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**SUBSTITUTE HOUSE BILL 2110**

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**State of Washington**

**52nd Legislature**

**1992 Regular Session**

**By** House Committee on Revenue (originally sponsored by Representative Braddock)

Read first time 02/11/92.

1       AN ACT Relating to ad valorem property taxes imposed on commercial  
2 watercraft; amending RCW 84.40.065; adding a new section to chapter  
3 84.56 RCW; prescribing penalties; making an appropriation; and  
4 providing an effective date.

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

6       **Sec. 1.** RCW 84.40.065 and 1986 c 229 s 3 are each amended to read  
7 as follows:

8       (1) Every individual, corporation, association, partnership, trust,  
9 and estate shall list with the department of revenue all ships and  
10 vessels which are subject to their ownership, possession, or control  
11 and which are not entirely exempt from property taxation, and such  
12 listing shall be subject to the same requirements(~~(7)~~) and penalties(~~(7~~  
13 ~~and liens)~~) provided in this chapter (~~(and chapter 84.60 RCW)~~) for all  
14 other personal property in the same manner as provided therein.

1       (2) The listing of ships and vessels shall be accomplished in the  
2 manner and upon forms prescribed by the department. Upon listing, the  
3 department shall assign a tax identification number and issue a decal  
4 for each vessel listed. The identification number and decal shall be  
5 issued and affixed to the vessel in a manner prescribed by the  
6 department consistent with the standard numbering system for vessels  
7 set forth in 33 C.F.R. Part 174 (1990). A decal affixed as prescribed  
8 shall indicate compliance with the listing requirements of this  
9 section. Failure to display a valid decal as required by this section  
10 shall subject the vessel owner to the penalties and enforcement  
11 provisions of RCW 88.02.110.

12       (3) The department shall assess all ships and vessels and (~~shall~~  
13 ~~certify to the respective county assessors~~) determine the equalized  
14 values thereof(~~(, subject to the same rules as other state-assessed~~  
15 ~~properties)~~) in accordance with RCW (~~(84.12.370 and 84.16.130 and~~  
16 ~~chapter 84.48 RCW)~~) 84.48.080.

17       (~~(3)~~) (4) Any ship or vessel owner disputing the assessment under  
18 this section shall have the same rights of review as any other vessel  
19 owner subject to the excise tax contained in chapter 82.49 RCW in  
20 accordance with RCW 82.49.060.

21       NEW SECTION. Sec. 2. A new section is added to chapter 84.56 RCW  
22 to read as follows:

23       (1) The department of revenue shall collect all ad valorem taxes  
24 upon ships and vessels listed with the department in accordance with  
25 RCW 84.40.065 and all applicable interest and penalties.

26       (a) The taxes shall be due and payable to the department on or  
27 before the thirtieth day of April and shall be delinquent after that  
28 date.

1 (b) When the total amount of the tax is thirty dollars or more, and  
2 if one-half of such tax is paid on or before the thirtieth day of  
3 April, the remainder of the tax shall be due and payable on or before  
4 the thirty-first day of the following October and shall be delinquent  
5 after that date.

6 (2) If payment of the tax is not received by the department by the  
7 due date, there shall be imposed a penalty of five percent of the  
8 amount of the tax; and if the tax is not received within thirty days  
9 after the due date, there shall be imposed a total penalty of ten  
10 percent of the amount of the tax; and if the tax is not received within  
11 sixty days after the due date, there shall be imposed a total penalty  
12 of twenty percent of the amount of the tax. No penalty so added shall  
13 be less than two dollars.

14 (3) Delinquent taxes under this section are subject to interest at  
15 the rate set forth in RCW 82.32.050 from the date of delinquency until  
16 paid. Interest or penalties collected on delinquent taxes under this  
17 section shall be paid by the department into the general fund of the  
18 state treasury.

19 (4) If upon information obtained by the department it appears that  
20 any ship or vessel required to be listed according to the provisions of  
21 RCW 84.40.065 is not so listed, the department shall assess against the  
22 owner of the vessel the taxes found to be due and shall add thereto  
23 interest at the rate set forth in RCW 82.32.050 from the original due  
24 date of the tax until the date of payment. The department shall notify  
25 the vessel owner by mail of the additional amount and the same shall  
26 become due and shall be paid by the vessel owner within thirty days of  
27 the date of the notice. If payment is not received by the department  
28 by the due date specified in the notice, the department shall add a  
29 penalty of ten percent of the tax found due. This penalty shall be in  
30 lieu of the penalty imposed by RCW 84.40.130(1). A person who

1 willfully gives a false listing or willfully fails to list a ship or  
2 vessel as required by RCW 84.40.065 shall be subject to the penalty  
3 imposed by RCW 84.40.130(2) which shall be assessed and collected by  
4 the department.

5 (5) Delinquent taxes under this section, along with all penalties  
6 and interest thereon, shall be collected by the department according to  
7 the procedures set forth in chapter 82.32 RCW for the filing and  
8 execution of tax warrants, including the imposition of warrant  
9 interest. In the event a warrant is issued by the department for the  
10 collection of taxes under this section, the department shall add a  
11 penalty of five percent of the amount of the delinquent tax, but not  
12 less than ten dollars.

13 (6) The department shall also collect all delinquent taxes  
14 pertaining to ships and vessels appearing on the records of the county  
15 treasurers for each of the counties of this state as of December 31,  
16 1992, including any applicable interest or penalties. The provisions  
17 of subsection (5) of this section shall apply to the collection of such  
18 delinquent taxes.

19 NEW SECTION. **Sec. 3.** The sum of one hundred thirty-seven  
20 thousand dollars, or as much thereof as may be necessary, is  
21 appropriated for the biennium ending June 30, 1993, from the general  
22 fund to the department of revenue for the purposes of this act.

23 NEW SECTION. **Sec. 4.** This act shall take effect January 1,  
24 1993.