

CHAPTER 159

[Substitute House Bill No. 791]
CAMPING RESORTS

AN ACT Relating to camping resorts; amending RCW 19.105.300, 19.105.310, 19.105.320, 19.105.330, 19.105.340, 19.105.350, 19.105.360, 19.105.370, 19.105.380, 19.105.390, 19.105.400, 19.105.420, 19.105.430, 19.105.440, 19.105.450, 19.105.470, 19.105.480, 19.105.510, 19.105.520, and 19.105.530; adding new sections to chapter 19.105 RCW; repealing RCW 19.105.410; prescribing penalties; providing an effective date; and declaring an emergency.

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

Sec. 1. Section 1, chapter 69, Laws of 1982 and RCW 19.105.300 are each amended to read as follows:

As used in this chapter, unless the context clearly requires otherwise:

(1) "Camping (~~(club)~~) resort" means any enterprise, other than one that is tax exempt under section 501(c)(3) of the Internal Revenue Code of (~~(1954)~~) 1986, as amended, that has as its primary purpose (~~(camping or outdoor recreation and)~~) the ownership, operation, or promotion of campgrounds that includes or will ((including [include]) include camping sites.

(2) "Camping (~~(club)~~) resort contract" means an agreement evidencing a purchaser's title to, estate or interest in, or right or license to use for more than thirty days the ((camping or outdoor recreation facilities) campground of a camping ((club) resort.

(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)~~) resort contract and thereby obtains title to, an estate or interest in, or license or the right to use the ((camping or outdoor recreation facilities) campground of a camping ((club) resort.

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

(8) "Advertisement" means any offer, written, printed, audio, or visual (~~(offer)~~), by general solicitation, including all material used by an operator in a membership referral program.

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

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

terms of the original contract or membership are not changed by the camping resort operator.

(11) "Salesperson" means any individual, other than a camping ~~((club))~~ resort operator, who is engaged in obtaining commitments of persons to enter into camping ~~((club))~~ resort contracts by making a ~~((direct))~~ sales presentation to, or negotiating sales with, the persons, but does not include ~~((individuals))~~ members of a camping resort 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))~~ of a registrant or camping resort operator.

(13) "Campground" means real property owned or operated by a camping resort that is available for camping or outdoor recreation by purchasers of camping resort contracts.

(14) "Department" means the department of licensing.

(15) "Resale camping resort contract" means a camping resort contract offered or sold which is not the original offer, transfer, or sale of such contract, and not a forfeited contract being reoffered by an operator.

(16) "Start-up camping resort contract" means a camping resort contract that is being offered or sold for the first time or a forfeited contract being resold by a camping resort operator.

(17) "Blanket encumbrance" means any mortgage, deed of trust, option to purchase, vendor's lien or interest under a contract or agreement of sale, or other material financing lien or encumbrance granted by the camping resort operator or affiliate that secures or evidences the obligation to pay money or to sell or convey any campgrounds made available to purchasers by the camping resort operator or any portion thereof and that authorizes, permits, or requires the foreclosure or other disposition of the campground affected.

(18) "Nondisturbance agreement" means an instrument by which the holder of a blanket encumbrance agrees that: (a) Its rights in any campground made available to purchasers, prior or subsequent to the agreement, by the camping resort operator shall be subordinate to the rights of purchasers from and after the recording of the instrument; (b) the holder and all successors and assignees, and any person who acquires the campground through foreclosure or by deed in lieu of foreclosure of such blanket encumbrance, shall take the campground subject to the use rights of purchasers; and (c) the holder or any successor acquiring the campground through the blanket encumbrance shall not discontinue use, or cause the campground to be used, in a manner which would materially prevent purchasers from using or occupying the campground in a manner contemplated by the purchasers' camping resort contracts. However, the holder has no obligation

or liability to assume the responsibilities or obligations of the camping resort operator under camping resort contracts.

Sec. 2. Section 2, chapter 69, Laws of 1982 and RCW 19.105.310 are each amended to read as follows:

Except in transactions exempt under ~~((RCW 19.105.320 (2) or (3)))~~ section 4 of this 1988 act, it is unlawful for any person to offer or sell a camping ~~((club))~~ resort contract in this state unless the camping ~~((club))~~ resort contract is registered and the operator or registrant has received a permit to market the registered contracts under this chapter.

Sec. 3. Section 3, chapter 69, Laws of 1982 and RCW 19.105.320 are each amended to read as follows:

(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 RCW 19.105.380(7)))~~ grounds for which a registration may be suspended or denied have occurred, and what conditions, if any, should be imposed under RCW 19.105.340 ~~((or))~~, 19.105.350, or section 7 of this 1988 act in connection with the registration;

(b) Written disclosures, in any format the director is satisfied accurately, completely, and clearly communicates the required information, which include~~((s))~~:

(i) The name and address of the camping ~~((club))~~ resort applicant or operator and any material affiliate and, if the operator or registrant is other than a natural person, the identity of each person owning a ten percent or greater share or interest;

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

(iii) A brief description of the nature of the purchaser's title to, estate or interest in, or right ~~((or license))~~ to use the camping ~~((club))~~ resort property or facilities and ~~((, if))~~ whether or not the purchaser will obtain an estate, title to, or interest in 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))~~ statement whether any of the resort facilities or recreation services ~~((that are or))~~ will be available to nonpurchasers ~~((and the price to nonpurchasers therefor))~~ or the general public;

