

# JUDICIAL IMPACT FISCAL NOTE

<b>Bill Number:</b> 2278 HB	<b>Title:</b> Off-Road Vehicle Registration	<b>Agency:</b> 055 – Administrative Office of the Courts (AOC)
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## Part I: Estimates

☐ **No Fiscal Impact**

### Estimated Cash Receipts to:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
<b>Total:</b>					

### Estimated Expenditures from:

STATE	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE – Staff Years					
<b>Account</b>					
General Fund – State (001-1)					
State Subtotal					
<b>COUNTY</b>					
County FTE Staff Years					
<b>Account</b>					
Local - Counties					
Counties Subtotal					
<b>CITY</b>					
City FTE Staff Years					
<b>Account</b>					
Local – Cities					
Cities Subtotal					
Local Subtotal					
<b>Total Estimated Expenditures:</b>					

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form parts I-V

☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

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OFM Review:	Phone:	Date:

## **Part II: Narrative Explanation**

This bill would amend RCW 46.09 requiring owners of off road vehicles residing in a state that borders Washington that does not impose a retail sales and does not impose a use tax on sales of off-road vehicles, to register the vehicle and purchase a decal in the State of Washington if they are going to operate the vehicle within the State of Washington.

This bill would also make it a gross misdemeanor to knowingly register an off-road vehicle in another state to avoid retail sales and use taxes and for a second offense, the imposition of a fine equal to four times the amount of the avoided taxes and fees.

### **Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts**

Section 1 – Would amend RCW 46.09.420 requiring that owners of off-road vehicles residing in a state that borders Washington and that does not impose a retail sales and use tax on sales or use of off-road vehicles to register the vehicle with the State of Washington when operating the vehicle in the State of Washington.

Section 2(6)(a) – Would eliminate the all-terrain vehicle registration exemption for vehicles owned by a resident of a state that borders Washington that does not impose a retail sales and use tax on the sales or use of wheeled all-terrain vehicles.

Section 3(2) – Would require that the Department of Licensing (DOL) transmit the results of the lists of motorsports vehicle warranties for off-road vehicles under chapter 46.09 and 46.10 sold to Washington residents by out of state motorsports vehicle dealers to the Department of Revenue (DOR). DOL and DOR shall jointly notify by certified mail the purchasers of warranties of off-road vehicles and snowmobiles that are not properly registered in the State of Washington the owner's obligations regarding vehicle titling, registration and use tax payment and the penalties for failure to comply with the law.

Section 4(1) - Would make it a gross misdemeanor for resident as identified in RCW 46.16A.140 to:

- (a) Knowingly fail to apply for a Washington State Certificate of Title for, or to knowingly fail to register an off-road vehicle within fifteen days of receiving or refusing a notice issued by the Department under RCW 46.93.210
- (b) Register an off-road vehicle in another state to avoid retail sales and use taxes under RCW chapters 82.08 and 82.12.

Section 4(2) – Would provide that upon a second or subsequent offense, the person convicted would be subject to a fine equal to four times the amount of avoided taxes and fees.

### **II.B - Cash Receipt Impact**

Indeterminate. There is no data available to estimate how many off-road vehicles would be purchased out of state by Washington State residents or how many out of state residents residing in a state bordering Washington that does not have sales and use tax imposed on said vehicles would use lands in the State of Washington to drive their vehicles.

### **II.C – Expenditures**

This bill would require changes to the law tables and account coding in various case management systems. Judicial education would be required. These costs would be managed within existing resources.