

SENATE BILL REPORT

ESHB 2056

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 23, 2006

Title: An act relating to recreational vehicle shows.

Brief Description: Regulating recreational vehicle shows.

Sponsors: House Committee on Commerce & Labor (originally sponsored by Representatives Conway and Wood).

Brief History: Passed House: 2/14/06, 94-3.

Committee Activity: Transportation: 3/22/05.

Labor, Commerce, Research & Development: 2/23/06.2/23/06 [DP]

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Parlette, Ranking Minority Member; Honeyford and Keiser.

Staff: Jennifer Strus (786-7316)

Background: Motor vehicles, miscellaneous vehicles, and mobile home and travel trailer dealers (dealers) are regulated by the Department of Licensing (DOL). Dealers are required to file a surety bond with DOL 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 DOL 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 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 12-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: 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.

For events with three or fewer recreational vehicle 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 recreational dealer participants, up to six temporary subagency licenses may be issued to a recreational dealer within a 12-month period.

DOL may issue a temporary subagency license for the sale of used recreational vehicles only where the location of the recreational vehicle show is within 50 miles of the dealer's established place of business or, if the location of the show is more than 50 miles from the dealer's established place of business, within the factory designated territory for the brand of each used recreational vehicle.

The sale of each recreational vehicle brand is limited by the temporary subagency license issued by DOL, and where three 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.

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

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will help deal with the out-of-state RV dealers who come into Washington and sell their used RVs. It will also really help small RV dealers.

Testimony Against: None

Who Testified: PRO: Wesley Ungerbuehler, Cedar Creek Rvs; Cody Benson, Washington State RV Dealer Assn.