CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5250

Chapter 96, Laws of 2007

60th Legislature
2007 Regular Session

MOTOR VEHICLE OWNERSHIP--TRANSFER

EFFECTIVE DATE: 07/22/07

Passed by the Senate March 12, 2007
YEAS 48 NAYS 0

BRAD OWEN
President of the Senate

Passed by the House April 5, 2007
YEAS 97 NAYS 0

FRANK CHOPP
Speaker of the House of Representatives

Certify the attached is SUBSTITUTE SENATE BILL 5250 as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN
Secretary

Approved April 18, 2007, 10:45 a.m.

CHRISTINE GREGOIRE
Governor of the State of Washington

FILED
April 18, 2007

Secretary of State
State of Washington
AN ACT Relating to transferring motor vehicle ownership; and amending RCW 46.12.101 and 46.12.170.

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

Sec. 1. RCW 46.12.101 and 2006 c 291 s 2 are each amended to read as follows:

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

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

(b) By January 1, 2008, the department shall provide instructions
on release of interest forms that allow the seller of a vehicle to
release his or her interest in a vehicle at the same time a financial
institution, as defined in RCW 30.22.040, releases their lien on the
vehicle.

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

(3) Except as provided in RCW 46.70.122 the transferee shall within
fifteen days after delivery to the transferee of the vehicle, execute
the application for a new certificate of ownership in the same space
provided therefor on the certificate or as the department prescribes,
and cause the certificates and application to be transmitted to the
department accompanied by a fee of five dollars in addition to any
other fees required.

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

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

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

(a) The department requesting additional supporting documents;
(b) Extended hospitalization or illness of the purchaser;
(c) Failure of a legal owner to release his or her interest;
(d) Failure, negligence, or nonperformance of the department, auditor, or subagent;
(e) The transferee had no knowledge of the filing of the vehicle report of sale and signs an affidavit to the fact.

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

(7) Upon receipt of an application for reissue or replacement of a certificate of ownership and transfer of license registration, accompanied by the endorsed certificate of ownership or other documentary evidence as is deemed necessary, the department shall, if the application is in order and if all provisions relating to the certificate of ownership and license registration have been complied with, issue new certificates of title and license registration as in the case of an original issue and shall transmit the fees together with an itemized detailed report to the state treasurer.
(8) Once each quarter the department shall report to the department of revenue a list of those vehicles for which a seller's report has been received but no transfer of title has taken place.

Sec. 2. RCW 46.12.170 and 2002 c 352 s 5 are each amended to read as follows:

(1) If, after a certificate of ownership is issued, a security interest is granted on the vehicle described therein, the registered owner or secured party shall, within ten days thereafter, present an application to the department, to which shall be attached the certificate of ownership last issued covering the vehicle, or such other documentation as may be required by the department, which application shall be upon a form approved by the department and shall be accompanied by a fee of five dollars in addition to all other fees. The department, if satisfied that there should be a reissue of the certificate, shall note such change upon the vehicle records and issue to the secured party a new certificate of ownership.

(2) Whenever there is no outstanding secured obligation and no commitment to make advances and incur obligations or otherwise give value, the secured party must either:

(a) Assign the certificate of ownership to the debtor or the debtor's assignee or transferee, and transmit the certificate to the department with an accompanying fee of five dollars in addition to all other fees((. The department shall then issue a new certificate of ownership and transmit it to the owner.)); or

(b) Assign the certificate of ownership to the debtor's assignee or transferee together with the debtor's or debtor's assignee's release of interest.

(3) Upon receipt of the certificate of ownership and the debtor's release of interest and required fees as provided in subsection (2)(a) of this section, the department shall issue a new certificate of ownership and transmit it to the registered owner.

(4) If the affected secured party fails to either assign the certificate of ownership to the debtor or the debtor's assignee or transferee or transmit the certificate of ownership to the department within ten days after proper demand, that secured party shall be liable to the debtor or the debtor's assignee or transferee for one hundred
dollars, and in addition for any loss caused to the debtor or the
debtor's assignee or transferee by such failure.

Passed by the Senate March 12, 2007.
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