

Public contracts—Statement regarding offshore items—Filing certificates—public records.

contracts to which the state is a party, and the responsible purchasing officers of each municipality, regarding all contracts to which the municipality is a party, shall keep the certificates required by section 2 of this act and shall maintain them in an orderly fashion. The certificates shall be available for examination by the public. They shall be kept for a period of five years from the date of their receipt.

Passed the Senate March 2, 1967.

Passed the House March 7, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 140.

[Senate Bill No. 43.]

MOTOR VEHICLES—OWNERSHIP—REGISTRATION—
SECURITY INTERESTS.

AN ACT relating to certificates of title and registration for motor vehicles; amending section 46.12.010, chapter 12, Laws of 1961 as amended by section 6, chapter 32, Laws of 1967 (SB 36) and RCW 46.12.010; amending section 46.12.120, chapter 12, Laws of 1961 and RCW 46.12.120; amending section 46.12.130, chapter 12, Laws of 1961 and RCW 46.12.130; amending section 46.12.170, chapter 12, Laws of 1961 and RCW 46.12.170; repealing section 46.12.100, chapter 12, Laws of 1961 as amended by section 10, chapter 32, Laws of 1967 (SB 36) and RCW 46.12.100; repealing section 46.12.110, chapter 12, Laws of 1961 and RCW 46.12.110; repealing section 46.12.150, chapter 12, Laws of 1961 and RCW 46.12.150; repealing section 46.12.180, chapter 12, Laws of 1961 and RCW 46.12.180; adding new sections to chapter 12, Laws of 1961 and 46.12 RCW and declaring an effective date.

Be it enacted by the Legislature of the State of Washington:

RCW 46.12.010 amended.

Section 1. Section 46.12.010, chapter 12, Laws of 1961 as amended by section 6, chapter 32, Laws of 1967 (SB 36) and RCW 46.12.010 are each amended to read as follows:

It shall be unlawful for any person to operate any vehicle in this state under a certificate of license registration of this state without securing and having in full force and effect a certificate of ownership therefor and it shall further be unlawful for any person to sell or transfer any vehicle without complying with all the provisions of this chapter relating to certificates of ownership and license registration of vehicles: *Provided*, No certificate of title need be obtained for a vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing and demonstration, or a vehicle used by a manufacturer solely for testing: *Provided*, That a security interest in a vehicle held as inventory by a manufacturer or dealer shall be perfected in accordance with RCW 62A.9-302(1) and no endorsement on the certificate of title shall be necessary for perfection: *And provided further*, That nothing in this title shall be construed to prevent any person entitled thereto from securing a certificate of ownership upon a vehicle without securing a certificate of license registration and vehicle license plates, when, in the judgment of the director of motor vehicles, it is proper to do so.

Motor vehicles
—Certificates
of ownership
and registra-
tion—License
plates required
—Exceptions.

NOTE: See also section 6, chapter 32, Laws of 1967.

Sec. 2. Section 46.12.120, chapter 12, Laws of 1961 and RCW 46.12.120 are each amended to read as follows:

RCW 46.12.120
amended.

If the purchaser or transferee is a dealer he shall, on selling or otherwise disposing of the vehicle, promptly execute the assignment and warranty of title, in such form as the director shall prescribe, and showing any secured party holding a security interest created or reserved at the time of resale and the date of his security agreement, to which shall be attached the assigned certificates of ownership and license registration received by the dealer, and mail

Motor vehicles
—Certificates
of ownership
and registra-
tion—Transfer
—Duty when
purchaser of
transferee is
a dealer.

Motor vehicles
—Certificates
of ownership
and registra-
tion—Transfers
—Duty when
purchaser of
transferee is
a dealer.

or deliver them to the department with the transferee's application for the issuance of new certificates of ownership and license registration: *Provided*, That the title certificate issued for a motor vehicle possessed by a dealer and subject to a security interest shall be delivered to the secured party who upon request of the dealer's transferee shall, unless the transfer was a breach of his security agreement, either deliver the certificate to the transferee for transmission to the department, or upon receipt from the transferee of the owner's bill of sale or sale document, the transferee's application for a new certificate and the required fee, mail or deliver to the department: *And provided further*, That failure of a dealer to deliver the title certificate to the secured party does not affect perfection of the security interest.

RCW 46.12.130
amended.

Sec. 3. Section 46.12.130, chapter 12, Laws of 1961 and RCW 46.12.130 are each amended to read as follows:

Transfer—
Assigned cer-
tificates to be
filed—Trans-
fers by other
than registered
owner.

Certificates of ownership when assigned and returned to the department, together with subsequently assigned reissues thereof, shall be retained by the department and appropriately filed and indexed so that at all times it will be possible to trace ownership to the vehicle designated therein:

(1) If the interest of an owner in a vehicle passes to another, other than by voluntary transfer, the transferee shall, except as provided in subsection (3) of this section, promptly mail or deliver to the department the last certificate of ownership if available, proof of transfer, and his application for a new certificate in the form the department prescribes.

