

EHB 2201 - H AMD 672

By Representative Harmsworth

NOT CONSIDERED 01/24/2018

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

3

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

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

14

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

17 (1) A regional transit authority that includes portions of a
18 county with a population of more than one million five hundred
19 thousand and that imposes a motor vehicle excise tax under RCW
20 81.104.160(1) must establish a market value adjustment program to be
21 implemented by December 31, 2017.

22 (2) Under the market value adjustment program, the authority
23 must provide a credit against the motor vehicle excise tax due in an
24 amount equal to two times the difference between the tax due
25 calculated using the vehicle valuation schedule in chapter 82.44 RCW
26 as it existed on January 1, 1996, and the tax otherwise due
27 calculated using the vehicle valuation schedule in RCW 82.44.035, if

1 the resulting difference is positive. The net result of the amount
2 of tax owed under current law and the amount of any credit applied
3 must not exceed five-tenths of one percent of the value of the
4 vehicle. The credit applies only to the motor vehicle excise tax
5 authorized in RCW 81.104.160(1).

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

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

9 (b) Savings from the delivery of projects.

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

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

18 (i) Designing projects using the principles of practical design,
19 as described for use by the department of transportation under RCW
20 47.01.480;

21 (ii) Efficiencies realized in coordinating and integrating
22 activities with other transit agencies and local governments,
23 including through shared maintenance and operations, joint
24 procurement, joint marketing, joint customer services, and joint
25 capital projects; and

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

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

34

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

7

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

10 (1) For the purpose of determining any locally imposed motor
11 vehicle excise tax, the value of a truck or trailer (~~shall be~~) is
12 the latest purchase price of the vehicle, excluding applicable
13 federal excise taxes, state and local sales or use taxes,
14 transportation or shipping costs, or preparatory or delivery costs,
15 multiplied by the following percentage based on year of service of
16 the vehicle since last sale. The latest purchase year (~~shall be~~)
17 is considered the first year of service.

18	YEAR OF SERVICE	PERCENTAGE
19	1	100
20	2	81
21	3	67
22	4	55
23	5	45
24	6	37
25	7	30
26	8	25
27	9	20
28	10	16
29	11	13
30	12	11
31	13	9
32	14	7
33	15	3
34	16 or older	0

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

7 (3) For the purpose of determining any locally imposed motor
8 vehicle excise tax, the value of a vehicle other than a truck or
9 trailer (~~((shall be eighty five percent of the manufacturer's base
10 suggested retail price of the vehicle when first offered for sale as
11 a new vehicle, excluding any optional equipment, applicable federal
12 excise taxes, state and local sales or use taxes, transportation or
13 shipping costs, or preparatory or delivery costs, multiplied by the
14 applicable percentage listed in this subsection (3) based on year of
15 service of the vehicle.~~

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

20 ~~(a) The department shall determine a value using any information
21 that may be available, including any guidebook, report, or
22 compendium of recognized standing in the automotive industry or the
23 selling price and year of sale of the vehicle. The department may
24 use an appraisal by the county assessor. In valuing a vehicle for
25 which the current value or selling price is not indicative of the
26 value of similar vehicles of the same year and model, the department
27 shall establish a value that more closely represents the average
28 value of similar vehicles of the same year and model. The value
29 determined in this subsection (3)(a) shall be divided by the
30 applicable percentage listed in (b) of this subsection (3) to
31 establish a value equivalent to a manufacturer's base suggested
32 retail price and this value shall be multiplied by eighty five
33 percent.~~

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

3	YEAR OF SERVICE	PERCENTAGE
4	1	100
5	2	81
6	3	72
7	4	63
8	5	55
9	6	47
10	7	41
11	8	36
12	9	32
13	10	27
14	11	26
15	12	24
16	13	23
17	14	21
18	15	16
19	16 or older	10

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

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

32 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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