

HOUSE BILL REPORT

SHB 1254

As Passed Legislature

Title: An act relating to clarifying the authority of unregistered vehicles shipped as marine cargo through public ports to operate on public roadways.

Brief Description: Clarifying the authority of unregistered vehicles shipped as marine cargo through public ports to operate on public roadways.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Fey, Barkis, Wylie and Tharinger).

Brief History:

Committee Activity:

Transportation: 1/28/19, 1/31/19 [DPS].

Floor Activity:

Passed House: 3/6/19, 97-0.

Passed Senate: 4/10/19, 46-1.

Passed Legislature.

Brief Summary of Substitute Bill

- Exempts vehicles that are shipped as marine cargo through public ports from vehicle registration requirements to be operated on public roadways.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 29 members: Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke, Chambers, Dent, Doglio, Dufault, Entenman, Eslick, Goehner, Gregerson, Irwin, Kloba, Lovick, McCaslin, Mead, Orcutt, Paul, Pellicciotti, Ramos, Riccelli, Shea, Shewmake and Van Werven.

Staff: Patricia Hasan (786-7292).

Background:

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.

Vehicles, unless specifically exempt, must be registered with the state to be operated on public roadways. It is unlawful for a person to operate any vehicle, unless specifically exempt, on public highways in Washington without a current and proper vehicle registration and without displaying license plates on the vehicle. Vehicle registrations are issued by the Department of Licensing (DOL), county auditors or other agent, or subagents as appointed by the DOL, and are typically valid for one year from the date of purchase. Registrations are indicated with dated license tabs that are placed in a designated area on the license plate.

Some vehicles are not required to be registered in order to be operated on public roadways. The following vehicles are not required to be registered:

- converter gears used to convert a semitrailer into a trailer, or a two-axle truck or tractor into a three or more axle truck or tractor, or used in any other manner to increase the number of axles of a vehicle;
- electric-assisted bicycles;
- farm vehicles operated within a radius of 25 miles of the farm where they are principally used or garaged for the purposes of traveling between farms or other locations to engage in activities that support farming operations;
- farm tractors and farm implements including trailers designed as cook or bunk houses used exclusively for animal herding temporarily operating or drawn upon the public highways;
- trailers used exclusively to transport farm implements from one farm to another during daylight hours or at night when the trailer is equipped with lights that comply with applicable law;
- forklifts operated during daylight hours on public highways adjacent to and within 500 feet of the warehouses they serve;
- golf carts operating within a designated golf cart zone;
- motor vehicles operated solely within a national recreation area that is not accessible by a state highway, including motorcycles, motor homes, passenger cars, and sport utility vehicles (this exemption applies only after initial registration);
- motorized foot scooters;
- nurse rigs or equipment auxiliary for the use of and designed or modified for the fueling, repairing, or loading of spray and fertilizer applicator rigs and not used, designed, or modified primarily for the purpose of transportation;
- off-road vehicles operated on a street, road or highway, as regulated by any local political subdivision, or nonhighway roads;
- special highway construction equipment;
- dump trucks and tractor-dump trailer combinations that are:
 - designed and used primarily for construction work on highways;
 - not designed or used primarily for the transportation of persons or property on a public highway; and
 - only incidentally operated or moved over the highways;
- spray or fertilizer applicator rigs designed and used exclusively for spraying or fertilization in the conduct of agricultural operations and not primarily for the purpose of transportation;
- tow dollies;
- trams used for transporting persons to and from facilities related to the horse racing industry, with restrictions; and

- vehicles used by the Washington State Parks and Recreation Commission exclusively for park maintenance and operations upon public highways within state parks.

Summary of Substitute Bill:

Vehicles shipped as marine cargo are exempt from vehicle registration if:

- the vehicles are operated:
 - from wharves to and from storage areas or terminals owned by a public port; or
 - between storage areas or terminals owned by a public port; and
- at least part of the operation takes place on public roadways connecting facilities of a single public port.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The marine cargo industry supports 58,000 jobs in Washington, paying an average salary of \$95,000 per year. The industry also generates about a quarter of a billion dollars in state tax revenue every biennium.

Marine cargo includes automobiles from several manufacturers. In December 2018 a new port facility was opened in Tacoma that creates the potential for doubling the cargo capacity and the number of jobs affiliated with handling automobiles. The Port of Tacoma expects to see two to three vessels per week carrying automobiles, and 50 to 60 longshore workers are required for each vessel. This means a lot of family wage jobs in the area.

When a vehicle is unloaded from a ship, it is driven off the ship by an employee and driven to either a parking lot for storage or an automobile processing facility where it becomes ready to be delivered to a car dealership. The parcels of land between the storage and processing facilities are not always linked, and there are occasions where the vehicle may need to be driven on or across a public roadway. Because vehicles do not need to be registered until the end buyer makes a purchase, the port has unregistered vehicles driving on local and state streets. This has been a practice for about 30 years with no concerns. However, during the permitting process for the new facility in Tacoma, the City of Tacoma suggested that this practice be corrected.

For the automakers industry, certainty in the supply chain is important. This bill removes any possibility that vehicles shipped as marine cargo could be required to be registered and increase the cost of moving vehicles from the manufacturing facility to the storage facilities. The bill also reduces the regulatory burden on the Port of Tacoma.

Other states have similar provisions that allow for vehicles shipped as marine cargo to be unregistered. This bill is modeled after legislation from Florida. Additionally, Washington currently allows several types of vehicles to be unregistered, such as farm equipment. Farmers are allowed to drive tractors from one field to the next if the fields are bisected by a public road. Several state and local entities have been contacted regarding this bill and have had no concerns. This is ultimately a technical correction that codifies existing practice.

(Opposed) None.

Persons Testifying: Representative Fey, prime sponsor; Sean Eagan, Northwest Seaport Alliance; Michael Transue, Tacoma Pierce County Chamber of Commerce and Association of Global Automakers; and Gordon Baxter, International Longshore and Warehouse Union.

Persons Signed In To Testify But Not Testifying: None.