## CERTIFICATION OF ENROLLMENT

## SECOND ENGROSSED SUBSTITUTE SENATE BILL 5785

63rd Legislature 2014 Regular Session

Passed by the Senate March 11, 2014
YEAS 45 NAYS 1

## President of the Senate

Passed by the House March 5, 2014
YEAS 95 NAYS 3

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is SECOND ENGROSSED SUBSTITUTE SENATE BILL 5785 as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

## SECOND ENGROSSED SUBSTITUTE SENATE BILL 5785

AS AMENDED BY THE HOUSE
Passed Legislature - 2014 Regular Session

By Senate Transportation (originally sponsored by Senators Ericksen, Rolfes, King, Ranker, and Eide)

READ FIRST TIME 02/28/13.

AN ACT Relating to the display and replacement of license plates; amending RCW 46.16A.200, 46.16A.020, 46.17.200, and 46.18.130; reenacting and amending RCW 46.16A.110 and 46.18.140; and creating a new section.

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

Sec. 1. RCW 46.16A. 200 and 2011 c 171 s 46 are each amended to read as follows:
(1) Design. All license plates may be obtained by the director from the metal working plant of a state correctional facility or from any source in accordance with existing state of Washington purchasing procedures. License plates:
(a) May vary in background, color, and design;
(b) Must be legible and clearly identifiable as a Washington state license plate;
(c) Must designate the name of the state of Washington without abbreviation;
(d) Must be treated with fully reflectorized materials designed to increase visibility and legibility at night;
(e) Must be of a size and color and show the registration period as determined by the director; and
(f) Before July 1, 2010, may display a symbol or artwork approved by the former special license plate review board and the legislature. Beginning July 1, 2010, special license plate series approved by the department and enacted into law by the legislature may display a symbol or artwork approved by the department.
(2) Exceptions to reflectorized materials. License plates issued before January 1, 1968, are not required to be treated with reflectorized materials.
(3) Dealer license plates. License plates issued to a dealer must contain an indication that the license plates have been issued to a vehicle dealer.
(4) (a) Furnished. The director shall furnish to all persons making satisfactory application for a vehicle registration:
(i) Two identical license plates each containing the license plate number; or
(ii) One license plate if the vehicle is a trailer, semitrailer, camper, moped, collector vehicle, horseless carriage, or motorcycle.
(b) The director may adopt types of license plates to be used as long as the license plates are legible.
(5) (a) Display. License plates must be:
(i) Attached conspicuously at the front and rear of each vehicle if two license plates have been issued;
(ii) Attached to the rear of the vehicle if one license plate has been issued;
(iii) Kept clean and be able to be plainly seen and read at all times; and
(iv) Attached in a horizontal position at a distance of not more than four feet from the ground.
(b) The Washington state patrol may grant exceptions to this subsection if the body construction of the vehicle makes compliance with this section impossible.
(6) Change of license classification. A person who has altered a vehicle that makes the current license plate or plates invalid for the vehicle's use shall:
(a) Surrender the current license plate or plates to the
department, county auditor or other agent, or subagent appointed by the director;
(b) Apply for a new license plate or plates; and
(c) Pay a change of classification fee required under RCW 46.17.310.
(7) Unlawful acts. It is unlawful to:
(a) Display a license plate or plates on the front or rear of any vehicle that were not issued by the director for the vehicle;
(b) Display a license plate or plates on any vehicle that have been changed, altered, or disfigured, or have become illegible;
(c) Use holders, frames, or other materials that change, alter, or make a license plate or plates illegible. License plate frames may be used on license plates only if the frames do not obscure license tabs or identifying letters or numbers on the plates and the license plates can be plainly seen and read at all times;
(d) Operate a vehicle unless a valid license plate or plates are attached as required under this section;
(e) Transfer a license plate or plates issued under this chapter between two or more vehicles without first making application to transfer the license plates. A violation of this subsection (7) (e) is a traffic infraction subject to a fine not to exceed five hundred dollars. Any law enforcement agency that determines that a license plate or plates have been transferred between two or more vehicles shall confiscate the license plate or plates and return them to the department for nullification along with full details of the reasons for confiscation. Each vehicle identified in the transfer will be issued a new license plate or plates upon application by the owner or owners and the payment of full fees and taxes; or
