H-4358.1			

## HOUSE BILL 3171

State of Washington 61st Legislature 2010 Regular Session

By Representatives Liias and O'Brien

Read first time 02/03/10. Referred to Committee on Transportation.

- 1 AN ACT Relating to vehicle registration fees collected by subagents
- 2 under RCW 46.16.0621 and 46.16.070; amending RCW 46.16.070, 46.01.140,
- 3 46.17.010, 46.68.035, and 46.68.080; reenacting and amending RCW
- 4 46.16.0621; adding a new section to chapter 46.68 RCW; and creating new
- 5 sections.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 <u>NEW SECTION.</u> **Sec. 1.** It is the intent of the legislature to have
- 8 licensing fees be consistent for both county auditors and licensing
- 9 subagents so that the public pays the same fee at all licensing
- 10 locations. The base fee for passenger vehicles will now include the
- 11 subagent licensing fee, where before it was added by the subagent when
- 12 the subagent registered the vehicle. The intent of this act is to be
- 13 revenue neutral to the state.
- 14 Sec. 2. RCW 46.16.0621 and 2003 c 1 s 2 and 2002 c 352 s 7 are
- 15 each reenacted and amended to read as follows:
- 16 (1)(a) License tab fees are ((required to be \$30)) thirty-two
- 17 <u>dollars and forty-three cents</u> per year for motor vehicles, regardless
- 18 of year, value, make, or model.

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1 ((<del>(2)</del>)) (b) Any subagent authorized to collect the thirty-two 2 dollar and forty-three cent fee shall retain four dollars from the fee 3 upon collection.

- (2) If, at the end of each fiscal year, the aggregate amount of the fees collected under this section minus the aggregate amount of service fees retained by subagents pursuant to subsection (1)(b) of this section exceeds the aggregate amount that would have been collected otherwise for a thirty-dollar license tab fee, the excess amount must be transferred from the motor vehicle fund to the title and licensing system account created in section 5 of this act.
- 11 (3) For the purposes of this section, "license tab fees" are defined as the general fees paid annually for licensing motor vehicles and trailers as defined in RCW 46.04.620 and 46.04.623, including cars, sport utility vehicles, motorcycles, and motor homes. Trailers licensed under RCW 46.16.068 or 46.16.085 and campers licensed under RCW 46.16.505 are not required to pay license tab fees under this section.
- **Sec. 3.** RCW 46.16.070 and 2005 c 314 s 204 are each amended to read as follows:
  - (1) In lieu of all other vehicle licensing fees, unless specifically exempt, and in addition to the mileage fees prescribed for buses and stages in RCW 46.16.125, there shall be paid and collected annually for each truck, motor truck, truck tractor, road tractor, tractor, bus, auto stage, or for hire vehicle with seating capacity of more than six, based upon the declared combined gross weight or declared gross weight under chapter 46.44 RCW, the following licensing fees by weight:

28	WEIGHT	SCHEDULE A S	CHEDULE B
29	4,000 lbs	\$ ((40.00)) \$	((40.00))
30		<u>42.43</u>	<u>42.43</u>
31	6,000 lbs	\$ (( <del>50.00</del> )) \$	((50.00))
32		<u>52.43</u>	52.43
33	8,000 lbs	\$ ((60.00)) \$	((60.00))
34		<u>62.43</u>	62.43
35	10,000 lbs	\$ (( <del>62.00</del> )) \$	(( <del>62.00</del> ))
36		<u>64.43</u>	64.43

