CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1514**

67th Legislature

2021 Regular Session

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| Passed by the House April 13, 2021  Yeas 63 Nays 35  **Speaker of the House of Representatives**  Passed by the Senate April 8, 2021  Yeas 45 Nays 4  **President of the Senate** | CERTIFICATE  I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1514** as passed by the House of Representatives and the Senate on the dates hereon set forth.  Chief Clerk |
| Approved |  |
| **Governor of the State of Washington** | **Secretary of State**  **State of Washington** |

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**SUBSTITUTE HOUSE BILL 1514**

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AS AMENDED BY THE SENATE

Passed Legislature - 2021 Regular Session

**State of Washington 67th Legislature 2021 Regular Session**

**By** House Transportation (originally sponsored by Representatives Taylor, Ramos, and Harris-Talley)

AN ACT Relating to transportation demand management; amending RCW 46.18.285, 46.74.010, 46.74.030, 82.04.355, 82.08.0287, 82.12.0282, 82.16.047, 82.44.015, and 82.70.010; creating a new section; and providing an effective date.

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

**Sec.**  RCW 46.18.285 and 2020 c 18 s 17 are each amended to read as follows:

(1) A registered owner who uses a passenger motor vehicle for ((~~commuter~~)) ride sharing or ride sharing for persons with special transportation needs, as defined in RCW 46.74.010, shall apply to the department, county auditor or other agent, or subagent appointed by the director for special ride share license plates. The registered owner must qualify for the tax exemptions provided in RCW 82.08.0287, 82.12.0282, or 82.44.015, and pay the special ride share license plate fee required under RCW 46.17.220(18) when the special ride share license plates are initially issued.

(2) The special ride share license plates:

(a) Must be of a distinguishing separate numerical series or design as defined by the department;

(b) Must be returned to the department when no longer in use or when the registered owner no longer qualifies for the tax exemptions provided in subsection (1) of this section; and

(c) Are not required to be renewed annually for motor vehicles described in RCW 46.16A.170.

(3) Special ride share license plates may be transferred from one motor vehicle to another motor vehicle as described in subsection (1) of this section upon application to the department, county auditor or other agent, or subagent appointed by the director.

(4) Any person who knowingly makes a false statement of a material fact in the application for a special license plate under subsection (1) of this section is guilty of a gross misdemeanor.

**Sec.**  RCW 46.74.010 and 2014 c 97 s 501 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly indicates otherwise.

(1) ((~~"Commuter ride sharing" means a car pool or van pool arrangement whereby one or more fixed groups not exceeding fifteen persons each including the drivers, and (a) not fewer than five persons including the drivers, or (b) not fewer than four persons including the drivers where at least two of those persons are confined to wheelchairs when riding, are transported in a passenger motor vehicle with a gross vehicle weight not exceeding ten thousand pounds, excluding special rider equipment, between their places of abode or termini near such places, and their places of employment or educational or other institutions, each group in a single daily round trip where the drivers are also on the way to or from their places of employment or educational or other institution.~~

~~(2) "Flexible commuter ride sharing" means a car pool or van pool arrangement whereby a group of at least two but not exceeding fifteen persons including the driver is transported in a passenger motor vehicle with a gross vehicle weight not exceeding ten thousand pounds, excluding special rider equipment, between their places of abode or termini near such places, and their places of employment or educational or other institutions, where the driver is also on the way to or from his or her place of employment or educational or other institution.~~

~~(3)~~)) "Persons with special transportation needs" has the same meaning as provided in RCW 81.66.010.

((~~(4)~~)) (2) "Ride sharing" means a carpool or vanpool arrangement whereby one or more groups not exceeding 15 persons each including the drivers, and not fewer than three persons including the drivers are transported in a passenger motor vehicle with a gross vehicle weight not exceeding 10,000 pounds. "Ride sharing" does not include transportation provided in the normal course of business by entities that are subject to chapters 46.72A, 48.177, 81.66, 81.68, 81.70, and 81.72 RCW, or offer peer-to-peer car sharing. For purposes of this section, "peer-to-peer car sharing" means motor vehicle owners making their motor vehicles available for persons to rent for short periods of time.

(3) "Ride sharing for persons with special transportation needs" means an arrangement whereby a group of persons with special transportation needs, and their attendants, is transported by a public social service agency or a private, nonprofit transportation provider, as defined in RCW 81.66.010, serving persons with special needs, in a passenger motor vehicle as defined by the department to include small buses, cutaways, and modified vans not more than twenty-eight feet long((~~: PROVIDED, That the~~)). The driver need not be a person with special transportation needs.

