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**SUBSTITUTE SENATE BILL 6354**

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**State of Washington**

**69th Legislature**

**2026 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Lias and King)

READ FIRST TIME 03/02/26.

1 AN ACT Relating to advancing transportation electrification by  
2 expanding access to electric vehicles already being sold in  
3 Washington and increasing associated funding; amending RCW 46.96.010,  
4 46.96.185, 46.70.041, 46.70.045, 46.70.101, 46.70.170, and 46.70.180;  
5 adding a new section to chapter 43.330 RCW; and prescribing  
6 penalties.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8 **Sec. 1.** RCW 46.96.010 and 1989 c 415 s 1 are each amended to  
9 read as follows:

10 The legislature finds and declares that the distribution and sale  
11 of motor vehicles in this state vitally affect the general economy of  
12 the state and the public interest and public welfare, that provision  
13 for warranty service to motor vehicles is of substantial concern to  
14 the people of this state, that the maintenance of fair competition  
15 among dealers and others is in the public interest, and that the  
16 maintenance of strong and sound dealerships is essential to provide  
17 continuing and necessary reliable services to the consuming public in  
18 this state and to provide stable employment to the citizens of this  
19 state. The legislature further finds that there is a substantial  
20 disparity in bargaining power between automobile manufacturers and  
21 (~~their~~) dealers, and that in order to promote the public interest

1 and the public welfare, and in the exercise of its police power, it  
2 is necessary to regulate the relationship between motor vehicle  
3 dealers and motor vehicle manufacturers, importers, distributors, and  
4 their representatives doing business in this state, not only for the  
5 protection of dealers but also for the ~~((benefit for the public))~~  
6 protection of consumers in assuring the continued availability and  
7 servicing of automobiles sold to the public.

8 The legislature recognizes it is in the best interest for  
9 manufacturers and dealers of motor vehicles to conduct business with  
10 each other in a fair, efficient, and competitive manner. The  
11 legislature declares the public interest is best served by dealers  
12 being assured of the ability to manage their business enterprises  
13 under a contractual obligation with manufacturers where dealers do  
14 not experience unreasonable interference and are assured of the  
15 ability to transfer ownership of their business without undue  
16 constraints. If the legislature authorizes a manufacturer to own or  
17 operate a motor vehicle dealership, the legislature intends that such  
18 authorization be applied narrowly to prevent erosion of the motor  
19 vehicle dealer franchise system and the benefits it provides to  
20 communities around the state. It is the intent of the legislature to  
21 impose a regulatory scheme and to regulate competition in the motor  
22 vehicle industry to the extent necessary to balance fairness and  
23 efficiency. These actions will protect consumers, strengthen  
24 enforcement, and permit motor vehicle dealers to better serve  
25 ~~((consumers and allow dealers to devote their best competitive~~  
26 ~~efforts and resources to the sale and services of the manufacturer's~~  
27 ~~products to consumers))~~ the public.

28 **Sec. 2.** RCW 46.96.185 and 2018 c 296 s 2 are each amended to  
29 read as follows:

30 (1) Notwithstanding the terms of a franchise agreement, a  
31 manufacturer, distributor, factory branch, or factory representative,  
32 or an agent, officer, parent company, wholly or partially owned  
33 subsidiary, affiliated entity, or other person controlled by or under  
34 common control with a manufacturer, distributor, factory branch, or  
35 factory representative, shall not:

36 (a) Discriminate between new motor vehicle dealers by selling or  
37 offering to sell a like vehicle to one dealer at a lower actual price  
38 than the actual price offered to another dealer for the same model  
39 similarly equipped;

1 (b) Discriminate between new motor vehicle dealers by selling or  
2 offering to sell parts or accessories to one dealer at a lower actual  
3 price than the actual price offered to another dealer;

4 (c) Discriminate between new motor vehicle dealers by using a  
5 promotion plan, marketing plan, or other similar device that results  
6 in a lower actual price on vehicles, parts, or accessories being  
7 charged to one dealer over another dealer;

8 (d) Discriminate between new motor vehicle dealers by adopting a  
9 method, or changing an existing method, for the allocation,  
10 scheduling, or delivery of new motor vehicles, parts, or accessories  
11 to its dealers that is not fair, reasonable, and equitable. Upon the  
12 request of a dealer, a manufacturer, distributor, factory branch, or  
13 factory representative shall disclose in writing to the dealer the  
14 method by which new motor vehicles, parts, and accessories are  
15 allocated, scheduled, or delivered to its dealers handling the same  
16 line or make of vehicles;

17 (e) Discriminate against a new motor vehicle dealer by  
18 preventing, offsetting, or otherwise impairing the dealer's right to  
19 request a documentary service fee on affinity or similar program  
20 purchases. This prohibition applies to, but is not limited to, any  
21 promotion plan, marketing plan, manufacturer or dealer employee or  
22 employee friends or family purchase programs, or similar plans or  
23 programs;

24 (f) Give preferential treatment to some new motor vehicle dealers  
25 over others by refusing or failing to deliver, in reasonable  
26 quantities and within a reasonable time after receipt of an order, to  
27 a dealer holding a franchise for a line or make of motor vehicles  
28 sold or distributed by the manufacturer, distributor, factory branch,  
29 or factory representative, a new vehicle, parts, or accessories, if  
30 the vehicle, parts, or accessories are being delivered to other  
31 dealers, or require a dealer to purchase unreasonable advertising  
32 displays or other materials, or unreasonably require a dealer to  
33 remodel or renovate existing facilities as a prerequisite to  
34 receiving a model or series of vehicles;

35 (g) Compete with a new motor vehicle dealer of any make or line  
36 by acting in the capacity of a new motor vehicle dealer, or by  
37 owning, operating, or controlling, whether directly or indirectly, a  
38 motor vehicle dealership in this state. It is not, however, a  
39 violation of this subsection for:

1 (i) A manufacturer, distributor, factory branch, or factory  
2 representative to own or operate a dealership for a temporary period,  
3 not to exceed two years, during the transition from one owner of the  
4 dealership to another where the dealership was previously owned by a  
5 franchised dealer and is currently for sale to any qualified  
6 independent person at a fair and reasonable price. The temporary  
7 operation may be extended for one (~~twelve-month~~) 12-month period on  
8 petition of the temporary operator to the department. The matter will  
9 be handled as an adjudicative proceeding under chapter 34.05 RCW. A  
10 dealer who is a franchisee of the petitioning manufacturer or  
11 distributor may intervene and participate in a proceeding under this  
12 subsection (1)(g)(i). The temporary operator has the burden of proof  
13 to show justification for the extension and a good faith effort to  
14 sell the dealership to an independent person at a fair and reasonable  
15 price;

16 (ii) A manufacturer, distributor, factory branch, or factory  
17 representative to own or operate a dealership in conjunction with an  
18 independent person in a bona fide business relationship for the  
19 purpose of broadening the diversity of its dealer body and enhancing  
20 opportunities for qualified persons who are part of a group who have  
21 historically been underrepresented in its dealer body, or other  
22 qualified persons who lack the resources to purchase a dealership  
23 outright, and where the independent person: (A) Has made, or within a  
24 period of two years from the date of commencement of operation will  
25 have made, a significant, bona fide capital investment in the  
26 dealership that is subject to loss; (B) has an ownership interest in  
27 the dealership; and (C) operates the dealership under a bona fide  
28 written agreement with the manufacturer, distributor, factory branch,  
29 or factory representative under which he or she will acquire all of  
30 the ownership interest in the dealership within a reasonable period  
31 of time and under reasonable terms and conditions. The manufacturer,  
32 distributor, factory branch, or factory representative has the burden  
33 of proof of establishing that the acquisition of the dealership by  
34 the independent person was made within a reasonable period of time  
35 and under reasonable terms and conditions. Nothing in this subsection  
36 (1)(g)(ii) relieves a manufacturer, distributor, factory branch, or  
37 factory representative from complying with (a) through (f) of this  
38 subsection;

