

NEW SECTION. Sec. 6. If any provision of this 1972 amendatory 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.

Passed the House February 15, 1972.

Passed the Senate February 11, 1972.

Approved by the Governor February 23, 1972.

Filed in Office of Secretary of State February 24, 1972.

CHAPTER 106
[Engrossed House Bill NO. 98]
CAMPING CLUBS

AN ACT Relating to camping clubs; adding a new chapter to Title 19 RCW; creating new sections; and prescribing penalties.

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

NEW SECTION. Section 1. As used in this chapter, the following terms shall have the meanings herein ascribed to them, unless the context clearly requires otherwise:

(1) "Camping club" shall mean any corporation, firm, partnership, association, trust, or organization which:

(a) Is promoted, in whole or in part, for the financial benefit of another person, corporation, firm, partnership, association, trust, or organization; and

(b) Has camping and outdoor recreation as its primary purposes, and which is, or is intended to be, composed of members who have or will have obligated themselves to pay membership fees or other charges entitling them to use club facilities and grounds for camping and outdoor recreation purposes; and

(c) Contains or will contain camping vehicle sites; and

(d) Has legal or equitable title to the land on which the club is located or which leases, or is purchasing under a real estate contract, the land on which the club is located.

(2) "Camping vehicle site" means a space assigned to a camping club member for an indefinite period of time, or for life, or for a period of longer than one month, and on which site the member is entitled to park or locate a camping vehicle.

(3) "Camping vehicle" means a travel trailer, tent or tent trailer, pick-up camper, or other similar device used for portable housing.

(4) "Person" shall mean any person, firm, corporation, partnership, association, or organization.

(5) "Director" shall mean the director of the department of

motor vehicles acting in his capacity as administrator of the Securities Act, chapter 21.20 RCW, as now law or hereafter amended.

(6) "Promoter" shall mean the person or organization having a permit issued by the director to engage in the business of promoting or developing a camping club and having the overall responsibility for the sale of memberships in a camping club.

NEW SECTION. Sec. 2. Memberships in a camping club may not be sold unless a permit for promotion has been granted by the director.

NEW SECTION. Sec. 3. The application for a promotion permit shall be submitted to the director on a form reasonably prescribed by him. The information required by the director in the application shall be of such a nature as will enable the director to determine the development plan of the applicant and the applicant's financial responsibility and ability to perform, or cause to be performed, the development plan and the contractual obligations which would be due to the members of the club. The application shall include detailed information as to the ownership of and right to use the land on which the club is to be located, including, but not limited to, all of the applicant's transactions or dealings regarding the land. If the director finds that the applicant is financially responsible and has sufficient capital to warrant the promotion of a camping club and has otherwise complied with the provisions of this chapter, then he shall issue a promotion permit. If he finds that the applicant is not financially responsible or has insufficient capital, then he shall either deny the promotion permit or issue a conditional permit pursuant to the provisions of section 4 of this act.

NEW SECTION. Sec. 4. If the director finds that the applicant is not financially responsible or that the applicant has insufficient capital, he may grant a promotion permit, conditioned on the applicant agreeing to an impounding of the proceeds from all membership sales and charges on members for a reasonable period of time and until sufficient money has been impounded to adequately capitalize the camping club. The director may, if he finds it reasonable and necessary to the business of the applicant, provide for release to the applicant of a certain percentage of the impounded money. When sufficient capital is raised and the impound is lifted, the director shall take such measures as are appropriate to assure that the money released from the impound is applied to the camping club. In the event the impounding does not raise sufficient capital to adequately finance the camping club venture, then the members shall receive from the impounded funds the amount they paid in membership fees, less any releases approved by the director.