((~~(5)~~)) (4) "Ride-sharing operator" means the person, entity, or concern, not necessarily the driver, responsible for the existence and continuance of ((~~commuter~~)) ride sharing((~~, flexible commuter ride sharing,~~)) or ride sharing for persons with special transportation needs. The term "ride-sharing operator" includes but is not limited to an employer, an employer's agent, an employer-organized association, a state agency, a county, a city, a public transportation benefit area, a public transportation agency, or any other political subdivision that owns or leases a ride-sharing vehicle.

((~~(6)~~)) (5) "Ride-sharing promotional activities" means those activities involved in forming a ((~~commuter~~)) ride-sharing arrangement ((~~or a flexible commuter ride-sharing arrangement,~~)) including, but not limited to, receiving information from existing and prospective ride-sharing participants, sharing that information with other existing and prospective ride-sharing participants, matching those persons with other existing or prospective ride-sharing participants, and making assignments of persons to ride-sharing arrangements.

**Sec.**  RCW 46.74.030 and 1997 c 250 s 9 are each amended to read as follows:

The operator and the driver of a ((~~commuter~~)) ride‑sharing vehicle ((~~or a flexible commuter ride-sharing vehicle~~)) shall be held to a reasonable and ordinary standard of care, and are not subject to ordinances or regulations which relate exclusively to the regulation of drivers or owners of motor vehicles operated for hire, or other common carriers or public transit carriers. No person, entity, or concern may, as a result of engaging in ride-sharing promotional activities, be liable for civil damages arising directly or indirectly (1) from the maintenance and operation of a ((~~commuter~~)) ride-sharing ((~~or flexible commuter ride-sharing~~)) vehicle; or (2) from an intentional act of another person who is participating or proposing to participate in a ((~~commuter~~)) ride-sharing ((~~or flexible commuter ride-sharing~~)) arrangement, unless the ride-sharing operator or promoter had prior, actual knowledge that the intentional act was likely to occur and had a reasonable ability to prevent the act from occurring.

NEW SECTION. **Sec.**  The department of transportation and the commute trip reduction board shall prepare a report regarding, and an update to, the statutes governing the commute trip reduction program, within existing resources. The department of transportation shall provide the transportation committees of the legislature with the report and update by October 1, 2021.

**Sec.**  RCW 82.04.355 and 1999 c 358 s 8 are each amended to read as follows:

This chapter does not apply to any funds received in the course of ((~~commuter~~)) ride sharing or ride sharing for persons with special transportation needs in accordance with RCW 46.74.010.

**Sec.**  RCW 82.08.0287 and 2020 c 20 s 1472 are each amended to read as follows:

(1) The tax imposed by this chapter does not apply to sales of passenger motor vehicles which are to be used primarily for ((~~commuter~~)) ride sharing or ride sharing for persons with special transportation needs, as defined in RCW 46.74.010, if the vehicles are used as ride-sharing vehicles for thirty-six consecutive months beginning from the date of purchase.

(2)(a) To qualify for the tax exemption, those passenger motor vehicles with ((~~five~~)) three or ((~~six~~)) more passengers, including the driver, used for ((~~commuter~~)) ride sharing, must be operated either within the state's eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70A.15 RCW ((~~or~~)), in other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan, or in other counties where the vehicle is registered with or operated by a public transportation agency. Additionally at least one of the following conditions must apply: ((~~(a)~~)) (i) The vehicle must be operated by a public transportation agency for the benefit of the general public; or ((~~(b)~~)) (ii) the vehicle must be used by a major employer, as defined in RCW 70A.15.4010 as an element of its commute trip reduction program for their employees; or ((~~(c)~~)) (iii) the vehicle must be owned and operated by individual employees and must be registered either with the employer as part of its commute trip reduction program or with a public transportation agency ((~~serving the area where the employees live or work~~)). Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the ((~~commuter~~)) ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

(b) Notwithstanding the ridership requirements under (a) of this subsection (2), unless the vehicle is operated by a public transportation agency, the vehicle must be used for ride sharing in the transport of at least five passengers.

**Sec.**  RCW 82.12.0282 and 2020 c 20 s 1477 are each amended to read as follows:

(1) The tax imposed by this chapter does not apply with respect to the use of passenger motor vehicles used primarily for ((~~commuter~~)) ride sharing or ride sharing for persons with special transportation needs, as defined in RCW 46.74.010, if the vehicles are used as ride-sharing vehicles for thirty-six consecutive months beginning with the date of first use.

