

EHB 1049 - S COMM AMD

By Committee on Business, Financial Services & Trade

ADOPTED 04/10/2021

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 19.118.031 and 2009 c 351 s 2 are each amended to
4 read as follows:

5 (1) The manufacturer shall publish an owner's manual and provide
6 it to the new motor vehicle dealer or leasing company. The owner's
7 manual shall include a list of the addresses and phone numbers for
8 the manufacturer's customer assistance division, or zone or regional
9 offices. A manufacturer shall provide to the new motor vehicle dealer
10 or leasing company all applicable manufacturer's written warranties.
11 The dealer or leasing company shall transfer to the consumer, at the
12 time of original retail sale or lease, the owner's manual and
13 applicable written warranties as provided by a manufacturer.

14 (2) At the time of purchase, the new motor vehicle dealer shall
15 provide the consumer with a written statement that explains the
16 consumer's rights under this chapter. The written statement shall be
17 prepared and supplied by the attorney general and shall contain a
18 toll-free number that the consumer can contact for information
19 regarding the procedures and remedies under this chapter, and may be
20 presented to the consumer in paper or electronic form. In the event a
21 consumer requests modification of the new motor vehicle in a manner
22 which may partially or completely void the manufacturer's implied or
23 express warranty, and which becomes part of the basis of the bargain
24 of the initial retail sale or lease of the vehicle, a new motor
25 vehicle dealer shall provide a clear and conspicuous written
26 disclosure, independently signed and dated by the consumer, stating
27 "Your requested modification may void all or part of a manufacturer
28 warranty and a resulting defect or condition may not be subject to
29 remedies afforded by the motor vehicle warranties act, chapter 19.118
30 RCW." A dealer who obtains a signed written disclosure under
31 circumstances where the warranty may be void is not subject to this
32 chapter as a manufacturer to the extent the modification affects the

1 use, value, or safety of a new motor vehicle. Failure to provide the
2 disclosure specified in this subsection does not constitute a
3 violation of chapter 19.86 RCW.

4 (3) For the purposes of this chapter, if a new motor vehicle does
5 not conform to the warranty and the consumer reports the
6 nonconformity during the term of the eligibility period or the period
7 of coverage of the applicable manufacturer's written warranty,
8 whichever is less, to the manufacturer, its agent, or the new motor
9 vehicle dealer who sold the new motor vehicle, the manufacturer, its
10 agent, or the new motor vehicle dealer shall make repairs as are
11 necessary to conform the vehicle to the warranty, regardless of
12 whether such repairs are made after the expiration of the eligibility
13 period. Any corrections or attempted repairs undertaken by a new
14 motor vehicle dealer under this chapter shall be treated as warranty
15 work and billed by the dealer to the manufacturer in the same manner
16 as other work under the manufacturer's written warranty is billed.
17 For purposes of this subsection, the manufacturer's written warranty
18 shall be at least one year after the date of the original delivery to
19 the consumer of the vehicle or the first twelve thousand miles of
20 operation, whichever occurs first.

21 (4) Upon request from the consumer, the manufacturer or new motor
22 vehicle dealer shall provide a copy of any report or computer reading
23 compiled by the manufacturer's field or zone representative regarding
24 inspection, diagnosis, or test-drive of the consumer's new motor
25 vehicle, or shall provide a copy of any technical service bulletin
26 issued by the manufacturer regarding the year and model of the
27 consumer's new motor vehicle as it pertains to any material, feature,
28 component, or the performance thereof.

29 (5) The new motor vehicle dealer shall provide to the consumer
30 each time the consumer's vehicle is returned from being diagnosed or
31 repaired under the warranty, a fully itemized, legible statement or
32 repair order indicating any diagnosis made, and all work performed on
33 the vehicle including but not limited to, a general description of
34 the problem reported by the consumer or an identification of the
35 defect or condition, parts and labor, the date and the odometer
36 reading when the vehicle was submitted for repair, and the date when
37 the vehicle was made available to the consumer.

38 (6) No manufacturer, its agent, or the new motor vehicle dealer
39 may refuse to diagnose or repair any nonconformity covered by the
40 warranty for the purpose of avoiding liability under this chapter.

