(5) The governor shall appoint an executive director based upon recommendations made by the council.

Passed the House February 2, 1982.
Passed the Senate March 9, 1982.
Approved by the Governor March 26, 1982.
Filed in Office of Secretary of State March 26, 1982.

CHAPTER 69
[House Bill No. 1017]
CAMPING CLUBS—APPROPRIATION


Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Section 1. As used in this chapter, unless the context clearly requires otherwise:

(1) "Camping club" means any enterprise, other than one that is tax exempt under section 501(c)(3) of the Internal Revenue Code of 1954, as amended, that has as its primary purpose camping or outdoor recreation and includes or will including camping sites.

(2) "Camping club contract" means an agreement evidencing a purchaser's title to, interest in, or right or license to use for more than thirty days the camping or outdoor recreation facilities of a camping club.
(3) "Camping site" means a space designed and promoted for the purpose of locating a trailer, tent, tent trailer, pick-up camper, or other similar device used for land-based portable housing.

(4) "Purchaser" means a person who enters into a camping club contract and thereby obtains the right to use the camping or outdoor recreation facilities of a camping club.

(5) "Person" means any individual, corporation, partnership, trust, association, or other organization other than a government or a subdivision thereof.

(6) "Director" means the director of licensing.

(7) "Camping club operator" means any person who establishes, promotes, owns, or operates a camping club.

(8) "Advertisement" means any written, printed, audio, or visual offer by general solicitation.

(9) "Offer" means any solicitation reasonably designed to result in the entering into of a camping club contract.

(10) "Sale" or "sell" means entering into, or other disposition, of a camping club contract for value, but the term value does not include a reasonable fee to offset the ministerial costs of transfer of a camping club contract.

(11) "Salesperson" means any individual, other than a camping club operator, who is engaged in obtaining commitments of persons to enter into camping club contracts by making a direct sales presentation to the persons, but does not include individuals engaged in the referral of persons without making a direct sales presentation to the persons.

(12) "Affiliate" means any person who, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the person specified.

NEW SECTION. Sec. 2. Except in transactions exempt under section 3(2) or (3) of this act, it is unlawful for any person to offer or sell a camping club contract in this state unless the camping club contract is registered under this chapter.

NEW SECTION. Sec. 3. (1) To apply for registration an applicant shall file with the director:

(a) An application for registration on such a form as may be prescribed by the director. The director may, by rule or order, prescribe the contents of the application to include information (including financial statements) reasonably necessary for the director to determine if the requirements of this chapter have been met, whether any of the events specified in section 9(7) of this act have occurred, and what conditions, if any, should be imposed under sections 5 or 6 of this act in connection with the registration;

(b) Written disclosures, in any format the director is satisfied accurately and clearly communicates the required information, which includes:
(i) The name and address of the camping club operator and any material affiliate;

(ii) A brief description of the camping club operator's experience in the camping club business;

(iii) A brief description of the nature of the purchaser's title to, interest in, or right or license to use the camping club property or facilities and, if the purchaser will obtain title to specified real property, the legal description of the property;

(iv) The location and a brief description of the significant facilities and recreation services then available for use by purchasers and those which are represented to purchasers as being planned, together with a brief description of any significant facilities or recreation services that are or will be available to nonpurchasers and the price to nonpurchasers therefor;

(v) A brief description of the camping club's ownership of or other right to use the camping club properties or facilities represented to be available for use by purchasers, together with a brief description of any material encumbrance, the duration of any lease, real estate contract, license, franchise, reciprocal agreement, or other agreement entitling the camping club operator to use the property, and any material provisions of the agreements which restrict a purchaser's use of the property;

(vi) A brief statement or summary of what required material land use permits have not been obtained for each camping club property or facility represented to purchasers as planned;

(vii) A summary or copy of the articles, by-laws, rules, restrictions, or covenants regulating the purchaser's use of each property, the facilities located on each property, and any recreation services provided, including a statement of whether and how the articles, by-laws, rules, restrictions, or covenants may be changed;

(viii) A brief description of all payments of a purchaser under a camping club contract, including initial fees and any further fees, charges, or assessments, together with any provisions for changing the payments;

