
HOUSE BILL 2473

State of Washington 54th Legislature 1996 Regular Session

By Representatives Crouse, Sterk, Foreman, D. Sommers and Johnson

Read first time 01/11/96. Referred to Committee on Transportation.

1 AN ACT Relating to disposition of revenues related to motor vehicle
2 excise taxes; amending RCW 82.44.150 and 82.14.046; reenacting and
3 amending RCW 82.44.110; and providing an effective date.

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

5 **Sec. 1.** RCW 82.44.110 and 1995 1st sp.s. c 15 s 2 and 1995 c 398
6 s 14 are each reenacted and amended to read as follows:

7 The county auditor shall regularly, when remitting license fee
8 receipts, pay over and account to the director of licensing for the
9 excise taxes collected under the provisions of this chapter. The
10 director shall forthwith transmit the excise taxes to the state
11 treasurer.

12 (1) The state treasurer shall deposit the excise taxes collected
13 under RCW 82.44.020(1) as follows:

14 (a) 1.60 percent into the motor vehicle fund to defray
15 administrative and other expenses incurred by the department in the
16 collection of the excise tax.

17 (b) 8.15 percent into the Puget Sound capital construction account
18 in the motor vehicle fund.

1 (c) 4.07 percent into the Puget Sound ferry operations account in
2 the motor vehicle fund.

3 (d) 5.88 percent into the general fund to be distributed under RCW
4 82.44.155.

5 (e) 4.75 percent into the municipal sales and use tax equalization
6 account in the general fund created in RCW 82.14.210.

7 (f) 1.60 percent into the county sales and use tax equalization
8 account in the general fund created in RCW 82.14.200.

9 (g) 62.6440 percent into the ~~((general))~~ transportation fund
10 ~~((through June 30, 1995, and 57.6440 percent into the general fund~~
11 ~~beginning July 1, 1995.~~

12 ~~((h) 5 percent into the transportation fund created in RCW 82.44.180~~
13 ~~beginning July 1, 1995)).~~

14 ~~((i))~~ (h) 5.9686 percent into the county criminal justice
15 assistance account created in RCW 82.14.310.

16 ~~((j))~~ (i) 1.1937 percent into the municipal criminal justice
17 assistance account for distribution under RCW 82.14.320.

18 ~~((k))~~ (j) 1.1937 percent into the municipal criminal justice
19 assistance account for distribution under RCW 82.14.330.

20 ~~((l))~~ (k) 2.95 percent into the county public health account
21 created in RCW 70.05.125.

22 Notwithstanding ~~((i))~~ (h) through ~~((k))~~ (j) of this subsection,
23 no more than sixty million dollars shall be deposited into the accounts
24 specified in ~~((i))~~ (h) through ~~((k))~~ (j) of this subsection for the
25 period January 1, 1994, through June 30, 1995. Not more than five
26 percent of the funds deposited to these accounts shall be available for
27 appropriations for enhancements to the state patrol crime laboratory
28 system and the continuing costs related to these enhancements. Motor
29 vehicle excise tax funds appropriated for such enhancements shall not
30 supplant existing funds from the state general fund. For the fiscal
31 year ending June 30, 1998, and for each fiscal year thereafter, the
32 amounts deposited into the accounts specified in ~~((i))~~ (h) through
33 ~~((k))~~ (j) of this subsection shall not increase by more than the
34 amounts deposited into those accounts in the previous fiscal year
35 increased by the implicit price deflator for the previous fiscal year.
36 Any revenues in excess of this amount shall be deposited into the
37 ~~((general))~~ transportation fund.

38 (2) The state treasurer shall deposit the excise taxes collected
39 under RCW 82.44.020(2) into the transportation fund.

1 (3) The state treasurer shall deposit the excise tax imposed by RCW
2 82.44.020(3) into the air pollution control account created by RCW
3 70.94.015.

