

**ESB 5096** - H AMD TO H AMD (H-2628.2/17) **487**

By Representative Muri

SCOPE AND OBJECT 04/12/2017

1 On page 81, after line 18 of the striking amendment, insert the  
2 following:

3 "NEW SECTION. **Sec. 714.** A new section is added to chapter 81.112  
4 RCW to read as follows:

5 (1) Any motor vehicle excise taxes approved by regional transit  
6 authority voters under RCW 81.104.175 may be nullified within the  
7 complete boundaries of a city or county within a regional transit  
8 authority if either of the following conditions are met:

9 (a) A majority of the city or county legislative authority votes  
10 to nullify the motor vehicle excise taxes; or

11 (b) A proposition to nullify the motor vehicle excise taxes is  
12 approved by voters under subsection (2) of this section.

13 (2) If a petition to nullify regional transit authority motor  
14 vehicle excise taxes within a city or county is filed with the  
15 county auditor containing the signatures of eight percent of the  
16 number of voters registered and voting in the city or county for the  
17 office of the governor at the last preceding gubernatorial election,  
18 the county auditor must canvass the signatures in the same manner as  
19 prescribed in RCW 29A.72.230 and certify their sufficiency to the  
20 governing body within two weeks. The proposition to nullify the  
21 motor vehicle excise taxes must then be submitted to the voters of  
22 the city or county at a special election, called for this purpose,  
23 no later than the date on which a primary election would be held  
24 under RCW 29A.04.311. The motor vehicle excise taxes may then be  
25 nullified only if approved by a majority of the voters of the city  
26 or county voting on the proposition.

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1 (3) Any regional transit authority motor vehicle excise taxes  
2 nullified under this section may not be imposed within the  
3 boundaries of the affected city or county.

4 (4) This section expires June 30, 2019.

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6 **Sec. 715.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each  
7 amended to read as follows:

8 (1) Regional transit authorities that include a county with a  
9 population of more than one million five hundred thousand may submit  
10 an authorizing proposition to the voters, and if approved, may levy  
11 and collect an excise tax, at a rate approved by the voters, but not  
12 exceeding eight-tenths of one percent on the value, under chapter  
13 82.44 RCW, of every motor vehicle owned by a resident of the taxing  
14 district, solely for the purpose of providing high capacity  
15 transportation service. The maximum tax rate under this subsection  
16 does not include a motor vehicle excise tax approved before July 15,  
17 2015, if the tax will terminate on the date bond debt to which the  
18 tax is pledged is repaid. This tax does not apply to vehicles  
19 licensed under RCW 46.16A.455 except vehicles with an unladen weight  
20 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).  
21 Notwithstanding any other provision of this subsection or chapter  
22 82.44 RCW, a motor vehicle excise tax imposed by a regional transit  
23 authority before or after July 15, 2015, must comply with chapter  
24 82.44 RCW as it existed on January 1, 1996, until December 31st of  
25 the year in which the regional transit authority repays bond debt to  
26 which a motor vehicle excise tax was pledged before July 15, 2015.  
27 Motor vehicle taxes collected by regional transit authorities after  
28 December 31st of the year in which a regional transit authority  
29 repays bond debt to which a motor vehicle excise tax was pledged  
30 before July 15, 2015, must comply with chapter 82.44 RCW as it  
31 existed on the date the tax was approved by voters.

32 (2) An agency and high capacity transportation corridor area may  
33 impose a sales and use tax solely for the purpose of providing high  
34 capacity transportation service, in addition to the tax authorized

1 by RCW 82.14.030, upon retail car rentals within the applicable  
2 jurisdiction that are taxable by the state under chapters 82.08 and  
3 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of  
4 tax imposed under this subsection must bear the same ratio of the  
5 2.172 percent authorized that the rate imposed under subsection (1)  
6 of this section bears to the rate authorized under subsection (1) of  
7 this section. The base of the tax is the selling price in the case  
8 of a sales tax or the rental value of the vehicle used in the case  
9 of a use tax.

10 (3) Any motor vehicle excise tax previously imposed under the  
11 provisions of RCW 81.104.160(1) shall be repealed, terminated, and  
12 expire on December 5, 2002, except for a motor vehicle excise tax  
13 for which revenues have been contractually pledged to repay a bonded  
14 debt issued before December 5, 2002, as determined by *Pierce County*  
15 *et al. v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of  
16 bonds that were previously issued, the motor vehicle excise tax must  
17 comply with chapter 82.44 RCW as it existed on January 1, 1996.

18 (4) If a regional transit authority imposes the tax authorized  
19 under subsection (1) of this section, the authority may not receive  
20 any state grant funds provided in an omnibus transportation  
21 appropriations act except transit coordination grants created in  
22 chapter 11, Laws of 2015 3rd sp. sess.

23 (5) During the 2017-2019 fiscal biennium, the authority to  
24 impose a tax under this section is subject to section 714 of this  
25 act.

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27 **Sec. 716.** RCW 81.104.190 and 2009 c 280 s 7 are each amended to  
28 read as follows:

29 (1) Except as otherwise provided in this section, cities that  
30 operate transit systems, county transportation authorities,  
31 metropolitan municipal corporations, public transportation benefit  
32 areas, high capacity transportation corridor areas, and regional  
33 transit systems may contract with the state department of revenue or  
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1 other appropriate entities for administration and collection of any  
2 tax authorized by RCW 81.104.150, 81.104.160, and 81.104.170.

3 (2) During the 2017-2019 fiscal biennium, a regional transit  
4 authority may not contract with the department for the collection of  
5 a motor vehicle excise tax in cities or counties that have nullified  
6 a motor vehicle tax pursuant to section 714 of this act.

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8 **Sec. 717.** RCW 82.44.135 and 2006 c 318 s 9 are each amended to  
9 read as follows:

10 (1) Except as otherwise provided in this section, before a local  
11 government subject to this chapter may impose a motor vehicle excise  
12 tax, the local government must contract with the department for the  
13 collection of the tax. The department may charge a reasonable  
14 amount, not to exceed one percent of tax collections, for the  
15 administration and collection of the tax.

16 (2) During the 2017-2019 fiscal biennium, a regional transit  
17 authority may not contract with the department for the collection of  
18 a motor vehicle excise tax in cities or counties that have nullified  
19 a motor vehicle tax pursuant to section 714 of this act."

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21 Renumber the remaining sections consecutively and correct any  
22 internal references accordingly.

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EFFECT: Allows cities and counties to nullify regional transit authority (RTA) motor vehicle excise taxes (MVET) during the 2017-2019 fiscal biennium by a majority vote in either a referendum or a legislative authority. Prevents an RTA from contracting with the Department of Licensing to collect an MVET during the 2017-2019 fiscal biennium in cities or counties that have nullified an MVET.

FISCAL IMPACT: No net change to appropriated levels.

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