(ix) A description of any restraints on the transfer of camping club contracts;

(x) A brief description of the policies relating to the availability of camping sites and whether reservations are required;

(xi) A brief description of the camping club operator's right to change or withdraw from use all or a portion of the camping club properties or facilities and the extent to which the operator is obligated to replace camping club facilities or properties withdrawn;

(xii) A brief description of any grounds for forfeiture of a purchaser's camping club contract; and

(xiii) A copy of the camping club contract form;

(c) The prescribed registration fee;
(d) A statement of the total number of camping club contracts then in effect, both within and without this state; and a statement of the total number of camping club contracts intended to be sold, both within and without this state, together with a commitment that the total number will not be exceeded unless disclosed by post-effective amendment to the registration as provided in section 13 of this act; and

(e) Any other material information the director may, by rule or order, require for the protection of the purchasers.

(2) The following transactions are exempt from registration:

(a) An offer, sale, or transfer by any one person of not more than one camping club contract for any given camping club in any twelve-month period, but any agent for the person is not exempt from registration as a camping club salesperson under this chapter if he receives a commission or similar payment for the sale or transfer;

(b) An offer or sale by a government or governmental agency; and

(c) A bona fide pledge of a camping club contract.

(3) The director may, by rule or order, exempt any person from any or all requirements of this chapter if the director finds the requirements unnecessary for the protection of purchasers and the offering of camping club contracts is essentially noncommercial.

NEW SECTION. Sec. 4. Unless an order denying effectiveness under section 9 of this act is in effect, or unless declared effective by order of the director prior thereto, the application for registration shall automatically become effective upon the expiration of the fifteenth full business day following filing with the director, but an applicant may consent to the delay of effectiveness until such time as the director may by order declare registration effective.

NEW SECTION. Sec. 5. If the director finds that the applicant or registrant does not have adequate financial and other resources so that there is a reasonable likelihood that it will not be able to provide or continue to provide the anticipated properties, facilities, or recreation services represented to purchasers, the director shall require impounding the funds from camping club contract sales until sufficient funds have been impounded to alleviate the inadequacy. The director may, if he finds it reasonable and necessary to the business operations of the applicant or registrant and not inconsistent with the protection of purchasers or owners of camping club contracts, provide for release to the applicant or registrant of all or a portion of the impounded funds. The director may take appropriate measures to assure that the impounded funds will be applied as contemplated by the director. If the funds are not released from impound within a reasonable time, the funds remaining in impound shall be returned to the purchasers upon the order of the director.
NEW SECTION. Sec. 6. If the purchaser will own or acquire title to specified real property or improvements to be acquired by the camping club, the director may by order require to the extent necessary to protect the interests of the purchasers or owners of camping club contracts, that an appropriate portion of the proceeds paid under camping club contracts be set aside in a separate reserve fund to be applied toward the purchase price of the real property or improvements.

NEW SECTION. Sec. 7. The camping club operator shall file with the director at least five business days prior to the first use thereof in the state of Washington (1) the proposed text of all advertisements and sales promotion literature, (2) its proposed form of camping club contract, and (3) the text of any supplements to the written disclosures required to be furnished prospective purchasers under section 8 of this act: PROVIDED, That if the text in lieu of definitive copies of any materials are filed, definitive copies shall be filed with the director within five business days following the date of first use of the materials.

NEW SECTION. Sec. 8. Except in a transaction exempt under section 3(2) or (3) of this act, any person who sells a camping club contract in this state shall provide the prospective purchaser with the written disclosures required under section 3(1)(b) of this act in a form that is materially accurate and complete before the prospective purchaser signs a camping club contract or gives any item of value for the purchase of a camping club contract.

