
SENATE BILL 5320

State of Washington

57th Legislature

2001 Regular Session

By Senators Haugen, Horn and Gardner

Read first time 01/18/2001. Referred to Committee on Transportation.

1 AN ACT Relating to clarifying amendments regarding the ability of
2 public transportation systems to impose an annual excise tax on the
3 value of motor vehicles; amending RCW 35.58.273, 35.58.275, 35.58.277,
4 82.44.010, 82.44.025, and 82.44.110; reenacting and amending RCW
5 82.44.023 and 82.44.180; creating a new section; and repealing RCW
6 35.58.274, 35.58.278, 82.44.022, 82.44.130, 82.44.150, 82.44.155,
7 82.44.157, 82.44.160, and 82.44.170.

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

9 NEW SECTION. **Sec. 1.** It is the intent of this act to clarify
10 existing law with respect to the ability of public transportation
11 systems to impose an annual excise tax on the value of motor vehicles.
12 Senate Bill No. 6865 (chapter 1, Laws of 2000 1st sp. sess.), enacted
13 during the 2000 legislative session, did not explicitly repeal the
14 authority of public transportation systems to impose the local tax
15 under RCW 35.58.273. Repealing the state motor vehicle excise tax did
16 not repeal the local motor vehicle excise tax. It is the intent of
17 this act to clarify the authority to impose the local tax in existing
18 statutes while removing references to the repealed state tax.

1 **Sec. 2.** RCW 35.58.273 and 1998 c 321 s 25 are each amended to read
2 as follows:

3 (1) A municipality is authorized to levy and collect a special
4 excise tax not exceeding .725 percent on the value, as determined under
5 chapter 82.44 RCW, of every motor vehicle owned by a resident of such
6 municipality for the privilege of using such motor vehicle provided
7 that in no event shall the tax be less than one dollar (~~and, subject~~
8 ~~to RCW 82.44.150 (3) and (4), the amount of such tax shall be credited~~
9 ~~against the amount of the excise tax levied by the state under RCW~~
10 ~~82.44.020(1))~~). Before utilization of any excise tax moneys collected
11 under authorization of this section for acquisition of right of way or
12 construction of a mass transit facility on a separate right of way the
13 municipality shall adopt rules affording the public an opportunity for
14 "corridor public hearings" and "design public hearings" as herein
15 defined, which rule shall provide in detail the procedures necessary
16 for public participation in the following instances: (a) Prior to
17 adoption of location and design plans having a substantial social,
18 economic or environmental effect upon the locality upon which they are
19 to be constructed or (b) on such mass rapid transit systems operating
20 on a separate right of way whenever a substantial change is proposed
21 relating to location or design in the adopted plan. In adopting rules
22 the municipality shall adhere to the provisions of the Administrative
23 Procedure Act.

24 (2) A "corridor public hearing" is a public hearing that: (a) Is
25 held before the municipality is committed to a specific mass transit
26 route proposal, and before a route location is established; (b) is held
27 to afford an opportunity for participation by those interested in the
28 determination of the need for, and the location of, the mass rapid
29 transit system; (c) provides a public forum that affords a full
30 opportunity for presenting views on the mass rapid transit system route
31 location, and the social, economic and environmental effects on that
32 location and alternate locations: PROVIDED, That such hearing shall
33 not be deemed to be necessary before adoption of an overall mass rapid
34 transit system plan by a vote of the electorate of the municipality.

35 (3) A "design public hearing" is a public hearing that: (a) Is
36 held after the location is established but before the design is
37 adopted; and (b) is held to afford an opportunity for participation by
38 those interested in the determination of major design features of the
39 mass rapid transit system; and (c) provides a public forum to afford a

1 full opportunity for presenting views on the mass rapid transit system
2 design, and the social, economic, environmental effects of that design
3 and alternate designs.

4 (4) A municipality imposing a tax under subsection (1) of this
5 section may also impose a sales and use tax, in addition to the tax
6 authorized by RCW 82.14.030, upon retail car rentals within the
7 municipality that are taxable by the state under chapters 82.08 and
8 82.12 RCW. The rate of tax shall not exceed 1.944 percent. The rate
9 of tax imposed under this subsection shall bear the same ratio to the
10 1.944 percent rate authorized that the rate imposed under subsection
11 (1) of this section bears to the rate authorized under subsection (1)
12 of this section. The base of the tax shall be the selling price in the
13 case of a sales tax or the rental value of the vehicle used in the case
14 of a use tax. The tax imposed under this section shall be deducted
15 from the amount of tax otherwise due under RCW 82.08.020(2). The
16 revenue collected under this subsection shall be distributed in the
17 same manner as special excise taxes under subsection (1) of this
18 section.

