

1 2964-S AMH WANG H5083.1

2 **SHB 2964** - H AMD **0327 ADOPTED 03/06/92**

3 By Representatives Wang, Locke, Ferguson, Paris, Brusickle,
4 Applewick, Leonard, Zellinsky, Schmidt, Wilson, G. Cole,
5 Nelson and Kremen

6

7 Strike everything after the enacting clause and insert the
8 following:

9 "NEW SECTION. **Sec. 1.** A new section is added to chapter 46.04 RCW
10 to read as follows:

11 (1) "Rental car" means a passenger car, as defined in RCW
12 46.04.382, that is used solely by a rental car business for rental to
13 others, without a driver provided by the rental car business, for
14 periods of not more than thirty consecutive days.

15 (2) "Rental car" does not include:

16 (a) Vehicles rented or loaned to customers by automotive repair
17 businesses while the customer's vehicle is under repair;

18 (b) Vehicles licensed and operated as taxicabs."

19 "NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
20 to read as follows:

21 For purposes of this chapter, "retail car rental" means renting a
22 rental car, as defined in section 1 of this act, to a consumer."

23 "NEW SECTION. **Sec. 3.** A new section is added to chapter 82.14 RCW
24 to read as follows:

25 The legislative authority of any county may impose a sales and use
26 tax, in addition to the tax authorized by RCW 82.14.030, upon retail
27 car rentals within the county that are taxable by the state under

1 chapters 82.08 and 82.12 RCW. The rate of tax shall be one percent of
2 the selling price in the case of a sales tax or rental value of the
3 vehicle in the case of a use tax. Proceeds of the tax shall not be
4 used to subsidize any professional sports team and shall be used solely
5 for the following purposes:

6 (1) Acquiring, constructing, maintaining, or operating public
7 sports stadium facilities;

8 (2) Engineering, planning, financial, legal, or professional
9 services incidental to public sports stadium facilities; or

10 (3) Youth or amateur sport activities or facilities."

11 "NEW SECTION. Sec. 4. The legislature intends to exempt rental
12 cars from state and local motor vehicle excise taxes, and to impose
13 additional sales and use taxes in lieu thereof. These additional sales
14 and use taxes are intended to provide as much revenue to the funds
15 currently receiving motor vehicle excise tax revenue, including the
16 transportation funds and the general fund, as each fund would have
17 received if the motor vehicle excise tax exemptions had not been
18 enacted. Revenues from these additional sales and use taxes are
19 intended to be distributed in the same manner as the motor vehicle
20 excise tax revenues they replace."

21 "NEW SECTION. Sec. 5. A new section is added to chapter 46.04 RCW
22 to read as follows:

23 "Rental car business" means a person engaging within this state in
24 the business of renting rental cars, as determined under rules of the
25 department of licensing."

26 "NEW SECTION. Sec. 6. A new section is added to chapter 46.16 RCW
27 to read as follows:

1 Rental cars shall be registered and licensed as provided in chapter
2 46.87 RCW."

3 "NEW SECTION. **Sec. 7.** A new section is added to chapter 46.87 RCW
4 to read as follows:

5 (1) Rental car businesses must register with the department of
6 licensing. This registration must be renewed annually by the rental
7 car business.

8 (2) Rental car businesses must obtain a certificate of ownership
9 and indicate that the vehicle is a rental car. Registration must be
10 obtained for all rental cars and shall be valid for the period in which
11 the rental car is part of an authorized business up to a maximum of
12 twelve months.

13 (3) In addition to all other fees prescribed for the registration
14 of vehicles under chapter 46.16 RCW, the department shall collect a fee
15 of five dollars per registration for the administration of the program
16 and a vehicle transaction fee as authorized in RCW 46.87.130 to be
17 deposited to the motor vehicle fund.

18 (4) Use of rental cars is restricted to the rental customer unless
19 otherwise provided by rule.