39 (iii) A manufacturer, distributor, factory branch, or factory  
40 representative to own or operate a dealership in conjunction with an

1 independent person in a bona fide business relationship where the  
2 independent person: (A) Has made, or within a period of two years  
3 from the date of commencement of operation will have made, a  
4 significant, bona fide capital investment in the dealership that is  
5 subject to loss; (B) has an ownership interest in the dealership; and  
6 (C) operates the dealership under a bona fide written agreement with  
7 the manufacturer, distributor, factory branch, or factory  
8 representative under which he or she will acquire all of the  
9 ownership interest in the dealership within a reasonable period of  
10 time and under reasonable terms and conditions. The manufacturer,  
11 distributor, factory branch, or factory representative has the burden  
12 of proof of establishing that the acquisition of the dealership by  
13 the independent person was made within a reasonable period of time  
14 and under reasonable terms and conditions. The number of dealerships  
15 operated under this subsection (1)(g)(iii) may not exceed four  
16 percent rounded up to the nearest whole number of a manufacturer's  
17 total of new motor vehicle dealer franchises in this state. Nothing  
18 in this subsection (1)(g)(iii) relieves a manufacturer, distributor,  
19 factory branch, or factory representative from complying with (a)  
20 through (f) of this subsection;

21 (iv) A truck manufacturer to own, operate, or control a new motor  
22 vehicle dealership that sells only trucks of that manufacturer's line  
23 make with a gross vehicle weight rating of 12,500 pounds or more, and  
24 the truck manufacturer has been continuously engaged in the retail  
25 sale of the trucks at least since January 1, 1993;

26 (v) A manufacturer to own, operate, or control a new motor  
27 vehicle dealership trading exclusively in a single line make of the  
28 manufacturer if (A) the manufacturer does not own, directly or  
29 indirectly, in the aggregate, in excess of (~~forty-five~~) 45 percent  
30 of the total ownership interest in the dealership, (B) at the time  
31 the manufacturer first acquires ownership or assumes operation or  
32 control of any such dealership, the distance between any dealership  
33 thus owned, operated, or controlled and the nearest new motor vehicle  
34 dealership trading in the same line make of vehicle and in which the  
35 manufacturer has no ownership or control is not less than (~~fifteen~~)  
36 15 miles and complies with the applicable provisions in the relevant  
37 market area sections of this chapter, (C) all of the manufacturer's  
38 franchise agreements confer rights on the dealer of that line make to  
39 develop and operate within a defined geographic territory or area, as  
40 many dealership facilities as the dealer and the manufacturer agree

1 are appropriate, and (D) as of January 1, 2000, the manufacturer had  
2 no more than four new motor vehicle dealers of that manufacturer's  
3 line make in this state, and at least half of those dealers owned and  
4 operated two or more dealership facilities in the geographic  
5 territory or area covered by their franchise agreements with the  
6 manufacturer;

7 (vi) A final-stage manufacturer to own, operate, or control a new  
8 motor vehicle dealership; or

9 (vii) A manufacturer that ~~((held a vehicle dealer license in this  
10 state on January 1, 2014))~~ is incorporated in the United States, has  
11 never entered into a franchise agreement with a motor vehicle dealer,  
12 has operated at least one service facility in this state as of  
13 January 1, 2026, and exclusively produces battery electric vehicles  
14 of which at least 300 were registered in Washington state before  
15 January 1, 2026, to own, operate, or control a new motor vehicle  
16 dealership that sells new vehicles that are only of that  
17 manufacturer's makes or lines and that are not sold new by a licensed  
18 independent franchise dealer, or to own, operate, or control or  
19 contract with companies that provide finance, leasing, or service for  
20 vehicles that are of that manufacturer's makes or lines, so long as  
21 the manufacturer does not, after the effective date of this section,  
22 distribute vehicles on behalf of a manufacturer prohibited by law  
23 from acting in the capacity of a motor vehicle dealer, or become  
24 subject to the majority ownership or control of a manufacturer  
25 prohibited by law from acting in the capacity of a motor vehicle  
26 dealer. Regardless of ownership interest, a manufacturer prohibited  
27 by law from acting in the capacity of a motor vehicle dealer shall  
28 not use its ownership interest in a manufacturer exempted under this  
29 subsection (1)(g)(vii) to violate any provisions under (g) of this  
30 subsection. Private parties may initiate an action pursuant to RCW  
31 46.96.260 to obtain relief and enjoin violations of this subsection  
32 (1)(g)(vii). For purposes of this subsection (1)(g)(vii):

33 (A) "Battery electric vehicle" means any vehicle that operates  
34 solely by use of a battery or battery pack, or that is powered  
35 primarily through the use of an electric battery or battery pack but  
36 uses a flywheel or capacitor that stores energy produced by the  
37 electric motor or through regenerative braking to assist in vehicle  
38 operation, so long as none of these components rely on power  
39 generated by fossil fuels or hydrogen;

1       (B) "Manufacturer prohibited by law from acting in the capacity  
2 of a motor vehicle dealer" includes the manufacturer as well as its  
3 distributor, factory branch, factory representative, agent, officer,  
4 parent company, wholly or partially owned subsidiary, affiliated  
5 entity, or other person controlled by or under common control  
6 thereof;

7       (h) Compete with a new motor vehicle dealer by owning, operating,  
8 or controlling, whether directly or indirectly, a service facility in  
9 this state for the repair or maintenance of motor vehicles under the  
10 manufacturer's new car warranty and extended warranty. Nothing in  
11 this subsection (1)(h), however, prohibits a manufacturer,  
12 distributor, factory branch, or factory representative from owning or  
13 operating a service facility for the purpose of providing or  
14 performing maintenance, repair, or service work on motor vehicles  
15 that are owned by the manufacturer, distributor, factory branch, or  
16 factory representative;

17       (i) Use confidential or proprietary information obtained from a  
18 new motor vehicle dealer to unfairly compete with the dealer. For  
19 purposes of this subsection (1)(i), "confidential or proprietary  
20 information" means trade secrets as defined in RCW 19.108.010,  
21 business plans, marketing plans or strategies, customer lists,  
22 contracts, sales data, revenues, or other financial information;

23       (j)(i) Terminate, cancel, or fail to renew a franchise with a new  
24 motor vehicle dealer based upon any of the following events, which do  
25 not constitute good cause for termination, cancellation, or  
26 nonrenewal under RCW 46.96.060: (A) The fact that the new motor  
27 vehicle dealer owns, has an investment in, participates in the  
28 management of, or holds a franchise agreement for the sale or service  
29 of another make or line of new motor vehicles; (B) the fact that the  
30 new motor vehicle dealer has established another make or line of new  
31 motor vehicles or service in the same dealership facilities as those  
32 of the manufacturer or distributor; (C) that the new motor vehicle  
33 dealer has or intends to relocate the manufacturer or distributor's  
34 make or line of new motor vehicles or service to an existing  
35 dealership facility that is within the relevant market area, as  
36 defined in RCW 46.96.140, of the make or line to be relocated, except  
37 that, in any nonemergency circumstance, the dealer must give the  
38 manufacturer or distributor at least (~~sixty~~) 60 days' notice of his  
39 or her intent to relocate and the relocation must comply with RCW  
40 46.96.140 and 46.96.150 for any same make or line facility; or (D)

1 the failure of a franchisee to change the location of the dealership  
2 or to make substantial alterations to the use or number of franchises  
3 on the dealership premises or facilities.

