

SENATE BILL REPORT

SB 6438

As Reported By Senate Committee On:
Highways & Transportation, February 3, 2004

Title: An act relating to vessel registration enforcement.

Brief Description: Assisting vessel registration enforcement.

Sponsors: Senators Horn, Haugen, Swecker, Oke and Esser.

Brief History:

Committee Activity: Highways & Transportation: 1/29/04, 2/3/04 [DPS].

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6438 be substituted therefor, and the substitute bill do pass.

Signed by Senators Horn, Chair; Benton, Vice Chair; Swecker, Vice Chair; Esser, Haugen, Murray, Oke and Spanel.

Staff: Kimberly Johnson (786-7346)

Background: With few exceptions, no person may own or operate a vessel on the waters of this state unless the vessel has been registered and displays a registration number and a valid decal. Vessels that are validly registered in another state, but are brought into this state for principal use, must be registered in this state within 60 days.

However, vessels owned by a nonresident that are registered under the laws of another state are not required to register their vessel if the vessel is within Washington and is intended to be kept here for less than six months (180 days). For the first 60 days, vessels owned by a nonresident brought into the state for his or her use or enjoyment are not required to obtain a permit. After the first 60 days, the vessel owner must apply for a temporary permit that is valid for two months (60 days). The temporary permit may be renewed once for another two month (60 day) period.

Failure to register a vessel is a misdemeanor. All law enforcement officers have the authority to enforce the vessel registration requirements within their respective jurisdictions.

A watercraft excise tax is imposed for the privilege of using a vessel upon the waters of this state. The excise tax is due to the Department of Licensing or its agents at the time of registration of a vessel. The Department of Revenue (DOR) is authorized to collect any unpaid watercraft excise tax and assess penalties and interest.

Summary of Substitute Bill: DOR is given the authority to assess a penalty to an owner of a vessel that has not registered as required by law. The penalty is in addition to any other civil or criminal penalty imposed by law.

Any marina in the state that leases permanent moorage to vessels must require proof of vessel registration or a written statement of intent to register a vessel as a condition of leasing moorage space. The marina must: (1) inform the person applying for moorage space of the state law requiring vessel registration; and (2) direct the person applying for moorage space to the appropriate vessel registration forms.

As an additional condition of leasing moorage space, a marina operator must obtain certain information from the lease applicant. Such information includes, among other things: the name of the legal owner of the vessel, the owner's address and phone number, the vessel's hull identification number, and the vessel's country or state of registration and registration number. The marina operator must keep this information for at least two years, and must provide the information for DOR's review upon request.

Substitute Bill Compared to Original Bill: The substitute provides DOR with the authority to assess penalties equal to the amount of the fines that can be levied against a vessel owner found to have violated vessel registration requirements. The penalties imposed are in addition to any other civil or criminal penalty imposed by law. The substitute also provides that a marina operator require specific information be obtained from applicants as a condition of leasing moorage space. The information must be kept for at least two years and must be provided to DOR for inspection upon request.

Appropriation: None.

Fiscal Note: Requested on January 26, 2004.

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

Testimony For: I register my vessel and pay my taxes every year and feel like a fool because I see so many vessels that are not registered who are not paying their fair share. Nothing has been done to curb the rampant tax evasion. Marinas operate at a profit, and there is no reason that they should not be part of the solution.

Testimony Against: Tax enforcement is the responsibility of the state, not individual marina operators. The mandatory monthly reporting requirement is burdensome on marina operators. We would prefer to retain the information and provide it upon request. 90 percent of all vessels in this state are not in marinas; the vessels are in people's garages and backyards.

Testified: Stephen A. Hulsizer, citizen (pro); Drew Shirk, Department of Revenue; Cliff Webster, NW Marine Trade Assn. (con); Neil Faulkenberg, West Bay Marina (con); Pat Jones, Ports Assn. (concerns).