1 (7) For purposes of this chapter, consumers shall have the rights
2 and remedies, including a cause of action, against manufacturers as
3 provided in this chapter.

4 (8) The eligibility period and thirty-day out-of-service period,
5 and sixty-day out-of-service period in the case of a motor home,
6 shall be extended by any time that repair services are not available
7 to the consumer as a direct result of a strike, war, invasion, fire,
8 flood, or other natural disaster.

9 **Sec. 2.** RCW 63.14.040 and 2012 c 117 s 167 are each amended to
10 read as follows:

11 (1) The retail installment contract shall contain the names of
12 the seller and the buyer, the place of business of the seller, the
13 residence or other address of the buyer as specified by the buyer and
14 a description or identification of the goods sold or to be sold, or
15 service furnished or rendered or to be furnished or rendered. The
16 contract also shall contain the following items, which shall be set
17 forth in the sequence appearing below:

18 (a) The sale price of each item of goods or services;

19 (b) The amount of the buyer's down payment, if any, identifying
20 the amounts paid in money and allowed for goods traded in;

21 (c) The difference between items (a) and (b) of this subsection;

22 (d) The aggregate amount, if any, included for insurance,
23 specifying the type or types of insurance and the terms of coverage;

24 (e) The aggregate amount of official fees, if any;

25 (f) The amount, if any, actually paid or to be paid by the retail
26 seller pursuant to an agreement with the buyer to discharge a
27 security interest or lien on like-kind goods traded in or lease
28 interest in the circumstance of a lease for like goods being
29 terminated in conjunction with the sale pursuant to a retail
30 installment contract;

31 (g) The principal balance, which is the sum of items (c), (d),
32 (e), and (f) of this subsection;

33 (h) The dollar amount or rate of the service charge;

34 (i) The amount of the time balance owed by the buyer to the
35 seller, which is the sum of items (g) and (h) of this subsection, if

36 (h) (~~of this subsection~~) of this subsection is stated in a dollar
37 amount; and

38 (j) Except as otherwise provided in the next two sentences, the
39 maximum number of installment payments required and the amount of

1 each installment and the due date of each payment necessary to pay
2 such balance. If installment payments other than the final payment
3 are stated as a series of equal scheduled amounts and if the amount
4 of the final installment payment does not substantially exceed the
5 scheduled amount of each preceding installment payment, the maximum
6 number of payments and the amount and due date of each payment need
7 not be separately stated and the amount of the scheduled final
8 installment payment may be stated as the remaining unpaid balance.
9 The due date of the first installment payment may be fixed by a day
10 or date or may be fixed by reference to the date of the contract or
11 to the time of delivery or installation.

12 Additional items may be included to explain the calculations
13 involved in determining the balance to be paid by the buyer.

14 (2) Every retail installment contract shall contain the following
15 notice in ten point bold face type or larger directly above the space
16 reserved in the contract for the signature of the buyer: "NOTICE TO
17 BUYER:

18 (a) Do not sign this contract before you read it or if any spaces
19 intended for the agreed terms, except as to unavailable information,
20 are blank.

21 (b) You are entitled to a copy of this contract at the time you
22 sign it.

23 (c) You may at any time pay off the full unpaid balance due under
24 this contract, and in so doing you may receive a partial rebate of
25 the service charge.

26 (d) The service charge does not exceed . . . % (must be filled
27 in) per annum computed monthly.

28 (e) You may cancel this contract if it is solicited in person,
29 and you sign it, at a place other than the seller's business address
30 shown on the contract, by sending notice of such cancellation by
31 certified mail return receipt requested to the seller at his or her
32 address shown on the contract which notice shall be posted not later
33 than midnight of the third day (excluding Sundays and holidays)
34 following your signing this contract. If you choose to cancel this
35 contract, you must return or make available to the seller at the
36 place of delivery any merchandise, in its original condition,
37 received by you under this contract."

