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HOUSE BILL 2474

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State of Washington

64th Legislature

2016 Regular Session

By Representatives Harmsworth and Condotta

Read first time 01/13/16. Referred to Committee on Transportation.

1 AN ACT Relating to vehicle transfer administration and  
2 enforcement; amending RCW 19.16.250, 46.12.630, 46.12.650, 46.12.655,  
3 46.55.105, and 46.55.110; adding a new section to chapter 46.64 RCW;  
4 creating a new section; prescribing penalties; and providing an  
5 effective date.

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

7 NEW SECTION. **Sec. 1.** This act may be known and cited as the  
8 vehicle transfer protection act.

9 **Sec. 2.** RCW 19.16.250 and 2013 c 148 s 2 are each amended to  
10 read as follows:

11 No licensee or employee of a licensee shall:

12 (1) Directly or indirectly aid or abet any unlicensed person to  
13 engage in business as a collection agency in this state or receive  
14 compensation from such unlicensed person: PROVIDED, That nothing in  
15 this chapter shall prevent a licensee from accepting, as forwarder,  
16 claims for collection from a collection agency or attorney whose  
17 place of business is outside the state.

18 (2) Collect or attempt to collect a claim by the use of any means  
19 contrary to the postal laws and regulations of the United States  
20 postal department.

1 (3) Publish or post or cause to be published or posted, any list  
2 of debtors commonly known as "bad debt lists" or threaten to do so.  
3 For purposes of this chapter, a "bad debt list" means any list of  
4 natural persons alleged to fail to honor their lawful debts. However,  
5 nothing herein shall be construed to prohibit a licensee from  
6 communicating to its customers or clients by means of a coded list,  
7 the existence of a check dishonored because of insufficient funds,  
8 not sufficient funds or closed account by the financial institution  
9 servicing the debtor's checking account: PROVIDED, That the debtor's  
10 identity is not readily apparent: PROVIDED FURTHER, That the licensee  
11 complies with the requirements of subsection (10)(e) of this section.

12 (4) Have in his or her possession or make use of any badge, use a  
13 uniform of any law enforcement agency or any simulation thereof, or  
14 make any statements which might be construed as indicating an  
15 official connection with any federal, state, county, or city law  
16 enforcement agency, or any other governmental agency, while engaged  
17 in collection agency business.

18 (5) Perform any act or acts, either directly or indirectly,  
19 constituting the unauthorized practice of law.

20 (6) Advertise for sale or threaten to advertise for sale any  
21 claim as a means of endeavoring to enforce payment thereof or  
22 agreeing to do so for the purpose of soliciting claims, except where  
23 the licensee has acquired claims as an assignee for the benefit of  
24 creditors or where the licensee is acting under court order.

25 (7) Use any name while engaged in the making of a demand for any  
26 claim other than the name set forth on his or her or its current  
27 license issued hereunder.

28 (8) Give or send to any debtor or cause to be given or sent to  
29 any debtor, any notice, letter, message, or form, other than through  
30 proper legal action, process, or proceedings, which represents or  
31 implies that a claim exists unless it shall indicate in clear and  
32 legible type:

33 (a) The name of the licensee and the city, street, and number at  
34 which he or she is licensed to do business;

35 (b) The name of the original creditor to whom the debtor owed the  
36 claim if such name is known to the licensee or employee: PROVIDED,  
37 That upon written request of the debtor, the licensee shall provide  
38 this name to the debtor or cease efforts to collect on the debt until  
39 this information is provided;

1 (c) If the notice, letter, message, or form is the first notice  
2 to the debtor or if the licensee is attempting to collect a different  
3 amount than indicated in his or her or its first notice to the  
4 debtor, an itemization of the claim asserted must be made including:

5 (i) Amount owing on the original obligation at the time it was  
6 received by the licensee for collection or by assignment;

7 (ii) Interest or service charge, collection costs, or late  
8 payment charges, if any, added to the original obligation by the  
9 original creditor, customer or assignor before it was received by the  
10 licensee for collection, if such information is known by the licensee  
11 or employee: PROVIDED, That upon written request of the debtor, the  
12 licensee shall make a reasonable effort to obtain information on such  
13 items and provide this information to the debtor;

14 (iii) Interest or service charge, if any, added by the licensee  
15 or customer or assignor after the obligation was received by the  
16 licensee for collection;

17 (iv) Collection costs, if any, that the licensee is attempting to  
18 collect;

19 (v) Attorneys' fees, if any, that the licensee is attempting to  
20 collect on his or her or its behalf or on the behalf of a customer or  
21 assignor; and

22 (vi) Any other charge or fee that the licensee is attempting to  
23 collect on his or her or its own behalf or on the behalf of a  
24 customer or assignor;

25 (d) If the notice, letter, message, or form concerns a judgment  
26 obtained against the debtor, no itemization of the amounts contained  
27 in the judgment is required, except postjudgment interest, if  
28 claimed, and the current account balance;

29 (e) If the notice, letter, message, or form is the first notice  
30 to the debtor, an itemization of the claim asserted must be made  
31 including the following information:

32 (i) The original account number or redacted original account  
33 number assigned to the debt, if known to the licensee or employee:  
34 PROVIDED, That upon written request of the debtor, the licensee must  
35 make a reasonable effort to obtain this information or cease efforts  
36 to collect on the debt until this information is provided; and

37 (ii) The date of the last payment to the creditor on the subject  
38 debt by the debtor, if known to the licensee or employee: PROVIDED,  
39 That upon written request of the debtor, the licensee must make a

1 reasonable effort to obtain this information or cease efforts to  
2 collect on the debt until this information is provided.

