

(27) State route number 401, beginning at a junction with state route number 101 at Point Ellice, thence easterly and northerly to a junction with state route number 5 in the vicinity north of Waselle;

(28) State route number 504, beginning at a junction with state route number 5 in the vicinity north of Castle Rock, thence in an easterly direction by way of St. Helens and Spirit lake to Mt. St. Helens;

(29) State route number 525, beginning at a junction with Maxwellton road in the southern portion of Whidbey island, thence northwesterly to a junction with Rhododendron road in the vicinity east of Coupeville; also

Beginning at a junction with Sherman road in the vicinity west of Coupeville, generally northerly to a junction with Miller road in the vicinity southwest of Oak Harbor; also

Beginning at a junction with Torpedo road in the vicinity northeast of Oak Harbor, thence northerly by way of Deception pass to a junction with state route number 536 in the vicinity southeast of Anacortes;

(30) State route number 542, beginning at the Nugent crossing over the Noosack river approximately 7.7 miles northeast of Bellingham, thence easterly to the vicinity of Austin pass in Whatcom county.

NEW SECTION. Sec. 30. The following acts or parts of acts are each repealed:

(1) section 47.20.370, chapter 13, Laws of 1961 and RCW 47.20.370;

(2) section 43, chapter 51, Laws of 1970 ex. sess. and RCW 47.17.210; and

(3) section 118, chapter 51, Laws of 1970 ex. sess. and RCW 47.17.585..

Passed the Senate May 6, 1971.

Passed the House May 8, 1971.

Approved by the Governor May 17, 1971.

Filed in Office of Secretary of State May 18, 1971.

CHAPTER 74

[Engrossed House Bill No. 77]

MOTOR VEHICLE DEALERS

AN ACT Relating to motor vehicle dealers; amending section 6, chapter 74, Laws of 1967 ex. sess. as amended by section 2, chapter 63, Laws of 1969 ex. sess. and RCW 46.70.041; amending section

7, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.051; amending section 46.70.060, chapter 12, Laws of 1961 as last amended by section 26, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.060; amending section 46.70.070, chapter 12, Laws of 1961 as last amended by section 27, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.070; amending section 9, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.082; amending section 10, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.083; amending section 46.70.090, chapter 12, Laws of 1961 as amended by section 3, chapter 63, Laws of 1969 ex. sess. and RCW 46.70.090; amending section 46.70.140, chapter 12, Laws of 1961 as amended by section 79, chapter 32, Laws of 1967 and RCW 46.70.140; and amending section 29, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.280.

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

Section 1. Section 6, chapter 74, Laws of 1967 ex. sess. as amended by section 2, chapter 63, Laws of 1969 ex. sess. and RCW 46.70.041 are each amended to read as follows:

(1) Every application shall contain the following information to the extent the same is applicable to the applicant:

(a) The applicant's honesty and reputation;

(b) The applicant's form and place of organization;

(c) The qualification and business history of the applicant, and in the case of a motor vehicle dealer, any partner, officer or director;

(d) Whether the applicant has been found guilty of any felony within the past five years involving moral turpitude, or for any misdemeanor concerning fraud or conversion, or suffering any judgment in any civil action involving fraud, misrepresentation or conversion and in the case of a corporation or partnership, all directors, officers or partners;

(e) The applicant's financial condition or history including whether the applicant or any partner, officer or director has ever been adjudged bankrupt or has any unsatisfied judgment in any federal or state court;

(f) Any other information the ~~((director))~~ department may require.

(2) If the applicant is a motor vehicle dealer, then information as to the type of business he will be engaged in, including:

(a) Name or names of new ~~((cars))~~ automobiles the motor vehicle dealer wishes to sell;

(b) The names and addresses of each manufacturer or distributor from whom the applicant has received a franchise;

(c) Whether the applicant intends to sell used motor vehicles,

and if so, whether he has space available for servicing and repairs;

(d) A certificate by the chief of police or his deputy, or a member of the Washington state patrol or a representative of the department of motor vehicles that the applicant has ((^u)) an established place of business ((^u)) at each business location in the state of Washington ((as defined by this chapter)); PROVIDED, That in no event shall such certificate be issued by a member of the Washington state patrol if the dealership is located in a city which has a population in excess of five thousand persons.