4 (ii) Notwithstanding the limitations of this section, a  
5 manufacturer may, for separate consideration, enter into a written  
6 contract with a dealer to exclusively sell and service a single make  
7 or line of new motor vehicles at a specific facility for a defined  
8 period of time. The penalty for breach of the contract must not  
9 exceed the amount of consideration paid by the manufacturer plus a  
10 reasonable rate of interest;

11 (k) Coerce or attempt to coerce a motor vehicle dealer to refrain  
12 from, or prohibit or attempt to prohibit a new motor vehicle dealer  
13 from acquiring, owning, having an investment in, participating in the  
14 management of, or holding a franchise agreement for the sale or  
15 service of another make or line of new motor vehicles or related  
16 products, or establishing another make or line of new motor vehicles  
17 or service in the same dealership facilities, if the prohibition  
18 against acquiring, owning, investing, managing, or holding a  
19 franchise for such additional make or line of vehicles or products,  
20 or establishing another make or line of new motor vehicles or service  
21 in the same dealership facilities, is not supported by reasonable  
22 business considerations. The burden of proving that reasonable  
23 business considerations support or justify the prohibition against  
24 the additional make or line of new motor vehicles or products or  
25 nonexclusive facilities is on the manufacturer;

26 (l) Require, by contract or otherwise, a new motor vehicle dealer  
27 to make a material alteration, expansion, or addition to any  
28 dealership facility, unless the required alteration, expansion, or  
29 addition is uniformly required of other similarly situated new motor  
30 vehicle dealers of the same make or line of vehicles and is  
31 reasonable in light of all existing circumstances, including economic  
32 conditions. In any proceeding in which a required facility  
33 alteration, expansion, or addition is an issue, the manufacturer or  
34 distributor has the burden of proof. Except for a program or any  
35 renewal or modification of a program that is in effect with one or  
36 more new motor vehicle dealers in this state on June 12, 2014, a  
37 manufacturer shall not require, coerce, or attempt to coerce any new  
38 motor vehicle dealer by program, policy, standard, or otherwise to  
39 change the location of the dealership or construct, replace,  
40 renovate, or make any substantial changes, alterations, or remodeling

1 to a new motor vehicle dealer's sales or service facilities, except  
2 as necessary to comply with health or safety laws or to comply with  
3 technology requirements without which a dealer would be unable to  
4 service a vehicle the dealer has elected to sell, before the  
5 (~~tenth~~) 10th anniversary of the date of issuance of the certificate  
6 of occupancy or the manufacturer's approval, whichever is later,  
7 from:

8 (i) The date construction of the dealership at that location was  
9 completed if the construction was in substantial compliance with  
10 standards or plans provided by a manufacturer, distributor, or  
11 representative or through a subsidiary or agent of the manufacturer,  
12 distributor, or representative; or

13 (ii) The date a prior change, alteration, or remodel of the  
14 dealership at that location was completed if the construction was in  
15 substantial compliance with standards or plans provided by a  
16 manufacturer, distributor, or representative or through a subsidiary  
17 or agent of the manufacturer, distributor, or representative;

18 (m) Prevent or attempt to prevent by contract or otherwise any  
19 new motor vehicle dealer from changing the executive management of a  
20 new motor vehicle dealer unless the manufacturer or distributor,  
21 having the burden of proof, can show that a proposed change of  
22 executive management will result in executive management by a person  
23 or persons who are not of good moral character or who do not meet  
24 reasonable, preexisting, and equitably applied standards of the  
25 manufacturer or distributor. If a manufacturer or distributor rejects  
26 a proposed change in the executive management, the manufacturer or  
27 distributor shall give written notice of its reasons to the dealer  
28 within (~~sixty~~) 60 days after receiving written notice from the  
29 dealer of the proposed change and all related information reasonably  
30 requested by the manufacturer or distributor, or the change in  
31 executive management must be considered approved;

32 (n) Condition the sale, transfer, relocation, or renewal of a  
33 franchise agreement or condition manufacturer, distributor, factory  
34 branch, or factory representative sales, services, or parts  
35 incentives upon the manufacturer obtaining site control, including  
36 rights to purchase or lease the dealer's facility, or an agreement to  
37 make improvements or substantial renovations to a facility. For  
38 purposes of this section, a substantial renovation has a gross cost  
39 to the dealer in excess of (~~five thousand dollars~~) \$5,000;

1 (o) Fail to provide to a new motor vehicle dealer purchasing or  
2 leasing building materials or other facility improvements the right  
3 to purchase or lease franchisor image elements of like kind and  
4 quality from an alternative vendor selected by the dealer if the  
5 goods or services are to be supplied by a vendor selected,  
6 identified, or designated by the manufacturer or distributor. If the  
7 vendor selected by the manufacturer or distributor is the only  
8 available vendor of like kind and quality materials, the new motor  
9 vehicle dealer must be given the opportunity to purchase the  
10 franchisor image elements at a price substantially similar to the  
11 capitalized lease costs of the elements. This subsection (1)(o) must  
12 not be construed to allow a new motor vehicle dealer or vendor to  
13 gain additional intellectual property rights they are not otherwise  
14 entitled to or to impair or eliminate the intellectual property  
15 rights of the manufacturer or distributor or to permit a new motor  
16 vehicle dealer to erect or maintain signs that do not conform to the  
17 reasonable intellectual property usage guidelines of the manufacturer  
18 or distributor;

19 (p) Take any adverse action against a new motor vehicle dealer  
20 including, but not limited to, charge backs or reducing vehicle  
21 allocations, for sales and service performance within a designated  
22 area of primary responsibility unless that area is reasonable in  
23 light of proximity to relevant census tracts to the dealership and  
24 competing dealerships, highways and road networks, any natural or  
25 man-made barriers, demographics, including economic factors, buyer  
26 behavior information, and contains only areas inside the state of  
27 Washington unless specifically approved by the new motor vehicle  
28 dealer;

29 (q) Require, coerce, or attempt to coerce any new motor vehicle  
30 dealer by program, policy, facility guide, standard, or otherwise to  
31 order or accept delivery of any service or repair appliances,  
32 equipment, parts, or accessories, or any other commodity not required  
33 by law, which the dealer has not voluntarily ordered or which the  
34 dealer does not have the right to return unused for a full refund  
35 within (~~ninety~~) 90 days or a longer period as mutually agreed upon  
36 by the dealer and manufacturer; or

37 (r) Modify the franchise agreement for any new motor vehicle  
38 dealer unless the manufacturer notifies the dealer in writing of its  
39 intention to modify the agreement at least (~~ninety~~) 90 days before  
40 the effective date thereof, stating the specific grounds for the

1 modification, and undertakes the modification in good faith, for good  
2 cause, and in a manner that would not adversely and substantially  
3 alter the rights, obligations, investment, or return on investment of  
4 the franchised new motor vehicle dealer under the existing agreement.

5 (2) Subsection (1)(a), (b), and (c) of this section do not apply  
6 to sales to a motor vehicle dealer: (a) For resale to a federal,  
7 state, or local government agency; (b) where the vehicles will be  
8 sold or donated for use in a program of driver's education; (c) where  
9 the sale is made under a manufacturer's bona fide promotional program  
10 offering sales incentives or rebates; (d) where the sale of parts or  
11 accessories is under a manufacturer's bona fide quantity discount  
12 program; or (e) where the sale is made under a manufacturer's bona  
13 fide fleet vehicle discount program. For purposes of this subsection,  
14 "fleet" means a group of (~~fifteen~~) 15 or more new motor vehicles  
15 purchased or leased by a dealer at one time under a single purchase  
16 or lease agreement for use as part of a fleet, and where the dealer  
17 has been assigned a fleet identifier code by the department of  
18 licensing.

19 (3) The following definitions apply to this section:

20 (a) "Actual price" means the price to be paid by the dealer less  
21 any incentive paid by the manufacturer, distributor, factory branch,  
22 or factory representative, whether paid to the dealer or the ultimate  
23 purchaser of the vehicle.

24 (b) "Control" or "controlling" means (i) the possession of, title  
25 to, or control of (~~ten~~) 10 percent or more of the voting equity  
26 interest in a person, whether directly or indirectly through a  
27 fiduciary, agent, or other intermediary, or (ii) the possession,  
28 direct or indirect, of the power to direct or cause the direction of  
29 the management or policies of a person, whether through the ownership  
30 of voting securities, through director control, by contract, or  
31 otherwise, except as expressly provided under the franchise  
32 agreement.

