
Transportation Committee

HB 1446

Brief Description: Concerning registration enforcement for off-road vehicles and snowmobiles.

Sponsors: Representatives Blake, Condotta, Orcutt and Muri.

Brief Summary of Bill

- Makes it a gross misdemeanor either to register an off-road vehicle (ORV) or snowmobile in another state, or to hold a manufacturer's statement of origin for an ORV or snowmobile and not apply for a certificate of title within 15 days of entering Washington, for the purpose of avoiding Washington taxes and fees.
- Requires manufacturers of ORVs and snowmobiles to report annually to the Department of Licensing (DOL) a listing of all warranties of such vehicles sold to Washington residents by out-of-state dealers in the previous calendar year.
- Requires the DOL to examine the listing provided by the manufacturers of ORVs and snowmobiles and to notify any owner whose vehicle is not properly registered in Washington of the owner's obligations under state law, as well as the penalties for noncompliance.

Hearing Date: 2/2/17

Staff: Mark Matteson (786-7145).

Background:

Off-Road Vehicles.

Off-road vehicles (ORVs) are vehicles that are used for recreational purposes on nonhighway roads, trails, and other natural terrain. Off-road vehicles include all-terrain vehicles (ATVs), certain motorcycles, dune buggies, and certain four-wheel drive vehicles. An owner of an ORV who is a Washington resident must apply for a certificate of title for the vehicle after purchasing it in Washington or bringing the vehicle to the state for the first time. Among other things, the Department of Licensing (DOL) requires for titling purposes the manufacturer's statement or

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certificate of origin, an official document from the manufacturer that indicates the country of origin; the first conveyance of the vehicle after its manufacture; the model year; the make; an indication that the vehicle was not manufactured for on-road use; and several other pieces of information. At the time of application of title, the DOL will also require the owner to pay state and local use tax on the vehicle, based on the selling price, if the owner has not already paid sales tax on the vehicle at the time of purchase.

An owner of an ORV that wishes to operate the vehicle in the state must first register the vehicle with the DOL and pay a fee of \$18. The DOL will issue a decal to the owner of an ORV, except for the owner of a wheeled ATV, to whom the DOL will issue a metal tag. The decal or the 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. The penalty for a resident that operates an ORV without proper registration is a traffic infraction, with a fine of at least \$25.

An out-of-state owner of an ORV that is properly registered or permitted in that state may operate the vehicle 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.

Snowmobiles.

Snowmobiles are self-propelled vehicles capable of traveling over snow and ice. No title is required of Washington residents who purchase or bring in snowmobiles to the state. However, like with ORVs that are purchased without sales tax, use tax is due when the vehicle is acquired or first brought into the state.

An owner must register the vehicle with the DOL before operating it and pay a \$50 fee. Upon receipt of payment, the DOL will issue the applicant a decal, which must be affixed to the right or left side of the snowmobile below the windshield. The decal 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 snowmobiles, allows the owner to operate the vehicle in that state. The penalty for a resident that operates a snowmobile and fails to properly display the registration decal is a traffic infraction, with a fine of at least \$40.

Like with ORVs, an out-of-state owner of a snowmobile that is properly registered or permitted in that state may operate the vehicle 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.

Motorsport Vehicle Manufacturers.

State law regulates the franchise relationship between motorsport vehicle manufacturers and dealers. A motorsport vehicle is an umbrella term that includes motorcycles, mopeds, motor-driven cycles, personal watercraft, snowmobiles, and four-wheeled ATVs. Among the regulatory provisions are requirements concerning warranty work conducted by dealers and the manufacturers' responsibilities to compensate for such work.

Summary of Bill:

A resident who has registered an ORV or a snowmobile in another state, or who holds a manufacturer's statement of origin and does not apply for a Washington certificate of title within 15 days of bringing the vehicle to the state, in order to avoid the payment of Washington taxes or fees imposed in connection with registration, is guilty of a gross misdemeanor.

Beginning in January 2018, motorsports vehicle manufacturers are required to report annually to the DOL a listing of all warranties for ORVs and snowmobiles that are registered to Washington residents but were sold by out-of-state dealers in the previous calendar year. The DOL must examine the listing to verify whether the vehicles are properly registered. By the end of February of each year, the DOL must notify the owners of the warranties of the ORVs and snowmobiles that are not properly registered of the owner's obligations under state law, as well as the penalties for failure to comply with the law.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.