

Sec. 5. Section 6, chapter 412, Laws of 1985 and RCW 60.13.060 are each amended to read as follows:

(1) The processor lien shall terminate six months after, and the preparer lien shall terminate fifty days after, the later of the date of attachment or filing, unless a suit to foreclose the lien has been filed before that time as provided in RCW 60.13.070.

(2) If a statement has been filed as provided in RCW 60.13.040 and the producer or commercial fisherman has received payment for the obligation secured by the lien, the producer or fisherman shall promptly file with the department of licensing a statement declaring that full payment has been received and that the lien is discharged. If, after payment, the producer or fisherman fails to file such statement of discharge within ten days following a request to do so, the producer or fisherman shall be liable to the processor, conditioner, or preparer in the sum of one hundred dollars plus actual damages caused by the failure.

Passed the House March 2, 1987.

Passed the Senate April 9, 1987.

Approved by the Governor April 22, 1987.

Filed in Office of Secretary of State April 22, 1987.

## CHAPTER 149

[Second Substitute Senate Bill No. 5515]

### VESSEL DEALER REGISTRATION REVISED

AN ACT Relating to vessel dealer registration; amending RCW 88.02.060 and 88.02.110; adding new sections to chapter 88.02 RCW; making an appropriation; prescribing penalties; declaring an emergency; and providing an effective date.

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

Sec. 1. Section 19, chapter 7, Laws of 1983 and RCW 88.02.060 are each amended to read as follows:

(1) Each vessel dealer ((of vessels)) in this state shall register with the department in the manner and upon forms prescribed by the department(~~:( Upon receipt of a dealer's application for registration and the registration fee provided in subsection (2) of this section, the dealer shall be registered and a registration number assigned.~~

(2))), in accordance with rules adopted under chapter 34.04 RCW. After the completed vessel dealer application has been satisfactorily filed and the applicant is eligible as determined by the department's rules, the department shall, if no denial proceeding is in effect, issue the vessel dealer's registration on the basis of staggered annual expiration dates.

(2) Before issuing a vessel dealer's registration, the department shall require the applicant to file with the department a surety bond in the amount of five thousand dollars, running to the state of Washington, and executed by a surety company authorized to do business in the state of

Washington. The bond shall be approved by the attorney general as to form and conditioned that the dealer shall conduct his business in conformity with the provisions of this chapter. Any vessel consignor or purchaser who has suffered any loss or damage by reason of any act or omission by a dealer that constitutes a violation of this chapter may institute an action for recovery against the dealer and the surety upon the bond. Successive recoveries against the bond shall be permitted, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. Upon exhaustion of the penalty of the bond or cancellation of the bond by the surety, the vessel dealer registration shall automatically be deemed canceled.

(3) Vessel dealers selling fifteen vessels or fewer per year having a retail value of no more than two thousand dollars each shall not be subject to the provisions of subsection (2).

(4) For the fiscal biennium from July 1, 1987, through June 30, 1989, the registration fee for dealers shall be ~~((twenty-five))~~ fifty dollars per year~~((, and the fee shall cover all vessels owned by the dealer for sale and not rented on a regular commercial basis by the dealer. Rented vessels shall be registered separately under RCW 88.02.020 through 88.02.050.~~

(3) Dealer registration numbers are nontransferable:

(4) RCW 88.02.020 does not apply to any dealer or employee or prospective customer of the dealer with respect to any vessel covered by the dealer's registration number and used for a business purpose of the dealer, such as a demonstration vessel or for purposes of testing or making repairs)) for an original registration, and twenty-five dollars for any subsequent renewal. In addition, a fee of twenty-five dollars shall be collected for the first decal, fifteen dollars for each additional decal, and fifteen dollars for each vessel dealer display decal replacement. In ensuing biennia, the director shall establish the amount of such fees at a sufficient level to defray the costs of administering the vessel dealer registration program. All such fees shall be fixed by rule adopted by the director in accordance with the Administrative Procedure Act, chapter 34.04 RCW. All fees collected under this section shall be deposited with the state treasurer and credited to the general fund.

NEW SECTION. Sec. 2. A new section is added to chapter 88.02 RCW to read as follows:

(1) A vessel dealer shall have and maintain an office in which to conduct business at the business address of the dealer.

(2) The vessel dealer's place of business shall be identified by an exterior sign with the business name. In the absence of other identifiers that the business conducted is marine business, the sign must identify the nature of the business, such as marine sales, service, repair, or manufacturing.

