
Commerce & Labor Committee

HB 2056

Brief Description: Regulating recreational vehicle shows.

Sponsors: Representatives Conway and Wood.

Brief Summary of Bill

- Adds a definition of recreational vehicle which does not include vehicles that are used as primary residences and are permanently fixed or immobilized in a mobile home lot.
- Reduces the number of temporary subagency licenses that can be issued to dealers in a twelve month period for events with a certain number of dealer participants.
- Establishes advertising requirements, and geographical limitations on the Department of Licensing's issuance of temporary subagency licenses for the sales of new or used recreational vehicles.
- Applies the Consumer Protection Act for violations of the requirements for recreational vehicle sales.

Hearing Date: 2/21/05

Staff: Rebekah Ward (786-7106).

Background:

Motor vehicles, miscellaneous vehicles, and mobile home and travel trailer dealers (dealers) are regulated by the Department of Licensing (Department). Dealers are required to file a surety bond with the Department prior to obtaining a dealer's license, and must meet certain contractual and record keeping requirements prior to and for a certain period after obtaining their licence. Additionally, dealers must identify an established place of business, and advise the Department of the names, locations and any subsequent changes in their established place of business after obtaining their license.

An established place of business requires a permanent, enclosed, commercial building located within the state of Washington easily accessible at all reasonable times. Additionally, dealers must meet various requirements with regard to their place of business such as compliance with the terms of all applicable building codes, regulatory ordinances, and they must keep the building open to the public so that the public may contact the dealer or the dealer's salespersons at all

reasonable times. Mobile offices may be used under certain conditions, and manufacturers and sales promotional organizations for particular vehicle brands may maintain factory branches for the purposes of selling vehicles to distributors, wholesalers, or dealers.

During periods where dealers are conducting business for specific purposes, and are physically and geographically separated from their established or principal place of business, a dealer may secure a temporary subagency license. No more than six temporary subagency licenses are issued to licensees in any twelve month period.

Under state law, violations of the vehicle dealer provisions are per se violations of the Consumer Protection Act (CPA). Under the CPA, a court may impose civil penalties on a perpetrator in the amount of \$2,000 per violation, or order restitution to injured parties, or court costs and attorney fees, or an injunction.

Summary of Bill:

Temporary Subagency Permits for Vehicles

During periods where dealers are conducting business somewhere other than their principal place of business for specific purposes such as auto shows, shopping center promotions, tent sales, exhibitions, or other similar merchandising ventures, a vehicle dealer may secure a temporary subagency license. For events with three or fewer dealer participants, the number of temporary subagency licenses that can be issued to licensees in any 12 month period is reduced to two. For events where there are four or more dealer participants, up to four temporary subagency licenses may be issued to a dealer within a 12 month period.

Temporary Subagency Permits for Recreational Vehicles

The term "recreational vehicle" is defined to include travel trailers, motor homes, truck campers, or camping trailers that are primarily designed and used as temporary living quarters, and are either self propelled or mounted behind another vehicle. Recreational vehicles do not include vehicles that are used as primary residences and are immobilized or permanently affixed to a mobile home lot.

The Department may issue a temporary subagency license only where the location of the recreational vehicle show is within 50 miles of the dealer's established place of business or within the factory designated territory for the brand of each recreational vehicle. The sale of each recreational vehicle brand is limited by the temporary subagency license issued by the Department, and where 3 or fewer dealers participate in the show, each dealer must conspicuously, in specified size and manner, include the dealer's business name, the location of the business, the brand or model names of the recreational vehicles for sale, and whether the vehicles are new or used in all advertising and promotional materials.

Violations

A violation of the requirements for recreational vehicle sales is a violation of the Consumer Protection Act (CPA).

Rules Authority: The bill does not contain provisions regarding agency rule making.

Appropriation: None.

Fiscal Note: Requested on February 18, 2005.

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