

---

SENATE BILL 5246

---

State of Washington                      56th Legislature                      1999 Regular Session

By Senators Kline, Costa, Patterson, Fraser and McAuliffe

Read first time 01/18/1999. Referred to Committee on Transportation.

1            AN ACT Relating to the amount of bond for motor vehicle dealers;  
2 and amending RCW 46.70.070.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 46.70.070 and 1996 c 194 s 2 are each amended to read  
5 as follows:

6            (1) Before issuing a vehicle dealer's license, the department shall  
7 require the applicant to file with the department a surety bond in the  
8 amount of:

9            (a) (~~Fifteen~~) Forty-five thousand dollars for motor vehicle  
10 dealers;

11            (b) Thirty thousand dollars for mobile home, park trailer, and  
12 travel trailer dealers: PROVIDED, That if such dealer does not deal in  
13 mobile homes or park trailers such bond shall be fifteen thousand  
14 dollars;

15            (c) Five thousand dollars for miscellaneous dealers,  
16 running to the state, and executed by a surety company authorized to do  
17 business in the state. Such bond shall be approved by the attorney  
18 general as to form and conditioned that the dealer shall conduct his  
19 business in conformity with the provisions of this chapter.

1 Any retail purchaser, consignor who is not a motor vehicle dealer,  
2 or a motor vehicle dealer who has purchased from, sold to, or otherwise  
3 transacted business with a wholesale dealer, who has suffered any loss  
4 or damage by reason of any act by a dealer which constitutes a  
5 violation of this chapter shall have the right to institute an action  
6 for recovery against such dealer and the surety upon such bond.  
7 However, under this section, motor vehicle dealers who have purchased  
8 from, sold to, or otherwise transacted business with wholesale dealers  
9 may only institute actions against wholesale dealers and their surety  
10 bonds. Successive recoveries against said bond shall be permitted, but  
11 the aggregate liability of the surety to all persons shall in no event  
12 exceed the amount of the bond. Upon exhaustion of the penalty of said  
13 bond or cancellation of the bond by the surety the vehicle dealer  
14 license shall automatically be deemed canceled.

15 (2) The bond for any vehicle dealer licensed or to be licensed  
16 under more than one classification shall be the highest bond required  
17 for any such classification.

18 (3) Vehicle dealers shall maintain a bond for each business  
19 location in this state and bond coverage for all temporary subagencies.

--- END ---