

February 17, 1997

BILL ANALYSIS

TO: Members, Committee on Trade and Economic Development  
FROM: Kenny Pittman, Research Analyst (786-7392)  
**RE: HB 1748 - Fostering economic development through  
increasing maritime trade competitiveness.**

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**BACKGROUND:**

Vessels boats- that have a valid registration number under federal law or by an approved issuing authority of the state of principal operation are exempt from vessel registration in the state of Washington. A vessel that is validly registered in another state, but is removed to this state for principal use, has 60 days to register with this state.

At the time of registration the owner is subject to the registration fee of \$10.50 and the watercraft excise tax that is the greater of \$5 or 0.5 percent of the fair market value of the vessel, with depreciations from the year of purchase according to a schedule developed by the Department of Revenue. The state provide an exemption from the registration fee and excise tax for: (1) vessels that are owned by federal, state and local governments; (2) vessels registered in other countries; (3) foreign vessels with valid U.S. Customs cruising licenses; (4) vessels registered in other states and owned by nonresidents that are in Washington less than 60 days; (5) vessels temporarily in the state for repair or alteration; and (6) nonresident's vessels which are in Washington for repair, where the owners is required to verify every 60 days that the vessel is here solely for repairs, reconstruction or testing.

**SUMMARY:**

Nonresident owners of vessels boats- that are validly registered in another state and used for personal use and enjoyment may obtain a cruise permit to remain in this state longer than 60 days before being required to register their vessels with

Washington State.

The cruise permit is valid for a maximum period of 120 days and the Department of Licensing may issue a nonresident owner only two cruise permits in any calendar year. A fee of \$250 must be paid for the issuance of the cruise permit. Vessels used in a nontransitory business in the state are not eligible for the special cruise permit.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.