

SENATE BILL REPORT

ESSB 6494

As Passed Senate, March 1, 2002

Title: An act relating to two-year vehicle licensing.

Brief Description: Revising vehicle licensing provisions.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Hochstatter, Haugen, Benton, Shin, Johnson, Gardner, Finkbeiner, Kastama, McDonald, Carlson, Swecker, Parlette, Stevens, Hewitt, Morton, Sheahan, Rasmussen, Winsley and Oke).

Brief History:

Committee Activity: Transportation: 1/29/02, 2/12/02 [DPS].

Passed Senate: 3/1/02, 48-1.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6494 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Finkbeiner, Horn, Jacobsen, Johnson, Kastama, Keiser, McDonald, Oke, Prentice, T. Sheldon and Shin.

Staff: Chris Reykdal (786-7321)

Background: SB 6865 was passed during the 2000 first special session. SB 6865 set license tab fees at \$30 and eliminated the state's motor vehicle excise tax. The recent reduction in annual registration costs, the opportunity to create a convenience for Washington citizens, and the efficiency savings that are inherent with two-year registration cycles create an opportunity for Washington to shift from annual to two-year registrations.

Summary of Bill: A two-year vehicle licensing cycle is created for all vehicle classes except those paying gross weight fees of 8,000 lbs and greater. To achieve revenue neutrality, license tab fees and local option taxes that are collected simultaneously are doubled and collected every two years. County filing fees are changed from \$3.00 to \$5.00. Licensing sub-agent fees are changed from \$3.50 to \$5.50. The Licensing Services Account fee is changed from \$.50 to \$1.00.

Appropriation: None.

Fiscal Note: Requested on January 28, 2002.

Effective Date: The bill takes effect on registrations that are due or to become due January 1, 2003.

Testimony For: None.

Testimony Against: Licensing sub-agents have fixed costs that cannot be reduced despite the reduction in transactions. Furthermore, sub-agents are a convenience for citizens. If vehicle owners think the fees are too high, they have other options. Doubling license fees can get very expensive for citizens in the RTA. Also, counties may lose money in their general funds, and services may be affected.

Testified: CON: Don Borrell, Walt Robb, George Cohee, Don McCallum, Bill Cox, WAVS; Jennfer Shannon, Kent Licensing; Janet Novak, Federal Way Licensing; Donna Eldridge, Jefferson County Auditor; Al Brotche, Mason County Auditor; Vern Spatz, Washington Association of County Auditors; PRO (with concerns): Jackie Burnett, Mason County Licensing/Auditor.