

Evaluation of the Requirement for Persons Registering a Motor Vehicle in Washington to Present an Unexpired Washington State Driver’s License

The 2013-15 Transportation Budget (ESSB 5024, Section 204(2)) directs the Joint Transportation Committee to coordinate a Work Group “to identify possible issues relating to the administration of, compliance with, and enforcement of the statutory requirement for a person to provide an unexpired (Washington) driver's license when registering a vehicle”. The Work Group is comprised of representatives from the Department of Licensing, Department of Revenue, County Auditors or other Agents, and Vehicle License Subagents (Subagents). The Work Group will make recommendations on any needed modifications in administration and enforcement to address identified issues, including potential statutory changes. A final report will be presented to the House and Senate Transportation Committees by December 31, 2013.

Who Processes Vehicle Licenses in Washington State?

State law allows County Auditors or their appointed Agents to conduct motor vehicle licensing operations on behalf of the State. Vehicle Licensing Subagents are private businesses who contract with County Auditors to conduct licensing operations at various locations. All 39 counties have County Auditors or Agents, (in 38 counties it is the County Auditor, and in King County, which has no County Auditor, a county employee serves as the Agent of the county and performs the licensing function). There are 141 Subagents in the state located in 31 of the State’s counties. *County Auditors or their Agents will subsequently be referred to as County Auditor.*

There are several ways to license a motor vehicle in Washington:

- On-line, through the Department of Licensing website
- In-person at the County Auditor’s office
- Mail-in to the County Auditor’s office
- In-person at a vehicle licensing Subagent’s business
- Mail-in at a vehicle licensing Subagent’s business

Nearly two-thirds of all vehicle licensing transactions are handled by Subagents. There were over 8.1 million licensing transactions in 2012:

- 5.1 million were handled by Subagents (63%) and
- 3.0 million were handled by County Auditors (37%)

Over 90 percent of these vehicle licensing transactions involve a motor vehicle, while the other licensing transactions involve other types of vehicles such as trailers. The law requires that an unexpired driver’s license be presented only for motor vehicle transactions.

2012 Transactions for County Auditors and Subagents

	Total Transactions	Transactions by Type	
		Over-the-counter: Walk-in and Mail	Internet
County Auditors	3.0 million	2.0 million (67%)	1.0 million (33%)
Subagents	5.1 million	4.4 million (86%)	0.7 million (14%)
Total	8.1 million		

Vehicle licensing transactions occur in one of two ways, either over the counter, or on the internet. The majority of transactions are over-the-counter, which includes both walk-ins and mail-ins. For Subagents, 86 percent of transactions are over-the-counter, and for Auditors, they are 67 percent. The proportion of over-the-counter transactions that are walk-ins versus mail-in, varies by county, and also by the type of transaction. For County Auditors, the percentage of vehicle license renewals by mail can be 90 percent or higher. For new licenses, the percentage by mail may be slightly lower, in the 80 to 90 percent range. In contrast, the vast majority of over-the-counter transactions for Subagents are walk-ins, ranging in the in the high 90th percentile.

Internet transactions are a growing percentage of transactions, rising from almost 13 percent in 2008 to nearly 21 percent in 2012. Internet transactions are growing more rapidly for Subagents; however, internet transactions represent a much higher percentage of transactions for Auditors. In 2012, County Auditors processed nearly one million internet registration transactions, compared with 700,000 for Subagents. Internet transactions represented 32 percent of Auditor transactions and 14 percent of Subagent transactions.

Two border counties, Clark and Cowlitz, had a relatively high percentage of new vehicle registrations involving out-of-state vehicles. In Cowlitz, an estimated one-quarter of new registrations involve a vehicle from Oregon, and about half of those persons registering a vehicle have a Washington State driver’s license (WSDL). For a Subagent operating in Clark County, an estimated 40 percent of new registrations are from Oregon, and about half of those registering an out of state vehicle have a WSDL. (Numbers in this paragraph are observed estimates, not confirmed data.)

Current Licensing Requirements

State law requires new Washington residents to license their vehicles within thirty days of moving to Washington (RCW 46.16A.140), and to obtain a WSDL within that same thirty days (RCW 46.20.021).

State law also requires people licensing their motor vehicles in Washington (or renewing the motor vehicle license) to show an unexpired WSDL. The law provides exceptions for Washington residents that do not drive on public roads and for individuals that are otherwise exempt from the requirement to obtain a WSDL (RCW 46.16A.050). The person claiming the exemption certifies under penalty of perjury that one or more registered owners meet one of the exemptions or that they have an unexpired Washington driver’s license.

RCW 46.16A.050 also requires the Department of Licensing (DOL) to set up procedures to verify all owners meet the law’s requirements; makes falsifying residency a gross misdemeanor punishable only by a fine of \$529; and authorizes DOL to adopt rules on exemptions from this requirement.

