SUBSTITUTE HOUSE BILL 2056

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway and Wood)

READ FIRST TIME 03/07/05.

- 1 AN ACT Relating to recreational vehicle shows; amending RCW
- 2 46.70.011; and adding a new section to chapter 46.70 RCW.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 46.70.011 and 2001 c 272 s 2 are each amended to read 5 as follows:
- 6 As used in this chapter:

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- 7 (1) "Vehicle" means and includes every device capable of being 8 moved upon a public highway and in, upon, or by which any persons or 9 property is or may be transported or drawn upon a public highway, 10 excepting devices moved by human or animal power or used exclusively 11 upon stationary rails or tracks.
 - (2) "Motor vehicle" means every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails, and which is required to be registered and titled under Title 46 RCW, Motor Vehicles.
- 17 (3) "Recreational vehicle" means a travel trailer, motor home,
 18 truck camper, or camping trailer that is primarily designed and used as
 19 temporary living quarters, is either self-propelled or mounted on or

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drawn by another vehicle, is transient, is not occupied as a primary residence, and is not immobilized or permanently affixed to a mobile home lot.

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- (4) "Vehicle dealer" means any person, firm, association, corporation, or trust, not excluded by subsection (((4))) (5) of this section, engaged in the business of buying, selling, listing, exchanging, offering, brokering, leasing with an option to purchase, auctioning, soliciting, or advertising the sale of new or used vehicles, or arranging or offering or attempting to solicit or negotiate on behalf of others, a sale, purchase, or exchange of an interest in new or used motor vehicles, irrespective of whether the motor vehicles are owned by that person. Vehicle dealers shall be classified as follows:
- 14 (a) A "motor vehicle dealer" is a vehicle dealer that deals in new 15 or used motor vehicles, or both;
 - (b) A "mobile home and travel trailer dealer" is a vehicle dealer that deals in mobile homes, park trailers, or travel trailers, or more than one type of these vehicles;
 - (c) A "miscellaneous vehicle dealer" is a vehicle dealer that deals in motorcycles or vehicles other than motor vehicles or mobile homes and travel trailers or any combination of such vehicles;
 - (d) A "recreational vehicle dealer" is a vehicle dealer that deals in travel trailers, motor homes, truck campers, or camping trailers that are primarily designed and used as temporary living quarters, are either self-propelled or mounted on or drawn by another vehicle, are transient, are not occupied as a primary residence, and are not immobilized or permanently affixed to a mobile home lot.
 - $((\frac{4}{1}))$ (5) The term "vehicle dealer" does not include, nor do the licensing requirements of RCW 46.70.021 apply to, the following persons, firms, associations, or corporations:
- 31 (a) Receivers, trustees, administrators, executors, guardians, or 32 other persons appointed by, or acting under a judgment or order of, any 33 court; or
 - (b) Public officers while performing their official duties; or
- 35 (c) Employees of vehicle dealers who are engaged in the specific performance of their duties as such employees; or
- 37 (d) Any person engaged in an isolated sale of a vehicle in which 38 that person is the registered or legal owner, or both, thereof; or

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(e) Any person, firm, association, corporation, or trust, engaged in the selling of equipment other than vehicles, subject to registration, used for agricultural or industrial purposes; or

- (f) A real estate broker licensed under chapter 18.85 RCW, or an affiliated licensee, who, on behalf of another negotiates the purchase, sale, lease, or exchange of a manufactured or mobile home in conjunction with the purchase, sale, exchange, rental, or lease of the land upon which the manufactured or mobile home is, or will be, located; or
- (g) Owners who are also operators of the special highway construction equipment or of the highway construction equipment for which a vehicle license and display vehicle license number plate is required as defined in RCW 46.16.010; or
- (h) Any bank, trust company, savings bank, mutual savings bank, savings and loan association, credit union, and any parent, subsidiary, or affiliate thereof, authorized to do business in this state under state or federal law with respect to the sale or other disposition of a motor vehicle owned and used in their business; or with respect to the acquisition and sale or other disposition of a motor vehicle in which the entity has acquired an interest as a lessor, lessee, or secured party; or
- (i) Any person who is regularly engaged in the business of acquiring leases or installment contracts by assignment, with respect to the acquisition and sale or other disposition of a motor vehicle in which the person has acquired an interest as a result of the business.
- (((5))) (6) "Vehicle salesperson" means any person who for any form of compensation sells, auctions, leases with an option to purchase, or offers to sell or to so lease vehicles on behalf of a vehicle dealer.
- $((\frac{6}{}))$ <u>(7)</u> "Department" means the department of licensing, which shall administer and enforce the provisions of this chapter.
 - $((\frac{7}{1}))$ (8) "Director" means the director of licensing.
- ((+8)) (9) "Manufacturer" means any person, firm, association, corporation, or trust, resident or nonresident, who manufactures or assembles new and unused vehicles or remanufactures vehicles in whole or in part and further includes the terms:
- (a) "Distributor," which means any person, firm, association, corporation, or trust, resident or nonresident, who in whole or in part

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offers for sale, sells, or distributes any new and unused vehicle to vehicle dealers or who maintains factory representatives.