4 **Sec. 2.** RCW 82.44.150 and 1995 2nd sp.s. c 14 s 538 are each
5 amended to read as follows:

6 (1) The director of licensing shall, on the twenty-fifth day of
7 February, May, August, and November of each year, advise the state
8 treasurer of the total amount of motor vehicle excise taxes imposed by
9 RCW 82.44.020 (1) and (2) remitted to the department during the
10 preceding calendar quarter ending on the last day of March, June,
11 September, and December, respectively, except for those payable under
12 RCW 82.44.030, from motor vehicle owners residing within each
13 municipality which has levied a tax under RCW 35.58.273, which amount
14 of excise taxes shall be determined by the director as follows:

15 The total amount of motor vehicle excise taxes remitted to the
16 department, except those payable under RCW 82.44.020(3) and 82.44.030,
17 from each county shall be multiplied by a fraction, the numerator of
18 which is the population of the municipality residing in such county,
19 and the denominator of which is the total population of the county in
20 which such municipality or portion thereof is located. The product of
21 this computation shall be the amount of excise taxes from motor vehicle
22 owners residing within such municipality or portion thereof. Where the
23 municipality levying a tax under RCW 35.58.273 is located in more than
24 one county, the above computation shall be made by county, and the
25 combined products shall provide the total amount of motor vehicle
26 excise taxes from motor vehicle owners residing in the municipality as
27 a whole. Population figures required for these computations shall be
28 supplied to the director by the office of financial management, who
29 shall adjust the fraction annually.

30 (2) On the first day of the months of January, April, July, and
31 October of each year, the state treasurer based upon information
32 provided by the department shall, from motor vehicle excise taxes
33 deposited in the (~~general~~) transportation fund, under RCW
34 82.44.110(1)(g), make the following deposits:

35 (a) To the high capacity transportation account created in RCW
36 47.78.010, a sum equal to four and five-tenths percent of the special
37 excise tax levied under RCW 35.58.273 by those municipalities
38 authorized to levy a special excise tax within each county that has a

1 population of one hundred seventy-five thousand or more and has an
2 interstate highway within its borders; except that in a case of a
3 municipality located in a county that has a population of one hundred
4 seventy-five thousand or more that does not have an interstate highway
5 located within its borders, that sum shall be deposited in the
6 passenger ferry account;

7 (b) To the central Puget Sound public transportation account
8 created in RCW 82.44.180, for revenues distributed after December 31,
9 1992, within a county with a population of one million or more and a
10 county with a population of from two hundred thousand to less than one
11 million bordering a county with a population of one million or more, a
12 sum equal to the difference between (i) the special excise tax levied
13 and collected under RCW 35.58.273 by those municipalities authorized to
14 levy and collect a special excise tax subject to the requirements of
15 subsections (3) and (4) of this section and (ii) the special excise tax
16 that the municipality would otherwise have been eligible to levy and
17 collect at a tax rate of .815 percent and been able to match with
18 locally generated tax revenues, other than the excise tax imposed under
19 RCW 35.58.273, budgeted for any public transportation purpose. Before
20 this deposit, the sum shall be reduced by an amount equal to the amount
21 distributed under (a) of this subsection for each of the municipalities
22 within the counties to which this subsection (2)(b) applies; however,
23 any transfer under this subsection (2)(b) must be greater than zero;
24 and

25 (c) To the public transportation systems account created in RCW
26 82.44.180, for revenues distributed after December 31, 1992, within
27 counties not described in (b) of this subsection, a sum equal to the
28 difference between (i) the special excise tax levied and collected
29 under RCW 35.58.273 by those municipalities authorized to levy and
30 collect a special excise tax subject to the requirements of subsections
31 (3) and (4) of this section and (ii) the special excise tax that the
32 municipality would otherwise have been eligible to levy and collect at
33 a tax rate of .815 percent and been able to match with locally
34 generated tax revenues, other than the excise tax imposed under RCW
35 35.58.273, budgeted for any public transportation purpose. Before this
36 deposit, the sum shall be reduced by an amount equal to the amount
37 distributed under (a) of this subsection for each of the municipalities
38 within the counties to which this subsection (2)(c) applies; however,

