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**SUBSTITUTE HOUSE BILL 2643**

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**State of Washington                      52nd Legislature                      1992 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representatives Cooper and R. Fisher)

Read first time 02/11/92.

1            AN ACT Relating to vehicle licensing and registration activities;  
2 amending RCW 46.01.140 and 46.01.230; adding a new section to chapter  
3 46.01 RCW; and adding a new section to chapter 46.68 RCW.

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

5            **Sec. 1.** RCW 46.01.140 and 1991 c 339 s 16 are each amended to read  
6 as follows:

7            (1) The county auditor, if appointed by the director of licensing  
8 shall carry out the provisions of this title relating to the licensing  
9 of vehicles and the issuance of vehicle license number plates under the  
10 direction and supervision of the director and may with the approval of  
11 the director appoint assistants as special deputies and recommend  
12 subagents to accept applications and collect fees for vehicle licenses  
13 and transfers and to deliver vehicle license number plates.

1       (2) A county auditor appointed by the director may request that the  
2 director appoint subagencies within the county. Upon authorization of  
3 the director, the auditor shall advertise a request for bids and  
4 proceed under RCW 36.32.245. The auditor shall submit all bids to the  
5 director, and shall recommend the appointment of one or more subagents  
6 who have applied through the bidding process. The director has final  
7 appointment authority.

8       (3)(a) A county auditor who is appointed as an agent by the  
9 department shall enter into a standard contract provided by the  
10 director, developed with the advice of the title and registration  
11 advisory committee.

12       (b) A subagent appointed under subsection (2) of this section shall  
13 enter into a standard contract with the county auditor, developed with  
14 the advice of the title and registration advisory committee. The  
15 director shall provide the standard contract to county auditors.

16       (c) The contracts provided for in (a) and (b) of this subsection  
17 must contain at a minimum provisions that:

18       (i) Describe the responsibilities, and where applicable, the  
19 liability, of each party relating to the service expectations and  
20 levels, equipment to be supplied by the department, and equipment  
21 maintenance;

22       (ii) Require the specific type of insurance or bonds so that the  
23 state is protected against any loss of collected motor vehicle tax  
24 revenues or loss of equipment;

25       (iii) Specify the amount of training that will be provided by the  
26 state, the county auditor, or subagents;

27       (iv) Describe allowable costs that may be charged to motor vehicle  
28 licensing activities as provided for in (d) of this subsection;

29       (v) Describe the causes and procedures for termination of the  
30 contract, which may include mediation and binding arbitration.

1       (d) The department shall develop procedures that will standardize  
2 and prescribe allowable costs that may be assigned to motor vehicle  
3 licensing activities performed by county auditors.

4       (e) The contracts may include any provision that the director deems  
5 necessary to ensure acceptable service and the full collection of motor  
6 vehicle tax revenues.

7       (f) The director may waive any provisions of the contract deemed  
8 necessary in order to ensure that readily accessible service is  
9 provided to the citizens of the state.

10       (4)(a) At any time any application is made to the director, the  
11 county auditor, or other agent pursuant to any law dealing with  
12 licenses, registration, or the right to operate any vehicle upon the  
13 public highways of this state, excluding applicants already paying such  
14 fee under RCW 46.16.070 or 46.16.085, the applicant shall pay to the  
15 director, county auditor, or other agent a fee of two dollars for each  
16 application in addition to any other fees required by law.

17       (b) The applicant shall also pay a service fee of two dollars and  
18 twenty-five cents for registration renewal only, issuance of a transit  
19 permit, or receiving any other service under this section. The service  
20 fee shall not be charged on renewals done by mail. An agent shall  
21 remit the service fee to the department for deposit into the department  
22 of licensing services account of the motor vehicle fund. Counties that  
23 do not cover the expenses of motor vehicle licensing activities may  
24 submit to the department a request for cost-coverage moneys. The  
25 request must be submitted on a form developed by the department. The  
26 department shall develop procedures to verify whether a request is  
27 reasonable. Payment shall be made on requests found to be allowable  
28 from the licensing services account.

29       (c) Applicants for certificates of ownership, including applicants  
30 paying fees under RCW 46.16.070 or 46.16.085, shall pay to the

1 director, county auditor, or other agent a fee of three dollars in  
2 addition to any other fees required by law.

3 ~~((These))~~ (d) The fees under (a) and (c) of this subsection, if  
4 paid to the county auditor as agent of the director, or if paid to a  
5 subagent of the county auditor, shall be paid to the county treasurer  
6 in the same manner as other fees collected by the county auditor and  
7 credited to the county current expense fund. If the fee is paid to  
8 another agent of the director, the fee shall be used by the agent to  
9 defray his or her expenses in handling the application.

10 ~~((3))~~ (5) A subagent ~~((is entitled to an additional service~~  
11 ~~charge of two dollars. However, from July 1, 1991, through June 30,~~  
12 ~~1992, subagents))~~ shall collect a service fee of (a) five dollars and  
13 fifty cents for changes in a certificate of ownership, with or without  
14 registration renewal, or verification of record and preparation of an  
15 affidavit of lost title other than at the time of the title application  
16 or transfer and (b) two dollars and twenty-five cents for registration  
17 renewal only, issuing a transit permit, or any other service under this  
18 section.