NEW SECTION. Sec. 3. A new section is added to chapter 88.02 RCW to read as follows:

Any person engaging in vessel dealer activities without first obtaining a registration certificate is guilty of a gross misdemeanor.

**NEW SECTION.** Sec. 4. A new section is added to chapter 88.02 RCW to read as follows:

Vessel dealer display decals shall only be used:

(1) To demonstrate vessels held for sale when operated by a prospective customer holding a dated demonstration permit, and shall be carried in the vessel at all times it is being operated by such individual;

(2) On vessels owned or consigned for sale that are in fact available for sale and being used only for vessel dealer business purposes by an officer of the corporation, a partner, a proprietor, or by a bona fide employee of the firm if a card so identifying any such individual is carried in the vessel at all times it is so operated.

**NEW SECTION.** Sec. 5. A new section is added to chapter 88.02 RCW to read as follows:

(1) Rented vessels shall be registered separately under RCW 88.02.020 through 88.02.050.

(2) RCW 88.02.020 does not apply to any registered dealer's vessels held for sale.

(3) Dealer registration numbers are not transferable.

**NEW SECTION.** Sec. 6. A new section is added to chapter 88.02 RCW to read as follows:

In addition to other penalties imposed by this chapter for unauthorized or personal use of vessel dealer display decals, the director may confiscate all display decals for such period as the director deems appropriate, and in addition, or in lieu of other sanctions, the director may impose a monetary penalty not exceeding twice the amount of excise tax that should have been paid to register each vessel properly. A monetary penalty assessment is in addition to any fees owing to register each vessel properly. Any monetary penalty imposed or vessel display decals confiscated shall be done in accordance with chapter 34.04 RCW. Any monetary penalty imposed by the director and the delinquent excise taxes collected shall be deposited in the general fund.

**NEW SECTION.** Sec. 7. A new section is added to chapter 88.02 RCW to read as follows:

It is a gross misdemeanor for any person to obtain a vessel dealer's registration for the purpose of evading excise tax on vessels under chapter 82.49 RCW.

**NEW SECTION.** Sec. 8. A new section is added to chapter 88.02 RCW to read as follows:

(1) Vessel dealers shall possess a certificate of title for each used vessel or a manufacturer's statement of origin, a carpenter's certificate, or a factory invoice with other evidence of ownership for each new vessel in the

vessel dealer's inventory unless the vessel for sale is consigned or subject to an inventory security agreement. Each certificate of title shall be either in the name of the dealer or in the name of the dealer's immediate vendor properly assigned.

(2) A vessel dealer may display and sell consigned vessels or vessels subject to an inventory security agreement if there is a written and signed consignment agreement for each vessel or an inventory security agreement covering all inventory vessels. The consignment agreement shall include verification by the vessel dealer that a vessel title or manufacturer's statement of origin exists and its location, the name and address of the registered owner, and the legal owner, if any. Vessels that are subject to an inventory security interest shall be supported with a certificate of title or manufacturer's statement of origin that is in the dealer's possession or the possession of the inventory security party. Upon payment of the debt secured for that vessel, the secured party shall deliver the certificate of title or the manufacturer's statement of origin, appropriately released, to the dealer. It is the vessel dealer's responsibility to ensure that title documents are available for title transfer upon the sale of the vessel.

(3) Following the retail sale of any vessel, the dealer shall promptly make application and execute the assignment and warranty of the certificate of title. Such assignment shall show any secured party holding a security interest created at the time of sale. The dealer shall deliver the certificate of title and application for registration to the department.

NEW SECTION. Sec. 9. A new section is added to chapter 88.02 RCW to read as follows:

(1) The department may authorize vessel dealers properly registered pursuant to this chapter to issue temporary permits to operate vessels under such rules as the department adopts.

(2) The fee for each temporary permit application distributed to an authorized vessel dealer shall be five dollars, which shall be credited to the payment of registration fees at the time application for registration is made.

NEW SECTION. Sec. 10. A new section is added to chapter 88.02 RCW to read as follows:

(1) A vessel dealer shall complete and maintain for a period of at least three years a record of the purchase and sale of all vessels purchased or consigned and sold by the vessel dealer. Records shall be made available for inspection by the department during normal business hours.

(2) Before renewal of the vessel dealer registration, the department shall require, on the forms prescribed, a record of the number of vessels sold during the registration year. Vessel dealers who assert that they qualify for the exemption provided in section 1, subsection (3) shall also record, on forms prescribed, the highest retail value of any vessel sold in the registration year.

