

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2065

Chapter 370, Laws of 2003

(partial veto)

58th Legislature
2003 Regular Session

LICENSE PLATES

EFFECTIVE DATE: 7/27/03

Passed by the House April 27, 2003
Yeas 58 Nays 40

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 17, 2003
Yeas 41 Nays 7

BRAD OWEN

President of the Senate

Approved May 20, 2003, with the
exception of sections 1, 2, 5 and 7,
which are vetoed.

GARY F. LOCKE

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of
the House of Representatives of
the State of Washington, do hereby
certify that the attached is **HOUSE
BILL 2065** as passed by the House
of Representatives and the Senate
on the dates hereon set forth.

CYNTHIA ZEHNDER

Chief Clerk

FILED

May 20, 2003 - 2:43 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2065

AS AMENDED BY THE SENATE

Passed Legislature - 2003 Regular Session

State of Washington 58th Legislature 2003 Regular Session

By Representatives Simpson and Edwards

Read first time 02/21/2003. Referred to Committee on Transportation.

1 AN ACT Relating to license plate technology; amending RCW
2 46.16.230, 46.16.233, and 46.01.140; adding new sections to chapter
3 46.16 RCW; and creating new sections.

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

5 **Sec. 1. RCW 46.16.230 and 1992 c 7 s 41 are each amended to read*
6 *as follows:*

7 *(1) The director shall furnish to all persons making satisfactory*
8 *application for vehicle license as provided by law, two identical*
9 *vehicle license number plates each containing the vehicle license*
10 *number to be displayed on such vehicle as by law required: PROVIDED,*
11 *That if the vehicle to be licensed is a trailer, semitrailer or*
12 *motorcycle only one vehicle license number plate shall be issued for*
13 *each thereof. The number and plate shall be of such size and color and*
14 *shall contain such symbols indicative of the registration period for*
15 *which the same is issued and of the state of Washington, as shall be*
16 *determined and prescribed by the director. Any vehicle license number*
17 *plate or plates issued to a dealer shall contain thereon a sufficient*
18 *and satisfactory indication that such plates have been issued to a*
19 *dealer in vehicles. All vehicle license number plates ((may)) shall be*

1 obtained by the director from the metal working plant of a state
2 correctional facility (~~or from any source in accordance with existing~~
3 ~~state of Washington purchasing procedures~~)).

4 (2) Notwithstanding the foregoing provisions of this section, the
5 director may, in his discretion and under such rules and regulations as
6 he may prescribe, adopt a type of vehicle license number plates whereby
7 the same shall be used as long as legible on the vehicle for which
8 issued, with provision for tabs or emblems to be attached thereto or
9 elsewhere on the vehicle to signify renewals, in which event the term
10 "vehicle license number plate" as used in any enactment shall be deemed
11 to include in addition to such plate the tab or emblem signifying
12 renewal except when such plate contains the designation of the current
13 year without reference to any tab or emblem. Renewals shall be
14 effected by the issuance and display of such tab or emblem.

15 (3) The department shall implement a flat, digitally printed
16 license plate system. This system must be in place and operational by
17 July 1, 2004, and must be used to produce all license plates issued by
18 the department by no later than January 1, 2007. The department must
19 phase in the production of flat, digitally printed license plates by
20 first issuing special and personalized plates using this system.
21 Before January 1, 2007, the department may issue all license plates as
22 flat, digitally printed license plates, if the department determines
23 that production of all license plates by the digital printing system is
24 economically viable.

*Sec. 1 was vetoed. See message at end of chapter.

25 *Sec. 2. RCW 46.16.233 and 2000 c 37 s 1 are each amended to read
26 as follows:

27 (1) Except for those license plates issued under RCW 46.16.305(1)
28 before January 1, 1987, under RCW 46.16.305(3), and to commercial
29 vehicles with a gross weight in excess of twenty-six thousand pounds,
30 effective with vehicle registrations due or to become due on January 1,
31 2001, the appearance of all vehicle license plates must be ((issued on
32 a standard background)) legible and clearly identifiable as a
33 Washington state license plate, as designated by the department.