(2) If the interest of the owner is terminated or the vehicle is sold under a security agreement by a secured party named in the certificate of ownership, the transferee shall promptly mail or deliver to the

department the last certificate of ownership, his application for a new certificate in the form the department prescribes, and an affidavit made by or on the behalf of the secured party that the vehicle was repossessed and that the interest of the owner was lawfully terminated or sold pursuant to the terms of the security agreement.

(3) If the secured party succeeds to the interest of the owner and holds the vehicle for resale, he need not secure a new certificate of ownership but, upon transfer to another person, shall promptly mail or deliver to the transferee or to the department the certificate, affidavit and other documents (and articles) required to be sent to the department by the transferee.

Sec. 4. Section 46.12.170, chapter 12, Laws of 1961 and RCW 46.12.170 are each amended to read as follows:

RCW 46.12.170 amended.

If, after a certificate of ownership is issued, a security agreement is placed on the vehicle described therein, the registered owner shall, within ten days thereafter, present his application to the director, signed by the secured party, to which shall be attached the certificate of license registration and the certificate of ownership last issued covering the vehicle, which application shall be upon a form provided by the director and shall be accompanied by a money order, bank draft, or certified bank check for one dollar. The director, if he is satisfied that there should be a reissue of the certificates, shall note such change upon his records and issue to the registered owner a new certificate of license registration and to the secured party a new certificate of ownership.

Motor vehicles—Certificates of ownership and registration—Procedure when security instrument is placed on vehicle.

Whenever there is no outstanding secured obligation and no commitment to make advances and incur obligations or otherwise give value, the secured party must assign the certificate of ownership

Motor vehicles
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dure when
security in-
strument is
placed on
vehicle.

to the debtor or the debtor's assignee and transmit the certificate to the department with an accompanying fee of one dollar. The department shall then issue a new certificate of ownership and transmit it to the owner. If the affected secured party fails to either assign or transmit the certificate of ownership to the debtor within ten days after proper demand, he shall be liable to the debtor for \$100, and in addition for any loss caused to the debtor by such failure.

New section.

Sec. 5. There is added to chapter 12, Laws of 1961 and 46.12 RCW a new section to read as follows:

Definitions.

As used in this amendatory act, the words "Delivery", "Notice", "Send" and "Security Interest" shall have the same meaning as these terms are defined in RCW 62A.1-201 as now and hereafter amended; the word, "Secured Party" shall have the same meaning as this term is defined in RCW 62A.9-105 as now and hereafter amended.

New section.

Sec. 6. There is added to chapter 12, Laws of 1961 and 46.12 RCW a new section to read as follows:

Perfecting a
security inter-
est in a
vehicle.

A security interest in a vehicle other than one held as inventory by a manufacturer or a dealer and for which a certificate of ownership is required is perfected only by compliance with the requirements of this section:

(1) A security interest is perfected only by the department's receipt of: (a) The existing certificate, if any, and (b) An application for a certificate of ownership containing the name and address of the secured party and the date of his security agreement, and (c) Tender of the required fee.

(2) It is perfected as of the time of its creation if the papers and fee referred to in the preceding subsection are received by this department within

eight department business days exclusive of the day on which the security agreement was created; otherwise, as of the date on which the department has received the papers and fee required in subsection (1).

(3) If a vehicle is subject to a security interest when brought into this state, perfection of the security interest is determined by the law of the jurisdiction where the vehicle was when the security interest was attached, subject to the following:

(a) If the security interest was perfected under the law of the jurisdiction where the vehicle was when the security interest was attached, the following rules apply:

(b) If the name of the secured party is shown on the existing certificate of ownership issued by that jurisdiction, the security interest continues perfected in this state. The name of the secured party shall be shown on the certificate of ownership issued for the vehicle by this state. The security interest continues perfected in this state upon the issuance of such ownership certificate.

(c) If the security interest was not perfected under the law of the jurisdiction where the vehicle was when the security interest was attached, it may be perfected in this state; in that case, perfection dates from the time of perfection in this state.

Sec. 7. There is added to chapter 12, Laws of 1961 and 46.12 RCW a new section to read as follows: New section.

A transfer of ownership in a motor vehicle is perfected by compliance with the requirements of this section. Perfecting transfer in motor vehicle

(1) If an owner transfers his interest in a vehicle, other than by the creation of a security interest, he shall, at the time of the delivery of the vehicle, execute an assignment to the transferee in the space provided therefor on the certificate or as the depart-

**Perfecting
transfer in
motor vehicle**

ment prescribes, and cause the certificate and assignment to be transmitted to the transferee or to the department.

(2) Except as provided in RCW 46.12.120 the transferee shall within fifteen days after delivery to him of the vehicle, execute the application for a new certificate of ownership in the same space provided therefor on the certificate or as the department prescribes, and cause the certificates and application to be transmitted to the department.

