
SUBSTITUTE SENATE BILL 5929

State of Washington

56th Legislature

1999 Regular Session

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Long, Gardner, Costa, Swecker, Hargrove, Winsley, Patterson, Eide, Snyder and Bauer)

Read first time 03/08/99.

1 AN ACT Relating to local motor vehicle excise tax; amending RCW
2 35.58.273, 82.44.150, and 82.44.180; creating a new section; providing
3 effective dates; and declaring an emergency.

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

5 **Sec. 1.** RCW 35.58.273 and 1998 c 321 s 25 (Referendum Bill No. 49)
6 are each amended to read as follows:

7 (1) A municipality is authorized to levy and collect a special
8 excise tax not exceeding (~~(.725)~~) .815 percent on the value, as
9 determined under chapter 82.44 RCW, of every motor vehicle owned by a
10 resident of such municipality for the privilege of using such motor
11 vehicle provided that in no event shall the tax be less than one dollar
12 and, subject to RCW 82.44.150 (3) and (4), the amount of such tax shall
13 be credited against the amount of the excise tax levied by the state
14 under RCW 82.44.020(1). Before utilization of any excise tax moneys
15 collected under authorization of this section for acquisition of right
16 of way or construction of a mass transit facility on a separate right
17 of way the municipality shall adopt rules affording the public an
18 opportunity for "corridor public hearings" and "design public hearings"
19 as herein defined, which rule shall provide in detail the procedures

1 necessary for public participation in the following instances: (a)
2 Prior to adoption of location and design plans having a substantial
3 social, economic or environmental effect upon the locality upon which
4 they are to be constructed or (b) on such mass rapid transit systems
5 operating on a separate right of way whenever a substantial change is
6 proposed relating to location or design in the adopted plan. In
7 adopting rules the municipality shall adhere to the provisions of the
8 Administrative Procedure Act.

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

20 (3) A "design public hearing" is a public hearing that: (a) Is
21 held after the location is established but before the design is
22 adopted; and (b) is held to afford an opportunity for participation by
23 those interested in the determination of major design features of the
24 mass rapid transit system; and (c) provides a public forum to afford a
25 full opportunity for presenting views on the mass rapid transit system
26 design, and the social, economic, environmental effects of that design
27 and alternate designs.

28 (4) A municipality imposing a tax under subsection (1) of this
29 section may also impose a sales and use tax, in addition to the tax
30 authorized by RCW 82.14.030, upon retail car rentals within the
31 municipality that are taxable by the state under chapters 82.08 and
32 82.12 RCW. The rate of tax shall not exceed 1.944 percent. The rate
33 of tax imposed under this subsection shall bear the same ratio to the
34 1.944 percent rate authorized that the rate imposed under subsection
35 (1) of this section bears to the rate authorized under subsection (1)
36 of this section. The base of the tax shall be the selling price in the
37 case of a sales tax or the rental value of the vehicle used in the case
38 of a use tax. The tax imposed under this section shall be deducted
39 from the amount of tax otherwise due under RCW 82.08.020(2). The

1 revenue collected under this subsection shall be distributed in the
2 same manner as special excise taxes under subsection (1) of this
3 section.

4 **Sec. 2.** RCW 82.44.150 and 1998 c 321 s 6 (Referendum Bill No. 49)
5 are each amended to read as follows:

6 (1) The director of licensing shall, on the twenty-fifth day of
7 February, May, August, and November of each year, advise the state
8 treasurer of the total amount of motor vehicle excise taxes imposed by
9 RCW 82.44.020(1) remitted to the department during the preceding
10 calendar quarter ending on the last day of March, June, September, and
11 December, respectively, except for those payable under RCW 82.44.030,
12 from motor vehicle owners residing within each municipality which has
13 levied a tax under RCW 35.58.273, which amount of excise taxes shall be
14 determined by the director as follows:

15 The total amount of motor vehicle excise taxes remitted to the
16 department, except those payable under RCW 82.44.020(2) and 82.44.030,
17 from each county shall be multiplied by a fraction, the numerator of
18 which is the population of the municipality residing in such county,
19 and the denominator of which is the total population of the county in
20 which such municipality or portion thereof is located. The product of
21 this computation shall be the amount of excise taxes from motor vehicle
22 owners residing within such municipality or portion thereof. Where the
23 municipality levying a tax under RCW 35.58.273 is located in more than
24 one county, the above computation shall be made by county, and the
25 combined products shall provide the total amount of motor vehicle
26 excise taxes from motor vehicle owners residing in the municipality as
27 a whole. Population figures required for these computations shall be
28 supplied to the director by the office of financial management, who
29 shall adjust the fraction annually.

