
HOUSE BILL 2821

State of Washington 64th Legislature 2016 Regular Session

By Representatives Harmsworth, Bergquist, Rossetti, Moscoso,
Clibborn, and Pike

Read first time 01/21/16. Referred to Committee on Transportation.

1 AN ACT Relating to vehicle reports of sale; amending RCW
2 46.12.650; and providing an effective date.

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

4 **Sec. 1.** RCW 46.12.650 and 2015 3rd sp.s. c 44 s 214 are each
5 amended to read as follows:

6 (1) **Releasing interest.** An owner releasing interest in a vehicle
7 shall:

8 (a) Sign the release of interest section provided on the
9 certificate of title or on a release of interest document or form
10 approved by the department;

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

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

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

17 (2) **Report of sale.** An owner shall notify the department, county
18 auditor or other agent, or subagent appointed by the director in
19 writing within (~~twenty-one~~) five business days after a vehicle is
20 or has been:

21 (a) Sold;

- 1 (b) Given as a gift to another person;
- 2 (c) Traded, either privately or to a dealership;
- 3 (d) Donated to charity;
- 4 (e) Turned over to an insurance company or wrecking yard; or
- 5 (f) Disposed of.

6 (3) **Report of sale properly filed.** A report of sale is properly
7 filed if it is received by the department, county auditor or other
8 agent, or subagent appointed by the director within (~~twenty-one~~)
9 five business days after the date of sale or transfer and it
10 includes:

- 11 (a) The date of sale or transfer;
- 12 (b) The owner's name and address;
- 13 (c) The name and address of the person acquiring the vehicle;
- 14 (d) The vehicle identification number and license plate number;
- 15 (e) A date or stamp by the department showing it was received on
16 or before the (~~twenty-first~~) fifth business day after the date of
17 sale or transfer; and
- 18 (f) Payment of the fees required under RCW 46.17.050.

19 (4) **Report of sale - administration.** (a) The department shall:
20 (i) Provide or approve reports of sale forms;
21 (ii) Provide a system enabling an owner to submit reports of sale
22 electronically;
23 (iii) Immediately update the department's vehicle record when a
24 report of sale has been filed;
25 (iv) Provide instructions on release of interest forms that allow
26 the seller of a vehicle to release their interest in a vehicle at the
27 same time a financial institution, as defined in RCW 30A.22.040,
28 releases its lien on the vehicle; and

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

33 (b) A report of sale that is received by the department, county
34 auditor or other agent, or subagent appointed by the director after
35 the (~~twenty-first~~) fifth day becomes effective on the day it is
36 received by the department, county auditor or other agent, or
37 subagent appointed by the director.

38 (5)(a) **Transferring ownership.** A person who has recently acquired
39 a vehicle by purchase, exchange, gift, lease, inheritance, or legal
40 action shall apply to the department, county auditor or other agent,

1 or subagent appointed by the director for a new certificate of title
2 within fifteen days of delivery of the vehicle. A secured party who
3 has possession of the certificate of title shall either:

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

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

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

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

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

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

29 (a) The department requests additional supporting documents;

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

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

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

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

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

39 (9) **Review and issue.** The department shall review applications
40 for certificates of title and issue certificates of title when it has

1 determined that all applicable provisions of law have been complied
2 with.

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

5 NEW SECTION. **Sec. 2.** This act takes effect July 1, 2016.

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