
SUBSTITUTE HOUSE BILL 1703

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Cooper, Betrozoff and R. Johnson; by request of Department of Licensing).

Read first time March 6, 1991.

1 AN ACT Relating to licensing and registration of vehicles and
2 vessels; amending RCW 46.01.270, 46.12.101, 46.16.220, 46.16.381,
3 46.16.390, 46.30.020, 46.61.582, 46.61.583, 46.70.023, 35.58.273,
4 88.02.070, and 88.02.220; reenacting and amending RCW 88.02.030; and
5 adding a new section to chapter 88.02 RCW.

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

7 **Sec. 1.** RCW 46.01.270 and 1967 c 32 s 4 are each amended to read
8 as follows:

9 The county auditor may destroy applications for vehicle
10 licenses(~~(7)~~) and any copies of vehicle licenses issued(~~(7 applications~~
11 ~~for vehicle driver's licenses, and copies of issued vehicle driver's~~
12 ~~licenses, if any there be,)~~) after such records (~~(shall)~~) have been on
13 file in (~~(his)~~) the auditor's office for a period of (~~(three years)~~)
14 eighteen months, unless otherwise directed by the director.

1 **Sec. 2.** RCW 46.12.101 and 1990 c 238 s 4 are each amended to read
2 as follows:

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

5 (1) If an owner transfers his or her interest in a vehicle, other
6 than by the creation, deletion, or change of a security interest, the
7 owner shall, at the time of the delivery of the vehicle, execute an
8 assignment to the transferee and provide an odometer disclosure
9 statement under RCW 46.12.124 on the certificate of ownership or as the
10 department otherwise prescribes, and cause the certificate and
11 assignment to be transmitted to the transferee. Within five days,
12 excluding Saturdays, Sundays, and state and federal holidays, the owner
13 shall notify the department in writing, on the appropriate form, of the
14 date of the sale or transfer ((giving the date thereof)), the name and
15 address of the owner and of the transferee, and such description of the
16 vehicle, including the vehicle identification number, the license plate
17 number, or both, as may be required in the appropriate form provided
18 for that purpose by the department.

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

24 (3) Except as provided in RCW 46.12.120 the transferee shall within
25 fifteen days after delivery to the transferee of the vehicle, execute
26 the application for a new certificate of ownership in the same space
27 provided therefor on the certificate or as the department prescribes,
28 and cause the certificates and application to be transmitted to the
29 department.

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

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

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

25 (a) The department requesting additional supporting documents;

26 (b) Extended hospitalization or illness of the purchaser;

27 (c) Failure of a legal owner to release his or her interest;

28 (d) Failure, negligence, or nonperformance of the department,
29 auditor, or subagent.

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

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

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

17 **Sec. 3.** RCW 46.16.220 and 1975 1st ex.s. c 118 s 9 are each
18 amended to read as follows:

19 Vehicle licenses and vehicle license number plates may be renewed
20 for the subsequent registration year on and after the forty-fifth day
21 prior to the end of the current registration year and must be used and
22 displayed from the date of issue or from the day of the expiration of
23 the preceding registration year, whichever date is later(~~(:—PROVIDED,~~
24 ~~That in no case shall a citation be issued for nonregistration prior to~~
25 ~~the first day of the month following the calendar month in which~~
26 ~~vehicle licenses and vehicle license number plates are to be renewed))).~~

27 **Sec. 4.** RCW 46.16.381 and 1990 c 24 s 1 are each amended to read
28 as follows:

1 (1) The director shall grant special parking privileges to any
2 person who has a disability that limits or impairs the ability to walk
3 and meets one of the following criteria, as determined by a licensed
4 physician:

5 (a) (~~((Loss of both lower limbs))~~) Cannot walk two hundred feet
6 without stopping to rest;

7 (b) (~~((Loss of normal or full use of the lower limbs to sufficiently~~
8 ~~constitute a severe disability))~~) Is severely limited in ability to walk
9 due to arthritic, neurological, or orthopedic condition;

10 (c) Is so severely disabled, that the person cannot ~~((move))~~ walk
11 without the ~~((aid of crutches or a wheelchair))~~ use of or assistance
12 from a brace, cane, another person, prosthetic device, wheelchair, or
13 other assistive device;

14 (d) (~~((Loss of both hands))~~) Uses portable oxygen;