NEW SECTION. Sec. 9. The effectiveness of an application or registration may by order be denied, suspended, or revoked or a fine of not more than one thousand dollars imposed by the director, if the director finds that the order is for the protection of purchasers or owners of camping club contracts and that:

(1) The camping club operator's advertising or sales techniques or trade practices have been or are deceptive, false, or misleading;

(2) The camping club operator has failed to file copies of its advertisements or promotion literature or its camping club contract form under section 7 of this act;

(3) The camping club operator has failed to comply with any provision of this chapter or the rules adopted under this chapter that materially affect or would affect the rights of purchasers, prospective purchasers, or owners of camping club contracts or the administration of this chapter;

(4) The camping club operator is not financially responsible or has insufficient capital, as the director may find under section 5 of this act, to warrant its offering or selling camping club contracts;

(5) The camping club operator's offering of camping club contracts has worked or would work a fraud upon purchasers or owners of camping club contracts;
(6) The camping club operator's application or any amendment thereto is incomplete in any material respect;

(7) The camping club operator or any officer, director, or other affiliate of the camping club operator has been within the last five years convicted of any misdemeanor or felony involving theft, fraud, or dishonesty, has been enjoined from or had any civil penalty assessed for or found to have engaged in any violation of any act designed to protect consumers, or has been engaged in dishonest practices in any industry involving sales to consumers;

(8) The camping club operator has represented or is representing to purchasers in connection with the offer or sale of a camping club contract that any camping club property, facility, camp site, or other development is planned without reasonable grounds to believe that the camping club property, facility, camp site, or other development will be completed within a reasonable time; or

(9) The camping club operator has withdrawn, or has the right to withdraw, from use all or any substantial camping or recreation portion of any camping club property devoted to camping or recreational activities, unless (a) adequate provision has been made to provide within a reasonable time thereafter a substitute property in the same general area that is at least as desirable for the purpose of camping and outdoor recreation, (b) the property is withdrawn because, despite good faith efforts by the camping club operator, a nonaffiliate of the camping club has exercised a right of withdrawal from use by the camping club (such as withdrawal following expiration of a lease of the property to the camping club) and the terms of the withdrawal right have been disclosed in writing to all purchasers at or prior to the time of any sales of camping club contracts after the camping club has represented to purchasers that the property is or will be available for camping or recreation purposes, (c) the specific date upon which the withdrawal becomes effective has been disclosed in writing to all purchasers at or prior to the time of any sales of camping club contracts after the camping club has represented to purchasers that the property is or will be available for camping or recreation purposes, (d) the rights of the purchaser or owner of the camping club contract under the express terms of the camping club contract have expired, or have been specifically limited, upon the lapse of a stated or determinable period of time, or (e) the director by order has found that the withdrawal is not otherwise inconsistent with the protection of purchasers or owners of camping club contracts.

No order may be entered under this section without appropriate prior notice to the applicant or registrant of opportunity for a hearing and written findings of fact and conclusions of law, except that the director may by order summarily deny an application for registration under any of the above subsections and may summarily suspend or revoke a registration under subsections (1), (3), (5), or (6) of this section. No fine may be imposed by summary order or by reason of violation of subsection (4) or (7) of this
section. If no hearing is requested within fifteen days of receipt of notice of opportunity for a hearing, and none is ordered by the director, the director may enter the order. Upon entry of a summary order, the applicant or registrant shall have an opportunity within ten days entry of the summary order to appear before the director and show cause why the summary order should not remain in effect. If good cause is shown, the director shall vacate the summary order. If good cause is not shown, the summary order shall remain in effect and the director shall give notice of opportunity for hearing and within fifteen days of the receipt of a written request the matter shall be set down for hearing within a time that is reasonable under the circumstances. Any fine imposed under this section shall be deposited in the general fund of the state treasurer.

**NEW SECTION.** Sec. 10. Any camping club contract may be cancelled at the option of the purchaser, if the purchaser sends notice of the cancellation by certified mail (return receipt requested) to the camping club operator and if the notice is posted not later than midnight of the third business day following the day on which the contract is signed. In addition to this cancellation right, any purchaser who signs a camping club contract without inspecting a camping club property or facility with camping sites or proposed camping sites may by written notice by certified mail (return receipt requested) cancel the camping club contract by posting the notice not later than midnight of the sixth business day following the day on which the contract is signed if the purchaser makes such an inspection before sending the notice. In computing the number of business days, the day on which the contract was signed shall not be included as a "business day," nor shall Saturday, Sunday, or legal holidays be included. The camping club operator shall promptly refund any money or other consideration paid by the purchaser upon receipt of timely notice of cancellation by the purchaser.