(f) Fail, neglect, or refuse to endorse the registration certificate ((and deliver the license plate or plates to the purchasex or transferee of the vehicle)), except as authorized under this section.
(8) Transfer. (a) Standard issue license plates ((follow the vehicle)) must be replaced when ownership of the vehicle changes ((unless)), pursuant to subsection (9) (a) (i) of this section, but the registered owner ((wishes to)) may retain the license plates and transfer them to a replacement vehicle of the same use. In addition to all other taxes and fees due upon change in ownership, a registered
owner wishing to keep standard issue license plates shall pay the license plate transfer fee required under RCW 46.17.200(1)(c) when applying for license plate transfer.
(b) Special license plates and personalized license plates may be treated in the same manner as described in (a) of this subsection unless otherwise limited by law.
(c) License plates issued to the state or any county, city, town, school district, or other political subdivision entitled to exemption as provided by law may be treated in the same manner as described in (a) of this subsection.
(d) License plate replacement is not required when a change in vehicle ownership is the result of one or more of the following circumstances:
(i) When adding a lien holder to the certificate of title or removing a lien holder from the certificate of title;
(ii) When a vehicle is transferred from one spouse or registered domestic partner to another;
(iii) When removing a deceased spouse or registered domestic partner from the certificate of title;
(iv) When a vehicle is transferred by gift or inheritance to one or more members of the registered owner's immediate family;
(v) When a vehicle is transferred into or out of a trust in which the registered owner or one or more immediate family members of the registered owner is the beneficiary;
(vi) When a leaseholder buys out the leased vehicle; or
(vii) When a person changes his or her name.
(9) Replacement. (a) Except as provided in subsection (8)(a) of this section, an owner or the owner's authorized representative ((shall)) must apply for a replacement license plate or plates: (i) When taking ownership of the vehicle; (ii) if the current license plate or plates assigned to the vehicle have been lost, defaced, or destroyed $((\tau)) \dot{i}$ or (iii) if one or both plates have become so illegible or are in such a condition as to be difficult to distinguish. An owner or the owner's authorized representative may apply for a replacement license plate or plates at any time the owner chooses. The department shall offer to owners the option of retaining the current license plate number when obtaining replacement license plates for the fee required in RCW 46.17.200(1)(b).
(b) The application for a replacement license plate or plates must:
(i) Be on a form furnished or approved by the director; and
(ii) Be accompanied by the fee required under RCW 46.17.200(1)(a).
(c) When a vehicle is sold to a vehicle dealer for resale, the application for a replacement plate or plates need not be made until the vehicle is sold by the vehicle dealer.
(d) The department shall not require the payment of any fee to replace a license plate or plates for vehicles owned, rented, or leased by foreign countries or international bodies to which the United States government is a signatory by treaty.
(10) ((Periodic replacement. License plates must be replaced periodically to ensure maximum legibility and reflectivity. The department shall:
(a) Use empirical studies documenting the longevity of the reflective materials used to make license plates;
(b) Determine how frequently license plates must be replaced; and
(c) Offer to owners the option of retaining the current license plate number when obtaining replacement license plates for the fee required in RCW 46.17.200(1)(b).
(11) Periodic)) Replacement--Exceptions. The following license plates are not required to be ((periodically)) replaced as required in subsection ((10))) (9) of this section:
(a) Horseless carriage license plates issued under RCW 46.18.255 before January 1, 1987;
(b) Congressional Medal of Honor license plates issued under RCW 46.18.230;
(c) License plates for commercial motor vehicles with a gross weight greater than twenty-six thousand pounds.
(((12))) (11) Rules. The department may adopt rules to implement this section.
(((13))) (12) Tabs or emblems. The director may issue tabs or emblems to be attached to license plates or elsewhere on the vehicle to signify initial registration and renewals. Renewals become effective when tabs or emblems have been issued and properly displayed ((en license plates)).