20 (5) The department will issue rental car license plates to
21 businesses authorized under this section. A rental car business shall
22 pay a fee of ten dollars for each set of rental car license plates as
23 defined in RCW 46.87.090. Rental cars no longer eligible for use of
24 the rental plates will be considered unlicensed vehicles and must be
25 registered and pay the required motor vehicle excise taxes and
26 registration fees prior to operation on public roads of this state.

27 (6) The department may authorize rental car businesses to issue
28 temporary authorization permits as defined in RCW 46.87.080.

1 (7) The department may suspend or cancel the exemptions, benefits,
2 or privileges granted under this section to any person or business firm
3 who violates the laws of this state relating to the operation or
4 registration of vehicles or rules lawfully adopted thereunder. The
5 department may initiate and conduct audits, investigations, and
6 enforcement actions as may be reasonably necessary for administering
7 this section.

8 (8) Except as provided in this section or by rule adopted pursuant
9 to this section, the transfer or use of the rental plates is a traffic
10 infraction subject to a fine not to exceed five hundred dollars. Any
11 law enforcement agency that determines that a special license plate has
12 not been used in conformance with this section will confiscate the
13 license plates and return them to the department for nullification
14 along with full details of the reasons for confiscation.

15 (9) The department shall adopt such rules as may be necessary to
16 administer and enforce the provisions of this section."

17 "NEW SECTION. **Sec. 8.** A new section is added to chapter 82.44 RCW
18 to read as follows:

19 Rental cars as defined in section 1 of this act are exempt from the
20 taxes imposed in RCW 82.44.020 (1) and (2)."

21 "**Sec. 9.** RCW 82.08.020 and 1985 c 32 s 1 are each amended to read
22 as follows:

23 (1) There is levied and there shall be collected a tax on each
24 retail sale in this state equal to six and five-tenths percent of the
25 selling price.

26 (2) There is levied and there shall be collected an additional tax
27 on each retail car rental, regardless of whether the vehicle is
28 licensed in this state, equal to five and nine-tenths percent of the

1 selling price. Ninety-one percent of the revenue collected under this
2 subsection shall be deposited and distributed in the same manner as
3 motor vehicle excise tax revenue collected under RCW 82.44.020(1).
4 Nine percent of the revenue collected under this subsection shall be
5 deposited in the transportation fund and distributed in the same manner
6 as motor vehicle excise tax revenue collected under RCW 82.44.020(2).

7 (3) The ((tax)) taxes imposed under this chapter shall apply to
8 successive retail sales of the same property.

9 ((+3)) (4) The rates provided in this section ((applies)) apply to
10 taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020."

11 "NEW SECTION. Sec. 10. A new section is added to chapter 82.08
12 RCW to read as follows:

13 Before January 1, 1994, and January 1 of each odd-numbered year
14 thereafter:

15 The department of licensing, with the assistance of the department
16 of revenue, shall provide the office of financial management and the
17 fiscal committees of the legislature with an updated estimate of the
18 amount of revenue attributable to the taxes imposed in RCW
19 82.08.020(2), and the amount of revenue not collected as a result of
20 section 8 of this act."

21 "Sec. 11. RCW 35.58.273 and 1991 c 339 s 29 and 1991 c 309 s 1 are
22 each reenacted and amended to read as follows:

23 (1) Through June 30, 1992, any municipality, as defined in this
24 subsection, is authorized to levy and collect a special excise tax not
25 exceeding .7824 percent and beginning July 1, 1992, .725 percent on the
26 value, as determined under chapter 82.44 RCW, of every motor vehicle
27 owned by a resident of such municipality for the privilege of using
28 such motor vehicle provided that in no event shall the tax be less than

1 one dollar and, subject to RCW 82.44.150 (3) and (4), the amount of
2 such tax shall be credited against the amount of the excise tax levied
3 by the state under RCW 82.44.020(1). As used in this subsection, the
4 term "municipality" means a municipality that is located within (a)
5 each county with a population of two hundred ten thousand or more and
6 (b) each county with a population of from one hundred twenty-five
7 thousand to less than two hundred ten thousand except for those
8 counties that do not border a county with a population as described
9 under subsection (a) of this subsection.