3 (9) Communicate in writing with a debtor concerning a claim  
4 through a proper legal action, process, or proceeding, where such  
5 communication is the first written communication with the debtor,  
6 without providing the information set forth in subsection (8)(c) of  
7 this section in the written communication.

8 (10) Communicate or threaten to communicate, the existence of a  
9 claim to a person other than one who might be reasonably expected to  
10 be liable on the claim in any manner other than through proper legal  
11 action, process, or proceedings except under the following  
12 conditions:

13 (a) A licensee or employee of a licensee may inform a credit  
14 reporting bureau of the existence of a claim. If the licensee or  
15 employee of a licensee reports a claim to a credit reporting bureau,  
16 the licensee shall, upon receipt of written notice from the debtor  
17 that any part of the claim is disputed, notify the credit reporting  
18 bureau of the dispute by written or electronic means and create a  
19 record of the fact of the notification and when the notification was  
20 provided;

21 (b) A licensee or employee in collecting or attempting to collect  
22 a claim may communicate the existence of a claim to a debtor's  
23 employer if the claim has been reduced to a judgment;

24 (c) A licensee or employee in collecting or attempting to collect  
25 a claim that has not been reduced to judgment, may communicate the  
26 existence of a claim to a debtor's employer if:

27 (i) The licensee or employee has notified or attempted to notify  
28 the debtor in writing at his or her last known address or place of  
29 employment concerning the claim and the debtor after a reasonable  
30 time has failed to pay the claim or has failed to agree to make  
31 payments on the claim in a manner acceptable to the licensee, and

32 (ii) The debtor has not in writing to the licensee disputed any  
33 part of the claim: PROVIDED, That the licensee or employee may only  
34 communicate the existence of a claim which has not been reduced to  
35 judgment to the debtor's employer once unless the debtor's employer  
36 has agreed to additional communications.

37 (d) A licensee may for the purpose of locating the debtor or  
38 locating assets of the debtor communicate the existence of a claim to  
39 any person who might reasonably be expected to have knowledge of the  
40 whereabouts of a debtor or the location of assets of the debtor if

1 the claim is reduced to judgment, or if not reduced to judgment,  
2 when:

3 (i) The licensee or employee has notified or attempted to notify  
4 the debtor in writing at his or her last known address or last known  
5 place of employment concerning the claim and the debtor after a  
6 reasonable time has failed to pay the claim or has failed to agree to  
7 make payments on the claim in a manner acceptable to the licensee,  
8 and

9 (ii) The debtor has not in writing disputed any part of the  
10 claim.

11 (e) A licensee may communicate the existence of a claim to its  
12 customers or clients if the claim is reduced to judgment, or if not  
13 reduced to judgment, when:

14 (i) The licensee has notified or attempted to notify the debtor  
15 in writing at his or her last known address or last known place of  
16 employment concerning the claim and the debtor after a reasonable  
17 time has failed to pay the claim or has failed to agree to make  
18 payments on the claim in a manner acceptable to the licensee, and

19 (ii) The debtor has not in writing disputed any part of the  
20 claim.

21 (11) Threaten the debtor with impairment of his or her credit  
22 rating if a claim is not paid: PROVIDED, That advising a debtor that  
23 the licensee has reported or intends to report a claim to a credit  
24 reporting agency is not considered a threat if the licensee actually  
25 has reported or intends to report the claim to a credit reporting  
26 agency.

27 (12) Communicate with the debtor after notification in writing  
28 from an attorney representing such debtor that all further  
29 communications relative to a claim should be addressed to the  
30 attorney: PROVIDED, That if a licensee requests in writing  
31 information from an attorney regarding such claim and the attorney  
32 does not respond within a reasonable time, the licensee may  
33 communicate directly with the debtor until he or she or it again  
34 receives notification in writing that an attorney is representing the  
35 debtor.

36 (13) Communicate with a debtor or anyone else in such a manner as  
37 to harass, intimidate, threaten, or embarrass a debtor, including but  
38 not limited to communication at an unreasonable hour, with  
39 unreasonable frequency, by threats of force or violence, by threats  
40 of criminal prosecution, and by use of offensive language. A

1 communication shall be presumed to have been made for the purposes of  
2 harassment if:

3 (a) It is made with a debtor or spouse in any form, manner, or  
4 place, more than three times in a single week, unless the licensee is  
5 responding to a communication from the debtor or spouse;

6 (b) It is made with a debtor at his or her place of employment  
7 more than one time in a single week, unless the licensee is  
8 responding to a communication from the debtor;

9 (c) It is made with the debtor or spouse at his or her place of  
10 residence between the hours of 9:00 p.m. and 7:30 a.m. A call to a  
11 telephone is presumed to be received in the local time zone to which  
12 the area code of the number called is assigned for landline numbers,  
13 unless the licensee reasonably believes the telephone is located in a  
14 different time zone. If the area code is not assigned to landlines in  
15 any specific geographic area, such as with toll-free telephone  
16 numbers, a call to a telephone is presumed to be received in the  
17 local time zone of the debtor's last known place of residence, unless  
18 the licensee reasonably believes the telephone is located in a  
19 different time zone.

20 (14) Communicate with the debtor through use of forms or  
21 instruments that simulate the form or appearance of judicial process,  
22 the form or appearance of government documents, or the simulation of  
23 a form or appearance of a telegraphic or emergency message.

24 (15) Communicate with the debtor and represent or imply that the  
25 existing obligation of the debtor may be or has been increased by the  
26 addition of attorney fees, investigation fees, service fees, or any  
27 other fees or charges when in fact such fees or charges may not  
28 legally be added to the existing obligation of such debtor.

29 (16) Threaten to take any action against the debtor which the  
30 licensee cannot legally take at the time the threat is made.