1	12,000 lbs \$ (( <del>79.00</del> )) \$	(( <del>79.00</del> ))
2	<u>81.43</u>	81.43
3	14,000 lbs \$ 90.00 \$	90.00
4	16,000 lbs	102.00
5	18,000 lbs	154.00
6	20,000 lbs	171.00
7	22,000 lbs	185.00
8	24,000 lbs \$ 200.00 \$	200.00
9	26,000 lbs \$ 211.00 \$	211.00
10	28,000 lbs \$ 249.00 \$	249.00
11	30,000 lbs \$ 287.00 \$	287.00
12	32,000 lbs \$ 346.00 \$	346.00
13	34,000 lbs \$ 368.00 \$	368.00
14	36,000 lbs \$ 399.00 \$	399.00
15	38,000 lbs	438.00
16	40,000 lbs \$ 501.00 \$	501.00
17	42,000 lbs	611.00
18	44,000 lbs	622.00
19	46,000 lbs	662.00
20	48,000 lbs	686.00
21	50,000 lbs \$ 647.00 \$	737.00
22	52,000 lbs \$ 680.00 \$	770.00
23	54,000 lbs	824.00
24	56,000 lbs	865.00
25	58,000 lbs \$ 806.00 \$	896.00
26	60,000 lbs	949.00
27	62,000 lbs	1,011.00
28	64,000 lbs	1,031.00
29	66,000 lbs	1,138.00
30	68,000 lbs	1,183.00
31	70,000 lbs	1,267.00
32	72,000 lbs	1,349.00
33	74,000 lbs	1,458.00
34	76,000 lbs	1,568.00
35	78,000 lbs	1,704.00
36	80,000 lbs	1,832.00
37	82,000 lbs	1,953.00
38	84,000 lbs	2,073.00
39	86,000 lbs \$ 2,104.00 \$	2,194.00
40	88,000 lbs \$ 2,225.00 \$	2,315.00
41	90,000 lbs \$ 2,346.00 \$	2,436.00
42	92,000 lbs \$ 2,466.00 \$	2,556.00
43	94,000 lbs \$ 2,587.00 \$	2,677.00
44	96,000 lbs \$ 2,708.00 \$	2,798.00

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1	98,000 lbs \$	2,829.00 \$	2,919.00
2	100,000 lbs \$	2,949.00 \$	3,039.00
3	102,000 lbs \$	3,070.00 \$	3,160.00
4	104,000 lbs \$	3,191.00 \$	3,281.00
5	105,500 lbs \$	3,312.00 \$	3,402.00

Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.

Every truck, motor truck, truck tractor, and tractor exceeding 6,000 pounds empty scale weight registered under chapter 46.16, 46.87, or 46.88 RCW shall be licensed for not less than one hundred fifty percent of its empty weight unless the amount would be in excess of the legal limits prescribed for such a vehicle in RCW 46.44.041 or 46.44.042, in which event the vehicle shall be licensed for the maximum weight authorized for such a vehicle or unless the vehicle is used only for the purpose of transporting any well drilling machine, air compressor, rock crusher, conveyor, hoist, donkey engine, cook house, tool house, bunk house, or similar machine or structure attached to or made a part of such vehicle.

The following provisions apply when increasing gross or combined gross weight for a vehicle licensed under this section:

- (a) The new license fee will be one-twelfth of the fee listed above for the new gross weight, multiplied by the number of months remaining in the period for which licensing fees have been paid, including the month in which the new gross weight is effective.
- (b) Upon surrender of the current certificate of registration or cab card, the new licensing fees due shall be reduced by the amount of the licensing fees previously paid for the same period for which new fees are being charged.
- (2)(a) Any subagent authorized to collect the gross weight fee under this section for personal use trucks up to 13,999 gross vehicle weight shall retain four dollars from the fee upon collection.
- (b) If, at the end of each fiscal year, the aggregate amount of the fees collected under this section for personal use trucks up to 13,999 gross vehicle weight minus the aggregate amount of service fees retained by subagents pursuant to (a) of this subsection exceeds the aggregate amount that would have been collected otherwise for the fee amount in existence before August 1, 2010, for personal use trucks up

to 13,999 gross vehicle weight, the excess amount must be transferred from the motor vehicle fund to the title and licensing system account created in section 5 of this act.

- (3) The proceeds from the fees collected under subsection (1) of this section shall be distributed in accordance with RCW 46.68.035.
- $((\frac{3}{1}))$  (4) In lieu of the gross weight fee under subsection (1) of this section, farm vehicles may be licensed upon payment of the fee in effect under subsection (1) of this section on May 1, 2005. In order to qualify for the reduced fee under this subsection, the farm vehicle must be exempt from property taxes in accordance with RCW 84.36.630. The applicant must submit copies of the forms required under RCW 84.36.630. The application for the reduced fee under this subsection shall require the applicant to attest that the vehicle shall be used primarily for farming purposes. The department shall provide licensing agents and subagents with a schedule of the appropriate licensing fees for farm vehicles.
  - Sec. 4. RCW 46.01.140 and 2005 c 343 s 1 are each amended to read as follows:
  - (1) The county auditor, if appointed by the director of licensing shall carry out the provisions of this title relating to the licensing of vehicles and the issuance of vehicle license number plates under the direction and supervision of the director and may with the approval of the director appoint assistants as special deputies and recommend subagents to accept applications and collect fees for vehicle licenses and transfers and to deliver vehicle license number plates.
  - (2) A county auditor appointed by the director may request that the director appoint subagencies within the county.
  - (a) Upon authorization of the director, the auditor shall use an open competitive process including, but not limited to, a written business proposal and oral interview to determine the qualifications of all interested applicants.
  - (b) A subagent may recommend a successor who is either the subagent's sibling, spouse, or child, or a subagency employee, as long as the recommended successor participates in the open, competitive process used to select an applicant. In making successor recommendation and appointment determinations, the following provisions apply:

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(i) If a subagency is held by a partnership or corporate entity, the nomination must be submitted on behalf of, and agreed to by, all partners or corporate officers.

