

SENATE BILL REPORT

SB 5604

As of February 21, 1995

Title: An act relating to vessel registration.

Brief Description: Regulating vessel registration.

Sponsors: Senators Owen, Prince, Oke, Heavey, Haugen, Snyder and Schow.

Brief History:

Committee Activity: Transportation: 2/21/95.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Jeff Doyle (786-7322)

Background: Under existing statute, vessel dealers are not required to register boats that are actually for sale. Also, vessel dealers are not required to pay the excise tax, and are given a special dealer display decal (similar in purpose to a car dealer's plates) to indicate that the boats are exempt from paying the excise tax.

Boats that use these display decals are not to be used for personal or recreational purposes. Several law enforcement agencies have reported that vessel dealers' stickers on certain boats are being misused, and are, in effect, evading excise taxes.

Vessel dealers report that marine patrols and other law enforcement agencies often interrupt demonstration rides with potential customers to board the boat and inspect vessel registration documents.

Currently, all law enforcement officers are authorized to enforce the provisions relating to vessel registration, including those provisions for vessel dealer display decals.

Deposits from prospective vessel purchasers in excess of \$1,000, or deposits held for more than 14 days must be placed in separate escrow accounts.

Summary of Bill: The exemption from registration and excise tax requirements for vessel dealers is emphasized.

Vessel dealers are authorized to pool purchase money security deposits into a single trust account.

All law enforcement officials are prohibited from enforcing vessel registration requirements. Only the Department of Licensing may enforce vessel registration provisions.

Appropriation: None.

Fiscal Note: Not requested.

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