Sec. 2. RCW 46.16A. 020 and 2010 c 161 s 402 are each amended to read as follows:
(1) The department, county auditor or other agent, or subagent appointed by the director shall assign a new registration year to a vehicle if:
(a) The ((Washington state vehicle registration has expired and)) registered ownership ((も⿴)) of the vehicle is being transferred, except as provided in subsection (4) of this section. The renewed ((license)) vehicle registration is valid for a full twelve-month period unless: (i) The vehicle changes ownership during the twelve-month period, in which case the registration expires; or (ii) a specific expiration date is required by law, rule, or program; or
(b) The Washington vehicle registration has expired and the registered owner:
(i) Is a member of the United States armed forces;
(ii) Was stationed outside of Washington under military orders during the prior vehicle registration year; and
(iii) Provides the department a copy of the military orders.
(2) Each registration year may be divided into twelve registration months. Each registration month begins at 12:01 a.m. on a day of the month assigned by the department and ends at 12:00 a.m. on the same day the following month.
(3) A registration period extends through the end of the next business day when the final day of a registration year or month falls on a Saturday, Sunday, or legal holiday.
(4) A vehicle registration does not expire when a change in vehicle ownership is the result of one or more of the following circumstances:
(a) When adding a lien holder to the certificate of title or removing a lien holder from the certificate of title;
(b) When a vehicle is transferred from one spouse or registered domestic partner to another;
(c) When removing a deceased spouse or registered domestic partner from the certificate of title;
(d) When a vehicle is transferred by gift or inheritance to one or more members of the registered owner's immediate family;
(e) When a vehicle is transferred into or out of a trust in which the registered owner or one or more immediate family members of the registered owner is the beneficiary;
(f) When a leaseholder buys out the leased vehicle; or
(g) When a person changes his or her name.

Sec. 3. RCW 46.16A. 110 and 2010 c 161 s 428 and 2010 c 8 s 9012 are each reenacted and amended to read as follows:
(1) A registered owner or the registered owner's authorized representative must apply for a renewal vehicle registration to the department, county auditor or other agent, or subagent appointed by the director on a form approved by the director. The application for a renewal vehicle registration must be accompanied by a draft, money order, certified bank check, or cash for all fees and taxes required by law for the application for a renewal vehicle registration.
(2) (a) When a vehicle changes ownership, the person taking ownership or his or her authorized representative must apply for a renewal vehicle registration as provided in subsection (1) of this section and, except as provided in (b) of this subsection, pay all the taxes and fees that are due at the time of registration renewal. For the purposes of this section, when a vehicle is sold to a vehicle dealer for resale, the application for a renewal registration need not be made until the vehicle is sold by the vehicle dealer.
(b) The person taking ownership or his or her authorized representative must be given credit for the portion of a motor vehicle excise tax, including the motor vehicle excise tax collected under RCW 81.104.160, that reflects the remaining period for which the tax was initially paid by the previous owner.
(3) An application and the fees and taxes for a renewal vehicle registration must be handled in the same manner as an original vehicle registration application. The registration does not need to show the name of the lien holder when the application for renewal vehicle registration becomes the renewal registration upon validation.
(((3))) (4) A person expecting to be out of state during the normal renewal period of a vehicle registration may renew a vehicle registration and have license plates or tabs preissued by applying for a renewal as described in subsection (1) of this section. A vehicle registration may be renewed for the subsequent registration year up to eighteen months before the current expiration date and must be displayed from the date of issue or from the day of the expiration of the current registration year, whichever date is later.
(((4))) (5) An application for a renewal vehicle registration is not required for those vehicles owned, rented, or leased by:
(a) The state of Washington, or by any county, city, town, school district, or other political subdivision of the state of Washington; or
(b) A governing body of an Indian tribe located within this state and recognized as a governmental entity by the United States department of the interior.

Sec. 4. RCW 46.17.200 and 2012 c 74 s 3 are each amended to read as follows:
(1) In addition to all other fees and taxes required by law, the department, county auditor or other agent, or subagent appointed by the director shall charge:
(a) The following license plate fees for each license plate, unless the owner or type of vehicle is exempt from payment:

| FEE TYPE | FEE | DISTRIBUTION |
| :--- | :---: | :---: |
| Original issue | $\$ 10.00$ | RCW 46.68.070 |
| Reflectivity | $\$ 2.00$ | RCW 46.68.070 |
| Replacement   <br> Original issue, $\$ 10.00$ RCW 46.68.070 <br> motorcycle $\$ 4.00$ RCW 46.68.070 <br> Replacement, <br> motorcycle <br> Original issue, moped $\$ 4.00$ RCW 46.68.070 R1.50 | RCW 46.68.070 |  |

(b) A license plate retention fee, as required under RCW 46.16A.200(((10)(c))) (9)(a), of twenty dollars 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 twenty dollar fee must be deposited in the multimodal transportation account created in RCW 47.66.070.
(c) A ten dollar license plate transfer fee, as required under RCW 46.16A.200(8) (a), when transferring standard issue license plates from one vehicle to another, unless the owner or type of vehicle is exempt from payment. The ten dollar license plate transfer fee must be deposited in the motor vehicle fund created in RCW 46.68.070.
(d) Former prisoner of war license plates, as described in RCW
46.18.235, may be transferred to a replacement vehicle upon payment of a five dollar license plate fee, in addition to any other fee required by law.
(2) The department may, upon request, provide license plates that have been used and returned to the department to individuals for nonvehicular use. The department may charge a fee of up to five dollars per license plate to cover costs or recovery for postage and handling. The department may waive the fee for license plates used in educational projects and may, by rule, provide standards for the fee waiver and restrictions on the number of license plates provided to any one person. The fee must be deposited in the motor vehicle fund created in RCW 46.68.070.