38 Subsection (2)(e) of this section is effective and needs to be
39 included in the notice only if the contract is solicited in person by
40 the seller or his or her representative, and the buyer signs it, at a

1 place other than the seller's business address shown on the contract,
2 but does not apply to a retail installment contract used for the sale
3 of a motor vehicle by a licensed vehicle dealer.

4 **Sec. 3.** RCW 63.14.154 and 2012 c 117 s 174 are each amended to
5 read as follows:

6 (1) In addition to any other rights he or she may have, the buyer
7 shall have the right to cancel a retail installment transaction for
8 other than the seller's breach by sending notice of such cancellation
9 to the seller at his or her place of business as set forth in the
10 contract or charge agreement by certified mail, return receipt
11 requested, which shall be posted not later than midnight of the third
12 day (excluding Sundays and holidays) following the date the buyer
13 signs the contract or charge agreement:

14 (a) If the retail installment transaction was entered into by the
15 buyer and solicited in person or by a commercial telephone
16 solicitation as defined by chapter 20, Laws of 1989 by the seller or
17 his or her representative at a place other than the seller's address,
18 which may be his or her main or branch office, shown on the contract;
19 and

20 (b) If the buyer returns goods received or makes them available
21 to the seller as provided in subsection (2)(b) of this section.

22 (2) In the event of cancellation pursuant to this section:

23 (a) The seller shall, without request, refund to the buyer within
24 ten days after such cancellation all deposits, including any down
25 payment, made under the contract or charge agreement and shall return
26 all goods traded in to the seller on account or in contemplation of
27 the contract less any reasonable costs actually incurred in making
28 ready for sale the goods so traded in;

29 (b) The seller shall be entitled to reclaim and the buyer shall
30 return or make available to the seller at the place of delivery in
31 its original condition any goods received by the buyer under the
32 contract or charge agreement;

33 (c) The buyer shall incur no additional liability for such
34 cancellation.

35 (3) This section does not apply to a retail installment
36 transaction for the purchase of a motor vehicle. If a retail
37 installment sale contract is used for the sale of a vehicle by a
38 motor vehicle dealer at a place other than the dealer's address, the

1 dealer must disclose to the purchaser or lessee in writing that there
2 is no right to cancel the contract under RCW 63.14.154.

3 **Sec. 4.** RCW 46.70.023 and 2016 sp.s. c 26 s 2 are each amended
4 to read as follows:

5 (1) An "established place of business" requires a permanent,
6 enclosed commercial building located within the state of Washington
7 easily accessible at all reasonable times. The business of a vehicle
8 dealer must be lawfully carried on at an established place of
9 business in accordance with the terms of all applicable building
10 code, zoning, and other land-use regulatory ordinances. A vehicle
11 dealer may display a vehicle for sale only at its established place
12 of business, licensed subagency, or temporary subagency site, except
13 at auction, however a vehicle dealer may deliver a vehicle for
14 inspection, a test drive, lease, or purchase and have a customer sign
15 agreements over the internet or at a location other than the vehicle
16 dealer's established place of business or licensed or temporary
17 subagency. The dealer shall keep the building open to the public so
18 that the public may contact the vehicle dealer or the dealer's
19 salespersons at all reasonable times. The books, records, and files
20 necessary to conduct the business shall be kept and maintained at
21 that place. The established place of business shall display an
22 exterior sign with the business name and nature of the business, such
23 as auto sales, permanently affixed to the land or building, with
24 letters clearly visible to the major avenue of traffic. A room or
25 rooms in a hotel, rooming house, or apartment house building or part
26 of a single or multiple-unit dwelling house may not be considered an
27 "established place of business" unless the ground floor of such a
28 dwelling is devoted principally to and occupied for commercial
29 purposes and the dealer offices are located on the ground floor. A
30 mobile office or mobile home may be used as an office if it is
31 connected to utilities and is set up in accordance with state law. A
32 statewide trade association representing manufactured housing dealers
33 shall be permitted to use a manufactured home as an office if the
34 office complies with all other applicable building code, zoning, and
35 other land-use regulatory ordinances. This subsection does not apply
36 to auction companies that do not own vehicle inventory or sell
37 vehicles from an auction yard.

