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**SUBSTITUTE SENATE BILL 5250**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senate Committee on Transportation (originally sponsored by Senators Swecker, Haugen, Kilmer, Kline, Rockefeller and Shin)

READ FIRST TIME 02/22/07.

1 AN ACT Relating to transferring motor vehicle ownership; and  
2 amending RCW 46.12.101 and 46.12.170.

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

4 **Sec. 1.** RCW 46.12.101 and 2006 c 291 s 2 are each amended to read  
5 as follows:

6 A transfer of ownership in a motor vehicle is perfected by  
7 compliance with the requirements of this section.

8 (1)(a) If an owner transfers his or her interest in a vehicle,  
9 other than by the creation, deletion, or change of a security interest,  
10 the owner shall, at the time of the delivery of the vehicle, execute an  
11 assignment to the transferee and provide an odometer disclosure  
12 statement under RCW 46.12.124 on the certificate of ownership or as the  
13 department otherwise prescribes, and cause the certificate and  
14 assignment to be transmitted to the transferee. The owner shall notify  
15 the department or its agents or subagents, in writing, on the  
16 appropriate form, of the date of the sale or transfer, the name and  
17 address of the owner and of the transferee, the transferee's driver's  
18 license number if available, and such description of the vehicle,  
19 including the vehicle identification number, as may be required in the

1 appropriate form provided or approved for that purpose by the  
2 department. The report of sale will be deemed properly filed if all  
3 information required in this section is provided on the form and  
4 includes a department-authorized notation that the document was  
5 received by the department, its agents, or subagents on or before the  
6 fifth day after the sale of the vehicle, excluding Saturdays, Sundays,  
7 and state and federal holidays. Agents and subagents shall immediately  
8 electronically transmit the seller's report of sale to the department.  
9 Reports of sale processed and recorded by the department's agents or  
10 subagents may be subject to fees as specified in RCW 46.01.140 (4)(a)  
11 or (5)(b). By January 1, 2003, the department shall create a system  
12 enabling the seller of a vehicle to transmit the report of sale  
13 electronically. The system created by the department must immediately  
14 indicate on the department's vehicle record that a seller's report of  
15 sale has been filed.

16 (b) By January 1, 2008, the department shall provide instructions  
17 on release of interest forms that allow the seller of a vehicle to  
18 release his or her interest in a vehicle at the same time a financial  
19 institution, as defined in RCW 30.22.040, releases their lien on the  
20 vehicle.

21 (2) The requirements of subsection (1) of this section to provide  
22 an odometer disclosure statement apply to the transfer of vehicles held  
23 for lease when transferred to a lessee and then to the lessor at the  
24 end of the leasehold and to vehicles held in a fleet when transferred  
25 to a purchaser.

26 (3) Except as provided in RCW 46.70.122 the transferee shall within  
27 fifteen days after delivery to the transferee of the vehicle, execute  
28 the application for a new certificate of ownership in the same space  
29 provided therefor on the certificate or as the department prescribes,  
30 and cause the certificates and application to be transmitted to the  
31 department accompanied by a fee of five dollars in addition to any  
32 other fees required.

33 (4) Upon request of the owner or transferee, a secured party in  
34 possession of the certificate of ownership shall, unless the transfer  
35 was a breach of its security agreement, either deliver the certificate  
36 to the transferee for transmission to the department or, when the  
37 secured party receives the owner's assignment from the transferee, it  
38 shall transmit the transferee's application for a new certificate, the

1 existing certificate, and the required fee to the department.  
2 Compliance with this section does not affect the rights of the secured  
3 party.

4 (5) If a security interest is reserved or created at the time of  
5 the transfer, the certificate of ownership shall be retained by or  
6 delivered to the person who becomes the secured party, and the parties  
7 shall comply with the provisions of RCW 46.12.170.

8 (6) If the purchaser or transferee fails or neglects to make  
9 application to transfer the certificate of ownership and license  
10 registration within fifteen days after the date of delivery of the  
11 vehicle, he or she shall on making application for transfer be assessed  
12 a twenty-five dollar penalty on the sixteenth day and two dollars  
13 additional for each day thereafter, but not to exceed one hundred  
14 dollars. The director may by rule establish conditions under which the  
15 penalty will not be assessed when an application for transfer is  
16 delayed for reasons beyond the control of the purchaser. Conditions  
17 for not assessing the penalty may be established for but not limited to  
18 delays caused by:

- 19 (a) The department requesting additional supporting documents;
- 20 (b) Extended hospitalization or illness of the purchaser;
- 21 (c) Failure of a legal owner to release his or her interest;
- 22 (d) Failure, negligence, or nonperformance of the department,  
23 auditor, or subagent;
- 24 (e) The transferee had no knowledge of the filing of the vehicle  
25 report of sale and signs an affidavit to the fact.

26 Failure or neglect to make application to transfer the certificate  
27 of ownership and license registration within forty-five days after the  
28 date of delivery of the vehicle is a misdemeanor.

29 (7) Upon receipt of an application for reissue or replacement of a  
30 certificate of ownership and transfer of license registration,  
31 accompanied by the endorsed certificate of ownership or other  
32 documentary evidence as is deemed necessary, the department shall, if  
33 the application is in order and if all provisions relating to the  
34 certificate of ownership and license registration have been complied  
35 with, issue new certificates of title and license registration as in  
36 the case of an original issue and shall transmit the fees together with  
37 an itemized detailed report to the state treasurer.

1 (8) Once each quarter the department shall report to the department  
2 of revenue a list of those vehicles for which a seller's report has  
3 been received but no transfer of title has taken place.

4 **Sec. 2.** RCW 46.12.170 and 2002 c 352 s 5 are each amended to read  
5 as follows:

6 (1) If, after a certificate of ownership is issued, a security  
7 interest is granted on the vehicle described therein, the registered  
8 owner or secured party shall, within ten days thereafter, present an  
9 application to the department, to which shall be attached the  
10 certificate of ownership last issued covering the vehicle, or such  
11 other documentation as may be required by the department, which  
12 application shall be upon a form approved by the department and shall  
13 be accompanied by a fee of five dollars in addition to all other fees.  
14 The department, if satisfied that there should be a reissue of the  
15 certificate, shall note such change upon the vehicle records and issue  
16 to the secured party a new certificate of ownership.

17 (2) Whenever there is no outstanding secured obligation and no  
18 commitment to make advances and incur obligations or otherwise give  
19 value, the secured party must either:

20 (a) Assign the certificate of ownership to the debtor or the  
21 debtor's assignee or transferee, and transmit the certificate to the  
22 department with an accompanying fee of five dollars in addition to all  
23 other fees(~~(. The department shall then issue a new certificate of~~  
24 ~~ownership and transmit it to the owner.)); or~~

25 (b) Assign the certificate of ownership to the debtor's assignee or  
26 transferee together with the debtor's or debtor's assignee's release of  
27 interest.

28 (3) Upon receipt of the certificate of ownership and the debtor's  
29 release of interest and required fees as provided in subsection (2)(a)  
30 of this section, the department shall issue a new certificate of  
31 ownership and transmit it to the registered owner.

32 (4) If the affected secured party fails to either assign the  
33 certificate of ownership to the debtor or the debtor's assignee or  
34 transferee or transmit the certificate of ownership to the department  
35 within ten days after proper demand, that secured party shall be liable  
36 to the debtor or the debtor's assignee or transferee for one hundred

1 dollars, and in addition for any loss caused to the debtor or the  
2 debtor's assignee or transferee by such failure.

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