Every camping club contract shall include the following statement in at least ten point type immediately prior to the space for the purchaser's signature:

"Purchaser's right to cancel: You may cancel this contract without any cancellation fee or other penalty by sending notice of cancellation by certified mail, return receipt requested, to . . . . . . . (insert name of camping club operator). The notice must be postmarked by midnight of the third business day following the day on which the contract is signed. In computing the three business days, the day on which the contract is signed shall not be included as a "business day," nor shall Saturday, Sunday, or legal holidays be included."

If the purchaser has not inspected a camping club property or facility at which camping club sites are located or planned, the notice must contain the following additional language:
"If you sign this contract without having first inspected a property at which camping sites are located or planned, you may also cancel this contract by giving this notice within six business days following the day on which you signed if you inspect such a property prior to sending the notice."

NEW SECTION. Sec. 11. Any camping club contract entered into in violation of section 2 or 8 of this act may be voided and the purchaser's entire consideration recovered at the option of the purchaser, but no suit under this section may be brought after two years from the date the contract is signed.

NEW SECTION. Sec. 12. Each application for registration or renewal shall be accompanied by a fee of three hundred twenty-five dollars.

Each application for amendment of the registration of a camping club's contracts shall be accompanied by a fee of one hundred dollars.

If registration of a camping club is conditioned upon establishing an impound under section 5 of this act, effectiveness of the camping club registration shall be conditioned upon the payment of an additional fee of one hundred dollars. If registration of a camping club is conditioned upon establishing a reserve under section 6 of this act, effectiveness of the camping club registration shall be conditioned upon the payment of an additional fee of one hundred dollars.

Each application for registration or renewal of an existing registration of a camping club salesperson shall be accompanied by a fee of thirty dollars.

NEW SECTION. Sec. 13. A registration of camping club contracts shall be effective for a period of one year and may, upon application, be renewed for successive periods of one year each. A camping club contract registration may be amended at any time to increase the number of camping club contracts registered, or for any other reason, by the filing of an amended application therefor, which amended application shall become effective in the manner provided by section 4 of this act. The written disclosures required to be furnished prospective purchasers under section 8 of this act shall be supplemented in writing as necessary to keep the required information reasonably current, and the written supplements shall be filed with the director as provided in section 7 of this act. The foregoing notwithstanding, however, the camping club operator shall file an amendment to the application for registration disclosing any event which will have a material effect on the conduct of the operation of the camping club. The amendment shall be filed within thirty days following the event. The amendment shall be treated as an original application for registration, except that until the director has acted upon the amendment or until the amendment becomes effective under section 4 of this act by lapse of time, the applicant's registration shall continue to be deemed effective for the purposes of section 2 of this act.
Any permit to sell camping club memberships issued prior to the effective date of this act shall be deemed a camping club registration subject to the renewal provisions of this chapter upon the anniversary date of the issuance of the original permit.

NEW SECTION. Sec. 14. Unless the transaction is exempt under section 3(2) or (3) of this act, it is unlawful for any person to act as a camping club salesperson in this state without first registering under this chapter as a salesperson.

NEW SECTION. Sec. 15. (1) A salesperson may apply for registration by filing with the director an application which includes the following information:

   (a) A statement whether or not the applicant within the past five years has been convicted of any misdemeanor or felony involving theft, fraud, or dishonesty or whether or not the applicant has been enjoined from, had any civil penalty assessed for, or been found to have engaged in any violation of any act designed to protect consumers; and

   (b) A statement describing the applicant's employment history for the past five years and whether or not any termination of employment during the last five years was occasioned by any theft, fraud, or act of dishonesty.

   (2) The director may by order deny, suspend, or revoke a salesperson's application for registration or the salesperson's registration if the director finds that the order is necessary for the protection of purchasers or owners of camping club contracts and the applicant or registrant within the past five years (a) has been convicted of any misdemeanor or felony involving theft, fraud, or dishonesty or has been enjoined from, had any civil penalty assessed for, or been found to have engaged in any violation of any act designed to protect consumers, (b) has violated any provision of this chapter, or (c) has engaged in unethical or dishonest practices in any industry involving sales to consumers.

