

2 **SHB 2964 - H AMD 0291 FAILED 03/06/92**

3 By Representatives Wang, Locke, J. Kohl, Ferguson, Paris, Applewick  
4 and Brumsickle

5

6 Strike everything after the enacting clause and insert the  
7 following:

8 "NEW SECTION. **Sec. 1.** A new section is added to chapter 46.04 RCW  
9 to read as follows:

10 (1) "Rental car" means a passenger car, as defined in RCW  
11 46.04.382, that is used solely by a rental car business for rental to  
12 others, without a driver provided by the rental car business, for  
13 periods of not more than thirty consecutive days.

14 (2) "Rental car" does not include:

15 (a) Vehicles rented or loaned to customers by automotive repair  
16 businesses while the customer's vehicle is under repair;

17 (b) Vehicles licensed and operated as taxicabs."

18 "NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW  
19 to read as follows:

20 For purposes of this chapter, "retail car rental" means renting a  
21 rental car, as defined in section 1 of this act, to a consumer."

22 "NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14 RCW  
23 to read as follows:

24 The legislative authority of any county may impose a sales and use  
25 tax, in addition to the tax authorized by RCW 82.14.030, upon retail  
26 car rentals within the county that are taxable by the state under  
27 chapters 82.08 and 82.12 RCW. The rate of tax shall be one percent of

1 the selling price in the case of a sales tax or rental value of the  
2 vehicle in the case of a use tax. Proceeds of the tax shall be used  
3 solely for the following purposes:

4 (1) Acquiring, constructing, maintaining, or operating public  
5 sports stadium facilities; or

6 (2) Engineering, planning, financial, legal, or professional  
7 services incidental to public sports stadium facilities."

8 "NEW SECTION. Sec. 4. The legislature intends to exempt rental  
9 cars from state and local motor vehicle excise taxes, and to impose  
10 additional sales and use taxes in lieu thereof. These additional sales  
11 and use taxes are intended to provide as much revenue as would have  
12 been received if the motor vehicle excise tax exemptions had not been  
13 enacted. Revenues from these additional sales and use taxes are  
14 intended to be distributed in the same manner as the motor vehicle  
15 excise tax revenues they replace."

16 "NEW SECTION. Sec. 5. A new section is added to chapter 46.04 RCW  
17 to read as follows:

18 "Rental car business" means a person engaging within this state in  
19 the business of renting rental cars, as determined under rules of the  
20 department of licensing."

21 "NEW SECTION. Sec. 6. A new section is added to chapter 46.16 RCW  
22 to read as follows:

23 Rental cars shall be registered and licensed as provided in chapter  
24 46.87 RCW."

25 "NEW SECTION. Sec. 7. A new section is added to chapter 46.87 RCW  
26 to read as follows:

1 (1) Rental car businesses must register with the department of  
2 licensing. This registration must be renewed annually by the rental  
3 car business.

4 (2) Rental car businesses must obtain a certificate of ownership  
5 and indicate that the vehicle is a rental car. Registration must be  
6 obtained for all rental cars and shall be valid for the period in which  
7 the rental car is part of an authorized business up to a maximum of  
8 twelve months.

9 (3) In addition to all other fees prescribed for the registration  
10 of vehicles under chapter 46.16 RCW, the department shall collect a fee  
11 of five dollars per registration for the administration of the program  
12 and a vehicle transaction fee as authorized in RCW 46.87.130 to be  
13 deposited to the motor vehicle fund.

14 (4) Use of rental cars is restricted to the rental customer unless  
15 otherwise provided by rule.

16 (5) The department will issue rental car license plates to  
17 businesses authorized under this section. A rental car business shall  
18 pay a fee of ten dollars for each set of rental car license plates as  
19 defined in RCW 46.87.090. Rental cars no longer eligible for use of  
20 the rental plates will be considered unlicensed vehicles and must be  
21 registered and pay the required motor vehicle excise taxes and  
22 registration fees prior to operation on public roads of this state.

