

2SHB 2157 - H AMD 792

By Representative Hoff

NOT CONSIDERED 12/23/2019

1 Beginning on page 11, line 8, strike all of part IV and insert
2 the following:

3 **"Part IV**

4 **Nonpayment of Fees and Taxes**

5 NEW SECTION. **Sec. 401.** (1) The legislature finds that counties
6 that border other states and Canada experience a significant problem
7 of residents of Washington state who evade taxes and fees by failing
8 to register their vehicles, aircraft, and vessels in Washington
9 state. According to a 2007 Washington State University study, the
10 department of revenue lost eighty million dollars over the previous
11 five years to persons avoiding taxes and fees in this manner. It was
12 also estimated in the study that twenty thousand vehicles were
13 illegally registered in Oregon to residents of Clark county,
14 Washington. The problem has undoubtedly grown worse in the decade
15 since the study was completed resulting in hundreds of millions of
16 dollars in lost revenue to state and local coffers as these new
17 residents fail to pay their fair share for public services. Moreover,
18 a public safety risk is created when inaccurate information is
19 provided to law enforcement or insurance companies in the event of an
20 accident or infraction.

21 (2) Current statutes contain monetarily significant penalties
22 that are appropriate given the scope of the harm. It is the intent of
23 the legislature that law enforcement and prosecutors proceed against
24 violators to the fullest extent of the law. In order to give them
25 more tools and ensure compliance with the law, it is the intent of
26 the legislature to set up a deferred finding program consistent with
27 other programs in the state that allows defendants to obtain
28 dismissal of charges if they take certain remedial steps. It is the
29 intent of the legislature that the punishment for those who do not
30 comply with the deferred finding program remain in force and be fully
31 implemented.

1 NEW SECTION. **Sec. 402.** A new section is added to chapter 10.05
2 RCW to read as follows:

3 Any county may set up a deferred finding program for persons who
4 receive a citation for failing to register a vehicle under RCW
5 46.16A.030, an aircraft under RCW 47.68.255, or a vessel under RCW
6 88.02.400. Upon receipt of proof satisfactory to the prosecuting
7 attorney's office with jurisdiction over the offense, which must
8 include payment of a five hundred dollar fine, that the person cited
9 has a valid Washington state driver's license, and that the person
10 cited has registered the vehicle, aircraft, or vessel that was the
11 subject of the citation in Washington state, the citation must be
12 dismissed. If receipt of proof does not occur within ninety days of
13 the citation, the prosecuting attorney must seek the full penalty
14 available for the citation. Fines generated pursuant to this program
15 must be used by the county for the purpose of enforcement and
16 prosecution of registration requirements under RCW 46.16A.030,
17 47.68.255, or 88.02.400. This section applies to persons who have
18 never received a previous citation or participated in a program of
19 deferred finding for failing to register a vehicle under RCW
20 46.16A.030, an aircraft under RCW 47.68.255, or a vessel under RCW
21 88.02.400.

22 **Sec. 403.** RCW 46.16A.030 and 2011 c 171 s 43 and 2011 c 96 s 31
23 are each reenacted and amended to read as follows:

24 (1) Vehicles must be registered as required by this chapter and
25 must display license plates or decals assigned by the department.

26 (2) It is unlawful for a person to operate any vehicle on a
27 public highway of this state without having in full force and effect
28 a current and proper vehicle registration and displaying license
29 plates on the vehicle.

30 (3) Vehicle license plates or registration certificates, whether
31 original issues or duplicates, may not be issued or furnished by the
32 department until the applicant makes satisfactory application for a
33 certificate of title or presents satisfactory evidence that a
34 certificate of title covering the vehicle has been previously issued.

35 (4) Failure to make initial registration before operating a
36 vehicle on the public highways of this state is a traffic infraction.
37 A person committing this infraction must pay a fine of five hundred
38 twenty-nine dollars, which may not be suspended(~~(, deferred,)~~) or
39 reduced. This fine is in addition to any delinquent taxes and fees

1 that must be deposited and distributed in the same manner as if the
2 taxes and fees were properly paid in a timely fashion. The five
3 hundred twenty-nine dollar fine must be deposited into the vehicle
4 licensing fraud account created in the state treasury in RCW
5 46.68.250.

