

# HOUSE BILL REPORT

## ESHB 1127

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As Amended by the Senate

**Title:** An act relating to the evasion of a tax or license fee when licensing a vehicle.

**Brief Description:** Controlling vehicle tax or license fee evasion.

**Sponsors:** By House Committee on Transportation (originally sponsored by Representatives R. Fisher, Brumsickle, Brown, Horn, Long, Quall, Carlson and Johanson; by request of Washington State Patrol.)

**Brief History:**

Reported by House Committee on:  
Transportation, February 2, 1993, DPS;  
Passed House, March 3, 1993, 77-20;  
Amended by Senate.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives R. Fisher, Chair; Schmidt, Ranking Minority Member; Brough; Brumsickle; Cothorn; Eide; Finkbeiner; Forner; Hansen; Horn; J. Kohl; Miller; H. Myers; Quall; Sheldon; Shin; and Zellinsky.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Heavey.

**Staff:** Brad Lovaas (786-7307).

**Background:** Current statute provides that failure to register a motor vehicle before operating it on the public roadways is a misdemeanor. It is a gross misdemeanor to register a motor vehicle in another state with the wilful intent to evade taxes due in this state.

The term "motor vehicle" excludes trailers and campers.

The Washington State Patrol has no statutory authority to investigate and enforce licensing law related to trailers, campers, aircraft or watercraft.

Current vessel law makes it a gross misdemeanor to obtain a dealer's license to evade taxes. However, if a person registers a vessel in another state for the purpose of evading taxes and is discovered, that person is liable for the unpaid licensing fees and excise taxes, but is not subject to criminal penalties.

A misdemeanor is punishable by imprisonment of not more than 90 days, or a fine of not more than \$1,000, or both.

A gross misdemeanor is punishable by imprisonment of not more than one year, or a fine of not more than \$5,000, or both.

**Summary of Bill:** The penalties for failing to register and/or evading licensing requirements for all modes of transportation (vehicle, aircraft and watercraft) are made uniform. Failure to license and pay taxes would be a misdemeanor. The penalty for wilfully licensing a vehicle, aircraft or watercraft in another state for the purpose of evading Washington taxes would be a gross misdemeanor.

The current language that states that a person who registers a vehicle in another state to avoid the licensing fee and excise tax must have done so with wilful intent is deleted.

A change is made to the vehicle licensing statutes to delete the word "motor" from the definition of "motor vehicle." The implication of this change is to expand the definition of vehicle to include trailers and campers.

**EFFECT OF SENATE AMENDMENT(S):** Vessels from a foreign country with a U.S. Customs cruising license may enter Washington waters without having to register as a Washington vessel.

**Fiscal Note:** Requested January 19, 1993.

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

**Testimony For:** Increased State Patrol enforcement authority and increased penalties will provide greater incentive for people to properly register their vehicles, trailers, campers, boats and airplanes.

**Testimony Against:** None.

**Witnesses:** Captain Tim Erickson, Washington State Patrol; John Woodring, Northwest Marine Trade Association; and Heather Hamilton, Department of Licensing.

**VOTE ON FINAL PASSAGE:**

Yeas 77; Nays 20; Excused 1

Nays: Representatives Appelwick, Ballard, Casada, Eide, Finkbeiner, Flemming, Fuhrman, Heavey, Karahalios, Lisk, Meyers R, Mielke, Morton, Padden, Riley, Roland, Romero, Schoesler, Stevens, Vance

Excused: Representative Leonard