1 any transfer under this subsection (2)(c) must be greater than zero(†
2 and

3 ~~(d) To the general fund, for revenues distributed after June 30,~~
4 ~~1993, and to the transportation fund, for revenues distributed after~~
5 ~~June 30, 1995, a sum equal to the difference between (i) the special~~
6 ~~excise tax levied and collected under RCW 35.58.273 by those~~
7 ~~municipalities authorized to levy and collect a special excise tax~~
8 ~~subject to the requirements of subsections (3) and (4) of this section~~
9 ~~and (ii) the special excise tax that the municipality would otherwise~~
10 ~~have been eligible to levy and collect at a tax rate of .815 percent~~
11 ~~notwithstanding the requirements set forth in subsections (3) through~~
12 ~~(6) of this section, reduced by an amount equal to distributions made~~
13 ~~under (a), (b), and (c) of this subsection and RCW 82.14.046)).~~

14 (3) On the first day of the months of January, April, July, and
15 October of each year, the state treasurer, based upon information
16 provided by the department, shall remit motor vehicle excise tax
17 revenues imposed and collected under RCW 35.58.273 as follows:

18 (a) The amount required to be remitted by the state treasurer to
19 the treasurer of any municipality levying the tax shall not exceed in
20 any calendar year the amount of locally-generated tax revenues,
21 excluding (i) the excise tax imposed under RCW 35.58.273 for the
22 purposes of this section, which shall have been budgeted by the
23 municipality to be collected in such calendar year for any public
24 transportation purposes including but not limited to operating costs,
25 capital costs, and debt service on general obligation or revenue bonds
26 issued for these purposes; and (ii) the sales and use tax equalization
27 distributions provided under RCW 82.14.046; and

28 (b) In no event may the amount remitted in a single calendar
29 quarter exceed the amount collected on behalf of the municipality under
30 RCW 35.58.273 during the calendar quarter next preceding the
31 immediately preceding quarter, excluding the sales and use tax
32 equalization distributions provided under RCW 82.14.046.

33 (4) At the close of each calendar year accounting period, but not
34 later than April 1, each municipality that has received motor vehicle
35 excise taxes under subsection (3) of this section shall transmit to the
36 director of licensing and the state auditor a written report showing by
37 source the previous year's budgeted tax revenues for public
38 transportation purposes as compared to actual collections. Any
39 municipality that has not submitted the report by April 1 shall cease

1 to be eligible to receive motor vehicle excise taxes under subsection
2 (3) of this section until the report is received by the director of
3 licensing. If a municipality has received more or less money under
4 subsection (3) of this section for the period covered by the report
5 than it is entitled to receive by reason of its locally-generated
6 collected tax revenues, the director of licensing shall, during the
7 next ensuing quarter that the municipality is eligible to receive motor
8 vehicle excise tax funds, increase or decrease the amount to be
9 remitted in an amount equal to the difference between the locally-
10 generated budgeted tax revenues and the locally-generated collected tax
11 revenues. In no event may the amount remitted for a calendar year
12 exceed the amount collected on behalf of the municipality under RCW
13 35.58.273 during that same calendar year excluding the sales and use
14 tax equalization distributions provided under RCW 82.14.046. At the
15 time of the next fiscal audit of each municipality, the state auditor
16 shall verify the accuracy of the report submitted and notify the
17 director of licensing of any discrepancies.

18 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
19 required to be remitted under this section and RCW 82.14.046 shall be
20 remitted without legislative appropriation.

21 (6) Any municipality levying and collecting a tax under RCW
22 35.58.273 which does not have an operating, public transit system or a
23 contract for public transportation services in effect within one year
24 from the initial effective date of the tax shall return to the state
25 treasurer all motor vehicle excise taxes received under subsection (3)
26 of this section.

27 **Sec. 3.** RCW 82.14.046 and 1995 c 298 s 1 are each amended to read
28 as follows:

29 Beginning with distributions made to municipalities under RCW
30 82.44.150 on January 1, 1996, municipalities as defined in RCW
31 35.58.272 imposing local transit taxes, which for purposes of this
32 section include the sales and use tax under RCW 82.14.045, the business
33 and occupation tax under RCW 35.95.040, and excise taxes under RCW
34 35.95.040, shall be eligible for sales and use tax equalization
35 payments from motor vehicle excise taxes distributed under RCW
36 (~~82.44.150~~) 82.44.110(1)(g) as follows:

