

# SENATE BILL REPORT

## SB 5362

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As Reported by Senate Committee On:  
Transportation, February 5, 2019

**Title:** An act relating to the creation of a deferred prosecution program for nonpayment of license fees and taxes for vehicle, vessel, and aircraft registrations.

**Brief Description:** Addressing the creation of a deferred prosecution program for nonpayment of license fees and taxes for vehicle, vessel, and aircraft registrations. **[Revised for 1st Substitute:** Creating a deferred finding program for nonpayment of license fees and taxes for vehicle, vessel, and aircraft registrations.]

**Sponsors:** Senators Wilson, L., Hobbs, King and Rivers.

**Brief History:**

**Committee Activity:** Transportation: 1/30/19, 2/05/19 [DPS].

**Brief Summary of First Substitute Bill**

- Allows a county to set up a deferred finding program for persons who receive a citation for failing to register a vehicle, failing to register an aircraft, or failing to register a vessel.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5362 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Sheldon, Assistant Ranking Member; Cleveland, Das, Dhingra, Fortunato, Nguyen, O'Ban, Padden, Randall, Takko, Wilson, C. and Zeiger.

**Staff:** Bryon Moore (786-7726)

**Background:** New Washington residents, unless exempt, must obtain a valid Washington driver's license and register their vehicles within 30 days from the date they become residents. Exemptions include a person in the military, a nonresident driver, borrowed vehicles, or business vehicles.

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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.*

Failure to register a vehicle in Washington before operating it on the highways is a traffic infraction of \$529, and no part may be suspended or deferred. The avoided taxes and fees must be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion.

Licensing a vehicle in another state by a resident of this state to evade the payment of any tax or license fee imposed in connection with registration is a gross misdemeanor punishable as follows:

- for a first offense, up to one year in the county jail and payment of a fine of \$1,529, no part of which may be suspended or deferred; and
- for a second or subsequent offense, up to one year in the county jail and payment of a fine of \$5,529, no part of which may be suspended or deferred.

The fines levied will be deposited in the Vehicle Licensing Fraud Account to be used only for vehicle license fraud enforcement and collections by the Washington State Patrol and the Department of Revenue.

Failure to register an aircraft or failure to register a vessel are gross misdemeanors. For a second or subsequent offense, the person is subject to a fine of four times the amount of avoided taxes and fees which may not be suspended or deferred.

**Summary of Bill (First Substitute):** Any county may set up a deferred finding program for persons who receive a citation for failing to register a vehicle, failing to register an aircraft, or failing to register a vessel.

The citation must be dismissed if the person cited has paid a \$500 fine; has a valid Washington State driver's license; and registered the vehicle, aircraft, or vessel. If receipt of proof does not occur within 90 days of the citation, the county prosecutor must seek the full penalty. Fines generated pursuant to the deferred finding program must be used by the county for enforcement and prosecution of registration requirements.

A person must not have a previous citation nor participated in a program of deferred finding for failing to register a vehicle, aircraft, or a vessel to be eligible for the deferred prosecution program.

**EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (First Substitute):** The term deferred prosecution is replaced with deferred finding.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: This addresses an important problem

and is about equity in who is paying the costs of government. The issue is most pronounced in Clark County, but it is a problem in other border areas as well. The current penalty makes some law enforcement reluctant to issue citations. The deferred prosecution will allow people from lower incomes to make the transition into Washington easier and to come into voluntary compliance with vehicle registration laws. This is a matter of fairness by providing a grace period to allow individuals to get settled. The provisions limiting to first time offender make sense and provide a safeguard against abuse.

**Persons Testifying:** PRO: Senator Lynda Wilson, Prime Sponsor; James McMahan, Washington Association of Sheriffs and Police Chiefs; Troy Haliwell, citizen.

**Persons Signed In To Testify But Not Testifying:** No one.