

HOUSE BILL REPORT

SHB 1955

As Passed House:

March 9, 2007

Title: An act relating to establishing licensing requirements for certain vehicle dealers.

Brief Description: Establishing licensing requirements for certain vehicle dealers.

Sponsors: By House Committee on Transportation (originally sponsored by Representatives Wood, B. Sullivan, Kristiansen, Condotta, Crouse and Lovick).

Brief History:

Committee Activity:

Transportation: 2/19/07, 3/1/07 [DPS].

Floor Activity:

Passed House: 3/9/07, 96-0.

Brief Summary of Substitute Bill

- Licenses off-road vehicle and snowmobile dealers as miscellaneous vehicle dealers.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Clibborn, Chair; Flannigan, Vice Chair; Jarrett, Ranking Minority Member; Schindler, Assistant Ranking Minority Member; Appleton, Armstrong, Campbell, Curtis, Dickerson, Eddy, Ericksen, Hailey, Hankins, Hudgins, Kristiansen, Lovick, Rodne, Rolfes, Sells, Simpson, Springer, B. Sullivan, Takko, Upthegrove, Wallace and Wood.

Staff: Teresa Berntsen (786-7301).

Background:

The Department of Licensing (DOL) licenses and regulates persons and businesses that sell motor vehicles, off-road vehicles, and snowmobiles. There are several categories of dealer

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licenses, including off-road vehicle dealers, snowmobile dealers, and miscellaneous vehicle dealers.

Off-Road Vehicle License

Businesses that sell motorized vehicles, other than snowmobiles or watercraft, intended for use on nonhighway roads, trails, or other natural terrain must hold either an off-road vehicle license or a miscellaneous vehicle dealer license. The annual fee for the off-road vehicle dealer license is \$25.

Snowmobile Dealer License

Businesses that sell motorized snowmobiles or all-terrain vehicles must hold a snowmobile dealer license. The annual fee for the snowmobile dealer license is \$25.

Miscellaneous Vehicle Dealer License

Businesses that sell motorcycles, off-road vehicles, trailers, and any other vehicle other than a motor vehicle, mobile home, or travel trailer must hold a miscellaneous vehicle dealer license. The fee for the original miscellaneous vehicle dealer license is \$750, and the annual renewal fee is \$250.

When applying to the DOL for a miscellaneous vehicle dealer license, applicants must provide a \$5,000 surety bond; provide information on business, financial, and criminal history; provide information on the vehicles to be sold; and maintain an established place of business.

The DOL may deny, suspend, or revoke a miscellaneous vehicle dealer license, or assess monetary penalties, for reasons outlined in state law including: failing to honor written service agreements, making illegal vehicle sales, certain criminal history, falsifying information, or improper record keeping.

Summary of Substitute Bill:

The off-road vehicle and snowmobile vehicle dealer licenses are removed. Persons or businesses that sell off-road vehicles or snowmobiles must hold a miscellaneous vehicle dealer license. The DOL is authorized to suspend a miscellaneous vehicle dealer license for nonpayment of child support.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill will place off-road vehicle and snowmobile dealers in a category of vehicle dealers that has more licensing requirements and oversight. This is a consumer protection issue to deal with an influx of imported, poorly-made off-road vehicles. These off-road vehicles often have no warranties, and riders cannot find replacement parts.

(Opposed) None.

Persons Testifying: Representative Wood, prime sponsor; and John Jabusch, Washington State Motorsports Dealers Association.

Persons Signed In To Testify But Not Testifying: None.