- (ii) No subagent may receive any direct or indirect compensation or remuneration from any party or entity in recognition of a successor nomination. A subagent may not receive any financial benefit from the transfer or termination of an appointment.
- (iii) (a) and (b) of this subsection are intended to assist in the efficient transfer of appointments in order to minimize public inconvenience. They do not create a proprietary or property interest in the appointment.
- (c) The auditor shall submit all proposals to the director, and shall recommend the appointment of one or more subagents who have applied through the open competitive process. The auditor shall include in his or her recommendation to the director, not only the name of the successor who is a relative or employee, if applicable and if otherwise qualified, but also the name of one other applicant who is qualified and was chosen through the open competitive process. The director has final appointment authority.
- (3)(a) A county auditor who is appointed as an agent by the department shall enter into a standard contract provided by the director, developed with the advice of the title and registration advisory committee.
- (b) A subagent appointed under subsection (2) of this section shall enter into a standard contract with the county auditor, developed with the advice of the title and registration advisory committee. The director shall provide the standard contract to county auditors.
- (c) The contracts provided for in (a) and (b) of this subsection must contain at a minimum provisions that:
- (i) Describe the responsibilities, and where applicable, the liability, of each party relating to the service expectations and levels, equipment to be supplied by the department, and equipment maintenance;
- (ii) Require the specific type of insurance or bonds so that the state is protected against any loss of collected motor vehicle tax revenues or loss of equipment;
- 37 (iii) Specify the amount of training that will be provided by the 38 state, the county auditor, or subagents;

1 (iv) Describe allowable costs that may be charged to vehicle 2 licensing activities as provided for in (d) of this subsection;

- (v) Describe the causes and procedures for termination of the contract, which may include mediation and binding arbitration.
- (d) The department shall develop procedures that will standardize and prescribe allowable costs that may be assigned to vehicle licensing and vessel registration and title activities performed by county auditors.
- (e) The contracts may include any provision that the director deems necessary to ensure acceptable service and the full collection of vehicle and vessel tax revenues.
- (f) The director may waive any provisions of the contract deemed necessary in order to ensure that readily accessible service is provided to the citizens of the state.
- (4)(a) At any time any application is made to the director, the county auditor, or other agent pursuant to any law dealing with licenses, registration, or the right to operate any vehicle or vessel upon the public highways or waters of this state, excluding applicants already paying such fee under RCW 46.16.070 or 46.16.085, the applicant shall pay to the director, county auditor, or other agent a fee of three dollars for each application in addition to any other fees required by law.
- (b) Counties that do not cover the expenses of vehicle licensing and vessel registration and title activities may submit to the department a request for cost-coverage moneys. The request must be submitted on a form developed by the department. The department shall develop procedures to verify whether a request is reasonable. Payment shall be made on requests found to be allowable from the licensing services account.
- (c) Applicants for certificates of ownership, including applicants paying fees under RCW 46.16.070 or 46.16.085, shall pay to the director, county auditor, or other agent a fee of four dollars in addition to any other fees required by law.
- (d) The fees under (a) and (c) of this subsection, if paid to the county auditor as agent of the director, or if paid to a subagent of the county auditor, shall be paid to the county treasurer in the same manner as other fees collected by the county auditor and credited to

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the county current expense fund. If the fee is paid to another agent of the director, the fee shall be used by the agent to defray his or her expenses in handling the application.