(v) A brief description of the camping ~~((club's))~~ resort's ownership of or other right to use the camping ~~((club))~~ resort 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))~~ resort applicant or operator to use the property, and any material provisions of the agreements which restrict a purchaser's use of the property;

~~((A brief statement or summary of what required material land use permits have not been obtained for each camping club))~~ A summary of any local or state health, environmental, subdivision, or zoning requirements or permits that have not been complied with for the resort property or facility represented to purchasers as in or planned for the campground;

(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))~~;

(viii) A statement of whether and how the articles, declarations, by-laws, rules, restrictions, or covenants used in structuring the project may be changed and whether and how the members may participate in the decision on the changes;

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

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

~~((x))~~ (xi) A brief description of the policies relating to the availability of camping sites and ((whether)) conditions under which reservations are required and the availability of the sites to guests and family members;

~~((xi) A brief description))~~ (xii) A disclosure covering the right of the camping ((club operator's right to change)) resort operator or the registrant and their heirs, assigns, and successors in interest to change, substitute, or withdraw from use all or a portion of the camping ((club)) resort properties or facilities and the extent to which the operator is obligated to replace camping ((club)) resort facilities or properties withdrawn;

~~((xii))~~ (xiii) A brief description of any grounds for forfeiture of a purchaser's camping ((club)) resort contract; ((and
(xiii) A copy of the camping club contract form))

(xiv) A statement concerning the effect upon membership camping resort contracts if there is a foreclosure affecting any of the operator's properties, a bankruptcy, or creditor or lienholder action affecting the operator or the camping resort properties; and

(xv) Any other information deemed necessary by the department for the protection of the public health, safety, and welfare;

(c) The prescribed registration fees;

(d) A statement of the total number of camping ((club)) resort contracts then in effect, both within and without this state; and a statement of the total number of camping ((club)) resort 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 RCW 19.105.420; ((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))~~

(e) Copies or prototypes of all camping resort contracts, and addendum thereto, and membership certificates, deeds, leases, or other evidences of interest, title, or estate, to be registered;

(f) An irrevocable consent to service of process on the director or the department, effective for the term of the statute of limitations covering the last sale in this state of a camping resort contract by the applicant or operator; and

(g) Any other material information the director deems necessary for the protection of the public health, welfare, or safety, or to effectively conduct an examination of an application.

(2) The director may waive for an applicant any of the information required in this section if it is not needed for the protection of the public health and welfare.

NEW SECTION. Sec. 4. A new section is added to chapter 19.105 RCW to read as follows:

(1) The following transactions are exempt from registration under this chapter:

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

(b) A bona fide pledge of a camping resort contract; and

(c) Offerings and dispositions of resale camping resort contracts by purchasers thereof on their own behalf or by third parties brokering on behalf of purchasers, other than resale contracts forfeited by or placed into an operator's sale inventory.

(2) The director may, by rule or order, exempt any person, wholly or partially, from any or all requirements of this chapter if the director finds the requirements are not necessary for the protection of the public health, safety, and welfare.

Sec. 5. Section 4, chapter 69, Laws of 1982 and RCW 19.105.330 are each amended to read as follows:

Unless an order denying effectiveness under RCW 19.105.380 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~~) twentieth full business day following a filing with the director in complete and proper form, but an applicant may consent to the delay of effectiveness until such time as the director may by order declare registration effective or issue a permit to market.

(2) An application for registration, renewal of registration, or amendment is not in completed form and shall not be deemed a statutory filing until such time as all required fees, completed application forms, and the information and documents required pursuant to RCW 19.105.320(1) and departmental rules have been filed.

It is the operator's responsibility to see that required filing materials and fees arrive at the appropriate mailing address of the department. Within seven business days, excluding the date of receipt, of receiving an application or initial request for registration and the filing fees, the department shall notify the applicant of receipt of the application and whether or not the application is complete and in proper form. If the application is incomplete, the department shall at the same time inform the applicant what additional documents or information is required.

If the application is not in a completed form, the department shall give immediate notice to the applicant. On the date the application is complete and properly filed, the statutory period for an in-depth examination of the filing, prescribed in subsection (1) of this section, shall begin to run, unless the applicant and the department have agreed to a stay of effectiveness or the department has issued a denial of the application or a permit to market.

NEW SECTION. Sec. 6. A new section is added to chapter 19.105 RCW to read as follows:

Applications, consents to service, all affidavits required in connection with applications, and all final permits to market shall be signed by the operator, unless a trustee or power of attorney specifically granted such powers has signed on behalf of the operator. If a power of attorney or trustee signature is used, the filing shall contain a copy of the authorization, power of attorney, or trustee authorization.

