
SENATE BILL 5553

State of Washington 55th Legislature 1997 Regular Session

By Senators Wood, Patterson, Horn, Heavey and Winsley

Read first time 01/31/97. Referred to Committee on Transportation.

1 AN ACT Relating to vehicle titling and licensing; and amending RCW
2 46.70.051, 46.12.170, 82.44.023, and 82.44.060.

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

4 **Sec. 1.** RCW 46.70.051 and 1996 c 282 s 2 are each amended to read
5 as follows:

6 (1) After the application has been filed, the fee paid, and bond
7 posted, if required, the department shall, if no denial order is in
8 effect and no proceeding is pending under RCW 46.70.101, issue the
9 appropriate license, which license, in the case of a vehicle dealer,
10 shall designate the classification of the dealer. Nothing prohibits a
11 vehicle dealer from obtaining licenses for more than one
12 classification, and nothing prevents any vehicle dealer from dealing in
13 other classes of vehicles on an isolated basis.

14 (2) An auction company licensed under chapter 18.11 RCW may sell at
15 auction all classifications of vehicles under a motor vehicle dealer's
16 license issued under this chapter including motor vehicles,
17 miscellaneous type vehicles, and mobile homes and travel trailers.

18 (3) At the time the department issues a vehicle dealer license, the
19 department shall provide to the dealer a current, up-to-date vehicle

1 dealer manual setting forth the various statutes and rules applicable
2 to vehicle dealers. In addition, at the time any such license is
3 renewed under RCW 46.70.083, the department shall provide the dealer
4 with any updates or current revisions to the vehicle dealer manual.
5 The department also shall provide to each dealer on an annual basis, an
6 accurate and up-to-date motor vehicle dealer training manual for the
7 purpose of training dealer employees and staff on the procedures and
8 requirements for vehicle titling, licensing, and the collection of
9 motor vehicle excise taxes. This manual is a supplement to the
10 training programs and training classes provided by the department. The
11 department also shall provide each dealer with any additional
12 information and training (e.g., updates, revisions, or other
13 supplemental materials or training) that the department's subagents and
14 auditors receive. The additional information and training must be
15 provided to dealers at the same time as it is provided to the
16 department's subagents and auditors.

17 The department shall give dealers no less than sixty days advance
18 written notice of a change in the documentation requirements or a
19 change in the amount of fees or taxes to be collected in connection
20 with the titling, licensing, or registration of vehicles.

21 (4) To facilitate the collection of motor vehicle excise tax
22 imposed on vehicle sales in this state, the department shall provide to
23 all licensed motor vehicle dealers, on a regular and timely basis and
24 without cost to dealers, accurate and up-to-date motor vehicle excise
25 tax information to allow dealers to accurately and easily determine the
26 correct excise tax amount to be collected on each vehicle. The tax
27 information must be provided to dealers in the same manner and form as
28 it is provided to the department's subagents and auditors, and must be
29 made available to dealers during their normal business hours, including
30 evenings, weekends, and holidays.

31 Until January 1, 2000, in lieu of providing this tax information
32 directly to each dealer, the department may contract with one or more
33 private parties who will publish or otherwise provide dealers with the
34 necessary excise tax information to allow dealers to easily determine
35 the correct excise tax amounts. In that event, the department shall
36 bear the cost and expense of providing all necessary information to
37 those private parties (which information must include, but not be
38 limited to, the original manufacturer's suggested retail price data
39 base, vehicle transaction and registration data base, and excise tax

1 schedules), to facilitate the calculation and dissemination of accurate
2 and up-to-date excise tax amounts. The department may provide this
3 information to private parties notwithstanding RCW 46.12.370. Dealers
4 may rely upon as valid the excise tax information provided to them by
5 these private parties.

6 **Sec. 2.** RCW 46.12.170 and 1994 c 262 s 6 are each amended to read
7 as follows:

8 If, after a certificate of ownership is issued, a security interest
9 is granted on the vehicle described therein, the registered owner or
10 secured party shall, within ten days thereafter, present an application
11 to the department, to which shall be attached the certificate of
12 ownership last issued covering the vehicle, or such other documentation
13 as may be required by the department, which application shall be upon
14 a form provided by the department and shall be accompanied by a fee of
15 one dollar and twenty-five cents in addition to all other fees. The
16 department, if satisfied that there should be a reissue of the
17 certificate, shall note such change upon the vehicle records and issue
18 to the secured party a new certificate of ownership.

19 Whenever there is no outstanding secured obligation and no
20 commitment to make advances and incur obligations or otherwise give
21 value, the secured party must assign the certificate of ownership to
22 the debtor or the debtor's assignee or transferee, and transmit the
23 certificate to the department with an accompanying fee of one dollar
24 and twenty-five cents in addition to all other fees. The department
25 shall then issue a new certificate of ownership and transmit it to the
26 owner. If the affected secured party fails to either assign the
27 certificate of ownership to the debtor or the debtor's assignee or
28 transferee or transmit the certificate of ownership to the department
29 within ten days after proper demand, that secured party shall be liable
30 to the debtor or the debtor's assignee or transferee for one hundred
31 dollars, and in addition for any loss caused to the debtor or the
32 debtor's assignee or transferee by such failure.