10 (2) Through June 30, 1992, any other municipality is authorized to
11 levy and collect a special excise tax not exceeding .815 percent, and
12 beginning July 1, 1992, .725 percent on the value, as determined under
13 chapter 82.44 RCW, of every motor vehicle owned by a resident of such
14 municipality for the privilege of using such motor vehicle provided
15 that in no event shall the tax be less than one dollar and, subject to
16 RCW 82.44.150 (3) and (4), the amount of such tax shall be credited
17 against the amount of the excise tax levied by the state under RCW
18 82.44.020(1). Before utilization of any excise tax moneys collected
19 under authorization of this section for acquisition of right of way or
20 construction of a mass transit facility on a separate right of way the
21 municipality shall adopt rules affording the public an opportunity for
22 "corridor public hearings" and "design public hearings" as herein
23 defined, which rule shall provide in detail the procedures necessary
24 for public participation in the following instances: (a) prior to
25 adoption of location and design plans having a substantial social,
26 economic or environmental effect upon the locality upon which they are
27 to be constructed or (b) on such mass rapid transit systems operating
28 on a separate right of way whenever a substantial change is proposed
29 relating to location or design in the adopted plan. In adopting rules

1 the municipality shall adhere to the provisions of the Administrative
2 Procedure Act.

3 (3) A "corridor public hearing" is a public hearing that: (a) is
4 held before the municipality is committed to a specific mass transit
5 route proposal, and before a route location is established; (b) is held
6 to afford an opportunity for participation by those interested in the
7 determination of the need for, and the location of, the mass rapid
8 transit system; (c) provides a public forum that affords a full
9 opportunity for presenting views on the mass rapid transit system route
10 location, and the social, economic and environmental effects on that
11 location and alternate locations: PROVIDED, That such hearing shall
12 not be deemed to be necessary before adoption of an overall mass rapid
13 transit system plan by a vote of the electorate of the municipality.

14 (4) A "design public hearing" is a public hearing that: (a) is
15 held after the location is established but before the design is
16 adopted; and (b) is held to afford an opportunity for participation by
17 those interested in the determination of major design features of the
18 mass rapid transit system; and (c) provides a public forum to afford a
19 full opportunity for presenting views on the mass rapid transit system
20 design, and the social, economic, environmental effects of that design
21 and alternate designs.

22 (5) A municipality imposing a tax under subsection (1) or (2) of
23 this section may also impose a sales and use tax, in addition to the
24 tax authorized by RCW 82.14.030, upon retail car rentals within the
25 municipality that are taxable by the state under chapters 82.08 and
26 82.12 RCW. The rate of tax shall bear the same ratio to the rate
27 imposed under RCW 82.08.020(2) as the excise tax rate imposed under
28 subsection (1) of this section bears to the excise tax rate imposed
29 under RCW 82.44.020 (1) and (2). The base of the tax shall be the
30 selling price in the case of a sales tax or the rental value of the

1 vehicle used in the case of a use tax. The tax imposed under this
2 section shall be deducted from the amount of tax otherwise due under
3 RCW 82.08.020(2). The revenue collected under this subsection shall be
4 distributed in the same manner as special excise taxes under
5 subsections (1) and (2) of this section."

6 "Sec. 12. RCW 81.100.060 and 1991 c 363 s 154 are each amended to
7 read as follows:

8 A county with a population of one million or more and a county with
9 a population of from two hundred ten thousand to less than one million
10 that is adjoining a county with a population of one million or more,
11 having within their boundaries existing or planned high occupancy
12 vehicle lanes on the state highway system may, with voter approval,
13 impose a local surcharge of not more than fifteen percent on the state
14 motor vehicle excise tax paid under RCW 82.44.020(1) on vehicles
15 registered to a person residing within the county and on the state
16 sales and use taxes paid under the rate in RCW 82.08.020(2) on retail
17 car rentals within the county. No surcharge may be imposed on vehicles
18 licensed under RCW 46.16.070 except vehicles with an unladen weight of
19 six thousand pounds or less, RCW 46.16.079, 46.16.080, 46.16.085, or
20 46.16.090.