No order may be entered under this section without appropriate prior notice to the applicant or registrant of opportunity for a hearing and written findings of fact and conclusions of law, except that the director may by order summarily deny an application for registration under this subsection. If no hearing is requested within fifteen days of receipt of notice of opportunity for a hearing, and none is ordered by the director, the director may enter the order. Upon entry of a summary order, the applicant shall have an opportunity within ten days of entry of the summary order to appear before the director and show cause why the summary order should not remain in effect. If good cause is shown, the director shall vacate the summary order. If good cause is not shown, the summary order shall remain in effect and the director shall give notice of opportunity for hearing and within fifteen days of the receipt of a written request the matter shall be set down for hearing within a time that is reasonable under the circumstances.
(3) The director may by rule require such further information or conditions for registration as a camping club salesperson as the director deems necessary to protect the interests of purchasers.

(4) Registration as a camping club salesperson shall be effective for a period of one year unless the director specifies otherwise. Registration as a camping club salesperson shall be renewed annually by the filing of a form prescribed by the director for that purpose. Unless an order denying effectiveness under subsection (2) of this section is in effect, or unless declared effective by order of the director prior thereto, the application for registration or renewal shall automatically become effective upon the expiration of the fifteenth full business day following filing with the director, but an applicant or registrant may consent to the delay of effectiveness until such time as the director may by order declare registration or renewal effective.

NEW SECTION. Sec. 16. The director may make such public or private investigations or may make such requests for information, within or without this state, as he deems necessary to determine whether any registration should be granted, denied, or revoked or whether any person has violated or is about to violate any of the provisions of this chapter or any rule or order under this chapter, or to aid in the enforcement of this chapter or in prescribing of rules and forms under this chapter and may publish information concerning any violation of this chapter or any rule or order under this chapter.

NEW SECTION. Sec. 17. For the purpose of any investigation or proceeding under this chapter, the director or any officer designated by him may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the director deems relevant or material to the inquiry.

In the case of any person who disobeys any subpoena lawfully issued by the director, or on the refusal of any witness to testify to any matters regarding which he may be lawfully interrogated, the superior court of any county or the judge thereof, on application by the director, and after satisfactory evidence of wilful disobedience, may compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from such a court on a refusal to testify therein.

NEW SECTION. Sec. 18. (1) Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter, any withdrawal of a camping club property in violation of section 9(9) of this act, or any rule or order under this chapter, the director may in his discretion issue an order directing the person to cease and desist from continuing the act or practice: PROVIDED, That reasonable notice of and opportunity for a hearing shall
be given: PROVIDED FURTHER, That the director may issue a temporary order pending the hearing which shall be effective upon delivery to the person affected and which shall remain in effect until ten days after the hearing is held and which shall become final if the person to whom notice is addressed does not request a hearing within fifteen days after receipt of notice.

(2) Whether or not the director has issued a cease and desist order, the attorney general, in the name of the state or the director, or the proper prosecuting attorney, may bring an action in any court of competent jurisdiction to enjoin any such acts or practices and to enforce compliance with this chapter or any rule or order under this chapter. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets. The state or director shall not be required to post a bond.

NEW SECTION. Sec. 19. Any person who wilfully violates any provision of this chapter is guilty of a gross misdemeanor. It is a gross misdemeanor for any person in connection with the offer or sale of any camping club contracts wilfully:

(1) To make any untrue or misleading statement of a material fact, or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading;

(2) To employ any device, scheme, or artifice to defraud;

(3) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

(4) To file, or cause to be filed, with the director any document which contains any untrue or misleading information.

No indictment or information may be returned under this chapter more than five years after the alleged violation.

NEW SECTION. Sec. 20. The director may refer such evidence as may be available concerning violations of this chapter or of any rule or order under this chapter to the attorney general or the proper prosecuting attorney who may in his discretion, with or without such a reference, institute the appropriate civil or criminal proceedings under this chapter.