30 (2) On the first day of the months of January, April, July, and
31 October of each year, the state treasurer based upon information
32 provided by the department shall, from motor vehicle excise taxes
33 deposited in the transportation fund under RCW 82.44.110, make the
34 following deposits:

35 (a) To the high capacity transportation account created in RCW
36 47.78.010, a sum equal to four and five-tenths percent of the special
37 excise tax levied under RCW 35.58.273 by those municipalities
38 authorized to levy a special excise tax within each county that has a

1 population of one hundred seventy-five thousand or more and has an
2 interstate highway within its borders; except that in a case of a
3 municipality located in a county that has a population of one hundred
4 seventy-five thousand or more that does not have an interstate highway
5 located within its borders, that sum shall be deposited in the
6 passenger ferry account; and

7 (b) To the (~~central Puget Sound~~) public transportation capital
8 account created in RCW 82.44.180(~~, within a county with a population~~
9 ~~of one million or more and a county with a population of from two~~
10 ~~hundred thousand to less than one million bordering a county with a~~
11 ~~population of one million or more~~) for revenues distributed after June
12 30, 1999, a sum equal to the difference between (i) the special excise
13 tax levied and collected under RCW 35.58.273 by those municipalities
14 authorized to levy and collect a special excise tax subject to the
15 requirements of subsections (3) and (4) of this section and (ii) the
16 special excise tax that the municipality would otherwise have been
17 eligible to levy and collect at a tax rate of .815 percent (~~and been~~
18 ~~able to match with locally generated tax revenues, other than the~~
19 ~~excise tax imposed under RCW 35.58.273, budgeted for any public~~
20 ~~transportation purpose. Before this deposit, the sum shall be reduced~~
21 ~~by an amount equal to the amount distributed under (a) of this~~
22 ~~subsection for each of the municipalities within the counties to which~~
23 ~~this subsection (2)(b) applies; however, any transfer under this~~
24 ~~subsection (2)(b) must be greater than zero; and~~

25 (c) To the public transportation systems account created in RCW
26 82.44.180, within counties not described in (b) of this subsection, a
27 sum equal to the difference between (i) the special excise tax levied
28 and collected under RCW 35.58.273 by those municipalities authorized to
29 levy and collect a special excise tax subject to the requirements of
30 subsections (3) and (4) of this section and (ii) the special excise tax
31 that the municipality would otherwise have been eligible to levy and
32 collect at a tax rate of .815 percent and been able to match with
33 locally generated tax revenues, other than the excise tax imposed under
34 RCW 35.58.273, budgeted for any public transportation purpose. Before
35 this deposit, the sum shall be reduced by an amount equal to the amount
36 distributed under (a) of this subsection for each of the municipalities
37 within the counties to which this subsection (2)(c) applies; however,
38 any transfer under this subsection (2)(c) must be greater than zero))

1 notwithstanding the requirements set forth in subsections (3) through
2 (6) of this section and RCW 82.14.046.

3 (3) On the first day of the months of January, April, July, and
4 October of each year, the state treasurer, based upon information
5 provided by the department, shall remit motor vehicle excise tax
6 revenues imposed and collected under RCW 35.58.273 as follows:

7 (a) The amount required to be remitted by the state treasurer to
8 the treasurer of any municipality levying the tax shall not exceed in
9 any calendar year the total of revenues derived from fare revenues,
10 vanpools, charters, advertising, and interest earnings, and the amount
11 of locally-generated tax revenues, excluding (i) the excise tax imposed
12 under RCW 35.58.273 for the purposes of this section, which shall have
13 been budgeted by the municipality to be collected in such calendar year
14 for any public transportation purposes including but not limited to
15 operating costs, capital costs, and debt service on general obligation
16 or revenue bonds issued for these purposes; and (ii) the sales and use
17 tax equalization distributions provided under RCW 82.14.046; and

18 (b) In no event may the amount remitted in a single calendar
19 quarter exceed the amount collected on behalf of the municipality under
20 RCW 35.58.273 during the calendar quarter next preceding the
21 immediately preceding quarter, excluding the sales and use tax
22 equalization distributions provided under RCW 82.14.046.

