

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5362

66th Legislature
2019 Regular Session

Passed by the Senate April 28, 2019
Yeas 47 Nays 0

President of the Senate

Passed by the House April 27, 2019
Yeas 98 Nays 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5362** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5362

AS AMENDED BY THE HOUSE

Passed Legislature - 2019 Regular Session

State of Washington

66th Legislature

2019 Regular Session

By Senate Transportation (originally sponsored by Senators Wilson, L., Hobbs, King, and Rivers)

READ FIRST TIME 02/07/19.

1 AN ACT Relating to the creation of a deferred finding program for
2 nonpayment of license fees and taxes for vehicle, vessel, and
3 aircraft registrations; amending RCW 47.68.255 and 88.02.400;
4 reenacting and amending RCW 46.16A.030; adding a new chapter to Title
5 10 RCW; creating a new section; and prescribing penalties.

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

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that counties
8 that border other states and Canada experience a significant problem
9 of residents of Washington state who evade taxes and fees by failing
10 to register their vehicles, aircraft, and vessels in Washington
11 state. According to a 2007 Washington State University study, the
12 department of revenue lost eighty million dollars over the previous
13 five years to persons avoiding taxes and fees in this manner. It was
14 also estimated in the study that twenty thousand vehicles were
15 illegally registered in Oregon to residents of Clark county,
16 Washington. The problem has undoubtedly grown worse in the decade
17 since the study was completed resulting in hundreds of millions of
18 dollars in lost revenue to state and local coffers as these new
19 residents fail to pay their fair share for public services. Moreover,
20 a public safety risk is created when inaccurate information is

1 provided to law enforcement or insurance companies in the event of an
2 accident or infraction.

3 (2) Current statutes contain monetarily significant penalties
4 that are appropriate given the scope of the harm. It is the intent of
5 the legislature that law enforcement and prosecutors proceed against
6 violators to the fullest extent of the law. In order to give them
7 more tools and ensure compliance with the law, it is the intent of
8 the legislature to set up a deferral program consistent with other
9 programs in the state that allows defendants to obtain dismissal of
10 charges if they take certain remedial steps. It is the intent of the
11 legislature that the punishment for those who do not comply with the
12 deferral program remain subject to current penalties.

13 NEW SECTION. **Sec. 2.** (1) Any county may set up a deferral
14 program for persons who receive a citation for failing to register a
15 vehicle, aircraft, or vessel under RCW 46.16A.030, 47.68.255, or
16 88.02.400. Under the deferral program:

17 (a) If the person has received a criminal citation for failure to
18 register a vehicle under RCW 46.16A.030, an aircraft under RCW
19 47.68.255, or a vessel under RCW 88.02.400, the defendant may
20 petition the court for a deferred prosecution conditioned upon the
21 defendant completing the criteria in (b) of this subsection within
22 ninety days of the court granting the deferral.

23 (b) To be eligible for a deferred prosecution under (a) of this
24 subsection, the court shall dismiss the charge if the court receives
25 satisfactory proof within ninety days that the person:

26 (i) Has paid a five hundred dollar fine;
27 (ii) Has a valid Washington state driver's license; and
28 (iii) Has registered the vehicle, aircraft, or vessel that was
29 the subject of the citation.

30 (c) Before entering an order deferring prosecution, the court
31 shall make specific findings that: (i) The petitioner has stipulated
32 to the admissibility and sufficiency of the facts as contained in the
33 written police report; (ii) the petitioner has acknowledged the
34 admissibility of the stipulated facts in any criminal hearing on the
35 underlying offense or offenses held subsequent to revocation of the
36 order granting deferred prosecution; (iii) the petitioner has
37 acknowledged and waived the right to testify, the right to a speedy
38 trial, the right to call witnesses to testify, the right to present
39 evidence in his or her defense, and the right to a jury trial; and

1 (iv) the petitioner's statements were made knowingly and voluntarily.
2 Such findings shall be included in the order granting deferred
3 prosecution.

4 (d) If the defendant successfully completes the conditions
5 required under the deferred prosecution, the court shall dismiss the
6 charges pending against the defendant.

7 (e) If the court finds that the defendant has not successfully
8 completed the conditions required under the deferred prosecution, the
9 court shall remove the defendant from deferred prosecution and enter
10 a judgment.

11 (2) The deferral program described in this section does not apply
12 to persons who have received a previous conviction or deferral for
13 failing to register a vehicle under RCW 46.16A.030, an aircraft under
14 RCW 47.68.255, or a vessel under RCW 88.02.400.

15 (3) Fines generated pursuant to the deferral program established
16 in subsection (1) of this section shall be used by the county for the
17 purpose of enforcement and prosecution of registration requirements
18 under RCW 46.16A.030, 47.68.250, or 88.02.550.

19 **Sec. 3.** RCW 46.16A.030 and 2011 c 171 s 43 and 2011 c 96 s 31
20 are each reenacted and amended to read as follows:

21 (1) Vehicles must be registered as required by this chapter and
22 must display license plates or decals assigned by the department.