NEW SECTION. Sec. 5. In the event that the development plan for a camping club provides for the camping club owning or acquiring

clear title to the land on which the club is to be located, and in the event the plan provides for such ownership or clear title to be purchased from the proceeds from membership sales or fees, then the director may require, in order to protect the interests of the club members, that a reasonable portion of each membership sale or fee be set aside in a reserve fund to be applied toward the purchase price of the land. The director may similarly require the establishment of a reserve fund to cover any improvements on the grounds of a camping club when the improvements, according to the development plan, are to be paid for from the proceeds of membership sales or fees.

NEW SECTION. Sec. 6. The director shall adopt rules and regulations providing for the type and nature of information which a promoter must disclose in its sales and promotion literature and in its membership contract form. The promoter shall file with and obtain the approval of the director for (1) all advertisements and sales promotion literature, and (2) its contract form dealing with club memberships. Such filing shall be made by certified mail at least fourteen days prior to the first use of the advertisements, promotion literature, or membership contract. Approval shall be deemed to have been granted unless notice to the contrary is received by certified mail within ten days of the filing date.

NEW SECTION. Sec. 7. Any promotion permit issued by the director may be suspended if the director finds any of the following:

(1) That the promoter's advertising or sales techniques or trade practices have been or are unfair, deceptive, false, or misleading; or

(2) That the promoter has failed to file advertisements or promotion literature, or its membership contract form pursuant to the requirement in section 6 of this act; or

(3) That the promoter has failed to comply with the rules and regulations adopted by the director pursuant to the provisions of this chapter; or

(4) That the promoter is not financially responsible or has insufficient capital to warrant its selling memberships; or

(5) That the promoter has failed to comply with local health and land use requirements.

Whenever there exists grounds for suspending a permit under this section, the director may also revoke the permit if he finds revocation necessary in order to adequately protect the interests of the public.

NEW SECTION. Sec. 8. Any contract for club membership may be canceled at the option of the member, if the member sends notice of such cancellation by certified mail (return receipt requested) to the promoter and if the notice is posted not later than midnight of the third business day following the day on which the contract was agreed

to or signed. In computing the three business days, the day on which the contract was agreed to or signed shall not be included as a "business day", nor shall any Saturday, Sunday, or legal holiday be included.

In the event the contract for club membership is a "retail installment contract" under chapter 63.14 RCW, as now law or hereafter amended, then the information disclosure requirement in RCW 63.14.120 (3) (e), as now or hereafter amended, dealing with a one-day option to cancel, shall not apply to the contract.

NEW SECTION. Sec. 9. Any contract for club membership shall be voidable at the option of the member, if the contract form has not been filed with the director pursuant to section 6 of this act, or if the promoter has failed to comply with the applicable disclosure requirements in its dealings with the member, or if a valid promotion permit was not in existence for the camping club at the time the contract was agreed to.

NEW SECTION. Sec. 10. The director shall not grant any promotion permit until he is furnished certificates by the appropriate local governmental authorities certifying that the applicant has complied with all local, health, planning, and environmental requirements. A conditional permit may be granted pending receipt of such certificates by the director.

NEW SECTION. Sec. 11. During any period of time in which the promoter, his employees, or his agents control the management of a nonprofit camping club, no fees or charges for management services shall be imposed upon or collected from club members, unless (1) a notice of intent to impose and collect such fees or charges, together with an explanation of their purposes and intended application, are submitted to the director for his approval at least sixty days before such fees and charges are to become payable; and (2) the director approves them. The director shall approve any proposed fees or charges which he finds reasonable and shall disapprove any he finds unreasonable. In the event the director does not disapprove any proposed fees or charges within forty-five days after notice is filed with him, then they shall be deemed approved.

The promoter shall be liable to the club members for any money collected in violation of this section. In any action by a member to recover management fees or charges collected in violation of this section, the member, if he prevails, shall be awarded a reasonable attorney's fee.

The term "nonprofit" as used in this section refers to any domestic corporation organized under Title 24 RCW, and any foreign corporation authorized to conduct affairs in this state under Title 24 RCW.

