
ENGROSSED SENATE BILL 5893

State of Washington

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2017 Regular Session

By Senators O'Ban, Rossi, Becker, Rivers, Miloscia, King, Bailey, Braun, Wilson, Walsh, Zeiger, Angel, Warnick, Brown, Honeyford, Fortunato, Pearson, Padden, Fain, Schoesler, and Hawkins

Read first time 03/17/17. Referred to Committee on Transportation.

1 AN ACT Relating to establishing a vehicle valuation method for a
2 regional transit authority collecting a motor vehicle excise tax that
3 is based on Kelley blue book or national automobile dealers
4 association values; amending RCW 82.44.135, 81.104.160, 82.44.035,
5 and 81.104.190; adding a new section to chapter 81.112 RCW; and
6 declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 81.112
9 RCW to read as follows:

10 A regional transit authority that includes a county with a
11 population of more than one million five hundred thousand shall pay a
12 motor vehicle excise tax impact assessment to be deposited into the
13 motor vehicle fund established in RCW 46.68.070. The rate of the
14 assessment is one dollar per motor vehicle excise tax payment
15 occurring annually within the authority's boundaries. The state
16 revenue generated under this section is to provide funds to mitigate
17 the impact of vehicle loads on the state roads and highways, with an
18 emphasis on roads and highways within the authority's boundaries.

19 **Sec. 2.** RCW 82.44.135 and 2006 c 318 s 9 are each amended to
20 read as follows:

1 (1) Except as otherwise provided in this section, before a local
2 government subject to this chapter may impose a motor vehicle excise
3 tax, the local government must contract with the department for the
4 collection of the tax. The department may charge a reasonable amount,
5 not to exceed one percent of tax collections, for the administration
6 and collection of the tax.

7 (2) A regional transit authority may contract with the department
8 for the collection of a motor vehicle excise tax only if:

9 (a) The tax is based solely on the vehicle valuation method
10 identified in RCW 81.104.160(1)(a)(ii); and

11 (b) The total tax is levied at a rate not exceeding five-tenths
12 of one percent on the value of a vehicle.

13 (3) Any contract entered into under this section must provide
14 that the department will receive amounts sufficient to fully cover
15 the costs applicable to the tax collection process, including (a)
16 customer service-related costs, (b) information technology-related
17 costs, (c) public announcement and education costs, and (d) any
18 liability or other related risk assessment costs. The contract must
19 also provide that any unforeseen future administrative costs will be
20 borne by the regional transit authority.

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

23 (1)(a) Regional transit authorities that include a county with a
24 population of more than one million five hundred thousand may submit
25 an authorizing proposition to the voters, and if approved, may levy
26 and collect an excise tax, at a rate approved by the voters, but not
27 exceeding eight-tenths of one percent on the value, under chapter
28 82.44 RCW, of every motor vehicle owned by a resident of the taxing
29 district, solely for the purpose of providing high capacity
30 transportation service. The maximum tax rate under this subsection
31 does not include a motor vehicle excise tax approved before July 15,
32 2015, if the tax will terminate on the date bond debt to which the
33 tax is pledged is repaid. This tax does not apply to vehicles
34 licensed under RCW 46.16A.455 except vehicles with an unladen weight
35 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).
36 (~~Notwithstanding any other provision of this subsection or chapter~~
37 ~~82.44 RCW~~)

38 (i) Except as otherwise provided in (a)(ii) of this subsection, a
39 motor vehicle excise tax imposed by a regional transit authority

1 before or after July 15, 2015, must comply with chapter 82.44 RCW as
2 it existed on January 1, 1996, until December 31st of the year in
3 which the regional transit authority repays bond debt to which a
4 motor vehicle excise tax was pledged before July 15, 2015. Motor
5 vehicle taxes collected by regional transit authorities after
6 December 31st of the year in which a regional transit authority
7 repays bond debt to which a motor vehicle excise tax was pledged
8 before July 15, 2015, must comply with chapter 82.44 RCW as it
9 existed on the date the tax was approved by voters.

10 (ii) As an alternative to the vehicle valuation method described
11 in (a)(i) of this subsection, for the purpose of determining a motor
12 vehicle excise tax imposed by a regional transit authority under this
13 subsection (1)(a), the value of a motor vehicle must be based on base
14 model Kelley blue book values or national automobile dealers
15 association values, whichever is lower.

