

SENATE BILL REPORT

HB 2074

As of February 22, 2022

Title: An act relating to fees collected from out-of-state residents who register off-road vehicles in Washington.

Brief Description: Concerning fees collected from out-of-state residents who register off-road vehicles in Washington.

Sponsors: Representative Wylie.

Brief History: Passed House: 2/14/22, 98-0.

Committee Activity: Transportation: 2/22/22.

Brief Summary of Bill

- Exempts a resident of a state that borders Washington that does not impose sales and use tax on transactions involving off-road vehicles (ORVs) from paying a licensing fee, if registering an ORV in Washington.
- Requires those out-of-state residents to pay any other applicable taxes and fees related to ORV registration.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Kelly Simpson (786-7403)

Background: An owner of an off-road vehicle (ORV), other than a wheeled all-terrain vehicle (WATV), that wishes to operate the vehicle in the state must first register the vehicle with the Department of Licensing (DOL) and pay a licensing fee of \$18, along with any applicable taxes and fees, which include a filing fee of \$4.50, a service fee of \$8, a \$0.25 license plate technology fee, a \$0.50 license service fee, a \$1 ORV decal fee, and use tax if sales tax has not been paid. An owner of a WATV must do the same, except for the

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\$1 decal fee, unless the owner also wants to register the vehicle for on-road travel, in which case the owner must pay an additional \$12 licensing fee. DOL will issue a decal to the owner of an ORV other than a WATV and a metal tag to the owner of a WATV. The decal or metal tag serves the same function as a license plate for on-road vehicles within Washington and, for states that have reciprocal laws governing out-of-state ORVs, allows the owner to operate the vehicle in that state.

An out-of-state owner of an ORV, including a WATV, that is properly registered or permitted in another state may operate the vehicle without registering it in Washington if the other state has a reciprocal law that allows out-of-state residents with properly registered or permitted vehicles to operate there without having to register. A resident of a state that borders Washington that does not impose sales and use tax on transactions involving ORVs must register the vehicle in Washington but is not required to pay any fee, if the resident presents an unexpired driver's license and a current registration or permit for the vehicle from the other state.

Summary of Bill: A resident of a state that borders Washington that does not impose sales and use tax on transactions involving ORVs is not required to pay a licensing fee, if registering an ORV in Washington. The applicant registering the ORV must pay any other applicable taxes and fees.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony: PRO: Last year the Legislature required Oregon ORV owners to register in Washington State when operating the ORV in Washington. However, the legislation did not impose any registration-related fees. This bill rectifies the issue in order to help subagents cover the costs of processing the registrations. Subagents are small businesses that rely on the administrative fees related to processing vehicle registrations. It is a hardship to register the vehicles but receive no payment to cover the costs of the work. If the ORVs from Oregon are required to be registered in Washington State, then those doing the work to process the registrations should be paid to do the necessary work.

Persons Testifying: PRO: Joe DePinto, Washington Association of Vehicle Subagents; Cari Crook, Washington Association of Vehicle Subagents; Thad Duvall, Douglas County Auditor.

Persons Signed In To Testify But Not Testifying: No one.