

Transportation Committee

SSB 5114

Brief Description: *Modifying motorcycle provisions.*

Sponsors: *By Senate Committee on Transportation (originally sponsored by Senators Horn, T. Sheldon, Hochstatter, Hargrove, Costa, Roach, Oke, Haugen, Zarelli, Regala, Fairley, Snyder, Morton, Benton, Constantine, Johnson, Stevens, McDonald, B. Sheldon, Sheahan, Long, Gardner and Rossi).*

Brief Summary of Substitute Bill

- *Exempts from the sales and use tax those motorcycles loaned or purchased for the purpose of providing motorcycle operator training through the Department of Licensing's (DOL) motorcycle safety education program.*
- *Revenue deposited into the Motorcycle Safety Education Account (MSEA) must be used only for DOL's motorcycle operator training and education program.*

Hearing Date: *3/20/01*

Staff: *Reema Griffith (786-7301).*

Background:

In 1982 legislation was passed requiring the DOL to create a voluntary motorcycle operator training and education program to provide public awareness of motorcycle safety via classroom and on-cycle training. The MSEA was created to fund the training and education program, the revenue of which is derived from fees associated with motorcycle endorsements, renewals, exams, and instruction permits.

The DOL contracts out the classroom and on-cycle training to seven different public and private motorcycle safety education providers located throughout the state. The motorcycles that are purchased by, or loaned to the educational providers, are subject to either sales or use tax. However, a longstanding agreement between the Department of Revenue and the DOL has kept the imposition of sales and use tax off of those motorcycles used for training

purposes. But because this is a verbal agreement that is not formalized in law, it cannot be ensured that this exemption status will continue indefinitely.

Summary of Bill:

SSB 5114 exempts from the sales and use tax those motorcycles loaned or purchased for the purpose of providing motorcycle training through the DOL motorcycle operator training and education program.

Revenue deposited into the MSEA must be used only for DOL's motorcycle operator training and education program.

Appropriation: *None.*

Fiscal Note: *Available.*

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