15 (e) (~~((Suffers from))~~) Is restricted by lung disease to such an
16 extent that forced expiratory respiratory volume, when measured by
17 spirometry is less than one liter per second or the arterial oxygen
18 tension is less than sixty mm/hg on room air at rest;

19 (f) Impairment by cardiovascular disease or cardiac condition to
20 the extent that the person's functional limitations are classified as
21 class III or IV under standards accepted by the American Heart
22 Association; or

23 (g) Has a disability resulting from an acute sensitivity to
24 automobile emissions which limits or impairs the ability to walk. The
25 personal physician of the applicant shall document that the disability
26 is comparable in severity to the others listed in this subsection.

27 (2) Persons ~~((with))~~ who qualify for special parking privileges are
28 entitled to receive from the department of licensing ~~((both a special~~
29 ~~card to be left in a vehicle in a conspicuous place and, for one motor~~
30 ~~vehicle only, a decal to be attached to the vehicle in a conspicuous~~

1 ~~place designated by the director))~~ a removable windshield placard
2 bearing the international symbol of access. The department shall
3 design the placard to be displayed when the vehicle is parked by
4 suspending it from the rearview mirror, or in the absence of a rearview
5 mirror the card may be displayed on the dashboard of any vehicle used
6 to transport the disabled person. Instead of ((the decal and)) regular
7 motor vehicle license plates, ((the)) disabled persons are entitled to
8 receive ((a)) special license ((plate. The card, decal, and special
9 license plate shall be designed to show distinguishing marks, letters,
10 or numerals indicating that the vehicle is being used to transport a
11 disabled person.)) plates bearing the international symbol of access
12 for one vehicle registered in the disabled person's name. Disabled
13 persons who are not issued the special license plates are entitled to
14 receive a second special placard. Persons who have been issued the
15 parking privileges and who are using a vehicle((s)) or are riding in a
16 vehicle displaying the special license ((plate, card, or decal shall be
17 permitted to)) plates or placard may park in places ((otherwise))
18 reserved for ((physically)) mobility disabled persons. The director
19 shall ((also)) adopt rules providing for the issuance of special
20 ((cards)) placards and license plates to public transportation
21 authorities, nursing homes licensed under chapter 18.51 RCW, senior
22 citizen centers, and private nonprofit agencies as defined in chapter
23 24.03 RCW that regularly transport disabled persons who have been
24 determined eligible for special parking privileges provided under this
25 section. The ((special card shall be displayed in a vehicle operated
26 when actually transporting the disabled persons)) director may issue
27 special license plates for a vehicle registered in the name of the
28 public transportation authority, nursing home, senior citizen center,
29 or private nonprofit agency if the vehicle is primarily used to
30 transport persons with disabilities described in this section. Public

1 transportation authorities, nursing homes, senior citizen centers, and
2 private nonprofit agencies are responsible for insuring that the
3 special ~~((cards))~~ placards and license plates are not used improperly
4 and are responsible for all fines and penalties for improper use.

5 (3) Whenever the disabled person transfers or assigns his or her
6 interest in the vehicle, the special ~~((decals or))~~ license plates shall
7 be removed from the motor vehicle. ~~((The person shall immediately
8 surrender the decal to the director together with a notice of the
9 transfer of interest in the vehicle. If another vehicle is acquired
10 by, or for the primary use of, the disabled person, a new decal shall
11 be issued by the director.))~~ If another vehicle is acquired by the
12 disabled person and the vehicle owner qualifies for a special plate
13 ~~((is used))~~, the plate shall be attached to the vehicle, and the
14 director shall be immediately notified of the transfer of the plate. If
15 another vehicle is not acquired by the disabled person, the removed
16 plate shall be immediately ~~((forwarded))~~ surrendered to the director
17 ~~((to be reissued later upon payment of the regular registration fee)).~~

18 (4) The special license plate shall be renewed in the same manner
19 and at the time required for the renewal of regular motor vehicle
20 license plates under this chapter. No special license plate may be
21 issued to a person who is temporarily disabled. A person who ~~((is
22 permanently disabled under this section shall be issued a permanent
23 card. A person who is temporarily disabled under this section shall))~~
24 has a condition expected to improve within six months may be issued a
25 temporary ((card which)) placard for a period not to exceed six months.
26 The director may issue a second temporary placard during that period if
27 requested by the person who is temporarily disabled. If the condition
28 exists after six months a new temporary placard shall be issued upon
29 receipt of a new certification from the disabled person's physician.
30 The parking placard of a disabled person shall be renewed~~((, when~~

1 ~~required by the director, by satisfactory proof of the right to)) if~~
2 the person provides to the department every five years verification of
3 the need for continued use of the ((card)) privileges.