31 (17) Send any telegram or make any telephone calls to a debtor or  
32 concerning a debt or for the purpose of demanding payment of a claim  
33 or seeking information about a debtor, for which the charges are  
34 payable by the addressee or by the person to whom the call is made:  
35 PROVIDED, That:

36 (a) This subsection does not prohibit a licensee from attempting  
37 to communicate by way of a cellular telephone or other wireless  
38 device: PROVIDED, That a licensee cannot cause charges to be incurred  
39 to the recipient of the attempted communication more than three times  
40 in any calendar week when the licensee knows or reasonably should

1 know that the number belongs to a cellular telephone or other  
2 wireless device, unless the licensee is responding to a communication  
3 from the debtor or the person to whom the call is made.

4 (b) The licensee is not in violation of (a) of this subsection if  
5 the licensee at least monthly updates its records with information  
6 provided by a commercial provider of cellular telephone lists that  
7 the licensee in good faith believes provides reasonably current and  
8 comprehensive data identifying cellular telephone numbers, calls a  
9 number not appearing in the most recent list provided by the  
10 commercial provider, and does not otherwise know or reasonably should  
11 know that the number belongs to a cellular telephone.

12 (c) This subsection may not be construed to increase the number  
13 of communications permitted pursuant to subsection (13)(a) of this  
14 section.

15 (18) Call, or send a text message or other electronic  
16 communication to, a cellular telephone or other wireless device more  
17 than twice in any day when the licensee knows or reasonably should  
18 know that the number belongs to a cellular telephone or other  
19 wireless device, unless the licensee is responding to a communication  
20 from the debtor or the person to whom the call, text message, or  
21 other electronic communication is made. The licensee is not in  
22 violation of this subsection if the licensee at least monthly updates  
23 its records with information provided by a commercial provider of  
24 cellular telephone lists that the licensee in good faith believes  
25 provides reasonably current and comprehensive data identifying  
26 cellular telephone numbers, calls a number not appearing in the most  
27 recent list provided by the commercial provider, and does not  
28 otherwise know or reasonably should know that the number belongs to a  
29 cellular telephone. Nothing in this subsection may be construed to  
30 increase the number of communications permitted pursuant to  
31 subsection (13)(a) of this section.

32 (19) Intentionally block its telephone number from displaying on  
33 a debtor's telephone.

34 (20) In any manner convey the impression that the licensee is  
35 vouched for, bonded to or by, or is an instrumentality of the state  
36 of Washington or any agency or department thereof.

37 (21) Collect or attempt to collect in addition to the principal  
38 amount of a claim any sum other than allowable interest, collection  
39 costs or handling fees expressly authorized by statute, and, in the  
40 case of suit, attorney's fees and taxable court costs. A licensee may

1 collect or attempt to collect collection costs and fees, including  
2 contingent collection fees, as authorized by a written agreement or  
3 contract, between the licensee's client and the debtor, in the  
4 collection of a commercial claim. The amount charged to the debtor  
5 for collection services shall not exceed thirty-five percent of the  
6 commercial claim.

7 (22) Procure from a debtor or collect or attempt to collect on  
8 any written note, contract, stipulation, promise or acknowledgment  
9 under which a debtor may be required to pay any sum other than  
10 principal, allowable interest, except as noted in subsection (21) of  
11 this section, and, in the case of suit, attorney's fees and taxable  
12 court costs.

13 (23) Bring an action or initiate an arbitration proceeding on a  
14 claim when the licensee knows, or reasonably should know, that such  
15 suit or arbitration is barred by the applicable statute of  
16 limitations.

17 (24) Upon notification by a debtor that the debtor disputes all  
18 debts arising from a series of dishonored checks, automated  
19 clearinghouse transactions on a demand deposit account, or other  
20 preprinted written instruments, initiate oral contact with a debtor  
21 more than one time in an attempt to collect from the debtor debts  
22 arising from the identified series of dishonored checks, automated  
23 clearinghouse transactions on a demand deposit account, or other  
24 preprinted written instruments when: (a) Within the previous one  
25 hundred eighty days, in response to the licensee's attempt to collect  
26 the initial debt assigned to the licensee and arising from the  
27 identified series of dishonored checks, automated clearinghouse  
28 transactions on a demand deposit account, or other preprinted written  
29 instruments, the debtor in writing notified the licensee that the  
30 debtor's checkbook or other series of preprinted written instruments  
31 was stolen or fraudulently created; (b) the licensee has received  
32 from the debtor a certified copy of a police report referencing the  
33 theft or fraudulent creation of the checkbook, automated  
34 clearinghouse transactions on a demand deposit account, or series of  
35 preprinted written instruments; (c) in the written notification to  
36 the licensee or in the police report, the debtor identified the  
37 financial institution where the account was maintained, the account  
38 number, the magnetic ink character recognition number, the full bank  
39 routing and transit number, and the check numbers of the stolen  
40 checks, automated clearinghouse transactions on a demand deposit



1 account, or other preprinted written instruments, which check numbers  
2 included the number of the check that is the subject of the  
3 licensee's collection efforts; (d) the debtor provides, or within the  
4 previous one hundred eighty days provided, to the licensee a legible  
5 copy of a government-issued photo identification, which contains the  
6 debtor's signature and which was issued prior to the date of the  
7 theft or fraud identified in the police report; and (e) the debtor  
8 advised the licensee that the subject debt is disputed because the  
9 identified check, automated clearinghouse transaction on a demand  
10 deposit account, or other preprinted written instrument underlying  
11 the debt is a stolen or fraudulently created check or instrument.

