

# HOUSE BILL REPORT

## SSB 5362

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### As Reported by House Committee On: Transportation

**Title:** An act relating to the creation of a deferred finding program for nonpayment of license fees and taxes for vehicle, vessel, and aircraft registrations.

**Brief Description:** Creating a deferred finding program for nonpayment of license fees and taxes for vehicle, vessel, and aircraft registrations.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Wilson, L., Hobbs, King and Rivers).

#### **Brief History:**

##### **Committee Activity:**

Transportation: 4/27/19 [DP].

#### **Brief Summary of Substitute Bill**

- Allows counties to set up deferred finding programs for persons who receive a citation for failing to register a vehicle, failing to register an aircraft, or failing to register a vessel.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 25 members: Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke, Chambers, Chapman, Dent, Eslick, Goehner, Gregerson, Irwin, Kloba, Lovick, Mead, Orcutt, Paul, Pellicciotti, Ramos, Riccelli, Shewmake and Van Werven.

**Staff:** Patricia Hasan (786-7292).

#### **Background:**

New Washington residents, unless specifically exempt, must obtain a valid Washington driver's license and register their vehicles within 30 days from the date they become

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residents. Exemptions include a person in the military, a nonresident driver, borrowed vehicles, or business vehicles.

Failure to register a vehicle in Washington before operating it on the highways is a traffic infraction with a penalty of \$529, and no part may be suspended or deferred. The avoided taxes and fees must be deposited and distributed in the same manner as if the taxes and fees were paid in a timely fashion.

Licensing a vehicle in another state by a resident of Washington to evade the payment of any tax or license fee imposed in connection with registration is a gross misdemeanor punishable as follows:

- for a first offense, up to one year in the county jail and payment of a fine of \$1,529, no part of which may be suspended or deferred; and
- for a second or subsequent offense, up to one year in the county jail and payment of a fine of \$5,529, no part of which may be suspended or deferred.

The fines levied will be deposited in the Vehicle Licensing Fraud Account to be used only for vehicle license fraud enforcement and collections by the Washington State Patrol and the Department of Revenue.

Registering an aircraft in another state by a resident of Washington to evade the payment of any tax or license fee is a gross misdemeanor punishable by the penalties listed in current law, which include imprisonment in the county jail for up to one year, payment of a fine of not more than \$5,000, or both. The convicted person is also liable for such unpaid taxes and fees.

Registering a vessel in another state by a resident of Washington to evade the payment of any tax or license fee is a gross misdemeanor punishable by the penalties listed in current law, which include imprisonment in the county jail for up to one year, payment of a fine of not more than \$5,000, or both. For a second or subsequent offense, the person convicted is also subject to a fine equal to four times the amount of avoided taxes and fees, which may not be suspended or deferred.

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### **Summary of Bill:**

Any county may set up a deferred finding program for persons who receive a citation for failing to register a vehicle, failing to register an aircraft, or failing to register a vessel.

The citation must be dismissed if the person cited has paid a \$500 fine; has a valid Washington driver's license; and registered the vehicle, aircraft, or vessel. If receipt of proof does not occur within 90 days of the citation, the county prosecutor must seek the full penalty. Fines generated pursuant to the deferred finding program must be used by the county for enforcement and prosecution of registering requirements.

A person must not have a previous citation nor participated in a program of deferred finding for failing to register a vehicle, aircraft, or vessel to be eligible for the deferred finding program.

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**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) There is a problem in Washington, and particularly in Clark County, where residents of Washington are registering their vehicles in another state to avoid paying the license and registration fees required in Washington. In 2007 Washington State University conducted a study and found that 20,000 vehicles in Clark County were registered in Oregon and should have been registered in Washington. Not having these vehicles registered in Washington was indicated to be a revenue loss of approximately \$16 million per year, or \$80 million over five years. With that study being from 12 years ago, it can be assumed that there are many more vehicles now that are not registered in Washington when they should be.

The Washington State Patrol (WSP) has indicated that they are hesitant to cite people who evade registering in Washington because the fine is so high. Instead, the WSP will let people off with a warning. After this, there is no good follow-up method to ensure people have registered their vehicles after receiving the warning. This bill would provide the ability to lower the fine and remove the infraction from the person's record after the person shows proof of registering the vehicle and obtaining a Washington driver's license within 90 days of being cited.

(Opposed) None.

**Persons Testifying:** Senator Wilson, prime sponsor; and Amber Carter, Identity Clark County.

**Persons Signed In To Testify But Not Testifying:** None.