
SENATE BILL 5905

State of Washington 65th Legislature 2017 Regular Session

By Senators Hobbs, Wellman, Conway, Darneille, Mullet, and Keiser

Read first time 03/22/17. Referred to Committee on Transportation.

1 AN ACT Relating to taxpayer relief for persons subject to a motor
2 vehicle excise tax imposed by a regional transit authority; amending
3 RCW 81.104.160 and 82.44.035; and declaring an emergency.

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

5 **Sec. 1.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
6 amended to read as follows:

7 (1)(a) Regional transit authorities that include a county with a
8 population of more than one million five hundred thousand may submit
9 an authorizing proposition to the voters, and if approved, may levy
10 and collect an excise tax, at a rate approved by the voters, but not
11 exceeding eight-tenths of one percent on the value, under chapter
12 82.44 RCW, of every motor vehicle owned by a resident of the taxing
13 district, solely for the purpose of providing high capacity
14 transportation service. The maximum tax rate under this subsection
15 does not include a motor vehicle excise tax approved before July 15,
16 2015, if the tax will terminate on the date bond debt to which the
17 tax is pledged is repaid. This tax does not apply to vehicles
18 licensed under RCW 46.16A.455 except vehicles with an unladen weight
19 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).
20 Except as provided in (b) of this subsection, and notwithstanding any
21 other provision of this subsection or chapter 82.44 RCW, a motor

1 vehicle excise tax imposed by a regional transit authority before or
2 after July 15, 2015, must comply with chapter 82.44 RCW as it existed
3 on January 1, 1996, until December 31st of the year in which the
4 regional transit authority repays bond debt to which a motor vehicle
5 excise tax was pledged before July 15, 2015. Motor vehicle taxes
6 collected by regional transit authorities after December 31st of the
7 year in which a regional transit authority repays bond debt to which
8 a motor vehicle excise tax was pledged before July 15, 2015, must
9 comply with chapter 82.44 RCW as it existed on the date the tax was
10 approved by voters.

11 (b) A motor vehicle excise tax imposed by a regional transit
12 authority after July 15, 2015, must comply with chapter 82.44 RCW as
13 it existed on January 1, 1996, until December 31st of the year in
14 which the regional transit authority repays bond debt to which a
15 motor vehicle excise tax was pledged before July 15, 2015, only to
16 the extent necessary to repay bond debt incurred before January 1,
17 2017. With respect to bond debt incurred on or after January 1, 2017,
18 and to which the motor vehicle excise tax is pledged, the tax must
19 comply with chapter 82.44 RCW as it existed on the date the tax was
20 approved by voters.

21 (2) An agency and high capacity transportation corridor area may
22 impose a sales and use tax solely for the purpose of providing high
23 capacity transportation service, in addition to the tax authorized by
24 RCW 82.14.030, upon retail car rentals within the applicable
25 jurisdiction that are taxable by the state under chapters 82.08 and
26 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
27 tax imposed under this subsection must bear the same ratio of the
28 2.172 percent authorized that the rate imposed under subsection (1)
29 of this section bears to the rate authorized under subsection (1) of
30 this section. The base of the tax is the selling price in the case of
31 a sales tax or the rental value of the vehicle used in the case of a
32 use tax.

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

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

6 **Sec. 2.** RCW 82.44.035 and 2010 c 161 s 910 are each amended to
7 read as follows:

8 (1) For the purpose of determining any locally imposed motor
9 vehicle excise tax, except as provided in RCW 81.104.160, the value
10 of a truck or trailer (~~shall be~~) is the latest purchase price of
11 the vehicle, excluding applicable federal excise taxes, state and
12 local sales or use taxes, transportation or shipping costs, or
13 preparatory or delivery costs, multiplied by the following percentage
14 based on year of service of the vehicle since last sale. The latest
15 purchase year shall be considered the first year of service.

16	YEAR OF SERVICE	PERCENTAGE
17	1	100
18	2	81
19	3	67
20	4	55
21	5	45
22	6	37
23	7	30
24	8	25
25	9	20
26	10	16
27	11	13
28	12	11
29	13	9
30	14	7
31	15	3
32	16 or older	0

33 (2) The reissuance of a certificate of title and registration
34 certificate for a truck or trailer because of the installation of

1 body or special equipment shall be treated as a sale, and the value
2 of the truck or trailer at that time, as determined by the department
3 from such information as may be available, shall be considered the
4 latest purchase price.

5 (3)(a) For the purpose of determining any locally imposed motor
6 vehicle excise tax, except as provided in RCW 81.104.160, the value
7 of a vehicle other than a truck or trailer (~~shall be~~) is eighty-
8 five percent of the manufacturer's base suggested retail price of the
9 vehicle when first offered for sale as a new vehicle, excluding any
10 optional equipment, applicable federal excise taxes, state and local
11 sales or use taxes, transportation or shipping costs, or preparatory
12 or delivery costs, multiplied by the applicable percentage listed in
13 this subsection (3) based on year of service of the vehicle.

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

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

33 ((+b)) (ii) The year the vehicle is offered for sale as a new
34 vehicle shall be considered the first year of service.

35	YEAR OF SERVICE	PERCENTAGE
36	1	100
37	2	81
38	3	72

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

15 (4) For purposes of this chapter, value shall exclude value
16 attributable to modifications of a vehicle and equipment that are
17 designed to facilitate the use or operation of the vehicle by a
18 person with a disability.

19 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
20 preservation of the public peace, health, or safety, or support of
21 the state government and its existing public institutions, and takes
22 effect immediately.

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