

FINAL BILL REPORT

ESSB 6220

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Synopsis as Enacted

Brief Description: Prohibiting unfair competition by motor vehicle dealers and manufacturers.

Sponsors: Senate Committee on Commerce, Trade, Housing & Financial Institutions (originally sponsored by Senators Prentice, Winsley, Deccio and Rasmussen).

Senate Committee on Commerce, Trade, Housing & Financial Institutions
House Committee on Commerce & Labor

Background: There are approximately 350 new motor vehicle dealerships in the state of Washington. None of these dealerships are currently owned by manufacturers.

Recently, some motor vehicle manufacturers have indicated an interest in purchasing dealerships. There is concern that dealers who do not agree to sell their dealership to manufacturers may not be treated fairly, and that the increase in manufacturer-owned dealerships may result in decreased consumer choice.

Summary: A motor vehicle manufacturer, distributor, factory branch, factory representative or any person acting on behalf of these entities is prohibited from giving preferential treatment to any new motor vehicle dealers. Preferential treatment is defined as: offering to sell vehicles, parts, or accessories at a lower price to one dealer than another; or having a different method or schedule of delivering vehicles, parts or accessories to one dealer than another. Preferential treatment does not include sales incentives, rebates, or fleet discounts.

Manufacturers, distributors, and factory branches or representatives are prohibited from owning, operating or controlling a new motor vehicle dealership with some exceptions. Exceptions include when the dealership is operated during the transition from one owner to the next or in conjunction with an independent person as part of a dealer development program. The terms own,– operate– and control– are specified.

A motor vehicle manufacturer, distributor, factory branch, or factory representative is prohibited from operating a service facility for repair or maintenance not covered under the manufacturer’s new car warranty and extended warranty policies.

Manufacturers and other named entities are prohibited from using confidential information to unfairly compete with dealers. Confidential information– is defined.

Votes on Final Passage:

Senate	48	0	
House	96	1	(House amended)
Senate	45	0	(Senate concurred)

Effective: June 8, 2000