
HOUSE BILL 1718

State of Washington

55th Legislature

1997 Regular Session

By Representatives McMorris and Mielke

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1 AN ACT Relating to motor vehicle excise tax; amending RCW
2 35.58.273, 82.14.046, 82.44.041, 82.44.120, and 82.44.150; reenacting
3 and amending RCW 82.44.110; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 35.58.273 and 1992 c 194 s 11 are each amended to read
6 as follows:

7 (1) (~~Through June 30, 1992,~~) Any municipality, as defined in this
8 subsection, is authorized to levy and collect a special excise tax not
9 exceeding (~~.7824~~) 0.7982 percent (~~and beginning July 1, 1992, .725~~
10 ~~percent~~) on the value, as determined under chapter 82.44 RCW, of every
11 motor vehicle owned by a resident of such municipality for the
12 privilege of using such motor vehicle provided that in no event shall
13 the tax be less than one dollar and, subject to RCW 82.44.150 (3) and
14 (4), the amount of such tax shall be credited against the amount of the
15 excise tax levied by the state under RCW 82.44.020(1). As used in this
16 subsection, the term "municipality" means a municipality that is
17 located within (a) each county with a population of two hundred ten
18 thousand or more and (b) each county with a population of from one
19 hundred twenty-five thousand to less than two hundred ten thousand

1 except for those counties that do not border a county with a population
2 as described under subsection (a) of this subsection.

3 (2) (~~Through June 30, 1992,~~) Any other municipality is authorized
4 to levy and collect a special excise tax not exceeding (~~(.815)~~) 0.7982
5 percent, (~~(and beginning July 1, 1992, .725 percent on the value,~~) as
6 determined under chapter 82.44 RCW, of every motor vehicle owned by a
7 resident of such municipality for the privilege of using such motor
8 vehicle provided that in no event shall the tax be less than one dollar
9 and, subject to RCW 82.44.150 (3) and (4), the amount of such tax shall
10 be credited against the amount of the excise tax levied by the state
11 under RCW 82.44.020(1). Before utilization of any excise tax moneys
12 collected under authorization of this section for acquisition of right
13 of way or construction of a mass transit facility on a separate right
14 of way the municipality shall adopt rules affording the public an
15 opportunity for "corridor public hearings" and "design public hearings"
16 as herein defined, which rule shall provide in detail the procedures
17 necessary for public participation in the following instances: (a)
18 Prior to adoption of location and design plans having a substantial
19 social, economic or environmental effect upon the locality upon which
20 they are to be constructed or (b) on such mass rapid transit systems
21 operating on a separate right of way whenever a substantial change is
22 proposed relating to location or design in the adopted plan. In
23 adopting rules the municipality shall adhere to the provisions of the
24 Administrative Procedure Act.

25 (3) A "corridor public hearing" is a public hearing that: (a) Is
26 held before the municipality is committed to a specific mass transit
27 route proposal, and before a route location is established; (b) is held
28 to afford an opportunity for participation by those interested in the
29 determination of the need for, and the location of, the mass rapid
30 transit system; (c) provides a public forum that affords a full
31 opportunity for presenting views on the mass rapid transit system route
32 location, and the social, economic and environmental effects on that
33 location and alternate locations: PROVIDED, That such hearing shall
34 not be deemed to be necessary before adoption of an overall mass rapid
35 transit system plan by a vote of the electorate of the municipality.

36 (4) A "design public hearing" is a public hearing that: (a) Is
37 held after the location is established but before the design is
38 adopted; and (b) is held to afford an opportunity for participation by
39 those interested in the determination of major design features of the

1 mass rapid transit system; and (c) provides a public forum to afford a
2 full opportunity for presenting views on the mass rapid transit system
3 design, and the social, economic, environmental effects of that design
4 and alternate designs.

5 (5) A municipality imposing a tax under subsection (1) or (2) of
6 this section may also impose a sales and use tax, in addition to the
7 tax authorized by RCW 82.14.030, upon retail car rentals within the
8 municipality that are taxable by the state under chapters 82.08 and
9 82.12 RCW. The rate of tax shall bear the same ratio to the rate
10 imposed under RCW 82.08.020(2) as the excise tax rate imposed under
11 subsection (1) of this section bears to the excise tax rate imposed
12 under RCW 82.44.020 (1) and (2). The base of the tax shall be the
13 selling price in the case of a sales tax or the rental value of the
14 vehicle used in the case of a use tax. The tax imposed under this
15 section shall be deducted from the amount of tax otherwise due under
16 RCW 82.08.020(2). The revenue collected under this subsection shall be
17 distributed in the same manner as special excise taxes under
18 subsections (1) and (2) of this section.

