

# SENATE BILL REPORT

## SB 5890

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As of April 15, 2013

**Title:** An act relating to supporting the titling and registration of vehicles.

**Brief Description:** Concerning the titling and registration of vehicles.

**Sponsors:** Senators Ericksen, King, Rolfes and Eide.

**Brief History:**

**Committee Activity:** Transportation: 4/02/13.

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### SENATE COMMITTEE ON TRANSPORTATION

**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 established, through 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

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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.

Quick Titles. A quick title is a title that can be processed and given to applicants immediately. There is a fee of \$50 for a quick title, in addition to any other fees and taxes due. DOL, county auditors, and other agents of DOL may process quick titles. A subagent may process quick titles only after the following conditions are met:

- DOL develops a process for inventorying certificates of title;
- the county auditor in the county that the subagent is located processes quick titles for at least six months; and
- the county auditor approves a request from the subagent to process quick titles.

Licensing Subagents. County auditors and other agents of the director of 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.

**Summary of Bill:** Vehicle Registration. 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 apply for new license plates and registration renewal and pay any taxes and fees that are due at registration renewal, except any motor vehicle excise tax which must be credited for any portion of the tax that was paid by the previous owner that would have 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.

Vehicle registration transactions that are processed using the internet in counties with subagents may only be processed by a subagent.

Licensing Subagents. Licensing subagents may negotiate and enter into contracts with local jurisdictions to process payments for unpaid parking citations and may charge a fee for this service.

Quick Titles. Only a subagent may process quick titles.

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.

	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>
<b>Total Administrative – Current Law</b>	<b>\$8.75</b>	<b>\$3.75</b>	<b>\$16.00</b>	<b>\$4.00</b>	<b>\$5.00</b>	<b>\$3.75</b>	<b>\$0.00</b>
<b>Total Administrative Fees – SB 5890</b>	<b>\$8.75</b>	<b>\$8.75</b>	<b>\$16.00</b>	<b>\$16.00</b>	<b>\$8.75</b>	<b>\$8.75</b>	<b>\$8.75</b>

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

Motor Vehicle Dealers. An organization representing vehicle dealers may act as an agent of DOL for the purposes of processing title and registration applications and issuance for transactions that are related to the buying and selling of a vehicle by a vehicle dealer. DOL must provide access and assistance to develop and maintain an electronic interface to allow vehicle dealers to allow for paperless submittals. Vehicle dealer agents or their authorized representative must collect the service fees identified above. Filing fees that are collected by vehicle dealer agents must be distributed to the county in which the vehicle dealer is located. DOL may adopt rules to implement these provisions.

The provisions related to motor vehicle dealers take effect on July 1, 2014.

All the provisions in this bill, except those related to motor vehicle dealers, take effect on registrations that are due or become due after January 1, 2014.

**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 contains several effective dates. Please refer to the bill.