
Commerce & Labor Committee

HB 2208

Brief Description: Prohibiting new motorsports vehicle dealers from having to pay for returning or canceling orders of new motorsports vehicles under certain conditions.

Sponsors: Representatives Hope, Kristiansen, Newhouse and McCune.

Brief Summary of Bill

- Prohibits motorsports manufacturers from requiring dealers to pay for returning unused, undamaged, and unsold motorsports vehicles when the average rate of total unemployment in the state equals or exceeds 6 percent.

Hearing Date: 2/17/09

Staff: Alison Hellberg (786-7152)

Background:

Many aspects of the franchise relationship between motorsports vehicle manufacturers and motorsports vehicle dealers are regulated by the Department of Licensing (Department). "Motorsports vehicles" are defined as motorcycles, mopeds, snowmobiles, personal watercraft, and four-wheel all-terrain vehicles.

State law establishes unfair trade practices in the manufacturer-dealer relationship. Motorsports manufacturers may not:

- use confidential information from a dealer to compete against that dealer;
- require a dealer to order or accept delivery of a motorsports vehicle or accessory;
- fail to indemnify and hold a dealership harmless;
- require dealers to transfer installment sales contracts to a manufacturer;
- require franchise agreements to contain a right of first refusal;
- raise prices without notice;
- withhold consent to transfer any interest in a dealership; or
- prevent a dealer from restructuring the capital or business structure of a dealership.

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.

Summary of Bill:

An unfair trade practice is added to the enumerated list that prohibits manufacturers from requiring a dealer to pay for returning unused, undamaged, and unsold new motorsports vehicles or for canceling orders of new motorsports vehicles, when the average rate of total unemployment in the state, seasonally adjusted, equals or exceeds 6 percent.

Rules Authority: The bill does not address the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Not requested.

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