Engrossed House Bill 1241, Enacted in 2005

The requirement to show an unexpired driver’s license became law in 2005, with the enactment of EHB 1241. This legislation was in response to evidence that some people were becoming residents of Washington but failing to register their vehicles in Washington, in order to avoid paying sales and use tax on the vehicle. In addition, some people were keeping their out-of-state driver’s license (in most instances Oregon licenses), in order to avoid paying Washington sales and use taxes on other purchases.

RCW 82.08.0273 exempts non-residents with no sales and tax in their home state from paying Washington’s sales and use tax. In most cases, this means Oregon residents do not have to pay sales and use taxes on purchases made in Washington State.

The fiscal note for EHB 1241 projected that the legislation would generate additional sales and use tax revenue, which would be distributed primarily to the State General Fund, as well as amounts to local governments imposing local sales taxes, and revenue to transportation funds derived from vehicle registration fees and the 0.3% sales tax on motor vehicles.

Projected Revenue from EHB 1241—2005 Fiscal Note

Fiscal Biennium	General Fund (Sales and Use Tax)	Local (Sales and Use Tax)	Transportation (Registration Fees and Sales and Use Tax)	Trauma-care (Registration Fees)
2005-2007	\$ 2.1 million	\$ 420,000	\$ 100,000	\$ 11,000
2007-2009	\$1.7 million	\$ 340,000	\$ 18,000	\$ 2,000
2009-2011	\$1.7 million	\$ 340,000	\$ 18,000	\$ 2,000

Implementation of the requirement to present an unexpired Washington driver's license

Following enactment of the statute in 2005, DOL determined that the new law should be implemented in phases, since it required a significant change in the way transactions were completed.

Phase I. The first phase was intended to educate the public of the new requirements, by requesting presentation of an unexpired WSDL but not turning away customers who could not provide one. In Phase I, DOL did not require the offices to reject mailed-in renewals if the unexpired driver's license information was not included. Rather, an education approach was chosen.

Phase II. The second phase of implementation began in August of 2007, and was limited to a three-month pilot project with the Clark County Auditor and Subagents. For three months, the Auditor and Subagents were required to keep track of the number of transactions that would have been rejected because an unexpired driver license (or exemption) was not provided. That information was provided to DOL for analysis.

During Phase II, DOL then studied what was required to allow DOL's driver licensing and vehicle licensing databases to communicate with each other. This cross-communication would be necessary to verify the accuracy of the WSDL information drivers were asked to provide on their vehicle licensing forms.

DOL continued to educate Auditors and Subagents about the law's implementation at various user group and licensing association conferences.

Phase III – Full Implementation. Full implementation of the law was to take effect in 2009. This would compel all Auditors and Subagents to require the unexpired WSDL information in order to process a vehicle licensing transaction.

At a 2009 user group meeting, the DOL Director advised stakeholders that DOL was not able to secure funding to bridge the driver and vehicle databases. This meant there was no way to verify the accuracy of the WSDL information provided on vehicle registration forms.

Despite that shortcoming, the DOL director stated her expectation that Auditors and Subagents fully implement the law, and require customers to present an unexpired driver license. At the same time, the DOL Director acknowledged the impact to the customer and the office if the customer failed to provide that information on the mail-in renewal notices. Subsequently, DOL told Auditors and Subagents to follow the law.

Since 2009, County Auditors and Subagents continue to process mail-in transactions which do not include the unexpired WSDL information. They have said they do so because they don't have the staff or time to return the registration in order to obtain the unexpired WSDL information.

Compliance with the Statute Requiring Presentation of an Unexpired Washington Driver's License

The following observations are based on conversations study staff conducted with a group of Subagents, with a group of County Auditors and County Auditor's vehicle licensing personnel, and with staff from the Department of Licensing and the Department of Revenue.

Compliance rates

Compliance with the unexpired WSDL requirement is likely highest for on-line vehicle registrations. This is largely because the vehicle registration website prompts users to populate the driver's license information, and the site assesses the driver's license data for a valid WSDL. The application is rejected if no number is filled in, if the number is inconsistent with a valid WSDL number or if the expiration date of the WSDL is earlier than the transaction date. The application will proceed if the applicant marks that they are exempt from the WSDL requirement.

Lesser compliance is experienced with over-the-counter registrations. This includes both walk-in and mail-in registrations. Certain counties, such as Clark and Cowlitz, require an unexpired driver's license or an exemption statement when a customer walks in to register a vehicle. Clark County estimates that 10 to 15 percent of the time applicants do not have an unexpired WSDL. If the customer has a WSDL and has not filled in the WSDL field on the registration form, county personnel will do so. Other counties may do this depending on work demands in the office. Snohomish County indicates staff will ask for a WSDL, but will accept another ID to transact the registration. King County also checks for valid identification in lieu of an unexpired WSDL.

Auditors indicate their staff use the vehicle registration process as an opportunity to remind customers of the 30 day WSDL and vehicle registration requirement.