4 (5) Additional fees shall not be charged for the issuance of the
5 special ~~((card and decal, and, at the time the vehicle is originally~~
6 ~~licensed in this state,))~~ placards. No additional fee may be charged
7 for the issuance of the special license plates except the regular motor
8 vehicle registration fee and any other fees and taxes required to be
9 paid upon ~~((initial))~~ registration of a motor vehicle.

10 (6) Any unauthorized use of the special ~~((card, the decal,))~~
11 placard or the special license plate is a traffic infraction.

12 (7) It is a traffic infraction, with a monetary penalty of not less
13 than fifteen and not more than fifty dollars for any person to park a
14 vehicle in a parking place provided on private property without charge
15 or on public property reserved for physically disabled persons without
16 a special license plate~~((, card, or decal))~~ or placard. If a person is
17 charged with a violation, the person shall not be determined to have
18 committed an infraction if the person produces in court or before the
19 court appearance the special license plate~~((, card, or decal))~~ or
20 placard required under this section ~~((or demonstrates that the person~~
21 ~~was entitled to the special license plate, card, or decal)).~~

22 (8) It is a misdemeanor for any person to willfully obtain a
23 special ~~((decal,))~~ license plate~~((, or card))~~ or placard in a manner
24 other than that established under this section.

25 **Sec. 5.** RCW 46.16.390 and 1984 c 51 s 1 are each amended to read
26 as follows:

27 A special license plate~~((,))~~ or card~~((, or decal))~~ issued by
28 another state or country that indicates an occupant of the vehicle is
29 disabled, entitles the vehicle on or in which it is displayed and being

1 used to transport the disabled person to lawfully park in a parking
2 place reserved for physically disabled persons pursuant to chapter
3 70.92 RCW or authority implemental thereof.

4 **Sec. 6.** RCW 46.30.020 and 1989 c 353 s 2 are each amended to read
5 as follows:

6 (1) No person may operate a motor vehicle subject to registration
7 under chapter 46.16 RCW in this state unless the person is insured
8 under a motor vehicle liability policy with liability limits of at
9 least the amounts provided in RCW 46.29.090, is self-insured as
10 provided in RCW 46.29.630, is covered by a certificate of deposit in
11 conformance with RCW 46.29.550, or is covered by a liability bond of at
12 least the amounts provided in RCW 46.29.090.

13 (2) A violation of this section constitutes a traffic infraction
14 punishable by a fine of two hundred and fifty dollars unless a court
15 determines that in the interest of justice the fine should be reduced.
16 In lieu of the fine, a court may permit the defendant to perform
17 community service designated by the court.

18 (3) If a person cited for a violation of this section appears in
19 person before the court and provides written evidence that at the time
20 the person was cited, he or she was in compliance with this section,
21 the citation shall be dismissed. In lieu of personal appearance, a
22 person cited for a violation of this section may, before the date
23 scheduled for the person's appearance before the court, submit by mail
24 to the court written evidence that at the time the person was cited, he
25 or she was in compliance with this section, in which case the citation
26 shall be dismissed.

27 (4) The provisions of this chapter shall not govern:

28 (a) The operation of a motor vehicle registered under RCW
29 (~~46.16.310 or 46.16.315~~) 46.16.305(1), governed by RCW 46.16.020, or

1 registered with the Washington utilities and transportation commission
2 as common or contract carriers; or

3 (b) The operation of a motorcycle as defined in RCW 46.04.330, a
4 motor-driven cycle as defined in RCW 46.04.332, or a moped as defined
5 in RCW 46.04.304.

6 (5) RCW 46.29.490 shall not be deemed to govern all motor vehicle
7 liability policies required by this chapter but only those certified
8 for the purposes stated in chapter 46.29 RCW.