NEW SECTION. Sec. 7. A new section is added to chapter 19.105 RCW to read as follows:

(1) With respect to every campground located within the state which was not made available to purchasers of camping resort contracts prior to the effective date of this section, and with respect to any new blanket encumbrance placed against any campground in this state or any prior blanket encumbrance against any campground in this state with respect to which the underlying obligation is refinanced after the effective date of this section, the camping resort operator shall not represent any such campground to be available to purchasers of its camping resort contracts until one of the following events has occurred with regard to each such blanket encumbrance:

(a) The camping resort operator obtains and records as covenants to run with the land a nondisturbance agreement from each holder of the blanket encumbrance. The nondisturbance agreement shall be executed by the camping resort operator and by each holder of the blanket encumbrance and shall include the provisions set forth in RCW 19.105.300(18) and the following:

(i) The instrument may be enforced by individual purchasers of camping resort contracts. If the camping resort operator is not in default under its obligations to the holder of the blanket encumbrance, the agreement may be enforced by the camping resort operator.

(ii) The agreement shall be effective as between each purchaser and the holder of the blanket encumbrance despite any rejection or cancellation of the purchaser's contract during any bankruptcy proceedings of the camping resort operator.

(iii) The agreement shall be binding upon the successors in interest of both the camping resort operator and the holder of the blanket encumbrance.

(iv) A holder of the blanket encumbrance who obtains title or possession or who causes a change in title or possession in a campground by foreclosure or otherwise and who does not continue to operate the campground upon conditions no less favorable to members than existed prior to the change of title or possession shall either:

(A) Offer the title or possession to an association of members to operate the campground; or

(B) Obtain a commitment from another entity which obtains title or possession to undertake the responsibility of operating the campground.

(b) The camping resort operator posts a bond or irrevocable letter of credit with the director in a form satisfactory to the director in the amount of the aggregate principal indebtedness remaining due under the blanket encumbrance.

(c) The camping resort operator delivers an encumbrance trust agreement in a form satisfactory to the director, as provided in subsection (2) of this section.

(d) The camping resort operator delivers other financial assurances reasonably acceptable to the director.

(2) With respect to any campground located within the state other than a campground described in subsection (1) of this section, the camping resort operator shall not represent the campground to be available to purchasers of camping resort contracts after the effective date of this section until one of the following events has occurred with regard to each blanket encumbrance:

(a) The camping resort operator obtains and records a nondisturbance agreement to run with the land pursuant to subsection (1) of this section from each holder of the blanket encumbrance.

(b) The camping resort operator posts a surety bond or irrevocable letter of credit with the director in a form satisfactory to the director in the amount of the aggregate principal indebtedness remaining due under the blanket encumbrance.

(c) The camping resort operator delivers to the director, in a form satisfactory to the director, an encumbrance trust agreement among the camping resort operator, a trustee (which can be either a corporate trustee licensed to act as a trustee under Washington law, licensed escrow agent, or a licensed attorney), and the director.

(d) The camping resort operator delivers evidence to the director that any financial institution that has made a hypothecation loan to the camping resort operator (the "hypothecation lender") shall have a lien on, or security interest in, the camping resort operator's interest in the campground, and the hypothecation lender shall have executed and recorded a nondisturbance agreement in the real estate records of the county in which the campground is located. Each person holding an interest in a blanket encumbrance superior to the interest held by the hypothecation lender shall have executed and recorded an instrument stating that such person shall give the hypothecation lender notice of, and at least thirty days to cure, any default under the blanket encumbrance before the person commences any foreclosure action affecting the campground. For the purposes of this subsection, a hypothecation loan to a camping resort operator is a loan or line of credit secured by the camping resort contracts receivable arising from the sale of camping resort contracts by the camping resort operator, which exceeds in the aggregate all outstanding indebtedness secured by blanket encumbrances superior to the interest held by the hypothecation lender.

(e) The camping resort operator delivers other financial assurances reasonably acceptable to the director.

(3) Any camping resort operator which does not comply at all times with subsection (1) or (2) of this section with regard to any blanket encumbrance in connection with any applicable campground is prohibited from offering any camping resort contracts for sale in Washington during the period of noncompliance.

Sec. 8. Section 5, chapter 69, Laws of 1982 and RCW 19.105.340 are each amended to read as follows:

(1) 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)) has not by other means assured future availability to and quiet enjoyment of the campgrounds and facilities, as required under this chapter, the director may, notwithstanding the provisions of section 7 of this 1988 act, require impoundment of the funds or membership receivables, or both, from camping resort contract sales, including the impoundment of periodic dues or assessments required of purchasers under the contracts, or provide other assurances acceptable to the director, until sufficient funds have been impounded or arrangements made to alleviate the inadequacy. The director may, upon finding it reasonable and necessary, for compliance with sections 7 and 12 of this 1988 act, and not inconsistent with the protection of purchasers or owners of camping resort contracts, provide for release to the applicant, registrant, or others of all or a portion of the impounded funds, membership receivables, or other assets in the impound. 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)) required by this chapter.

(2) Funds placed in impounds under this section or reserve accounts under RCW 19.105.350 are not subject to lien, attachment, or the possession of lenders or creditors of the operator, trustees in bankruptcy, receivers, or other third parties. In instances of bankruptcy, foreclosure, attachment, or other contingency where the ownership or beneficiary status of funds in depositories, or the receivables and funds to be collected from receivables, may be at issue, the purchasers of contracts under this chapter, as a class, shall be deemed the beneficiary. No individual purchaser or group of purchasers, other than the purchasers as a class, have any right to possession,

attachment, lien, or right of partition of funds or receivables in the impound or reserve.