19 **Sec. 3.** RCW 35.58.275 and 1969 ex.s. c 255 s 10 are each amended
20 to read as follows:

21 The schedule and basis for the excise tax imposed under RCW
22 35.58.273 shall be as provided in RCW (~~82.44.040 and RCW 82.44.050~~)
23 82.44.041. Penalties, receipts, abatements, refunds and all other
24 similar matters relating to the tax shall be as provided in chapter
25 82.44 RCW.

26 **Sec. 4.** RCW 35.58.277 and 1979 c 158 s 91 are each amended to read
27 as follows:

28 (1) When remitting license fee receipts to the state pursuant to
29 RCW 82.44.110, the county auditor shall at the same time remit the
30 special excise taxes collected for the municipality (~~and, subject to~~
31 ~~the provisions of subsection (2) of RCW 82.44.150, the sum so collected~~
32 ~~and paid over on behalf of the municipality shall be credited against~~
33 ~~the amount of the tax the auditor would otherwise be required to~~
34 ~~collect and pay over to the director of licensing for ultimate~~
35 ~~distribution to the general fund under chapter 82.44 RCW~~)).

1 (2) The department of licensing shall collect the special excise
2 tax under RCW 35.58.273 and remit the proceeds to the municipalities
3 pursuant to RCW 82.44.110.

4 **Sec. 5.** RCW 82.44.010 and 1990 c 42 s 301 are each amended to read
5 as follows:

6 For the purposes of this chapter, unless (~~{the}~~) the context
7 otherwise requires:

8 (1) "Department" means the department of licensing.

9 (2) "Motor vehicle" means all motor vehicles, trailers and
10 semitrailers used, or of the type designed primarily to be used, upon
11 the public streets and highways, for the convenience or pleasure of the
12 owner, or for the conveyance, for hire or otherwise, of persons or
13 property, including fixed loads and facilities for human habitation;
14 but shall not include (a) vehicles carrying exempt licenses, (b) dock
15 and warehouse tractors and their cars or trailers, lumber carriers of
16 the type known as spiders, and all other automotive equipment not
17 designed primarily for use upon public streets, or highways, (c) motor
18 vehicles or their trailers used entirely upon private property, (d)
19 mobile homes (~~and travel trailers~~) as defined in RCW (~~(82.50.010)~~)
20 46.04.302, or (e) motor vehicles owned by nonresident military
21 personnel of the armed forces of the United States stationed in the
22 state of Washington provided personnel were also nonresident at the
23 time of their entry into military service.

24 (3) "Truck-type power or trailing unit" means any vehicle that is
25 subject to the fees under RCW 46.16.070 except vehicles with an unladen
26 weight of six thousand pounds or less, RCW 46.16.079, (~~(46.16.080,)~~)
27 46.16.085, or 46.16.090.

28 (4) "Travel trailer" has the meaning given in RCW 46.04.623.
29 However, if a park trailer, as defined in RCW 46.04.622, has
30 substantially lost its identity as a mobile unit by virtue of its being
31 permanently sited in location and placed on a foundation of either
32 posts or blocks with connections with sewer, water, or other utilities
33 for the operation of installed fixtures and appliances, it will be
34 considered real property and will be subject to ad valorem property
35 taxation under Title 84 RCW, including the provisions with respect to
36 omitted property, except that a park trailer located on land not owned
37 by the owner of the park trailer will be subject to the personal
38 property provisions of chapter 84.56 RCW and RCW 84.60.040.

1 **Sec. 6.** RCW 82.44.023 and 1998 c 321 s 38 and 1998 c 145 s 1 are
2 each reenacted and amended to read as follows:

3 Rental cars as defined in RCW 46.04.465 are exempt from the taxes
4 imposed in RCW ~~((82.44.020(1)))~~ 35.58.273. When a rental car ceases to
5 be used for rental car purposes the year and month tabs on the license
6 plates shall be altered by the rental car company in such a manner as
7 to render the plate void of any designation of month and year. The
8 department of licensing shall, by rule, set forth the process of
9 alteration and shall provide at no cost to the rental car company, any
10 materials necessary to render the plate void of any designation of the
11 month and year tabs. At the time of retail sale, motor vehicle excise
12 tax and applicable licensing fees will be collected for a full twelve
13 months.