**NEW SECTION.** Sec. 11. A new section is added to chapter 88.02 RCW to read as follows:

A vessel dealer who receives cash or a negotiable instrument from a purchaser before delivery of the vessel shall place the funds in a separate trust account.

(1) The cash or negotiable instrument must be set aside immediately upon receipt for the trust account, or endorsed to such a trust account immediately upon receipt.

(2) The cash or negotiable instrument must be deposited in the trust account by the close of banking hours on the day following the receipt.

(3) After delivery of the purchaser's vessel the vessel dealer shall remove the deposited funds from the trust account.

(4) The dealer shall not commingle the purchaser's funds with any other funds at any time.

(5) The funds shall remain in the trust account until the delivery of the purchased vessel. However, for the purpose of manufacturing a vessel that does not already exist, and upon written agreement from the purchaser, the vessel dealer may remove and release trust funds before delivery.

**NEW SECTION.** Sec. 12. A new section is added to chapter 88.02 RCW to read as follows:

Except as otherwise provided in this chapter, the director may by order deny, suspend, or revoke the registration of any vessel dealer, or in lieu thereof or in addition thereto, may by order assess monetary penalties of a civil nature not to exceed one thousand dollars per violation, if the director finds that the applicant or registrant:

(1) Is applying for a dealer's registration or has obtained a dealer's registration for the purpose of evading excise taxes on vessels; or

(2) Has been adjudged guilty of a felony that directly relates to marine trade and the time elapsed since the adjudication is less than ten years. For purposes of this section, adjudged guilty means, in addition to a final conviction in court, an unvacated forfeiture of bail or collateral deposited to secure a defendant's appearance in court, the payment of a fine, a plea of guilty, or a finding of guilt regardless of whether the sentence is deferred or the penalty is suspended; or

(3) Has failed to comply with the trust account requirements of this chapter; or

(4) Has failed to transfer a certificate of title to a purchaser as required in this chapter; or

(5) Has misrepresented the facts at the time of application for registration or renewal; or

(6) Has failed to comply with applicable provisions of this chapter or any rules adopted under it.

Sec. 13. Section 22, chapter 7, Laws of 1983 as last amended by section 2, chapter 183, Laws of 1984 and RCW 88.02.110 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, a violation of this chapter, RCW 43.51.400, and the rules adopted by the department and the state parks and recreation commission pursuant to these statutes is a misdemeanor punishable only by a fine not to exceed one hundred dollars per vessel for the first violation. Subsequent violations in the same year are subject to the following fines:

(a) For the second violation, a fine of two hundred dollars per vessel;

(b) For the third and successive violations, a fine of four hundred dollars per vessel.

(2) After subtraction of court costs and administrative collection fees, moneys collected under this section shall be credited to the current expense fund of the arresting jurisdiction.

(3) All law enforcement officers shall have the authority to enforce this chapter, RCW 43.51.400, and the rules adopted by the department and the state parks and recreation commission pursuant to these statutes within their respective jurisdictions: **PROVIDED**, That a city, town, or county may contract with a fire protection district for such enforcement and fire protection districts are authorized to engage in such activities.

**NEW SECTION.** Sec. 14. There is appropriated to the department of licensing from the general fund for the biennium ending June 30, 1989, the sum of three hundred fourteen thousand dollars, or so much as may be necessary, to carry out the purposes of this act.

**NEW SECTION.** Sec. 15. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1987.

Passed the Senate April 10, 1987.

Passed the House April 8, 1987.

Approved by the Governor April 22, 1987.

Filed in Office of Secretary of State April 22, 1987.

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## CHAPTER 150

[Substitute House Bill No. 563]

### PROFESSIONAL LICENSING—UNIFORM DISCIPLINARY ACT REVISIONS— STATE HEALTH COORDINATING COUNCIL TO MAKE RECOMMENDATIONS CONCERNING PROPOSALS FOR A MANDATED HEALTH INSURANCE COVERAGE

AN ACT Relating to professional licensing; amending RCW 18.130.050, 18.130.060, 18.130.170, 18.130.190, 18.130.185, 18.06.110, 18.22.018, 18.25.019, 18.29.076, 18.32.039, 18.34.136, 18.35.110, 18.35.161, 18.35.190, 18.35.220, 18.36.136, 18.39.178, 18.39.020,