(3) It is unlawful for an operator or other person to assign, hypothecate, sell, or pledge any contract or other asset placed into an impound or reserve under this chapter without the express written approval of the director or a court of competent jurisdiction.

NEW SECTION. Sec. 9. A new section is added to chapter 19.105 RCW to read as follows:

Persons licensed under chapter 18.85 RCW are exempt from the camping resort salesperson registration requirements of this chapter for camping resort contracts offered through the licensed brokerage.

Sec. 10. Section 6, chapter 69, Laws of 1982 and RCW 19.105.350 are each amended to read as follows:

(1) If the purchaser will own or acquire title to specified real property or improvements to be acquired by the camping ((club)) resort, the director may by order require to the extent necessary to protect the interests of the purchasers or owners of camping ((club)) resort contracts, that an appropriate portion of the proceeds paid under those camping ((club)) resort contracts be ((set aside)) placed in a separate reserve fund to be set aside and applied toward the purchase price of the real property ((or)), improvements, or facilities.

(2) The director may deny or suspend a registration in which the registrant is advertising or offering annual or periodic dues or assessments by members that the director finds would result in the registrant's future inability to fund operating costs.

Sec. 11. Section 7, chapter 69, Laws of 1982 and RCW 19.105.360 are each amended to read as follows:

The camping ((club)) resort operator or other registrant of offerings of camping resort contracts 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)) resort contract, and (3) the text of any supplements or amendments to the written disclosures required to be furnished prospective purchasers under RCW 19.105.370: 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. 12. A new section is added to chapter 19.105 RCW to read as follows:

(1) It is unlawful for a camping resort operator or other person, in connection with an advertisement or offer for sale of a camping resort contract in this state, to promise or offer a free gift, award, prize, or other item

of value if the operator or person knows or has reason to know that the offered item is unavailable in a sufficient quantity based upon the reasonably anticipated response to the advertisement or offer.

(2) A person who responds to an advertisement or offer in the manner specified, who performs all stated requirements, and who meets the qualifications disclosed shall promptly receive the item offered subject to the following exception. If the camping resort operator fails to provide the item because of insufficient supply or unacceptable quality not reasonably foreseeable by the camping resort operator, the operator shall provide, at the operator's option, a rain check for the item offered, its cash equivalent, a substitute item of greater retail value, or a rain check for such substitute item. If a rain check is provided, the camping resort operator shall, within thirty days, deliver the item, its cash equivalent, or a substitute item to the recipient's address without additional cost or requirement to the recipient.

(3) The director may, upon making a determination that a violation of subsection (1) or (2) of this section has occurred, require any person, including an operator or other registrant found in violation, who continues, or proposes to continue, offering a free gift, award, prize, or other item of value in this state for purposes of advertising a camping resort or inducing persons to purchase a camping resort contract, to provide evidence of the ability to deliver on promised gifts, prizes, or awards by means such as bonds, irrevocable letters of credit, cash deposits, or other security arrangements acceptable to the director.

(4) The director may require that any fees or funds of any description collected in advance from persons for purposes of obtaining promised gifts, awards, prizes, or other items of value, be placed in trust in a depository in this state until after delivery of the promised gift, prize, award, or other item of value.

(5) Operators or other registrants or persons promising gifts, prizes, awards, or other items of consideration as part of a membership referral program shall be considered to be offering or selling promotional programs.

Sec. 13. Section 8, chapter 69, Laws of 1982 and RCW 19.105.370 are each amended to read as follows:

Except in a transaction exempt under (~~RCW 19.105.320 (2) or (3); any person who sells a camping club contract~~) section 4 of this 1988 act, any operator who offers or sells camping resort contracts in this state shall provide the prospective purchaser with the written disclosures required to be filed under RCW 19.105.320(1)(b) in a form that is materially accurate and complete before the prospective purchaser signs a camping (~~club~~) resort contract or gives any item of value for the purchase of a camping (~~club~~) resort contract. The department may provide its own disclosures, supplementing those of the operator, in any format it deems appropriate. The department shall not be held liable for any alleged failure to disclose information or for deficiencies in the content of its disclosures when such

disclosures are based upon information provided by the operator or a registrant.

Sec. 14. Section 9, chapter 69, Laws of 1982 and RCW 19.105.380 are each amended to read as follows:

~~((The effectiveness of an application or registration))~~ (1) A registration or an application for registration of camping resort contracts or renewals thereof 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));~~

(a) The advertising, sales techniques, or trade practices of the applicant, registrant, or its affiliate or agent have been or are deceptive, false, or misleading;

~~((2) The camping club operator))~~ (b) The applicant or registrant has failed to file copies of ~~((its advertisements or promotion literature or its))~~ the camping ~~((club))~~ resort contract form under RCW 19.105.360;

~~((3) The camping club operator))~~ (c) The applicant, registrant, or affiliate has failed to comply with any provision of this chapter ~~((or))~~ the rules adopted or the conditions of a permit granted 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 RCW 19.105.340, to warrant its offering or selling camping club contracts;~~

~~(5) The camping club operator's)), or a stipulation or final order previously entered into by the operator or issued by the department under this chapter;~~