- (e) Applicants required to pay the three-dollar fee established under (a) of this subsection, must pay an additional seventy-five cents, which must be collected and remitted to the state treasurer and distributed as follows:
- (i) Fifty cents must be deposited into the department of licensing services account of the motor vehicle fund and must be used for agent and subagent support, which is to include but not be limited to the replacement of department-owned equipment in the possession of agents and subagents.
- (ii) Twenty-five cents must be deposited into the license plate technology account created under RCW 46.16.685.
- (5) A subagent shall collect a service fee of (a) ten dollars for changes in a certificate of ownership, with or without registration renewal, or verification of record and preparation of an affidavit of lost title other than at the time of the title application or transfer and (b), except for (i) vehicles subject to the fee under RCW 46.16.0621 and (ii) personal use trucks up to 13,999 gross vehicle weight subject to the fee under RCW 46.16.070, four dollars for registration renewal only, issuing a transit permit, or any other service under this section.
- (6) If the fee is collected by the state patrol as agent for the director, the fee so collected shall be certified to the state treasurer and deposited to the credit of the state patrol highway account. If the fee is collected by the department of transportation as agent for the director, the fee shall be certified to the state treasurer and deposited to the credit of the motor vehicle fund. All such fees collected by the director or branches of his office shall be certified to the state treasurer and deposited to the credit of the highway safety fund.
- (7) Any county revenues that exceed the cost of providing vehicle licensing and vessel registration and title activities in a county, calculated in accordance with the procedures in subsection (3)(d) of this section, shall be expended as determined by the county legislative authority during the process established by law for adoption of county budgets.

(8) The director may adopt rules to implement this section.

NEW SECTION. Sec. 5. A new section is added to chapter 46.68 RCW to read as follows:

The title and licensing system account is created in the state treasury. The excess amount of fees collected as described in RCW 46.61.0621(2) and 46.16.070(2)(b) must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for developing, implementing, and maintaining an updated vehicle licensing system.

- **Sec. 6.** RCW 46.17.010 and 2006 c 337 s 9 are each amended to read 11 as follows:
  - (1) There shall be paid and collected annually for motor vehicles subject to the fee under RCW 46.16.0621, except motor homes, a vehicle weight fee. The amount of the fee shall be based upon the vehicle scale weight, which is correlated with vehicle size and roadway lane usage. Fees imposed under this section must be used for transportation purposes, and shall not be used for the general support of state government. The vehicle weight fee shall be that portion of the fee as reflected on the scale weight set forth in schedule B provided in RCW 46.16.070 that is in excess of ((the fee imposed under RCW 46.16.0621)) thirty dollars. This fee is due at the time of initial and renewal of vehicle registration.
  - (2) If the resultant weight according to this section is not listed in schedule B provided in RCW 46.16.070, it shall be increased to the next higher weight pursuant to chapter 46.44 RCW.
  - (3) For the purpose of administering this section, the department shall rely on the vehicle empty scale weights as provided by vehicle manufacturers, or other sources defined by the department, to determine the weight of each vehicle. The department shall adopt rules for determining weight for vehicles without manufacturer empty scale weights.
  - (4) The vehicle weight fee under this section is imposed to provide funds to mitigate the impact of vehicle loads on the state roads and highways and is separate and distinct from other vehicle license fees. Proceeds from the fee may be used for transportation purposes, or for

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facilities and activities that reduce the number of vehicles or load weights on the state roads and highways.

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- (5) The vehicle weight fee collected under this section shall be deposited as follows:
- 5 (a) On July 1, 2006, six million dollars shall be deposited into 6 the freight mobility multimodal account created in RCW 46.68.310, and 7 the remainder collected from June 7, 2006, through June 30, 2006, shall 8 be deposited into the multimodal transportation account;
- 9 (b) Beginning July 1, 2007, and every July 1st thereafter, three 10 million dollars shall be deposited into the freight mobility multimodal 11 account created in RCW 46.68.310, and the remainder shall be deposited 12 into the multimodal transportation account.
- 13 **Sec. 7.** RCW 46.68.035 and 2006 c 337 s 1 are each amended to read 14 as follows:
  - All proceeds from combined vehicle licensing fees received by the director for vehicles licensed under RCW 46.16.070, less the amount retained by subagents as authorized under RCW 46.16.070(2)(a), and 46.16.085 shall be forwarded to the state treasurer to be distributed into accounts according to the following method:
  - (1) The sum of two dollars for each vehicle shall be deposited into the multimodal transportation account, except that for each vehicle registered by a county auditor or agent to a county auditor pursuant to RCW 46.01.140, the sum of two dollars shall be credited to the current county expense fund.
  - (2) The remainder and the proceeds from the license fee under RCW 46.16.086 and the farm vehicle trip permit under RCW 46.16.162 shall be distributed as follows:
- 28 (a) 22.36 percent shall be deposited into the state patrol highway 29 account of the motor vehicle fund;
- 30 (b) 1.375 percent shall be deposited into the Puget Sound ferry 31 operations account of the motor vehicle fund;
- 32 (c) 5.237 percent shall be deposited into the transportation 2003 33 account (nickel account);
- 34 (d) 11.533 percent shall be deposited into the transportation 35 partnership account created in RCW 46.68.290; and
- 36 (e) The remaining proceeds shall be deposited into the motor vehicle fund.

