
HOUSE BILL 2501

State of Washington

55th Legislature

1998 Regular Session

By Representatives Zellinsky, Robertson, L. Thomas and Carrell

Read first time 01/14/98. Referred to Committee on Transportation Policy & Budget.

1 AN ACT Relating to wholesale motor vehicle auctions; amending RCW
2 46.70.011, 46.79.010, and 46.80.010; adding a new section to chapter
3 46.70 RCW; adding a new section to chapter 46.79 RCW; and adding a new
4 section to chapter 46.80 RCW.

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

6 **Sec. 1.** RCW 46.70.011 and 1996 c 194 s 1 are each amended to read
7 as follows:

8 As used in this chapter:

9 (1) "Vehicle" means and includes every device capable of being
10 moved upon a public highway and in, upon, or by which any persons or
11 property is or may be transported or drawn upon a public highway,
12 excepting devices moved by human or animal power or used exclusively
13 upon stationary rails or tracks.

14 (2) "Motor vehicle" means every vehicle which is self-propelled and
15 every vehicle which is propelled by electric power obtained from
16 overhead trolley wires, but not operated upon rails, and which is
17 required to be registered and titled under Title 46 RCW, Motor
18 Vehicles.

1 (3) "Vehicle dealer" means any person, firm, association,
2 corporation, or trust, not excluded by subsection (4) of this section,
3 engaged in the business of buying, selling, listing, exchanging,
4 offering, brokering, leasing with an option to purchase, auctioning,
5 soliciting, or advertising the sale of new or used vehicles, or
6 arranging or offering or attempting to solicit or negotiate on behalf
7 of others, a sale, purchase, or exchange of an interest in new or used
8 motor vehicles, irrespective of whether the motor vehicles are owned by
9 that person. Vehicle dealers shall be classified as follows:

10 (a) A "motor vehicle dealer" is a vehicle dealer that deals in new
11 or used motor vehicles, or both;

12 (b) A "mobile home and travel trailer dealer" is a vehicle dealer
13 that deals in mobile homes, park trailers, or travel trailers, or more
14 than one type of these vehicles;

15 (c) A "miscellaneous vehicle dealer" is a vehicle dealer that deals
16 in motorcycles or vehicles other than motor vehicles or mobile homes
17 and travel trailers or any combination of such vehicles.

18 (4) The term "vehicle dealer" does not include, nor do the
19 licensing requirements of RCW 46.70.021 apply to, the following
20 persons, firms, associations, or corporations:

21 (a) Receivers, trustees, administrators, executors, guardians, or
22 other persons appointed by, or acting under a judgment or order of, any
23 court; or

24 (b) Public officers while performing their official duties; or

25 (c) Employees of vehicle dealers who are engaged in the specific
26 performance of their duties as such employees; or

27 (d) Any person engaged in an isolated sale of a vehicle in which he
28 is the registered or legal owner, or both, thereof; or

29 (e) Any person, firm, association, corporation, or trust, engaged
30 in the selling of equipment other than vehicles, subject to
31 registration, used for agricultural or industrial purposes; or

32 (f) A real estate broker licensed under chapter 18.85 RCW, or his
33 authorized representative, who, on behalf of the legal or registered
34 owner of a used mobile home negotiates the purchase, sale, or exchange
35 of the used mobile home in conjunction with the purchase, sale,
36 exchange, rental, or lease of the land upon which the used mobile home
37 is located and the real estate broker is not acting as an agent,
38 subagent, or representative of a vehicle dealer licensed under this
39 chapter; or

1 (g) Owners who are also operators of the special highway
2 construction equipment or of the highway construction equipment for
3 which a vehicle license and display vehicle license number plate is
4 required as defined in RCW 46.16.010; or

5 (h) Any bank, trust company, savings bank, mutual savings bank,
6 savings and loan association, credit union, and any parent, subsidiary,
7 or affiliate thereof, authorized to do business in this state under
8 state or federal law with respect to the sale or other disposition of
9 a motor vehicle owned and used in their business; or with respect to
10 the acquisition and sale or other disposition of a motor vehicle in
11 which the entity has acquired an interest as a lessor, lessee, or
12 secured party.

13 (5) "Vehicle salesperson" means any person who for any form of
14 compensation sells, auctions, leases with an option to purchase, or
15 offers to sell or to so lease vehicles on behalf of a vehicle dealer.

16 (6) "Department" means the department of licensing, which shall
17 administer and enforce the provisions of this chapter.

18 (7) "Director" means the director of licensing.

