

FINAL BILL REPORT

ESHB 2274

C 86 L 16
Synopsis as Enacted

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

Sponsors: House Committee on Transportation (originally sponsored by Representatives Harmsworth, Bergquist, Hayes, Morris, Moscoso, Pollet, Vick, Wilson, Van Werven and Haler).

House Committee on Transportation
Senate Committee on Transportation

Background:

When an owner releases interest in a vehicle, he or she 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, the owner's name and address, the 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, 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:

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.

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.

A collection agency may not bring an action or initiate 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 or reasonably should know that the DOL transfer of sale form was filed properly or has been informed or reasonably should know that the transfer of the vehicle either was not made pursuant to a legal transfer or was not voluntarily accepted by the person designated as the purchaser/transferee, and, prior to the commencement of the action or arbitration, the licensee has received from the putative transferee a copy of a police report referencing that the transfer of sale of the vehicle either (1) was not made pursuant to a legal transfer or (2) was not voluntarily accepted by the person designated as the purchaser/transferee.

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 court may order the defendant to pay restitution upon conviction or when the offender pleads guilty and agrees with the prosecutor's restitution recommendation. 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. "Loss" is defined as the amount of money or the value of property or services lost.

The due date for a report of sale is changed from 21 business days to five business days. A report of sale must include all of the following: the full owner's name and complete, current address, and the complete, current address of the person acquiring the vehicle including street

and number, and apartment number if applicable, or the post office box number, city or town, and postal code.

If the date of sale as indicated on the report of sale is before the date of impoundment, the buyer identified on the latest properly filed report of sale with the DOL is assumed liable for the costs incurred in removing, storing, and disposing of the abandoned vehicle, less amounts realized at auction.

A seller in a report of sale filed in which the named buyer thereafter alleges that there was no acceptance of the transfer has a cause of action against the named buyer to recover damages incurred as a result of the allegation including reasonable attorney's fees and litigation costs. This is in addition to any other remedy available to the person.

If a court has declared that a fraudulent report of sale has been filed with the DOL, county auditor or other agent, or subagent appointed by the Director of the DOL, the court must notify the DOL in writing with a copy of the court order. Once notified, the DOL may remove the fraudulent report of sale from the vehicle record.

Votes on Final Passage:

House	95	0	
Senate	43	3	(Senate amended)
House	96	0	(House concurred)

Effective: June 9, 2016