23 (6) The department may authorize rental car businesses to issue  
24 temporary authorization permits as defined in RCW 46.87.080.

25 (7) The department may suspend or cancel the exemptions, benefits,  
26 or privileges granted under this section to any person or business firm  
27 who violates the laws of this state relating to the operation or  
28 registration of vehicles or rules lawfully adopted thereunder. The  
29 department may initiate and conduct audits, investigations, and

1 enforcement actions as may be reasonably necessary for administering  
2 this section.

3 (8) Except as provided in this section or by rule adopted pursuant  
4 to this section, the transfer or use of the rental plates is a traffic  
5 infraction subject to a fine not to exceed five hundred dollars. Any  
6 law enforcement agency that determines that a special license plate has  
7 not been used in conformance with this section will confiscate the  
8 license plates and return them to the department for nullification  
9 along with full details of the reasons for confiscation.

10 (9) The department shall adopt such rules as may be necessary to  
11 administer and enforce the provisions of this section."

12 "NEW SECTION. **Sec. 8.** A new section is added to chapter 82.44 RCW  
13 to read as follows:

14 Rental cars as defined in section 1 of this act are exempt from the  
15 taxes imposed in RCW 82.44.020 (1) and (2)."

16 "**Sec. 9.** RCW 82.08.020 and 1985 c 32 s 1 are each amended to read  
17 as follows:

18 (1) There is levied and there shall be collected a tax on each  
19 retail sale in this state equal to six and five-tenths percent of the  
20 selling price.

21 (2) There is levied and there shall be collected an additional tax  
22 on each retail car rental, regardless of whether the vehicle is  
23 licensed in this state, equal to five and nine-tenths percent of the  
24 selling price. Ninety-one percent of the revenue collected under this  
25 subsection shall be deposited and distributed in the same manner as  
26 revenue collected under RCW 82.44.020(1). Nine percent of the revenue  
27 collected under this subsection shall be deposited and distributed in  
28 the same manner as revenue collected under RCW 82.44.020(2).

1        ~~(3)~~ The ~~((tax))~~ taxes imposed under this chapter shall apply to  
2 successive retail sales of the same property.

3        ~~((3))~~ (4) The rates provided in this section ~~((applies))~~ apply to  
4 taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020."

5        "NEW SECTION. Sec. 10. A new section is added to chapter 82.08  
6 RCW to read as follows:

7        Before January 1, 1994, and January 1 of each odd-numbered year  
8 thereafter:

9        The department of licensing, with the assistance of the department  
10 of revenue, shall provide the office of financial management and the  
11 fiscal committees of the legislature with an updated estimate of the  
12 amount of revenue attributable to the taxes imposed in RCW  
13 82.08.020(2), and the amount of revenue not collected as a result of  
14 section 8 of this act."

15        "Sec. 11. RCW 35.58.273 and 1991 c 339 s 29 and 1991 c 309 s 1 are  
16 each reenacted and amended to read as follows:

17        (1) Through June 30, 1992, any municipality, as defined in this  
18 subsection, is authorized to levy and collect a special excise tax not  
19 exceeding .7824 percent and beginning July 1, 1992, .725 percent on the  
20 value, as determined under chapter 82.44 RCW, of every motor vehicle  
21 owned by a resident of such municipality for the privilege of using  
22 such motor vehicle provided that in no event shall the tax be less than  
23 one dollar and, subject to RCW 82.44.150 (3) and (4), the amount of  
24 such tax shall be credited against the amount of the excise tax levied  
25 by the state under RCW 82.44.020(1). As used in this subsection, the  
26 term "municipality" means a municipality that is located within (a)  
27 each county with a population of two hundred ten thousand or more and  
28 (b) each county with a population of from one hundred twenty-five

1 thousand to less than two hundred ten thousand except for those  
2 counties that do not border a county with a population as described  
3 under subsection (a) of this subsection.

