st Legislature

2010 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Wood, Condotta, Williams, Takko, Eddy, Morrell, O'Brien, Conway, and Ormsby; by request of Attorney General)

READ FIRST TIME 02/03/10.

1 AN ACT Relating to the resale of motor vehicles previously
2 determined as having nonconformities; and amending RCW 19.118.061.

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

4 **Sec. 1.** RCW 19.118.061 and 2009 c 351 s 4 are each amended to read
5 as follows:

6 (1) A manufacturer (~~shall be~~) is prohibited from reselling any
7 motor vehicle determined or adjudicated as having a serious safety
8 defect unless the serious safety defect has been corrected and the
9 manufacturer warrants upon the first subsequent resale that the defect
10 has been corrected.

11 (2) Before any sale or transfer of a motor vehicle that has been
12 replaced or repurchased by the manufacturer after a determination,
13 adjudication, or settlement of a claim under this chapter, the
14 manufacturer (~~shall~~) must:

15 (a) Notify the attorney general upon receipt of the motor vehicle;
16 (~~and~~)

17 **(b)** Submit a title application to the department of licensing in
18 this state for title to the motor vehicle in the name of the
19 manufacturer within sixty days;

1 ~~((b) Attach a resale disclosure notice to the vehicle in a manner~~
2 ~~and form to be specified by the attorney general. Only the retail~~
3 ~~purchaser may remove the resale disclosure notice after execution of~~
4 ~~the disclosure form required under subsection (3) of this section;~~)
5 and

6 (c) Notify the attorney general and the department of licensing if
7 the nonconformity in the motor vehicle is corrected.

8 (3) ~~((Upon))~~ Before the first subsequent resale, either at
9 wholesale or retail, or transfer of title of a motor vehicle ~~((and~~
10 ~~which was))~~ previously returned after a final determination,
11 adjudication, or settlement under this chapter or under a similar
12 statute of any other state, the manufacturer, its agent, or ~~((the new))~~
13 a motor vehicle dealer, as defined in RCW 46.70.011(4), who has actual
14 knowledge of said final determination, adjudication, or settlement~~((~~
15 ~~shall))~~ must:

16 (a) Obtain from the attorney general and attach to the motor
17 vehicle a resale window display disclosure notice. Only the retail
18 purchaser may remove the resale window display disclosure notice after
19 execution of the resale disclosure form required under this subsection;
20 and

21 (b) Obtain from the attorney general, execute, and deliver to the
22 buyer before sale ((an instrument in writing)) or other transfer of
23 title a resale disclosure form setting forth information identifying
24 the nonconformity ((in a manner to be specified by the attorney
25 general, and the department of licensing shall place on the certificate
26 of title information indicating the vehicle was returned under this
27 chapter)) and a title brand.

28 (4)(a) When a manufacturer reacquires a vehicle under this chapter,
29 the department of licensing must issue a new title with a title brand
30 indicating the motor vehicle was returned under this chapter and
31 information that the nonconformity has not been corrected.

32 (b) Upon receipt of the manufacturer's notification under
33 subsection (2) of this section that the nonconformity has been
34 corrected and the manufacturer's application for title in the name of
35 the manufacturer under this section, the department of licensing
36 ((shall)) must issue a new title with a title brand indicating the
37 motor vehicle was returned under this chapter and information that the
38 nonconformity has been corrected. Upon the first subsequent resale,

1 either at wholesale or retail, or transfer of title of a motor vehicle,
2 as provided under this section, the manufacturer shall warrant upon the
3 resale that the nonconformity has been corrected(~~(, and the~~
4 ~~manufacturer, its agent, or the new motor vehicle dealer who has actual~~
5 ~~knowledge of the corrected nonconformity, shall execute and deliver to~~
6 ~~the buyer before sale an instrument in writing setting forth~~
7 ~~information identifying the nonconformity and indicating that it has~~
8 ~~been corrected in a manner to be specified by the attorney general)).~~

9 (c) When the department of licensing receives a title application
10 that complies with the department's requirements and procedures for a
11 motor vehicle previously titled in another state and that has a title
12 brand or other documentation indicating the motor vehicle was
13 reacquired by a manufacturer under a similar law, the department of
14 licensing must issue a new title with a title brand indicating the
15 motor vehicle was returned under a similar law of another state.

16 (5) After ~~((repurchase or replacement and following))~~ a
17 manufacturer's receipt of a motor vehicle under this ~~((section))~~
18 chapter and prior to a motor vehicle's first subsequent retail transfer
19 by resale or lease, any intervening transferor of a motor vehicle
20 subject to the requirements of this section who has received the resale
21 ~~disclosure((, correction and warranty documents, as specified by the~~
22 ~~attorney general and required under this chapter, shall deliver the~~
23 ~~documents))~~ form and resale window display disclosure notice provided
24 by the attorney general under this section must deliver the resale
25 disclosure form and resale window display disclosure notice with the
26 motor vehicle to the next transferor, purchaser, or lessee to ensure
27 proper and timely notice and disclosure. Any intervening transferor
28 who fails to comply with this subsection ~~((shall))~~ must, at the option
29 of the subsequent transferor or first subsequent retail purchaser or
30 lessee: (a) Indemnify any subsequent transferor or first subsequent
31 retail purchaser for all damages caused by such violation; or (b)
32 repurchase the motor vehicle at the full purchase price including all
33 fees, taxes, and costs incurred for goods and services which were
34 included in the subsequent transaction.

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