H-0170.4

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 1687**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Eslick, Goodman, Low, Robertson, Leavitt, Bronoske, Barkis, and Dent

AN ACT Relating to vehicle service fees; amending RCW 46.17.040; creating a new section; providing an effective date; and declaring an emergency.

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

NEW SECTION. **Sec.**  (1) The legislature finds that Washington state's vehicle and vessel licensing system depends on a partnership between the department of licensing, the county auditors, and the vehicle subagents. Vehicle subagents perform vehicle and vessel licensing on behalf of the state; they are small Washington family businesses, not large out-of-state corporations, and therefore the revenue from these businesses stays in Washington state and is invested back into their Washington communities. Vehicle subagents are located in most communities of the state and are open extended hours and weekends to serve the public. These private businesses collect and remit hundreds of millions of dollars in taxes and fees for the state of Washington each year. The only moneys that are retained by vehicle subagents are the registration service fee or the titling service fee; all other moneys are remitted to the county and state. With the rising costs of property rents, worker benefits, and employee wages, and future increases to come, vehicle subagents rely on steady and dependable revenue commensurate with inflation of these business costs to operate successfully.

(2) The legislature intends to keep the state vehicle and vessel licensing delivery system healthy, and vehicle subagents and county auditors are a critical component of that system. The service fee retained by vehicle subagents and the filing fee deposited into county general funds are set in statute and must be changed by the legislature. Historically, these fees were adjusted every four to five years. It is the intent of the legislature to make fee adjustments to keep the vehicle subagents and county auditors healthy by implementing a cost-of-living adjustment every three years, which will allow vehicle subagents to receive the important fee adjustments required at regular intervals.

**Sec.**  RCW 46.17.040 and 2019 c 417 s 2 are each amended to read as follows:

(1) The department, county auditor or other agent, or subagent appointed by the director shall collect a service fee of:

(a) ((~~Fifteen dollars~~)) $15 for changes in a certificate of title, changes in ownership for nontitled vehicles, or for verification of record and preparation of an affidavit of lost title other than at the time of the certificate of title application or transfer, in addition to any other fees or taxes due at the time of application; and

(b) ((~~Eight dollars~~)) $8 for a registration renewal, issuing a transit permit, or any other service under this section, in addition to any other fees or taxes due at the time of application.

(2) Service fees collected under this section by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account under RCW 47.60.322.

(3) Service fees collected under this section shall be adjusted for inflation every three years, beginning July 1, 2023, based upon five percent per annum plus changes in the consumer price index during that time period, rounded up to the nearest five cents.

(4) During the first quarter of the year preceding the scheduled inflationary adjustment, the department shall reach out and gather stakeholder comment on the anticipated adjustment.

(5) For purposes of this section, "consumer price index" means, for any calendar year, that year's average consumer price index for the Washington area for all urban consumers, all items, compiled by the United States department of labor, bureau of labor statistics or its successor agency.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2023.

**--- END ---**