

FINAL BILL REPORT

ESSB 6606

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FULL VETO
VETO OVERRIDE
Synopsis as Enacted

Brief Description: Concerning wholesale vehicle dealers.

Sponsors: Senate Committee on Transportation (originally sponsored by Senator King).

Senate Committee on Transportation
House Committee on Business & Financial Services

Background: The Department of Licensing (DOL) is responsible for licensing all motor vehicle dealers operating in Washington.

Wholesale Motor Vehicle Dealers. Current law defines a wholesale motor vehicle dealer as a vehicle dealer who buys and sells other than at retail.

A wholesale vehicle dealer must have office facilities in a commercial building within Washington State, and all storage facilities for inventory shall be listed with the DOL, and must meet local zoning and land use ordinances. A wholesale vehicle dealer shall maintain a telecommunications system. An exterior sign visible from the nearest street must identify the business name and the nature of the business. When two or more vehicle dealer businesses share a location, all records, office facilities, and inventory must be clearly segregated and clearly identified.

Motor Vehicle Dealers. A motor vehicle dealer deals in new and used motor vehicles, or both. A license is needed for anyone who sells more than four vehicles in any 12 months, buys and sells vehicles for the purpose of making a profit, or sells vehicles that are not registered to the seller. A motor vehicle dealer must have an established place of business that includes a publicly available commercial space open at least five days a week, with signage, located in a commercially zoned area with a business telephone listing in the local directory. Required books and records must be kept at the place of business.

Before a motor vehicle dealer may be issued a license, they must have:

- filed with the DOL a surety bond worth \$30,000;
- shown proof of either owning or renting a business site;
- submitted an application of a business license to the Department of Revenue;
- submitted a source of funds statement;

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- submitted a personal criminal history statement with a fingerprint card for each member of the business; and
- submitted proof of required training, if selling only used vehicles.

Summary: The definition for wholesale vehicle dealer is retained in statute and further clarified as a dealer who buys and sells vehicles to other Washington licensed dealers.

Wholesale vehicle dealers must have office facilities within this state with no more than two other wholesale or retail vehicle dealers in the same building.

Votes on Final Passage:

Senate	47	2
House	91	6

Votes on Veto Override:

First Special Session

Senate	41	2
House	82	12

Effective: March 29, 2016