(d) The applicant's, registrant's, or affiliate's offering of camping ~~((club))~~ resort contracts has worked or would work a fraud upon purchasers or owners of camping ~~((club))~~ resort contracts;

~~((6) The camping club operator's application or any amendment thereto is incomplete in any material respect;~~

~~(7))~~ (e) The camping ~~((club))~~ resort operator or any officer, director, or ~~((other))~~ affiliate of the camping ~~((club))~~ resort operator has been within the last five years convicted of or pleaded nolo contendere to any misdemeanor or felony involving conversion, embezzlement, theft, fraud, or dishonesty, has been enjoined from or had any civil penalty assessed for ~~((or))~~ a finding of dishonest dealing or fraud in a civil suit, or been 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)~~ (f) The applicant or registrant has represented or is representing to purchasers in connection with the offer or sale of a camping ((club)) resort contract that ((any)) a camping ((club)) resort property, facility, amenity 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))~~, promised, or required, and the applicant or registrant has not provided the director with a security or assurance of performance as required by this chapter;

(g) The applicant or registrant has not provided or is no longer providing the director with the necessary security arrangements to assure future availability of titles or properties as required by this chapter or agreed to in the permit to market;

(h) The applicant or registrant is or has been employing unregistered salespersons or offering or proposing a membership referral program not in compliance with this chapter;

(i) The applicant or registrant has breached any escrow, impound, reserve account, or trust arrangement or the conditions of an order or permit to market required by this chapter;

(j) The applicant or registrant has breached any stipulation or order entered into in settlement of the department's filing of a previous administrative action;

(k) The applicant or registrant has filed or caused to be filed with the director any document or affidavit, or made any statement during the course of a registration or exemption procedure with the director, that is materially untrue or misleading;

(l) The applicant or registrant has engaged in a practice of failing to provide the written disclosures to purchasers or prospective purchasers as required under this chapter;

(m) The applicant, registrant, or any of its officers, directors, or employees, if the operator is other than a natural person, have wilfully done, or permitted any of their salespersons or agents to do, any of the following:

(i) Engage in a pattern or practice of making untrue or misleading statements of a material fact, or omitting to state a material fact;

(ii) Employ any device, scheme, or artifice to defraud purchasers or members;

(iii) Engage in a pattern or practice of failing to provide the written disclosures to purchasers or prospective purchasers as required under this chapter;

(n) The applicant or registrant has failed to provide a bond, letter of credit, or other arrangement to assure delivery of promised gifts, prizes, awards, or other items of consideration, as required under this chapter, breached such a security arrangement, or failed to maintain such a security

arrangement in effect because of a resignation or loss of a trustee, impound, or escrow agent;

(o) The applicant or registrant has engaged in a practice of selling contracts using material amendments or codicils that have not been filed or are the consequences of breaches or alterations in previously filed contracts;

(p) The applicant or registrant has engaged in a practice of selling or proposing to sell contracts in a ratio of contracts to sites available in excess of that filed in the affidavit required by this chapter;

(q) The camping ~~((club))~~ resort operator has withdrawn, ~~((or))~~ has the right to withdraw, or is proposing to withdraw from use all or any ~~((substantial camping or recreation))~~ portion of any camping ~~((club))~~ resort property devoted to the camping ~~((or recreational activities))~~ resort program, unless ~~((a))~~;

(i) 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)))~~;

(ii) The property is withdrawn because, despite good faith efforts by the camping ~~((club))~~ resort operator, a nonaffiliate of the camping ~~((club))~~ resort has exercised a right of withdrawal from use by the camping ~~((club))~~ resort (such as withdrawal following expiration of a lease of the property to the camping ~~((club))~~ resort) 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))~~ resort contracts after the camping ~~((club))~~ resort has represented to purchasers that the property is or will be available for camping or recreation purposes~~((; (c)))~~;

(iii) The specific date upon which the withdrawal becomes effective has been disclosed in writing to all purchasers ~~((at or))~~ and members prior to the time of any sales of camping ~~((club))~~ resort contracts after the camping ~~((club))~~ resort has represented to purchasers that the property is or will be available for camping or recreation purposes~~((; (d)))~~;

(iv) The rights of ~~((the purchaser or))~~ members and owners of the camping ~~((club))~~ resort contracts under the express terms of the camping ~~((club))~~ resort contract have expired, or have been specifically limited, upon the lapse of a stated or determinable period of time, ~~((or (e)))~~ and the director by order has found that the withdrawal is not otherwise inconsistent with the protection of purchasers or ~~((owners of camping club contracts))~~ the desire of the majority of the owners of camping resort contracts, as expressed in their previously obtained vote of approval;

(r) The format, form, or content of the written disclosures provided therein is not complete, full, or materially accurate, or statements made therein are materially false, misleading, or deceptive;

(s) The applicant or registrant has failed or declined to respond to any subpoena lawfully issued and served by the department under this chapter;

(t) The applicant or registrant has failed to file an amendment for a material change in the manner or at the time required under this chapter or its implementing rules;

(u) The applicant or registrant has filed voluntarily or been placed involuntarily into a federal bankruptcy or is proposing to do so; or

(v) A camping resort operator's rights or interest in a campground has been terminated by foreclosure or the operations in a camping resort have been terminated in a manner contrary to contract provisions.

