

SENATE FILE NO. SF0033

Vehicle registration-shell businesses.

Sponsored by: Joint Transportation, Highways & Military
Affairs Interim Committee

A BILL

for

1 AN ACT relating to motor vehicles; creating a rebuttable
2 presumption relating to vehicles registered under the laws
3 of another jurisdiction for purposes of titling,
4 registration and ownership; providing a penalty; creating
5 a definition; amending vehicle registration exemptions; and
6 providing for effective dates.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 31-1-101(a) by creating a new
11 paragraph (xxxiv), 31-2-201 by creating new subsections (o)
12 through (q) and 31-2-224(a)(v)(intro) are amended to read:

13

14 **31-1-101. Definitions.**

15

1 (a) Except as otherwise provided, as used in this
2 act:

3
4 (xxxiv) "Shell business" means any partnership,
5 limited liability company, limited liability partnership,
6 corporation or other legal entity organized under the laws
7 of another jurisdiction which owns or holds title to a
8 vehicle to avoid proper registration of the vehicle in this
9 state. Factors which may indicate a legal entity is a
10 shell business include but are not limited to the
11 following:

12
13 (A) Absence of a specific business activity
14 or purpose;

15
16 (B) Failure to maintain a physical location
17 in the foreign jurisdiction;

18
19 (C) Failure to employ individual persons
20 and provide those persons with internal revenue service
21 form W-2 wage and tax statements; or
22

1 (D) Failure to file federal tax returns or
2 failure to file a required state tax return in the foreign
3 jurisdiction.

4
5 **31-2-201. Registration required; timelines.**

6
7 (o) If the department, in consultation with the
8 department of revenue, a county treasurer or a Wyoming
9 peace officer, determines a resident is in control of a
10 vehicle owned by a shell business, it shall be rebuttably
11 presumed the resident is the actual owner of the vehicle
12 and the resident shall be required to obtain a Wyoming
13 certificate of title, to register the vehicle and to pay
14 any sales or use taxes due on the purchase of the vehicle
15 in accordance with W.S. 39-15-107(b)(i) or
16 39-16-107(b)(ii). The department shall promulgate rules
17 and regulations to determine if a resident is in control of
18 a vehicle owned by a shell business which may include
19 consideration of the following factors:

20
21 (i) The resident was the initial purchaser of
22 the vehicle;

1 (ii) The resident operated or stored the vehicle
2 in Wyoming for any period of time;

3
4 (iii) The resident is a partner, member or
5 shareholder of the shell business that purports to be the
6 owner of the vehicle; or

7
8 (iv) The resident is insured to drive the
9 vehicle.

10
11 (p) If the department, in consultation with the
12 department of revenue, a county treasurer or a Wyoming
13 peace officer, determines that a resident is the presumed
14 owner of a vehicle under subsection (o) of this section,
15 the department shall notify the resident in writing, that
16 the resident is required to obtain a Wyoming certificate of
17 title, to register the vehicle and to pay any sales or use
18 taxes due on the purchase of the vehicle in accordance with
19 W.S. 39-15-107(b)(i) or 39-16-107(b)(ii) within thirty (30)
20 days from the date of the notice. The department shall
21 promulgate rules and regulations in accordance with the
22 Wyoming Administrative Procedure Act necessary to implement
23 this section, including rules and regulations to provide

1 the resident an opportunity for a hearing and appeal.
2 Following a final determination in the appeal in favor of
3 the department, the resident shall owe the taxes and fees
4 determined to be due.

5
6 (q) If a person found to be in control of a vehicle
7 owned by a shell business under subsection (o) of this
8 section fails to pay registration fees or applicable sales
9 or use taxes due within thirty (30) days from the date of
10 the notice required under subsection (p) of this section or
11 within thirty (30) days following a final determination in
12 favor of the department under subsection (p) of this
13 section, the person shall be charged a civil penalty in an
14 amount not more than seventy-five percent (75%) of the
15 unpaid registration fees.

16
17 **31-2-224. Registration exemptions.**

18
19 (a) The following vehicles are exempt from the
20 provisions of this article:

21
22 (v) Except as otherwise provided in W.S.
23 31-2-101(o), vehicles owned by a nonresident, validly

1 registered in another state or country, displaying
2 registration numbers or plates in accordance with the laws
3 of that state or country and:

5 **Section 2.** The department of transportation shall
6 promulgate rules and regulations necessary to implement
7 this act on or before July 1, 2016.

9 Section 3.

11 (a) Except as provided in subsection (b) of this
12 section, this act is effective July 1, 2017.

(b) Section 2 of this act is effectively immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

19 (END)