NEW SECTION. Sec. 21. For the purposes of application of the Consumer Protection Act, chapter 19.86 RCW, any material violation of the provisions of this chapter shall be construed to constitute an unfair or deceptive act or practice or unfair method of competition in the conduct of trade or commerce.

NEW SECTION. Sec. 22. Camping club contracts registered under this chapter are exempt from the provisions of chapters 21.20 and 58.19 RCW and any act in this state regulating the offer and sale of time shares. A
camping club shall not be considered a subdivision under RCW 58.17.020(1). Nothing in this chapter prevents counties or cities from enacting ordinances or resolutions setting platting or subdivision requirements solely for camping clubs.

**NEW SECTION.** Sec. 23. Except as specifically provided in section 22 of this act, the provisions of this chapter are cumulative and nonexclusive and do not affect any other remedy available at law.

**NEW SECTION.** Sec. 24. Neither the fact that an application for registration nor the written disclosures required by this chapter have been filed, nor the fact that a camping club contract offering has been effectively registered or exempted, constitutes a finding by the director that the offering or any document filed under this chapter is true, complete, and not misleading, nor does the fact mean that the director has determined in any way the merits or qualifications of or recommended or given approval to any person, camping club operator, or camping club contract transaction. It is a gross misdemeanor to make or cause to be made to any prospective purchaser any representation inconsistent with this section.

**NEW SECTION.** Sec. 25. The director may make, amend, and repeal rules, forms, and orders when necessary to carry out the provisions of this chapter.

**NEW SECTION.** Sec. 26. Chapter 34.04 RCW shall apply to any administrative procedures carried out by the director under this chapter unless otherwise provided in this chapter.

**NEW SECTION.** Sec. 27. This chapter shall be administered by the director of licensing.

**NEW SECTION.** Sec. 28. The following acts or parts of acts are each repealed:

1. Section 1, chapter 106, Laws of 1972 ex. sess., section 84, chapter 158, Laws of 1979 and RCW 19.105.010;
2. Section 2, chapter 106, Laws of 1972 ex. sess. and RCW 19.105.020;
5. Section 9, chapter 150, Laws of 1975 1st ex. sess. and RCW 19.105.045;
7. Section 6, chapter 106, Laws of 1972 ex. sess. and RCW 19.105.060;
NEW SECTION. Sec. 29. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or
the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 30. There is appropriated from the general fund to the department of licensing for the biennium ending June 30, 1983, the sum of twenty-one thousand dollars, or so much thereof as may be necessary, to carry out the purposes of sections 1 through 27 of this act.

NEW SECTION. Sec. 31. Sections 1 through 27 of this act are each added to chapter 19.105 RCW.

NEW SECTION. Sec. 32. This act shall take effect on November 1, 1982.

Passed the House March 7, 1982.
Passed the Senate March 4, 1982.
Approved by the Governor March 26, 1982.
Filed in Office of Secretary of State March 26, 1982.

CHAPTER 70
[Engrossed Senate Bill No. 4313]
YOUTH DEVELOPMENT AND CONSERVATION CORPS—MINIMUM COMPENSATION

AN ACT Relating to the youth development and conservation corps; amending section 43.51-.540, chapter 8, Laws of 1965 as amended by section 2, chapter 7, Laws of 1975 and RCW 43.51.540.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 43.51.540, chapter 8, Laws of 1965 as amended by section 2, chapter 7, Laws of 1975 and RCW 43.51.540 are each amended to read as follows:

(1) The ((base)) minimum compensation shall be at the rate of twenty-five dollars per week, except that up to ((an additional twenty-five dollars per week)) the minimum state wage may be paid on the basis of assigned leadership responsibilities or special skills.

(2) Enrollees shall be furnished quarters, subsistence, medical and hospital services, transportation, equipment, as the commission may deem necessary and appropriate for their needs. Such quarters, subsistence, and equipment may be furnished by any governmental or public agency.

Passed the Senate January 26, 1982.
Passed the House March 6, 1982.
Approved by the Governor March 26, 1982.
Filed in Office of Secretary of State March 26, 1982.