

# HOUSE BILL REPORT

## HB 2110

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*As Reported By House Committee on:  
Revenue*

**Title:** An act relating to ad valorem property taxes imposed on commercial watercraft.

**Brief Description:** Providing for ad valorem property taxes on watercraft.

**Sponsor(s):** Representative Braddock.

**Brief History:**

Reported by House Committee on:  
Revenue, February 7, 1992, DPS.

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**HOUSE COMMITTEE ON  
REVENUE**

**Majority Report:** *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 9 members: Representatives Wang, Chair; Fraser, Vice Chair; Brumsickle, Ranking Minority Member; Wynne, Assistant Ranking Minority Member; Appelwick; Belcher; Day; J. Kohl; and Morris.

**Minority Report:** *Do not pass.* Signed by 3 members: Representatives Carlson; Morton; and Van Luven.

**Staff:** Rick Peterson (786-7150).

**Background:**

Commercial use watercraft, such as vessels used exclusively for fishing, charter boats, tugs and barges, are subject to personal property taxes. They pay the state levy only.

Commercial vessels in interstate or international commerce, and fishing boats used outside Washington waters are not subject to tax unless they spend more than 120 days in Washington.

The Department of Revenue watercraft section lists and values the vessels subject to tax. The county treasurers collect the tax.

**Summary of Substitute Bill:** The responsibility for collecting the state property tax levy on vessels is transferred to the Department of Revenue. Vessels listed for property taxes will be assigned a tax registration number and a decal. Vessel owners are required to display the decal.

Interest, at the rate charged for delinquent excise taxes, and penalties are established for late payment of property taxes on vessels.

Delinquent taxes on vessels currently on county treasurer records become the responsibility of the Department of Revenue.

**Substitute Bill Compared to Original Bill:** The effective dates are advanced one year in the substitute bill.

**Fiscal Note:** Available.

**Appropriation:** \$137,000.

**Effective Date of Substitute Bill:** January 1, 1993.

**Testimony For:** The responsibility for collection should be transferred to the Department of Revenue because (a) the department sets the assessed value for the vessels and taxpayers will only have to deal with one agency when they have questions and (b) the counties do not share in the revenue; vessels only pay the state school levy.

**Testimony Against:** None.

**Witnesses:** Mike Murphy, Thurston County; Phil Sanders, King County Finance Division; Barbara Cory, Whatcom County Treasurer; and Linda Lethlean, Department of Revenue (all in favor).