H-3407.1

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**HOUSE BILL 2569**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Representatives Stambaugh, Kilduff, Muri, Stokesbary, Harmsworth, and Sawyer

AN ACT Relating to exempting trailers from motor vehicle excise taxes imposed by regional transit authorities; amending RCW 81.104.160 and 82.44.125; and creating a new section.

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

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

(1) Regional transit authorities that include a county with a population of more than one million five hundred thousand may submit an authorizing proposition to the voters, and if approved, may levy and collect an excise tax, at a rate approved by the voters, but not exceeding eight-tenths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of the taxing district, solely for the purpose of providing high capacity transportation service. The maximum tax rate under this subsection does not include a motor vehicle excise tax approved before July 15, 2015, if the tax will terminate on the date bond debt to which the tax is pledged is repaid. This tax does not apply to: Trailers as defined in RCW 46.04.620; and vehicles licensed under RCW 46.16A.455 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2). Notwithstanding any other provision of this subsection or chapter 82.44 RCW, a motor vehicle excise tax imposed by a regional transit authority before or after July 15, 2015, must comply with chapter 82.44 RCW as it existed on January 1, 1996, until December 31st of the year in which the regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before July 15, 2015. Motor vehicle taxes collected by regional transit authorities after December 31st of the year in which a regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before July 15, 2015, must comply with chapter 82.44 RCW as it existed on the date the tax was approved by voters.

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

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

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

**Sec.**  RCW 82.44.125 and 2010 c 161 s 908 are each amended to read as follows:

(1) The motor vehicle excise tax authorized under this chapter applies to the following vehicles:

(a) Commercial trailers, as defined in RCW 46.04.136;

(b) Farm trucks registered under RCW 46.16A.425;

(c) Fixed load vehicles, as defined in RCW 46.04.186;

(d) Motor homes, as defined in RCW 46.04.305;

(e) Motor trucks, as defined in RCW 46.04.310, with a scale weight greater than six thousand pounds; and

(f) Motor vehicles, as defined in RCW 46.04.320((~~; and~~

~~(g) Trailers, as defined in RCW 46.04.620~~)).

(2) The motor vehicle excise tax authorized under this chapter does not apply to the following vehicles:

(a) Campers, as defined in RCW 46.04.085;

(b) Dock and warehouse tractors and their cars or trailers;

(c) Equipment not designed primarily for use on public highways;

(d) Exempt registered vehicles;

(e) Lumber carriers of the type known as spiders;

(f) Mobile homes, as defined in RCW 46.04.302;

(g) Passenger motor vehicles, as described in RCW 82.44.015;

(h) Travel trailers, as defined in RCW 46.04.623;

(i) Vehicles not used on the public highways; and

(j) Vehicles owned by nonresident military personnel of the armed forces of the United States stationed in the state of Washington if the nonresident military member was a nonresident of this state when enlisted into military service.

NEW SECTION. **Sec.**  This act applies to vehicle registrations that are due or become due on or after June 30, 2018.

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