14 **Sec. 7.** RCW 82.44.025 and 1998 c 321 s 39 are each amended to read
15 as follows:

16 Motor vehicles licensed under RCW 46.16.374 are exempt from the tax
17 imposed in RCW ~~((82.44.020(1)))~~ 35.58.273. When the motor vehicle
18 ceases to be used for the purposes of RCW 46.16.374 or at the time of
19 its retail sale, the excise tax imposed in RCW ~~((82.44.020(1)))~~
20 35.58.273 must be imposed for twelve full months from the date of
21 application of the new owner.

22 **Sec. 8.** RCW 82.44.110 and 1998 c 321 s 5 are each amended to read
23 as follows:

24 (1) The county auditor shall regularly, when remitting license fee
25 receipts, pay over and account to the director of licensing for the
26 excise taxes collected under ~~((the provisions of this chapter))~~ RCW
27 35.58.273. The director shall forthwith transmit the excise taxes to
28 the state treasurer.

29 ~~((1) The state treasurer shall deposit the excise taxes collected~~
30 ~~under RCW 82.44.020(1) as follows:~~

31 ~~(a) 1.455 percent into the motor vehicle fund through June 30,~~
32 ~~1999, and 1.71 percent beginning July 1, 1999, to defray administrative~~
33 ~~and other expenses incurred by the department in the collection of the~~
34 ~~excise tax.~~

35 ~~(b) 7.409 percent into the Puget Sound capital construction account~~
36 ~~in the motor vehicle fund through June 30, 1999, and 8.712 percent~~
37 ~~beginning July 1, 1999.~~

1 (c) 3.70 percent into the Puget Sound ferry operations account in
2 the motor vehicle fund through June 30, 1999, and 4.351 percent
3 beginning July 1, 1999.

4 (d) 5.345 percent into the city police and fire protection
5 assistance account under RCW 82.44.155 through June 30, 1999, and 6.286
6 percent beginning July 1, 1999.

7 (e) 4.318 percent into the municipal sales and use tax equalization
8 account created in RCW 82.14.210 through June 30, 1999, and 5.628
9 percent beginning July 1, 1999.

10 (f) 1.455 percent into the county sales and use tax equalization
11 account created in RCW 82.14.200 through June 30, 1999, and 1.71
12 percent beginning July 1, 1999.

13 (g) 13.573 percent into the general fund through June 30, 1999.

14 (h) 43.605 percent into the transportation fund created in RCW
15 82.44.180 through June 30, 1999, and 51.203 percent beginning July 1,
16 1999.

17 (i) 5.426 percent into the county criminal justice assistance
18 account created in RCW 82.14.310 through June 30, 1999, and 3.892
19 percent beginning July 1, 1999.

20 (j) 1.085 percent into the municipal criminal justice assistance
21 account for distribution under RCW 82.14.320 through June 30, 1999, and
22 0.778 percent beginning July 1, 1999.

23 (k) 1.085 percent into the municipal criminal justice assistance
24 account for distribution under RCW 82.14.330 through June 30, 1999, and
25 0.778 percent beginning July 1, 1999.

26 (l) 2.682 percent into the county public health account created in
27 RCW 70.05.125 through June 30, 1999, and 3.153 percent beginning July
28 1, 1999.

29 (m) 8.862 percent into the motor vehicle fund through June 30,
30 1999, and 10.422 percent beginning July 1, 1999.

31 (n) 1.377 percent into the distressed county assistance account
32 under RCW 82.14.380 beginning July 1, 1999.

33 Notwithstanding (i) through (k) of this subsection, for each fiscal
34 year through fiscal year 1999, the amounts deposited into the accounts
35 specified in (i) through (k) of this subsection shall not increase by
36 more than the amounts deposited into those accounts in the previous
37 fiscal year increased by the implicit price deflator for the previous
38 fiscal year. Any revenues in excess of this amount shall be deposited
39 into the violence reduction and drug enforcement account.))

