
SENATE BILL 5929

State of Washington

56th Legislature

1999 Regular Session

By Senators Haugen, Long, Gardner, Costa, Swecker, Hargrove, Winsley, Patterson, Eide, Snyder and Bauer

Read first time 02/16/1999. Referred to Committee on Transportation.

1 AN ACT Relating to local motor vehicle excise tax; amending RCW
2 35.58.273, 82.44.150, and 82.44.180; providing an effective date; and
3 declaring an emergency.

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

5 **Sec. 1.** RCW 35.58.273 and 1998 c 321 s 25 (Referendum Bill No. 49)
6 are each amended to read as follows:

7 (1) A municipality is authorized to levy and collect a special
8 excise tax not exceeding (~~(.725)~~) .815 percent on the value, as
9 determined under chapter 82.44 RCW, of every motor vehicle owned by a
10 resident of such municipality for the privilege of using such motor
11 vehicle provided that in no event shall the tax be less than one dollar
12 and, subject to RCW 82.44.150 (3) and (4), the amount of such tax shall
13 be credited against the amount of the excise tax levied by the state
14 under RCW 82.44.020(1). Before utilization of any excise tax moneys
15 collected under authorization of this section for acquisition of right
16 of way or construction of a mass transit facility on a separate right
17 of way the municipality shall adopt rules affording the public an
18 opportunity for "corridor public hearings" and "design public hearings"
19 as herein defined, which rule shall provide in detail the procedures

1 necessary for public participation in the following instances: (a)
2 Prior to adoption of location and design plans having a substantial
3 social, economic or environmental effect upon the locality upon which
4 they are to be constructed or (b) on such mass rapid transit systems
5 operating on a separate right of way whenever a substantial change is
6 proposed relating to location or design in the adopted plan. In
7 adopting rules the municipality shall adhere to the provisions of the
8 Administrative Procedure Act.

9 (2) A "corridor public hearing" is a public hearing that: (a) Is
10 held before the municipality is committed to a specific mass transit
11 route proposal, and before a route location is established; (b) is held
12 to afford an opportunity for participation by those interested in the
13 determination of the need for, and the location of, the mass rapid
14 transit system; (c) provides a public forum that affords a full
15 opportunity for presenting views on the mass rapid transit system route
16 location, and the social, economic and environmental effects on that
17 location and alternate locations: PROVIDED, That such hearing shall
18 not be deemed to be necessary before adoption of an overall mass rapid
19 transit system plan by a vote of the electorate of the municipality.

20 (3) A "design public hearing" is a public hearing that: (a) Is
21 held after the location is established but before the design is
22 adopted; and (b) is held to afford an opportunity for participation by
23 those interested in the determination of major design features of the
24 mass rapid transit system; and (c) provides a public forum to afford a
25 full opportunity for presenting views on the mass rapid transit system
26 design, and the social, economic, environmental effects of that design
27 and alternate designs.

28 (4) A municipality imposing a tax under subsection (1) of this
29 section may also impose a sales and use tax, in addition to the tax
30 authorized by RCW 82.14.030, upon retail car rentals within the
31 municipality that are taxable by the state under chapters 82.08 and
32 82.12 RCW. The rate of tax shall not exceed 1.944 percent. The rate
33 of tax imposed under this subsection shall bear the same ratio to the
34 1.944 percent rate authorized that the rate imposed under subsection
35 (1) of this section bears to the rate authorized under subsection (1)
36 of this section. The base of the tax shall be the selling price in the
37 case of a sales tax or the rental value of the vehicle used in the case
38 of a use tax. The tax imposed under this section shall be deducted
39 from the amount of tax otherwise due under RCW 82.08.020(2). The

1 revenue collected under this subsection shall be distributed in the
2 same manner as special excise taxes under subsection (1) of this
3 section.

4 **Sec. 2.** RCW 82.44.150 and 1998 c 321 s 6 (Referendum Bill No. 49)
5 are each amended to read as follows:

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

15 The total amount of motor vehicle excise taxes remitted to the
16 department, except those payable under RCW 82.44.020(2) and 82.44.030,
17 from each county shall be multiplied by a fraction, the numerator of
18 which is the population of the municipality residing in such county,
19 and the denominator of which is the total population of the county in
20 which such municipality or portion thereof is located. The product of
21 this computation shall be the amount of excise taxes from motor vehicle
22 owners residing within such municipality or portion thereof. Where the
23 municipality levying a tax under RCW 35.58.273 is located in more than
24 one county, the above computation shall be made by county, and the
25 combined products shall provide the total amount of motor vehicle
26 excise taxes from motor vehicle owners residing in the municipality as
27 a whole. Population figures required for these computations shall be
28 supplied to the director by the office of financial management, who
29 shall adjust the fraction annually.