(2) Any applicant or registrant who has violated subsection (1) (a), (b), (c), (f), (h), (i), (j), (l), (m), or (n) of this section may be fined by the director in an amount not to exceed one thousand dollars for each such violation. Proceedings seeking such fines shall be held in accordance with chapter 34.04 RCW and may be filed either separately or in conjunction with other administrative proceedings to deny, suspend, or revoke registrations authorized under this chapter. Fines collected from such proceedings shall be deposited in the state general fund.

(3) An operator, registrant, or applicant against whom administrative or legal proceedings have been filed shall be responsible for and shall reimburse the state, by payment into the general fund, for all administrative and legal costs actually incurred by the department in issuing, processing, and conducting any such administrative or legal proceeding authorized under this chapter that results in a final legal or administrative determination of any type or degree in favor of the department.

(4) 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 or renewal under any of the above subsections and may summarily suspend or revoke a registration under subsection (1) ~~((s)) (1) ((- (3), (5), or (6)))~~ (d), (f), (g), (h), (i), (k), (l), (m), and (n) o' 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)).~~

(5) The proceedings to deny an application or renewal, suspend or revoke a registration or permit, whether summarily or otherwise, or impose a fine shall be held in accordance with chapter 34.04 RCW.

(6) The director may enter into assurances of discontinuance in lieu of issuing a statement of charges or a cease and desist order or conducting a hearing under this chapter. The assurances shall consist of a statement of the law in question and an agreement not to violate the stated provision. The applicant or registrant shall not be required to admit to any violation of the law, nor shall the assurance be construed as such an admission. Violating or breaching an assurance under this subsection is grounds for suspension or revocation of registration or imposition of a fine.

Sec. 15. Section 10, chapter 69, Laws of 1982 and RCW 19.105.390 are each amended to read as follows:

Any camping ~~((club))~~ resort contract may be canceled at the option of the purchaser, if the purchaser sends notice of the cancellation by certified mail (return receipt requested) to the camping ~~((club))~~ resort operator at the address contained in the camping resort contract and if the notice is ~~((posted))~~ postmarked 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))~~ resort contract of any description required to be registered with the department 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))~~ having received the written disclosures required by this chapter has cancellation rights until three business days following eventual receipt of the written disclosures. Purchasers shall request cancellation of contracts by ((posting)) sending the notice of cancellation by certified mail (return receipt requested), postmarked not later than midnight of the ~~((sixth))~~ third business day following the day on which the contract is signed ~~((if the purchaser makes such an inspection before sending the notice))~~ or the day on which the disclosures were actually received, whichever event is later to the camping resort operator at the address contained in the camping resort contract. 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))~~ Within three business days following receipt of timely and proper notice of cancellation ((by)) from the purchaser, the camping resort operator shall provide evidence that the contract has been cancelled. Thereafter, any money or other consideration paid by the purchaser shall be promptly refunded.

Every camping ~~((club))~~ resort contract, other than those being offered and registered as resales, shall include the following statement in at least

ten_point bold-face 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, or stated reason for doing so, by sending notice of cancellation by certified mail, return receipt requested, to (insert name and address of camping ((club)) resort 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)) resort property or facility at which camping ((club)) resort 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 (6) business days following the day on which you signed ((if you inspect such a property prior to sending the notice)) the contract."

Sec. 16. Section 11, chapter 69, Laws of 1982 and RCW 19.105.400 are each amended to read as follows:

Any camping ((club)) resort contract entered into in violation of ((RCW 19.105.310 or 19.105.370)) this chapter may be voided by the purchaser 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. 17. A new section is added to chapter 19.105 RCW to read as follows:

(1) The legislature recognizes the proprietary interest camping resort operators have in purchaser lists. The legislature also recognizes that purchasers of camping resort contracts have a legitimate interest in being able to contact other resort purchasers for the purpose of forming a members' association. In balancing these competing interests, the legislature believes that purchaser lists can be made available to camping resort purchasers with reasonable restrictions on the dissemination of those lists.

(2) Upon request of a purchaser, the camping resort operator shall provide to the purchaser a list of the names, addresses, and unit, site, or purchaser number of all purchasers. The camping resort operator may charge for the reasonable costs for preparing the list. The operator shall require the purchaser to sign an affidavit agreeing not to use the list for any commercial purpose.

(3) It is a violation of this chapter and chapter 19.86 RCW for any person to use a membership list for commercial purposes unless authorized to do so by the operator.

(4) It is a violation of this chapter and chapter 19.86 RCW for a camping resort operator to fail to provide a list of purchasers as provided in this section.

NEW SECTION. Sec. 18. A new section is added to chapter 19.105 RCW to read as follows:

Applicants or registrants under this chapter shall pay fees determined by the director as provided in RCW 43.24.086. The fees shall be prepaid and the director may determine fees for the following activities or events:

(1) A fee for the initial application and an additional fee for each camping resort contract registered;

(2) Renewals of camping resort registrations and an additional fee for each additional camping resort contract registered;

(3) An initial and annual fee for processing and administering any required impound, trust, reserve, or escrow arrangement and security arrangements for such programs;

(4) The review and processing of advertising or promotional materials;

(5) Registration and renewal of registrations of salespersons;

(6) The transfer of a salesperson's permit from one operator to another;

(7) Administering examinations for salespersons;

(8) Amending the registration or the public offering statement;

(9) Conducting site inspections;

(10) Granting exemptions under this chapter;

(11) Penalties for registrants in any situation where a registrant has failed to file an amendment to the registration or the public offering statement in a timely manner for material changes, as required in this chapter and its implementing rules.