12 The licensee is not in violation of this subsection if the  
13 licensee initiates oral contact with the debtor more than one time in  
14 an attempt to collect debts arising from the identified series of  
15 dishonored checks, automated clearinghouse transactions on a demand  
16 deposit account, or other preprinted written instruments when: (i)  
17 The licensee acted in good faith and relied on their established  
18 practices and procedures for batching, recording, or packeting debtor  
19 accounts, and the licensee inadvertently initiates oral contact with  
20 the debtor in an attempt to collect debts in the identified series  
21 subsequent to the initial debt assigned to the licensee; (ii) the  
22 licensee is following up on collection of a debt assigned to the  
23 licensee, and the debtor has previously requested more information  
24 from the licensee regarding the subject debt; (iii) the debtor has  
25 notified the licensee that the debtor disputes only some, but not all  
26 the debts arising from the identified series of dishonored checks,  
27 automated clearinghouse transactions on a demand deposit account, or  
28 other preprinted written instruments, in which case the licensee  
29 shall be allowed to initiate oral contact with the debtor one time  
30 for each debt arising from the series of identified checks, automated  
31 clearinghouse transactions on a demand deposit account, or written  
32 instruments and initiate additional oral contact for those debts that  
33 the debtor acknowledges do not arise from stolen or fraudulently  
34 created checks or written instruments; (iv) the oral contact is in  
35 the context of a judicial, administrative, arbitration, mediation, or  
36 similar proceeding; or (v) the oral contact is made for the purpose  
37 of investigating, confirming, or authenticating the information  
38 received from the debtor, to provide additional information to the  
39 debtor, or to request additional information from the debtor needed

1 by the licensee to accurately record the debtor's information in the  
2 licensee's records.

3 (25) Bring an action or initiate an arbitration proceeding on a  
4 claim for any amounts related to a transfer of sale of a vehicle when  
5 the licensee has been informed or reasonably should know that the  
6 department of licensing report of sale was filed in accordance with  
7 RCW 46.12.650 and the transfer of the vehicle was not made pursuant  
8 to a legal transfer or voluntarily accepted by the person.

9 (26) Submit an affidavit or other request pursuant to chapter  
10 6.32 RCW asking a superior or district court to transfer a bond  
11 posted by a debtor subject to a money judgment to the licensee, when  
12 the debtor has appeared as required.

13 **Sec. 3.** RCW 46.12.630 and 2014 c 79 s 1 are each amended to read  
14 as follows:

15 (1) The department of licensing must furnish lists of registered  
16 and legal owners of motor vehicles only for the purposes specified in  
17 this subsection to the manufacturers of motor vehicles or motor  
18 vehicle components, or their authorized agents, to enable those  
19 manufacturers to carry out the provisions of Titles I and IV of the  
20 anti car theft act of 1992, the automobile information disclosure act  
21 (15 U.S.C. Sec. 1231 et seq.), the clean air act (42 U.S.C. Sec. 7401  
22 et seq.), and 49 U.S.C.S. Secs. 30101-30183, 30501-30505, and  
23 32101-33118, as these acts existed on January 1, 2014, or such  
24 subsequent date as may be provided by the department by rule,  
25 consistent with the purposes of this section. However, the department  
26 may only provide a vehicle or vehicle component manufacturer, or its  
27 authorized agent, lists of registered or legal owners who purchased  
28 or leased a vehicle manufactured by that manufacturer or a vehicle  
29 containing a component manufactured by that component manufacturer.  
30 Manufacturers or authorized agents receiving information on behalf of  
31 one manufacturer must not disclose this information to any other  
32 third party that is not necessary to carry out the purposes of this  
33 section.

34 (2)(a) The department of licensing may furnish lists of  
35 registered and legal owners of motor vehicles, only to the entities  
36 and only for the purposes specified in this section, to:

37 ((+a)) (i) The manufacturers of motor vehicles, legitimate  
38 businesses as defined by the department in rule, or their authorized  
39 agents, for purposes of using lists of registered and legal owner

1 information to conduct research activities and produce statistical  
2 reports, as long as the entity does not allow personal information  
3 received under this section to be published, redisclosed, or used to  
4 contact individuals. For purposes of this subsection (2)(a)(i), the  
5 department of licensing may only provide the manufacturer of a motor  
6 vehicle, or the manufacturer of components contained in a motor  
7 vehicle, the lists of registered or legal owners who purchased or  
8 leased a vehicle manufactured by that manufacturer or a vehicle  
9 containing components manufactured by that component manufacturer;

10 ((~~b~~)) (ii) Any governmental agency of the United States or  
11 Canada, or political subdivisions thereof, to be used by it or by its  
12 authorized commercial agents or contractors only in connection with  
13 the enforcement of motor vehicle or traffic laws by, or programs  
14 related to traffic safety of, that government agency. Only such parts  
15 of the list as are required for completion of the work required of  
16 the agent or contractor shall be provided to such agent or  
17 contractor;

18 ((~~e~~)) (iii) Any insurer or insurance support organization, a  
19 self-insured entity, or its agents, employees, or contractors for use  
20 in connection with claims investigation activities, antifraud  
21 activities, rating, or underwriting;

22 ((~~d~~)) (iv) Any local governmental entity or its agents for use  
23 in providing notice to owners of towed and impounded vehicles;

24 ((~~e~~)) (v) A government agency, commercial parking company, or  
25 its agents requiring the names and addresses of registered owners to  
26 notify them of outstanding parking violations. Subject to the  
27 disclosure agreement provisions of RCW 46.12.635 and the requirements  
28 of Executive Order 97-01, the department may provide only the parts  
29 of the list that are required for completion of the work required of  
30 the company;

31 ((~~f~~)) (vi) An authorized agent or contractor of the department,  
32 to be used only in connection with providing motor vehicle excise  
33 tax, licensing, title, and registration information to motor vehicle  
34 dealers;

35 ((~~g~~)) (vii) Any business regularly making loans to other  
36 persons to finance the purchase of motor vehicles, to be used to  
37 assist the person requesting the list to determine ownership of  
38 specific vehicles for the purpose of determining whether or not to  
39 provide such financing; or

1       (~~(h)~~) (viii) A company or its agents operating a toll facility  
2 under chapter 47.46 RCW or other applicable authority requiring the  
3 names, addresses, and vehicle information of motor vehicle registered  
4 owners to identify toll violators.