19 **Sec. 2.** RCW 82.14.046 and 1995 c 298 s 1 are each amended to read
20 as follows:

21 Beginning with distributions made to municipalities under RCW
22 82.44.150 on January 1, 1996, municipalities as defined in RCW
23 35.58.272 imposing local transit taxes, which for purposes of this
24 section include the sales and use tax under RCW 82.14.045, the business
25 and occupation tax under RCW 35.95.040, and excise taxes under RCW
26 35.95.040, shall be eligible for sales and use tax equalization
27 payments from motor vehicle excise taxes distributed under RCW
28 82.44.150 as follows:

29 (1) Prior to January 1st of each year the department of revenue
30 shall determine the total and the per capita levels of revenues for
31 each municipality imposing local transit taxes and the state-wide
32 weighted average per capita level of sales and use tax revenues imposed
33 under chapters 82.08 and 82.12 RCW for the previous calendar year
34 calculated for a sales and use tax rate of one-tenth percent. For
35 purposes of this section, the department of revenue shall determine a
36 local transit tax rate for each municipality for the previous calendar
37 year. The tax rate shall be equivalent to the sales and use tax rate
38 for the municipality that would have generated an amount of revenue

1 equal to the amount of local transit taxes collected by the
2 municipality.

3 (2) For each tenth of one percent of the local transit tax rate,
4 the state treasurer shall apportion to each municipality receiving less
5 than eighty percent of the state-wide weighted average per capita level
6 of sales and use tax revenues imposed under chapters 82.08 and 82.12
7 RCW as determined by the department of revenue under subsection (1) of
8 this section, an amount when added to the per capita level of revenues
9 received the previous calendar year by the municipality, to equal
10 eighty percent of the state-wide weighted average per capita level of
11 revenues determined under subsection (1) of this section. In no event
12 may the sales and use tax equalization distribution to a municipality
13 in a single calendar year exceed: (a) Fifty percent of the amount of
14 local transit taxes collected during the prior calendar year; or (b)
15 the maximum amount of revenue that could have been collected at a local
16 transit tax rate of three-tenths percent in the prior calendar year.

17 (3) For a municipality established after January 1, 1995, sales and
18 use tax equalization distributions shall be made according to the
19 procedures in this subsection. Sales and use tax equalization
20 distributions to eligible new municipalities shall be made at the same
21 time as distributions are made under subsection (2) of this section.
22 The department of revenue shall follow the estimating procedures
23 outlined in this subsection until the new municipality has received a
24 full year's worth of local transit tax revenues as of the January sales
25 and use tax equalization distribution.

26 (a) Whether a newly established municipality determined to receive
27 funds under this subsection receives its first equalization payment at
28 the January, April, July, or October sales and use tax equalization
29 distribution shall depend on the date the system first imposes local
30 transit taxes.

31 (i) A newly established municipality imposing local transit taxes
32 taking effect during the first calendar quarter shall be eligible to
33 receive funds under this subsection beginning with the July sales and
34 use tax equalization distribution of that year.

35 (ii) A newly established municipality imposing local transit taxes
36 taking effect during the second calendar quarter shall be eligible to
37 receive funds under this subsection beginning with the October sales
38 and use tax equalization distribution of that year.

1 (iii) A newly established municipality imposing local transit taxes
2 taking effect during the third calendar quarter shall be eligible to
3 receive funds under this subsection beginning with the January sales
4 and use tax equalization distribution of the next year.

5 (iv) A newly established municipality imposing local transit taxes
6 taking effect during the fourth calendar quarter shall be eligible to
7 receive funds under this subsection beginning with the April sales and
8 use tax equalization distribution of the next year.

9 (b) For purposes of calculating the amount of funds the new
10 municipality should receive under this subsection, the department of
11 revenue shall:

12 (i) Estimate the per capita amount of revenues from local transit
13 taxes that the new municipality would have received had the
14 municipality received revenues from the tax the entire calendar year;

15 (ii) Calculate the amount provided under subsection (2) of this
16 section based on the per capita revenues determined under (b)(i) of
17 this subsection;

18 (iii) Prorate the amount determined under (b)(ii) of this
19 subsection by the number of months the local transit taxes have been
20 imposed.