38 (2) An auction company shall have office facilities within the
39 state. The books, records, and files necessary to conduct the

1 business shall be maintained at the office facilities. All storage
2 facilities for inventory shall be listed with the department, and
3 shall meet local zoning and land use ordinances. An auction company
4 shall maintain a telecommunications system.

5 (3) Auction companies shall post their vehicle dealer license at
6 each auction where vehicles are offered, and shall provide the
7 department with the address of the auction at least three days before
8 the auction.

9 (4) If a dealer maintains a place of business at more than one
10 location or under more than one name in this state, he or she shall
11 designate one location as the principal place of business of the
12 firm, one name as the principal name of the firm, and all other
13 locations or names as subagencies. A subagency license is required
14 for each and every subagency: PROVIDED, That the department may grant
15 an exception to the subagency requirement in the specific instance
16 where a licensed dealer is unable to locate their used vehicle sales
17 facilities adjacent to or at the established place of business. This
18 exception shall be granted and defined under the promulgation of
19 rules consistent with the administrative procedure act.

20 (5) All vehicle dealers shall maintain ownership or leasehold
21 throughout the license year of the real property from which they do
22 business. The dealer shall provide the department with evidence of
23 ownership or leasehold whenever the ownership changes or the lease is
24 terminated.

25 (6) A subagency shall comply with all requirements of an
26 established place of business, except that subagency records may be
27 kept at the principal place of business designated by the dealer.
28 Auction companies shall comply with the requirements in subsection
29 (2) of this section.

30 (7) A temporary subagency shall meet all local zoning and
31 building codes for the type of merchandising being conducted. The
32 dealer license certificate shall be posted at the location. No other
33 requirements of an established place of business apply to a temporary
34 subagency. Auction companies are not required to obtain a temporary
35 subagency license.

36 (8) A wholesale vehicle dealer shall have office facilities in a
37 commercial building within this state, with no more than two other
38 wholesale or retail vehicle dealers in the same building, and all
39 storage facilities for inventory shall be listed with the department,
40 and shall meet local zoning and land use ordinances. A wholesale

1 vehicle dealer shall maintain a telecommunications system. An
2 exterior sign visible from the nearest street shall identify the
3 business name and the nature of business. When two or more vehicle
4 dealer businesses share a location, all records, office facilities,
5 and inventory, if any, must be physically segregated and clearly
6 identified.

7 (9) A retail vehicle dealer shall be open during normal business
8 hours, maintain office and display facilities in a commercially zoned
9 location or in a location complying with all applicable building and
10 land use ordinances, and maintain a business telephone listing in the
11 local directory. When two or more vehicle dealer businesses share a
12 location, all records, office facilities, and inventory shall be
13 physically segregated and clearly identified.

14 (10) A subagency license is not required for a mobile home dealer
15 to display an on-site display model, a consigned mobile home not
16 relocated from its site, or a repossessed mobile home if sales are
17 handled from a principal place of business or subagency. A mobile
18 home dealer shall identify on-site display models, repossessed mobile
19 homes, and those consigned at their sites with a sign that includes
20 the dealer's name and telephone number.

21 (11) Every vehicle dealer shall advise the department of the
22 location of each and every place of business of the firm and the name
23 or names under which the firm is doing business at such location or
24 locations. If any name or location is changed, the dealer shall
25 notify the department of such change within ten days. The license
26 issued by the department shall reflect the name and location of the
27 firm and shall be posted in a conspicuous place at that location by
28 the dealer.

29 (12) A vehicle dealer's license shall upon the death or
30 incapacity of an individual vehicle dealer authorize the personal
31 representative of such dealer, subject to payment of license fees, to
32 continue the business for a period of six months from the date of the
33 death or incapacity."

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1 On page 1, line 2 of the title, after "46.70 RCW;" strike the
2 remainder of the title and insert "and amending RCW 19.118.031,
3 63.14.040, 63.14.154, and 46.70.023."

EFFECT: Requires vehicle dealers, when selling a vehicle at a place other than the dealer's address, to disclose to the purchaser or lessee in writing that there is no right to cancel a contract for a vehicle purchase.

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