

FINAL BILL REPORT

SSB 5407

C 354 L 03
Synopsis as Enacted

Brief Description: Regulating motorsports vehicle dealer franchises.

Sponsors: Senate Committee on Commerce & Trade (originally sponsored by Senators Horn, Prentice, Honeyford and Benton).

Senate Committee on Commerce & Trade
House Committee on Commerce & Labor

Background: The Motorcycle Dealers' Franchise Act, Chapter 46.94 RCW, regulates the relationship between motorcycle manufacturers and dealers of new or used motorcycles. Motorcycles include self-propelled motor vehicles under 1500 pounds that are capable of transporting people, except golf carts, farm tractors, industrial vehicles and lawnmowers.

The act establishes warranty reimbursement procedures, and prohibits a number of unfair trade and financial practices. Ownership of a motorcycle dealership in Washington by a manufacturer is also prohibited. A manufacturer must demonstrate good cause before terminating or refusing to renew a franchise, and is required to show reasonable grounds for objecting to the succession of ownership of a dealership to a designated family member. Civil remedies are provided.

Summary: The Motorcycle Dealers' Franchise Act is repealed and replaced with an act modeled after Chapter 46.96 RCW, the franchise law for new car dealers and manufacturers. Products covered by the act include motorcycles; mopeds; personal watercraft; snowmobiles; four-wheel, all-terrain vehicles; and other vehicles as defined by the Department of Licensing by rule.

A notice and appeal process is required when a manufacturer intends to either cancel a franchise, or locate or relocate a franchise within the relevant market area of another franchise.

Enumerated unfair trade practices are prohibited, and a manufacturer is required to not unreasonably withhold consent to the sale of a dealership.

The designation of a family successor and warranty reimbursement procedures are described.

Votes on Final Passage:

Senate	49 0
House	88 0

Effective: July 27, 2003