S-5848.1			

SUBSTITUTE SENATE BILL 6218

State of Washington 60th Legislature 2008 Regular Session

 ${\bf By}$ Senate Ways & Means (originally sponsored by Senators Hatfield and Murray)

READ FIRST TIME 02/28/08.

- AN ACT Relating to historic vessels; amending RCW 88.02.010,
- 2 88.02.050, 88.02.050, and 82.49.010; adding a new section to chapter
- 3 88.02 RCW; creating a new section; providing an effective date; and
- 4 providing an expiration date.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 NEW SECTION. Sec. 1. The legislature finds and declares that
- 7 constructive leisure pursuits by Washington citizens are very
- 8 important. This act is intended to encourage responsible participation
- 9 in the hobby of collecting, preserving, restoring, and maintaining
- 10 vessels of historic and special interest, a hobby that contributes to
- 11 the enjoyment of Washington citizens and the preservation of
- 12 Washington's classic boat memorabilia.
- 13 **Sec. 2.** RCW 88.02.010 and 1983 c 7 s 14 are each amended to read
- 14 as follows:
- 15 Unless the context clearly requires otherwise, the definitions in
- 16 this section apply throughout this chapter.
- 17 (1) (("Vessel" means every watercraft used or capable of being used
- 18 as a means of transportation on the water, other than a seaplane.

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(2) "Owner" means a person who has a lawful right to possession of a vessel by purchase, exchange, gift, lease, inheritance, or legal action whether or not the vessel is subject to a security interest.

- (3)) "Collector" means the owner of one or more vessels who collects, purchases, acquires, trades, or disposes of the vessels or their parts for the collector's personal use, to preserve, restore, and maintain the boat for hobby or historical purposes.
- (2) "Dealer" means a person, partnership, association, or corporation engaged in the business of selling vessels at wholesale or retail in this state.
 - $((\frac{4}{1}))$ (3) "Department" means the department of licensing.
- (4) "Historic vessel" means any vessel that is at least sixty years old and is only being used for participation in club activities, exhibitions, tours, parades, and occasional pleasure boating, but does not include vessels that are used for commercial or rental purposes.
- (5) "Owner" means a person who has a lawful right to possession of a vessel by purchase, exchange, gift, lease, inheritance, or legal action whether or not the vessel is subject to a security interest.
- 19 <u>(6) "Vessel" means every watercraft used or capable of being used</u> 20 <u>as a means of transportation on the water, other than a seaplane.</u>
- **Sec. 3.** RCW 88.02.050 and 2007 c 342 s 5 are each amended to read 22 as follows:
 - (1) Application for a vessel registration shall be made to the department or its authorized agent in the manner and upon forms prescribed by the department. The application shall state the name and address of each owner of the vessel and such other information as may be required by the department, shall be signed by at least one owner, and shall be accompanied by a vessel registration fee of ten dollars and fifty cents per year and the excise tax imposed under chapter 82.49 RCW.
 - (2) Five additional dollars must be collected annually from every vessel registration application. These moneys must be distributed in the following manner:
- 34 (a) Two dollars must be deposited into the derelict vessel removal 35 account established in RCW 79.100.100. If the department of natural 36 resources indicates that the balance of the derelict vessel removal 37 account, not including any transfer or appropriation of funds into the

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account or funds deposited into the account collected under RCW 88.02.270, reaches one million dollars as of March 1st of any year, the collection of the two-dollar fee must be suspended for the following fiscal year.

- (b) One dollar and fifty cents must be deposited in the aquatic invasive species prevention account created in RCW 77.12.879.
- (c) One dollar must be deposited into the freshwater aquatic algae control account created in RCW 43.21A.667.
- (d) Fifty cents must be deposited into the aquatic invasive species enforcement account created in RCW 43.43.400.
- (3) Any fees required for licensing agents under RCW 46.01.140 shall be in addition to the ten dollar and fifty cent annual registration fee and the five-dollar fee created in subsection (2) of this section.
- (4) Upon receipt of the application and the registration fee, the department shall assign a registration number and issue a decal for each vessel. The department shall create and issue a separate decal for each historic vessel. The registration number and decal shall be issued and affixed to the vessel in a manner prescribed by the department consistent with the standard numbering system for vessels set forth in volume 33, part 174, of the code of federal regulations. A valid decal affixed as prescribed shall indicate compliance with the annual registration requirements of this chapter.
- (5) The vessel registrations and decals are valid for a period of one year, except that the director of licensing may extend or diminish vessel registration periods, and the decals therefor, for the purpose of staggered renewal periods. For registration periods of more or less than one year, the department may collect prorated annual registration fees and excise taxes based upon the number of months in the registration period. Vessel registrations are renewable every year in a manner prescribed by the department upon payment of the vessel registration fee, excise tax, and the derelict vessel fee. Upon renewing a vessel registration, the department shall issue a new decal to be affixed as prescribed by the department.
- (6) When the department issues either a notice to renew a vessel registration or a decal for a new or renewed vessel registration, it shall also provide information on the location of marine oil recycling tanks and sewage holding tank pumping stations. This information will

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be provided to the department by the state parks and recreation commission in a form ready for distribution. The form will be developed and prepared by the state parks and recreation commission with the cooperation of the department of ecology. The department, the state parks and recreation commission, and the department of ecology shall enter into a memorandum of agreement to implement this process.

