
HOUSE BILL 2021

State of Washington 58th Legislature 2003 Regular Session

By Representatives Wallace, Boldt, Moeller, Upthegrove and Kenney

Read first time 02/19/2003. Referred to Committee on Transportation.

1 AN ACT Relating to salvage vehicles; and amending RCW 46.12.005,
2 46.12.070, and 46.12.101.

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

4 **Sec. 1.** RCW 46.12.005 and 2002 c 245 s 1 are each amended to read
5 as follows:

6 The definitions set forth in this section apply throughout this
7 chapter.

8 (1) The words "delivery," "notice," "send," and "security interest"
9 have the same meaning as these terms are defined in RCW 62A.1-201; the
10 word "secured party" has the same meaning as this term is defined in
11 RCW 62A.9A-102.

12 (2) "Salvage vehicle" means a vehicle whose certificate of
13 ownership has been surrendered to the department under RCW 46.12.070
14 due to the vehicle's destruction or declaration as a total loss or for
15 which there is documentation indicating that the vehicle has been
16 declared salvage or has been damaged to the extent that the owner, an
17 insurer, or other person acting on behalf of the owner, has determined
18 that the cost of parts and labor plus the salvage value has made it
19 uneconomical to repair the vehicle. The term does not include a motor

1 vehicle having a model year designation of a calendar year that is at
2 least (~~six~~) ten years before the calendar year in which the vehicle
3 was wrecked, destroyed, or damaged, unless, after June 13, 2002, and
4 immediately before the vehicle was wrecked, destroyed, or damaged, the
5 vehicle had a retail fair market value of at least the then market
6 value threshold amount and has a model year designation of a calendar
7 year not more than twenty years before the calendar year in which the
8 vehicle was wrecked, destroyed, or damaged. "Market value threshold
9 amount" means six thousand five hundred dollars or such greater amount
10 as is then in effect by rule of the department in accordance with this
11 section. If, for any year beginning with 2002, the Consumer Price
12 Index for All Urban Consumers, compiled by the Bureau of Labor
13 Statistics, United States Department of Labor, or its successor, for
14 the West Region, in the expenditure category "used cars and trucks,"
15 shows an increase in the annual average for that year compared to that
16 of the year immediately prior, the department shall, by rule, increase
17 the then market value threshold amount by the same percentage as the
18 percentage increase of the annual average, with the increase of the
19 market value threshold amount to be effective on July 1st of the year
20 immediately after the year with the increase of the annual average.
21 However, the market value threshold amount may not be increased if the
22 amount of the increase would be less than fifty dollars, and each
23 increase of the market value threshold amount will be rounded to the
24 nearest ten dollars. If an increase in the market value threshold
25 amount is not made because the increase would be less than fifty
26 dollars, the unmade increase will be carried forward and added to later
27 year calculations of increase until the unmade increase is included in
28 an increase made to the market value threshold amount.

29 **Sec. 2.** RCW 46.12.070 and 2002 c 245 s 2 are each amended to read
30 as follows:

31 Upon the destruction of any vehicle issued a certificate of
32 ownership under this chapter or a license registration under chapter
33 46.16 RCW, the registered owner and the legal owner shall forthwith and
34 within fifteen days thereafter forward and surrender the certificate to
35 the department, together with a statement of the reason for the
36 surrender and the date and place of destruction. Failure to notify the
37 department or the possession by any person of any such certificate for

1 a vehicle so destroyed, after fifteen days following its destruction,
2 is prima facie evidence of violation of the provisions of this chapter
3 and constitutes a gross misdemeanor.

4 Any insurance company settling an insurance claim on a vehicle that
5 has been issued a certificate of ownership under this chapter or a
6 certificate of license registration under chapter 46.16 RCW as a total
7 loss, less salvage value, shall notify the department thereof within
8 fifteen days after the settlement of the claim. Notification shall be
9 provided regardless of where or in what jurisdiction the total loss
10 occurred.

11 For a motor vehicle having a model year designation at least
12 (~~six~~) ten years before the calendar year of destruction, the
13 notification to the department must include a statement of whether the
14 retail fair market value of the motor vehicle immediately before the
15 destruction was at least the then market value threshold amount as
16 defined in RCW 46.12.005.