9 **Sec. 7.** RCW 46.61.582 and 1984 c 154 s 5 are each amended to read
10 as follows:

11 Any person who meets the criteria for special parking privileges
12 under RCW 46.16.381 shall be allowed free of charge to park a vehicle
13 being used to transport that person for unlimited periods of time in
14 parking zones or areas including zones or areas with parking meters
15 which are otherwise restricted as to the length of time parking is
16 permitted. This section does not apply to those zones or areas in
17 which the stopping, parking, or standing of all vehicles is prohibited
18 or which are reserved for special types of vehicles. The person shall
19 obtain and display a special ((~~card, decal,~~)) placard or license plate
20 under RCW 46.16.381 to be eligible for the privileges under this
21 section.

22 **Sec. 8.** RCW 46.61.583 and 1984 c 51 s 2 are each amended to read
23 as follows:

24 A special license plate((~~,~~)) or card((~~,~~ ~~or decal~~)) issued by
25 another state or country that indicates an occupant of the vehicle is
26 disabled, entitles the vehicle on or in which it is displayed and being
27 used to transport the disabled person to the same overtime parking

1 privileges granted under this chapter to a vehicle with a similar
2 special license plate(~~(7)~~) or card(~~(7-or-decal)~~) issued by this state.

3 **Sec. 9.** RCW 46.70.023 and 1989 c 301 s 2 are each amended to read
4 as follows:

5 (1) An "established place of business" requires a permanent,
6 enclosed commercial building located within the state of Washington
7 easily accessible at all reasonable times. An established place of
8 business shall have an improved display area of not less than three
9 thousand square feet in or immediately adjoining the building, or a
10 display area large enough to display six or more vehicles of the type
11 the dealer is licensed to sell, whichever area is larger. The business
12 of a vehicle dealer, including the display and repair of vehicles, may
13 be lawfully carried on at an established place of business in
14 accordance with the terms of all applicable building code, zoning, and
15 other land-use regulatory ordinances. The dealer shall keep the
16 building open to the public so that they may contact the vehicle dealer
17 or the dealer's salespersons at all reasonable times. The books,
18 records, and files necessary to conduct the business shall be kept and
19 maintained at that place. The established place of business shall
20 display an exterior sign with the (~~business~~) business name and nature
21 of the business, such as auto sales, permanently affixed to the land or
22 building, with letters clearly visible to the major avenue of traffic.
23 In no event may a room or rooms in a hotel, rooming house, or apartment
24 house building or part of a single or multiple-unit dwelling house be
25 considered an "established place of business" unless the ground floor
26 of such a dwelling is devoted principally to and occupied for
27 commercial purposes and the dealer offices are located on the ground
28 floor. A mobile office or mobile home may be used as an office if it
29 is connected to utilities and is set up in accordance with state law.

1 This subsection does not apply to auction companies that do not own
2 vehicle inventory or sell vehicles from an auction yard.

3 (2) An auction company shall have office facilities within the
4 state. The books, records, and files necessary to conduct the business
5 shall be maintained at the office facilities. All storage facilities
6 for inventory shall be listed with the department, and shall meet local
7 zoning and land use ordinances. An auction company shall maintain a
8 telecommunications system.

9 (3) Auction companies shall post their vehicle dealer license at
10 each auction where vehicles are offered, and shall provide the
11 department with the address of the auction at least three days before
12 the auction.

13 (4) If a dealer maintains a place of business at more than one
14 location or under more than one name in this state, he or she shall
15 designate one location as the principal place of business of the firm,
16 one name as the principal name of the firm, and all other locations or
17 names as subagencies. A subagency license is required for each and
18 every subagency: PROVIDED, That the department may grant an exception
19 to the subagency requirement in the specific instance where a licensed
20 (~~new motor vehicle~~) dealer is unable to locate their used vehicle
21 sales facilities adjacent to or at the established place of business.
22 This exception shall be granted and defined under the promulgation of
23 rules consistent with the Administrative Procedure Act.

24 (5) All vehicle dealers shall maintain ownership or leasehold
25 throughout the license year of the real property from which they do
26 business. The dealer shall provide the department with evidence of
27 ownership or leasehold whenever the ownership changes or the lease is
28 terminated.

1 (6) A subagency shall comply with all requirements of an
2 established place of business, except that auction companies shall
3 comply with the requirements in subsection (2) of this section.

