

SENATE BILL REPORT

SB 5377

As of February 4, 2025

Title: An act relating to protecting consumer choice by creating a fairer marketplace for auto sales.

Brief Description: Concerning auto sales.

Sponsors: Senators Saldaña, Chapman and Stanford.

Brief History:

Committee Activity: Labor & Commerce: 2/04/25.

Brief Summary of Bill

- Repeals the exemption for vehicle manufacturers that held a vehicle dealer license on January 1, 2014 to the prohibition on manufacturers competing with new motor vehicle dealers.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Susan Jones (786-7404)

Background: A vehicle manufacturer may not compete with a new motor vehicle dealer of any make or line by acting in the capacity of a new motor vehicle dealer, or by owning, operating, or controlling, whether directly or indirectly, a motor vehicle dealership in Washington State.

One exemption from the prohibition on competing with a new car dealer provides that it is not a violation for a manufacturer that held a Washington State vehicle dealer license on January 1, 2014, to own, operate, or control a new motor vehicle dealership that sells new vehicles that are only of that manufacturer's makes or lines and that are not sold new by a licensed independent franchise dealer. The manufacturer may also own, operate, or control or contract with companies providing financing, leasing, or servicing its own makes and

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lines of vehicles.

A violation of the prohibition on competing with a new car dealer is deemed to affect the public interest and constitutes an unlawful and unfair practice under the Consumer Protection Act (CPA). The attorney general (AG) is authorized to investigate and prosecute claims under the CPA on behalf of the state or individuals in the state. A person injured by a violation of the CPA may bring a private action for injunctive relief, recovery of actual damages, and reasonable attorneys' fees. The courts may increase awarded damages up to three times the actual damages sustained.

A person aggrieved by an alleged violation may petition the Department of Licensing to have the matter handled as an adjudicative proceeding.

Summary of Bill: The exemption for vehicle manufacturers that held a vehicle dealer license on January 1, 2014 to the prohibition on competing with new motor vehicle dealers is repealed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2026.