

---

HOUSE BILL 1704

---

State of Washington                      61st Legislature                      2009 Regular Session

By Representatives Conway, Chandler, Wood, and Santos

Read first time 01/27/09. Referred to Committee on Commerce & Labor.

1            AN ACT Relating to the termination, cancellation, or nonrenewal of  
2 franchises between new motor vehicle dealers and manufacturers;  
3 amending RCW 46.96.080; and declaring an emergency.

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

5            **Sec. 1.** RCW 46.96.080 and 1989 c 415 s 8 are each amended to read  
6 as follows:

7            (1) Upon the termination, cancellation, or nonrenewal of a  
8 franchise (~~by the manufacturer under this chapter~~), the manufacturer  
9 shall pay the new motor vehicle dealer, at a minimum:

10            (a) Dealer cost plus any charges by the manufacturer for  
11 distribution, delivery, and taxes, less all allowances paid or credited  
12 to the dealer by the manufacturer, of unused, undamaged, and unsold new  
13 motor vehicles in the new motor vehicle dealer's inventory that were  
14 acquired from the manufacturer or another new motor vehicle dealer of  
15 the same line make within the previous twelve months;

16            (b) Dealer cost for all unused, undamaged, and unsold supplies,  
17 parts, and accessories in original packaging, except that in the case  
18 of sheet metal, a comparable substitute for original packaging may be  
19 used, if the supply, part, or accessory was acquired from the

1 manufacturer or from another new motor vehicle dealer ceasing  
2 operations as a part of the new motor vehicle dealer's initial  
3 inventory as long as the supplies, parts, and accessories appear in the  
4 manufacturer's current parts catalog, list, or current offering;

5 (c) Dealer cost for all unused, undamaged, and unsold inventory,  
6 whether vehicles, parts, or accessories, the purchase of which was  
7 required by the manufacturer;

8 (d) The fair market value of each undamaged sign owned by the new  
9 motor vehicle dealer that bears a common name, trade name, or trademark  
10 of the manufacturer, if acquisition of the sign was recommended or  
11 required by the manufacturer and the sign is in good and usable  
12 condition less reasonable wear and tear, and has not been depreciated  
13 by the dealer more than fifty percent of the value of the sign;

14 (e) The fair market value of all equipment, furnishings, and  
15 special tools owned or leased by the new motor vehicle dealer that were  
16 acquired from the manufacturer or sources approved by the manufacturer  
17 and that were recommended or required by the manufacturer and are in  
18 good and usable condition, less reasonable wear and tear. However, if  
19 the equipment, furnishings, or tools are leased by the new motor  
20 vehicle dealer, the manufacturer shall pay the new motor vehicle dealer  
21 such amounts that are required by the lessor to terminate the lease  
22 under the terms of the lease agreement; and

23 (f) The cost of transporting, handling, packing, and loading of new  
24 motor vehicles, supplies, parts, accessories, signs, special tools,  
25 equipment, and furnishings.

26 To the extent the franchise agreement provides for payment or  
27 reimbursement to the new motor vehicle dealer in excess of that  
28 specified in this section, the provisions of the franchise agreement  
29 shall control.

30 (2) The manufacturer shall pay the new motor vehicle dealer the  
31 sums specified in subsection (1) of this section within ninety days  
32 after the (~~tender of the property~~) termination, cancellation, or  
33 nonrenewal of the franchise, if the new motor vehicle dealer has clear  
34 title to the property or can provide clear title to the property upon  
35 payment by the manufacturer and is in a position to convey that title  
36 to the manufacturer.

1        NEW SECTION.    **Sec. 2.**    This act is necessary for the immediate  
2    preservation of the public peace, health, or safety, or support of the  
3    state government and its existing public institutions, and takes effect  
4    immediately.

--- END ---