33 (c) "Motor vehicles" does not include trucks that are 14,001  
34 pounds gross vehicle weight and above or recreational vehicles as  
35 defined in RCW 43.22.335.

36 (d) "Operate" means to manage a dealership, whether directly or  
37 indirectly.

38 (e) "Own" or "ownership" means to hold the beneficial ownership  
39 of one percent or more of any class of equity interest in a  
40 dealership, whether the interest is that of a shareholder, partner,

1 limited liability company member, or otherwise. To hold an ownership  
2 interest means to have possession of, title to, or control of the  
3 ownership interest, whether directly or indirectly through a  
4 fiduciary, agent, or other intermediary.

5 (4) A violation of this section is deemed to affect the public  
6 interest and constitutes an unlawful and unfair practice under  
7 chapter 19.86 RCW. A person aggrieved by an alleged violation of this  
8 section may petition the department to have the matter handled as an  
9 adjudicative proceeding under chapter 34.05 RCW.

10 **Sec. 3.** RCW 46.70.041 and 2001 c 272 s 3 are each amended to  
11 read as follows:

12 (1) Every application for a vehicle dealer license shall contain  
13 the following information to the extent it applies to the applicant:

14 (a) Proof as the department may require concerning the  
15 applicant's identity, including but not limited to his or her  
16 fingerprints, the honesty, truthfulness, and good reputation of the  
17 applicant for the license, or of the officers of a corporation making  
18 the application;

19 (b) The applicant's form and place of organization including if  
20 the applicant is a corporation, proof that the corporation is  
21 licensed to do business in this state;

22 (c) The qualification and business history of the applicant and  
23 any partner, officer, or director;

24 (d) The applicant's financial condition or history including a  
25 bank reference and whether the applicant or any partner, officer, or  
26 director has ever been adjudged bankrupt or has any unsatisfied  
27 judgment in any federal or state court;

28 (e) Whether the applicant has been adjudged guilty of a crime  
29 which directly relates to the business for which the license is  
30 sought and the time elapsed since the conviction is less than ten  
31 years, or has suffered any judgment within the preceding five years  
32 in any civil action involving fraud, misrepresentation, or conversion  
33 and in the case of a corporation or partnership, all directors,  
34 officers, or partners;

35 (f) A business telephone with a listing in the local directory;

36 (g) The name or names of new vehicles the vehicle dealer wishes  
37 to sell;

38 (h) The names and addresses of each manufacturer from whom the  
39 applicant has received a franchise;

1 (i) A certificate by a representative of the department, that the  
2 applicant's principal place of business and each subagency business  
3 location in the state of Washington meets the location requirements  
4 as required by this chapter. The certificate shall include proof of  
5 the applicant's ownership or lease of the real property where the  
6 applicant's principal place of business is established;

7 (j) A copy of a current service agreement with a manufacturer, or  
8 distributor for a foreign manufacturer, requiring the applicant, upon  
9 demand of any customer receiving a new vehicle warranty to perform or  
10 arrange for, within a reasonable distance of his or her established  
11 place of business, the service repair and replacement work required  
12 of the manufacturer or distributor by such vehicle warranty. This  
13 requirement applies only to applicants seeking to sell, to exchange,  
14 to offer, to auction, to solicit, to advertise, or to broker new or  
15 current-model vehicles with factory or distributor warranties;

16 (k) The class of vehicles the vehicle dealer will be buying,  
17 selling, listing, exchanging, offering, brokering, leasing,  
18 auctioning, soliciting, or advertising, and which classification or  
19 classifications the dealer wishes to be designated as;

20 (l) Effective July 1, 2002, a certificate from the provider of  
21 each education program or test showing that the applicant has  
22 completed the education programs and passed the test required under  
23 RCW 46.70.079 if the applicant is a dealer subject to the education  
24 and test requirements;

25 (m) Any other information the department may reasonably require.

26 (2) If the applicant is a manufacturer the application shall  
27 contain the following information to the extent it is applicable to  
28 the applicant:

29 (a) The name and address of the principal place of business of  
30 the applicant and, if different, the name and address of the  
31 Washington state representative of the applicant;

32 (b) The name or names under which the applicant will do business  
33 in the state of Washington;

34 (c) Evidence that the applicant is authorized to do business in  
35 the state of Washington;

36 (d) The name or names of the vehicles that the licensee  
37 manufactures;

38 (e) The name or names and address or addresses of each and every  
39 distributor, factory branch, and factory representative;

1 (f) The name or names and address or addresses of resident  
2 employees or agents to provide service or repairs to vehicles located  
3 in the state of Washington only under the terms of any warranty  
4 attached to new or unused vehicles manufactured, unless such  
5 manufacturer requires warranty service to be performed by all of its  
6 dealers pursuant to a current service agreement on file with the  
7 department;

8 (g) Any other information the department may reasonably require.

9 (3) To own, operate, or control a motor vehicle dealership as  
10 authorized under RCW 46.96.185(1)(g)(vii), a qualifying manufacturer  
11 must apply for and maintain a vehicle dealer license issued under  
12 this chapter and subject to chapter 19.86 RCW and applicable  
13 governing rules adopted by the department, not inconsistent with the  
14 provisions under RCW 46.96.185(1)(g). When applying for or renewing a  
15 vehicle dealer license under this chapter, such a qualifying  
16 manufacturer shall submit to the department a sworn affidavit by the  
17 manufacturer's authorized agent attesting to the manufacturer's  
18 satisfaction of all eligibility criteria set forth in RCW  
19 46.96.185(1)(g)(vii).

20 **Sec. 4.** RCW 46.70.045 and 2014 c 214 s 1 are each amended to  
21 read as follows:

22 (1) The director may deny a license under this chapter when the  
23 application is a subterfuge that conceals the real person in interest  
24 whose license has been denied, suspended, or revoked for cause under  
25 this chapter and the terms have not been fulfilled or a civil penalty  
26 has not been paid, or the director finds that the application was not  
27 filed in good faith(~~(, or the issuance of a new license or subagency~~  
28 would cause a manufacturer, distributor, factory branch, or factory  
29 representative, or an agent, officer, parent company, wholly or  
30 partially owned subsidiary, affiliated entity, or other person  
31 controlled by or under common control with a manufacturer,  
32 distributor, factory branch, or factory representative, to be in  
33 violation of chapter 46.96 RCW)).

34 (2) The director must deny a license under this chapter if the  
35 issuance of a license would cause a manufacturer, distributor,  
36 factory branch, or factory representative, or an agent, officer,  
37 parent company, wholly or partially owned subsidiary, affiliated  
38 entity, or other person controlled by or under common control with a

1 manufacturer, distributor, factory branch, or factory representative,  
2 to be in violation of chapter 46.96 RCW.

3 (3) This section does not preclude the department from taking an  
4 action against a current licensee.

