

# SENATE BILL REPORT

## SB 5857

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As of March 27, 2013

**Title:** An act relating to vehicle-related fees.

**Brief Description:** Concerning vehicle-related fees.

**Sponsors:** Senators King and Eide.

**Brief History:**

**Committee Activity:** Transportation: 3/19/13.

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### SENATE COMMITTEE ON TRANSPORTATION

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

**Background:** Transportation Funding. Funding for statewide transportation comes from a variety of taxes and fees that are imposed on drivers, vehicles, and fuels. The largest single source of transportation revenue comes from the state's motor vehicle fuel tax of \$0.375 per gallon of gasoline and diesel.

Licensing Subagents. County auditors, acting as agents of the director of the Department of Licensing (DOL), must provide various vehicle title and registration services to the public. This includes processing a report of sale; processing a transitional ownership; processing mail-in vehicle registration renewals; issuing registration and temporary off-road vehicle use permits; issuing registration for snowmobiles; and collecting taxes and fees. DOL may appoint privately owned businesses as licensing subagents (subagents) to process these transactions under contract with the county auditor. In addition to any other fees, transactions processed by a subagent are subject to a subagent service fee: \$12 for a title and \$5 for a registration or any other transaction. Unlike other transactions, a subagent collects a \$5 subagent service fee on a report of sale and does not collect the license plate technology, licensing service, or filing fee.

The table below shows a summary of the administrative fees collected by type and location of transaction.

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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.*

	Registration or any other transaction	Report of Sale – subagent	Report of Sale – auditor or agent	Title
License Plate Technology Fee	\$0.25		\$0.25	
License Service Fee	\$0.50		\$0.50	
Filing Fee	\$3.00		\$3.00	\$4.00
Subagent Service Fee	\$5.00	\$5.00		\$12.00
<b>Total Fees Paid – Auditor or Agent</b>	<b>\$3.75</b>		<b>\$3.75</b>	<b>\$4.00</b>
<b>Total Fees Paid – Subagent</b>	<b>\$8.75</b>	<b>\$5.00</b>		<b>\$16.00</b>

**Summary of Bill:** Driver and Vehicle Related Fees. The following fee increases are made and new fees are added:

Document or Service	Current Fee	Proposed Fee (effective Jan. 2014)
Commercial Drivers' License (CDL) Requalification	\$20.00	\$35.00
CDL Instruction Permit	\$10.00	\$40.00
CDL Knowledge Exam	\$10.00	\$35.00
CDL Classified Skills Exam – reduced	\$75.00	\$225.00
CDL Classified Skills Exam	\$100.00	\$250.00
Enhanced Drivers' Licenses	\$15.00	\$55.00
Electric Vehicle Fee	\$100.00	\$125.00
Hybrid Vehicle Fee	\$0	\$75.00
Studded Tire Permit Fee	\$0	\$15.00

The requirement that an electric vehicle fee be repealed if a vehicle miles traveled tax is imposed, is removed.

Studded Tire Permit Fee. Prior to using studded tires on a public highway, a vehicle owner must apply for a studded tire permit and pay a \$15 annual studded tire permit fee. The studded tire permit must be displayed on the vehicles license plate. A studded tire permit expires with the vehicle's annual registration and may be purchased at any time during the year. The proceeds from the studded tire permit fee are deposited as such:

- 55 percent to the Transportation Improvement Account; and
- 45 percent to the Rural Arterial Trust Account.

Failure to display a studded tire permit while using studded tires on a public highway is a traffic infraction and an additional \$15 penalty is assessed, which is deposited into the Motor Vehicle Account.

Hybrid Vehicle Fee. A fee of \$75 is added on hybrid vehicles that is due at the time of annual registration renewal. The proceeds from the hybrid vehicle fee are deposited as such:

- 70 percent to the Motor Vehicle Fund;
- 15 percent to the Transportation Improvement Account; and
- 15 percent to the Rural Arterial Trust Account.

Service Fees. The subagent service fee is renamed the service fee and DOL, county auditors, and agents must collect the service fee.

The service fee is distributed as such:

- when collected by DOL it is deposited in the DOL services account; and
- when collected by the county auditor or other agent, it is deposited into the county’s current expense fund.

The table below shows a summary of the administrative fees collected by type and location of transaction under this bill.

	Registration or any other transaction	Report of Sale – subagent	Report of Sale – auditor or agent	Title
License Plate Technology Fee	\$0.25	\$0.25	\$0.25	
License Service Fee	\$0.50	\$0.50	\$0.50	
Filing Fee	\$3.00	\$3.00	\$3.00	\$4.00
Subagent Service Fee	\$5.00	\$5.00	\$5.00	\$12.00
<b>Total Fees Paid – Auditor or Agent</b>	<b>\$8.75</b>		<b>\$8.75</b>	<b>\$16.00</b>
<b>Total Fees Paid – Subagent</b>	<b>\$8.75</b>	<b>\$8.75</b>		<b>\$16.00</b>

**Appropriation:** None.

**Fiscal Note:** Available.

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

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

**Effective Date:** The bill takes effect on January 1, 2014.

**Staff Summary of Public Testimony:** PRO: Some of these fees designate funds to local governments, such as the studded tire permit fee, and they also experience the damage that

these tires cause. The Washington State Association of Counties (WSAC) would prefer if these funds were deposited in the county arterial preservation account.

CON: This is unfair to and hurts the hybrid and electric vehicle fee market. Some hybrid vehicles get worse fuel mileage than regular vehicles.

**Persons Testifying:** PRO: Gary Rowe, WSAC.

CON: Ryan Spiller, Auto Alliance.