

CERTIFICATION OF ENROLLMENT

SENATE BILL 5282

Chapter 273, Laws of 2023

68th Legislature
2023 Regular Session

VEHICLE DEALERS—REPORT OF SALE FILING

EFFECTIVE DATE: July 23, 2023

Passed by the Senate April 17, 2023
Yeas 48 Nays 0

DENNY HECK

President of the Senate

Passed by the House April 7, 2023
Yeas 97 Nays 0

Laurie Jinkins

**Speaker of the House of
Representatives**

Approved May 4, 2023 10:52 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5282** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 4, 2023

**Secretary of State
State of Washington**

SENATE BILL 5282

AS AMENDED BY THE HOUSE

Passed Legislature - 2023 Regular Session

State of Washington 68th Legislature 2023 Regular Session

By Senators Valdez, MacEwen, Gildon, Lias, and Nguyen

Read first time 01/11/23. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to authorizing vehicle dealers to file a report
2 of sale; and amending RCW 46.12.650.

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

4 **Sec. 1.** RCW 46.12.650 and 2016 c 86 s 1 are each amended to read
5 as follows:

6 (1) **Releasing interest.** An owner releasing interest in a vehicle
7 shall:

8 (a) Sign the release of interest section provided on the
9 certificate of title or on a release of interest document or form
10 approved by the department;

11 (b) Give the certificate of title or most recent evidence of
12 ownership to the person gaining the interest in the vehicle;

13 (c) Give the person gaining interest in the vehicle an odometer
14 disclosure statement if one is required; and

15 (d) Report the vehicle sold as provided in subsection (2) of this
16 section.

17 (2) **Report of sale.** An owner shall notify the department, county
18 auditor or other agent, or subagent appointed by the director in
19 writing within five business days after a vehicle is or has been:

20 (a) Sold;

21 (b) Given as a gift to another person;

- 1 (c) Traded, either privately or to a dealership;
- 2 (d) Donated to charity;
- 3 (e) Turned over to an insurance company or wrecking yard; or
- 4 (f) Disposed of.

5 (3) **Report of sale properly filed.** A report of sale is properly
6 filed if it is received by the department, county auditor or other
7 agent, or subagent appointed by the director within five business
8 days after the date of sale or transfer and it includes:

9 (a) The date of sale or transfer;

10 (b) The owner's full name and complete, current address;

11 (c) The full name and complete, current address of the person
12 acquiring the vehicle, including street name and number, and
13 apartment number if applicable, or post office box number, city or
14 town, and postal code;

15 (d) The vehicle identification number and license plate number;

16 (e) A date or stamp by the department showing it was received on
17 or before the fifth business day after the date of sale or transfer;
18 and

19 (f) Payment of the fees required under RCW 46.17.050.

20 (4) **Report of sale - administration.** (a) The department shall:

21 (i) Provide or approve reports of sale forms;

22 (ii) Provide a system enabling an owner to submit reports of sale
23 electronically;

24 (iii) Immediately update the department's vehicle record when a
25 report of sale has been filed;

26 (iv) Provide instructions on release of interest forms that allow
27 the seller of a vehicle to release their interest in a vehicle at the
28 same time a financial institution, as defined in RCW 30A.22.040,
29 releases its lien on the vehicle; and

30 (v) Send a report to the department of revenue that lists
31 vehicles for which a report of sale has been received but no transfer
32 of ownership has taken place. The department shall send the report
33 once each quarter.

34 (b) A report of sale is not proof of a completed vehicle transfer
35 for purposes of the collection of expenses related to towing,
36 storage, and auction of an abandoned vehicle in situations where
37 there is no evidence indicating the buyer knew of or was a party to
38 acceptance of the vehicle transfer. A contract signed by the prior
39 owner and the new owner, a certificate of title, a receipt, a
40 purchase order or wholesale order, or other legal proof or record of

1 acceptance of the vehicle by the new owner may be provided to
2 establish legal responsibility for the abandoned vehicle.

3 (5) Report of sale - licensed dealers. A vehicle dealer as
4 defined in RCW 46.70.011 may, but is not required to, file a report
5 of sale on behalf of an owner who trades in, sells, or otherwise
6 transfers ownership of a vehicle to the dealer. A vehicle dealer who
7 files on behalf of an owner shall collect and remit the fees required
8 under RCW 46.17.050 from the owner in addition to any other fees
9 charged to or owed by the customer.

10 (6)(a) Transferring ownership. A person who has recently acquired
11 a vehicle by purchase, exchange, gift, lease, inheritance, or legal
12 action shall apply to the department, county auditor or other agent,
13 or subagent appointed by the director for a new certificate of title
14 within ~~((fifteen))~~ 15 days of delivery of the vehicle. A secured
15 party who has possession of the certificate of title shall either:

16 (i) Apply for a new certificate of title on behalf of the owner
17 and pay the fee required under RCW 46.17.100; or

18 (ii) Provide all required documents to the owner, as long as the
19 transfer was not a breach of its security agreement, to allow the
20 owner to apply for a new certificate of title.

21 (b) Compliance with this subsection does not affect the rights of
22 the secured party.

23 ~~((+6))~~ (7) Certificate of title delivered to secured party. The
24 certificate of title must be kept by or delivered to the person who
25 becomes the secured party when a security interest is reserved or
26 created at the time of the transfer of ownership. The parties must
27 comply with RCW 46.12.675.

28 ~~((+7))~~ (8) Penalty for late transfer. A person who has recently
29 acquired a motor vehicle by purchase, exchange, gift, lease,
30 inheritance, or legal action who does not apply for a new certificate
31 of title within ~~((fifteen))~~ 15 calendar days of delivery of the
32 vehicle is charged a penalty, as described in RCW 46.17.140, when
33 applying for a new certificate of title. It is a misdemeanor to fail
34 or neglect to apply for a transfer of ownership within ~~((forty-five))~~
35 45 days after delivery of the vehicle. The misdemeanor is a single
36 continuing offense for each day that passes regardless of the number
37 of days that have elapsed following the ~~((forty-five-day))~~ 45-day
38 time period.

1 (~~(8)~~) (9) **Penalty for late transfer - exceptions.** The penalty
2 is not charged if the delay in application is due to at least one of
3 the following:

- 4 (a) The department requests additional supporting documents;
5 (b) The department, county auditor or other agent, or subagent
6 fails to perform or is neglectful;
7 (c) The owner is prevented from applying due to an illness or
8 extended hospitalization;
9 (d) The legal owner fails or neglects to release interest;
10 (e) The owner did not know of the filing of a report of sale by
11 the previous owner and signs an affidavit to the fact; or
12 (f) The department finds other conditions exist that adequately
13 explain the delay.

14 (~~(9)~~) (10) **Review and issue.** The department shall review
15 applications for certificates of title and issue certificates of
16 title when it has determined that all applicable provisions of law
17 have been complied with.

18 (~~(10)~~) (11) **Rules.** The department may adopt rules as necessary
19 to implement this section.

Passed by the Senate April 17, 2023.
Passed by the House April 7, 2023.
Approved by the Governor May 4, 2023.
Filed in Office of Secretary of State May 4, 2023.

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