5       (b) When furnishing lists under this subsection and when a report  
6 of sale has been filed before a new certificate of title is issued,  
7 the department must also disclose that a report of sale has been  
8 filed on the vehicle and provide the name of the person acquiring the  
9 vehicle on the report of sale.

10       (3) Personal information received by an entity listed in  
11 subsection (1) or (2) of this section may not be released for direct  
12 marketing purposes.

13       (4) Prior to the release of any lists of vehicle owners under  
14 subsection (1) or (2) of this section, the department must enter into  
15 a contract with the entity authorized to receive the data. The  
16 contract must include:

17       (a) A requirement that the department or its agent conduct both  
18 regular permissible use and data security audits subject to the  
19 following conditions and limitations:

20       (i) The data security audits must demonstrate compliance with the  
21 data security standards adopted by the office of the chief  
22 information officer.

23       (ii) When determining whether to conduct an audit under this  
24 subsection, the department must first take into consideration any  
25 independent third-party audit a data recipient has had before  
26 requiring that any additional audits be performed. If the independent  
27 third-party audit is a data security audit and it meets both  
28 recognized national or international standards and the standards  
29 adopted by the office of the chief information officer pursuant to  
30 (a)(i) of this subsection, the department must accept the audit and  
31 the audit is deemed to satisfy the conditions set out in this  
32 subsection (4)(a). If the independent third-party audit is a  
33 permissible use audit and it meets recognized national or  
34 international standards, the department must accept the audit and the  
35 audit is deemed to satisfy the conditions set out in this subsection  
36 (4)(a); and

37       (b) A provision that the cost of the audits performed pursuant to  
38 this subsection must be borne by the data recipient. A new data  
39 recipient must bear the initial cost to set up a system to disburse  
40 the data to the data recipient.

1 (5)(a) Beginning January 1, 2015, the department must collect a  
2 fee of ten dollars per one thousand individual registered or legal  
3 owners included on a list requested by a private entity under  
4 subsection (1) or (2) of this section. Beginning January 1, 2016, the  
5 department must collect a fee of twenty dollars per one thousand  
6 individual registered or legal vehicle owners included on a list  
7 requested by a private entity under subsection (1) or (2) of this  
8 section. Beginning January 1, 2021, the department must collect a fee  
9 of twenty-five dollars per one thousand individual registered or  
10 legal owners included on a list requested by a private entity under  
11 subsection (1) or (2) of this section. The department must prorate  
12 the fee when the request is for less than a full one thousand  
13 records.

14 (b) In lieu of the fee specified in (a) of this subsection, if  
15 the request requires a daily, weekly, monthly, or other regular  
16 update of those vehicle records that have changed:

17 (i) Beginning January 1, 2015, the department must collect a fee  
18 of one cent per individual registered or legal vehicle owner record  
19 provided to the private entity;

20 (ii) Beginning January 1, 2016, the department must collect a fee  
21 of two cents per individual registered or legal vehicle owner record  
22 provided to the private entity;

23 (iii) Beginning January 1, 2021, the department must collect a  
24 fee of two and one-half cents per individual registered or legal  
25 vehicle owner record provided to the private entity.

26 (c) The department must deposit any moneys collected under this  
27 subsection to the department of licensing technology improvement and  
28 data management account created in RCW 46.68.063.

29 (6) Where both a mailing address and residence address are  
30 recorded on the vehicle record and are different, only the mailing  
31 address will be disclosed. Both addresses will be disclosed in  
32 response to requests for disclosure from courts, law enforcement  
33 agencies, or government entities with enforcement, investigative, or  
34 taxing authority and only for use in the normal course of conducting  
35 their business.

36 (7) If a list of registered and legal owners of motor vehicles is  
37 used for any purpose other than that authorized in this section, the  
38 manufacturer, governmental agency, commercial parking company,  
39 contractor, financial institution, insurer, insurance support  
40 organization, self-insured entity, legitimate business entity, toll

1 facility operator, or any authorized agent or contractor responsible  
2 for the unauthorized disclosure or use will be denied further access  
3 to such information by the department of licensing.

4 (8) For purposes of this section, "personal information" means  
5 information that identifies an individual, including an individual's  
6 photograph, social security number, driver identification number,  
7 name, address (but not the five-digit zip code), telephone number, or  
8 medical or disability information. However, an individual's  
9 photograph, social security number, and any medical or disability-  
10 related information is considered highly restricted personal  
11 information and may not be released under this section.

12 **Sec. 4.** RCW 46.12.650 and 2015 3rd sp.s. c 44 s 214 are each  
13 amended to read as follows:

14 (1) **Releasing interest.** An owner releasing interest in a vehicle  
15 shall:

16 (a) Sign the release of interest section provided on the  
17 certificate of title or on a release of interest document or form  
18 approved by the department;

19 (b) Give the certificate of title or most recent evidence of  
20 ownership to the person gaining the interest in the vehicle;

21 (c) Give the person gaining interest in the vehicle an odometer  
22 disclosure statement if one is required; and

23 (d) Report the vehicle sold as provided in subsection (2) of this  
24 section.

