

HOUSE BILL REPORT

2ESSB 5785

As Reported by House Committee On:
Transportation

Title: An act relating to the display and replacement of license plates.

Brief Description: Modifying requirements for the display and replacement of license plates.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Ericksen, Rolfes, King, Ranker and Eide).

Brief History:

Committee Activity:

Transportation: 4/26/13, 2/24/14, 2/25/14 [DP].

Brief Summary of Second Engrossed Substitute Bill

- Removes the requirement to periodically replace license plates.
- Requires that a license plate must be replaced at the time a vehicle changes ownership, at which time vehicle registration expires as well.
- Specifies that a vehicle registration is valid for 12 months or until the vehicle changes ownership.
- Requires that the new owner must make application for new license plates and registration renewal and pay any taxes and fees that are due at registration renewal.
- Requires that the new owner of a vehicle applying for a renewal registration must be credited for any motor vehicle excise tax paid by the previous owner that expired.
- Allows the new registered owner to apply to retain the license plates by paying the license plate transfer fee of \$10 per plate.
- Specifies that the new license plates and registration do not need to be obtained for vehicles that are sold to vehicle dealers until the dealer sells the vehicle.
- Specifies that special license plates issued before discontinuation are valid until replaced.

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.

- Applies to vehicle registrations that are due or become due on or after January 1, 2015.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 29 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Bergquist, Fitzgibbon, Freeman, Habib, Hawkins, Hayes, Johnson, Klippert, Kochmar, Moeller, Morris, Muri, Ortiz-Self, Pike, Riccelli, Rodne, Ryu, Sells, Takko, Tarleton, Walkinshaw, Young and Zeiger.

Minority Report: Do not pass. Signed by 2 members: Representatives Overstreet, Assistant Ranking Minority Member; Shea.

Staff: Jerry Long (786-7306).

Background:

License plates are replaced periodically to ensure maximum legibility and reflectivity. The Department of Licensing (DOL) in 1997 (Substitute House Bill 1008) was directed to use empirical studies to document the longevity of the reflective material used to make license plates and determine how often license plates need to be replaced, providing the DOL authorization to adopt rules for implementation. The DOL began replacing license plates under this program in 2000.

Research conducted when the program started indicated seven years as the most common replacement cycle among states with similar programs. In 2006 the DOL hired an independent consultant to study the seven-year replacement program. At that time, in states that had license plate replacement programs, the replacement cycles ranged from five years to 10 years. The states surveyed had an average replacement cycle of 6.8 years. The seven-year license plate replacement period requirement is in the Washington Administrative Code. The manufacturer's warranty on the license plate materials is five years.

There are a few types of plates that are exempt from the plate replacement program. These are: prorated vehicles over 16,000 pounds, commercial vehicles with a declared gross weight over 26,000 pounds, collector vehicle plates, horseless carriage vehicle restored plates, plates issued to government agencies with exempt use class, and Medal of Honor license plates.

If the current license plate or plates assigned to the vehicle have been lost, defaced, destroyed, or become illegible, the registered owner may apply for replacement plates.

A \$10 license plate transfer fee is required when transferring standard issue license plates from one vehicle to another, unless the owner or type of vehicle is exempt from payment.

There is a license plate retention fee of \$20 if the owner wishes to retain the current license plate number upon license plate replacement, unless the owner or type of vehicle is exempt

from payment.

The plate replacement fee is \$10 per plate and \$2 for the reflective fee or \$24 total for a set of license plates.

Summary of Bill:

The requirement to periodically replace license plates is removed. However, a license plate must be replaced at the time a vehicle changes ownership, at which time vehicle registration expires as well. A vehicle registration is valid for 12 months or until the vehicle changes ownership. The new owner must make application for new license plates and registration renewal and pay any taxes and fees that are due at registration renewal. The new owner of a vehicle applying for a renewal registration must be credited for any motor vehicle excise tax paid by the previous owner that expired.

The DOL must offer owners the option of retaining the current license plates.

New license plates and registration do not need to be obtained for vehicles that are sold to vehicle dealers until the dealer sells the vehicle.

Special license plates issued before discontinuation are valid until replaced.

This act applies to vehicle registrations that are due or become due on or after January 1, 2015.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support with concerns) The county auditors receive complaints from the public due to the person not seeing what is wrong with the license plate that is being replaced. The bill requires every change of ownership to change out the license plates, for example, transferring a vehicle from a parent to a child or adding or deleting a spouse from the title. These types of changes are considered title work and will prompt a license plate change.

(Other) License plates get turned over quickly resulting in additional revenue due to ownership changes. The DOL has rule-making authority and can handle some of the transactions through rule so legislation is not required. Some people are slow at changing over the title when ownership changes on vehicles which impacts tolling, because the tolling

bill goes to the wrong person. This would definitely get at the issue of folks not changing their titles in a timely manner and reduce the number of tolling bills going to the wrong person. Since the DOL went to the new plate number system of three numbers and four letters, there is no issue with the state running out of license plate numbers in the future.

(Opposed) None.

Persons Testifying: (In support with concerns) Thad Duvall, Washington State Association of County Auditors.

(Other) Tony Sermonti, Department of Licensing.

Persons Signed In To Testify But Not Testifying: None.