

HOUSE BILL REPORT

HB 2074

As Reported by House Committee On:
Transportation

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:

Committee Activity:

Transportation: 1/31/22, 2/7/22 [DP].

Brief Summary of Bill

- Requires a resident of a state that borders Washington that does not impose sales and use tax on transactions involving off-road vehicles (ORVs) to pay a filing fee and a service fee if registering an ORV in Washington.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 28 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Berry, Chapman, Dent, Donaghy, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Orcutt, Paul, Ramel, Riccelli, Slatter, Sutherland, Taylor, Valdez, Walsh and Wicks.

Staff: Mark Matteson (786-7145).

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.

Background:

An off-road vehicle (ORV) is a vehicle that is used for recreational purposes on nonhighway roads, trails, and other natural terrain. Off-road vehicles include all-terrain vehicles, certain motorcycles, dune buggies, and certain four-wheel drive vehicles.

A wheeled all-terrain vehicle (WATV) is a specific category of an ORV that is regulated separately under some aspects of a state law first enacted in 2013. There are two types of WATVs that are regulated with respect to travel on public roads. One is a motorized nonhighway vehicle with certain specifications: handlebars of 50 inches or less in width; a seat with a height of at least 20 inches; a maximum weight of 1,500 pounds; and four tires with a maximum diameter of 30 inches. The second is a utility-type vehicle (UTV) designed for and capable of travel over designated roads with certain specifications: four or more low-pressure tires of 20 pounds per square inch or less; a maximum width of less than 74 inches; a maximum weight of less than 2,000 pounds; and a wheelbase of 110 inches or less. The latter category of WATV must satisfy one of three additional specifications: a minimum width of 50 inches; a minimum weight of 900 pounds; or a wheelbase of over 61 inches.

An owner of an ORV other than a 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, and use tax if sales tax has not been paid. An owner of a WATV must do the same, 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. The 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.

In general, 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. However, 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 required to pay a filing fee and a service fee, but not a

licensing fee, if registering an ORV in Washington.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill corrects an omission that occurred at the end of last session when there wasn't enough time to adopt an agreed-upon amendment that allows subagents to recoup their costs. Subagents are the ones most likely to be dealing with these registrations from out-of-state owners, because they are open on the weekends and county auditors' offices are not. The bill last year was about fairness: addressing the fact that many Washingtonians were going to Oregon to buy expensive ORVs, registering for very little in Oregon, and not paying their taxes here. This bill just closes a gap in last year's law, providing the transaction fee to the subagents. There is a proposed amendment that further clarifies the bill language.

Subagents who work near the border with Oregon have a good perspective on this. These sorts of transactions are not simple and require the processing time that title transactions do, anywhere from five to 11 minutes, which is much longer than a simple registration renewal for a Washingtonian. Without an associated fee, these transactions threaten subagents' business.

The county auditors support the bill and the forthcoming amendment. Just as a reminder, when the counties do these transactions, the fees help the ferry system.

(Opposed) None.

Persons Testifying: Representative Sharon Wylie, prime sponsor; Joe DePinto, Washington Association of Vehicle Subagents; Marci Straub, Battleground Auto License; and Thad Duvall, Douglas County Auditor's Office.

Persons Signed In To Testify But Not Testifying: None.