

HOUSE BILL REPORT

SB 5167

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to sellers of travel.

Brief Description: Modifying trust account provisions for sellers of travel.

Sponsors: Senators Regala, Hewitt, Franklin, Winsley and Kohl-Welles.

Brief History:

Committee Activity:

Commerce & Labor: 3/20/03 [DP].

Brief Summary of Bill

- Links the dollar amount of surety bonds posted by sellers of travel to the seller's gross sales to Washington residents.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 9 members: Representatives Conway, Chair; Wood, Vice Chair; Chandler, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse, Holmquist, Hudgins, Kenney and McCoy.

Staff: Matt Cooper (786-7106).

Background:

Sellers of travel are travel agents and businesses that principally advise individuals on travel arrangements. Common carriers and lodging accommodations are not considered sellers of travel.

Sellers of travel must be registered with the Department of Licensing (Department). To register, a seller of travel must provide the Department with the business's address and financial information.

Sellers of travel must maintain either a trust account for client funds, or a surety bond payable to the Department. The bond may be used to reimburse consumers for any

losses resulting from a seller's violation of the law. The director of the Department sets the amount of the bond between \$10,000 and \$50,000, based on the seller's gross income from sales in the prior year.

Summary of Bill:

The director of the Department sets the amount of a surety bond posted by sellers of travel based on the seller's gross income from sales to Washington residents in the prior year.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Washington is one of only 13 states that require sellers of travel to be registered. Sellers of travel currently have to post a bond with the Department to protect consumers. The amount of the bond is determined by the seller's gross sales of travel.

Many sellers of travel that operate in Washington do business with consumers in other states and other countries. This bill allows the bond they post with the Department to be based on the gross sales of travel to Washington consumers. This change will be good for small businesses but will continue to protect Washington consumers.

Testimony Against: None.

Testified: Senator Regala, prime sponsor; Randy Renfrow, Department of Licensing; and Jerry Farley, Washington State Coalition on Travel.