
Transportation Committee

HB 2650

Brief Description: Addressing possessory liens on motor vehicles that an auction company stores.

Sponsors: Representatives Wylie and Volz.

Brief Summary of Bill

- Provides a lien on motor vehicles possessed by wholesale motor vehicle auction dealers (wholesale auction dealers) who advance freight, storage, or other services at the request of the owner of the motor vehicle.
- Allows a wholesale auction dealer to retitle the motor vehicle, under certain circumstances, in the name of: (a) the wholesale auction dealer; (b) an insurance company; or (c) a nonprofit organization.
- Requires the wholesale auction dealer to notify the owner at least 30 days prior to retitling that the motor vehicle will be retitled.

Hearing Date: 1/27/20

Staff: Christine Thomas (786-7142).

Background:

A wholesale motor vehicle auction dealer is defined as any person or firm offering motor vehicles for sale by competitive bidding at a permanent location and at regularly scheduled dates and times. Wholesale auction dealers may sell any classification of motor vehicle. The wholesale auction dealers may sell only to motor vehicle dealers and vehicle wreckers licensed in Washington or another state. However, a wholesale auction dealer may sell a vehicle belonging to either the United States government or the State of Washington to nonlicensed persons, as may be required by the contracting public agency.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A wholesale auction dealer is not subject to license suspension for the sale of a vehicle that does not have a valid written service agreement, if the sale was made by a wholesale motor vehicle auction dealer to a licensed franchise motor vehicle dealer of the same make.

Additionally, a vehicle dealer is not subject to license suspension for noncompliance with the standards set by Washington State or the federal government pertaining to the construction or safety of vehicles, if a wholesale auto auction dealer sold the vehicle to a licensed vehicle dealer or wrecker. If a wholesale auction dealer has knowledge that the vehicle is wrecked, the wholesale auction dealer must disclose that information on the bill of sale.

Summary of Bill:

A wholesale motor vehicle auction dealer that makes advances for its freight, storage, or other services at the request of the owner or legal possessor of the vehicle has a lien on the vehicle for the charges for the advanced services. The wholesale auction dealer may retain possession of the vehicle until the charges are paid. The wholesale auction dealer may retitle the vehicle in the name of: (a) the wholesale auction dealer if the vehicle has remained unclaimed on the wholesale auction dealer's premises for more than 30 days; (b) an insurance company that directs the wholesale auction dealer to take possession of the vehicle; or (c) a nonprofit organization that directs the wholesale auction dealer to take possession of the vehicle. The wholesale auction dealer must notify the owner that the vehicle will be retitled at least 30 days before retitling occurs. A failure to respond is an affirmative response and the retitling process may proceed. The bill applies to vehicles possessed by the auction dealer on or after the effective date and to vehicles stored by the auction dealer before, on, or after the effective date.

Appropriation: None.

Fiscal Note: Requested on January 22, 2020.

Effective Date: The bill takes effect on January 1, 2021.