19 (8) "Manufacturer" means any person, firm, association,
20 corporation, or trust, resident or nonresident, who manufactures or
21 assembles new and unused vehicles or remanufactures vehicles in whole
22 or in part and further includes the terms:

23 (a) "Distributor," which means any person, firm, association,
24 corporation, or trust, resident or nonresident, who in whole or in part
25 offers for sale, sells, or distributes any new and unused vehicle to
26 vehicle dealers or who maintains factory representatives.

27 (b) "Factory branch," which means a branch office maintained by a
28 manufacturer for the purpose of selling or offering for sale, vehicles
29 to a distributor, wholesaler, or vehicle dealer, or for directing or
30 supervising in whole or in part factory or distributor representatives,
31 and further includes any sales promotion organization, whether a
32 person, firm, or corporation, which is engaged in promoting the sale of
33 new and unused vehicles in this state of a particular brand or make to
34 vehicle dealers.

35 (c) "Factory representative," which means a representative employed
36 by a manufacturer, distributor, or factory branch for the purpose of
37 making or promoting for the sale of their vehicles or for supervising
38 or contracting with their dealers or prospective dealers.

1 (9) "Established place of business" means a location meeting the
2 requirements of RCW 46.70.023(1) at which a vehicle dealer conducts
3 business in this state.

4 (10) "Principal place of business" means that dealer firm's
5 business location in the state, which place the dealer designates as
6 their principal place of business.

7 (11) "Subagency" means any place of business of a vehicle dealer
8 within the state, which place is physically and geographically
9 separated from the principal place of business of the firm or any place
10 of business of a vehicle dealer within the state, at which place the
11 firm does business using a name other than the principal name of the
12 firm, or both.

13 (12) "Temporary subagency" means a location other than the
14 principal place of business or subagency within the state where a
15 licensed vehicle dealer may secure a license to conduct the business
16 and is licensed for a period of time not to exceed ten days for a
17 specific purpose such as auto shows, shopping center promotions, tent
18 sales, exhibitions, or similar merchandising ventures. No more than
19 six temporary subagency licenses may be issued to a licensee in any
20 twelve-month period.

21 (13) "Wholesale vehicle dealer" means a vehicle dealer who buys and
22 sells other than at retail.

23 (14) "Retail vehicle dealer" means a vehicle dealer who may buy and
24 sell at both wholesale and retail.

25 (15) "Listing dealer" means a used mobile home dealer who makes
26 contracts with sellers who will compensate the dealer for obtaining a
27 willing purchaser for the seller's mobile home.

28 (16) "Auction" means a transaction conducted by means of exchanges
29 between an auctioneer and the members of the audience, constituting a
30 series of oral invitations for offers for the purchase of vehicles made
31 by the auctioneer, offers to purchase by members of the audience, and
32 the acceptance of the highest or most favorable offer to purchase.

33 (17) "Auction company" means a sole proprietorship, partnership,
34 corporation, or other legal or commercial entity licensed under chapter
35 18.11 RCW that only sells or offers to sell vehicles at auction or only
36 arranges or sponsors auctions.

37 (18) "Buyer's agent" means any person, firm, partnership,
38 association, limited liability company, limited liability partnership,
39 or corporation retained or employed by a consumer to arrange for or to

1 negotiate, or both, the purchase of a new motor vehicle on behalf of
2 the consumer, and who is paid a fee or receives other compensation from
3 the consumer for its services.

4 (19) "New motor vehicle" means any motor vehicle that is self-
5 propelled and is required to be registered and titled under Title 46
6 RCW, has not been previously titled to a retail purchaser or lessee,
7 and is not a "used vehicle" as defined under RCW 46.04.660.

8 (20) "Wholesale motor vehicle auction" is an auction that
9 facilitates the sale of vehicles to licensed vehicle dealers for
10 resale.

11 NEW SECTION. Sec. 2. A new section is added to chapter 46.70 RCW
12 to read as follows:

13 A wholesale motor vehicle auction is exempt from regulation under
14 this chapter if the motor vehicles are damaged or total wrecks and are
15 not sold to the ultimate consumer, and the sale of damaged or totally
16 wrecked vehicles is incidental to the normal course of an auction's
17 business.

18 **Sec. 3.** RCW 46.79.010 and 1990 c 250 s 69 are each amended to read
19 as follows:

20 The definitions set forth in this section apply throughout this
21 chapter unless the context indicates otherwise.

22 (1) "Junk vehicle" means a motor vehicle certified under RCW
23 46.55.230 as meeting all the following requirements:

24 (a) Is three years old or older;

25 (b) Is extensively damaged, such damage including but not limited
26 to any of the following: A broken window or windshield or missing
27 wheels, tires, motor, or transmission;

28 (c) Is apparently inoperable;

29 (d) Is without a valid, current registration plate;

30 (e) Has a fair market value equal only to the value of the scrap in
31 it.

