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HOUSE BILL 1868

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State of Washington

66th Legislature

2019 Regular Session

By Representatives Young, Walsh, Barkis, and Gildon

Read first time 02/04/19. Referred to Committee on Transportation.

1 AN ACT Relating to nullifying the imposition of certain taxes  
2 within regional transit authority boundaries; amending RCW  
3 81.104.150, 81.104.160, 81.104.170, and 81.104.175; adding a new  
4 section to chapter 81.112 RCW; and declaring an emergency.

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

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

8 (1) Any taxes approved by regional transit authority voters on or  
9 after January 1, 2015, may be nullified within the complete  
10 boundaries of a city or county within a regional transit authority if  
11 either of the following conditions are met:

12 (a) A majority of the city or county legislative authority votes  
13 to nullify the taxes; or

14 (b) A proposition to nullify the taxes is approved by voters  
15 under subsection (2) of this section.

16 (2) If a petition to nullify regional transit authority taxes  
17 within a city or county is filed with the county auditor containing  
18 the signatures of eight percent of the number of voters registered  
19 and voting in the city or county for the office of the governor at  
20 the last preceding gubernatorial election, the county auditor must  
21 canvass the signatures in the same manner as prescribed in RCW

1 29A.72.230 and certify their sufficiency to the governing body within  
2 two weeks. The proposition to nullify the taxes must then be  
3 submitted to the voters of the city or county at a special election,  
4 called for this purpose, no later than the date on which a primary  
5 election would be held under RCW 29A.04.311. The taxes may then be  
6 nullified only if approved by a majority of the voters of the city or  
7 county voting on the proposition.

8 (3) Any regional transit authority taxes nullified under this  
9 section may not be imposed within the boundaries of the affected city  
10 or county.

11 **Sec. 2.** RCW 81.104.150 and 2009 c 280 s 3 are each amended to  
12 read as follows:

13 (1) Cities that operate transit systems, county transportation  
14 authorities, metropolitan municipal corporations, public  
15 transportation benefit areas, high capacity transportation corridor  
16 areas, and regional transit authorities may submit an authorizing  
17 proposition to the voters and if approved may impose an excise tax of  
18 up to two dollars per month per employee on all employers located  
19 within the applicable jurisdiction, measured by the number of  
20 full-time equivalent employees, solely for the purpose of providing  
21 high capacity transportation service. The rate of tax shall be  
22 approved by the voters. This tax may not be imposed by: ~~((1))~~ (a) A  
23 transit agency or high capacity transportation corridor area when the  
24 county within which it is located is imposing an excise tax pursuant  
25 to RCW 81.100.030; or ~~((2))~~ (b) a regional transit authority when  
26 any county within the authority's boundaries is imposing an excise  
27 tax pursuant to RCW 81.100.030. The agency or high capacity  
28 transportation corridor area imposing the tax authorized in this  
29 section may provide for exemptions from the tax to such educational,  
30 cultural, health, charitable, or religious organizations as it deems  
31 appropriate.

32 (2) The authority for a regional transit authority to impose a  
33 tax under this section is subject to section 1 of this act.

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

36 (1) Regional transit authorities that include a county with a  
37 population of more than one million five hundred thousand may submit  
38 an authorizing proposition to the voters, and if approved, may levy

1 and collect an excise tax, at a rate approved by the voters, but not  
2 exceeding eight-tenths of one percent on the value, under chapter  
3 82.44 RCW, of every motor vehicle owned by a resident of the taxing  
4 district, solely for the purpose of providing high capacity  
5 transportation service. The maximum tax rate under this subsection  
6 does not include a motor vehicle excise tax approved before July 15,  
7 2015, if the tax will terminate on the date bond debt to which the  
8 tax is pledged is repaid. This tax does not apply to vehicles  
9 licensed under RCW 46.16A.455 except vehicles with an unladen weight  
10 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).  
11 Notwithstanding any other provision of this subsection or chapter  
12 82.44 RCW, a motor vehicle excise tax imposed by a regional transit  
13 authority before or after July 15, 2015, must comply with chapter  
14 82.44 RCW as it existed on January 1, 1996, until December 31st of  
15 the year in which the regional transit authority repays bond debt to  
16 which a motor vehicle excise tax was pledged before July 15, 2015.  
17 Motor vehicle taxes collected by regional transit authorities after  
18 December 31st of the year in which a regional transit authority  
19 repays bond debt to which a motor vehicle excise tax was pledged  
20 before July 15, 2015, must comply with chapter 82.44 RCW as it  
21 existed on the date the tax was approved by voters.

22 (2) An agency and high capacity transportation corridor area may  
23 impose a sales and use tax solely for the purpose of providing high  
24 capacity transportation service, in addition to the tax authorized by  
25 RCW 82.14.030, upon retail car rentals within the applicable  
26 jurisdiction that are taxable by the state under chapters 82.08 and  
27 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of  
28 tax imposed under this subsection must bear the same ratio of the  
29 2.172 percent authorized that the rate imposed under subsection (1)  
30 of this section bears to the rate authorized under subsection (1) of  
31 this section. The base of the tax is the selling price in the case of  
32 a sales tax or the rental value of the vehicle used in the case of a  
33 use tax.