Discussions indicate that Subagents experience additional difficulty in carrying out this requirement due in large part to the volume of walk-in customers. Subagents cite processing delays (volume of walk-in customers, long waiting lines and complications with drive-through operations), customer relations, and competition with other licensing options as contributing factors to the added difficulty in enforcement. Subagents will check for the same last name between vehicle registration and WSDL or payment check. A Clark County Subagent keeps forms provided by DOL when customers claim an exemption from requirement to present WSDL.

Compliance appears lowest for mail-in registrations. Although DOL's mail-in form contains instructions and space for listing WSDL information, people mailing in their registrations may or may not provide that information. County Auditors and Subagents reported that they do not

reject mail-in registrations that do not include a WSDL number or exemption, due to workload constraints and the cost return postage, as well as delays in the licensing process for the public.

County Auditors and Subagents also receive mail-in registrations from auto dealers. While many dealers' registrations contain the full WSDL information, packets of multiple registrations may not all be complete. Registration applications from dealers of new vehicles tend to be the more thorough; out-of-state dealers vary in compliance with the requirement.

Licensing Investigative Unit in Clark County

The Washington State Patrol has established a Licensing Investigative Unit in Clark County to deal with issues related to enforcement of motor vehicle licensing issues in Southwest Washington. This area includes Clark, Skamania, Klickitat, Cowlitz, and Lewis counties. While the existence of this Unit is not directly related to this study, its functions are related to the objectives of passing EHB 1241—enforcement of vehicle registration laws.

The Licensing Investigative Unit, first established in 1999, is comprised of two Washington State Patrol officers and two volunteers. Its objective is to increase vehicle licensing compliance through education and enforcement. It monitors vehicles in Clark and other counties having out-of-state licenses, and records repeated sightings of those vehicles. It may then remind owners of those vehicles of Washington vehicle licensing laws, by post card or by vehicle windshield postings. The Unit also reviews those vehicle license addresses and registered owners and compares them with Washington driver and vehicle license information.

Persons not complying with vehicle licensing laws can be cited with a traffic infraction of \$1122 for violating the Washington State vehicle registration requirement to register a vehicle within 30 days of becoming a Washington State resident. In 2012, the Unit had over 800 vehicle licensing enforcement contacts, and issued 120 citations, 185 written warnings, and 510 verbal warnings. These are in addition to over 1,600 postcard notifications to vehicle owners.

Summary of Work Group Issues and Concerns:

Interviews with the study participants identified the following issues and concerns:

1. **Compliance with the statute varies considerably among the methods of license renewal and among and between the different licensing entities.**
2. **There is no way to determine the validity of the driver's license number on the vehicle registration form.** Except for on-line registrations, the vehicle licensing system does not check whether a person is submitting an accurate unexpired driver's license number, when licensing their vehicle. The Department of Licensing does not have the automated capability to cross-check driver's license information with vehicle registration information.
3. **Exemption claims cannot be verified.** There are numerous exemptions to the unexpired driver's license requirement and there is no process to verify those exemption claims.
4. **New residents may obtain a vehicle license before a driver's license.** The law requires that a new resident both get a Washington driver's license and register their vehicles within 30 days of becoming a resident. Since a new resident may be registering their vehicle before getting a WSDL, both Auditors and Subagents experience additional difficulty in complying with the requirements of this provision. Enforcement of the unexpired WSDL requirement results in customers being turned away.
5. **Processing delays for walk-in customers.** For walk-in customers, enforcement causes processing delays at customer counters, driving away customers, and adding to expense. This is generally more of an issue for Subagents, but can also affect Auditors Offices.
6. **No WSDL on mail-in registrations.** Especially in Auditor Offices with high volumes of mail-in registrations, officials usually process mail-in registrations even if they do not have the driver's license number. They maintain that returning incomplete registrations would require an increase in staffing levels, increase customer wait times, and delay vehicle licensing for customers.
7. **Incomplete WSDL information.** Individuals seeking to license their vehicle are not always prepared to present unexpired driver's license information for all vehicle owners, as the law requires.
 - a. When there is more than one person on the vehicle registration, the person registering the vehicle may not have the other owner's driver's license number.
 - b. A parent may be registering a vehicle for a child living out-of-state (e.g. a college student) and does not have the child's driver's license number.
8. **Validity of WSDL not evaluated.** There is no system in place to assess whether the WSDL license number provided is valid, except in the case of on-line registration. Also,

there is no protocol for retaining the WSDL information, which might permit the license number to be checked at some point in the future.

9. **Reluctance to enforce.** Because there is no way to check the validity of the WSDL submitted on vehicle registration forms, and because of the exemption allowances, Auditors and Subagents are often reluctant to enforce the requirement.
10. **Other licensing issues.** County Auditors and Subagents have also expressed concerns about their ability to verify addresses when licensing vehicles. This is especially an issue in counties with special taxing districts in portions of the county such as a Transportation Benefit Districts and public transportation districts. It appears that people sometimes submit false address to avoid paying taxes imposed by the special taxing districts.