

# FINAL BILL REPORT

## SHB 2208

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Synopsis as Enacted

**Brief Description:** Prohibiting new motorsports vehicle dealers from having to pay a fee for canceling orders of new motorsports vehicles.

**Sponsors:** House Committee on Commerce & Labor (originally sponsored by Representatives Hope, Kristiansen, Newhouse and McCune).

**House Committee on Commerce & Labor**  
**Senate Committee on Labor, Commerce & Consumer Protection**

### **Background:**

Many aspects of the franchise relationship between motorsports vehicle manufacturers and motorsports vehicle dealers are regulated by the Department of Licensing. "Motorsports vehicles" are defined as motorcycles, mopeds, snowmobiles, personal watercraft, and four-wheel all-terrain vehicles.

State law establishes unfair trade practices in the manufacturer-dealer relationship. Motorsports manufacturers may not:

- use confidential information from a dealer to compete against that dealer;
- require a dealer to order or accept delivery of a motorsports vehicle or accessory;
- fail to indemnify and hold a dealership harmless;
- require dealers to transfer installment sales contracts to a manufacturer;
- require franchise agreements to contain a right of first refusal;
- raise prices without notice;
- withhold consent to transfer any interest in a dealership; or
- prevent a dealer from restructuring the capital or business structure of a dealership.

### **Summary:**

An unfair trade practice is added that prohibits manufacturers from requiring a dealer to pay a fee for canceling orders. The prohibition expires on August 1, 2009.

### **Votes on Final Passage:**

House	97	0	
Senate	38	5	(Senate amended)

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

House 96 0 (House concurred)

**Effective:** May 15, 2009