S-1715.1

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**SENATE BILL 5851**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senators Rossi, Becker, O'Ban, Bailey, and Fortunato

AN ACT Relating to the valuation of motor vehicles for purposes of certain motor vehicle excise taxes; amending RCW 81.104.160 and 82.44.035; and creating a new section.

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

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

(1)(a) Regional transit authorities that include a county with a population of more than one million five hundred thousand may submit an authorizing proposition to the voters, and if approved, may levy and collect an excise tax, at a rate approved by the voters, but not exceeding eight-tenths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of the taxing district, solely for the purpose of providing high capacity transportation service. The maximum tax rate under this subsection does not include a motor vehicle excise tax approved before July 15, 2015, if the tax will terminate on the date bond debt to which the tax is pledged is repaid. This tax does not apply to vehicles licensed under RCW 46.16A.455 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2). ((~~Notwithstanding any other provision of this subsection or chapter 82.44 RCW, a motor vehicle excise tax imposed by a regional transit authority before or after July 15, 2015, must comply with chapter 82.44 RCW as it existed on January 1, 1996, until December 31st of the year in which the regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before July 15, 2015. Motor vehicle taxes collected by regional transit authorities after December 31st of the year in which a regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before July 15, 2015, must comply with chapter 82.44 RCW as it existed on the date the tax was approved by voters.~~))

(b) Beginning July 15, 2015, for the purpose of determining a motor vehicle excise tax imposed by a regional transit authority under (a) of this subsection, the value of a motor vehicle must be based on base model Kelly Blue book values, or national automobile dealers association values, whichever is lower.

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

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

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

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

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

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

(3) For the purpose of determining any locally imposed motor vehicle excise tax, the value of a vehicle other than a truck or trailer shall be eighty-five percent of the manufacturer's base suggested retail price of the vehicle when first offered for sale as a new vehicle, excluding any optional equipment, applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in this subsection (3) based on year of service of the vehicle.

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

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

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

|  |  |
| --- | --- |
| YEAR OF SERVICE | PERCENTAGE |
| 1 | 100 |
| 2 | 81 |
| 3 | 72 |
| 4 | 63 |
| 5 | 55 |
| 6 | 47 |
| 7 | 41 |
| 8 | 36 |
| 9 | 32 |
| 10 | 27 |
| 11 | 26 |
| 12 | 24 |
| 13 | 23 |
| 14 | 21 |
| 15 | 16 |
| 16 or older | 10 |

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

(5) This section does not apply to a motor vehicle excise tax imposed by a regional transit authority under RCW 81.104.160(1).

NEW SECTION. **Sec.**  This act is remedial and curative in nature and applies retroactively to July 15, 2015, and prospectively.

**--- END ---**