

**HB 2201 - H AMD 542**

By Representative Harmsworth

**SCOPE AND OBJECT 04/12/2017**

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 82.44  
4 RCW to read as follows:

5 If the department enters into a contract with a regional transit  
6 authority for the collection of a motor vehicle excise tax authorized  
7 in RCW 81.104.160(1), and after the regional transit authority  
8 implements a market value adjustment program as directed in section 2  
9 of this act, the department must clearly indicate, when notifying  
10 taxpayers of the expected tax due and when collecting the tax: The  
11 amount of tax owed under current law, the amount of any credit  
12 applied, and the net result.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 81.112  
14 RCW to read as follows:

15 (1) A regional transit authority that includes portions of a  
16 county with a population of more than one million five hundred  
17 thousand and that imposes a motor vehicle excise tax under RCW  
18 81.104.160(1) must establish a market value adjustment program to be  
19 implemented by December 31, 2017.

20 (2) Under the market value adjustment program, the authority must  
21 provide a credit against the motor vehicle excise tax due in an  
22 amount equal to two times the difference between the tax due  
23 calculated using the vehicle valuation schedule in chapter 82.44 RCW  
24 as it existed on January 1, 1996, and the tax otherwise due  
25 calculated using the vehicle valuation schedule in RCW 82.44.035, if  
26 the resulting difference is positive. The net result of the amount of  
27 tax owed under current law and the amount of any credit applied must  
28 not exceed five-tenths of one percent of the value of the vehicle.  
29 The credit applies only to the motor vehicle excise tax authorized in  
30 RCW 81.104.160(1).

1 (3) The program may be funded by any resources available to the  
2 authority including, but not limited to:

3 (a) Unrestricted tax proceeds or other revenues; and

4 (b) Savings from the delivery of projects.

5 (4) The program must be retroactive to the date that the  
6 authority first imposed the tax under RCW 81.104.160(1).

7 (5)(a) The program must be implemented in a manner that allows  
8 the delivery of the system and financing plan approved by the  
9 authority's voters in 2016 to the extent practicable. Building on  
10 past and ongoing cost-savings efforts, the agency must continue to  
11 evaluate measures that may be needed to reduce costs. These measures  
12 include, but are not limited to:

13 (i) Designing projects using the principles of practical design,  
14 as described for use by the department of transportation under RCW  
15 47.01.480;

16 (ii) Efficiencies realized in coordinating and integrating  
17 activities with other transit agencies and local governments,  
18 including through shared maintenance and operations, joint  
19 procurement, joint marketing, joint customer services, and joint  
20 capital projects; and

21 (iii) Revising project contingency budgets, if practicable.

22 (b) If, when implementing the program, the authority is not able  
23 to deliver projects according to the system and financing plan  
24 approved by the authority's voters in 2016, the authority must  
25 identify savings and cost reductions in the following priority order:  
26 First, from light rail projects; second, from transit bus-related  
27 projects; third, from commuter rail projects; and fourth, from  
28 parking facility projects.

29 (6) Until the plan has been completed, the authority must submit  
30 an annual report to the transportation committees of the legislature  
31 by December 31st of each year on the status of the delivery of the  
32 plan. The report must include detail on the extent to and manner in  
33 which the authority has used cost savings to maintain the delivery of  
34 the plan as approved by the voters.

35 **Sec. 3.** RCW 82.44.035 and 2010 c 161 s 910 are each amended to  
36 read as follows:

37 (1) For the purpose of determining any locally imposed motor  
38 vehicle excise tax, the value of a truck or trailer (~~shall be~~) is  
39 the latest purchase price of the vehicle, excluding applicable

1 federal excise taxes, state and local sales or use taxes,  
 2 transportation or shipping costs, or preparatory or delivery costs,  
 3 multiplied by the following percentage based on year of service of  
 4 the vehicle since last sale. The latest purchase year (~~shall be~~) is  
 5 considered the first year of service.

6	YEAR OF SERVICE	PERCENTAGE
7	1	100
8	2	81
9	3	67
10	4	55
11	5	45
12	6	37
13	7	30
14	8	25
15	9	20
16	10	16
17	11	13
18	12	11
19	13	9
20	14	7
21	15	3
22	16 or older	0

23 (2) The reissuance of a certificate of title and registration  
 24 certificate for a truck or trailer because of the installation of  
 25 body or special equipment (~~shall be~~) is treated as a sale, and the  
 26 value of the truck or trailer at that time, as determined by the  
 27 department from such information as may be available, (~~shall be~~) is  
 28 considered the latest purchase price.