(3) Upon request of the owner or transferee, a secured party in possession of the certificate of ownership shall, unless the transfer was a breach of its security agreement, either deliver the certificate to the transferee for transmission to the department or, when the secured party receives the owner's assignment from the transferee, it shall transmit the transferee's application for a new certificate, the existing certificate, and the required fee to the department. Compliance with this section does not affect the rights of the secured party under his security agreement.

(4) If a security interest is reserved or created at the time of the transfer, the certificate of ownership shall be retained by or delivered to the person who becomes the secured party, and the parties shall comply with the provisions of RCW 46.12.170.

(5) If the purchaser or transferee fails or neglects to transfer such certificate of ownership and license registration within fifteen days after date of delivery of the vehicle to him, he shall on making application for transfer be assessed a five-dollar penalty on the sixteenth day and one dollar additional for each day thereafter, but not to exceed fifteen dollars.

(6) Upon receipt of an application for the reissue of a certificate of ownership and transfer of license registration, accompanied by the endorsed

certificate of ownership and such other documentary evidence as is deemed necessary, the department shall, if the application is in order and if all provisions relating to the certificates of ownership and license registration have been complied with, issue new certificates of title and license registration as in the case of an original issue and shall transmit the fees together with an itemized detailed report to the State Treasurer, to be deposited in the motor vehicle fund.

Sec. 8. There is added to chapter 12, Laws of 1961 and 46.12 RCW a new section to read as follows: New section.

If a certificate of ownership or a certificate of license registration is lost, stolen, mutilated or destroyed or becomes illegible, the first priority secured party or, if none, the owner or legal representative of the owner named in the certificate, as shown by the records of the department, shall promptly make application for and may obtain a duplicate upon tender of one dollar and upon furnishing information satisfactory to the department. The duplicate certificate of ownership or license registration shall contain the legend, "This is a duplicate certificate and may be subject to the rights of a person under the original certificate." It shall be mailed to the first priority secured party named in it or, if none, to the owner. Lost, stolen or mutilated certificate of license registration. New certificate.

The department shall not issue a new certificate of ownership to a transferee upon application made for a duplicate until fifteen department business days after receipt of the application.

A person recovering an original certificate of ownership or title registration for which a duplicate has been issued shall promptly surrender the original certificate to the department.

New section.

Sec. 9. There is added to chapter 12, Laws of 1961 and 46.12 RCW a new section to read as follows:

Motor vehicles.
Certificates of
registration
and ownership
—Department
unsatisfied as
to ownership
or to existence
of security in-
terests—Bond.

If the department is not satisfied as to the ownership of the vehicle or that there are no undisclosed security interests in it, the department may register the vehicle but shall either:

(1) Withhold issuance of a certificate of ownership until the applicant presents documents reasonably sufficient to satisfy the department as to the applicant's ownership of the vehicle and that there are no undisclosed security interests in it; or

(2) As a condition of issuing a certificate of ownership, require the applicant to file with the department a bond in the form prescribed by the department and executed by the applicant, or in lieu thereof a deposit of cash in like amount. The bond shall be in an amount equal to one and one-half times the value of the vehicle as determined by the department and conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney's fees, by reason of the issuance of the certificate of ownership of the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person has a right of action to recover on the bond for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond, or any cash deposit shall be returned at the end of three years or prior thereto if the vehicle is no longer registered in this state and the currently valid certificate of ownership is surrendered to the depart-

ment, unless the department has been notified of the pendency of an action to recover on the bond.

Sec. 10. Section 46.12.100, chapter 12, Laws of 1961 as amended by section 10, chapter 32, Laws of 1967 (SB 36) and RCW 46.12.100; section 46.12.110, chapter 12, Laws of 1961 and RCW 46.12.110; section 46.12.150, chapter 12, Laws of 1961 and RCW 46.12.150; section 46.12.180, chapter 12, Laws of 1961 and RCW 46.12.180 are each repealed.

Repeal.

NOTE: See also section 10, chapter 32, Laws of 1967.

Sec. 11. This act shall become effective at midnight on June 30, 1967. It applies to transactions entered into and events occurring after that date.

Effective date.

Passed the Senate January 26, 1967.

Passed the House March 6, 1967.

Approved by the Governor March 21, 1967.

CHAPTER 141.

[Senate Bill No. 40.]

STATE RESIDENTIAL SCHOOLS—RESIDENTS—
FINANCIAL RESPONSIBILITY.

AN ACT relating to the department of institutions; providing for responsibility of mentally or physically deficient persons residing in state residential schools for payment of the cost of care, support and treatment while residing in such institutions; providing procedures for establishing rates of charge; providing provisions for enforcement; amending section 72.33.180, chapter 28, Laws of 1959, as amended by section 1, chapter 61, Laws of 1959, and RCW 72.33.180; adding new sections to chapter 28, Laws of 1959 and to chapter 72.33 RCW; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Section 1. The purpose of this 1967 amendatory act is to place financial responsibility for cost of care, support and treatment upon those residents of

State residential schools—
Financial responsibility
of residents.
Purpose.