

# SENATE BILL REPORT

## ESHB 1906

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As of February 19, 2024

**Title:** An act relating to the vessel length requirement in obtaining nonresident vessel permits.

**Brief Description:** Changing the vessel length requirement in obtaining nonresident vessel permits.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Chapman, Barkis, Bronoske, Reed, Ryu and Reeves).

**Brief History:** Passed House: 2/13/24, 97-0.

**Committee Activity:** Transportation: 2/20/24.

### Brief Summary of Bill

- Increases from 200 to 300 feet the allowable maximum length of certain nonresident vessels eligible for a nonresident vessel permit.
- Requires a fee for a nonresident vessel permit for commercially-owned vessels between 201 and 300 feet of \$42 per foot of vessel length, beginning May 1, 2025.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Kelly Simpson (786-7403)

**Background:** Nonresident Vessel Permit. A nonresident owner of a vessel must obtain a nonresident vessel permit from the Department of Licensing (DOL) to operate the vessel on Washington waters beyond 60 days. A nonresident vessel permit lasts 60 days and may be renewed for an additional 60-day period. The permit may be issued only if the vessel has been brought into Washington for no more than six months in any continuous 12-month period. A vessel is eligible only if it is used for personal use or for charters with a captain or crew, as long as each individual charter is at least three days in duration.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

Additional Nonresident Vessel Permit Conditions. For a vessel owned by an entity other than a natural person, or for a vessel for which the individual owner intends to use it for charters with a captain or crew, additional conditions apply before a permit may be issued. The vessel must be at least 30 feet in length, but no more than 200 feet. The vessel may not be owned by a Washington resident, nor may a Washington resident be a principal of a nonresident owner. The Department of Revenue (DOR) must provide approval to the owner authorizing the permit. These additional conditions to obtain a nonresident vessel permit expire in 2029.

Nonresident Vessel Permit Fees. To obtain a nonresident vessel permit, the applicant must apply to DOL and must pay a fee, which depends on whether the vessel owner is a natural person or an entity other than a person. If the owner is a natural person, the fee is \$25. If the owner is not a natural person, for example, commercially-owned, the fee ranges from \$750 for 30 foot vessels to \$7,500 for 200 foot vessels. If the applicant intends to use the vessel for charters with a captain or crew, use tax is also due on the reasonable bare rental value of the vessel. This fee structure expires in 2029.

**Summary of Bill:** The allowable maximum length of a vessel for which a nonresident entity other than a person may obtain a nonresident vessel permit, or for which a nonresident person who intends to charter the vessel with a captain or crew may obtain such a permit, is increased from 200 to 300 feet. The fee for a nonresident vessel permit for a vessel of length between 201 and 300 feet, if the owner is an entity other than a person, is \$42 per foot of vessel length, beginning May 1, 2025.

Until May 1, 2025, DOL must process an application and assess a fee for a nonresident vessel permit for any vessel between 201 and 300 feet in length in the same manner as that for a vessel of 200 feet in length.

The bill expires on January 1, 2029.

**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.