

RCW 18.11.121 Surety bond or security required. (1) Except as provided in this section, each auctioneer and each auction company shall as a condition to the granting and retention of a license have on file with the department an approved surety bond or other security in lieu of a bond. However, if an auction company is a sole proprietorship or a partnership and has on file with the department a surety bond or other security approved by the director in the amount that would otherwise be required for an auction company to be granted or to retain a license under this section, then no separate bond or bonds shall be required for the sole proprietor or any individual partner to act as an auctioneer for the sole proprietorship or partnership. The bond or other security of an auctioneer shall be in the amount of five thousand dollars.

(2) The bond or other security of an auction company shall be in an amount not less than five thousand dollars and not more than twenty-five thousand dollars. The amount shall be based on the value of the goods and real estate sold at auctions conducted, supervised, arranged, sponsored, or managed by the auction company during the previous calendar year or, for a new auction company, the estimated value of the goods and real estate to be sold at auction during the current calendar year. The director shall establish by rule the procedures to be used for determining the amount of auction company bonds or other security.

(3) In lieu of a surety bond, an auctioneer or auction company may deposit with the department any of the following:

- (a) Savings accounts assigned to the director;
- (b) Certificates of deposit payable to the director;
- (c) Investment certificates or share accounts assigned to the director; or
- (d) Any other security acceptable to the director.

All obligations and remedies relating to surety bonds authorized by this section shall apply to deposits filed with the director.

(4) Each bond shall comply with all of the following:

- (a) Be executed by the person seeking the license as principal and by a corporate surety licensed to do business in the state;
- (b) Be payable to the state;
- (c) Be conditioned on compliance with all provisions of this chapter and the agency rules adopted pursuant to this chapter, including payment of any administrative fines assessed against the licensee; and
- (d) Remain in effect for one year after expiration, revocation, or suspension of the license.

(5) If any licensee fails or is alleged to have failed to comply with the provisions of this chapter or the agency rules adopted pursuant to this chapter, the director may hold a hearing in accordance with chapter 34.05 RCW, determine those persons who are proven claimants under the bond, and, if appropriate, distribute the bond proceeds to the proven claimants. The state or an injured person may also bring an action against the bond in superior court. The liability of the surety shall be only for actual damages and shall not exceed the amount of the bond.

(6) Damages that exceed the amount of the bond may be remedied by actions against the auctioneer or the auction company under RCW 18.11.260 or other available remedies at law. [1987 c 336 § 2; 1986 c 324 § 8.]