5 **Sec. 5.** RCW 46.70.101 and 2011 c 171 s 91 are each amended to  
6 read as follows:

7 The director may by order deny, suspend, or revoke the license of  
8 any vehicle dealer or vehicle manufacturer or, in lieu thereof or in  
9 addition thereto, may by order assess monetary penalties of a civil  
10 nature not to exceed one thousand dollars per violation, if the  
11 director finds that the order is in the public interest and that the  
12 applicant or licensee:

13 (1) In the case of a vehicle dealer:

14 (a) The applicant or licensee, or any partner, officer, director,  
15 owner of (~~ten~~) 10 percent or more of the assets of the firm, or  
16 managing employee:

17 (i) Was the holder of a license issued pursuant to this chapter,  
18 which was revoked for cause and never reissued by the department, or  
19 which license was suspended for cause and the terms of the suspension  
20 have not been fulfilled or which license was assessed a civil penalty  
21 and the assessed amount has not been paid;

22 (ii) Has been adjudged guilty of a crime which directly relates  
23 to the business of a vehicle dealer and the time elapsed since the  
24 adjudication is less than ten years, or suffering any judgment within  
25 the preceding five years in any civil action involving fraud,  
26 misrepresentation, or conversion. For the purposes of this section,  
27 "adjudged guilty" means in addition to a final conviction in either a  
28 state or municipal court, an unvacated forfeiture of bail or  
29 collateral deposited to secure a defendant's appearance in court, the  
30 payment of a fine, a plea of guilty, or a finding of guilt regardless  
31 of whether the sentence is deferred or the penalty is suspended;

32 (iii) Has knowingly or with reason to know made a false statement  
33 of a material fact in his or her application for license or any data  
34 attached thereto, or in any matter under investigation by the  
35 department;

36 (iv) Has knowingly, or with reason to know, provided the  
37 department with false information relating to the number of vehicle  
38 sales transacted during the past one year in order to obtain a  
39 vehicle dealer license plate;

1 (v) Does not have an established place of business as required in  
2 this chapter;

3 (vi) Refuses to allow representatives or agents of the department  
4 to inspect during normal business hours all books, records, and files  
5 maintained within this state;

6 (vii) Sells, exchanges, offers, brokers, auctions, solicits, or  
7 advertises a new or current model vehicle to which a factory new  
8 vehicle warranty attaches and fails to have a valid, written service  
9 agreement as required by this chapter, or having such agreement  
10 refuses to honor the terms of such agreement within a reasonable time  
11 or repudiates the same, except for sales by wholesale motor vehicle  
12 auction dealers to franchise motor vehicle dealers of the same make  
13 licensed under this title or franchise motor vehicle dealers of the  
14 same make licensed by any other state;

15 (viii) Is insolvent, either in the sense that their liabilities  
16 exceed their assets, or in the sense that they cannot meet their  
17 obligations as they mature;

18 (ix) Fails to pay any civil monetary penalty assessed by the  
19 director pursuant to this section within ten days after such  
20 assessment becomes final;

21 (x) Fails to notify the department of bankruptcy proceedings in  
22 the manner required by RCW 46.70.183;

23 (xi) Knowingly, or with reason to know, allows a salesperson  
24 employed by the dealer, or acting as their agent, to commit any of  
25 the prohibited practices set forth in subsection (1)(a) of this  
26 section and RCW 46.70.180;

27 (xii) Fails to have a current certificate or registration with  
28 the department of revenue.

29 (b) The applicant or licensee, or any partner, officer, director,  
30 owner of ten percent of the assets of the firm, or any employee or  
31 agent:

32 (i) Has failed to comply with the applicable provisions of  
33 chapter 46.12 or 46.16A RCW or this chapter or any rules and  
34 regulations adopted thereunder;

35 (ii) Has defrauded or attempted to defraud the state, or a  
36 political subdivision thereof of any taxes or fees in connection with  
37 the sale, lease, or transfer of a vehicle;

38 (iii) Has forged the signature of the registered or legal owner  
39 on a certificate of title;

1 (iv) Has purchased, sold, disposed of, or has in his or her  
2 possession any vehicle which he or she knows or has reason to know  
3 has been stolen or appropriated without the consent of the owner;

4 (v) Has willfully failed to deliver to a purchaser or owner a  
5 certificate of title to a vehicle which he or she has sold or leased;

6 (vi) Has committed any act in violation of RCW 46.70.090 relating  
7 to vehicle dealer license plates or manufacturer license plates;

8 (vii) Has committed any act in violation of RCW 46.70.180  
9 relating to unlawful acts and practices;

10 (viii) Has engaged in practices inimical to the health or safety  
11 of the citizens of the state of Washington including but not limited  
12 to failure to comply with standards set by the state of Washington or  
13 the federal government pertaining to the construction or safety of  
14 vehicles, except for sales by wholesale motor vehicle auction dealers  
15 to motor vehicle dealers and vehicle wreckers licensed under this  
16 title or motor vehicle dealers licensed by any other state;

17 (ix) Has aided or assisted an unlicensed dealer or salesperson in  
18 unlawful activity through active or passive participation in sales,  
19 allowing use of facilities, dealer license number, or by any other  
20 means;

21 (x) Converts or appropriates, whether temporarily or permanently,  
22 property or funds belonging to a customer, dealer, or manufacturer,  
23 without the consent of the owner of the property or funds; or

24 (xi) Has sold any vehicle with actual knowledge that:

25 (A) It has any of the following brands on the title: "SALVAGE/  
26 REBUILT," "JUNK," or "DESTROYED"; or

27 (B) It has been declared totaled out by an insurance carrier and  
28 then rebuilt; or

29 (C) The vehicle title contains the specific comment that the  
30 vehicle is "rebuilt";

31 without clearly disclosing that brand or comment in writing.

32 (c) The licensee or any partner, officer, director, or owner of  
33 ten percent or more of the assets of the firm holds or has held any  
34 such position in any other vehicle dealership licensed pursuant to  
35 this chapter which is subject to final proceedings under this  
36 section.

37 (2) In the case of a manufacturer, or any partner, officer,  
38 director, or majority shareholder:

39 (a) Was or is the holder of a license issued pursuant to this  
40 chapter which was revoked for cause and never reissued by the

1 department, or which license was suspended for cause and the terms of  
2 the suspension have not been fulfilled, or which license was assessed  
3 a civil penalty and the assessed amount has not been paid;

4 (b) Has knowingly or with reason to know, made a false statement  
5 of a material fact in his or her application for license, or any data  
6 attached thereto, or in any matter under investigation by the  
7 department;

8 (c) Has failed to comply with the applicable provisions of  
9 chapter 46.12 or 46.16A RCW or this chapter or any rules and  
10 regulations adopted thereunder;

11 (d) Has defrauded or attempted to defraud the state or a  
12 political subdivision thereof, of any taxes or fees in connection  
13 with the sale, lease, or transfer of a vehicle;

14 (e) Has purchased, sold, leased, disposed of, or has in his or  
15 her possession, any vehicle which he or she knows or has reason to  
16 know has been stolen or appropriated without the consent of the  
17 owner;

18 (f) Has committed any act in violation of RCW 46.70.090 relating  
19 to vehicle dealer license plates and manufacturer license plates;

20 (g) Has committed any act in violation of RCW 46.70.180 relating  
21 to unlawful acts and practices;

22 (h) Sells or distributes in this state or transfers into this  
23 state for resale or for lease, any new or unused vehicle to which a  
24 warranty attaches or has attached and refuses to honor the terms of  
25 such warranty within a reasonable time or repudiates the same;

26 (i) Fails to maintain one or more resident employees or agents to  
27 provide service or repairs to vehicles located within the state of  
28 Washington only under the terms of any warranty attached to new or  
29 unused vehicles manufactured and which are or have been sold or  
30 distributed in this state or transferred into this state for resale  
31 or for lease unless such manufacturer requires warranty service to be  
32 performed by all of its dealers pursuant to a current service  
33 agreement on file with the department;

34 (j) Fails to reimburse within a reasonable time any vehicle  
35 dealer within the state of Washington who in good faith incurs  
36 reasonable obligations in giving effect to warranties that attach or  
37 have attached to any new or unused vehicle sold, leased, or  
38 distributed in this state or transferred into this state for resale  
39 or for lease by any such manufacturer;

1 (k) Engaged in practices inimical to the health and safety of the  
2 citizens of the state of Washington including, but not limited to,  
3 failure to comply with standards set by the state of Washington or  
4 the federal government pertaining to the construction and safety of  
5 vehicles;

6 (l) Is insolvent either in the sense that his or her liabilities  
7 exceed his or her assets or in the sense that he or she cannot meet  
8 his or her obligations as they mature;

9 (m) Fails to notify the department of bankruptcy proceedings in  
10 the manner required by RCW 46.70.183.

