
Transportation Committee

HB 2274

Brief Description: Concerning the filing of abandoned vehicle reports of sale.

Sponsors: Representatives Harmsworth, Bergquist, Hayes, Morris, Moscoso, Pollet, Vick, Wilson, Van Werven and Haler.

Brief Summary of Bill

- Specifies that a report of sale is not proof of a completed vehicle transfer for the purpose of collection of expenses where there is no evidence indicating the buyer knew of or was a party to the acceptance of the vehicle transfer.
- Allows that a buyer in a report of sale that has been filed, in which there was no acceptance of the transfer, has a course of action against the person who filed the report.
- Allows a buyer, where there was no acceptance of the transfer, to recover costs associated with the towing, storage, auction, or any other damages incurred, such as reasonable attorney's fees and litigation costs.
- Designates that the person who files a fraudulent report of sale is guilty of a gross misdemeanor with a non-negotiable penalty of \$1,000.
- Prohibits a collection agency from bringing an action or initiating an arbitration proceeding on a claim for any amount related to a transfer of sale of a vehicle when the collection agency has been informed that the transfer of the vehicle was not a legal transfer.
- Provides that where a person has caused a victim to lose money or property through a fraudulent filing of a report of sale, the court may order the defendant to pay restitution not to exceed double the amount of the defendant's gain or victim's loss.

Hearing Date: 1/13/16

Staff: Jerry Long (786-7306).

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.

Background:

When an owner releases interest in a vehicle, the owner must notify the Department of Licensing (DOL), county auditor, other agent, or a subagent either in writing or electronically within 21 business days after a vehicle has been sold, given as a gift to another person, traded, donated, given to an insurance company or wrecking yard, or disposed of. The information on a report of sale includes the date of sale or transfer, owner's name and address, name and address of the person acquiring the vehicle, the vehicle identification number, and the license plate number. The fee for filing a report of sale is \$5 if filed at a county auditor, other agent, or subagent. There is no cost when the report of sale is filed with the DOL.

The DOL updates the vehicle record when the report is received and sends a quarterly report to the Department of Revenue that lists vehicles where a report of sale has been received, but no transfer of ownership has taken place.

If a vehicle is found abandoned and removed at the direction of law enforcement, the last registered owner of record is guilty of a traffic infraction of \$550 for the violation of a "littering-abandoned vehicle" unless the vehicle is redeemed or a vehicle theft report has been filed with a law enforcement agency. A properly filed report of sale or transfer of a vehicle relieves the last registered owner of liability. The date of sale will determine whether the buyer or the previous owner will be assumed to be responsible for the costs incurred in removing, storing, and disposing of the vehicle, less the amounts realized at auction.

Summary of Bill:

The bill specifies that a report of sale is not proof of a completed vehicle transfer for the purpose of collection of expenses related to towing, storage, and auction of an abandoned vehicle where there is no evidence indicating the buyer knew of or was a party to the acceptance of the vehicle transfer. A contract signed by the prior owner and the new owner, a certificate of title, or other legal proof of acceptance of the vehicle of the new owner may be used to establish legal responsibility for the abandoned vehicle.

When there is reason to believe that a report of sale has been filed and the reported buyer did not know of the transfer or did not accept the transfer, the liability remains with the last registered owner to prove the vehicle transfer was legal or accepted by the person reported as the new owner.

A buyer in a report of sale that has been filed, in which there was no acceptance of the transfer, has a course of action against the person who filed the report. The person can recover costs associated with the towing, storage, auction, or any other damages incurred as a result of being named as the buyer on the report of sale including reasonable attorney's fees and litigation costs. This action is in addition to any other remedy available to the person. The person who files a fraudulent report of sale is guilty of a gross misdemeanor with a non-negotiable penalty of \$1,000.

The bill prevents a collection agency from bringing an action or initiating an arbitration proceeding on a claim for any amount related to a transfer of sale of a vehicle when the

collection agency has been informed that the transfer of the vehicle was not a legal transfer or voluntarily accepted by the person designated as the purchaser or transferee.

The bill designates that it is the duty of the prosecuting attorney to investigate the alternative of restitution, and to recommend it to the court, when the prosecuting attorney believes the restitution is appropriate and feasible.

When a person causes a victim to lose money or property through the filing of a report of sale where the designed buyer had no knowledge of the vehicle transfer or the fraudulent filing of a report of sale, the following action may occur: upon conviction or when the offender pleads guilty and agrees with the prosecutor's restitution recommendation, the court may order the defendant to pay restitution. The amount may not exceed double the amount of the defendant's gain or the victim's loss. The amount may be used to provide restitution to the victim at the order of the court.

If the court orders restitution, the court must make a finding as to the amount of the victim's loss. If the record does not contain sufficient evidence to support such a finding, the court may conduct a hearing. The bill defines "loss" as the amount of money or the value of property or services lost.

Appropriation: None.

Fiscal Note: Available.

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