17 **Sec. 3.** RCW 46.12.101 and 2002 c 279 s 1 are each amended to read
18 as follows:

19 A transfer of ownership in a motor vehicle is perfected by
20 compliance with the requirements of this section.

21 (1) If an owner transfers his or her interest in a vehicle, other
22 than by the creation, deletion, or change of a security interest, the
23 owner shall, at the time of the delivery of the vehicle, execute an
24 assignment to the transferee and provide an odometer disclosure
25 statement under RCW 46.12.124 on the certificate of ownership or as the
26 department otherwise prescribes, and cause the certificate and
27 assignment to be transmitted to the transferee. The owner shall notify
28 the department or its agents or subagents, in writing, on the
29 appropriate form, of the date of the sale or transfer, the name and
30 address of the owner and of the transferee, the transferee's driver's
31 license number if available, and such description of the vehicle,
32 including the vehicle identification number, the license plate number,
33 or both, as may be required in the appropriate form provided or
34 approved for that purpose by the department. The report of sale will
35 be deemed properly filed if all information required in this section is
36 provided on the form and includes a department-authorized notation that
37 the document was received by the department, its agents, or subagents

1 on or before the fifth day after the sale of the vehicle, excluding
2 Saturdays, Sundays, and state and federal holidays. Agents and
3 subagents shall immediately electronically transmit the seller's report
4 of sale to the department. Reports of sale processed and recorded by
5 the department's agents or subagents may be subject to fees as
6 specified in RCW 46.01.140 (4)(a) or (5)(b). By January 1, 2003, the
7 department shall create a system enabling the seller of a vehicle to
8 transmit the report of sale electronically. The system created by the
9 department must immediately indicate on the department's vehicle record
10 that a seller's report of sale has been filed.

11 (2) When a vehicle is sold by a private party transaction between
12 the registered owner and a private buyer, the registered owner must
13 disclose if the vehicle being sold was ever, to his or her knowledge,
14 involved in an accident that destroyed the vehicle causing it to be
15 subsequently rebuilt. The report of sale form, as provided for in
16 subsection (1) of this section, must contain the following statement,
17 below which the registered owner must sign, in order for the report of
18 sale to be deemed properly filed: "The vehicle described in this
19 report of sale has never, to my knowledge, been destroyed in an
20 accident that caused this vehicle to be subsequently rebuilt in any
21 way. Under penalty of perjury, I swear or affirm this information to
22 be true to the best of my knowledge."

23 (3) The requirements of subsection (1) of this section to provide
24 an odometer disclosure statement apply to the transfer of vehicles held
25 for lease when transferred to a lessee and then to the lessor at the
26 end of the leasehold and to vehicles held in a fleet when transferred
27 to a purchaser.

28 ~~((+3))~~ (4) Except as provided in RCW 46.70.122 the transferee
29 shall within fifteen days after delivery to the transferee of the
30 vehicle, execute the application for a new certificate of ownership in
31 the same space provided therefor on the certificate or as the
32 department prescribes, and cause the certificates and application to be
33 transmitted to the department.

34 ~~((+4))~~ (5) Upon request of the owner or transferee, a secured
35 party in possession of the certificate of ownership shall, unless the
36 transfer was a breach of its security agreement, either deliver the
37 certificate to the transferee for transmission to the department or,
38 when the secured party receives the owner's assignment from the

1 transferee, it shall transmit the transferee's application for a new
2 certificate, the existing certificate, and the required fee to the
3 department. Compliance with this section does not affect the rights of
4 the secured party.

5 ~~((+5))~~ (6) If a security interest is reserved or created at the
6 time of the transfer, the certificate of ownership shall be retained by
7 or delivered to the person who becomes the secured party, and the
8 parties shall comply with the provisions of RCW 46.12.170.

9 ~~((+6))~~ (7) If the purchaser or transferee fails or neglects to
10 make application to transfer the certificate of ownership and license
11 registration within fifteen days after the date of delivery of the
12 vehicle, he or she shall on making application for transfer be assessed
13 a ~~((twenty-five))~~ fifty dollar penalty on the sixteenth day and two
14 dollars additional for each day thereafter, but not to exceed one
15 hundred dollars. The director may by rule establish conditions under
16 which the penalty will not be assessed when an application for transfer
17 is delayed for reasons beyond the control of the purchaser. Conditions
18 for not assessing the penalty may be established for but not limited to
19 delays caused by:

- 20 (a) The department requesting additional supporting documents;
21 (b) Extended hospitalization or illness of the purchaser;
22 (c) Failure of a legal owner to release his or her interest;
23 (d) Failure, negligence, or nonperformance of the department,
24 auditor, or subagent.

25 Failure or neglect to make application to transfer the certificate
26 of ownership and license registration within forty-five days after the
27 date of delivery of the vehicle is a misdemeanor.

28 ~~((+7))~~ (8) Upon receipt of an application for reissue or
29 replacement of a certificate of ownership and transfer of license
30 registration, accompanied by the endorsed certificate of ownership or
31 other documentary evidence as is deemed necessary, the department
32 shall, if the application is in order and if all provisions relating to
33 the certificate of ownership and license registration have been
34 complied with, issue new certificates of title and license registration
35 as in the case of an original issue and shall transmit the fees
36 together with an itemized detailed report to the state treasurer, to be
37 deposited in the motor vehicle fund.

1 (~~(8)~~) (9) Once each quarter the department shall report to the
2 department of revenue a list of those vehicles for which a seller's
3 report has been received but no transfer of title has taken place.

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