25 (2) **Report of sale.** An owner shall notify the department, county  
26 auditor or other agent, or subagent appointed by the director in  
27 writing within twenty-one business days after a vehicle is or has  
28 been:

29 (a) Sold;

30 (b) Given as a gift to another person;

31 (c) Traded, either privately or to a dealership;

32 (d) Donated to charity;

33 (e) Turned over to an insurance company or wrecking yard; or

34 (f) Disposed of.

35 (3) **Report of sale properly filed.** A report of sale is properly  
36 filed if it is received by the department, county auditor or other  
37 agent, or subagent appointed by the director within twenty-one  
38 business days after the date of sale or transfer and it includes:

39 (a) The date of sale or transfer;

1 (b) The owner's name and address;  
2 (c) The name and address of the person acquiring the vehicle;  
3 (d) The vehicle identification number and license plate number;  
4 (e) A date or stamp by the department showing it was received on  
5 or before the twenty-first business day after the date of sale or  
6 transfer; and

7 (f) Payment of the fees required under RCW 46.17.050.

8 (4) **Report of sale - administration.** (a) The department shall:

9 (i) Provide or approve reports of sale forms;

10 (ii) Provide a system enabling an owner to submit reports of sale  
11 electronically;

12 (iii) Immediately update the department's vehicle record when a  
13 report of sale has been filed;

14 (iv) Provide instructions on release of interest forms that allow  
15 the seller of a vehicle to release their interest in a vehicle at the  
16 same time a financial institution, as defined in RCW 30A.22.040,  
17 releases its lien on the vehicle; and

18 (v) Send a report to the department of revenue that lists  
19 vehicles for which a report of sale has been received but no transfer  
20 of ownership has taken place. The department shall send the report  
21 once each quarter.

22 (b) A report of sale that is received by the department, county  
23 auditor or other agent, or subagent appointed by the director after  
24 the twenty-first day becomes effective on the day it is received by  
25 the department, county auditor or other agent, or subagent appointed  
26 by the director.

27 (c) A report of sale is not proof of a completed vehicle transfer  
28 for purposes of the collection of expenses related to towing,  
29 storage, and auction of an abandoned vehicle when there is no  
30 evidence indicating the person who acquired the vehicle knew of or  
31 was a party to acceptance of the vehicle transfer. A contract for the  
32 transfer of the vehicle signed by the appropriate persons, a  
33 certificate of title, or other legal proof of acceptance of the  
34 vehicle may be provided to establish legal responsibility for the  
35 abandoned vehicle.

36 (5)(a) **Transferring ownership.** A person who has recently acquired  
37 a vehicle by purchase, exchange, gift, lease, inheritance, or legal  
38 action shall apply to the department, county auditor or other agent,  
39 or subagent appointed by the director for a new certificate of title

1 within fifteen days of delivery of the vehicle. A secured party who  
2 has possession of the certificate of title shall either:

3 (i) Apply for a new certificate of title on behalf of the owner  
4 and pay the fee required under RCW 46.17.100; or

5 (ii) Provide all required documents to the owner, as long as the  
6 transfer was not a breach of its security agreement, to allow the  
7 owner to apply for a new certificate of title.

8 (b) Compliance with this subsection does not affect the rights of  
9 the secured party.

10 (6) **Certificate of title delivered to secured party.** The  
11 certificate of title must be kept by or delivered to the person who  
12 becomes the secured party when a security interest is reserved or  
13 created at the time of the transfer of ownership. The parties must  
14 comply with RCW 46.12.675.

15 (7) **Penalty for late transfer.** A person who has recently acquired  
16 a motor vehicle by purchase, exchange, gift, lease, inheritance, or  
17 legal action who does not apply for a new certificate of title within  
18 fifteen calendar days of delivery of the vehicle is charged a  
19 penalty, as described in RCW 46.17.140, when applying for a new  
20 certificate of title. It is a misdemeanor to fail or neglect to apply  
21 for a transfer of ownership within forty-five days after delivery of  
22 the vehicle. The misdemeanor is a single continuing offense for each  
23 day that passes regardless of the number of days that have elapsed  
24 following the forty-five day time period.

25 (8) **Penalty for late transfer - exceptions.** (a) The penalty is  
26 not charged if the delay in application is due to at least one of the  
27 following:

28 ~~((a))~~ (i) The department requests additional supporting  
29 documents;

30 ~~((b))~~ (ii) The department, county auditor or other agent, or  
31 subagent fails to perform or is neglectful;

32 ~~((c))~~ (iii) The owner is prevented from applying due to an  
33 illness or extended hospitalization;

34 ~~((d))~~ (iv) The legal owner fails or neglects to release  
35 interest;

36 ~~((e))~~ (v) The owner did not know of the filing of a report of  
37 sale by the previous owner and signs an affidavit to the fact; or

38 ~~((f))~~ (vi) The department finds other conditions exist that  
39 adequately explain the delay.



1 (b) If a new certificate of title has not been applied for by the  
2 person who acquired the vehicle as identified in the report of sale  
3 after fifteen days from the filing of the report of sale, the  
4 department shall attempt to notify the person, if he or she resides  
5 in Washington state, of the requirement to apply for a new  
6 certificate of title and describe the fees, taxes, and penalties that  
7 may apply if the transaction is not completed. The department is not  
8 required to contact known dealerships, wrecking yards, or other  
9 entities that are not required to apply for a new certificate of  
10 title for the vehicle. If the person applies for the new certificate  
11 of title and pays the fees and taxes within thirty days of receiving  
12 the notice, the department may waive all penalties.

