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HOUSE BILL 2021

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State of Washington

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2019 Regular Session

By Representatives Chambers, Barkis, Gildon, Irwin, Caldier,  
McCaslin, and Young

Read first time 02/12/19. Referred to Committee on Transportation.

1 AN ACT Relating to the administration of motor vehicle excise  
2 taxes by regional transit authorities; amending RCW 82.44.135,  
3 81.104.160, 82.44.035, and 81.104.190; and declaring an emergency.

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

5 **Sec. 1.** RCW 82.44.135 and 2006 c 318 s 9 are each amended to  
6 read as follows:

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

13 (2) A regional transit authority may contract with the department  
14 for the collection of a motor vehicle excise tax only if the tax is  
15 based solely on the vehicle valuation method identified in RCW  
16 81.104.160(1)(a)(ii).

17 (3)(a) Any contract entered into under this section must provide  
18 that the department will receive amounts sufficient to fully cover  
19 the costs applicable to the tax collection process, including (i)  
20 customer service-related costs, (ii) information technology-related

1 costs, (iii) public announcement and education costs, and (iv) any  
2 liability or other related risk assessment costs.

3 (b) Any contract entered into under this section must also  
4 provide that any unforeseen future administrative costs will be borne  
5 by the regional transit authority.

6 **Sec. 2.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each  
7 amended to read as follows:

8 (1) (a) 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))~~

23 (i) Except as otherwise provided in (a)(ii) of this subsection, a  
24 motor vehicle excise tax imposed by a regional transit authority  
25 before or after July 15, 2015, must comply with chapter 82.44 RCW as  
26 it existed on January 1, 1996, until December 31st of the year in  
27 which the regional transit authority repays bond debt to which a  
28 motor vehicle excise tax was pledged before July 15, 2015. Motor  
29 vehicle taxes collected by regional transit authorities after  
30 December 31st of the year in which a regional transit authority  
31 repays bond debt to which a motor vehicle excise tax was pledged  
32 before July 15, 2015, must comply with chapter 82.44 RCW as it  
33 existed on the date the tax was approved by voters.

34 (ii) As an alternative to the vehicle valuation method described  
35 in (a)(i) of this subsection, for the purpose of determining a motor  
36 vehicle excise tax imposed by a regional transit authority under this  
37 subsection (1)(a), the value of a motor vehicle must be based on base  
38 model Kelley blue book values or national automobile dealers  
39 association values, whichever is lower.

1 (2) An agency and high capacity transportation corridor area may  
2 impose a sales and use tax solely for the purpose of providing high  
3 capacity transportation service, in addition to the tax authorized by  
4 RCW 82.14.030, upon retail car rentals within the applicable  
5 jurisdiction that are taxable by the state under chapters 82.08 and  
6 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of  
7 tax imposed under this subsection must bear the same ratio of the  
8 2.172 percent authorized that the rate imposed under subsection (1)  
9 of this section bears to the rate authorized under subsection (1) of  
10 this section. The base of the tax is the selling price in the case of  
11 a sales tax or the rental value of the vehicle used in the case of a  
12 use tax.

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

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

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

28 (1) For the purpose of determining any locally imposed motor  
29 vehicle excise tax, the value of a truck or trailer (~~shall be~~) is  
30 the latest purchase price of the vehicle, excluding applicable  
31 federal excise taxes, state and local sales or use taxes,  
32 transportation or shipping costs, or preparatory or delivery costs,  
33 multiplied by the following percentage based on year of service of  
34 the vehicle since last sale. The latest purchase year (~~shall be~~) is  
35 considered the first year of service.

36	YEAR OF SERVICE	PERCENTAGE
37	1	100
38	2	81

1	3	67
2	4	55
3	5	45
4	6	37
5	7	30
6	8	25
7	9	20
8	10	16
9	11	13
10	12	11
11	13	9
12	14	7
13	15	3
14	16 or older	0

15 (2) The reissuance of a certificate of title and registration  
16 certificate for a truck or trailer because of the installation of  
17 body or special equipment (~~shall~~) must be treated as a sale, and  
18 the value of the truck or trailer at that time, as determined by the  
19 department from such information as may be available, (~~shall be~~) is  
20 considered the latest purchase price.

21 (3) For the purpose of determining any locally imposed motor  
22 vehicle excise tax, the value of a vehicle other than a truck or  
23 trailer shall be eighty-five percent of the manufacturer's base  
24 suggested retail price of the vehicle when first offered for sale as  
25 a new vehicle, excluding any optional equipment, applicable federal  
26 excise taxes, state and local sales or use taxes, transportation or  
27 shipping costs, or preparatory or delivery costs, multiplied by the  
28 applicable percentage listed in this subsection (3) based on year of  
29 service of the vehicle.

30 If the manufacturer's base suggested retail price is unavailable  
31 or otherwise unascertainable at the time of initial registration in  
32 this state, the department (~~shall~~) must determine a value  
33 equivalent to a manufacturer's base suggested retail price as  
34 follows:

35 (a) The department (~~shall~~) must determine a value using any  
36 information that may be available, including any guidebook, report,

1 or compendium of recognized standing in the automotive industry or  
 2 the selling price and year of sale of the vehicle. The department may  
 3 use an appraisal by the county assessor. In valuing a vehicle for  
 4 which the current value or selling price is not indicative of the  
 5 value of similar vehicles of the same year and model, the department  
 6 (~~shall~~) must establish a value that more closely represents the  
 7 average value of similar vehicles of the same year and model. The  
 8 value determined in this subsection (3)(a) (~~shall~~) must be divided  
 9 by the applicable percentage listed in (b) of this subsection (3) to  
 10 establish a value equivalent to a manufacturer's base suggested  
 11 retail price and this value (~~shall~~) must be multiplied by eighty-  
 12 five percent.

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

15	YEAR OF SERVICE	PERCENTAGE
16	1	100
17	2	81
18	3	72
19	4	63
20	5	55
21	6	47
22	7	41
23	8	36
24	9	32
25	10	27
26	11	26
27	12	24
28	13	23
29	14	21
30	15	16
31	16 or older	10

32 (4) For purposes of this chapter, value (~~shall~~) excludes value  
 33 attributable to modifications of a vehicle and equipment that are  
 34 designed to facilitate the use or operation of the vehicle by a  
 35 person with a disability.

1       (5) This section applies to a motor vehicle excise tax imposed by  
2 a regional transit authority only to the extent described in RCW  
3 81.104.160(1)(a)(i). This section does not apply to a motor vehicle  
4 excise tax imposed by a regional transit authority under RCW  
5 81.104.160(1)(a)(ii).

6       **Sec. 4.** RCW 81.104.190 and 2009 c 280 s 7 are each amended to  
7 read as follows:

8       Except as otherwise provided in RCW 82.44.135, cities that  
9 operate transit systems, county transportation authorities,  
10 metropolitan municipal corporations, public transportation benefit  
11 areas, high capacity transportation corridor areas, and regional  
12 transit systems may contract with the state department of revenue or  
13 other appropriate entities for administration and collection of any  
14 tax authorized by RCW 81.104.150, 81.104.160, and 81.104.170.

15       NEW SECTION.       **Sec. 5.** If any provision of this act or its  
16 application to any person or circumstance is held invalid, the  
17 remainder of the act or the application of the provision to other  
18 persons or circumstances is not affected.

19       NEW SECTION.       **Sec. 6.** 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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