11 If a manufacturer issued a vehicle dealer license pursuant to RCW  
12 46.70.041(3) and 46.96.185(1)(g)(vii) ceases to satisfy all  
13 eligibility criteria under RCW 46.96.185(1)(g)(vii), the department  
14 must revoke such a vehicle dealer license within 30 days. This  
15 subsection must be enforced by the department and the office of the  
16 attorney general consistent with RCW 46.70.102, 46.70.111, and  
17 46.70.220.

18 **Sec. 6.** RCW 46.70.170 and 1986 c 241 s 17 are each amended to  
19 read as follows:

20 (1) It is a misdemeanor for any person to violate any of the  
21 provisions of this chapter, except where expressly provided  
22 otherwise, and the rules adopted as provided under this chapter.

23 (2) A penalty of \$10,000 must be assessed for each retail sale or  
24 lease transaction consummated in this state after the effective date  
25 of this section by a manufacturer that is prohibited by law from  
26 acting in the capacity of a motor vehicle dealer and is ineligible  
27 for exemption under RCW 46.96.185(1)(g). The department and the  
28 office of the attorney general must enforce this subsection  
29 consistent with RCW 46.70.102, 46.70.111, and 46.70.220.

30 **Sec. 7.** RCW 46.70.180 and 2022 c 182 s 211 are each amended to  
31 read as follows:

32 Each of the following acts or practices is unlawful:

33 (1) To cause or permit to be advertised, printed, displayed,  
34 published, distributed, broadcasted, televised, or disseminated in  
35 any manner whatsoever, any statement or representation with regard to  
36 the sale, lease, or financing of a vehicle which is false, deceptive,  
37 or misleading((~~r~~)) including, but not limited to, the following:

1 (a) That no down payment is required in connection with the sale  
2 of a vehicle when a down payment is in fact required, or that a  
3 vehicle may be purchased for a smaller down payment than is actually  
4 required;

5 (b) That a certain percentage of the sale price of a vehicle may  
6 be financed when such financing is not offered in a single document  
7 evidencing the entire security transaction;

8 (c) That a certain percentage is the amount of the service charge  
9 to be charged for financing, without stating whether this percentage  
10 charge is a monthly amount or an amount to be charged per year;

11 (d) That a new vehicle will be sold for a certain amount above or  
12 below cost without computing cost as the exact amount of the factory  
13 invoice on the specific vehicle to be sold;

14 (e) That a vehicle will be sold upon a monthly payment of a  
15 certain amount, without including in the statement the number of  
16 payments of that same amount which are required to liquidate the  
17 unpaid purchase price.

18 (2) (a) (i) To incorporate within the terms of any purchase and  
19 sale or lease agreement any statement or representation with regard  
20 to the sale, lease, or financing of a vehicle which is false,  
21 deceptive, or misleading(~~(7)~~) including, but not limited to, terms  
22 that include as an added cost to the selling price or capitalized  
23 cost of a vehicle an amount for licensing or transfer of title of  
24 that vehicle which is not actually due to the state, unless such  
25 amount has in fact been paid by the dealer prior to such sale.

26 (ii) However, an amount not to exceed (~~(\$200)~~) \$250, from the  
27 effective date of this section until December 31, 2036, and \$225,  
28 beginning January 1, 2037, per vehicle sale or lease may be charged  
29 by a dealer to recover administrative costs for collecting motor  
30 vehicle excise taxes, licensing and registration fees and other  
31 agency fees, verifying and clearing titles, transferring titles,  
32 perfecting, releasing, or satisfying liens or other security  
33 interests, and other administrative and documentary services rendered  
34 by a dealer in connection with the sale or lease of a vehicle and in  
35 carrying out the requirements of this chapter or any other provisions  
36 of state law.

37 (b) A dealer may charge the documentary service fee in (a) of  
38 this subsection under the following conditions:

1 (i) The documentary service fee is disclosed in writing to a  
2 prospective purchaser or lessee before the execution of a purchase  
3 and sale or lease agreement;

4 (ii) The dealer discloses to the purchaser or lessee in writing  
5 that the documentary service fee is a negotiable fee. The disclosure  
6 must be written in a typeface that is at least as large as the  
7 typeface used in the standard text of the document that contains the  
8 disclosure and that is boldfaced, capitalized, underlined, or  
9 otherwise set out from the surrounding material so as to be  
10 conspicuous. The dealer shall not represent to the purchaser or  
11 lessee that the fee or charge is required by the state to be paid by  
12 either the dealer or prospective purchaser or lessee;

13 (iii) The documentary service fee is separately designated from  
14 the selling price or capitalized cost of the vehicle and from any  
15 other taxes, fees, or charges; ~~((and))~~

16 (iv) Dealers disclose in any advertisement that a documentary  
17 service fee in an amount up to ~~((~~\$200~~))~~ \$250, from the effective date  
18 of this section until December 31, 2036, and \$225, beginning January  
19 1, 2037, may be added to the sale price or the capitalized cost; and

20 (v) (A) Until December 31, 2036, the dealer remits the first \$25  
21 of any documentary service fee collected to the department of  
22 licensing to be distributed as follows:

23 (I) Thirty-five percent to the electric vehicle account created  
24 in RCW 82.44.200 for the provision of instant rebates that reduce the  
25 purchase or lease costs of electric vehicles for vulnerable persons  
26 under the incentive program created under section 8 of this act; and

27 (II) Sixty-five percent to the multimodal transportation account.

28 (B) By June 30, 2027, the dealer submits to the department: (I)  
29 The number of vehicles sold or leased since the effective date of  
30 this section; (II) the amount of the documentary service fee remitted  
31 under this subsection (2)(b)(v) since the effective date of this  
32 section; and (III) any other relevant information as determined by  
33 the department for compliance review purposes. The department may  
34 establish subsequent reporting, record retention policies, and other  
35 audit requirements to enable verification and compliance review of  
36 the requirements in this subsection (2)(b)(v)(B). The specific time  
37 period covered in such requirements must be dictated by each dealer's  
38 initial license and license renewal cycle. The department shall  
39 incorporate into its vehicle dealer licensing process appropriate  
40 audits to ensure compliance with the remittance requirements in this

1 subsection (2)(b)(v), which may include sample audits. The department  
2 may adopt rules to implement this subsection (2)(b)(v), including  
3 modified reporting requirements for dealers opting not to charge the  
4 documentary service fee.

5 (C) Failure to comply with the remittance requirements in this  
6 subsection (2)(b)(v) is an unlawful act or practice under this  
7 chapter, which may result in an order to deny, suspend, or revoke the  
8 dealer's license as determined by the department in rule.

9 (D) For the purposes of this subsection (2), the term  
10 "documentary service fee" means the optional amount charged by a  
11 dealer to provide the services specified in (a) of this subsection.

12 (3) To set up, promote, or aid in the promotion of a plan by  
13 which vehicles are to be sold or leased to a person for a  
14 consideration and upon further consideration that the purchaser or  
15 lessee agrees to secure one or more persons to participate in the  
16 plan by respectively making a similar purchase and in turn agreeing  
17 to secure one or more persons likewise to join in said plan, each  
18 purchaser or lessee being given the right to secure money, credits,  
19 goods, or something of value, depending upon the number of persons  
20 joining the plan.

21 (4) To commit, allow, or ratify any act of "bushing" which is  
22 defined as follows: Entering into a written contract, written  
23 purchase order or agreement, retail installment sales agreement, note  
24 and security agreement, or written lease agreement, hereinafter  
25 collectively referred to as contract or lease, signed by the  
26 prospective buyer or lessee of a vehicle, which:

27 (a) Is subject to any conditions or the dealer's or his or her  
28 authorized representative's future acceptance, and the dealer fails  
29 or refuses within the "bushing" period, which is four calendar days,  
30 exclusive of Saturday, Sunday, or legal holiday, and prior to any  
31 further negotiations with said buyer or lessee to inform the buyer or  
32 lessee either: (i) That the dealer unconditionally accepts the  
33 contract or lease, having satisfied, removed, or waived all  
34 conditions to acceptance or performance, including, but not limited  
35 to, financing, assignment, or lease approval; or (ii) that the dealer  
36 rejects the contract or lease, thereby automatically voiding the  
37 contract or lease, as long as such voiding does not negate  
38 commercially reasonable contract or lease provisions pertaining to  
39 the return of the subject vehicle and any physical damage, excessive  
40 mileage after the demand for return of the vehicle, and attorneys'

1 fees authorized by law, and tenders the refund of any initial payment  
2 or security made or given by the buyer or lessee, including, but not  
3 limited to, any down payment, and tenders return of the trade-in  
4 vehicle, key, other trade-in, or certificate of title to a trade-in.  
5 Tender may be conditioned on return of the subject vehicle if  
6 previously delivered to the buyer or lessee.