34 (2) Additionally, to ensure maximum legibility and reflectivity,
35 the department shall periodically provide for the replacement of
36 license plates, except for commercial vehicles with a gross weight in

1 excess of twenty-six thousand pounds. Frequency of replacement shall
2 be established in accordance with empirical studies documenting the
3 longevity of the reflective materials used to make license plates.

4 (3) In providing for the periodic replacement of license plates,
5 the department shall offer to vehicle owners the option of retaining
6 their current license plate numbers. The department shall charge a
7 retention fee of twenty dollars if this option is exercised. Revenue
8 generated from the retention fee must be deposited into the license
9 plate technology account created under section 4 of this act until such
10 time as the financing necessary to implement a digital license plate
11 system has been paid in full. After the financing has been paid in
12 full, the revenue collected under this section shall be deposited into
13 the multimodal transportation account.

*Sec. 2 was vetoed. See message at end of chapter.

14 **Sec. 3.** RCW 46.01.140 and 2001 c 331 s 1 are each amended to read
15 as follows:

16 (1) The county auditor, if appointed by the director of licensing
17 shall carry out the provisions of this title relating to the licensing
18 of vehicles and the issuance of vehicle license number plates under the
19 direction and supervision of the director and may with the approval of
20 the director appoint assistants as special deputies and recommend
21 subagents to accept applications and collect fees for vehicle licenses
22 and transfers and to deliver vehicle license number plates.

23 (2) A county auditor appointed by the director may request that the
24 director appoint subagencies within the county.

25 (a) Upon authorization of the director, the auditor shall use an
26 open competitive process including, but not limited to, a written
27 business proposal and oral interview to determine the qualifications of
28 all interested applicants.

29 (b) A subagent may recommend a successor who is either the
30 subagent's sibling, spouse, or child, or a subagency employee, as long
31 as the recommended successor participates in the open, competitive
32 process used to select an applicant. In making successor
33 recommendation and appointment determinations, the following provisions
34 apply:

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

1 (ii) No subagent may receive any direct or indirect compensation or
2 remuneration from any party or entity in recognition of a successor
3 nomination. A subagent may not receive any financial benefit from the
4 transfer or termination of an appointment.

5 (iii) (a) and (b) of this subsection are intended to assist in the
6 efficient transfer of appointments in order to minimize public
7 inconvenience. They do not create a proprietary or property interest
8 in the appointment.

9 (c) The auditor shall submit all proposals to the director, and
10 shall recommend the appointment of one or more subagents who have
11 applied through the open competitive process. The auditor shall
12 include in his or her recommendation to the director, not only the name
13 of the successor who is a relative or employee, if applicable and if
14 otherwise qualified, but also the name of one other applicant who is
15 qualified and was chosen through the open competitive process. The
16 director has final appointment authority.

17 (3)(a) A county auditor who is appointed as an agent by the
18 department shall enter into a standard contract provided by the
19 director, developed with the advice of the title and registration
20 advisory committee.

21 (b) A subagent appointed under subsection (2) of this section shall
22 enter into a standard contract with the county auditor, developed with
23 the advice of the title and registration advisory committee. The
24 director shall provide the standard contract to county auditors.

25 (c) The contracts provided for in (a) and (b) of this subsection
26 must contain at a minimum provisions that:

27 (i) Describe the responsibilities, and where applicable, the
28 liability, of each party relating to the service expectations and
29 levels, equipment to be supplied by the department, and equipment
30 maintenance;

31 (ii) Require the specific type of insurance or bonds so that the
32 state is protected against any loss of collected motor vehicle tax
33 revenues or loss of equipment;

34 (iii) Specify the amount of training that will be provided by the
35 state, the county auditor, or subagents;

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

1 (v) Describe the causes and procedures for termination of the
2 contract, which may include mediation and binding arbitration.