Sec. 5. RCW 46.18 .130 and 2011 c 171 s 68 are each amended to read as follows:
(1) Revenues generated from the sale of special license plates for those sponsoring organizations who used the application process in RCW 46.18.110 must be deposited into the motor vehicle fund created in RCW 46.68.070 until the department determines that the state's implementation costs have been fully reimbursed.
(2) When it is determined that the state has been fully reimbursed the department must notify the house of representatives and senate transportation committees, the sponsoring organization, and the state treasurer, and begin distributing the revenue as otherwise provided by law.
(3) If reimbursement does not occur within two years from the date the special license plate is first offered for sale to the public, the special license plate series must be placed in probationary status for a period of one year from that date. If the state is still not fully reimbursed for its implementation costs after the one-year probation, the special license plate series must be discontinued immediately. Special license plates issued before discontinuation are valid until replaced ((under RCW 46.16A.200(10))).
(4) The department shall:
(a) Provide the special license plate applicant with a written receipt for the payment; and
(b) Maintain a record of each special license plate applicant trust
account deposit including, but not limited to, the name and address of each special license plate applicant whose funds are being deposited, the amount paid, and the date of the deposit.
(5) After the department receives written notice that the special license plate applicant's application has been approved by the legislature, the director shall request that the money be transferred to the motor vehicle fund created in RCW 46.68.070.
(6) After the department receives written notice that the special license plate applicant's application has been denied by the department or the legislature, the director shall provide a refund to the applicant within thirty days.
(7) After the department receives written notice that the special license plate applicant's application has been withdrawn by the special license plate applicant, the director shall provide a refund to the applicant within thirty days.

Sec. 6. RCW 46.18.140 and 2010 1st sp.s. c 7 s 97 and 2010 c 161 s 609 are each reenacted and amended to read as follows:
(1) A special license plate series created by the legislature after January 1, 2011, that has not been reviewed and approved by the department is subject to the following requirements:
(a) The organization sponsoring the license plate series shall, within thirty days of enactment of the legislation creating the special license plate series, submit prepayment of all start-up costs associated with the creation and implementation of the special license plate in an amount determined by the department. The prepayment will be credited to the motor vehicle fund created in RCW 46.68.070. The creation and implementation of the special license plate series may not begin until payment is received by the department.
(b) If the sponsoring organization is not able to meet the prepayment requirements in (a) of this subsection and can demonstrate this fact to the satisfaction of the department, the revenues generated from the sale of the special license plates must be deposited in the motor vehicle fund created in RCW 46.68.070 until the department determines that the state's portion of the implementation costs have been fully reimbursed. When it has determined that the state has been fully reimbursed, the department must notify the treasurer to commence distribution of the revenue according to statutory provisions.
(c) The sponsoring organization must provide a proposed special license plate design to the department within thirty days of enactment of the legislation creating the special license plate series.
(2) The state must be reimbursed for its portion of the implementation costs within two years from the date the new special license plate series goes on sale to the public. If the reimbursement does not occur within the two-year time frame, the special license plate series must be placed in probationary status for a period of one year from that date. If the state is still not fully reimbursed for its implementation costs after the one-year probation, the special license plate series must be discontinued immediately. Those special license plates issued before discontinuation are valid until replaced ((under RCW 46.16A.200(10))).
(3) If the sponsoring organization ceases to exist or the purpose of the special license plate series ceases to exist, revenues generated from the sale of the special license plates must be deposited into the motor vehicle fund created in RCW 46.68.070.
(4) A sponsoring organization may not seek to redesign its special license plate series until the entire existing inventory is sold or purchased by the organization itself. All costs for the redesign of a special license plate series must be paid by the sponsoring organization.

NEW SECTION. Sec. 7. This act applies to vehicle registrations that are due or become due on or after January 1, 2015.

