

SENATE BILL REPORT

SB 6293

As Reported by Senate Committee On:
Transportation, January 29, 2018

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.

Sponsors: Senators Wilson and Rivers.

Brief History:

Committee Activity: Transportation: 1/23/18, 1/29/18 [DPS].

Brief Summary of First Substitute Bill

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

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6293 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Chase, Cleveland, Dhingra, McCoy, O'Ban, Sheldon, Takko, Walsh, Wellman 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.

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

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must be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion.

The licensing of 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 prosecution 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; 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 prosecution program must be used by the county for the purpose of enforcement and prosecution of registration requirements.

A person must not have a previous citation or participated in a program of deferred prosecution 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): A person must not have a previous citation or participated in a program of deferred prosecution for failing to register a vehicle, aircraft, or a vessel to be eligible for the deferred prosecution program.

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 bill addresses the important

issue of people evading taxes by registering in other states. This issue is the most pronounced in Clark County where there is an estimated 20,000 fraudulently registered vehicles, but this is a statewide issue. The deferral program will give people the opportunity to comply and do what they were supposed to do. The voluntary compliance notices are not effective. The Washington State Patrol is handicapped in how they address this problem. More people and more money are needed.

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

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