1 ~~(2) ((The state treasurer shall deposit the excise tax imposed by~~
2 ~~RCW 82.44.020(2) into the air pollution control account created by RCW~~
3 ~~70.94.015)) On the first day of the months of January, April, July, and~~
4 ~~October of each year, the state treasurer, based upon information~~
5 ~~provided by the department, shall distribute motor vehicle excise tax~~
6 ~~revenues imposed and collected by the department of licensing under RCW~~
7 ~~35.58.273 to the municipality in an amount equal to the tax collected~~
8 ~~on behalf of that municipality.~~

9 ~~(3) The motor vehicle excise taxes imposed under RCW 35.58.273 and~~
10 ~~required to be remitted under this section shall be remitted without~~
11 ~~legislative appropriation.~~

12 ~~(4) Any municipality levying and collecting a tax under RCW~~
13 ~~35.58.273 which does not have an operating public transit system or a~~
14 ~~contract for public transportation services in effect within one year~~
15 ~~from the initial effective date of the tax shall return to the state~~
16 ~~treasurer all motor vehicle excise taxes received under subsection (1)~~
17 ~~of this section.~~

18 **Sec. 9.** RCW 82.44.180 and 1999 c 402 s 5 and 1999 c 94 s 31 are
19 each reenacted and amended to read as follows:

20 ~~((1))~~ The transportation fund is created in the state treasury.
21 Revenues under RCW ~~((82.44.110 and))~~ 82.50.510 shall be deposited into
22 the fund as provided in ~~((those sections))~~ RCW 82.50.510.

23 Moneys in the fund may be spent only after appropriation.
24 Expenditures from the fund may be used only for transportation purposes
25 and activities and operations of the Washington state patrol not
26 directly related to the policing of public highways and that are not
27 authorized under Article II, section 40 of the state Constitution.

28 ~~((2) There is hereby created the public transportation systems~~
29 ~~account within the transportation fund. Moneys deposited into the~~
30 ~~account under RCW 82.44.150(2) (b) and (c) shall be appropriated to the~~
31 ~~transportation improvement board and allocated by the transportation~~
32 ~~improvement board to public transportation projects submitted by the~~
33 ~~public transportation systems as defined by chapters 36.56, 36.57, and~~
34 ~~36.57A RCW and RCW 35.84.060 and 81.112.030, and the Washington state~~
35 ~~ferry system, solely for:~~

36 ~~(a) Planning;~~

37 ~~(b) Development of capital projects;~~

- 1 ~~(c) Development of high capacity transportation systems as defined~~
2 ~~in RCW 81.104.015;~~
- 3 ~~(d) Development of high occupancy vehicle lanes and related~~
4 ~~facilities as defined in RCW 81.100.020;~~
- 5 ~~(e) Other public transportation system related roadway projects on~~
6 ~~state highways, county roads, or city streets;~~
- 7 ~~(f) Public transportation system contributions required to fund~~
8 ~~projects under federal programs and those approved by the~~
9 ~~transportation improvement board from other fund sources; and~~
- 10 ~~(g) Reimbursement to the general fund of tax credits authorized~~
11 ~~under RCW 82.04.4453 and 82.16.048, subject to appropriation.))~~

12 NEW SECTION. **Sec. 10.** The following acts or parts of acts are
13 each repealed:

- 14 (1) RCW 35.58.274 (Public transportation systems--Motor vehicles
15 exempt from tax) and 1985 c 7 s 100 & 1969 ex.s. c 255 s 9;
- 16 (2) RCW 35.58.278 (Public transportation systems--Distribution of
17 tax) and 1975 1st ex.s. c 270 s 2, 1974 ex.s. c 54 s 1, & 1969 ex.s. c
18 255 s 13;
- 19 (3) RCW 82.44.022 (Credit on personal-use motor vehicle) and 1998
20 c 321 s 2;
- 21 (4) RCW 82.44.130 (Ad valorem taxation barred) and 1961 c 15 s
22 82.44.130;
- 23 (5) RCW 82.44.150 (Apportionment and distribution of motor vehicle
24 excise taxes generally) and 1999 c 94 s 30, 1998 c 321 s 6, 1995 2nd
25 sp.s. c 14 s 538, 1994 c 241 s 1, & 1993 c 491 s 2;
- 26 (6) RCW 82.44.155 (City police and fire protection assistance
27 account--Distribution to cities and towns--Apportionment) and 1998 c
28 321 s 40, 1993 c 492 s 254, 1991 c 199 s 223, & 1990 c 42 s 309;
- 29 (7) RCW 82.44.157 (Transfer of funds pursuant to government service
30 agreement) and 1994 c 266 s 14;
- 31 (8) RCW 82.44.160 (Distribution to municipal research council) and
32 1999 c 309 s 931 & 1995 c 28 s 1; and
- 33 (9) RCW 82.44.170 (Computation of excise taxes when commingled with
34 licensing fees) and 1990 c 42 s 311, 1987 c 244 s 56, & 1985 c 380 s
35 22.

--- END ---