37 (1) Prior to January 1st of each year the department of revenue
38 shall determine the total and the per capita levels of revenues for

1 each municipality imposing local transit taxes and the state-wide
2 weighted average per capita level of sales and use tax revenues imposed
3 under chapters 82.08 and 82.12 RCW for the previous calendar year
4 calculated for a sales and use tax rate of one-tenth percent. For
5 purposes of this section, the department of revenue shall determine a
6 local transit tax rate for each municipality for the previous calendar
7 year. The tax rate shall be equivalent to the sales and use tax rate
8 for the municipality that would have generated an amount of revenue
9 equal to the amount of local transit taxes collected by the
10 municipality.

11 (2) For each tenth of one percent of the local transit tax rate,
12 the state treasurer shall apportion to each municipality receiving less
13 than eighty percent of the state-wide weighted average per capita level
14 of sales and use tax revenues imposed under chapters 82.08 and 82.12
15 RCW as determined by the department of revenue under subsection (1) of
16 this section, an amount when added to the per capita level of revenues
17 received the previous calendar year by the municipality, to equal
18 eighty percent of the state-wide weighted average per capita level of
19 revenues determined under subsection (1) of this section. In no event
20 may the sales and use tax equalization distribution to a municipality
21 in a single calendar year exceed: (a) Fifty percent of the amount of
22 local transit taxes collected during the prior calendar year; or (b)
23 the maximum amount of revenue that could have been collected at a local
24 transit tax rate of three-tenths percent in the prior calendar year.

25 (3) For a municipality established after January 1, 1995, sales and
26 use tax equalization distributions shall be made according to the
27 procedures in this subsection. Sales and use tax equalization
28 distributions to eligible new municipalities shall be made at the same
29 time as distributions are made under subsection (2) of this section.
30 The department of revenue shall follow the estimating procedures
31 outlined in this subsection until the new municipality has received a
32 full year's worth of local transit tax revenues as of the January sales
33 and use tax equalization distribution.

34 (a) Whether a newly established municipality determined to receive
35 funds under this subsection receives its first equalization payment at
36 the January, April, July, or October sales and use tax equalization
37 distribution shall depend on the date the system first imposes local
38 transit taxes.

1 (i) A newly established municipality imposing local transit taxes
2 taking effect during the first calendar quarter shall be eligible to
3 receive funds under this subsection beginning with the July sales and
4 use tax equalization distribution of that year.

5 (ii) A newly established municipality imposing local transit taxes
6 taking effect during the second calendar quarter shall be eligible to
7 receive funds under this subsection beginning with the October sales
8 and use tax equalization distribution of that year.

9 (iii) A newly established municipality imposing local transit taxes
10 taking effect during the third calendar quarter shall be eligible to
11 receive funds under this subsection beginning with the January sales
12 and use tax equalization distribution of the next year.

13 (iv) A newly established municipality imposing local transit taxes
14 taking effect during the fourth calendar quarter shall be eligible to
15 receive funds under this subsection beginning with the April sales and
16 use tax equalization distribution of the next year.

17 (b) For purposes of calculating the amount of funds the new
18 municipality should receive under this subsection, the department of
19 revenue shall:

20 (i) Estimate the per capita amount of revenues from local transit
21 taxes that the new municipality would have received had the
22 municipality received revenues from the tax the entire calendar year;

23 (ii) Calculate the amount provided under subsection (2) of this
24 section based on the per capita revenues determined under (b)(i) of
25 this subsection;

26 (iii) Prorate the amount determined under (b)(ii) of this
27 subsection by the number of months the local transit taxes have been
28 imposed.

29 (c) The department of revenue shall advise the state treasurer of
30 the amounts calculated under (b) of this subsection and the state
31 treasurer shall distribute these amounts to the new municipality from
32 the motor vehicle excise taxes distributed under RCW
33 (~~82.44.150(2)(d)~~) 82.44.110(1)(g).

34 (4) A municipality whose governing body implements a tax change
35 that reduces its local transit tax rate after January 1, 1994, may not
36 receive distributions under this section.

1 NEW SECTION. **Sec. 4.** This act shall take effect July 1, 1996.

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