30 (2) On the first day of the months of January, April, July, and
31 October of each year, the state treasurer based upon information
32 provided by the department shall, from motor vehicle excise taxes
33 deposited in the transportation fund under RCW 82.44.110, make the
34 following deposits:

35 (a) To the high capacity transportation account created in RCW
36 47.78.010, a sum equal to four and five-tenths percent of the special
37 excise tax levied under RCW 35.58.273 by those municipalities
38 authorized to levy a special excise tax within each county that has a

1 population of one hundred seventy-five thousand or more and has an
2 interstate highway within its borders; except that in a case of a
3 municipality located in a county that has a population of one hundred
4 seventy-five thousand or more that does not have an interstate highway
5 located within its borders, that sum shall be deposited in the
6 passenger ferry account; and

7 (b) To the ~~((central Puget Sound))~~ public transportation capital
8 account created in RCW 82.44.180~~((, within a county with a population~~
9 ~~of one million or more and a county with a population of from two~~
10 ~~hundred thousand to less than one million bordering a county with a~~
11 ~~population of one million or more))~~ for revenues distributed after June
12 30, 1999, a sum equal to the difference between (i) the special excise
13 tax levied and collected under RCW 35.58.273 by those municipalities
14 authorized to levy and collect a special excise tax subject to the
15 requirements of subsections (3) and (4) of this section and (ii) the
16 special excise tax that the municipality would otherwise have been
17 eligible to levy and collect at a tax rate of .815 percent and been
18 able to match with locally generated tax revenues, other than the
19 excise tax imposed under RCW 35.58.273, and revenues derived from
20 farebox collections, vanpools, charters, advertising, and interest
21 earnings, budgeted for any public transportation purpose. Before this
22 deposit, the sum shall be reduced by an amount equal to the amount
23 distributed under (a) of this subsection for each of the municipalities
24 within the counties to which this subsection (2)(b) applies; however,
25 any transfer under this subsection (2)(b) must be greater than zero~~((+~~
26 and

27 ~~(c) To the public transportation systems account created in RCW~~
28 ~~82.44.180, within counties not described in (b) of this subsection, a~~
29 ~~sum equal to the difference between (i) the special excise tax levied~~
30 ~~and collected under RCW 35.58.273 by those municipalities authorized to~~
31 ~~levy and collect a special excise tax subject to the requirements of~~
32 ~~subsections (3) and (4) of this section and (ii) the special excise tax~~
33 ~~that the municipality would otherwise have been eligible to levy and~~
34 ~~collect at a tax rate of .815 percent and been able to match with~~
35 ~~locally generated tax revenues, other than the excise tax imposed under~~
36 ~~RCW 35.58.273, budgeted for any public transportation purpose. Before~~
37 ~~this deposit, the sum shall be reduced by an amount equal to the amount~~
38 ~~distributed under (a) of this subsection for each of the municipalities~~

1 ~~within the counties to which this subsection (2)(c) applies; however,~~
2 ~~any transfer under this subsection (2)(c) must be greater than zero).~~

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

7 (a) The amount required to be remitted by the state treasurer to
8 the treasurer of any municipality levying the tax shall not exceed in
9 any calendar year the total of revenues derived from farebox
10 collections, vanpools, charters, advertising, and interest earnings,
11 and the amount of locally-generated tax revenues, excluding (i) the
12 excise tax imposed under RCW 35.58.273 for the purposes of this
13 section, which shall have been budgeted by the municipality to be
14 collected in such calendar year for any public transportation purposes
15 including but not limited to operating costs, capital costs, and debt
16 service on general obligation or revenue bonds issued for these
17 purposes; and (ii) the sales and use tax equalization distributions
18 provided under RCW 82.14.046; and

19 (b) In no event may the amount remitted in a single calendar
20 quarter exceed the amount collected on behalf of the municipality under
21 RCW 35.58.273 during the calendar quarter next preceding the
22 immediately preceding quarter, excluding the sales and use tax
23 equalization distributions provided under RCW 82.14.046.