19 ~~((4))~~ (6) If the fee is collected by the state patrol as agent  
20 for the director, the fee so collected shall be certified to the state  
21 treasurer and deposited to the credit of the state patrol highway  
22 account. If the fee is collected by the department of transportation  
23 as agent for the director, the fee shall be certified to the state  
24 treasurer and deposited to the credit of the motor vehicle fund. All  
25 such fees collected by the director or branches of his office shall be  
26 certified to the state treasurer and deposited to the credit of the  
27 highway safety fund.

28 (7) Any county revenues that exceed the cost of providing motor  
29 vehicle licensing activities in a county, calculated in accordance with  
30 the procedures in subsection (3)(d) of this section, shall be used

1 exclusively for transportation purposes under RCW 82.80.070, motor  
2 vehicle licensing activities of the county auditor, and traffic  
3 enforcement activities of the county sheriff.

4 (8) The director may adopt rules to implement this section.

5 **Sec. 2.** RCW 46.01.230 and 1987 c 302 s 2 are each amended to read  
6 as follows:

7 (1) The department of licensing is authorized to accept checks and  
8 money orders for payment of drivers' licenses, certificates of  
9 ownership and registration, motor vehicle excise taxes, gross weight  
10 fees, and other fees and taxes collected by the department, in  
11 accordance with regulations adopted by the director. The director's  
12 regulations shall duly provide for the public's convenience consistent  
13 with sound business practice and shall encourage the annual renewal of  
14 vehicle registrations by mail to the department, authorizing checks and  
15 money orders for payment. Such regulations shall contain provisions  
16 for cancellation of any registrations, licenses, or permits paid for by  
17 checks or money orders which are not duly paid and for the necessary  
18 accounting procedures in such cases: PROVIDED, That any bona fide  
19 purchaser for value of a vehicle shall not be liable or responsible  
20 for any prior uncollected taxes and fees paid, pursuant to this  
21 section, by a check which has subsequently been dishonored: AND  
22 PROVIDED FURTHER, That no transfer of ownership of a vehicle may be  
23 denied to a bona fide purchaser for value of a vehicle if there are  
24 outstanding uncollected fees or taxes for which a predecessor paid,  
25 pursuant to this section, by check which has subsequently been  
26 dishonored nor shall the new owner be required to pay any fee for  
27 replacement vehicle license number plates that may be required pursuant  
28 to RCW 46.16.270 as now or hereafter amended.

1 (2) It is a traffic infraction to fail to surrender within ten days  
2 to the department or any authorized agent of the department any  
3 certificate, license, or permit after being notified by certified mail  
4 that such certificate, license, or permit has been canceled pursuant to  
5 this section.

6 (3) Whenever registrations, licenses, or permits have been paid for  
7 by checks that have been dishonored by nonacceptance or nonpayment, a  
8 reasonable handling fee may be assessed for each such instrument.  
9 Notwithstanding provisions of any other laws, county auditors, agents,  
10 and subagents, appointed or approved by the director pursuant to RCW  
11 46.01.140, may collect restitution, and where they have collected  
12 restitution may retain the reasonable handling fee. The amount of the  
13 reasonable handling fee may be set by rule by the director.

14 (4) In those counties where the county auditor has been appointed  
15 an agent of the director under RCW 46.01.140, the auditor shall  
16 continue to process mail-in registration renewals until directed  
17 otherwise by legislative authority.

18 NEW SECTION. Sec. 3. A new section is added to chapter 46.01 RCW  
19 to read as follows:

20 The title and registration advisory committee is created within the  
21 department. The committee consists of the director or a designee, who  
22 shall serve as chair, the assistant director for vehicle services, the  
23 administrator of title and registration services, two members from each  
24 of the house and senate transportation committees, two county auditors  
25 nominated by the Washington association of county officials, and two  
26 representatives of subagents nominated by an association of vehicle  
27 subagents. The committee shall meet at least twice a year, and may  
28 meet as often as is necessary.

1       The committee's purpose is to foster communication between the  
2 legislature, the department, county auditors, and subagents. The  
3 committee shall make recommendations when requested by the legislative  
4 transportation committee, or on its own initiative, about revisions to  
5 fee structures, implications of fee revisions on cost sharing, and the  
6 development of standard contracts provided for in RCW 46.01.140(3).  
7 The committee shall make recommendations about fee revisions to the  
8 legislative transportation committee by January 1, 1996.

9       NEW SECTION.   **Sec. 4.** A new section is added to chapter 46.68 RCW  
10 to read as follows:

11       The department of licensing services account is created in the  
12 motor vehicle fund. All receipts from service fees received under RCW  
13 46.01.140(4)(b) shall be deposited into the account. Moneys in the  
14 account may be spent only after appropriation. Expenditures from the  
15 account may be used only for information and service delivery systems  
16 for the department, and for reimbursement of county licensing  
17 activities.