

SENATE BILL REPORT

SB 5548

As of February 6, 2023

Title: An act relating to vehicle service fees.

Brief Description: Addressing vehicle service fees.

Sponsors: Senators Wilson, J., Fortunato, Lovick and Stanford.

Brief History:

Committee Activity: Transportation: 2/06/23.

Brief Summary of Bill

- Provides a triennial increase to the \$15 service fee for vehicle title certificate changes and related transactions.
- Provides a triennial increase to the \$8 service fee for a registration renewal and certain other transactions.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Bryon Moore (786-7726)

Background: The Department of Licensing (DOL), a county auditor or other agent, or subagent appointed by the DOL director collects a service fee of:

- \$15 for changes in a vehicle title certificate or for verification of record and preparation of an affidavit of lost title; and
- \$8 for a registration renewal, issuing a transit permit, accepting a vessel registration, accepting a report of sale, and accepting a transitional ownership record.

The service fees collected by DOL, a county auditor, or other agent appointed by the DOL director must be deposited into the Capital Vessel Replacement Account. The service fees collected by subagents are self-retained.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

When the ownership of a vehicle changes, a new registration is required by the new vehicle owner. Exceptions to this include:

- when adding or removing a lienholder from the certificate of title;
- when transferring the vehicle from one spouse or domestic partner to another;
- when removing a deceased spouse or domestic partner from the certificate of title;
- when transferring the vehicle as a gift to a member of the registered owner's immediate family;
- when a leaseholder buys out the leased vehicle; or
- when a person changes their name.

Summary of Bill: Beginning July 1, 2023, and every three years thereafter, the \$15 title related service fee and the \$8 registration service is increased by 5 percent per year plus the changes in the Consumer Price Index during that period, rounded up to the nearest \$0.05. 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 federal Bureau of Labor Statistics or its successor agency.

During the first quarter of the year preceding the scheduled inflationary adjustment, DOL must reach out and gather stakeholder comment on the anticipated adjustment.

Appropriation: None.

Fiscal Note: Requested on January 23, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2023.

Staff Summary of Public Testimony: PRO: This bill is fundamentally about keeping pace with the rising costs of inflation. The subagents are the state's partner in delivering the service to the public. There needs to be reasonable fee increases to cover the increased cost of running their business. This fee is essentially a handling fee and moves us to a more systematic way of dealing with needed adjustment. This is a cost-of-living adjustment bill and would provide for regular increases as opposed to the need to come to the Legislature. The fee increases in 2019 got us to a more level of playing field. Now there needs to be provisions to allow us to keep up with rising costs and to continue to pay competitive wages. Subagents are a crucial part of the revenue system for transportation. This will alleviate a constant worry whether we will have enough funding to keep in business and pay our employees. These private entities operate at a cost lower than what it would cost if the state were to perform these functions.

OTHER: There are a few technical issues associated with legislation that we need to get worked on including the inflation measure used, the stakeholder engagement process, and

clarity on timing.

Persons Testifying: PRO: Senator Jeff Wilson, Prime Sponsor; Joe DePinto, Washington Association of Vehicle Subagents; Kevin David, Washington Association of Vehicle Subagents; Marci Straub, Washington Association of Vehicle Subagents.

OTHER: Beau Perschbacher, WA Dept. of Licensing.

Persons Signed In To Testify But Not Testifying: No one.