

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 6676

Chapter 291, Laws of 2006

59th Legislature
2006 Regular Session

FRAUDULENT FILING OF VEHICLE REPORT OF SALE

EFFECTIVE DATE: 6/7/06

Passed by the Senate February 14, 2006
YEAS 45 NAYS 2

BRAD OWEN

President of the Senate

Passed by the House March 7, 2006
YEAS 98 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved March 28, 2006.

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6676** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

March 28, 2006 - 3:14 p.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6676

Passed Legislature - 2006 Regular Session

State of Washington 59th Legislature 2006 Regular Session

By Senate Committee on Judiciary (originally sponsored by Senators
Roach, Kline, Mulliken, Fairley and Rasmussen)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to fraudulent filing of vehicle report of sale;
2 amending RCW 46.12.102; reenacting and amending RCW 46.12.101; adding
3 a new section to chapter 9.45 RCW; and prescribing penalties.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 9.45 RCW
6 to read as follows:

7 Every person who files a vehicle report of sale without the
8 knowledge of the transferee shall be guilty of fraudulent filing of
9 vehicle report of sale and shall be punished as follows:

10 (1) Where the victim incurred damages in an amount less than two
11 hundred fifty dollars, the defendant is guilty of a gross misdemeanor.

12 (2) Where the victim incurred damages in an amount exceeding two
13 hundred fifty dollars, the defendant is guilty of a class C felony.

14 (3) Where the victim incurred damages in an amount exceeding one
15 thousand five hundred dollars, the defendant is guilty of a class B
16 felony.

17 **Sec. 2.** RCW 46.12.101 and 2004 c 223 s 1 and 2004 c 200 s 2 are
18 each reenacted and amended to read as follows:

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

3 (1) If an owner transfers his or her interest in a vehicle, other
4 than by the creation, deletion, or change of a security interest, the
5 owner shall, at the time of the delivery of the vehicle, execute an
6 assignment to the transferee and provide an odometer disclosure
7 statement under RCW 46.12.124 on the certificate of ownership or as the
8 department otherwise prescribes, and cause the certificate and
9 assignment to be transmitted to the transferee. The owner shall notify
10 the department or its agents or subagents, in writing, on the
11 appropriate form, of the date of the sale or transfer, the name and
12 address of the owner and of the transferee, the transferee's driver's
13 license number if available, and such description of the vehicle,
14 including the vehicle identification number, as may be required in the
15 appropriate form provided or approved for that purpose by the
16 department. The report of sale will be deemed properly filed if all
17 information required in this section is provided on the form and
18 includes a department-authorized notation that the document was
19 received by the department, its agents, or subagents on or before the
20 fifth day after the sale of the vehicle, excluding Saturdays, Sundays,
21 and state and federal holidays. Agents and subagents shall immediately
22 electronically transmit the seller's report of sale to the department.
23 Reports of sale processed and recorded by the department's agents or
24 subagents may be subject to fees as specified in RCW 46.01.140 (4)(a)
25 or (5)(b). By January 1, 2003, the department shall create a system
26 enabling the seller of a vehicle to transmit the report of sale
27 electronically. The system created by the department must immediately
28 indicate on the department's vehicle record that a seller's report of
29 sale has been filed.

30 (2) The requirements of subsection (1) of this section to provide
31 an odometer disclosure statement apply to the transfer of vehicles held
32 for lease when transferred to a lessee and then to the lessor at the
33 end of the leasehold and to vehicles held in a fleet when transferred
34 to a purchaser.

35 (3) Except as provided in RCW 46.70.122 the transferee shall within
36 fifteen days after delivery to the transferee of the vehicle, execute
37 the application for a new certificate of ownership in the same space
38 provided therefor on the certificate or as the department prescribes,

1 and cause the certificates and application to be transmitted to the
2 department accompanied by a fee of five dollars in addition to any
3 other fees required.

4 (4) Upon request of the owner or transferee, a secured party in
5 possession of the certificate of ownership shall, unless the transfer
6 was a breach of its security agreement, either deliver the certificate
7 to the transferee for transmission to the department or, when the
8 secured party receives the owner's assignment from the transferee, it
9 shall transmit the transferee's application for a new certificate, the
10 existing certificate, and the required fee to the department.
11 Compliance with this section does not affect the rights of the secured
12 party.

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

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

- 28 (a) The department requesting additional supporting documents;
- 29 (b) Extended hospitalization or illness of the purchaser;
- 30 (c) Failure of a legal owner to release his or her interest;
- 31 (d) Failure, negligence, or nonperformance of the department,
32 auditor, or subagent;

33 (e) The transferee had no knowledge of the filing of the vehicle
34 report of sale and signs an affidavit to the fact.

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

1 (7) Upon receipt of an application for reissue or replacement of a
2 certificate of ownership and transfer of license registration,
3 accompanied by the endorsed certificate of ownership or other
4 documentary evidence as is deemed necessary, the department shall, if
5 the application is in order and if all provisions relating to the
6 certificate of ownership and license registration have been complied
7 with, issue new certificates of title and license registration as in
8 the case of an original issue and shall transmit the fees together with
9 an itemized detailed report to the state treasurer.

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

13 **Sec. 3.** RCW 46.12.102 and 2005 c 331 s 1 are each amended to read
14 as follows:

15 (1) An owner who has made a bona fide sale or transfer of a vehicle
16 and has delivered possession of it to a purchaser shall not by reason
17 of any of the provisions of this title be deemed the owner of the
18 vehicle so as to be subject to civil liability or criminal liability
19 for the operation of the vehicle thereafter by another person when the
20 owner has also fulfilled both of the following requirements:

21 (a) When the owner has made proper endorsement and delivery of the
22 certificate of ownership and has delivered the certificate of
23 registration as provided in this chapter;

24 (b) When the owner has delivered to the department either a
25 properly filed report of sale that includes all of the information
26 required in RCW 46.12.101(1) and is delivered to the department within
27 five days of the sale of the vehicle excluding Saturdays, Sundays, and
28 state and federal holidays, or appropriate documents for registration
29 of the vehicle pursuant to the sale or transfer.

30 (2) An owner who has made a bona fide sale or transfer of a
31 vehicle, has delivered possession of it to a purchaser, and has
32 fulfilled the requirements of subsection (1)(a) and (b) of this section
33 is relieved of liability and liability is transferred to the purchaser
34 of the vehicle, for any traffic violation under this title, whether
35 designated as a traffic infraction or classified as a criminal offense,
36 that occurs after the date of the sale or transfer that is based on the

1 vehicle's identification, including, but not limited to, parking
2 infractions, high-occupancy toll lane violations, and violations
3 recorded by automated traffic safety cameras.

4 (3) When a registered tow truck operator submits an abandoned
5 vehicle report to the department for a vehicle sold at an abandoned
6 vehicle auction, any previous owner is relieved of civil or criminal
7 liability for the operation of the vehicle from the date of sale
8 thereafter, and liability is transferred to the purchaser of the
9 vehicle as listed on the abandoned vehicle report.

10 (4) When a transferee had no knowledge of the filing of the vehicle
11 report of sale, he or she is relieved of civil or criminal liability
12 for the operation of the vehicle, and liability is transferred to the
13 seller shown on the report of sale.

Passed by the Senate February 14, 2006.

Passed by the House March 7, 2006.

Approved by the Governor March 28, 2006.

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