34 (3) Any motor vehicle excise tax previously imposed under the  
35 provisions of RCW 81.104.160(1) shall be repealed, terminated, and  
36 expire on December 5, 2002, except for a motor vehicle excise tax for  
37 which revenues have been contractually pledged to repay a bonded debt  
38 issued before December 5, 2002, as determined by *Pierce County et al.*  
39 *v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds

1 that were previously issued, the motor vehicle excise tax must comply  
2 with chapter 82.44 RCW as it existed on January 1, 1996.

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

8 (5) The authority to impose a tax under this section is subject  
9 to section 1 of this act.

10 **Sec. 4.** RCW 81.104.170 and 2015 3rd sp.s. c 44 s 320 are each  
11 amended to read as follows:

12 (1) Cities that operate transit systems, county transportation  
13 authorities, metropolitan municipal corporations, public  
14 transportation benefit areas, high capacity transportation corridor  
15 areas, and regional transit authorities may submit an authorizing  
16 proposition to the voters and if approved by a majority of persons  
17 voting, fix and impose a sales and use tax in accordance with the  
18 terms of this chapter, solely for the purpose of providing high  
19 capacity transportation service.

20 (2) The tax authorized pursuant to this section is in addition to  
21 the tax authorized by RCW 82.14.030 and must be collected from those  
22 persons who are taxable by the state pursuant to chapters 82.08 and  
23 82.12 RCW upon the occurrence of any taxable event within the taxing  
24 district.

25 (a) Except for the tax imposed under (b) of this subsection by  
26 regional transit authorities that include a county with a population  
27 of more than one million five hundred thousand, the maximum rate of  
28 such tax must be approved by the voters and may not exceed one  
29 percent of the selling price (in the case of a sales tax) or value of  
30 the article used (in the case of a use tax). The maximum rate of such  
31 tax that may be imposed may not exceed nine-tenths of one percent in  
32 any county that imposes a tax under RCW 82.14.340, or within a  
33 regional transit authority if any county within the authority imposes  
34 a tax under RCW 82.14.340.

35 (b) The maximum rate of such tax that may be imposed by a  
36 regional transit authority that includes a county with a population  
37 of more than one million five hundred thousand must be approved by  
38 the voters and may not exceed 1.4 percent. If a regional transit  
39 authority imposes the tax authorized under this subsection (2)(b) in

1 excess of 0.9 percent, the authority may not receive any state grant  
2 funds provided in an omnibus transportation appropriations act except  
3 transit coordination grants created in chapter 11, Laws of 2015 3rd  
4 sp. sess.

5 (3) (a) The exemptions in RCW 82.08.820 and 82.12.820 are for the  
6 state portion of the sales and use tax and do not extend to the tax  
7 authorized in this section.

8 (b) The exemptions in RCW 82.08.962 and 82.12.962 are for the  
9 state and local sales and use taxes and include the tax authorized by  
10 this section.

11 (4) The authority for a regional transit authority to impose a  
12 tax under this section is subject to section 1 of this act.

13 **Sec. 5.** RCW 81.104.175 and 2018 c 81 s 1 are each amended to  
14 read as follows:

15 (1) A regional transit authority that includes a county with a  
16 population of more than one million five hundred thousand may impose  
17 a regular property tax levy in an amount not to exceed twenty-five  
18 cents per thousand dollars of the assessed value of property in the  
19 regional transit authority district in accordance with the terms of  
20 this section.

21 (2) Any tax imposed under this section must be used for the  
22 purpose of providing high capacity transportation service, as set  
23 forth in a proposition that is approved by a majority of the  
24 registered voters that vote on the proposition.

25 (3) Property taxes imposed under this section may be imposed for  
26 the period of time required to pay the cost to plan, design,  
27 construct, operate, and maintain the transit facilities set forth in  
28 the approved proposition. Property taxes pledged to repay bonds may  
29 be imposed at the pledged amount until the bonds are retired. After  
30 the bonds are retired, property taxes authorized under this section  
31 must be:

32 (a) Reduced to the level required to operate and maintain the  
33 regional transit authority's transit facilities; or

34 (b) Terminated, unless the taxes have been extended by public  
35 vote.

36 (4) The limitations in RCW 84.52.043 do not apply to the tax  
37 authorized in this section.

38 (5) The limitation in RCW 84.55.010 does not apply to the first  
39 levy imposed under this section.

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

6 (7) Property taxes imposed under this section may not be imposed  
7 on less than a whole parcel.

8 (8) The authority to impose a tax under this section is subject  
9 to section 1 of this act.

10 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
11 preservation of the public peace, health, or safety, or support of  
12 the state government and its existing public institutions, and takes  
13 effect immediately.

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