

# FINAL BILL REPORT

## 2ESSB 5610

---

---

C 131 L 00

Synopsis as Enacted

**Brief Description:** Authorizing the director of the department of licensing to impose a civil penalty for a violation of chapter 46.70 RCW.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Prentice, Finkbeiner, T. Sheldon and Costa).

**Senate Committee on Transportation**

**House Committee on Transportation**

**Background:** Current Washington law requires vehicle dealers selling either new or used vehicles to obtain a dealer's license from the Department of Licensing (DOL). DOL is charged with the duty to regulate those vehicle dealers licensed in the state of Washington. As well, Washington law prohibits vehicle dealers from engaging in unlawful acts and practices, such as false or deceptive advertising, odometer fraud, and failure to comply with applicable warranties.

The director of DOL is authorized to issue a cease and desist order against those persons who have engaged, or are about to engage, in an act or practice violating Washington's vehicle dealer laws. Reasonable notice and an opportunity for a hearing are required.

A person or firm engaged in buying and offering for sale or buying and selling five or more vehicles in a 12-month period without a valid vehicle dealer license is guilty of a gross misdemeanor, subject to a fine of up to \$5,000 per violation and one year in jail. Such conduct is considered a deceptive practice and is a per se violation of the Consumer Protection Act.

Motor vehicle dealers who transact business by consignment must obtain a consignment contract to sell the vehicle. Once the vehicle's title has been delivered to the purchaser of the vehicle, the dealer must pay the amount due the consignor within 10 days of the sale. Currently, some contracts require payment within 15 days.

**Summary:** The director of DOL is authorized to issue a civil penalty, not to exceed \$1,000 for each violation, against those persons found by the director to be selling five or more vehicles within a year without a valid dealer's license. Reasonable notice and an opportunity for a hearing are required. The civil penalty is due 10 days after issuance of final order. The sale of farm vehicles or equipment, if used for farming purposes, and sold by a farmer, is not a violation under this bill. The sale of cars that are 30 years old or older are exempt from the definition of curbstoning.

Motor vehicle dealers who transact business by consignment must obtain a consignment contract to sell the vehicle. Once the vehicle's title has been delivered to the purchaser of the vehicle, the dealer must pay the amount due to the consignor within 20 days after the sale of the vehicle.

**Votes on Final Passage:**

Senate	47	1	
House	90	8	(House amended)
Senate	42	1	(Senate concurred)

**Effective:** June 8, 2000