21 Counties imposing a tax under this section shall contract, before
22 the effective date of the resolution or ordinance imposing a surcharge,
23 administration and collection to the state department of licensing, and
24 department of revenue, as appropriate, which shall deduct an amount, as
25 provided by contract, for administration and collection expenses
26 incurred by the department. All administrative provisions in chapters
27 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to
28 state motor vehicle excise taxes, be applicable to surcharges imposed
29 under this section. All administrative provisions in chapters 82.03,

1 82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to
2 state sales and use taxes, be applicable to surcharges imposed under
3 this section.

4 If the tax authorized in RCW 81.100.030 is also imposed by the
5 county, the total proceeds from (~~both~~) tax sources imposed under this
6 section and RCW 81.100.030 each year shall not exceed the maximum
7 amount which could be collected under this section."

8 "Sec. 13. RCW 81.104.160 and 1991 c 318 s 12 are each amended to
9 read as follows:

10 (1) Any city that operates a transit system, county transportation
11 authority, metropolitan municipal corporation, or public transportation
12 benefit area, solely for the purpose of providing high capacity
13 transportation service may submit an authorizing proposition to the
14 voters, and if approved, may levy and collect an excise tax, at a rate
15 approved by the voters, but not exceeding eighty one-hundredths of one
16 percent on the value, under chapter 82.44 RCW, of every motor vehicle
17 owned by a resident of such city, county transportation authority,
18 metropolitan municipal corporation, or public transportation benefit
19 area. In any county imposing a motor vehicle excise tax surcharge
20 pursuant to RCW 81.100.060, the maximum tax rate under this section
21 shall be reduced to a rate equal to eighty one-hundredths of one
22 percent on the value less the equivalent motor vehicle excise tax rate
23 of the surcharge imposed pursuant to RCW 81.100.060. This rate shall
24 not apply to vehicles licensed under RCW 46.16.070 except vehicles with
25 an unladen weight of six thousand pounds or less, RCW 46.16.079,
26 46.16.080, 46.16.085, or 46.16.090.

27 (2) An agency imposing a tax under subsection (1) of this section
28 may also impose a sales and use tax solely for the purpose of providing
29 high capacity transportation service, in addition to the tax authorized

1 by RCW 82.14.030, upon retail car rentals within the agency's
2 jurisdiction that are taxable by the state under chapters 82.08 and
3 82.12 RCW. The rate of tax shall bear the same ratio to the rate
4 imposed under RCW 82.08.020(2) as the excise tax rate imposed under
5 subsection (1) of this section bears to the excise tax rate imposed
6 under RCW 82.44.020 (1) and (2). The base of the tax shall be the
7 selling price in the case of a sales tax or the rental value of the
8 vehicle used in the case of a use tax. The revenue collected under
9 this subsection shall be used in the same manner as excise taxes under
10 subsection (1) of this section."

11 "NEW SECTION. Sec. 14. (1) Sections 1 through 3 of this act are
12 necessary for the immediate preservation of the public peace, health,
13 or safety, or support of the state government and its existing public
14 institutions, and shall take effect June 1, 1992.

15 (2) Sections 4 through 13 of this act shall take effect January 1,
16 1993."

17 **SHB 2964** - H AMD
18 By Representative Wang

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20 On page 1, line 2 of the title, after "rental;" strike the
21 remainder of the title and insert "amending RCW 82.08.020, 81.100.060,
22 and 81.104.160; reenacting and amending RCW 35.58.273; adding new
23 sections to chapter 46.04 RCW; adding new sections to chapter 82.08
24 RCW; adding a new section to chapter 82.14 RCW; adding a new section to
25 chapter 46.16 RCW; adding a new section to chapter 46.87 RCW; adding a
26 new section to chapter 82.44 RCW; creating a new section; prescribing
27 penalties; providing effective dates; and declaring an emergency."