21 (c) The department of revenue shall advise the state treasurer of
22 the amounts calculated under (b) of this subsection and the state
23 treasurer shall distribute these amounts to the new municipality from
24 the motor vehicle excise tax distributed under RCW 82.44.150(~~(+2)(d)~~).

25 (4) A municipality whose governing body implements a tax change
26 that reduces its local transit tax rate after January 1, 1994, may not
27 receive distributions under this section.

28 **Sec. 3.** RCW 82.44.041 and 1990 c 42 s 303 are each amended to read
29 as follows:

30 (1) For the purpose of determining the tax under this chapter, the
31 value of a truck-type power or trailing unit shall be the latest
32 purchase price of the vehicle, excluding applicable federal excise
33 taxes, state and local sales or use taxes, transportation or shipping
34 costs, or preparatory or delivery costs, multiplied by the following
35 percentage based on year of service of the vehicle since last sale.
36 The latest purchase year shall be considered the first year of service.

	YEAR OF SERVICE	PERCENTAGE
1		
2	1	100
3	2	90
4	3	83
5	4	75
6	5	67
7	6	59
8	7	52
9	8	44
10	9	36
11	10	28
12	11	21
13	12	13
14	13 or older	10

15 (2) The reissuance of title and registration for a truck-type power
16 or trailing unit because of the installation of body or special
17 equipment shall be treated as a sale, and the value of the truck-type
18 power or trailing unit at that time, as determined by the department
19 from such information as may be available, shall be considered the
20 latest purchase price.

21 (3) For the purpose of determining the tax under this chapter, the
22 value of a motor vehicle other than a truck-type power or trailing unit
23 shall be the manufacturer's base suggested retail price of the vehicle
24 when first offered for sale as a new vehicle, excluding any optional
25 equipment, applicable federal excise taxes, state and local sales or
26 use taxes, transportation or shipping costs, or preparatory or delivery
27 costs, multiplied by the applicable percentage listed in this
28 subsection based on year of service of the vehicle.

29 If the manufacturer's base suggested retail price is unavailable or
30 otherwise unascertainable at the time of initial registration in this
31 state, the department shall determine a value equivalent to a
32 manufacturer's base suggested retail price as follows:

33 (a) The department shall determine a value using any information
34 that may be available, including any guidebook, report, or compendium
35 of recognized standing in the automotive industry or the selling price
36 and year of sale of the vehicle. The department may use an appraisal
37 by the county assessor. In valuing a vehicle for which the current
38 value or selling price is not indicative of the value of similar
39 vehicles of the same year and model, the department shall establish a

1 value that more closely represents the average value of similar
2 vehicles of the same year and model.

3 (b) The value determined in (a) of this subsection shall be divided
4 by the applicable percentage listed in this subsection to establish a
5 value equivalent to a manufacturer's base suggested retail price. The
6 applicable percentage shall be based on the year of service of the
7 vehicle for which the value is determined.

8	YEAR OF SERVICE	PERCENTAGE
9	1	100
10	2	((100)) <u>87</u>
11	3	((91)) <u>79</u>
12	4	((83)) <u>71</u>
13	5	((74)) <u>64</u>
14	6	((65)) <u>57</u>
15	7	((57)) <u>51</u>
16	8	((48)) <u>45</u>
17	9	40
18	10	31
19	11	22
20	12	14
21	13 or older	10

22 (4) For purposes of this chapter, value shall exclude value
23 attributable to modifications of a motor vehicle and equipment that are
24 designed to facilitate the use or operation of the motor vehicle by a
25 handicapped person.

26 **Sec. 4.** RCW 82.44.110 and 1995 1st sp.s. c 15 s 2 and 1995 c 398
27 s 14 are each reenacted and amended to read as follows:

28 The county auditor shall regularly, when remitting license fee
29 receipts, pay over and account to the director of licensing for the
30 excise taxes collected under the provisions of this chapter. The
31 director shall forthwith transmit the excise taxes to the state
32 treasurer.

33 (1) The state treasurer shall deposit the excise taxes collected
34 under RCW 82.44.020(1) as follows:

35 (a) ((1.60)) 1.76 percent into the motor vehicle fund to defray
36 administrative and other expenses incurred by the department in the
37 collection of the excise tax.

1 (b) (~~(8.15)~~) 8.97 percent into the Puget Sound capital construction
2 account in the motor vehicle fund.

