

**FINAL BILL REPORT**

**SB 5053**

**FULL VETO**

**AS PASSED LEGISLATURE**

**Brief Description:** Requiring the department of licensing to collect the local vessel excise tax on behalf of the counties.

**SPONSORS:** Senators A. Smith, Haugen, Loveland and McAuliffe

**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**HOUSE COMMITTEE ON TRANSPORTATION**

**BACKGROUND:**

An excise tax is imposed by the state for the privilege of using a vessel upon state waters. Certain vessels are exempt. The Department of Licensing collects the tax, depositing it into the general fund.

A county which is party to an interlocal agreement may impose a local excise tax on watercraft if population requirements are met. The monies collected by such counties are distributed monthly to the parties of the interlocal agreement, and are to be used only for administration and enforcement of boating safety, search and rescue operations concerning boating, and boating patrols.

The cost effectiveness of the program might be enhanced if the counties are able to contract with the state in the administration, collection and distribution of local excise taxes on watercraft.

**SUMMARY:**

Counties must contract with the Department of Licensing (DOL) for the administration and collection of a local excise tax on watercraft using state waters. A local vessel excise tax account is created in the state treasury, and these monies may only be used for distribution to counties imposing such taxes.

The director of DOL establishes rules to collect the local taxes in conjunction with the collection of the state watercraft excise tax. The contract provides for a deduction, not to exceed 2 percent, from the collected taxes to pay for DOL's administration and collection expenses.

Every month the State Treasurer distributes to the counties the amount of local tax collected, minus DOL's administrative deduction. No appropriation is necessary. If an ordinance or resolution imposes a local excise tax at an excessive rate,

the ordinance or resolution is void only to the extent that  
the rate is excessive.

**VOTES ON FINAL PASSAGE:**

Senate	47	1
House	98	0

**FULL VETO** (See VETO MESSAGE)