23 (2) It is unlawful for a person to operate any vehicle on a
24 public highway of this state without having in full force and effect
25 a current and proper vehicle registration and displaying license
26 plates on the vehicle.

27 (3) Vehicle license plates or registration certificates, whether
28 original issues or duplicates, may not be issued or furnished by the
29 department until the applicant makes satisfactory application for a
30 certificate of title or presents satisfactory evidence that a
31 certificate of title covering the vehicle has been previously issued.

32 (4) Failure to make initial registration before operating a
33 vehicle on the public highways of this state is a traffic infraction.
34 A person committing this infraction must pay a fine of five hundred
35 twenty-nine dollars, which may not be suspended(~~(, deferred,)~~) or
36 reduced. This fine is in addition to any delinquent taxes and fees
37 that must be deposited and distributed in the same manner as if the
38 taxes and fees were properly paid in a timely fashion. The five
39 hundred twenty-nine dollar fine must be deposited into the vehicle

1 licensing fraud account created in the state treasury in RCW
2 46.68.250.

3 (5) Failure to renew an expired registration before operating a
4 vehicle on the public highways of this state is a traffic infraction.

5 (6) It is a gross misdemeanor for a resident, as identified in
6 RCW 46.16A.140, to register a vehicle in another state, evading the
7 payment of any tax or vehicle license fee imposed in connection with
8 registration. It is punishable, in lieu of the fine in subsection (4)
9 of this section, as follows:

10 (a) For a first offense:

11 (i) Up to three hundred sixty-four days in the county jail;

12 (ii) Payment of a fine of five hundred twenty-nine dollars plus
13 any applicable assessments, which may not be suspended(~~(, deferred,)~~)
14 or reduced. The fine of five hundred twenty-nine dollars must be
15 deposited into the vehicle licensing fraud account created in the
16 state treasury in RCW 46.68.250;

17 (iii) A fine of one thousand dollars to be deposited into the
18 vehicle licensing fraud account created in the state treasury in RCW
19 46.68.250, which may not be suspended(~~(, deferred,)~~) or reduced; and

20 (iv) The delinquent taxes and fees, which must be deposited and
21 distributed in the same manner as if the taxes and fees were properly
22 paid in a timely fashion, and which may not be suspended(~~(, deferred,)~~)
23 or reduced;

24 (b) For a second or subsequent offense:

25 (i) Up to three hundred sixty-four days in the county jail;

26 (ii) Payment of a fine of five hundred twenty-nine dollars plus
27 any applicable assessments, which may not be suspended, deferred, or
28 reduced, except as provided in section 2 of this act. The fine of
29 five hundred twenty-nine dollars must be deposited into the vehicle
30 licensing fraud account created in the state treasury in RCW
31 46.68.250;

32 (iii) A fine of five thousand dollars to be deposited into the
33 vehicle licensing fraud account created in the state treasury in RCW
34 46.68.250, which may not be suspended(~~(, deferred,)~~) or reduced; and

35 (iv) The amount of delinquent taxes and fees, which must be
36 deposited and distributed in the same manner as if the taxes and fees
37 were properly paid in a timely fashion, and which may not be
38 suspended(~~(, deferred,)~~) or reduced.

1 (7) A vehicle with an expired registration of more than
2 forty-five days parked on a public street may be impounded by a
3 police officer under RCW 46.55.113(2).

4 **Sec. 4.** RCW 47.68.255 and 2010 c 161 s 1147 are each amended to
5 read as follows:

6 A person who is required to register an aircraft under this
7 chapter and who registers an aircraft in another state or foreign
8 country evading the Washington aircraft excise tax is guilty of a
9 gross misdemeanor. For a second or subsequent offense, the person
10 convicted is also subject to a fine equal to four times the amount of
11 avoided taxes and fees, no part of which may be suspended or
12 deferred, except as provided in section 2 of this act. Excise taxes
13 owed and fines assessed (~~will~~) must be deposited in the manner
14 provided under RCW 46.16A.030(6).

15 **Sec. 5.** RCW 88.02.400 and 2010 c 161 s 1007 are each amended to
16 read as follows:

17 (1) It is a gross misdemeanor punishable as provided under
18 chapter 9A.20 RCW for any person owning a vessel subject to taxation
19 under chapter 82.49 RCW to:

20 (a) Register a vessel in another state to avoid Washington state
21 vessel excise tax required under chapter 82.49 RCW; or

22 (b) Obtain a vessel dealer's license for the purpose of evading
23 excise tax on vessels under chapter 82.49 RCW.

24 (2) For a second or subsequent offense, the person convicted is
25 also subject to a fine equal to four times the amount of avoided
26 taxes and fees, which may not be suspended or deferred, except as
27 provided in section 2 of this act.

28 (3) Excise taxes owed and fines assessed must be deposited in the
29 manner provided under RCW 46.16A.030(6).

30 NEW SECTION. **Sec. 6.** Section 2 of this act constitutes a new
31 chapter in Title 10 RCW.

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