

WAC 308-66-155 Consignment. (1) Contract. How must I handle a consignment transaction?

(a) It shall be considered an unlawful practice within the meaning of RCW 46.70.180(2) for a vehicle dealer to accept any vehicle on consignment without first reducing the terms of the consignment to writing.

(b) *All consignment contracts must include:*

(i) The names of the parties to the contract including the identity of the legal owner of the consigned vehicle.

(ii) The consignor's statement that guarantees to deliver the title to the dealer-consignee upon sale of the vehicle which identifies the location of the title and states the unpaid balance owing on the vehicle, if any.

(iii) The date of the consignment agreement.

(iv) The specific effective duration of the contract.

(v) The agreed upon amount which will be paid to the consignor.

(vi) The description of the consigned vehicle, by make, model, vehicle identification number, and license number.

(vii) The signatures of the parties to the contract.

(viii) If no amount has been specified in (v) above, then the minimum retail price and the commission, fee, or compensation to which the dealer-consignee will be entitled upon the sale of the consigned vehicle.

(2) In the event the dealer-consignee and the consignor shall deem it appropriate to vary the terms of the written contract, the dealer-consignee shall obtain written authorization from the consignor prior to the sale of the subject vehicle.

(3) Requirements for selling consigned vehicles.

(a) All funds received, including deposits or payments in full or proceeds from the sale of trade-ins, must be placed in a trust account as required under RCW 46.70.180(9), and said funds must remain in that trust account until the consignor's and any lienholder interests have been fully satisfied. It shall be considered an unlawful practice for a vehicle dealer or salesperson to commingle funds received on a consigned vehicle with the assets of the dealer and/or the salesperson until all terms of the agreement have been completed.

(b) The amount due a consignor and any lienholder from the sale of the consigned vehicle must be paid by the consignee within ten days following delivery of the vehicle to the purchaser.

(c) At the same time payment is made pursuant to (b) of this subsection, the dealer must give to the consignor a copy of the purchase order used in the sale.

(4) Consignee's duty to transfer title.

(a) The sale of consigned vehicles imposes upon the consignee-dealer the same duty under RCW 46.70.122 to promptly transfer title into the name of the purchaser as in any other sale.

(b) Prior to accepting a vehicle for consignment and offering it for sale, it shall be the duty of the consignee to verify or confirm the title location. Failure to do so shall be considered an unlawful and deceptive practice under RCW 46.70.180(2).

[Statutory Authority: RCW 46.70.160. WSR 04-16-090, § 308-66-155, filed 8/3/04, effective 9/3/04; WSR 98-20-039, § 308-66-155, filed 9/30/98, effective 10/31/98; WSR 96-19-025, § 308-66-155, filed 9/9/96, effective 10/10/96. Statutory Authority: RCW 46.70.160 and 46.70.028. WSR 91-20-057, § 308-66-155, filed 9/24/91, effective 10/25/91. Statutory Authority: RCW 46.70.160 and 1986 c 199 § 1. WSR

87-01-016 (Order DLR 115), § 308-66-155, filed 12/9/86; Order MV-352,
§ 308-66-155, filed 3/4/76.]