13 (c) If a new certificate of title has not been applied for by the  
14 person who acquired the vehicle as identified in the report of sale  
15 after one hundred eighty days from the filing of a report of sale,  
16 the department may refuse to issue a driver's license to the person  
17 if that person is required by law to apply for a new certificate of  
18 title for the vehicle transferred in the report of sale. The  
19 department may issue a temporary driver's instruction permit to a  
20 person that does not apply for the new certificate of title on the  
21 vehicle listed in the report of sale. A driver's license may be  
22 issued once an application for a new certificate of title for the  
23 vehicle is completed in accordance with the requirements under  
24 subsection (5) of this section are met.

25 (9) **Review and issue.** The department shall review applications  
26 for certificates of title and issue certificates of title when it has  
27 determined that all applicable provisions of law have been complied  
28 with.

29 (10) **Rules.** The department may adopt rules as necessary to  
30 implement this section.

31 **Sec. 5.** RCW 46.12.655 and 2010 c 161 s 310 are each amended to  
32 read as follows:

33 (1) An owner is relieved of civil or criminal liability for the  
34 operation of a vehicle by another person when the owner has:

35 (a) Made a bona fide sale or transfer of a vehicle;

36 (b) Delivered possession of the vehicle to the person acquiring  
37 ownership;

1 (c) Released interest in the vehicle and provided the certificate  
2 of title and registration certificate to the person acquiring  
3 ownership; and

4 (d) Filed a report of sale that meets all the requirements in RCW  
5 46.12.650(2).

6 (2) A person acquiring a vehicle assumes civil or criminal  
7 liability for any traffic violation under this title, whether  
8 designated as a traffic infraction or classified as a criminal  
9 offense, that occurs after the date of sale or transfer of ownership  
10 based on the vehicle's identification including, but not limited to:

11 (a) Parking infractions;

12 (b) High occupancy toll lane violations; and

13 (c) Violations recorded by automated traffic safety cameras.

14 (3) A person shown as the buyer of a vehicle on an abandoned  
15 vehicle report submitted to the department by a registered tow truck  
16 operator assumes liability for the vehicle. Any previous owner is  
17 relieved of civil or criminal liability for the operation of the  
18 vehicle from the date of sale.

19 (4) A person who had no knowledge of the filing of the report of  
20 sale is relieved of civil or criminal liability for the operation of  
21 the vehicle. Liability is then transferred to the seller shown on the  
22 report of sale.

23 (5) When a report of sale has been properly filed in accordance  
24 with RCW 46.12.650(3), the most recent buyer of the vehicle is  
25 responsible for any costs associated with an abandoned vehicle after  
26 the date of the sale. The department must provide the information for  
27 the buyer from the report of sale to the tow truck operator.

28 **Sec. 6.** RCW 46.55.105 and 2010 c 161 s 1119 are each amended to  
29 read as follows:

30 (1) Except as provided in subsection (4) of this section, the  
31 abandonment of any vehicle creates a prima facie presumption that the  
32 last registered owner of record is responsible for the abandonment  
33 and is liable for costs incurred in removing, storing, and disposing  
34 of the abandoned vehicle, less amounts realized at auction.

35 (2) If an unauthorized vehicle is found abandoned under  
36 subsection (1) of this section and removed at the direction of law  
37 enforcement, the last registered owner of record is guilty of the  
38 traffic infraction of "littering—abandoned vehicle," unless the  
39 vehicle is redeemed as provided in RCW 46.55.120. In addition to any

1 other monetary penalty payable under chapter 46.63 RCW, the court  
2 shall not consider all monetary penalties as having been paid until  
3 the court is satisfied that the person found to have committed the  
4 infraction has made restitution in the amount of the deficiency  
5 remaining after disposal of the vehicle under RCW 46.55.140.

6 (3) A vehicle theft report filed with a law enforcement agency  
7 relieves the last registered owner of liability under subsection (2)  
8 of this section for failure to redeem the vehicle. However, the last  
9 registered owner remains liable for the costs incurred in removing,  
10 storing, and disposing of the abandoned vehicle under subsection (1)  
11 of this section. Nothing in this section limits in any way the  
12 registered owner's rights in a civil action or as restitution in a  
13 criminal action against a person responsible for the theft of the  
14 vehicle.

15 (4) Properly filing a report of sale or transfer regarding the  
16 vehicle involved in accordance with RCW 46.12.650 (1) through (3)  
17 relieves the last registered owner of liability under subsections (1)  
18 and (2) of this section. However, if there is a reason to believe  
19 that a report of sale has been filed in which the reported buyer did  
20 not know of the alleged transfer or did not accept the vehicle  
21 transfer, the liability remains with the last registered owner to  
22 prove the vehicle transfer was pursuant to a legal transfer or  
23 accepted by the person reported as the buyer on the report of sale.  
24 If the date of sale as indicated on the report of sale is on or  
25 before the date of impoundment, the buyer identified on the latest  
26 properly filed report of sale with the department is assumed liable  
27 for the costs incurred in removing, storing, and disposing of the  
28 abandoned vehicle, less amounts realized at auction. If the date of  
29 sale is after the date of impoundment, the previous registered owner  
30 is assumed to be liable for such costs. A licensed vehicle dealer is  
31 not liable under subsections (1) and (2) of this section if the  
32 dealer, as transferee or assignee of the last registered owner of the  
33 vehicle involved, has complied with the requirements of RCW 46.70.122  
34 upon selling or otherwise disposing of the vehicle, or if the dealer  
35 has timely filed a transitional ownership record or report of sale  
36 under RCW 46.12.660. In that case the person to whom the licensed  
37 vehicle dealer has sold or transferred the vehicle is assumed liable  
38 for the costs incurred in removing, storing, and disposing of the  
39 abandoned vehicle, less amounts realized at auction.