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- (b) "Factory branch," which means a branch office maintained by a manufacturer for the purpose of selling or offering for sale, vehicles to a distributor, wholesaler, or vehicle dealer, or for directing or supervising in whole or in part factory or distributor representatives, and further includes any sales promotion organization, whether a person, firm, or corporation, which is engaged in promoting the sale of new and unused vehicles in this state of a particular brand or make to vehicle dealers.
- (c) "Factory representative," which means a representative employed by a manufacturer, distributor, or factory branch for the purpose of making or promoting for the sale of their vehicles or for supervising or contracting with their dealers or prospective dealers.
- $((\frac{(9)}{)})$ (10) "Established place of business" means a location meeting the requirements of RCW 46.70.023(1) at which a vehicle dealer conducts business in this state.
- (((10))) (11) "Principal place of business" means that dealer firm's business location in the state, which place the dealer designates as their principal place of business.
- (((11))) (12) "Subagency" means any place of business of a vehicle dealer within the state, which place is physically and geographically separated from the principal place of business of the firm or any place of business of a vehicle dealer within the state, at which place the firm does business using a name other than the principal name of the firm, or both.
- $((\frac{12}{12}))$ (13) "Temporary subagency" means a location other than the principal place of business or subagency within the state where a licensed vehicle dealer may secure a license to conduct the business and is licensed for a period of time not to exceed ten days for a specific purpose such as auto shows, shopping center promotions, tent sales, exhibitions, or similar merchandising ventures. No more than ((six)) two temporary subagency licenses may be issued to a ((licensee)) dealer in any twelve-month period.
- (((13))) (14) "Wholesale vehicle dealer" means a vehicle dealer who 36 buys and sells other than at retail.
- $((\frac{14}{1}))$ (15) "Retail vehicle dealer" means a vehicle dealer who may buy and sell at both wholesale and retail.

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 $((\frac{15}{15}))$ $\underline{(16)}$ "Listing dealer" means a used mobile home dealer who makes contracts with sellers who will compensate the dealer for obtaining a willing purchaser for the seller's mobile home.

(((16))) (17) "Auction" means a transaction conducted by means of exchanges between an auctioneer and the members of the audience, constituting a series of oral invitations for offers for the purchase of vehicles made by the auctioneer, offers to purchase by members of the audience, and the acceptance of the highest or most favorable offer to purchase.

 $((\frac{17}{17}))$ (18) "Auction company" means a sole proprietorship, partnership, corporation, or other legal or commercial entity licensed under chapter 18.11 RCW that only sells or offers to sell vehicles at auction or only arranges or sponsors auctions.

 $((\frac{18}{18}))$ (19) "Buyer's agent" means any person, firm, partnership, association, limited liability company, limited liability partnership, or corporation retained or employed by a consumer to arrange for or to negotiate, or both, the purchase or lease of a new motor vehicle on behalf of the consumer, and who is paid a fee or receives other compensation from the consumer for its services.

 $((\frac{19}{19}))$ (20) "New motor vehicle" means any motor vehicle that is self-propelled and is required to be registered and titled under Title 46 RCW, has not been previously titled to a retail purchaser or lessee, and is not a "used vehicle" as defined under RCW 46.04.660.

NEW SECTION. Sec. 2. A new section is added to chapter 46.70 RCW to read as follows:

(1)(a) Before the department may issue a temporary subagency license to a recreational vehicle dealer engaged in offering new or new and used recreational vehicles for sale at a recreational vehicle show, a recreational vehicle dealer of new or new and used recreational vehicles shall submit to the department a manufacturer's written authorization for the sale and specifying the dates of the show, the location of the show, and the identity of the manufacturer's brand or model names of the new or used recreational vehicles.

(b) The department may issue a temporary subagency license only if the location of the show is within fifty miles of the recreational vehicle dealer's established place of business or permanent location, or is within the factory designated sales territory for each brand of

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new or used recreational vehicle to be offered for sale, and only those specific brands of new or used recreational vehicles may be offered for sale under the terms of the temporary subagency license.

- (2) Whenever three or fewer recreational vehicle dealers participate in a show under a temporary subagency license issued under this section, each recreational vehicle dealer shall conspicuously include all of the following information in all advertising and promotional materials designed to attract the public to attend the show:
- (a) Each recreational vehicle dealer's business name and the location of the recreational vehicle dealer's established place of business must be printed in a size equivalent to the second largest type used in the advertisement and must be placed at the top of the advertisement; and
- (b) The manufacturer's brand or model names of those new recreational vehicles being offered for sale; and
- (c) If the recreational vehicles being offered for sale are used, the word "used" must immediately precede the identification of the brand name of the model or be immediately adjacent to the depiction of used vehicles.
- (3) Notwithstanding other provisions of this chapter, no more than two temporary subagency licenses may be issued to a recreational vehicle dealer engaged in offering new or new and used recreational vehicles for sale for events with three or fewer recreational vehicle dealers participating, and no more than four temporary subagency licenses may be issued to a recreational vehicle dealer in any twelvementh period for events including four or more recreational vehicle dealers.
- (4) The legislature finds that the practices covered by this section are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. Violations of this section are not reasonable in relation to the development and preservation of business. A violation of this section is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

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