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**ENGROSSED HOUSE BILL 2201**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Representatives Pellicciotti, Slatter, Reeves, Clibborn, Lovick, Ormsby, Pollet, Kilduff, Kloba, Orwall, Sells, Stanford, Wylie, and Senn

AN ACT Relating to the collection of a motor vehicle excise tax approved by voters of a regional transit authority in 2016 by creating a market value adjustment program to provide a credit based on the difference between the vehicle valuation schedule used by the authority to determine the tax amount under current law and the vehicle valuation schedule in RCW 82.44.035 in a manner that limits the delay of the voter approved 2016 plan; adding a new section to chapter 82.44 RCW; adding a new section to chapter 81.112 RCW; creating a new section; and declaring an emergency.

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

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

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

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

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

(2) Under the market value adjustment program, the authority must provide a credit against the motor vehicle excise tax due in an amount equal to the tax due calculated using the vehicle valuation schedule in chapter 82.44 RCW as it existed on January 1, 1996, less the tax otherwise due calculated using the vehicle valuation schedule in RCW 82.44.035, if the resulting difference is positive. The credit applies only to the motor vehicle excise tax authorized in RCW 81.104.160(1).

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

(a) Unrestricted tax proceeds or other revenues; and

(b) Savings from the delivery of projects.

(4) The program must provide credit retroactive to the date that the authority first imposed the tax under RCW 81.104.160(1). The authority, in consultation with the department of licensing, must develop a system to issue refunds of credits with respect to vehicles for which the registrations were renewed before January 1, 2018.

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

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

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

(iii) Revising project contingency budgets, if practicable.

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

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

NEW SECTION. **Sec.**  Section 1 of this act applies to registrations that are due or become due on or after January 1, 2018.

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

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