

# HOUSE BILL REPORT

## HB 2372

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**As Reported by House Committee On:**  
Transportation

**Title:** An act relating to providing flexibility in penalty amounts for failure to register vehicles.

**Brief Description:** Concerning monetary penalties for failing to register a vehicle.

**Sponsors:** Representatives Klippert and Clibborn.

**Brief History:**

**Committee Activity:**

Transportation: 1/28/14, 1/29/14, 1/30/14, 2/4/14 [DPS].

**Brief Summary of Substitute Bill**

- Removes the restriction that the courts can not suspend, defer, or reduce the infraction for the failure to make initial registration before operating a vehicle on the public highways in Washington.
- Removes the restriction that the courts can not suspend, defer, or reduce the fines for a person that registers a vehicle in another state to evade the payment of any tax or vehicle license fee in connection with the vehicle registration.
- Removes the restriction that the courts can not suspend, defer, or reduce the amount of delinquent taxes and fees associated with a vehicle registration.
- Requires the Administrative Office of the Courts to report to the Legislature by June 30, 2016, the results of providing flexibility in the fines for not properly registering a vehicle.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 31 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Overstreet, Assistant Ranking Minority Member; Bergquist, Fitzgibbon, Freeman, Habib, Hawkins, Hayes, Johnson, Klippert, Kochmar, Moeller, Morris, Muri, Ortiz-Self, Pike, Riccelli, Rodne, Ryu, Sells, Shea, Takko, Tarleton, Walkinshaw, Young and Zeiger.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Jerry Long (786-7306).

**Background:**

For a person to operate any vehicle on a public highway in Washington, they must have a current and proper vehicle registration and display license plates on the vehicle assigned by the Department of Licensing. New Washington residents are allowed 30 days from the date they become residents to obtain a Washington registration for their vehicles.

Failure to make initial registration before operating a vehicle on the public highways of the state is a traffic infraction. A person committing this infraction must pay a traffic infraction of \$1,122, which may not be suspended, deferred, or reduced. This fine is in addition to any delinquent taxes and fees that must be deposited and distributed in the same manner as if the taxes and fees were properly paid in a timely fashion. Legislation enacted in 2010 (Second Substitute House Bill 2436) requires that \$529 of the fine be deposited into the Vehicle Licensing Fraud Account (Account).

Failure to renew an expired registration before operating a vehicle on the public highways is a traffic infraction of \$124.

It is a gross misdemeanor for a resident of Washington to register a vehicle in another state, evading the payment of any tax or vehicle license fee imposed in connection with registration. The punishment for a first offense is:

- up to 364 days in the county jail;
  - a fine of \$529 plus any applicable assessments, which may not be suspended, deferred, or reduced. The fine of \$529 must be deposited into the Account;
  - a fine of \$1,000 to be deposited into the Account, which may not be suspended, deferred, or reduced;
  - payment of the delinquent taxes and fees, which must be deposited and distributed in the same manner as if the taxes and fees were properly paid in a timely fashion, and which may not be suspended, deferred, or reduced; and
  - a total fine amount of \$3,135.
- The punishment for a second or subsequent offense is:
    - up to 364 days in the county jail;
    - a fine of \$529 plus any applicable assessments, which may not be suspended, deferred, or reduced. The fine of \$529 must be deposited into the Account;
    - a fine of \$5,000 to be deposited into the Account, which may not be suspended, deferred, or reduced;
    - payment of the delinquent taxes and fees, which must be deposited and distributed in the same manner as if the taxes and fees were properly paid in a timely fashion, and which may not be suspended, deferred, or reduced; and
    - a total fine amount of \$11,335.

The Account is within the State Treasury. Funds in the Account may only be spent after appropriation. Expenditures from the Account may be used only for vehicle license fraud enforcement and collections by the Washington State Patrol and the Department of Revenue. The Account was created in 1996.

During the 2013 interim, the Joint Transportation Committee was directed in Engrossed Substitute Senate Bill 5024 Section 204 (2) to coordinate a work group consisting of Department of Licensing, the Department of Revenue, county auditors, agents, and subagents to review existing vehicle registration enforcement and provide recommendations on how the administration and enforcement may be modified to address any identified issues, including whether statutory changes may be needed. The working group identified 13 options, and option eight is to permit courts to impose less than the maximum fine and graduate fines based on time elapsed from the current 30-day requirement for licensing a vehicle. A final report from the working group was submitted to the Joint Transportation Committee on January 8, 2014.

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### **Summary of Substitute Bill:**

The substitute bill:

1. removes the restriction that the courts can not suspend, defer, or reduce the infraction for the failure to make initial registration before operating a vehicle on the public highways in Washington;
2. removes the restriction that the courts can not suspend, defer, or reduce the fines for a person that registers a vehicle in another state to evade the payment of any tax or vehicle license fee in connection with the vehicle registration;
3. removes the restriction that the courts can not suspend, defer, or reduce the amount of delinquent taxes and fees associated with a vehicle registration; and
4. requires the Administrative Office of the Courts to report to the Legislature on the results of the fine changes. The report must include whether enforcement or prosecution, or both, along with distributions to the vehicle licensing fraud account, increased or decreased due to the changes.

### **Substitute Bill Compared to Original Bill:**

The substitute bill requires the Administrative Office of the Courts by June 30, 2016, to report to the Legislature on the results of the changes in providing flexibility in the fines assessed for not registering a vehicle in a timely manner or registering a vehicle in another state by a Washington resident in order to evade the payment of any tax or vehicle license fee in connection with a vehicle registration.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) One of the recommendations from the Joint Transportation Committee's study on registering vehicles was to permit courts to impose less than the maximum fine. With high fines people may not pay their registration. This gives the courts flexibility in the fines assessed, which may result in law enforcement issuing more citations if the fine is lower. The change gives the courts individual discretion when assessing the fine based on the circumstances.

(Opposed) None.

**Persons Testifying:** Representative Klippert, prime sponsor.

**Persons Signed In To Testify But Not Testifying:** None.