

ESB 5893 - S AMD 282
By Senator O'Ban

ADOPTED 05/02/2017

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 the
13 authority has implemented a market value adjustment program as
14 directed in section 2 of this act.

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

24 (4) If the department enters into a contract with a regional
25 transit authority for the collection of a motor vehicle excise tax
26 authorized in RCW 81.104.160(1), and after the regional transit
27 authority implements a market value adjustment program as directed in
28 section 2 of this act, the department must clearly indicate, when
29 notifying taxpayers of the expected tax due and when collecting the
30 tax: The amount of tax owed under current law, the amount of any
31 credit applied, and the net result.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 81.112
2 RCW to read as follows:

3 (1) A regional transit authority that includes portions of a
4 county with a population of more than one million five hundred
5 thousand and that imposes a motor vehicle excise tax under RCW
6 81.104.160(1) must establish a market value adjustment program to be
7 implemented by December 31, 2017.

8 (2) Under the market value adjustment program, the authority must
9 provide a credit against the total motor vehicle excise tax due in an
10 amount equal to the tax due calculated using the vehicle valuation
11 schedule in effect on the effective date of this section, less an
12 amount calculated using an assumed motor vehicle excise tax of 0.5
13 percent and the value of a motor vehicle based on base model Kelley
14 blue book values or national automobile dealers association values,
15 whichever is lower, if the resulting difference is positive.

16 (3) Except for the property tax authorized in RCW 81.104.175 and
17 for project schedule adjustments, the program may be funded by any
18 resources available to the authority.

19 (4) The program must provide credit retroactive to the date that
20 the authority first imposed the tax under RCW 81.104.160(1). The
21 authority, in consultation with the department of licensing, must
22 develop a system to issue refunds of credits with respect to vehicles
23 for which the registrations were renewed before January 1, 2018.

24 (5) The program must be implemented in a manner that allows the
25 delivery of the system and financing plan approved by the authority's
26 voters in 2016 to the extent practicable. Building on past and
27 ongoing cost-savings efforts, the agency must continue to evaluate
28 measures that may be needed to reduce costs. These measures include,
29 but are not limited to:

30 (a) Designing projects using the principles of practical design,
31 as described for use by the department of transportation under RCW
32 47.01.480;

33 (b) Efficiencies realized in coordinating and integrating
34 activities with other transit agencies and local governments,
35 including through shared maintenance and operations, joint
36 procurement, joint marketing, joint customer services, and joint
37 capital projects; and

38 (c) Revising project contingency budgets, if practicable.

39 (6) Until the plan has been completed, the authority must submit
40 an annual report to the transportation committees of the legislature

1 by December 31st of each year on the status of the delivery of the
2 plan. The report must include detail on the extent to and manner in
3 which the authority has used cost savings to maintain the delivery of
4 the plan as approved by the voters.

5 NEW SECTION. **Sec. 3.** This act must be construed to preclude a
6 regional transit authority from defeasing any outstanding bond
7 obligations.

8 NEW SECTION. **Sec. 4.** Section 2 of this act applies to vehicle
9 registrations that are due or become due on or after January 1, 2018.

10 NEW SECTION. **Sec. 5.** 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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14 On page 1, line 4 of the title, after "values;" strike the
15 remainder of the title and insert "amending RCW 82.44.135; adding a
16 new section to chapter 81.112 RCW; creating new sections; and
17 declaring an emergency."

EFFECT: Strikes the entirety of ESB 5893 and replaces it with
language that:

(1) Requires a regional transit authority (RTA) to implement a
market value adjustment program, under which a credit is allowed
against total motor vehicle excise tax due in an amount equal to the
tax due under current law, less the tax due assuming a rate of 0.5
percent and based on vehicle valuation through Kelley Blue Book or
NADA (whichever is lower), if the net result is positive;

(2) Requires the RTA to implement the program in a manner that
allows the delivery of the system and financing plan approved by the
RTA's voters in 2016, to the extent practicable;

(3) Requires the Department of Licensing to only contract with an
RTA if it has implemented a market value adjustment program, to
receive full cost recovery for the contract, and to clearly indicate
to taxpayers the amount owed under current law, the amount of any
credit applied, and the net result; and

(4) Requires this act to be construed to preclude an RTA from defeasing bonds.

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