

# SENATE BILL REPORT

## 2ESSB 5785

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As Amended by House, March 5, 2014

**Title:** An act relating to the display and replacement of license plates.

**Brief Description:** Modifying requirements for the display and replacement of license plates.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Ericksen, Rolfes, King, Ranker and Eide).

**Brief History:**

**Committee Activity:** Transportation: 2/20/13, 2/26/13 [DPS, DNP, w/oRec].

Passed Senate: 4/19/13, 47-0; 2/17/14, 47-0.

Passed House: 3/05/14, 95-3.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5785 be substituted therefor, and the substitute bill do pass.

Signed by Senators Eide, Co-Chair; King, Co-Chair; Benton, Vice Co-Chair; Fain, Budget Leadership Cabinet; Billig, Ericksen, Rolfes, Sheldon and Smith.

**Minority Report:** Do not pass.

Signed by Senators Brown and Mullet.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Schlicher.

**Staff:** Amanda Cecil (786-7429)

**Background:** Vehicle License Plates. Vehicles that are registered for use on public highways are issued license plates. Two identical license plates are issued for most passenger cars and pickup trucks; they must be displayed horizontally and conspicuously at the front and rear of the vehicle. When a vehicle changes ownership, the license plates follow the vehicle unless the seller applies to transfer the license plates to a replacement vehicle. There is a fee of \$20 to transfer license plates to a different vehicle.

The Department of Licensing (DOL) must determine how frequently license plates must be replaced to ensure maximum legibility and reflectivity. In doing so, DOL must use empirical studies documenting the longevity of the reflective materials. DOL has established, through

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rule, a seven-year replacement period for license plates. License plates must also be replaced if they have been lost, defaced, or are illegible and may be replaced at any time the owner chooses. There is a \$10 per plate fee for a standard issue license plate and a \$2 per plate reflectivity fee. When license plates are replaced, new license plates with a new number are issued for the vehicle, however upon application and payment of the \$20 plate retention fee, the owner may retain their plate number.

Vehicle Registration and Renewal. Generally, vehicles that are operated on public highways must be registered with DOL. At the time of original registration, a registration year is assigned. A vehicle registration is valid for 12 months.

At the time of vehicle registration and annual registration renewal, a \$30 vehicle license fee and various other statewide fees are due, including vehicle weight fees of \$10 to \$30 depending on the weight of the vehicle, the \$0.50 license service fee, and the \$0.25 license plate technology fee. In addition to statewide fees, various locally imposed taxes and fees are collected at vehicle registration renewal, such as local vehicles fees imposed by a transportation benefit district. Additionally, within the boundary of the regional transit authority, Sound Transit, there is a motor vehicle excise tax that is collected at the time of annual renewal.

**Summary of Second Engrossed Substitute Bill:** The requirement to periodically replace license plates is removed. However, a license plate must be replaced at the time a vehicle changes ownership, at which time vehicle registration expires as well. A vehicle registration is valid for 12 months or until the vehicle changes ownership. The new owner must make application for new license plates and registration renewal and pay any taxes and fees that are due at registration renewal. The new owner of a vehicle applying for a renewal registration must be credited for any motor vehicle excise tax paid by the previous owner that expired. The new owner may apply to retain the current license plates. New license plates and registration do not need to be obtained for vehicles that are sold to vehicle dealers until the dealer sells the vehicle. This act applies to vehicle registrations that are due or become due on or after January 1, 2015.

**Appropriation:** None.

**Fiscal Note:** Available.

[OFM requested ten-year cost projection pursuant to I-960.]

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: It is frustrating to replace a perfectly good license plate after seven years. This is designed to make the process better for the customer. The idea is new car, new plates, new registration year.

CON: Increasing fees and costs at the time of vehicle sale decreases sales. Fees and costs should not be imposed at the time of sale. Removing the front license plate will result in lost

tolling revenue because both front and rear plates are captured to process tolls. If plates become illegible and are not replaced this could also impact tolling revenue.

OTHER: Removing the requirement to display a front plate provides ambiguity of the law because it is unclear what conducive means. There is a provision in law that allows for exemptions to a front plate on a case by case basis. A front plate is critical for law enforcement in identifying vehicles that have been stolen or involved in a crime.

**Persons Testifying:** PRO: Senator Ericksen, prime sponsor.

CON: Scott Hazlegrove, WA State Auto Dealers Assn.; Craig Stone, Dept. of Transportation.

OTHER: Captain Rob Huss, WA State Patrol.

**House Amendment(s):** Adds the following exemptions to the requirement that the license plates be replaced at change in ownership:

- when adding or removing a lien holder from the certificate of title;
- when the vehicle is transferred from one spouse or domestic partner to another;
- when removing a deceased spouse or domestic partner from the certificate of title;
- when the vehicle is transferred by gift or inheritance, or by a trust to an immediate family member;
- when a leaseholder buys the leased vehicle; or
- when a person changes that person's name.