24 (4) At the close of each calendar year accounting period, but not
25 later than April 1, each municipality that has received motor vehicle
26 excise taxes under subsection (3) of this section shall transmit to the
27 director of licensing and the state auditor a written report showing by
28 source the previous year's budgeted tax revenues and revenues derived
29 from farebox collections, vanpools, charters, advertising, and interest
30 earnings for public transportation purposes as compared to actual
31 collections. Any municipality that has not submitted the report by
32 April 1 shall cease to be eligible to receive motor vehicle excise
33 taxes under subsection (3) of this section until the report is received
34 by the director of licensing. If a municipality has received more or
35 less money under subsection (3) of this section for the period covered
36 by the report than it is entitled to receive by reason of its locally-
37 generated collected tax revenues and revenues derived from farebox
38 collections, vanpools, charters, advertising, and interest earnings,
39 the director of licensing shall, during the next ensuing quarter that

1 the municipality is eligible to receive motor vehicle excise tax funds,
2 increase or decrease the amount to be remitted in an amount equal to
3 the difference between the locally-generated budgeted tax revenues and
4 the locally-generated collected tax revenues. In no event may the
5 amount remitted for a calendar year exceed the amount collected on
6 behalf of the municipality under RCW 35.58.273 during that same
7 calendar year excluding the sales and use tax equalization
8 distributions provided under RCW 82.14.046. At the time of the next
9 fiscal audit of each municipality, the state auditor shall verify the
10 accuracy of the report submitted and notify the director of licensing
11 of any discrepancies.

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

15 (6) Any municipality levying and collecting a tax under RCW
16 35.58.273 which does not have an operating, public transit system or a
17 contract for public transportation services in effect within one year
18 from the initial effective date of the tax shall return to the state
19 treasurer all motor vehicle excise taxes received under subsection (3)
20 of this section.

21 **Sec. 3.** RCW 82.44.180 and 1998 c 321 s 41 (Referendum Bill No. 49)
22 are each amended to read as follows:

23 (1) The transportation fund is created in the state treasury.
24 Revenues under RCW 82.44.110 and 82.50.510 shall be deposited into the
25 fund as provided in those sections.

26 Moneys in the fund may be spent only after appropriation.
27 Expenditures from the fund may be used only for transportation purposes
28 and activities and operations of the Washington state patrol not
29 directly related to the policing of public highways and that are not
30 authorized under Article II, section 40 of the state Constitution.

31 (2)(a) There is hereby created the (~~central Puget Sound~~) public
32 transportation capital account within the transportation fund. Moneys
33 deposited into the account under RCW 82.44.150(2)(b) shall be
34 appropriated to the transportation improvement board and allocated by
35 the transportation improvement board to public transportation projects
36 within the region from which the funds are derived, solely for:

37 (~~(a) Planning~~) (i) Vehicle acquisition;
38 (~~(b)~~) (ii) Development of capital projects;

1 ~~((e))~~ (iii) Development of high capacity transportation systems
2 as defined in RCW 81.104.015; and

3 ~~((d) Development of high occupancy vehicle lanes and related~~
4 ~~facilities as defined in RCW 81.100.020; and~~

5 ~~(e))~~ (iv) Public transportation system contributions required to
6 fund projects under federal programs and those approved by the
7 transportation improvement board from other fund sources.

8 ~~((3) There is hereby created the public transportation systems~~
9 ~~account within the transportation fund. Moneys deposited into the~~
10 ~~account under RCW 82.44.150(2)(c) shall be appropriated to the~~
11 ~~transportation improvement board and allocated by the transportation~~
12 ~~improvement board to public transportation projects submitted by the~~
13 ~~public transportation systems from which the funds are derived, solely~~
14 ~~for:~~

15 ~~(a) Planning;~~

16 ~~(b) Development of capital projects;~~

17 ~~(c) Development of high capacity transportation systems as defined~~
18 ~~in RCW 81.104.015;~~

19 ~~(d) Development of high occupancy vehicle lanes and related~~
20 ~~facilities as defined in RCW 81.100.020;~~

21 ~~(e) Other public transportation system related roadway projects on~~
22 ~~state highways, county roads, or city streets; and~~

23 ~~(f) Public transportation system contributions required to fund~~
24 ~~projects under federal programs and those approved by the~~
25 ~~transportation improvement board from other fund sources.))~~

26 (b) The transportation improvement board shall allocate (i) sixty
27 percent of the funds from the account to public transportation benefit
28 areas, metropolitan municipal corporations, and regional transportation
29 authorities operating within counties whose population is three hundred
30 thousand or greater, and (ii) forty percent of the funds from the
31 account to municipal corporations, as defined in RCW 35.58.272, that
32 provide public transportation services that are not eligible for the
33 sixty percent distribution in (i).

34 NEW SECTION. Sec. 4. This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 1999.

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