

SB 5893 - S AMD 226
By Senator O'Ban

PULLED 04/06/2017

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 82.44.135 and 2006 c 318 s 9 are each amended to
4 read as follows:

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

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

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

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

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

25 **Sec. 2.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
26 amended to read as follows:

27 (1)(a) Regional transit authorities that include a county with a
28 population of more than one million five hundred thousand may submit
29 an authorizing proposition to the voters, and if approved, may levy
30 and collect an excise tax, at a rate approved by the voters, but not
31 exceeding eight-tenths of one percent on the value, under chapter

1 82.44 RCW, of every motor vehicle owned by a resident of the taxing
2 district, solely for the purpose of providing high capacity
3 transportation service. The maximum tax rate under this subsection
4 does not include a motor vehicle excise tax approved before July 15,
5 2015, if the tax will terminate on the date bond debt to which the
6 tax is pledged is repaid. This tax does not apply to vehicles
7 licensed under RCW 46.16A.455 except vehicles with an unladen weight
8 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).
9 (~~Notwithstanding any other provision of this subsection or chapter~~
10 ~~82.44 RCW~~))

11 (i) Except as otherwise provided in (a)(ii) of this subsection, a
12 motor vehicle excise tax imposed by a regional transit authority
13 before or after July 15, 2015, must comply with chapter 82.44 RCW as
14 it existed on January 1, 1996, until December 31st of the year in
15 which the regional transit authority repays bond debt to which a
16 motor vehicle excise tax was pledged before July 15, 2015. Motor
17 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 (ii) As an alternative to the vehicle valuation method described
23 in (a)(i) of this subsection, for the purpose of determining a motor
24 vehicle excise tax imposed by a regional transit authority under this
25 subsection (1)(a), the value of a motor vehicle must be based on base
26 model Kelley blue book values or national automobile dealers
27 association values, whichever is lower.

28 (2) An agency and high capacity transportation corridor area may
29 impose a sales and use tax solely for the purpose of providing high
30 capacity transportation service, in addition to the tax authorized by
31 RCW 82.14.030, upon retail car rentals within the applicable
32 jurisdiction that are taxable by the state under chapters 82.08 and
33 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
34 tax imposed under this subsection must bear the same ratio of the
35 2.172 percent authorized that the rate imposed under subsection (1)
36 of this section bears to the rate authorized under subsection (1) of
37 this section. The base of the tax is the selling price in the case of
38 a sales tax or the rental value of the vehicle used in the case of a
39 use tax.

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

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

14 **Sec. 3.** RCW 82.44.035 and 2010 c 161 s 910 are each amended to
15 read as follows:

16 (1) For the purpose of determining any locally imposed motor
17 vehicle excise tax, the value of a truck or trailer (~~shall be~~) is
18 the latest purchase price of the vehicle, excluding applicable
19 federal excise taxes, state and local sales or use taxes,
20 transportation or shipping costs, or preparatory or delivery costs,
21 multiplied by the following percentage based on year of service of
22 the vehicle since last sale. The latest purchase year (~~shall be~~) is
23 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

	YEAR OF SERVICE	PERCENTAGE
2		
1	12	11
3	13	9
4	14	7
5	15	3
6	16 or older	0

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

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

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

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

1 retail price and this value (~~shall~~) must be multiplied by eighty-
2 five percent.

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

5	YEAR OF SERVICE	PERCENTAGE
6	1	100
7	2	81
8	3	72
9	4	63
10	5	55
11	6	47
12	7	41
13	8	36
14	9	32
15	10	27
16	11	26
17	12	24
18	13	23
19	14	21
20	15	16
21	16 or older	10

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

26 (5) This section applies to a motor vehicle excise tax imposed by
27 a regional transit authority only to the extent described in RCW
28 81.104.160(1)(a)(i). This section does not apply to a motor vehicle
29 excise tax imposed by a regional transit authority under RCW
30 81.104.160(1)(a)(ii).

31 **Sec. 4.** RCW 81.104.190 and 2009 c 280 s 7 are each amended to
32 read as follows:

33 Except as otherwise provided in RCW 82.44.135, cities that
34 operate transit systems, county transportation authorities,

1 metropolitan municipal corporations, public transportation benefit
2 areas, high capacity transportation corridor areas, and regional
3 transit systems may contract with the state department of revenue or
4 other appropriate entities for administration and collection of any
5 tax authorized by RCW 81.104.150, 81.104.160, and 81.104.170.

6 NEW SECTION. **Sec. 5.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

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."

SB 5893 - S AMD 226
By Senator O'Ban

PULLED 04/06/2017

14 On page 1, line 1 of the title, after "Relating to" strike the
15 remainder of the title and insert "establishing a vehicle valuation
16 method for a regional transit authority collecting a motor vehicle
17 excise tax that is based on Kelley blue book or national automobile
18 dealers association values; amending RCW 82.44.135, 81.104.160,
19 82.44.035, and 81.104.190; and declaring an emergency."

EFFECT: Prohibits a Regional Transit Authority (RTA) from
contracting with the Department of Licensing (DOL) for the collection
of a Motor Vehicle Excise Tax (MVET) if the tax is levied at a rate
higher than 0.5 percent.

--- END ---