

# HOUSE BILL REPORT

## SSB 5706

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**As Reported By House Committee On:**  
Transportation

**Title:** An act relating to the decriminalization of license fraud violations and establishing a license fraud task force in the Washington state patrol.

**Brief Description:** Decriminalizing license fraud and establishing a license fraud task force in the Washington state patrol.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Bauer, Haugen, Sellar, Benton, Shin, Eide, Prentice, Oke, Rasmussen, Jacobsen and Winsley).

**Brief History:**

**Committee Activity:**

Transportation: 3/22/99, 3/30/99 [DPA].

**Brief Summary of Substitute Bill**  
(As Amended by House Committee)

- Decriminalizes license fraud and imposes a fine of \$1,000 to \$10,000 for intentionally avoiding a payment of Washington taxes and fees.
- Creates a task force to enforce new civil penalties.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass as amended. Signed by 23 members: Representatives Fisher, Democratic Co-Chair; K. Schmidt, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; Haigh; Hatfield; Hurst; Lovick; McDonald; Mielke; Mitchell; Morris; Murray; Ogden; Radcliff; Romero; Schindler; Schual-Berke; Scott and Skinner.

**Staff:** Jennifer Hanlon Ziegler (786-7316).

**Background:**

Failure to register a vehicle in Washington before operating it on a state highway constitutes a misdemeanor with a fine of no less than \$330. Licensing a vehicle in another state to evade any tax or license fees is a gross misdemeanor, punishable by up to one year in the county jail and a fine equal to twice the amount of the delinquent taxes and fees.

Registering an aircraft in another state or registering a vessel in another state or foreign country to avoid the Washington excise tax constitutes a gross misdemeanor. Failure to pay the annual tax imposed on a travel trailer or camper is a misdemeanor.

Failure to pay any excise taxes by the due date will result in a penalty of 5 percent of the amount of the tax. Failure to pay within one month of the due date will result in a penalty of 10 percent of the tax, and failure to pay within two months will result in a penalty of 20 percent of the tax.

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**Summary of Amended Bill:**

The Legislature intends to decriminalize license fraud and impose stronger civil penalties upon residents who do not comply with state vehicle registration laws.

The Washington State Patrol coordinates a License Fraud Task Force. One sergeant coordinates three task force detectives, one Department of Revenue tax discovery agent, and an Assistant Attorney General.

Anyone who fails to register a vehicle before operating it on a state highway is liable for a penalty of \$350 for each violation. Individuals who license a vehicle in another state to avoid paying any tax or license fee are liable for a minimum monetary penalty of \$1,000 and a maximum penalty of \$10,000. Failure to renew an expired registration remains a traffic infraction.

**Amended Bill Compared to Substitute Bill:** Members of the license fraud task force are decreased.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** License fraud is a significant problem and prosecutors do not have the time to prosecute all of the cases. This legislation assures license fraud will be addressed without placing additional burden on courts.

**Testimony Against:** None.

**Testified:** (Support) Captain Eric Robertson, Washington State Patrol; and Jim Thomas, Department of Revenue.