4 (7) A temporary subagency shall meet all local zoning and building
5 codes for the type of merchandising being conducted. The dealer
6 license certificate shall be posted at the location. No other
7 requirements of an established place of business apply to a temporary
8 subagency. Auction companies are not required to obtain a temporary
9 subagency license.

10 (8) A wholesale vehicle dealer shall have office facilities in a
11 commercial building within this state, and all storage facilities for
12 inventory shall be listed with the department, and shall meet local
13 zoning and land use ordinances. A wholesale vehicle dealer shall
14 maintain a telecommunications system. An exterior sign visible from
15 the nearest street shall identify the business name and the nature of
16 business. A wholesale dealer need not maintain a display area as
17 required in this section. When two or more vehicle dealer businesses
18 share a location, all records, office facilities, and inventory, if
19 any, must be physically segregated and clearly identified.

20 (9) A retail vehicle dealer shall be open during normal business
21 hours, maintain office and display facilities in a commercially zoned
22 location or in a location complying with all applicable building and
23 land use ordinances, and maintain a business telephone listing in the
24 local directory. When two or more vehicle dealer businesses share a
25 location, all records, office facilities, and inventory shall be
26 physically segregated and clearly identified.

27 (10) A listing dealer need not have a display area if the dealer
28 does not physically maintain any vehicles for display.

29 (11) A subagency license is not required for a mobile home dealer
30 to display an on-site display model, a consigned mobile home not

1 relocated from its site, or a repossessed mobile home if sales are
2 handled from a principal place of business or subagency. A mobile home
3 dealer shall identify on-site display models, repossessed mobile homes,
4 and those consigned at their sites with a sign that includes the
5 dealer's name and telephone number.

6 (12) Every vehicle dealer shall advise the department of the
7 location of each and every place of business of the firm and the name
8 or names under which the firm is doing business at such location or
9 locations. If any name or location is changed, the dealer shall notify
10 the department of such change within ten days. The license issued by
11 the department shall reflect the name and location of the firm and
12 shall be posted in a conspicuous place at that location by the dealer.

13 (13) A vehicle dealer's license shall upon the death or incapacity
14 of an individual vehicle dealer authorize the personal representative
15 of such dealer, subject to payment of license fees, to continue the
16 business for a period of six months from the date of the death or
17 incapacity.

18 **Sec. 10.** RCW 35.58.273 and 1990 c 42 s 316 are each amended to
19 read as follows:

20 (1) Through June 30, 1992, any municipality within a class AA
21 county, or within a class A county contiguous to a class AA county, or
22 within a second class county contiguous to a class A county that is
23 contiguous to a class AA county is authorized to levy and collect a
24 special excise tax not exceeding .7824 percent and beginning July 1,
25 1992, .725 percent on the ~~((fair market))~~ value, as determined under
26 chapter 82.44 RCW, of every motor vehicle owned by a resident of such
27 municipality for the privilege of using such motor vehicle provided
28 that in no event shall the tax be less than one dollar and, subject to
29 RCW 82.44.150 ~~((+5) and (+6))~~ (3) and (4), the amount of such tax shall

1 be credited against the amount of the excise tax levied by the state
2 under RCW 82.44.020.

3 (2) Through June 30, 1992, any other municipality is authorized to
4 levy and collect a special excise tax not exceeding .815 percent, and
5 beginning July 1, 1992, .725 percent on the (~~fair market~~) value, as
6 determined under chapter 82.44 RCW, of every motor vehicle owned by a
7 resident of such municipality for the privilege of using such motor
8 vehicle provided that in no event shall the tax be less than one dollar
9 and, subject to RCW 82.44.150 (3) and (4), the amount of such tax shall
10 be credited against the amount of the excise tax levied by the state
11 under RCW 82.44.020. Before utilization of any excise tax moneys
12 collected under authorization of this section for acquisition of right
13 of way or construction of a mass transit facility on a separate right
14 of way the municipality shall adopt rules affording the public an
15 opportunity for "corridor public hearings" and "design public hearings"
16 as herein defined, which rule shall provide in detail the procedures
17 necessary for public participation in the following instances: (a)
18 prior to adoption of location and design plans having a substantial
19 social, economic or environmental effect upon the locality upon which
20 they are to be constructed or (b) on such mass rapid transit systems
21 operating on a separate right of way whenever a substantial change is
22 proposed relating to location or design in the adopted plan. In
23 adopting rules the municipality shall adhere to the provisions of the
24 Administrative Procedure Act.