**Sec. 8.** RCW 46.68.080 and 2006 c 337 s 12 are each amended to read 2 as follows:

- (1) Motor vehicle license fees collected under RCW 46.16.0621 and 46.16.070, less the amounts retained by subagents as authorized under RCW 46.16.0621(1)(b) and 46.16.070(2)(a), and fuel taxes collected under RCW 82.36.025(1) and 82.38.030(1) and directly or indirectly paid by the residents of those counties composed entirely of islands and which have neither a fixed physical connection with the mainland nor any state highways on any of the islands of which they are composed, shall be paid into the motor vehicle fund of the state of Washington and shall monthly, as they accrue, and after deducting therefrom the expenses of issuing such licenses and the cost of collecting such vehicle fuel tax, be paid to the county treasurer of each such county to be ((by him)) disbursed by the county treasurer as hereinafter provided.
  - (2) One-half of the motor vehicle license fees collected under RCW 46.16.0621 and 46.16.070, less one-half of the amounts retained by subagents as authorized under RCW 46.16.0621(1)(b) and 46.16.070(2)(a), and one-half of the fuel taxes collected under RCW 82.36.025(1) and 82.38.030(1) and directly or indirectly paid by the residents of those counties composed entirely of islands and which have either a fixed physical connection with the mainland or state highways on any of the islands of which they are composed, shall be paid into the motor vehicle fund of the state of Washington and shall monthly, as they accrue, and after deducting therefrom the expenses of issuing such licenses and the cost of collecting such motor vehicle fuel tax, be paid to the county treasurer of each such county to be ((by him)) disbursed by the county treasurer as hereinafter provided.
  - (3) All funds paid to the county treasurer of the counties of either class referred to in subsections (1) and (2) of this section, shall be by such county treasurer distributed and credited to the several road districts of each such county and paid to the city treasurer of each incorporated city and town within each such county, in the direct proportion that the assessed valuation of each such road district and incorporated city and town shall bear to the total assessed valuation of each such county.
- (4) The amount of motor vehicle fuel tax paid by the residents of those counties composed entirely of islands shall, for the purposes of

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this section, be that percentage of the total amount of motor vehicle fuel tax collected in the state that the motor vehicle license fees paid by the residents of counties composed entirely of islands bears to the total motor vehicle license fees paid by the residents of the state.

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- (5)(a) An amount of fuel taxes shall be deposited into the Puget 6 7 Sound ferry operations account. This amount shall equal the difference 8 between the total amount of fuel taxes collected in the state under RCW 9 82.36.020 and 82.38.030 less the total amount of fuel taxes collected 10 in the state under RCW 82.36.020(1) and 82.38.030(1) and be multiplied by a fraction. The fraction shall equal the amount of motor vehicle 11 12 license fees collected under RCW 46.16.0621 and 46.16.070, less the 13 amounts retained by subagents as authorized under RCW 46.16.0621(1)(b) and 46.16.070(2)(a), from counties described in subsection (1) of this 14 section divided by the total amount of motor vehicle license fees 15 collected in the state under RCW 46.16.0621 and 46.16.070, less the 16 amounts retained by subagents as authorized under RCW 46.16.0621(1)(b) 17 and 46.16.070(2)(a). 18
- 19 (b) An additional amount of fuel taxes shall be deposited into the Puget Sound ferry operations account. This amount shall equal the 20 21 difference between the total amount of fuel taxes collected in the 22 state under RCW 82.36.020 and 82.38.030 less the total amount of fuel 23 taxes collected in the state under RCW 82.36.020(1) and 82.38.030(1) 24 and be multiplied by a fraction. The fraction shall equal the amount of motor vehicle license fees collected under RCW 46.16.0621 and 25 26 46.16.070, less the amounts retained by subagents as authorized under 27 RCW 46.16.0621(1)(b) and 46.16.070(2)(a), from counties described in subsection (2) of this section divided by the total amount of motor 28 29 vehicle license fees collected in the state under RCW 46.16.0621 and 30 46.16.070, less the amounts retained by subagents as authorized under RCW 46.16.0621(1)(b) and 46.16.070(2)(a), and this shall be multiplied 31 32 by one-half.
- 33 <u>NEW SECTION.</u> **Sec. 9.** This act applies to vehicle registrations 34 that are due or become due on or after August 1, 2010.

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