NEW SECTION. Sec. 12. Any person who knowingly sells

memberships in a camping club for which a promotion permit has not been issued or is not currently in force shall be guilty of a gross misdemeanor and may be fined an amount up to one thousand dollars. It shall be a defense to any prosecution brought under this section that the defendant was or is a bona fide member of a camping club at the time of his selling his single membership therein.

NEW SECTION. Sec. 13. Each application for a promotion permit shall be accompanied by an application fee in the amount of three hundred dollars. The director shall impose an additional fee in the amount of one hundred dollars in the event of the issuance of a promotion permit conditioned on an impounding of the proceeds from membership sales and charges, and an additional fee in the amount of one hundred dollars in the event the promoter is required to establish a reserve fund or reserve funds under this chapter.

NEW SECTION. Sec. 14. The provisions of the Administrative Procedure Act, chapter 34.04 RCW, as now law or hereafter amended, shall apply to any administrative procedures carried out by the director under the provisions of this chapter. The director shall hold a hearing, if one is demanded, on any issue concerning the granting, revocation, or suspension of a permit. The director may adopt rules and regulations to implement the provisions of this chapter. In addition, he may (1) make investigations to determine whether any provisions of this chapter, or rules and regulations adopted hereunder, have been violated; (2) make investigations to determine whether a promotion permit should be granted, denied, revoked, or suspended; and (3) subpoena witnesses in order to compel their attendance or require them to produce any books, papers, correspondence, agreements, or other documents or records which he deems relevant or material to any investigation or hearing conducted by him under the provisions of this chapter.

NEW SECTION. Sec. 15. A camping club shall not be considered a subdivision under RCW 58.17.020(1). Nothing in this chapter shall prevent counties or cities from enacting ordinances or resolutions setting platting or subdivision requirements solely for camping clubs.

NEW SECTION. Sec. 16. Except as specifically provided herein, the provisions of this chapter shall not exclude the application of any other law to camping clubs, camping club members, or promoters.

NEW SECTION. Sec. 17. (1) The director shall if he finds it necessary to the business of a camping club in the process of development as of the effective date of this act extend the time by which the developer shall be required to obtain a promotion permit and otherwise comply with this chapter.

(2) Section 9 of this act shall not apply to or affect the

validity of any contract for membership in a camping club entered into prior to the effective date of this act.

(3) Sections 10 and 15 of this act shall not apply to any camping club in the process of development as of the effective date of this act.

(4) Section 11 of this act shall not apply to any fees or charges imposed upon or collected from a camping club member prior to the effective date of this act.

(5) A promotion permit may not be suspended or revoked under section 7 of this act for conduct engaged in prior to the effective date of this act.

NEW SECTION. Sec. 18. Prior to the effective date of this act, the director may adopt rules and regulations to implement this chapter, but any rules and regulations so adopted shall not take effect prior to such effective date.

NEW SECTION. Sec. 19. The provisions of this chapter shall not apply to any camping club which is registered pursuant to the securities and exchange act of 1933 and/or the securities act of the state of Washington.

NEW SECTION. Sec. 20. 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. 21. Sections 1 through 19 of this act shall constitute a new chapter in Title 19 RCW.

Passed the House February 16, 1972.

Passed the Senate February 11, 1972.

Approved by the Governor February 23, 1972.

Filed in Office of Secretary of State February 24, 1972.

CHAPTER 107

[Engrossed House Bill No. 142]

UNIVERSITY OF WASHINGTON--UNIVERSITY TRACT-- AGREEMENTS WITH CITY AND COUNTY FOR GOVERNMENTAL SERVICES

AN ACT Relating to the board of regents of the University of Washington; and amending section 28B.20.394, chapter 223, Laws of 1969 ex. sess. and RCW 28B.20.394.

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

Section 1. Section 28B.20.394, chapter 223, Laws of 1969 ex. sess. and RCW 28B.20.394 are each amended to read as follows:

In addition to the powers conferred upon the board of regents of the University of Washington by RCW 28B.20.392 and 28B.20.380,