7 The provisions of this subsection (4)(a) do not impair,  
8 prejudice, or abrogate the rights of a dealer to assert a claim  
9 against the buyer or lessee for misrepresentation or breach of  
10 contract and to exercise all remedies available at law or in equity,  
11 including those under chapter 62A.9A RCW, if the dealer, bank, or  
12 other lender or leasing company discovers that approval of the  
13 contract or financing or approval of the lease was based upon  
14 material misrepresentations made by the buyer or lessee, including,  
15 but not limited to, misrepresentations regarding income, employment,  
16 or debt of the buyer or lessee, as long as the dealer, or his or her  
17 staff, has not, with knowledge of the material misrepresentation,  
18 aided, assisted, encouraged, or participated, directly or indirectly,  
19 in the misrepresentation. A dealer shall not be in violation of this  
20 subsection (4)(a) if the buyer or lessee made a material  
21 misrepresentation to the dealer, as long as the dealer, or his or her  
22 staff, has not, with knowledge of the material misrepresentation,  
23 aided, assisted, encouraged, or participated, directly or indirectly,  
24 in the misrepresentation.

25 A dealer may inform a buyer or lessee under this subsection  
26 (4)(a) regarding the unconditional acceptance or rejection of the  
27 contract, lease, or financing by sending an email message to the  
28 buyer's or lessee's supplied email address, by phone call, by leaving  
29 a voice message or sending a text message to a phone number provided  
30 by the buyer or lessee, by in-person oral communication, by mailing a  
31 letter by first-class mail if the buyer or lessee expresses a  
32 preference for a letter or declines to provide an email address and a  
33 phone number capable of receiving a free text message, or by another  
34 means agreed to by the buyer or lessee or approved by the department,  
35 effective upon the execution, mailing, or sending of the  
36 communication and before expiration of the "bushing" period;

37 (b) Permits the dealer to renegotiate a dollar amount specified  
38 as trade-in allowance on a vehicle delivered or to be delivered by  
39 the buyer or lessee as part of the purchase price or lease, for any  
40 reason except:

1 (i) Failure to disclose that the vehicle's certificate of title  
2 has been branded for any reason, including, but not limited to,  
3 status as a rebuilt vehicle as provided in RCW 46.12.540 and  
4 46.12.560; or

5 (ii) Substantial physical damage or latent mechanical defect  
6 occurring before the dealer took possession of the vehicle and which  
7 could not have been reasonably discoverable at the time of the taking  
8 of the order, offer, or contract; or

9 (iii) Excessive additional miles or a discrepancy in the mileage.  
10 "Excessive additional miles" means the addition of 500 miles or more,  
11 as reflected on the vehicle's odometer, between the time the vehicle  
12 was first valued by the dealer for purposes of determining its trade-  
13 in value and the time of actual delivery of the vehicle to the  
14 dealer. "A discrepancy in the mileage" means (A) a discrepancy  
15 between the mileage reflected on the vehicle's odometer and the  
16 stated mileage on the signed odometer statement; or (B) a discrepancy  
17 between the mileage stated on the signed odometer statement and the  
18 actual mileage on the vehicle; or

19 (c) Fails to comply with the obligation of any written warranty  
20 or guarantee given by the dealer requiring the furnishing of services  
21 or repairs within a reasonable time.

22 (5) To commit any offense relating to odometers, as such offenses  
23 are defined in RCW 46.37.540, 46.37.550, 46.37.560, and 46.37.570. A  
24 violation of this subsection is a class C felony punishable under  
25 chapter 9A.20 RCW.

26 (6) For any vehicle dealer or vehicle salesperson to refuse to  
27 furnish, upon request of a prospective purchaser or lessee, for  
28 vehicles previously registered to a business or governmental entity,  
29 the name and address of the business or governmental entity.

30 (7) To commit any other offense under RCW 46.37.423, 46.37.424,  
31 or 46.37.425.

32 (8) To commit any offense relating to a dealer's temporary  
33 license permit((~~7~~)) including, but not limited to, failure to  
34 properly complete each such permit, or the issuance of more than one  
35 such permit on any one vehicle. However, a dealer may issue a second  
36 temporary permit on a vehicle if the following conditions are met:

37 (a) The lienholder fails to deliver the vehicle title to the  
38 dealer within the required time period;

39 (b) The dealer has satisfied the lien; and

1 (c) The dealer has proof that payment of the lien was made within  
2 two calendar days, exclusive of Saturday, Sunday, or a legal holiday,  
3 after the sales contract has been executed by all parties and all  
4 conditions and contingencies in the sales contract have been met or  
5 otherwise satisfied.

6 (9) For a dealer, salesperson, or mobile home manufacturer,  
7 having taken an instrument or cash "on deposit" from a purchaser or  
8 lessee prior to the delivery of the bargained-for vehicle, to  
9 commingle the "on deposit" funds with assets of the dealer,  
10 salesperson, or mobile home manufacturer instead of holding the "on  
11 deposit" funds as trustee in a separate trust account until the  
12 purchaser or lessee has taken delivery of the bargained-for vehicle.  
13 Delivery of a manufactured home shall be deemed to occur in  
14 accordance with RCW 46.70.135(5). Failure, immediately upon receipt,  
15 to endorse "on deposit" instruments to such a trust account, or to  
16 set aside "on deposit" cash for deposit in such trust account, and  
17 failure to deposit such instruments or cash in such trust account by  
18 the close of banking hours on the day following receipt thereof,  
19 shall be evidence of intent to commit this unlawful practice:  
20 PROVIDED, HOWEVER, That a motor vehicle dealer may keep a separate  
21 trust account which equals his or her customary total customer  
22 deposits for vehicles for future delivery. For purposes of this  
23 section, "on deposit" funds received from a purchaser of a  
24 manufactured home means those funds that a seller requires a  
25 purchaser to advance before ordering the manufactured home, but does  
26 not include any loan proceeds or moneys that might have been paid on  
27 an installment contract.

28 (10) For a dealer or manufacturer to fail to comply with the  
29 obligations of any written warranty or guarantee given by the dealer  
30 or manufacturer requiring the furnishing of goods and services or  
31 repairs within a reasonable period of time, or to fail to furnish to  
32 a purchaser or lessee, all parts which attach to the manufactured  
33 unit including, but not limited to, the undercarriage, and all items  
34 specified in the terms of a sales or lease agreement signed by the  
35 seller and buyer or lessee.

36 (11) For a vehicle dealer to pay to or receive from any person,  
37 firm, partnership, association, or corporation acting, either  
38 directly or through a subsidiary, as a buyer's agent for consumers,  
39 any compensation, fee, purchase moneys or funds that have been  
40 deposited into or withdrawn out of any account controlled or used by

1 any buyer's agent, gratuity, or reward in connection with the  
2 purchase, sale, or lease of a new motor vehicle.

3 (12) For a buyer's agent, acting directly or through a  
4 subsidiary, to pay to or to receive from any motor vehicle dealer any  
5 compensation, fee, gratuity, or reward in connection with the  
6 purchase, sale, or lease of a new motor vehicle. In addition, it is  
7 unlawful for any buyer's agent to engage in any of the following acts  
8 on behalf of or in the name of the consumer:

9 (a) Receiving or paying any purchase moneys or funds into or out  
10 of any account controlled or used by any buyer's agent;

11 (b) Signing any vehicle purchase orders, sales contracts, leases,  
12 odometer statements, or title documents, or having the name of the  
13 buyer's agent appear on the vehicle purchase order, sales contract,  
14 lease, or title; or

15 (c) Signing any other documentation relating to the purchase,  
16 sale, lease, or transfer of any new motor vehicle.

