

SENATE BILL REPORT

SB 5167

As Passed Senate, March 7, 2003

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 & Trade: 1/29/03, 2/7/03 [DP].

Passed Senate: 3/7/03, 48-0.

SENATE COMMITTEE ON COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Honeyford, Chair; Hewitt, Vice Chair; Franklin and Keiser.

Staff: Elizabeth Mitchell (786-7430)

Background: Sellers of travel are regulated by the Department of Licensing. To register with the department, a seller of travel must meet several qualifications. These qualifications include possession of a valid business license and proof of a trust account. If sellers of travel maintain a trust account, they must deposit all funds held for more than five days into this account.

Sellers of travel may choose to use a bond instead of a trust account to meet the department's registration qualifications. The amount of the bond is determined by rule by the department, and is based upon a registrant's gross business income during the previous year. The minimum bond is set at \$10,000 and the maximum bond is set at \$50,000. The bond may be used to compensate consumers if they are injured by a registrant's violations of the law.

Summary of Bill: The amount of the bond, to be determined by the department, is based upon the gross income of business that the registrant conducted for Washington State residents in the previous year.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: The Department of Licensing should take a position on the bill. The bond amounts for tour operators in associations may need to be adjusted.

Testimony Against: None.

Testified: Jerry Farley, Washington State Coalition on Travel (pro).