(e) A copy of a current service agreement with a manufacturer, or distributor for a foreign manufacturer, requiring the applicant, upon demand of any customer receiving a new vehicle warranty to perform or arrange for, within a reasonable distance of his established place of business, the service repair and replacement work required of the manufacturer or distributor by such vehicle warranty: PROVIDED, That this requirement shall only apply to applicants seeking to sell new or current-model motor vehicles with factory or distributor warranties.

(3) If the application is for a salesman's license, a certification by the motor vehicle dealer for whom he is going to work that he has examined the background of the applicant and to the best of his knowledge is of good moral character.

Sec. 2. Section 7, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.051 are each amended to read as follows:

After the application has been filed and the fee paid, the ((director)) department shall, if no denial order is in effect and no proceeding is pending under RCW 46.70.180 or 46.70.200, issue the appropriate license.

Sec. 3. Section 46.70.060, chapter 12, Laws of 1961 as last amended by section 26, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.060 are each amended to read as follows:

The fee for original dealer license for each calendar year or fraction thereof shall be as follows: Motor vehicle dealers, fifty dollars; subagencies, five dollars; which shall include one set of dealer license plates ((and which may be renewed annually for a fee of twenty dollars)). The annual renewal fee for motor vehicle dealers shall be twenty-five dollars, and five dollars for each subagency. Additional sets of the dealer license plates, bearing the same license number, may be obtained for three dollars per set; PROVIDED, HOWEVER, That the maximum number of sets of dealer plates the department may issue to a dealer shall not exceed the greater of ten sets or a figure which represents four percent of the dealer's total vehicle sales for the previous year, except that the department may issue what it determines to be a reasonable number of sets in those cases where the dealer has not been previously licensed or

where he can satisfy the department that the previous year's sales were unnaturally low for reasons beyond his control: AND PROVIDED FURTHER, That no dealer who sold less than twenty passenger cars and/or pickup trucks during the previous year shall be entitled to receive any additional sets, unless he can satisfy the department that additional sets are necessary for the purposes indicated by sections 46.70.090 (1), (3) or (4) of this chapter. If any dealer shall fail or neglect to apply for such renewal prior to ~~((August))~~ February 1st in each year, his license shall be declared canceled by the director, in which case the dealer will be required to apply for an original license and pay the fee required for such original license. The fees prescribed herein shall be in addition to any excise taxes imposed by chapter 82.44 RCW.

Sec. 4. Section 46.70.070, chapter 12, Laws of 1961 as last amended by section 27, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.070 are each amended to read as follows:

Before issuing a dealer license, the ~~((director))~~ department shall require the applicant to file with said ~~((director))~~ department a surety bond in the amount of ~~((ten thousand dollars for a motor vehicle dealer))~~:

(1) Ten thousand dollars for new and used motor vehicles;

(2) Ten thousand dollars for used motor vehicles;

(3) Ten thousand dollars for the sale of trailers valued at more than two thousand dollars;

(4) Five thousand dollars for the sale of trailers valued at two thousand dollars or less, and motorcycles,

running to the state, and executed by a surety company authorized to do business in the state. Such 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 retail purchaser who shall have suffered any loss or damage by reason of breach of warranty or by any act by a dealer which constitutes a violation of this chapter shall have the right to institute an action for recovery against such dealer and the surety upon such bond. Successive recoveries against said bond shall be permitted but the aggregate liability of the surety to all persons shall in no event exceed the amount of the bond. Upon exhaustion of the penalty of said bond or cancellation of the bond by the surety the ~~((director shall revoke the license of the dealer))~~ dealer license shall be automatically revoked.

Sec. 5. Section 9, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.082 are each amended to read as follows:

The license issued to the motor vehicle salesman shall be sent to the salesman by the department and shall be posted in a conspicuous place on the premises of the dealer by whom the salesman

is employed during the period of the salesman's employment.