17 It is unlawful for a buyer's agent to use a power of attorney  
18 obtained from the consumer to accomplish or effect the purchase,  
19 sale, lease, or transfer of ownership documents of any new motor  
20 vehicle by any means which would otherwise be prohibited under (a)  
21 through (c) of this subsection. However, the buyer's agent may use a  
22 power of attorney for physical delivery of motor vehicle license  
23 plates to the consumer.

24 Further, it is unlawful for a buyer's agent to engage in any  
25 false, deceptive, or misleading advertising, disseminated in any  
26 manner whatsoever, including but not limited to making any claim or  
27 statement that the buyer's agent offers, obtains, or guarantees the  
28 lowest price on any motor vehicle or words to similar effect.

29 (13) For a buyer's agent to arrange for or to negotiate the  
30 purchase, or both, of a new motor vehicle through an out-of-state  
31 dealer without disclosing in writing to the customer that the new  
32 vehicle would not be subject to chapter 19.118 RCW. This subsection  
33 also applies to leased vehicles. In addition, it is unlawful for any  
34 buyer's agent to fail to have a written agreement with the customer  
35 that: (a) Sets forth the terms of the parties' agreement; (b)  
36 discloses to the customer the total amount of any fees or other  
37 compensation being paid by the customer to the buyer's agent for the  
38 agent's services; and (c) further discloses whether the fee or any  
39 portion of the fee is refundable.

1 (14) Being a manufacturer, other than a motorcycle manufacturer  
2 governed by chapter 46.93 RCW, to:

3 (a) Coerce or attempt to coerce any vehicle dealer to order or  
4 accept delivery of any vehicle or vehicles, parts or accessories, or  
5 any other commodities which have not been voluntarily ordered by the  
6 vehicle dealer: PROVIDED, That recommendation, endorsement,  
7 exposition, persuasion, urging, or argument are not deemed to  
8 constitute coercion;

9 (b) Cancel or fail to renew the franchise or selling agreement of  
10 any vehicle dealer doing business in this state without fairly  
11 compensating the dealer at a fair going business value for his or her  
12 capital investment which shall include, but not be limited to, tools,  
13 equipment, and parts inventory possessed by the dealer on the day he  
14 or she is notified of such cancellation or termination and which are  
15 still within the dealer's possession on the day the cancellation or  
16 termination is effective, if: (i) The capital investment has been  
17 entered into with reasonable and prudent business judgment for the  
18 purpose of fulfilling the franchise; and (ii) the cancellation or  
19 nonrenewal was not done in good faith. Good faith is defined as the  
20 duty of each party to any franchise to act in a fair and equitable  
21 manner towards each other, so as to guarantee one party freedom from  
22 coercion, intimidation, or threats of coercion or intimidation from  
23 the other party: PROVIDED, That recommendation, endorsement,  
24 exposition, persuasion, urging, or argument are not deemed to  
25 constitute a lack of good faith;

26 (c) Encourage, aid, abet, or teach a vehicle dealer to sell or  
27 lease vehicles through any false, deceptive, or misleading sales or  
28 financing practices including but not limited to those practices  
29 declared unlawful in this section;

30 (d) Coerce or attempt to coerce a vehicle dealer to engage in any  
31 practice forbidden in this section by either threats of actual  
32 cancellation or failure to renew the dealer's franchise agreement;

33 (e) Refuse to deliver any vehicle publicly advertised for  
34 immediate delivery to any duly licensed vehicle dealer having a  
35 franchise or contractual agreement for the retail sale or lease of  
36 new and unused vehicles sold or distributed by such manufacturer  
37 within (~~sixty~~) 60 days after such dealer's order has been received  
38 in writing unless caused by inability to deliver because of shortage  
39 or curtailment of material, labor, transportation, or utility

1 services, or by any labor or production difficulty, or by any cause  
2 beyond the reasonable control of the manufacturer;

3 (f) To provide under the terms of any warranty that a purchaser  
4 or lessee of any new or unused vehicle that has been sold or leased,  
5 distributed for sale or lease, or transferred into this state for  
6 resale or lease by the vehicle manufacturer may only make any  
7 warranty claim on any item included as an integral part of the  
8 vehicle against the manufacturer of that item.

9 Nothing in this section may be construed to impair the  
10 obligations of a contract or to prevent a manufacturer, distributor,  
11 representative, or any other person, whether or not licensed under  
12 this chapter, from requiring performance of a written contract  
13 entered into with any licensee hereunder, nor does the requirement of  
14 such performance constitute a violation of any of the provisions of  
15 this section if any such contract or the terms thereof requiring  
16 performance, have been freely entered into and executed between the  
17 contracting parties. This paragraph and subsection (14)(b) of this  
18 section do not apply to new motor vehicle manufacturers governed by  
19 chapter 46.96 RCW.

20 (15) Unlawful transfer of an ownership interest in a motor  
21 vehicle as defined in RCW 19.116.050.

22 (16) To knowingly and intentionally engage in collusion with a  
23 registered owner of a vehicle to repossess and return or resell the  
24 vehicle to the registered owner in an attempt to avoid a suspended  
25 license impound under chapter 46.55 RCW. However, compliance with  
26 chapter 62A.9A RCW in repossessing, selling, leasing, or otherwise  
27 disposing of the vehicle, including providing redemption rights to  
28 the debtor, is not a violation of this section.

29 (17)(a) For a dealer to enter into a new motor vehicle sales  
30 contract without disclosing in writing to a buyer of the new motor  
31 vehicle, or to a dealer in the case of an unregistered motor vehicle,  
32 any known damage and repair to the new motor vehicle if the damage  
33 exceeds five percent of the manufacturer's suggested retail price as  
34 calculated at the dealer's authorized warranty rate for labor and  
35 parts, or \$1,000, whichever amount is greater. A manufacturer or new  
36 motor vehicle dealer is not required to disclose to a dealer or buyer  
37 that glass, tires, bumpers, or cosmetic parts of a new motor vehicle  
38 were damaged at any time if the damaged item has been replaced with  
39 original or comparable equipment. A replaced part is not part of the  
40 cumulative damage required to be disclosed under this subsection.

1 (b) A manufacturer is required to provide the same disclosure to  
2 a dealer of any known damage or repair as required in (a) of this  
3 subsection.

4 (c) If disclosure of any known damage or repair is not required  
5 under this section, a buyer may not revoke or rescind a sales  
6 contract due to the fact that the new motor vehicle was damaged and  
7 repaired before completion of the sale.

8 (d) As used in this section:

9 (i) "Cosmetic parts" means parts that are attached by and can be  
10 replaced in total through the use of screws, bolts, or other  
11 fasteners without the use of welding or thermal cutting, and includes  
12 windshields, bumpers, hoods, or trim panels.

13 (ii) "Manufacturer's suggested retail price" means the retail  
14 price of the new motor vehicle suggested by the manufacturer, and  
15 includes the retail delivered price suggested by the manufacturer for  
16 each accessory or item of optional equipment physically attached to  
17 the new motor vehicle at the time of delivery to the new motor  
18 vehicle dealer that is not included within the retail price suggested  
19 by the manufacturer for the new motor vehicle.

20 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.330  
21 RCW to read as follows:

22 Subject to the availability of amounts appropriated for this  
23 specific purpose, the department, in coordination with the  
24 interagency electric vehicle coordinating council, must develop and  
25 implement an incentive program that reduces the purchase or lease  
26 costs of electric vehicles through the provision of instant rebates.  
27 Only individuals meeting the definition of vulnerable populations in  
28 RCW 70A.02.010 are eligible to receive instant rebates under the  
29 program.

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