4 (2) Through June 30, 1992, any other municipality is authorized to  
5 levy and collect a special excise tax not exceeding .815 percent, and  
6 beginning July 1, 1992, .725 percent on the value, as determined under  
7 chapter 82.44 RCW, of every motor vehicle owned by a resident of such  
8 municipality for the privilege of using such motor vehicle provided  
9 that in no event shall the tax be less than one dollar and, subject to  
10 RCW 82.44.150 (3) and (4), the amount of such tax shall be credited  
11 against the amount of the excise tax levied by the state under RCW  
12 82.44.020(1). Before utilization of any excise tax moneys collected  
13 under authorization of this section for acquisition of right of way or  
14 construction of a mass transit facility on a separate right of way the  
15 municipality shall adopt rules affording the public an opportunity for  
16 "corridor public hearings" and "design public hearings" as herein  
17 defined, which rule shall provide in detail the procedures necessary  
18 for public participation in the following instances: (a) prior to  
19 adoption of location and design plans having a substantial social,  
20 economic or environmental effect upon the locality upon which they are  
21 to be constructed or (b) on such mass rapid transit systems operating  
22 on a separate right of way whenever a substantial change is proposed  
23 relating to location or design in the adopted plan. In adopting rules  
24 the municipality shall adhere to the provisions of the Administrative  
25 Procedure Act.

26 (3) A "corridor public hearing" is a public hearing that: (a) is  
27 held before the municipality is committed to a specific mass transit  
28 route proposal, and before a route location is established; (b) is held  
29 to afford an opportunity for participation by those interested in the  
30 determination of the need for, and the location of, the mass rapid

1 transit system; (c) provides a public forum that affords a full  
2 opportunity for presenting views on the mass rapid transit system route  
3 location, and the social, economic and environmental effects on that  
4 location and alternate locations: PROVIDED, That such hearing shall  
5 not be deemed to be necessary before adoption of an overall mass rapid  
6 transit system plan by a vote of the electorate of the municipality.

7 (4) A "design public hearing" is a public hearing that: (a) is  
8 held after the location is established but before the design is  
9 adopted; and (b) is held to afford an opportunity for participation by  
10 those interested in the determination of major design features of the  
11 mass rapid transit system; and (c) provides a public forum to afford a  
12 full opportunity for presenting views on the mass rapid transit system  
13 design, and the social, economic, environmental effects of that design  
14 and alternate designs.

15 (5) A municipality imposing a tax under subsection (1) or (2) of  
16 this section may also impose a sales and use tax, in addition to the  
17 tax authorized by RCW 82.14.030, upon retail car rentals within the  
18 municipality that are taxable by the state under chapters 82.08 and  
19 82.12 RCW. The rate of tax shall bear the same ratio to the rate  
20 imposed under RCW 82.08.020(2) as the excise tax rate imposed under  
21 subsection (1) of this section bears to the excise tax rate imposed  
22 under RCW 82.44.020 (1) and (2). The base of the tax shall be the  
23 selling price in the case of a sales tax or the rental value of the  
24 vehicle used in the case of a use tax. The tax imposed under this  
25 section shall be deducted from the amount of tax otherwise due under  
26 RCW 82.08.020(2). The revenue collected under this subsection shall be  
27 distributed in the same manner as special excise taxes under  
28 subsections (1) and (2) of this section."

1       **"Sec. 12.** RCW 81.100.060 and 1991 c 363 s 154 are each amended to  
2 read as follows:

3       A county with a population of one million or more and a county with  
4 a population of from two hundred ten thousand to less than one million  
5 that is adjoining a county with a population of one million or more,  
6 having within their boundaries existing or planned high occupancy  
7 vehicle lanes on the state highway system may, with voter approval,  
8 impose a local surcharge of not more than fifteen percent on the state  
9 motor vehicle excise tax paid under RCW 82.44.020(1) on vehicles  
10 registered to a person residing within the county and on the state  
11 sales and use taxes paid under the rate in RCW 82.08.020(2) on retail  
12 car rentals within the county. No surcharge may be imposed on vehicles  
13 licensed under RCW 46.16.070 except vehicles with an unladen weight of  
14 six thousand pounds or less, RCW 46.16.079, 46.16.080, 46.16.085, or  
15 46.16.090.