25 (3) A "corridor public hearing" is a public hearing that: (a) is
26 held before the municipality is committed to a specific mass transit
27 route proposal, and before a route location is established; (b) is held
28 to afford an opportunity for participation by those interested in the
29 determination of the need for, and the location of, the mass rapid
30 transit system; (c) provides a public forum that affords a full

1 opportunity for presenting views on the mass rapid transit system route
2 location, and the social, economic and environmental effects on that
3 location and alternate locations: PROVIDED, That such hearing shall
4 not be deemed to be necessary before adoption of an overall mass rapid
5 transit system plan by a vote of the electorate of the municipality.

6 (4) A "design public hearing" is a public hearing that: (a) is
7 held after the location is established but before the design is
8 adopted; and (b) is held to afford an opportunity for participation by
9 those interested in the determination of major design features of the
10 mass rapid transit system; and (c) provides a public forum to afford a
11 full opportunity for presenting views on the mass rapid transit system
12 design, and the social, economic, environmental effects of that design
13 and alternate designs.

14 **Sec. 11.** RCW 88.02.030 and 1989 c 393 s 13 and 1989 c 102 s 1 are
15 each reenacted and amended to read as follows:

16 Vessel registration is required under this chapter except for the
17 following:

18 (1) Military or public vessels of the United States, except
19 recreational-type public vessels;

20 (2) Vessels owned by a state or subdivision thereof, used
21 principally for governmental purposes and clearly identifiable as such;

22 (3) Vessels either (a) registered or numbered under the laws of a
23 country other than the United States; or (b) having a valid United
24 States customs service cruising license issued pursuant to 19 C.F.R.
25 Sec. 4.94;

26 (4) ~~Vessels ((owned by a resident of another state if the vessel is
27 registered in accordance with the laws of the state in which the owner
28 resides, but only to the extent that a similar exemption or privilege
29 is granted under the laws of that state for vessels registered in this~~

1 state:— PROVIDED, That any vessel which is validly registered in
2 another state and which is physically located in this state for a
3 period of more than sixty days is subject to registration under this
4 chapter)) that have been issued a valid number under federal law or by
5 an approved issuing authority of the state of principal operation.
6 However, a vessel that is validly registered in another state but that
7 is removed to this state for principal use is subject to registration
8 under this chapter. The issuing authority for this state shall
9 recognize the validity of the numbers previously issued for a period of
10 sixty days after arrival in this state;

11 (5) Vessels owned by a resident of another state if the vessel is
12 located upon the waters of this state exclusively for repairs or
13 reconstruction, or any testing related to the repair or reconstruction
14 conducted in this state if an employee of the repair facility is on
15 board the vessel during any testing: PROVIDED, That any vessel owned
16 by a resident of another state is located upon the waters of this state
17 exclusively for repairs, reconstruction or testing for a period longer
18 than sixty days, that the nonresident shall file an affidavit with the
19 department of revenue verifying the vessel is located upon the waters
20 of this state for repair, reconstruction or testing and shall continue
21 to file such affidavit every sixty days thereafter, while the vessel is
22 located upon the waters of this state exclusively for repairs,
23 reconstruction or testing;

24 (6) Vessels equipped with propulsion machinery of less than ten
25 horsepower that:

26 (a) Are owned by the owner of a vessel for which a valid vessel
27 number has been issued;

28 (b) Display the number of that numbered vessel followed by the
29 suffix "1" in the manner prescribed by the department; and

1 (c) Are used as a tender for direct transportation between that
2 vessel and the shore and for no other purpose;

3 (7) Vessels under sixteen feet in overall length which have no
4 propulsion machinery of any type or which are not used on waters
5 subject to the jurisdiction of the United States or on the high seas
6 beyond the territorial seas for vessels owned in the United States and
7 are powered by propulsion machinery of ten or less horsepower;

8 (8) Vessels with no propulsion machinery of any type for which the
9 primary mode of propulsion is human power;

10 (9) Vessels which are temporarily in this state undergoing repair
11 or alteration;

12 (10) Vessels primarily engaged in commerce which have or are
13 required to have a valid marine document as a vessel of the United
14 States. Commercial vessels which the department of revenue determines
15 have the external appearance of vessels which would otherwise be
16 required to register under this chapter, must display decals issued
17 annually by the department of revenue that indicate the vessel's exempt
18 status; and

19 (11) Vessels primarily engaged in commerce which are owned by a
20 resident of a country other than the United States.