6 (5) Failure to renew an expired registration before operating a
7 vehicle on the public highways of this state is a traffic infraction.

8 (6) It is a gross misdemeanor for a resident, as identified in
9 RCW 46.16A.140, to register a vehicle in another state, evading the
10 payment of any tax or vehicle license fee imposed in connection with
11 registration. It is punishable, in lieu of the fine in subsection (4)
12 of this section, as follows:

13 (a) For a first offense:

14 (i) Up to three hundred sixty-four days in the county jail;

15 (ii) Payment of a fine of five hundred twenty-nine dollars plus
16 any applicable assessments, which may not be suspended(~~(, deferred,)~~)
17 or reduced. The fine of five hundred twenty-nine dollars must be
18 deposited into the vehicle licensing fraud account created in the
19 state treasury in RCW 46.68.250;

20 (iii) A fine of one thousand dollars to be deposited into the
21 vehicle licensing fraud account created in the state treasury in RCW
22 46.68.250, which may not be suspended(~~(, deferred,)~~) or reduced; and

23 (iv) The delinquent taxes and fees, which must be deposited and
24 distributed in the same manner as if the taxes and fees were properly
25 paid in a timely fashion, and which may not be suspended(~~(, deferred,)~~)
26 or reduced;

27 (b) For a second or subsequent offense:

28 (i) Up to three hundred sixty-four days in the county jail;

29 (ii) Payment of a fine of five hundred twenty-nine dollars plus
30 any applicable assessments, which may not be suspended(~~(, deferred,)~~)
31 or reduced. The fine of five hundred twenty-nine dollars must be
32 deposited into the vehicle licensing fraud account created in the
33 state treasury in RCW 46.68.250;

34 (iii) A fine of five thousand dollars to be deposited into the
35 vehicle licensing fraud account created in the state treasury in RCW
36 46.68.250, which may not be suspended(~~(, deferred,)~~) or reduced; and

37 (iv) The amount of delinquent taxes and fees, which must be
38 deposited and distributed in the same manner as if the taxes and fees
39 were properly paid in a timely fashion, and which may not be
40 suspended(~~(, deferred,)~~) or reduced.

1 (7) A vehicle with an expired registration of more than
2 forty-five days parked on a public street may be impounded by a
3 police officer under RCW 46.55.113(2).

4 **Sec. 404.** RCW 47.68.255 and 2010 c 161 s 1147 are each amended
5 to read as follows:

6 A person who is required to register an aircraft under this
7 chapter and who registers an aircraft in another state or foreign
8 country evading the Washington aircraft excise tax is guilty of a
9 gross misdemeanor. For a second or subsequent offense, the person
10 convicted is also subject to a fine equal to four times the amount of
11 avoided taxes and fees, no part of which may be suspended (~~or~~
12 ~~deferred~~). Excise taxes owed and fines assessed (~~will~~) must be
13 deposited in the manner provided under RCW 46.16A.030(6).

14 **Sec. 405.** RCW 88.02.400 and 2010 c 161 s 1007 are each amended
15 to read as follows:

16 (1) It is a gross misdemeanor punishable as provided under
17 chapter 9A.20 RCW for any person owning a vessel subject to taxation
18 under chapter 82.49 RCW to:

19 (a) Register a vessel in another state to avoid Washington state
20 vessel excise tax required under chapter 82.49 RCW; or

21 (b) Obtain a vessel dealer's license for the purpose of evading
22 excise tax on vessels under chapter 82.49 RCW.

23 (2) For a second or subsequent offense, the person convicted is
24 also subject to a fine equal to four times the amount of avoided
25 taxes and fees, which may not be suspended (~~or deferred~~).

26 (3) Excise taxes owed and fines assessed must be deposited in the
27 manner provided under RCW 46.16A.030(6)."

28 Correct the title.

EFFECT: Removes the nonresident sales tax remittance program.
Adds language about the lost taxes and fees due by Washington
residents failing to properly register their vehicles. Allows a
county to set up a deferred finding program for persons who receive a
citation for failing to register a vehicle, failing to register an
aircraft, or failing to register a vessel.

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