(2)(a) To qualify for the tax exemption, those passenger motor vehicles with ((~~five~~)) three or ((~~six~~)) more passengers, including the driver, used for ((~~commuter~~)) ride sharing, must be operated either within the state's eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70A.15 RCW ((~~or~~)), in other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan, or in other counties where the vehicle is registered with or operated by a public transportation agency. Additionally at least one of the following conditions must apply: ((~~(a)~~)) (i) The vehicle must be operated by a public transportation agency for the benefit of the general public; or ((~~(b)~~)) (ii) the vehicle must be used by a major employer, as defined in RCW 70A.15.4010 as an element of its commute trip reduction program for their employees; or ((~~(c)~~)) (iii) the vehicle must be owned and operated by individual employees and must be registered either with the employer as part of its commute trip reduction program or with a public transportation agency ((~~serving the area where the employees live or work~~)). Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the ((~~commuter~~)) ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

(b) Notwithstanding the ridership requirements under (a) of this subsection (2), unless the vehicle is operated by a public transportation agency, the vehicle must be used for ride sharing in the transport of at least five passengers.

**Sec.**  RCW 82.16.047 and 1999 c 358 s 12 are each amended to read as follows:

This chapter does not apply to any funds received in the course of ((~~commuter~~)) ride sharing or ride sharing for persons with special transportation needs in accordance with RCW 46.74.010.

**Sec.**  RCW 82.44.015 and 2020 c 20 s 1488 are each amended to read as follows:

(1) Passenger motor vehicles used primarily for ((~~commuter~~)) ride sharing and ride sharing for persons with special transportation needs, as defined in RCW 46.74.010, are not subject to the motor vehicle excise tax authorized under this chapter if the vehicles are used as ride‑sharing vehicles for thirty‑six consecutive months beginning from the date of purchase.

(2) To qualify for the motor vehicle excise tax exemption for ((~~commuter~~)) ride-sharing vehicles, passenger motor vehicles must:

(a) Have a seating capacity of ((~~five~~)) three or ((~~six~~)) more passengers, including the driver;

(b) Be used for ((~~commuter~~)) ride sharing;

(c) Be operated either within:

(i) The state's eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70A.15 RCW; ((~~or~~))

(ii) ((~~In other~~)) Other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan; or

(iii) Other counties, where the vehicle is registered with or operated by a public transportation agency; and

(d) Meet at least one of the following conditions:

(i) The vehicle must be operated by a public transportation agency for the benefit of the general public;

(ii) The vehicle must be used by a major employer, as defined in RCW 70A.15.4010 as an element of its commute trip reduction program for their employees; or

(iii) The vehicle must be owned and operated by individual employees and must be registered either with the employer as part of its commute trip reduction program or with a public transportation agency ((~~serving the area where the employees live or work~~)). Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the ((~~commuter~~)) ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

(3) The registered owner of a passenger motor vehicle described in subsection (2) of this section:

(a) Shall notify the department upon the termination of the primary use of the vehicle in ((~~commuter~~)) ride sharing or ride sharing for persons with special transportation needs; and

(b) Is liable for the motor vehicle excise tax imposed under this chapter, prorated on the remaining months for which the vehicle is registered.

**Sec.**  RCW 82.70.010 and 2005 c 297 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter and RCW 70.94.996 unless the context clearly requires otherwise.

(1) "Public agency" means any county, city, or other local government agency or any state government agency, board, or commission.

(2) "Public transportation" means the same as "public transportation service" as defined in RCW 36.57A.010 and includes passenger services of the Washington state ferries.

(3) "Nonmotorized commuting" means commuting to and from the workplace by an employee by walking or running or by riding a bicycle or other device not powered by a motor.

(4) "Ride sharing" means the same as "((~~flexible commuter~~)) ride sharing" as defined in RCW 46.74.010, including ride sharing on Washington state ferries.

(5) "Car sharing" means a membership program intended to offer an alternative to car ownership under which persons or entities that become members are permitted to use vehicles from a fleet on an hourly basis.

(6) "Telework" means a program where work functions that are normally performed at a traditional workplace are instead performed by an employee at his or her home at least one day a week for the purpose of reducing the number of trips to the employee's workplace.

(7) "Applicant" means a person applying for a tax credit under this chapter.

NEW SECTION. **Sec.**  This act takes effect September 1, 2021.

**--- END ---**