

HOUSE BILL REPORT

ESB 5416

As Reported by House Committee On:
Transportation

Title: An act relating to service fees on vessel-related transactions.

Brief Description: Concerning service fees on vessel-related transactions.

Sponsors: Senators King and Benton.

Brief History:

Committee Activity:

Transportation: 3/16/15, 3/19/15 [DPA].

Brief Summary of Engrossed Bill
(As Amended by Committee)

- States that the existing service fee that is due on vehicle certificate of title and registration transactions is also due on vessel certificate of title and registration transactions.
- Directs the fee on vessel transactions be deposited to the Capital Vessel Replacement Account for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 14 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Bergquist, Gregerson, McBride, Moeller, Morris, Ortiz-Self, Riccelli, Sells, Takko and Tarleton.

Minority Report: Do not pass. Signed by 10 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Kochmar, Pike, Rodne, Shea, Wilson, Young and Zeiger.

Minority Report: Without recommendation. Signed by 1 member: Representative Hayes.

Staff: Jerry Long (786-7306).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background:

County auditors or other entities, acting as agents and by appointment of the Director of the Department of Licensing (DOL), must provide various vehicle title and registration services to the public. These include processing a report of sale, processing a transitional ownership, processing mail-in vehicle registration renewals, issuing registration and temporary off-road vehicle use permits, issuing registration for snowmobiles, and collecting taxes and fees.

The DOL may appoint privately owned businesses as licensing subagents (subagents) to process these transactions under contract with the county auditor. In addition to any other fees, registration and title transactions processed by a subagent are subject to subagent service fees of \$5 for a registration and \$12 for a certificate of title. If a registration is processed with a title transfer, then the fee is \$12. In 2014 legislation passed that changed the subagent service fee to the service fee and required that it also be collected by the DOL, county auditors, and agents on all vehicle-related transactions. The service fees that are collected by the DOL, county auditors, and agents are deposited into the Capital Vessel Replacement Account.

Summary of Amended Bill:

The service fee that is due on vehicle certificate of title and registration transactions is also due on vessel certificate of title and registration transactions. The service fees that are collected by the DOL, county auditors, and agents are deposited into the Capital Vessel Replacement Account for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels.

Amended Bill Compared to Engrossed Bill:

The amended bill changes the distribution of the \$5 vessel registration fee and the \$12 title fee from the General Fund, to be distributed to counties and used for boating safety education and law enforcement programs, to the Capital Vessel Replacement Account for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect January 1, 2016.

Staff Summary of Public Testimony:

(In support) The distribution of funds from the fees is changed from the Capital Vessel Replacement Account to the General Fund to be distributed to counties for boating education

and law enforcement programs. There are 51 law enforcement agencies that use funds for boating regulation enforcement. The Boating Recreational Program was started at Washington State Parks in 1984. The program has helped reduce the number of boating accidents. The state is well equipped with fishing and boating opportunities. The funding could be used to build a partnership between state and local agencies.

This bill fixes an oversight from last year's bill where people thought that vessels were included in the bill. Vessels are in another section of state law and were not included in the 2014 legislation. Only vehicles, which includes trailers, were included in the 2014 legislation. There is support for fee equalization between subagents and county auditors. County budgets have been tight and with boating season starting, the funding will be beneficial to the county.

(Opposed) None.

(Other) The Recreational Boating Association of Washington is not in favor of additional registration fees, is neutral on the bill, but supports boating safety and law enforcement for boating activities.

Persons Testifying: (In support) Senator King, prime sponsor; Wade Alonzo, Washington State Parks; Chester Baldwin, Washington Association of Vehicle Subagents; and John Snaza, Thurston County Sheriff's Office.

(Other) Brittney Jarnot, Recreational Boating Association of Washington.

Persons Signed In To Testify But Not Testifying: None.