
Commerce & Labor Committee

SB 5167

Brief Description: Modifying trust account provisions for sellers of travel.

Sponsors: Senators Regala, Hewitt, Franklin, Winsley and Kohl-Welles.

Brief Summary of Bill

- Links the dollar amount of surety bonds posted by sellers of travel to the seller's gross sales to Washington residents.

Hearing Date: 3/20/03

Staff: Matt Cooper (786-7106).

Background:

Sellers of travel are travel agents and businesses that principally advise individuals on travel arrangements. Common carriers and lodging accommodations are not considered sellers of travel.

Sellers of travel must be registered with the Department of Licensing (Department). To register, a seller of travel must provide the Department with the business's address and financial information.

Sellers of travel must maintain either a trust account for client funds, or a surety bond payable to the Department. The bond may be used to reimburse consumers for any losses resulting from a seller's violation the law. The Director of the Department sets the amount of the bond between \$10,000 and \$50,000, based on the seller's gross income from sales in the prior year.

Summary of Bill:

The Director of the Department of Licensing sets the amount of a surety bond posted by sellers of travel based on the seller's gross income from sales to Washington residents in the prior year.

Rules Authority: The bill does not address the rule-making power of an agency.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.