3 (c) (~~(4.07)~~) 4.48 percent into the Puget Sound ferry operations
4 account in the motor vehicle fund.

5 (d) (~~(5.88)~~) 6.47 percent into the general fund to be distributed
6 under RCW 82.44.155.

7 (e) (~~(4.75)~~) 5.23 percent into the municipal sales and use tax
8 equalization account in the general fund created in RCW 82.14.210.

9 (f) (~~(1.60)~~) 1.76 percent into the county sales and use tax
10 equalization account in the general fund created in RCW 82.14.200.

11 (g) (~~(62.6440 percent into the general fund through June 30, 1995,~~
12 ~~and 57.6440 percent into the general fund beginning July 1, 1995.~~

13 (~~(h) 5~~) 58.8797 percent into the transportation fund (~~(created in~~
14 ~~RCW 82.44.180 beginning July 1, 1995)~~).

15 (~~((i) 5.9686)~~) (~~(h)~~) 6.5717 percent into the county criminal justice
16 assistance account created in RCW 82.14.310.

17 (~~((j) 1.1937)~~) (~~(i)~~) 1.3143 percent into the municipal criminal
18 justice assistance account for distribution under RCW 82.14.320.

19 (~~((k) 1.1937)~~) (~~(j)~~) 1.3143 percent into the municipal criminal
20 justice assistance account for distribution under RCW 82.14.330.

21 (~~((l) 2.95)~~) (~~(k)~~) 3.25 percent into the county public health account
22 created in RCW 70.05.125.

23 Notwithstanding (~~((i))~~) (~~(h)~~) through (~~((k))~~) (~~(j)~~) of this subsection,
24 no more than sixty million dollars shall be deposited into the accounts
25 specified in (~~((i))~~) (~~(h)~~) through (~~((k))~~) (~~(j)~~) of this subsection for the
26 period January 1, 1994, through June 30, 1995. Not more than five
27 percent of the funds deposited to these accounts shall be available for
28 appropriations for enhancements to the state patrol crime laboratory
29 system and the continuing costs related to these enhancements. Motor
30 vehicle excise tax funds appropriated for such enhancements shall not
31 supplant existing funds from the state general fund. For the fiscal
32 year ending June 30, 1998, and for each fiscal year thereafter, the
33 amounts deposited into the accounts specified in (~~((i))~~) (~~(h)~~) through
34 (~~((k))~~) (~~(j)~~) of this subsection shall not increase by more than the
35 amounts deposited into those accounts in the previous fiscal year
36 increased by the implicit price deflator for the previous fiscal year.
37 Any revenues in excess of this amount shall be deposited into the
38 general fund.

1 (2) The state treasurer shall deposit the excise taxes collected
2 under RCW 82.44.020(2) into the transportation fund.

3 (3) The state treasurer shall deposit the excise tax imposed by RCW
4 82.44.020(3) into the air pollution control account created by RCW
5 70.94.015.

6 **Sec. 5.** RCW 82.44.120 and 1993 c 307 s 3 are each amended to read
7 as follows:

8 Whenever any person has paid a motor vehicle license fee, and
9 together therewith has paid an excise tax imposed under the provisions
10 of this chapter, and the director determines that the payor is entitled
11 to a refund of the entire amount of the license fee as provided by law,
12 then the payor shall also be entitled to a refund of the entire excise
13 tax collected under the provisions of this chapter. In case the
14 director determines that any person is entitled to a refund of only a
15 part of the license fee so paid, the payor shall be entitled to a
16 refund of the difference, if any, between the excise tax collected and
17 that which should have been collected.

18 In case no claim is to be made for the refund of the license fee or
19 any part thereof, but claim is made by any person that he or she has
20 paid an erroneously excessive amount of excise tax, the department
21 shall determine in the manner generally provided in this chapter the
22 amount of such excess, if any, that has been paid and shall certify to
23 the state treasurer that such person is entitled to a refund in such
24 amount.

25 In any case where due to error, a person has been required to pay
26 an excise tax pursuant to this chapter and a vehicle license fee
27 pursuant to Title 46 RCW which amounts to an overpayment of ten dollars
28 or more, such person shall be entitled to a refund of the entire amount
29 of such overpayment, regardless of whether or not a refund of the
30 overpayment has been requested. Conversely, if due to error, the
31 department or its agents has failed to collect the full amount of the
32 license fee and excise tax due, which underpayment is in the amount of
33 ten dollars or more, the department shall charge and collect such
34 additional amount as will constitute full payment of the tax.