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(7) A person acquiring a vessel from a dealer or a vessel already validly registered under this chapter shall, within fifteen days of the acquisition or purchase of the vessel, apply to the department or its authorized agent for transfer of the vessel registration, and the application shall be accompanied by a transfer fee of one dollar.

12 **Sec. 4.** RCW 88.02.050 and 2007 c 342 s 6 are each amended to read 13 as follows:

(1) Application for a vessel registration shall be made to the department or its authorized agent in the manner and upon forms prescribed by the department. The application shall state the name and address of each owner of the vessel and such other information as may be required by the department, shall be signed by at least one owner, and shall be accompanied by a vessel registration fee of ten dollars and fifty cents per year and the excise tax imposed under chapter 82.49 In addition, two additional dollars must be collected annually from every vessel registration application. These moneys must be deposited into the derelict vessel removal account established in RCW 79.100.100. If the department of natural resources indicates that the balance of the derelict vessel removal account, not including any transfer or appropriation of funds into the account or funds deposited into the account collected under RCW 88.02.270, reaches one million dollars as of March 1st of any year, the collection of the two-dollar fee must be suspended for the following fiscal year. Any fees required for licensing agents under RCW 46.01.140 shall be in addition to the ten dollar and fifty cent annual registration fee and the two-dollar derelict vessel fee.

(2) Upon receipt of the application and the registration fee, the department shall assign a registration number and issue a decal for each vessel. The department shall create and issue a separate decal for each historic vessel. The registration number and decal shall be issued and affixed to the vessel in a manner prescribed by the

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department consistent with the standard numbering system for vessels set forth in volume 33, part 174, of the code of federal regulations. A valid decal affixed as prescribed shall indicate compliance with the annual registration requirements of this chapter.

(3) The vessel registrations and decals are valid for a period of one year, except that the director of licensing may extend or diminish

vessel registration periods, and the decals therefor, for the purpose of staggered renewal periods. For registration periods of more or less

than one year, the department may collect prorated annual registration

fees and excise taxes based upon the number of months in the

registration period. Vessel registrations are renewable every year in

a manner prescribed by the department upon payment of the vessel

registration fee, excise tax, and the derelict vessel fee. Upon

renewing a vessel registration, the department shall issue a new decal

15 to be affixed as prescribed by the department.

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- (4) When the department issues either a notice to renew a vessel registration or a decal for a new or renewed vessel registration, it shall also provide information on the location of marine oil recycling tanks and sewage holding tank pumping stations. This information will be provided to the department by the state parks and recreation commission in a form ready for distribution. The form will be developed and prepared by the state parks and recreation commission with the cooperation of the department of ecology. The department, the state parks and recreation commission, and the department of ecology shall enter into a memorandum of agreement to implement this process.
- (5) A person acquiring a vessel from a dealer or a vessel already validly registered under this chapter shall, within fifteen days of the acquisition or purchase of the vessel, apply to the department or its authorized agent for transfer of the vessel registration, and the application shall be accompanied by a transfer fee of one dollar.
- NEW SECTION. Sec. 5. A new section is added to chapter 88.02 RCW to read as follows:
- A historic vessel registered under RCW 88.02.050 may only be used for participation in club activities, exhibitions, tours, parades, and occasional pleasure boating.

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Sec. 6. RCW 82.49.010 and 2000 c 229 s 5 are each amended to read as follows:

(1) An excise tax is imposed for the privilege of using a vessel upon the waters of this state, except vessels exempt under RCW 82.49.020. Except for historic vessels, the annual amount of the excise tax is one-half of one percent of fair market value, as determined under this chapter, or five dollars, whichever is greater. The annual amount of the excise tax for any historic vessel as defined in RCW 88.02.010 is one-quarter of one percent of fair market value, as determined under this chapter, or five dollars, whichever is greater.

Violation of this subsection is a misdemeanor.

- (2) Persons who are required under chapter 88.02 RCW to register a vessel in this state and who register the vessel in another state or foreign country and avoid the Washington watercraft excise tax are guilty of a gross misdemeanor and are liable for such unpaid excise tax. The department of revenue may assess and collect the unpaid excise tax under chapter 82.32 RCW, including the penalties and interest provided in chapter 82.32 RCW.
- (3) The excise tax upon a vessel registered for the first time in this state shall be imposed for a twelve-month period, including the month in which the vessel is registered, unless the director of licensing extends or diminishes vessel registration periods for the purpose of staggered renewal periods under RCW 88.02.050. A vessel is registered for the first time in this state when the vessel was not registered in this state for the immediately preceding registration year, or when the vessel was registered in another jurisdiction for the immediately preceding year. The excise tax on vessels required to be registered in this state on June 30, 1983, shall be paid by June 30, 1983.
- 30 <u>NEW SECTION.</u> **Sec. 7.** Section 3 of this act expires June 30, 2012.
- NEW SECTION. Sec. 8. Section 4 of this act takes effect June 30, 2012.

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