

SENATE BILL REPORT

SB 5857

As Reported by Senate Committee On:
Transportation, April 2, 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, 4/02/13 [DPS, DNP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5857 be substituted therefor, and the substitute bill do pass.

Signed by Senators Eide, Co-Chair; King, Co-Chair; Hobbs, Vice Co-Chair; Fain, Budget Leadership Cabinet; Billig, Harper, Litzow, Mullet, Rolfes and Sheldon.

Minority Report: Do not pass.

Signed by Senators Brown, Ericksen, Schlicher and Smith.

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. Counties, acting as agents of the director of the Department of Licensing (DOL), must provide various vehicle title and registration services to the public. In most cases this is performed by the county's auditor. 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 in which they are located. 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

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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.

Report of Sale. The owner of a vehicle must notify DOL, the county, or a subagent when they sell or otherwise dispose of a vehicle. In order for a report of sale to be considered properly filed it must include the date of the sale; the name and address of the seller and the buyer; the vehicle identification number and license plate number; the required fees, \$3.75 if it is submitted to the county, or \$5 if it is submitted to a subagent, and a date stamp by DOL showing that it was received on or before the fifth business day after the date of transfer.

Summary of Bill (Recommended Substitute): Driver and Vehicle-Related Fees. The following fee increases are made and a new fee is 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 & Identocard	\$15.00	\$54.00
Studded Tire Permit Fee	\$0	\$15.00

Payment of the CDL knowledge exam fee and the CDL classified skills exam fee entitles the individual to take the test up to two times.

If an enhanced driver's license or identocard is issued for a period other than six years, the fee is \$9 per year.

Studded Tire Permit Fee. Prior to using studded tires on a public highway or within five days of purchasing studded tires, 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 vehicle's 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 County Arterial Preservation Account.

Failure to display a studded tire permit while using studded tires on a public highway is a traffic infraction; however, an individual purchasing studded tires has five days to purchase a permit. In addition to the \$124 traffic infraction, a \$15 penalty is assessed, which is deposited into the Motor Vehicle Account.

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

	Sub-agent	Auditor/ DOL	Sub-agent	Auditor/ DOL	Sub-agent	Auditor	DOL
	Registration		Title		Report of Sale		
License Plate Tech Fee	\$0.25	\$0.25			<i>\$0.25</i>	\$0.25	<i>\$0.25</i>
License Service Fee	\$0.50	\$0.50			<i>\$0.50</i>	\$0.50	<i>\$0.50</i>
Filing Fee	\$3.00	\$3.00	\$4.00	\$4.00	<i>\$3.00</i>	\$3.00	<i>\$3.00</i>
Subagent Service Fee	\$5.00	<i>\$5.00</i>	\$12.00	<i>\$12.00</i>	\$5.00	<i>\$5.00</i>	<i>\$5.00</i>
Total Administrative – Current Law	\$8.75	\$3.75	\$16.00	\$4.00	\$5.00	\$3.75	\$0.00
Total Administrative Fees – SB 5890	\$8.75	\$8.75	\$16.00	\$16.00	\$8.75	\$8.75	\$8.75

Fees in italics are those fees added by location and document.

Report of Sale. A report of sale must be filed within 21 days to be considered properly filed and if filed after the 21st day will be considered filed on the day it is received.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (Recommended Substitute): Payment of the CDL knowledge exam fee and CDL classified skills exam entitles the payee to take the exams up to two times.

The fee for an enhanced driver's license or enhanced identicard is changed from \$55 to \$54 and the fee for an enhanced driver's license or identicard that is issued for a period other than six years is \$9 per year.

The new fee on the annual registration renewal of hybrid vehicles and the increase to the existing electric vehicle annual registration renewal fee are removed.

Reinstates the provision that requires that a fee on electric vehicles expires if a vehicle miles traveled tax is imposed.

The seller of a vehicle has 21 days to file a report of sale and a report of sale that is processed after the 21st day is considered effective on the day that it is received.

The portion of the studded tire permit fee that is distributed to the Rural Arterial Trust Account is changed to the County Arterial Preservation Account.

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 on Original Bill: 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.