35 Any claim for refund of an erroneously excessive amount of excise
36 tax or overpayment of excise tax with a motor vehicle license fee must
37 be filed with the director within three years after the claimed
38 erroneous payment was made.

1 If the department approves the claim it shall notify the state
2 treasurer to that effect, and the treasurer shall make such approved
3 refunds from the ((general)) transportation fund and shall mail or
4 deliver the same to the person entitled thereto.

5 Any person making any false statement under which he or she obtains
6 any amount of refund to which he or she is not entitled under the
7 provisions of this section is guilty of a gross misdemeanor.

8 **Sec. 6.** RCW 82.44.150 and 1995 2nd sp.s. c 14 s 538 are each
9 amended to read as follows:

10 (1) The director of licensing shall, on the twenty-fifth day of
11 February, May, August, and November of each year, advise the state
12 treasurer of the total amount of motor vehicle excise taxes imposed by
13 RCW 82.44.020 (1) and (2) remitted to the department during the
14 preceding calendar quarter ending on the last day of March, June,
15 September, and December, respectively, except for those payable under
16 RCW 82.44.030, from motor vehicle owners residing within each
17 municipality which has levied a tax under RCW 35.58.273, which amount
18 of excise taxes shall be determined by the director as follows:

19 The total amount of motor vehicle excise taxes remitted to the
20 department, except those payable under RCW 82.44.020(3) and 82.44.030,
21 from each county shall be multiplied by a fraction, the numerator of
22 which is the population of the municipality residing in such county,
23 and the denominator of which is the total population of the county in
24 which such municipality or portion thereof is located. The product of
25 this computation shall be the amount of excise taxes from motor vehicle
26 owners residing within such municipality or portion thereof. Where the
27 municipality levying a tax under RCW 35.58.273 is located in more than
28 one county, the above computation shall be made by county, and the
29 combined products shall provide the total amount of motor vehicle
30 excise taxes from motor vehicle owners residing in the municipality as
31 a whole. Population figures required for these computations shall be
32 supplied to the director by the office of financial management, who
33 shall adjust the fraction annually.

34 (2) On the first day of the months of January, April, July, and
35 October of each year, the state treasurer based upon information
36 provided by the department shall, from motor vehicle excise taxes
37 deposited in the ((general)) transportation fund, under RCW
38 82.44.110(1)(g), make the following deposits:

1 (a) To the high capacity transportation account created in RCW
2 47.78.010, a sum equal to four and five-tenths percent of the special
3 excise tax levied under RCW 35.58.273 by those municipalities
4 authorized to levy a special excise tax within each county that has a
5 population of one hundred seventy-five thousand or more and has an
6 interstate highway within its borders; except that in a case of a
7 municipality located in a county that has a population of one hundred
8 seventy-five thousand or more that does not have an interstate highway
9 located within its borders, that sum shall be deposited in the
10 passenger ferry account;

11 (b) To the central Puget Sound public transportation account
12 created in RCW 82.44.180, for revenues distributed after December 31,
13 1992, within a county with a population of one million or more and a
14 county with a population of from two hundred thousand to less than one
15 million bordering a county with a population of one million or more, a
16 sum equal to the difference between (i) the special excise tax levied
17 and collected under RCW 35.58.273 by those municipalities authorized to
18 levy and collect a special excise tax subject to the requirements of
19 subsections (3) and (4) of this section and (ii) the special excise tax
20 that the municipality would otherwise have been eligible to levy and
21 collect at a tax rate of ((-815)) 0.8973 percent and been able to match
22 with locally generated tax revenues, other than the excise tax imposed
23 under RCW 35.58.273, budgeted for any public transportation purpose.
24 Before this deposit, the sum shall be reduced by an amount equal to the
25 amount distributed under (a) of this subsection for each of the
26 municipalities within the counties to which this subsection (2)(b)
27 applies; however, any transfer under this subsection (2)(b) must be
28 greater than zero; and