16 (2) An agency and high capacity transportation corridor area may
17 impose a sales and use tax solely for the purpose of providing high
18 capacity transportation service, in addition to the tax authorized by
19 RCW 82.14.030, upon retail car rentals within the applicable
20 jurisdiction that are taxable by the state under chapters 82.08 and
21 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
22 tax imposed under this subsection must bear the same ratio of the
23 2.172 percent authorized that the rate imposed under subsection (1)
24 of this section bears to the rate authorized under subsection (1) of
25 this section. The base of the tax is the selling price in the case of
26 a sales tax or the rental value of the vehicle used in the case of a
27 use tax.

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

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

1 **Sec. 4.** RCW 82.44.035 and 2010 c 161 s 910 are each amended to
2 read as follows:

3 (1) For the purpose of determining any locally imposed motor
4 vehicle excise tax, the value of a truck or trailer (~~shall be~~) is
5 the latest purchase price of the vehicle, excluding applicable
6 federal excise taxes, state and local sales or use taxes,
7 transportation or shipping costs, or preparatory or delivery costs,
8 multiplied by the following percentage based on year of service of
9 the vehicle since last sale. The latest purchase year (~~shall be~~) is
10 considered the first year of service.

YEAR OF SERVICE	PERCENTAGE
1	100
2	81
3	67
4	55
5	45
6	37
7	30
8	25
9	20
10	16
11	13
12	11
13	9
14	7
15	3
16 or older	0

28 (2) The reissuance of a certificate of title and registration
29 certificate for a truck or trailer because of the installation of
30 body or special equipment (~~shall~~) must be treated as a sale, and
31 the value of the truck or trailer at that time, as determined by the
32 department from such information as may be available, (~~shall be~~) is
33 considered the latest purchase price.

34 (3) For the purpose of determining any locally imposed motor
35 vehicle excise tax, the value of a vehicle other than a truck or

1 trailer shall be eighty-five percent of the manufacturer's base
2 suggested retail price of the vehicle when first offered for sale as
3 a new vehicle, excluding any optional equipment, applicable federal
4 excise taxes, state and local sales or use taxes, transportation or
5 shipping costs, or preparatory or delivery costs, multiplied by the
6 applicable percentage listed in this subsection (3) based on year of
7 service of the vehicle.

8 If the manufacturer's base suggested retail price is unavailable
9 or otherwise unascertainable at the time of initial registration in
10 this state, the department (~~shall~~) must determine a value
11 equivalent to a manufacturer's base suggested retail price as
12 follows:

13 (a) The department (~~shall~~) must determine a value using any
14 information that may be available, including any guidebook, report,
15 or compendium of recognized standing in the automotive industry or
16 the selling price and year of sale of the vehicle. The department may
17 use an appraisal by the county assessor. In valuing a vehicle for
18 which the current value or selling price is not indicative of the
19 value of similar vehicles of the same year and model, the department
20 (~~shall~~) must establish a value that more closely represents the
21 average value of similar vehicles of the same year and model. The
22 value determined in this subsection (3)(a) (~~shall~~) must be divided
23 by the applicable percentage listed in (b) of this subsection (3) to
24 establish a value equivalent to a manufacturer's base suggested
25 retail price and this value (~~shall~~) must be multiplied by eighty-
26 five percent.

27 (b) The year the vehicle is offered for sale as a new vehicle
28 (~~shall be~~) is considered the first year of service.

29	YEAR OF SERVICE	PERCENTAGE
30	1	100
31	2	81
32	3	72
33	4	63
34	5	55
35	6	47
36	7	41
37	8	36

	YEAR OF SERVICE	PERCENTAGE
2		
1	9	32
3	10	27
4	11	26
5	12	24
6	13	23
7	14	21
8	15	16
9	16 or older	10

10 (4) For purposes of this chapter, value (~~shall~~) excludes value
11 attributable to modifications of a vehicle and equipment that are
12 designed to facilitate the use or operation of the vehicle by a
13 person with a disability.

14 (5) This section applies to a motor vehicle excise tax imposed by
15 a regional transit authority only to the extent described in RCW
16 81.104.160(1)(a)(i). This section does not apply to a motor vehicle
17 excise tax imposed by a regional transit authority under RCW
18 81.104.160(1)(a)(ii).

19 **Sec. 5.** RCW 81.104.190 and 2009 c 280 s 7 are each amended to
20 read as follows:

21 Except as otherwise provided in RCW 82.44.135, cities that
22 operate transit systems, county transportation authorities,
23 metropolitan municipal corporations, public transportation benefit
24 areas, high capacity transportation corridor areas, and regional
25 transit systems may contract with the state department of revenue or
26 other appropriate entities for administration and collection of any
27 tax authorized by RCW 81.104.150, 81.104.160, and 81.104.170.

28 NEW SECTION. **Sec. 6.** If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

32 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
33 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes
2 effect immediately.

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