3 (d) The department shall develop procedures that will standardize
4 and prescribe allowable costs that may be assigned to vehicle licensing
5 and vessel registration and title activities performed by county
6 auditors.

7 (e) The contracts may include any provision that the director deems
8 necessary to ensure acceptable service and the full collection of
9 vehicle and vessel tax revenues.

10 (f) The director may waive any provisions of the contract deemed
11 necessary in order to ensure that readily accessible service is
12 provided to the citizens of the state.

13 (4)(a) At any time any application is made to the director, the
14 county auditor, or other agent pursuant to any law dealing with
15 licenses, registration, or the right to operate any vehicle or vessel
16 upon the public highways or waters of this state, excluding applicants
17 already paying such fee under RCW 46.16.070 or 46.16.085, the applicant
18 shall pay to the director, county auditor, or other agent a fee of
19 three dollars for each application in addition to any other fees
20 required by law.

21 (b) Counties that do not cover the expenses of vehicle licensing
22 and vessel registration and title activities may submit to the
23 department a request for cost-coverage moneys. The request must be
24 submitted on a form developed by the department. The department shall
25 develop procedures to verify whether a request is reasonable. Payment
26 shall be made on requests found to be allowable from the licensing
27 services account.

28 (c) Applicants for certificates of ownership, including applicants
29 paying fees under RCW 46.16.070 or 46.16.085, shall pay to the
30 director, county auditor, or other agent a fee of four dollars in
31 addition to any other fees required by law.

32 (d) The fees under (a) and (c) of this subsection, if paid to the
33 county auditor as agent of the director, or if paid to a subagent of
34 the county auditor, shall be paid to the county treasurer in the same
35 manner as other fees collected by the county auditor and credited to
36 the county current expense fund. If the fee is paid to another agent
37 of the director, the fee shall be used by the agent to defray his or
38 her expenses in handling the application.

1 (e) Applicants required to pay the three-dollar fee established
2 under (a) of this subsection, must pay an additional ~~((fifty))~~ seventy-
3 five cents, which must be collected and remitted to the state treasurer
4 ~~((for deposit))~~ and distributed as follows:

5 (i) Fifty cents must be deposited into the department of licensing
6 services account of the motor vehicle fund~~((Revenue deposited into~~
7 ~~this account))~~ and must be used for agent and subagent support, which
8 is to include but not be limited to the replacement of department-owned
9 equipment in the possession of agents and subagents.

10 (ii) Twenty-five cents must be deposited into the license plate
11 technology account created under section 4 of this act.

12 (5) A subagent shall collect a service fee of (a) eight dollars and
13 fifty cents for changes in a certificate of ownership, with or without
14 registration renewal, or verification of record and preparation of an
15 affidavit of lost title other than at the time of the title application
16 or transfer and (b) three dollars and fifty cents for registration
17 renewal only, issuing a transit permit, or any other service under this
18 section.

19 (6) If the fee is collected by the state patrol as agent for the
20 director, the fee so collected shall be certified to the state
21 treasurer and deposited to the credit of the state patrol highway
22 account. If the fee is collected by the department of transportation
23 as agent for the director, the fee shall be certified to the state
24 treasurer and deposited to the credit of the motor vehicle fund. All
25 such fees collected by the director or branches of his office shall be
26 certified to the state treasurer and deposited to the credit of the
27 highway safety fund.

28 (7) Any county revenues that exceed the cost of providing vehicle
29 licensing and vessel registration and title activities in a county,
30 calculated in accordance with the procedures in subsection (3)(d) of
31 this section, shall be expended as determined by the county legislative
32 authority during the process established by law for adoption of county
33 budgets.

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

35 NEW SECTION. Sec. 4. A new section is added to chapter 46.16 RCW
36 to read as follows:

37 The license plate technology account is created in the state

1 treasury. All receipts collected under RCW 46.01.140(4)(e)(ii) must be
2 deposited into this account. Expenditures from this account must
3 support current and future license plate technology and systems
4 integration upgrades for both the department and correctional
5 industries. Moneys in the account may be spent only after
6 appropriation. Additionally, the moneys in this account may be used to
7 reimburse the motor vehicle account for any appropriation made to
8 implement the digital license plate system.