When a salesman begins or terminates a connection with a motor vehicle dealer, the salesman and dealer shall promptly notify the ((director)) department, in writing, in the form prescribed by the ((director)) department. In addition to other information required by the ((director)) department, the motor vehicle dealer with whom the salesman is beginning a connection shall certify that he has examined the background of the salesman and, to the best of his knowledge, the salesman is of good moral character.

Sec. 6. Section 10, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.083 are each amended to read as follows:

Registration of a motor vehicle dealer ((or motor vehicle salesman)) shall be effective until ((June 30)) December 31 and may be renewed by filing with the ((director)) department prior to the expiration thereof an application containing such information as the director may require to indicate any material change in the information contained in the original application.

Registration of a motor vehicle salesman shall be effective until June 30 and may be renewed by filing with the department prior to the expiration thereof an application containing such information as the department may require to indicate any material change in the information contained in the original application.

Sec. 7. Section 46.70.090, chapter 12, Laws of 1961 as amended by section 3, chapter 63, Laws of 1969 ex. sess. and RCW 46.70.090 are each amended to read as follows:

Dealer license plates shall be used only under the following conditions:

(1) To demonstrate an automobile for sale provided that (a) a dated demonstration permit or purchase order identifying the sale or the potential sale is carried in the vehicle and (b) once the sale is completed the dealer will register and title the vehicle in question no later than the finish of the second business day.

(2) On vehicles assigned permanently to officers of the corporation, partnership or proprietorship, and to the bona fide, full time employees of the dealer: PROVIDED, That the ((director will twice each year)) department of motor vehicles shall from time to time inspect the records of every licensed dealer to determine that the above conditions have been met.

(3) On vehicles being tested for repair.

(4) On vehicles being transported for resale.

Failure to comply with the provisions of this section shall be cause for the suspension or revocation of the dealer license. Dealer license plates shall not be used upon any vehicle for the transportation of any person, produce, freight or commodities, except there shall be permitted the use of such dealer license plates on a

vehicle transporting commodities in course of demonstration over a period not to exceed seventy-two consecutive hours from the commencement of such demonstration, if a representative of the dealer is present and accompanies such vehicle during the course of the demonstration: PROVIDED, That nothing herein shall be interpreted in such manner as to prevent a dealer from moving, by vehicle bearing a dealer license plates another vehicle or vehicles upon which the said dealer might have used his dealer license plate: PROVIDED FURTHER, That transportation of dealers' own tools, parts and equipment, in a vehicle bearing a dealer license plate, to a total net weight not to exceed five hundred pounds shall not be considered a violation of the use of said dealer license.

Sec. 8. Section 46.70.140, chapter 12, Laws of 1961 as amended by section 79, chapter 32, Laws of 1967 and RCW 46.70.140 are each amended to read as follows:

Any dealer who shall knowingly buy or receive, sell or dispose of, conceal or have in his possession, any motor vehicle, trailer, or motorcycle from which the motor or serial number has been removed, defaced, covered, altered or destroyed, or any dealer, who shall remove from or install in any motor vehicle a new or used motor block without immediately notifying the ((director)) department of such fact upon a form provided by ((him)) the department, or any motor vehicle dealer who shall loan or permit the use of dealer plates by any person not entitled to the use thereof, shall be guilty of a gross misdemeanor.

Sec. 9. Section 29, chapter 74, Laws of 1967 ex. sess. and RCW 46.70.280 are each amended to read as follows:

((All persons doing business within this state as a motor vehicle salesman as defined in this chapter who may be required by this chapter to be licensed by the department shall comply with the provisions hereof no later than September 30, 1967.))

All motor vehicle dealers now licensed by the state shall renew their licenses on or before ((February)) August 1, ((1968)) 1971, for a period expiring ((June 30th)) December 31 st and thereafter licenses shall expire ((June 30th)) December 31st of each year: PROVIDED, That those who renew for the six months period from ((January)) July 1, ((1968)) 1971, to ((June 30, 1968)) December 31, 1971, shall only pay one-half the regular renewal fee.

((All persons doing business within this state not previously licensed as a dealer but who may be required to license as a "motor vehicle dealer" as defined in this chapter shall comply with the provisions hereof no later than September 30, 1967.))

Passed the House March 24, 1971.

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Approved by the Governor May 17, 1971.

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