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**Business & Financial Services Committee**

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**HB 2808**

**Brief Description:** Concerning vehicle dealer licensing.

**Sponsors:** Representatives Kirby and Walsh.

**Brief Summary of Bill**

- Requires the Department of Licensing to renew a wholesale vehicle dealer license of a dealer who has held the license for the previous six years, while otherwise retaining the elimination of the license category pursuant to the 2017 law phasing out the license over a two-year period.

**Hearing Date:** 1/23/18

**Staff:** Peter Clodfelter (786-7127).

**Background:**

A 2017 law (House Bill 1722) is phasing out the wholesale vehicle dealer license over a two-year period. Effective July 1, 2017, the Department of Licensing (DOL) may not issue any new wholesale vehicle dealer licenses. Effective July 1, 2018, the DOL may not renew any wholesale vehicle dealer licenses. On July 1, 2019, the wholesale vehicle dealer license category and all references to wholesale vehicle dealers are removed from law.

Until July 1, 2019, certain requirements that apply to other types of vehicle dealers do not apply to wholesale vehicle dealers and additional specific requirements apply to wholesale vehicle dealers. Wholesale vehicle dealers are not required to maintain normal business hours or display facilities, are not required to have a building that is kept open to the public at all reasonable times, and are not required to have a telephone book listing, like other vehicle dealers. But all storage facilities for a wholesale vehicle dealer's inventory must be listed with the DOL and comply with local land use ordinances.

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Also, a wholesale vehicle dealer must maintain a telecommunications system, and an exterior sign, visible from the nearest street, must identify the wholesale vehicle dealer's business name and the nature of business. If a wholesale vehicle dealer and another vehicle dealer or dealers businesses share a location, all records, office facilities, and inventory, if any, must be physically segregated and clearly identified. Because of a 2016 law, wholesale vehicle dealers are also required to buy from or sell vehicles to other Washington licensed vehicle dealers. And a wholesale vehicle dealer's required office facilities must be in a commercial building in which there are not more than two other wholesale or retail vehicle dealers in the same building. Pursuant to the 2017 law, the wholesale vehicle dealer license will be eliminated from law on July 1, 2019.

**Summary of Bill:**

The 2017 law phasing out and repealing the wholesale vehicle dealer license over a two-year period (July 2017 to July 2019) is amended to require the Department of Licensing (DOL) to renew a wholesale vehicle dealer license of a wholesale vehicle dealer who has held the license continuously for at least the previous six years from the effective date of the act and who otherwise meets the requirements applicable to wholesale vehicle dealers. Otherwise, the phase out of the wholesale vehicle dealer license is retained insofar as the DOL is prohibited from otherwise issuing new or renewed wholesale vehicle dealer licenses.

**Appropriation:** None.

**Fiscal Note:** Available.

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