32 (2) "Scrap processor" means a licensed establishment that maintains
33 a hydraulic baler and shears, or a shredder for recycling salvage.

34 (3) "Demolish" means to destroy completely by use of a hydraulic
35 baler and shears, or a shredder.

36 (4) "Hulk hauler" means any person who deals in vehicles for the
37 sole purpose of transporting and/or selling them to a licensed

1 ((~~motor~~)) vehicle wrecker or scrap processor in substantially the same
2 form in which they are obtained. A hulk hauler may not sell second-
3 hand motor vehicle parts to anyone other than a licensed vehicle
4 wrecker or scrap processor, except for those parts specifically
5 enumerated in RCW 46.79.020(2), as now or hereafter amended, which may
6 be sold to a licensed ((~~motor~~)) vehicle wrecker or disposed of at a
7 public facility for waste disposal.

8 (5) "Director" means the director of licensing.

9 (6) "Major component parts" include engines and short blocks,
10 frames, transmissions or transfer cases, cabs, doors, front or rear
11 differentials, front or rear clips, quarter panels or fenders, bumpers,
12 truck beds or boxes, seats, and hoods.

13 (7) "Wholesale motor vehicle auction" is an auction that
14 facilitates the sale of vehicles to licensed vehicle dealers for
15 resale.

16 NEW SECTION. Sec. 4. A new section is added to chapter 46.79 RCW
17 to read as follows:

18 A wholesale motor vehicle auction is exempt from regulation under
19 this chapter if the motor vehicles are damaged or total wrecks and are
20 not sold to the ultimate consumer, and the sale of damaged or totally
21 wrecked vehicles is incidental to the normal course of an auction's
22 business.

23 **Sec. 5.** RCW 46.80.010 and 1995 c 256 s 4 are each amended to read
24 as follows:

25 The definitions set forth in this section apply throughout this
26 chapter.

27 (1) "Vehicle wrecker" means every person, firm, partnership,
28 association, or corporation engaged in the business of buying, selling,
29 or dealing in vehicles of a type required to be licensed under the laws
30 of this state, for the purpose of wrecking, dismantling, disassembling,
31 or substantially changing the form of a vehicle, or who buys or sells
32 integral second-hand parts of component material thereof, in whole or
33 in part, or who deals in second-hand vehicle parts.

34 (2) "Established place of business" means a building or enclosure
35 which the vehicle wrecker occupies either continuously or at regular
36 periods and where his books and records are kept and business is
37 transacted and which must conform with zoning regulations.

1 (3) "Major component part" includes at least each of the following
2 vehicle parts: (a) Engines and short blocks; (b) frame; (c)
3 transmission and/or transfer case; (d) cab; (e) door; (f) front or rear
4 differential; (g) front or rear clip; (h) quarter panel; (i) truck bed
5 or box; (j) seat; (k) hood; (l) bumper; (m) fender; and (n) airbag.
6 The director may supplement this list by rule.

7 (4) "Wrecked vehicle" means a vehicle which is disassembled or
8 dismantled or a vehicle which is acquired with the intent to dismantle
9 or disassemble and never again to operate as a vehicle, or a vehicle
10 which has sustained such damage that its cost to repair exceeds the
11 fair market value of a like vehicle which has not sustained such
12 damage, or a damaged vehicle whose salvage value plus cost to repair
13 equals or exceeds its fair market value, if repaired, or a vehicle
14 which has sustained such damage or deterioration that it may not
15 lawfully operate upon the highways of this state for which the salvage
16 value plus cost to repair exceeds its fair market value, if repaired;
17 further, it is presumed that a vehicle is a wreck if it has sustained
18 such damage or deterioration that it may not lawfully operate upon the
19 highways of this state.

20 (5) "Wholesale motor vehicle auction" is an auction that
21 facilitates the sale of vehicles to licensed vehicle dealers for
22 resale.

23 NEW SECTION. Sec. 6. A new section is added to chapter 46.80 RCW
24 to read as follows:

25 A wholesale motor vehicle auction is exempt from regulation under
26 this chapter if the motor vehicles are damaged or total wrecks and are
27 not sold to the ultimate consumer, and the sale of damaged or totally
28 wrecked vehicles is incidental to the normal course of an auction's
29 business.

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