Sec. 19. Section 13, chapter 69, Laws of 1982 and RCW 19.105.420 are each amended to read as follows:

A registration of camping ~~((club))~~ resort contracts shall be effective for a period of one year and may, upon application, be renewed for successive periods of one year each, unless the director prescribes a shorter period for a permit or registration. A camping ~~((club))~~ resort contract registration ~~((may))~~ shall be amended ((at any time to)) if there is to be an increase in inventory or consolidation to the number of camping ((club)) resort contracts registered, or ((for any other reason, by the filing of an amended application therefor, which amended application)) in instances in which new contract forms are to be offered. Consolidations, new contract forms, the adding of resorts to the program, or amendments for material changes shall become effective in the manner provided by RCW 19.105.330. The written disclosures required to be furnished prospective purchasers under RCW 19.105.370 shall be supplemented by amendment request in writing as necessary to keep the required information reasonably current((, and the written supplements)) and reflective of material changes. Amendments shall be filed

with the director as provided in RCW 19.105.360. The foregoing notwithstanding, however, the camping ~~((club))~~ resort operator or registrant 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))~~ resort, the financial condition of the camping resort, or the future availability of the camping resort properties to purchasers. 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 application for amendment ~~((or until the amendment becomes effective under RCW 19.105.330 by lapse of time;))~~ the applicant's registration shall continue to be deemed effective for the purposes of RCW 19.105.310.

Any permit to sell camping ~~((club))~~ resort memberships issued prior to November 1, 1982, shall be deemed a camping ~~((club))~~ resort registration subject to the renewal provisions of this chapter upon the anniversary date of the issuance of the original permit.

Sec. 20. Section 14, chapter 69, Laws of 1982 and RCW 19.105.430 are each amended to read as follows:

Unless the transaction is exempt under ~~((RCW 19.105.320 (2) or (3)))~~ section 4 of this 1988 act, it is unlawful for any person to act as a camping ~~((club))~~ resort salesperson in this state without first registering under this chapter as a salesperson or being licensed as a salesperson under chapter 18.85 RCW or a broker licensed under that chapter.

Sec. 21. Section 15, chapter 69, Laws of 1982 and RCW 19.105.440 are each amended to read as follows:

(1) A salesperson may apply for registration by filing in a complete and readable form with the director an application form provided by the director which includes the following ~~((information))~~:

(a) A statement whether or not the applicant within the past five years has been convicted of, pleaded nolo contendere to, or been ordered to serve probation for a period of a year or more for any misdemeanor or felony involving conversion, embezzlement, 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 fully 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))~~ the result of any theft, fraud, or act of dishonesty;

(c) A consent to service comparable to that required of operators under this chapter; and

(d) Required filing fees.

(2) The director may by order deny, suspend, or revoke a camping resort salesperson's registration or application for registration under this

chapter or the ((salesperson's registration)) person's license or application under chapter 18.85 RCW, or impose a fine on such persons not exceeding two hundred dollars per violation, if the director finds that the order is necessary for the protection of purchasers or owners of camping ((club)) resort 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)) is guilty of:

(a) Obtaining registration by means of fraud, misrepresentation, or concealment, or through the mistake or inadvertence of the director;

(b) Violating any of the provisions of this chapter or any lawful rules adopted by the director pursuant thereto;

(c) Being convicted in a court of competent jurisdiction of this or any other state, or federal court, of forgery, embezzlement, obtaining money under false pretenses, bribery, larceny, extortion, conspiracy to defraud, or any similar offense or offenses. For the purposes of this section, "being convicted" includes all instances in which a plea of guilty or nolo contendere is the basis for the conviction, and all proceedings in which the sentence has been deferred or suspended;

(d) Making, printing, publishing, distributing, or causing, authorizing, or knowingly permitting the making, printing, publication, or distribution of false statements, descriptions, or promises of such character as to reasonably induce any person to act thereon, if the statements, descriptions, or promises purport to be made or to be performed by either the applicant or registrant and the applicant or registrant then knew or, by the exercise of reasonable care and inquiry, could have known, of the falsity of the statements, descriptions, or promises;

(e) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme, or device whereby any other person lawfully relies upon the work, representation, or conduct of the applicant or registrant;

(f) Failing, upon demand, to disclose to the director or the director's authorized representatives acting by authority of law any information within his or her knowledge or to produce for inspection any document, book or record in his or her possession, which is material to the salesperson's registration or application for registration;

(g) Continuing to sell camping resort contracts in a manner whereby the interests of the public are endangered, if the director has, by order in writing, stated objections thereto;

(h) Committing any act of fraudulent or dishonest dealing or a crime involving moral turpitude, and a certified copy of the final holding of any

court of competent jurisdiction in such matter shall be conclusive evidence in any hearing under this chapter;

(i) Misrepresentation of membership in any state or national association; or

(j) Discrimination against any person in hiring or in sales activity on the basis of race, color, creed, or national origin, or violating any state or federal antidiscrimination law.