21 **Sec. 12.** RCW 88.02.070 and 1985 c 258 s 4 are each amended to read
22 as follows:

23 (1) The department shall provide for the issuance of vessel
24 certificates of title. Applications for certificates may be made
25 through the agents appointed under RCW 88.02.040. The fee for a vessel
26 certificate of title is five dollars. Fees for vessel certificates of
27 title shall be deposited in the general fund. Security interests in
28 vessels subject to the requirements of this chapter and attaching after
29 July 1, 1983, shall be perfected only by indication upon the vessel's

1 title certificate. The provisions of chapters 46.12 and 46.16 RCW
2 relating to motor vehicle certificates of registration, titles,
3 certificate issuance, ownership transfer, and perfection of security
4 interests, and other provisions which may be applied to vessels subject
5 to this chapter, may be so applied by rule of the department if they
6 are not inconsistent with this chapter.

7 (2) Whenever a vessel is to be registered for the first time as
8 required by this chapter, except for a vessel having a valid marine
9 document as a vessel of the United States, application shall be made at
10 the same time for a certificate of title. Any person who purchases or
11 otherwise obtains majority ownership of any vessel subject to the
12 provisions of this chapter, except for a vessel having a valid marine
13 document as a vessel of the United States, shall within fifteen days
14 thereof apply for a new certificate of title which shows the vessel's
15 change of ownership.

16 (3) Security interests may be released or acted upon as provided by
17 the law under which they arose or were perfected. No new security
18 interest or renewal or extension of an existing security interest is
19 affected except as provided under the terms of this chapter and RCW
20 46.12.095.

21 (4) Notice shall be given to the issuing authority by the owner
22 indicated on the certificate of registration within fifteen days of the
23 occurrence of any of the following: ~~((Transfer of any part or all of
24 the ownership of a vessel registered under this chapter;))~~ Any change
25 of address of owner; destruction, loss, abandonment, theft, or recovery
26 of the vessel; or loss or destruction of a valid certificate of
27 registration on the vessel.

28 (5) Within five days, excluding Saturdays, Sundays, and state and
29 federal holidays, the owner shall notify the department in writing, on
30 the appropriate form, of the date of the sale or transfer, the name and

1 address of the owner and of the transferee, and such description of the
2 vessel, including the hull identification number, the vessel decal
3 number, or both, as may be required by the department.

4 NEW SECTION. **Sec. 13.** A new section is added to chapter 88.02 RCW
5 to read as follows:

6 (1) The department may issue confidential vessel registration for
7 law enforcement purposes only to units of local government and to
8 agencies of the federal government.

9 (2) The department shall limit confidential vessel registrations
10 owned or operated by the state of Washington or by any officer or
11 employee thereof, to confidential, investigative, or undercover work of
12 state law enforcement agencies.

13 (3) The director may adopt rules governing applications for and the
14 use of confidential vessel registrations by law enforcement and other
15 public agencies.

16 **Sec. 14.** RCW 88.02.220 and 1987 c 149 s 11 are each amended to
17 read as follows:

18 A vessel dealer who receives cash or a negotiable instrument (~~from~~
19 ~~a purchaser before delivery of the vessel~~) of deposit in excess of one
20 thousand dollars, or a deposit of any amount that will be held for more
21 than fourteen calendar days, shall place the funds in a separate trust
22 account.

23 (1) The cash or negotiable instrument must be set aside immediately
24 upon receipt for the trust account, or endorsed to such a trust account
25 immediately upon receipt.

26 (2) The cash or negotiable instrument must be deposited in the
27 trust account by the close of banking hours on the day following the
28 receipt.

1 (3) After delivery of the purchaser's vessel the vessel dealer
2 shall remove the deposited funds from the trust account.

3 (4) The dealer shall not commingle the purchaser's funds with any
4 other funds at any time.

5 (5) The funds shall remain in the trust account until the delivery
6 of the purchased vessel. However, (~~for the purpose of manufacturing~~
7 ~~a vessel that does not already exist, and~~) upon written agreement from
8 the purchaser, the vessel dealer may remove and release trust funds
9 before delivery.