9 ***NEW SECTION.** **Sec. 5.** **A new section is added to chapter 46.16 RCW**
10 **to read as follows:**

11 **The department shall offer license plate design services to**
12 **organizations that are sponsoring a new special license plate series or**
13 **are seeking to redesign the appearance of an existing special license**
14 **plate series that they sponsored. In providing this service, the**
15 **department must work with the requesting organization in determining**
16 **the specific qualities of the new plate design and must provide full**
17 **design services to the organization. The department shall collect from**
18 **the requesting organization a fee of one thousand five hundred dollars**
19 **for providing license plate design services. This fee includes one**
20 **original license plate design and up to five additional renditions of**
21 **the original design. If the organization requests the department to**
22 **provide further renditions, in addition to the five renditions provided**
23 **for under the original fee, the department shall collect an additional**
24 **fee of five hundred dollars per rendition. All revenue collected under**
25 **this section must be deposited into the license plate technology**
26 **account created under section 4 of this act until such time as the**
27 **financing necessary to implement a digital license plate system has**
28 **been paid in full. After the financing has been paid in full, the**
29 **revenue collected under this section shall be deposited into the**
30 **multimodal transportation account.**

**Sec. 5 was vetoed. See message at end of chapter.*

31 **NEW SECTION.** **Sec. 6.** **Sections 2 and 3 of this act take effect for**
32 **renewals that are due or become due on or after November 1, 2003.**

33 ***NEW SECTION.** **Sec. 7.** **If this act is not referenced by bill or**

1 **chapter number by June 30, 2003, in the omnibus transportation**
2 **appropriations act, this act is null and void.**

**Sec. 7 was vetoed. See message at end of chapter.*

Passed by the House April 27, 2003.

Passed by the Senate April 17, 2003.

Approved by the Governor May 20, 2003, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 20, 2003.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 1, 2, 5 and 7, House Bill No. 2065 entitled:

"AN ACT Relating to license plate technology;"

This bill requires the Department of Licensing (DOL) to implement a flat, digitally printed license plate system and designates fees for this purpose.

Section 1 would have required DOL to phase in digital license plates starting July 1, 2004, with full implementation by January 1, 2007. For many decades, the Department of Corrections has produced embossed license plates, which are readable and durable, at a reasonable price. While the transition to digital license plates may afford some advantages, with so many other pressing transportation demands, the substantial six-year cost of \$10.3 million is not warranted at this time.

Section 2 would have provided that for a fee of twenty dollars, vehicle owners may retain their current license plate number upon replacement. Section 5 would have established fees for the DOL design of special license plates. These sections provided that these fees be deposited into the license plate technology account for the financing of a digital license plate system. Only after the financing of such a system had been fully paid, would such fee revenues be eligible for deposit into the multimodal account. I have vetoed these sections because I prefer the unfettered distribution of these revenues to the multimodal account, as provided in Engrossed Substitute House Bill No. 2231, which I signed yesterday.

Section 7 would have provided that this bill is null and void if not referenced in the omnibus transportation appropriations act by June 30, 2003. Since I have vetoed sections 212(4) and 409 of the omnibus transportation appropriations act, Engrossed Substitute House Bill No. 1163, I have vetoed section 7.

Despite these section vetoes, I support the eventual transition to digital license plate technology, and have retained the twenty-five cent registration fee for deposit in the license plate technology account as provided in section 3. While we are saving for this transition, we can take a more deliberative approach to designing a system that best fits the state's needs. I have directed DOL to continue to explore new and innovative ways to utilize technology advancements to improve services and to provide the most cost-effective business practices possible. We will continue to work with the appropriate legislative committees to address the intent of section 1.

For these reasons, I have vetoed sections 1, 2, 5 and 7 of House Bill No. 2065.

With the exception of sections 1, 2, 5 and 7, House Bill No. 2065 is approved."