29 (c) To the public transportation systems account created in RCW
30 82.44.180, for revenues distributed after December 31, 1992, within
31 counties not described in (b) of this subsection, a sum equal to the
32 difference between (i) the special excise tax levied and collected
33 under RCW 35.58.273 by those municipalities authorized to levy and
34 collect a special excise tax subject to the requirements of subsections
35 (3) and (4) of this section and (ii) the special excise tax that the
36 municipality would otherwise have been eligible to levy and collect at
37 a tax rate of ((-815)) 0.8973 percent and been able to match with
38 locally generated tax revenues, other than the excise tax imposed under
39 RCW 35.58.273, budgeted for any public transportation purpose. Before

1 this deposit, the sum shall be reduced by an amount equal to the amount
2 distributed under (a) of this subsection for each of the municipalities
3 within the counties to which this subsection (2)(c) applies; however,
4 any transfer under this subsection (2)(c) must be greater than zero(
5 and

6 ~~(d) To the general fund, for revenues distributed after June 30,~~
7 ~~1993, and to the transportation fund, for revenues distributed after~~
8 ~~June 30, 1995, a sum equal to the difference between (i) the special~~
9 ~~excise tax levied and collected under RCW 35.58.273 by those~~
10 ~~municipalities authorized to levy and collect a special excise tax~~
11 ~~subject to the requirements of subsections (3) and (4) of this section~~
12 ~~and (ii) the special excise tax that the municipality would otherwise~~
13 ~~have been eligible to levy and collect at a tax rate of .815 percent~~
14 ~~notwithstanding the requirements set forth in subsections (3) through~~
15 ~~(6) of this section, reduced by an amount equal to distributions made~~
16 ~~under (a), (b), and (c) of this subsection and RCW 82.14.046)).~~

17 (3) On the first day of the months of January, April, July, and
18 October of each year, the state treasurer, based upon information
19 provided by the department, shall remit motor vehicle excise tax
20 revenues imposed and collected under RCW 35.58.273 as follows:

21 (a) The amount required to be remitted by the state treasurer to
22 the treasurer of any municipality levying the tax shall not exceed in
23 any calendar year the amount of locally-generated tax revenues,
24 excluding (i) the excise tax imposed under RCW 35.58.273 for the
25 purposes of this section, which shall have been budgeted by the
26 municipality to be collected in such calendar year for any public
27 transportation purposes including but not limited to operating costs,
28 capital costs, and debt service on general obligation or revenue bonds
29 issued for these purposes; and (ii) the sales and use tax equalization
30 distributions provided under RCW 82.14.046; and

31 (b) In no event may the amount remitted in a single calendar
32 quarter exceed the amount collected on behalf of the municipality under
33 RCW 35.58.273 during the calendar quarter next preceding the
34 immediately preceding quarter, excluding the sales and use tax
35 equalization distributions provided under RCW 82.14.046.

36 (4) At the close of each calendar year accounting period, but not
37 later than April 1, each municipality that has received motor vehicle
38 excise taxes under subsection (3) of this section shall transmit to the
39 director of licensing and the state auditor a written report showing by

1 source the previous year's budgeted tax revenues for public
2 transportation purposes as compared to actual collections. Any
3 municipality that has not submitted the report by April 1 shall cease
4 to be eligible to receive motor vehicle excise taxes under subsection
5 (3) of this section until the report is received by the director of
6 licensing. If a municipality has received more or less money under
7 subsection (3) of this section for the period covered by the report
8 than it is entitled to receive by reason of its locally-generated
9 collected tax revenues, the director of licensing shall, during the
10 next ensuing quarter that the municipality is eligible to receive motor
11 vehicle excise tax funds, increase or decrease the amount to be
12 remitted in an amount equal to the difference between the locally-
13 generated budgeted tax revenues and the locally-generated collected tax
14 revenues. In no event may the amount remitted for a calendar year
15 exceed the amount collected on behalf of the municipality under RCW
16 35.58.273 during that same calendar year excluding the sales and use
17 tax equalization distributions provided under RCW 82.14.046. At the
18 time of the next fiscal audit of each municipality, the state auditor
19 shall verify the accuracy of the report submitted and notify the
20 director of licensing of any discrepancies.

21 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
22 required to be remitted under this section and RCW 82.14.046 shall be
23 remitted without legislative appropriation.

24 (6) Any municipality levying and collecting a tax under RCW
25 35.58.273 which does not have an operating, public transit system or a
26 contract for public transportation services in effect within one year
27 from the initial effective date of the tax shall return to the state
28 treasurer all motor vehicle excise taxes received under subsection (3)
29 of this section.

30 NEW SECTION. **Sec. 7.** This act applies to motor vehicle fees due
31 after December 31, 1997.

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