29 (3) For the purpose of determining any locally imposed motor  
 30 vehicle excise tax, the value of a vehicle other than a truck or  
 31 trailer (~~shall be eighty five percent of the manufacturer's base~~  
 32 ~~suggested retail price of the vehicle when first offered for sale as~~  
 33 ~~a new vehicle, excluding any optional equipment, applicable federal~~  
 34 ~~excise taxes, state and local sales or use taxes, transportation or~~  
 35 ~~shipping costs, or preparatory or delivery costs, multiplied by the~~

1 ~~applicable percentage listed in this subsection (3) based on year of~~  
2 ~~service of the vehicle.~~

3 ~~If the manufacturer's base suggested retail price is unavailable~~  
4 ~~or otherwise unascertainable at the time of initial registration in~~  
5 ~~this state, the department shall determine a value equivalent to a~~  
6 ~~manufacturer's base suggested retail price as follows:~~

7 ~~(a) The department shall determine a value using any information~~  
8 ~~that may be available, including any guidebook, report, or compendium~~  
9 ~~of recognized standing in the automotive industry or the selling~~  
10 ~~price and year of sale of the vehicle. The department may use an~~  
11 ~~appraisal by the county assessor. In valuing a vehicle for which the~~  
12 ~~current value or selling price is not indicative of the value of~~  
13 ~~similar vehicles of the same year and model, the department shall~~  
14 ~~establish a value that more closely represents the average value of~~  
15 ~~similar vehicles of the same year and model. The value determined in~~  
16 ~~this subsection (3)(a) shall be divided by the applicable percentage~~  
17 ~~listed in (b) of this subsection (3) to establish a value equivalent~~  
18 ~~to a manufacturer's base suggested retail price and this value shall~~  
19 ~~be multiplied by eighty-five percent.~~

20 ~~(b) The year the vehicle is offered for sale as a new vehicle~~  
21 ~~shall be considered the first year of service.~~

	<del>YEAR OF SERVICE</del>	<del>PERCENTAGE</del>
22		
23	<del>1</del>	<del>100</del>
24	<del>2</del>	<del>81</del>
25	<del>3</del>	<del>72</del>
26	<del>4</del>	<del>63</del>
27	<del>5</del>	<del>55</del>
28	<del>6</del>	<del>47</del>
29	<del>7</del>	<del>41</del>
30	<del>8</del>	<del>36</del>
31	<del>9</del>	<del>32</del>
32	<del>10</del>	<del>27</del>
33	<del>11</del>	<del>26</del>
34	<del>12</del>	<del>24</del>
35	<del>13</del>	<del>23</del>
36	<del>14</del>	<del>21</del>

2	YEAR OF SERVICE	PERCENTAGE
1	15	16
3	16 or older	10

4       ~~(4) For purposes of this chapter, value shall exclude value~~  
5 ~~attributable to modifications of a vehicle and equipment that are~~  
6 ~~designed to facilitate the use or operation of the vehicle by a~~  
7 ~~person with a disability)) must be based on base model Kelley blue~~  
8 ~~book values, or the national automobile dealers association values,~~  
9 ~~whichever is lower.~~

10       NEW SECTION.   **Sec. 4.**   This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of  
12 the state government and its existing public institutions, and takes  
13 effect immediately."

14       Correct the title.

EFFECT: (1) Doubles the amount of credit that may be applied to one's tax bill.

(2) Caps the maximum effective tax rate (after any credit that has been applied) to no more than 0.5 percent of the value of the vehicle.

(3) Reprioritizes the types of projects within which the RTA must seek savings or cost reductions, if the market value adjustment program cannot be implemented in a way that allows delivery of the 2016 RTA plan approved by the voters. Changes the cost-reduction priorities first, to light rail projects; second, to transit bus-related projects; third, to commuter rail projects; and fourth, to parking facility projects.

(4) Amends RCW 82.44.035 to provide that the valuation schedule for passenger vehicles and vehicles other than trucks or trailers is as shown for base models in the Kelley Blue Book or the National Automobile Dealers Association values, whichever is lower.

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