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SENATE BILL 5604

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State of Washington

54th Legislature

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By Senators Owen, Prince, Oke, Heavey, Haugen, Snyder and Schow

Read first time 01/30/95. Referred to Committee on Labor, Commerce & Trade.

1 AN ACT Relating to vessel registration; and amending RCW 88.02.023,  
2 88.02.030, 88.02.220, and 88.02.100.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 88.02.023 and 1987 c 149 s 4 are each amended to read  
5 as follows:

6 (1) Vessel dealer display decals shall only be used:

7 ~~((1))~~ (a) To demonstrate vessels held for sale when operated by  
8 a prospective customer holding a dated demonstration permit, and shall  
9 be carried in the vessel at all times it is being operated by such  
10 individual; or

11 ~~((2))~~ (b) On vessels owned or consigned for sale that are in fact  
12 available for sale and being used only for vessel dealer business  
13 purposes by an officer of the corporation, a partner, a proprietor, or  
14 by a bona fide employee of the firm if a card so identifying any such  
15 individual is carried in the vessel at all times it is so operated.

16 (2) A vessel dealer may display a vessel in the vessel dealer's  
17 inventory, subject to subsection (1) of this section, without  
18 registration of the vessel, but only if during demonstration the vessel  
19 has its vessel dealer's display decal containing the vessel dealer's

1 registration number and any other information required by the  
2 department.

3       **Sec. 2.** RCW 88.02.030 and 1991 c 339 s 30 are each amended to read  
4 as follows:

5       Vessel registration is required under this chapter except for the  
6 following:

7       (1) Military or public vessels of the United States, except  
8 recreational-type public vessels;

9       (2) Vessels owned by a state or subdivision thereof, used  
10 principally for governmental purposes and clearly identifiable as such;

11       (3) Vessels either (a) registered or numbered under the laws of a  
12 country other than the United States; or (b) having a valid United  
13 States customs service cruising license issued pursuant to 19 C.F.R.  
14 Sec. 4.94;

15       (4) Vessels that have been issued a valid number under federal law  
16 or by an approved issuing authority of the state of principal  
17 operation. However, a vessel that is validly registered in another  
18 state but that is removed to this state for principal use is subject to  
19 registration under this chapter. The issuing authority for this state  
20 shall recognize the validity of the numbers previously issued for a  
21 period of sixty days after arrival in this state;

22       (5) Vessels owned by a resident of another state if the vessel is  
23 located upon the waters of this state exclusively for repairs or  
24 reconstruction, or any testing related to the repair or reconstruction  
25 conducted in this state if an employee of the repair facility is on  
26 board the vessel during any testing: PROVIDED, That any vessel owned  
27 by a resident of another state is located upon the waters of this state  
28 exclusively for repairs, reconstruction or testing for a period longer  
29 than sixty days, that the nonresident shall file an affidavit with the  
30 department of revenue verifying the vessel is located upon the waters  
31 of this state for repair, reconstruction or testing and shall continue  
32 to file such affidavit every sixty days thereafter, while the vessel is  
33 located upon the waters of this state exclusively for repairs,  
34 reconstruction or testing;

35       (6) Vessels equipped with propulsion machinery of less than ten  
36 horsepower that:

37       (a) Are owned by the owner of a vessel for which a valid vessel  
38 number has been issued;

1 (b) Display the number of that numbered vessel followed by the  
2 suffix "1" in the manner prescribed by the department; and

3 (c) Are used as a tender for direct transportation between that  
4 vessel and the shore and for no other purpose;

5 (7) Vessels under sixteen feet in overall length which have no  
6 propulsion machinery of any type or which are not used on waters  
7 subject to the jurisdiction of the United States or on the high seas  
8 beyond the territorial seas for vessels owned in the United States and  
9 are powered by propulsion machinery of ten or less horsepower;

10 (8) Vessels with no propulsion machinery of any type for which the  
11 primary mode of propulsion is human power;

12 (9) Vessels which are temporarily in this state undergoing repair  
13 or alteration;

14 (10) Vessels primarily engaged in commerce which have or are  
15 required to have a valid marine document as a vessel of the United  
16 States. Commercial vessels which the department of revenue determines  
17 have the external appearance of vessels which would otherwise be  
18 required to register under this chapter, must display decals issued  
19 annually by the department of revenue that indicate the vessel's exempt  
20 status; ((and))

21 (11) Vessels primarily engaged in commerce which are owned by a  
22 resident of a country other than the United States; and

23 (12) Vessels in a vessel dealer's inventory.

24 **Sec. 3.** RCW 88.02.220 and 1991 c 339 s 33 are each amended to read  
25 as follows:

26 A vessel dealer who receives cash or a negotiable instrument of  
27 deposit in excess of one thousand dollars, or a deposit of any amount  
28 that will be held for more than fourteen calendar days, shall place the  
29 funds in a ((separate)) trust account. Only cash or negotiable  
30 instruments from a retail purchaser are required to be placed in the  
31 trust account.

32 (1) The cash or negotiable instrument must be set aside immediately  
33 upon receipt for the trust account, or endorsed to such a trust account  
34 immediately upon receipt.

35 (2) The cash or negotiable instrument must be deposited in the  
36 trust account by the close of banking hours on the day following the  
37 receipt.

1 (3) After delivery of the purchaser's vessel the vessel dealer  
2 shall remove the deposited funds from the trust account.

3 (4) The dealer shall not commingle the ((purchaser's)) trust  
4 account funds with any other funds at any time.

5 (5) The funds shall remain in the trust account until the delivery  
6 of the purchased vessel. However, upon written agreement from the  
7 purchaser, the vessel dealer may remove and release trust funds before  
8 delivery.

9 **Sec. 4.** RCW 88.02.100 and 1983 c 7 s 20 are each amended to read  
10 as follows:

11 The department may adopt rules under chapter 34.05 RCW to implement  
12 this chapter. Only department of licensing personnel may enforce this  
13 chapter and implement the rules.

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