33 **Sec. 3.** RCW 82.44.023 and 1994 c 227 s 3 are each amended to read
34 as follows:

35 Rental cars as defined in RCW 46.04.465 are exempt from the taxes
36 imposed in RCW 82.44.020 (1) and (2). Effective January 20, 1997, the
37 department of licensing has entered into a pilot project under which

1 the department shall not collect motor vehicle excise tax on a rental
2 car for the months remaining in the vehicle's registration year when a
3 rental car ceases to be used for rental car purposes. This pilot
4 project will continue for a period of two years, and terminates at
5 midnight on January 19, 1999. During the period of the pilot project,
6 when a rental car ceases to be used for rental car purposes and at the
7 time of its retail sale, the ((excise tax imposed in RCW 82.44.020 (1)
8 and (2) shall be imposed in an amount equal to one twelfth of the
9 annual excise tax then in effect, for each full month)) selling dealer
10 is not required to collect excise tax for the months remaining in the
11 vehicle's registration year and may rely upon as valid the registration
12 month and year reflected on the current Washington state license plates
13 and tabs on the vehicle.

14 Upon the termination of the pilot project for any reason, the
15 department of licensing shall either adopt the tax provisions of the
16 pilot project on a permanent basis or implement the following tax
17 collection procedures: A rental car business shall remove the license
18 plates and tabs from a vehicle once the vehicle ceases to be used for
19 rental car purposes. At the time of the first retail sale of the
20 vehicle after the discontinuance of its use as a rental car, motor
21 vehicle excise tax must be collected as provided in RCW 82.44.020 for
22 a full twelve-month registration period, and new license plates and
23 tabs must be purchased for the vehicle.

24 **Sec. 4.** RCW 82.44.060 and 1990 c 42 s 304 are each amended to read
25 as follows:

26 The excise tax hereby imposed shall be due and payable to the
27 department or its agents at the time of registration of a motor
28 vehicle. Whenever an application is made to the department or its
29 agents for a license for a motor vehicle there shall be collected, in
30 addition to the amount of the license fee or renewal license fee, the
31 amount of the excise tax imposed by this chapter, and no dealer's
32 license or license plates, and no license or license plates for a motor
33 vehicle shall be issued unless such tax is paid in full. The excise
34 tax hereby imposed shall be collected for each registration year. The
35 excise tax upon a motor vehicle licensed for the first time in this
36 state shall be levied for one full registration year commencing on the
37 date of the calendar year designated by the department and ending on
38 the same date of the next succeeding calendar year. For vehicles

1 registered under chapter 46.87 RCW, proportional registration, and for
2 vehicle dealer plates issued under chapter 46.70 RCW, the registration
3 year is the period provided in those chapters: PROVIDED, That the tax
4 shall in no case be less than two dollars except for proportionally
5 registered vehicles.

6 A motor vehicle shall be deemed licensed for the first time in this
7 state when such vehicle was not previously licensed by this state for
8 the registration year immediately preceding the registration year in
9 which the application for license is made or when the vehicle has been
10 registered in another jurisdiction subsequent to any prior registration
11 in this state.

12 No additional tax shall be imposed under this chapter upon any
13 vehicle upon the transfer of ownership thereof if the tax imposed with
14 respect to such vehicle has already been paid for the registration year
15 or fraction of a registration year in which transfer of ownership
16 occurs.

17 Collection of a special motor vehicle excise tax levied by a county
18 under RCW 81.100.060 or a regional transit authority ("RTA") under RCW
19 81.104.160, is the sole responsibility of the respective county or
20 regional transit authority, and the county or the RTA shall levy and
21 collect the special excise tax separate and apart from any other motor
22 vehicle excise tax that may be due at the time of registration of a
23 motor vehicle. Motor vehicle dealers are not responsible or liable in
24 any way for the collection, payment, or remittance of a county or RTA
25 special motor vehicle excise tax at the time of registration of a new
26 or used motor vehicle sold or leased by a vehicle dealer unless and
27 until:

28 (1) The department of licensing has timely provided vehicle dealers
29 with accurate, up-to-date, and easily decipherable excise tax
30 information that specifies the amount of any such special excise taxes;
31 and

32 (2) The excise tax information is made available to dealers during
33 the dealers' normal business hours, including evenings, weekends, and
34 holidays, and is provided to dealers in the same manner and form as
35 that provided to the department's subagents and auditors.

36 No person may be denied issuance of a license or license plates for
37 a motor vehicle purchased or leased from a motor vehicle dealer due to
38 the nonpayment of any such special excise tax if the special excise tax

1 was not included in the excise tax information provided by the
2 department to dealers.

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