

SENATE BILL REPORT

2SHB 2436

As Reported by Senate Committee On:
Transportation, February 25, 2010

Title: An act relating to vehicle license fraud.

Brief Description: Concerning vehicle license fraud.

Sponsors: House Committee on General Government Appropriations (originally sponsored by Representatives Moeller, Green, Clibborn, Pedersen, Carlyle, Morrell and Jacks).

Brief History: Passed House: 2/12/10, 97-0.

Committee Activity: Transportation: 2/24/10, 2/25/10 [DPA].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chair; Swecker, Ranking Minority Member; Becker, Berkey, Delvin, Eide, Hatfield, Kastama, Kilmer and Sheldon.

Staff: Janice Baumgardt (786-7319)

Background: New Washington residents, unless exempt, must obtain a valid Washington driver's license and register their vehicles within 30 days from the date they become residents. Exemptions include a person in the military, a nonresident driver, shared ownership or a person operating special highway construction equipment, a farm tractor, non-public road travel, or other evidence satisfactory to the Department of Licensing that they have a valid and compelling reason for not being able to meet the registration requirements.

Failure to register a vehicle in Washington before operating it on the highways is a traffic infraction of \$529 and no part may be suspended or deferred. The avoided taxes and fees must be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion. A motor vehicle subject to initial or renewal registration must not be registered to a person unless the person has an unexpired Washington driver's license.

The licensing of a vehicle in another state by a resident of this state to evade the payment of any tax or license fee imposed in connection with registration is a gross misdemeanor punishable as follows:

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- for a first offense, up to one year in the county jail and payment of a fine of \$529 plus twice the amount of delinquent taxes and fees, no part of which may be suspended or deferred; and
- for a second or subsequent offense, up to one year in the county jail and payment of a fine of \$529 plus four times the amount of delinquent taxes and fees, no part of which may be suspended or deferred.

It is unclear whether the amounts above include the delinquent taxes and fees, and where these amounts are to be deposited. It is also unclear whether the \$529 fine is in addition to statutory assessments.

Funding for the Vehicle License Fraud Program for 2007-09 was funded by the General Fund, but was not funded in the 2009-11 biennial budget.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Amendments): Language is clarified that fines are subject to additional statutory assessments and that they are in addition to delinquent taxes and fees owed.

The \$529 fines for failure to register a vehicle and for evading taxes and fees by registering in another state must be deposited into the Vehicle License Fraud Account.

The fine of twice and four times the amount for evading taxes and fees by registering in another state is changed to \$1,000 for a first offense and \$5,000 for second and subsequent offenses, which must also be deposited into the Vehicle License Fraud Account.

Fiscal year appropriations are established from the Vehicle License Fraud Account of \$75,000 to the Department of Revenue (DOR) and \$250,000 to the Washington State Patrol (WSP), for purposes of vehicle license fraud enforcement and collections by the WSP and DOR.

Appropriation: The sum of \$325,000 per fiscal year.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2010.

Staff Summary of Public Testimony: PRO: This is a matter of fairness, all need to pay their share.

Persons Testifying: PRO: Representative Moeller, prime sponsor.