

FINAL BILL REPORT

SHB 2412

C 227 L 94
Synopsis as Enacted

Brief Description: Revising provisions relating to registration of rental cars.

By House Committee on Transportation (originally sponsored by Representatives Zellinsky and Schmidt).

House Committee on Transportation
Senate Committee on Transportation

Background: In 1992, EHB 2964 was passed by the Legislature. EHB 2964 removed rental vehicles from the registration and licensing provisions under RCW 46.16 and, instead, allowed rental vehicles to be registered and licensed under RCW 46.87--the proportional registration statutes.

In order to process rental vehicles under the proportional registration division of the Department of Licensing (DOL), DOL determined that an administrative fee of \$5.00 per rental vehicle registration was required. This cost was to offset the unique computer modifications required to properly track and register rental vehicles.

In keeping with the provisions of the proportional registration requirements in RCW 46.87.130, rental vehicles were added to those proportionally registered vehicles subject to a vehicle transaction fee. This fee is set internally by DOL and is applicable each time a vehicle is added to a Washington-based fleet and each time the proportional registration is renewed.

A \$10.00 fee was also charged to rental car businesses for each set of rental car license plates issued. Special plates were developed to specifically identify the vehicles as rental cars.

Summary: A number of drive-by shootings targeted at rental vehicles occurred last year in the state of Florida. In order to avoid such problems in Washington State, the act removes the existing language requiring rental vehicles to be specially registered and licensed under the proportional registration statutes, RCW 46.87. The effect of this proposed change is that rental vehicles will be registered

and licensed the same as privately-owned vehicles under RCW 46.16.

The special costs for registering and licensing vehicles under RCW 46.87 are no longer needed since the fees for registering and licensing vehicles under RCW 46.16 are already identified in statute. Thus, the \$5.00 per rental registration fee required for administration under the proportional registration statutes is eliminated. The \$10.00 fee for each set of rental vehicle license plates issued under the proportional registration program is eliminated. And the transaction fee is no longer applicable since rental vehicles will no longer be licensed under the proportional registration program.

Rental vehicles will, instead, be charged the same registration and licensing fees that all vehicles are charged normally under RCW 46.16.

When a rental vehicle is sold at retail, DOL may collect the motor vehicle excise tax for the remaining months of the registration year.

HB 2412 does not change the provision that rental car companies may register as a business under the proportional registration statute, RCW 46.87. Rental car companies remain exempt from the motor vehicle excise tax under RCW 82.44.020 and subject to the sales tax imposed under RCW 82.08.020.

Votes on Final Passage:

House	91	0
Senate	48	0

Effective: June 9, 1994