

HOUSE BILL REPORT

SSB 5706

As Passed House - Amended:

April 6, 1999

Title: An act relating to the decriminalization of license fraud violations and establishing a license fraud task force in the Washington state patrol.

Brief Description: Decriminalizing license fraud and establishing a license fraud task force in the Washington state patrol.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Bauer, Haugen, Sellar, Benton, Shin, Eide, Prentice, Oke, Rasmussen, Jacobsen and Winsley).

Brief History:

Committee Activity:

Transportation: 3/22/99, 3/30/99 [DPA].

Floor Activity:

Passed House - Amended: 4/6/99, 93-0.

Brief Summary of Substitute Bill (As Amended by House Committee)

- Decriminalizes license fraud and imposes a fine of \$1,000 to \$10,000 for intentionally avoiding a payment of Washington taxes and fees.
- Creates a task force to enforce new civil penalties.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 23 members: Representatives Fisher, Democratic Co-Chair; K. Schmidt, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; Haigh; Hatfield; Hurst; Lovick; McDonald; Mielke; Mitchell; Morris; Murray; Ogden; Radcliff; Romero; Schindler; Schual-Berke; Scott and Skinner.

Staff: Jennifer Hanlon Ziegler (786-7316).

Background:

Failure to register a vehicle in Washington before operating it on a state highway constitutes a misdemeanor with a fine of no less than \$330. Licensing a vehicle in another state to evade any tax or license fees is a gross misdemeanor, punishable by up to one year in the county jail and a fine equal to twice the amount of the delinquent taxes and fees.

Registering an aircraft in another state or registering a vessel in another state or foreign country to avoid the Washington excise tax constitutes a gross misdemeanor. Failure to pay the annual tax imposed on a travel trailer or camper is a misdemeanor.

Failure to pay any excise taxes by the due date will result in a penalty of 5 percent of the amount of the tax. Failure to pay within one month of the due date will result in a penalty of 10 percent of the tax, and failure to pay within two months will result in a penalty of 20 percent of the tax.

Summary of Bill:

The Legislature intends to decriminalize license fraud and impose stronger civil penalties upon residents who do not comply with state vehicle registration laws.

The Washington State Patrol coordinates a License Fraud Task Force. One sergeant coordinates three task force detectives, one Department of Revenue tax discovery agent, and an Assistant Attorney General.

Anyone who fails to register a vehicle before operating it on a state highway is liable for a penalty of \$350 for each violation. Individuals who license a vehicle in another state to avoid paying any tax or license fee are liable for a minimum monetary penalty of \$1,000 and a maximum penalty of \$10,000. Failure to renew an expired registration remains a traffic infraction.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: License fraud is a significant problem and prosecutors do not have the time to prosecute all of the cases. This legislation assures license fraud will be addressed without placing additional burden on courts.

Testimony Against: None.

Testified: (Support) Captain Eric Robertson, Washington State Patrol; and Jim Thomas, Department of Revenue.