1 (5) For the purposes of reporting notices of traffic infraction  
2 to the department under RCW 46.20.270 and 46.52.101, and for purposes  
3 of reporting notices of failure to appear, respond, or comply  
4 regarding a notice of traffic infraction to the department under RCW  
5 46.63.070(6), a traffic infraction under subsection (2) of this  
6 section is not considered to be a standing, stopping, or parking  
7 violation.

8 (6) A notice of infraction for a violation of this section may be  
9 filed with a court of limited jurisdiction organized under Title 3,  
10 35, or 35A RCW, or with a violations bureau subject to the court's  
11 jurisdiction.

12 (7) A person named as a buyer in a report of sale filed under RCW  
13 46.12.650(3) in which there was no acceptance of the transfer has a  
14 cause of action against the person who filed the report to recover  
15 costs associated with towing, storage, auction, or any other damages  
16 incurred as a result of being named as the buyer in the report of  
17 sale, including reasonable attorneys' fees and litigation costs. The  
18 cause of action provided in this subsection is in addition to any  
19 other remedy available to the person at law or in equity. A person  
20 that files a fraudulent report of sale is guilty of a gross  
21 misdemeanor with a nonnegotiable penalty of one thousand dollars.

22 **Sec. 7.** RCW 46.55.110 and 2002 c 279 s 11 are each amended to  
23 read as follows:

24 (1) When an unauthorized vehicle is impounded, the impounding  
25 towing operator shall notify (a) the legal and registered owners of  
26 the impoundment of the unauthorized vehicle and the owners of any  
27 other items of personal property registered or titled with the  
28 department or (b) the buyer listed on the most recently filed vehicle  
29 report of sale if the report of sale was properly filed before a new  
30 certificate of title was issued. The notification shall be sent by  
31 first-class mail within twenty-four hours after the impoundment to  
32 the last known registered and legal owners of the vehicle or the  
33 buyer listed on the most recently filed report of sale, and the  
34 owners of any other items of personal property registered or titled  
35 with the department, as provided by the law enforcement agency, and  
36 shall inform the owners of the identity of the person or agency  
37 authorizing the impound. The notification shall include the name of  
38 the impounding tow firm, its address, and telephone number. The  
39 notice shall also include the location, time of the impound, and by

1 whose authority the vehicle was impounded. The notice shall also  
2 include the written notice of the right of redemption and opportunity  
3 for a hearing to contest the validity of the impoundment pursuant to  
4 RCW 46.55.120.

5 (2) In addition, if a suspended license impound has been ordered,  
6 the notice must state the length of the impound, the requirement of  
7 the posting of a security deposit to ensure payment of the costs of  
8 removal, towing, and storage, notification that if the security  
9 deposit is not posted the vehicle will immediately be processed and  
10 sold at auction as an abandoned vehicle, and the requirements set out  
11 in RCW 46.55.120(1)((~~b~~)) (c) regarding the payment of the costs of  
12 removal, towing, and storage as well as providing proof of  
13 satisfaction of any penalties, fines, or forfeitures before  
14 redemption. The notice must also state that the registered owner or  
15 buyer listed on the report of sale is ineligible to purchase the  
16 vehicle at the abandoned vehicle auction, if held.

17 (3) In the case of an abandoned vehicle, or other item of  
18 personal property registered or titled with the department, within  
19 twenty-four hours after receiving information on the owners from the  
20 department through the abandoned vehicle report, the tow truck  
21 operator shall send by certified mail, with return receipt requested,  
22 a notice of custody and sale to the legal and registered owners or  
23 buyer listed on the report of sale and of the penalties for the  
24 traffic infraction littering—abandoned vehicle.

25 (4) If the date on which a notice required by subsection (3) of  
26 this section is to be mailed falls upon a Saturday, Sunday, or a  
27 postal holiday, the notice may be mailed on the next day that is  
28 neither a Saturday, Sunday, nor a postal holiday.

29 (5) No notices need be sent to the legal or registered owners or  
30 buyer listed on the report of sale of an impounded vehicle or other  
31 item of personal property registered or titled with the department,  
32 if the vehicle or personal property has been redeemed.

33 NEW SECTION. **Sec. 8.** A new section is added to chapter 46.64  
34 RCW to read as follows:

35 If a person has caused a victim to lose money or property through  
36 the filing of a vehicle report of sale in which the designated buyer  
37 had no knowledge of the vehicle transfer or the fraudulent filing of  
38 the report of sale, upon conviction or when the offender pleads  
39 guilty and agrees with the prosecutor's recommendation that the

1 offender be required to pay restitution to a victim, the court may  
2 order the defendant to pay an amount, fixed by the court, not to  
3 exceed double the amount of the defendant's gain or victim's loss  
4 from the filing of the vehicle report of sale in which the designated  
5 buyer had no knowledge of the vehicle transfer or the fraudulent  
6 filing of the report of sale. Such an amount may be used to provide  
7 restitution to the victim at the order of the court. It is the duty  
8 of the prosecuting attorney to investigate the alternative of  
9 restitution, and to recommend it to the court, when the prosecuting  
10 attorney believes that restitution is appropriate and feasible. If  
11 the court orders restitution, the court must make a finding as to the  
12 amount of the victim's loss due to the filing of the report of sale  
13 in which the designated buyer had no knowledge of the vehicle  
14 transfer or the fraudulent filing of the report of sale, and if the  
15 record does not contain sufficient evidence to support such finding,  
16 the court may conduct a hearing upon the issue. For purposes of this  
17 section, "loss" refers to the amount of money or the value of  
18 property or services lost.

19 NEW SECTION. **Sec. 9.** This act takes effect January 1, 2017.

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