16       Counties imposing a tax under this section shall contract, before  
17 the effective date of the resolution or ordinance imposing a surcharge,  
18 administration and collection to the state department of licensing, and  
19 department of revenue, as appropriate, which shall deduct an amount, as  
20 provided by contract, for administration and collection expenses  
21 incurred by the department. All administrative provisions in chapters  
22 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to  
23 state motor vehicle excise taxes, be applicable to surcharges imposed  
24 under this section. All administrative provisions in chapters 82.03,  
25 82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to  
26 state sales and use taxes, be applicable to surcharges imposed under  
27 this section.

28       If the tax authorized in RCW 81.100.030 is also imposed by the  
29 county, the total proceeds from (~~both~~) tax sources imposed under this



1 section and RCW 81.100.030 each year shall not exceed the maximum  
2 amount which could be collected under this section."

3 "Sec. 13. RCW 81.104.160 and 1991 c 318 s 12 are each amended to  
4 read as follows:

5 (1) Any city that operates a transit system, county transportation  
6 authority, metropolitan municipal corporation, or public transportation  
7 benefit area, solely for the purpose of providing high capacity  
8 transportation service may submit an authorizing proposition to the  
9 voters, and if approved, may levy and collect an excise tax, at a rate  
10 approved by the voters, but not exceeding eighty one-hundredths of one  
11 percent on the value, under chapter 82.44 RCW, of every motor vehicle  
12 owned by a resident of such city, county transportation authority,  
13 metropolitan municipal corporation, or public transportation benefit  
14 area. In any county imposing a motor vehicle excise tax surcharge  
15 pursuant to RCW 81.100.060, the maximum tax rate under this section  
16 shall be reduced to a rate equal to eighty one-hundredths of one  
17 percent on the value less the equivalent motor vehicle excise tax rate  
18 of the surcharge imposed pursuant to RCW 81.100.060. This rate shall  
19 not apply to vehicles licensed under RCW 46.16.070 except vehicles with  
20 an unladen weight of six thousand pounds or less, RCW 46.16.079,  
21 46.16.080, 46.16.085, or 46.16.090.

22 (2) An agency imposing a tax under subsection (1) of this section  
23 may also impose a sales and use tax solely for the purpose of providing  
24 high capacity transportation service, in addition to the tax authorized  
25 by RCW 82.14.030, upon retail car rentals within the agency's  
26 jurisdiction that are taxable by the state under chapters 82.08 and  
27 82.12 RCW. The rate of tax shall bear the same ratio to the rate  
28 imposed under RCW 82.08.020(2) as the excise tax rate imposed under  
29 subsection (1) of this section bears to the excise tax rate imposed

1 under RCW 82.44.020 (1) and (2). The base of the tax shall be the  
2 selling price in the case of a sales tax or the rental value of the  
3 vehicle used in the case of a use tax. The revenue collected under  
4 this subsection shall be used in the same manner as excise taxes under  
5 subsection (1) of this section."

6 "NEW SECTION. **Sec. 14.** (1) Sections 1 through 3 of this act are  
7 necessary for the immediate preservation of the public peace, health,  
8 or safety, or support of the state government and its existing public  
9 institutions, and shall take effect June 1, 1992.

10 (2) Sections 4 through 13 of this act shall take effect January 1,  
11 1993."

12 **SHB 2964** - H AMD  
13 By Representative Wang

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15 On page 1, line 2 of the title, after "rental;" strike the  
16 remainder of the title and insert "amending RCW 82.08.020, 81.100.060,  
17 and 81.104.160; reenacting and amending RCW 35.58.273; adding new  
18 sections to chapter 46.04 RCW; adding new sections to chapter 82.08  
19 RCW; adding a new section to chapter 82.14 RCW; adding a new section to  
20 chapter 46.16 RCW; adding a new section to chapter 46.87 RCW; adding a  
21 new section to chapter 82.44 RCW; creating a new section; prescribing  
22 penalties; providing effective dates; and declaring an emergency."