(3) 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 ((sub-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 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)) section.

((3)) (4) The proceedings to deny an application or renewal, suspend or revoke a registration or permit, whether summarily or otherwise, or impose a fine shall be held in accordance with chapter 34.04 RCW.

(5) The director, subsequent to any complaint filed against a salesperson or pursuant to an investigation to determine violations, may enter into stipulated assurances of discontinuances in lieu of issuing a statement of charges or a cease and desist order or conducting a hearing. The assurance shall consist of a statement of the law in question and an agreement not to violate the stated provision. The salesperson shall not be required to admit to any violation of the law, nor shall the assurance be construed as such an admission. Violation of an assurance under this subsection is grounds for a disciplinary action, a suspension of registration, or a fine not to exceed one thousand dollars.

(6) The director may by rule require such further information or conditions for registration as a camping ((club)) resort salesperson, including qualifying examinations and fingerprint cards prepared by authorized law enforcement agencies, as the director deems necessary to protect the interests of purchasers.

((4)) (7) Registration as a camping ((club)) resort salesperson shall be effective for a period of one year unless the director specifies otherwise or the salesperson transfers employment to a different registrant. Registration as a camping ((club)) resort salesperson shall be renewed annually, or at

the time of transferring employment, whichever occurs first, 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.~~)

(8) It is unlawful for a registrant of camping resort contracts to employ or a person to act as a camping resort salesperson covered under this section unless the salesperson has in effect with the department and displays a valid registration in a conspicuous location at each of the sales offices at which the salesperson is employed. It is the responsibility of both the operator and the salesperson to notify the department when and where a salesperson is employed, his or her responsibilities and duties, and when the salesperson's employment or reported duties are changed or terminated.

Sec. 22. Section 16, chapter 69, Laws of 1982 and RCW 19.105.450 are each amended to read as follows:

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

Sec. 23. Section 18, chapter 69, Laws of 1982 and RCW 19.105.470 are each amended to read as follows:

(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))~~ resort property in violation of RCW 19.105.380~~((9))~~ (1)(j), or any rule ~~((or))~~, order, or permit issued under this chapter, the director may in his or her 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))~~. However, the director may issue a temporary order pending the hearing which shall be effective immediately 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) If it appears necessary in order to protect the interests of members and purchasers, whether or not the director has issued a cease and desist order, the attorney general(;;) in the name of the state ((σ)), the director, ((σ)) the proper prosecuting attorney, an affiliated members' common-interest association, or a group of members as a class, 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 ((σ)), order, or permit 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 ((σ)), for the defendant's assets((- The state or director)), or to protect the interests or assets of a members' common-interest association or the members of a camping resort as a class. The state, the director, a members' common-interest association, or members as a class shall not be required to post a bond in such proceedings.

Sec. 24. Section 19, chapter 69, Laws of 1982 and RCW 19.105.480 are each amended to read as follows:

Any person who wilfully (~~violates any provision of~~) fails to register an offering of camping resort contracts under 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)) resort contracts wilfully and knowingly:

(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;

(5) To breach any impound, escrow, trust, or other security arrangement provided for by this chapter;

(6) To cause the breaching of any trust, escrow, impound, or other arrangement placed in a registration for compliance with section 7 of this 1988 act; or

(7) To employ unlicensed salespersons or permit salespersons or employees to make misrepresentations or violate this chapter.

No indictment or information may be returned under this chapter more than five years after the date of the event alleged to have been a violation.

Sec. 25. Section 22, chapter 69, Laws of 1982 and RCW 19.105.510 are each amended to read as follows:

Camping ((club)) resort 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 land developments, real estate cooperatives, or 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)~~) resorts or for camping resorts as subdivisions or binding site plans if appropriate to chapter 58.17 RCW or local ordinances.

Sec. 26. Section 24, chapter 69, Laws of 1982 and RCW 19.105.520 are each amended to read as follows:

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)~~) resort 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)~~) resort operator, or camping (~~(club)~~) resort contract transaction. It is a gross misdemeanor to make or cause to be made to any prospective purchaser any representation inconsistent with this section.

Sec. 27. Section 25, chapter 69, Laws of 1982 and RCW 19.105.530 are each amended to read as follows:

(1) The director may make, amend, and repeal rules, forms, and orders when necessary to carry out the provisions of this chapter.

(2) The director may appoint those persons within the department deemed necessary to administer this chapter. The director may delegate to such persons any powers, subject to the authority of the director, that may be necessary to carry out this chapter, including the issuance and processing of administrative proceedings and entering into stipulations under RCW 19.105.380.

NEW SECTION. Sec. 28. Section 12, chapter 69, Laws of 1982 and RCW 19.105.410 are each repealed.

NEW SECTION. Sec. 29. 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, with the exception of section 7 of this act, shall take effect immediately. Section 7 of this act shall take effect ninety days thereafter.

Passed the House March 7, 1988.

Passed the Senate March 4, 1988.

Approved by the Governor March 21, 1988.

Filed in Office of Secretary of State March 21, 1988.