23 (4) At the close of each calendar year accounting period, but not
24 later than April 1, each municipality that has received motor vehicle
25 excise taxes under subsection (3) of this section shall transmit to the
26 director of licensing and the state auditor a written report showing by
27 source the previous year's budgeted tax revenues and revenues derived
28 from fare revenues, vanpools, charters, advertising, and interest
29 earnings for public transportation purposes as compared to actual
30 collections. Any municipality that has not submitted the report by
31 April 1 shall cease to be eligible to receive motor vehicle excise
32 taxes under subsection (3) of this section until the report is received
33 by the director of licensing. If a municipality has received more or
34 less money under subsection (3) of this section for the period covered
35 by the report than it is entitled to receive by reason of its locally-
36 generated collected tax revenues and revenues derived from fare
37 revenues, vanpools, charters, advertising, and interest earnings, the
38 director of licensing shall, during the next ensuing quarter that the
39 municipality is eligible to receive motor vehicle excise tax funds,

1 increase or decrease the amount to be remitted in an amount equal to
2 the difference between the locally-generated budgeted tax revenues and
3 the locally-generated collected tax revenues. In no event may the
4 amount remitted for a calendar year exceed the amount collected on
5 behalf of the municipality under RCW 35.58.273 during that same
6 calendar year excluding the sales and use tax equalization
7 distributions provided under RCW 82.14.046. At the time of the next
8 fiscal audit of each municipality, the state auditor shall verify the
9 accuracy of the report submitted and notify the director of licensing
10 of any discrepancies.

11 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
12 required to be remitted under this section and RCW 82.14.046 shall be
13 remitted without legislative appropriation.

14 (6) Any municipality levying and collecting a tax under RCW
15 35.58.273 which does not have an operating, public transit system or a
16 contract for public transportation services in effect within one year
17 from the initial effective date of the tax shall return to the state
18 treasurer all motor vehicle excise taxes received under subsection (3)
19 of this section.

20 **Sec. 3.** RCW 82.44.180 and 1998 c 321 s 41 (Referendum Bill No. 49)
21 are each amended to read as follows:

22 (1) The transportation fund is created in the state treasury.
23 Revenues under RCW 82.44.110 and 82.50.510 shall be deposited into the
24 fund as provided in those sections.

25 Moneys in the fund may be spent only after appropriation.
26 Expenditures from the fund may be used only for transportation purposes
27 and activities and operations of the Washington state patrol not
28 directly related to the policing of public highways and that are not
29 authorized under Article II, section 40 of the state Constitution.

30 (2)(a) There is hereby created the (~~central Puget Sound~~) public
31 transportation capital account within the transportation fund. Moneys
32 deposited into the account under RCW 82.44.150(2)(b) shall be
33 appropriated to the transportation improvement board and allocated by
34 the transportation improvement board to public transportation projects
35 within the region from which the funds are derived, solely for:

36 (~~(a)~~) (~~Planning~~) (i) Bus or van acquisition;
37 (~~(b)~~) (ii) Development of capital projects;

1 ~~((e))~~ (iii) Development of high capacity transportation systems
2 as defined in RCW 81.104.015;

3 ~~((d))~~ (iv) Development of high occupancy vehicle lanes and
4 related facilities as defined in RCW 81.100.020; ~~((and~~

5 ~~(e))~~ (v) Public transportation system contributions required to
6 fund projects under federal programs and those approved by the
7 transportation improvement board from other fund sources; and

8 (vi) Other public transportation system related roadway projects on
9 state highways, county roads, or city streets.

10 ~~((3) There is hereby created the public transportation systems~~
11 ~~account within the transportation fund. Moneys deposited into the~~
12 ~~account under RCW 82.44.150(2)(c) shall be appropriated to the~~
13 ~~transportation improvement board and allocated by the transportation~~
14 ~~improvement board to public transportation projects submitted by the~~
15 ~~public transportation systems from which the funds are derived, solely~~
16 ~~for:~~

17 ~~(a) Planning;~~

18 ~~(b) Development of capital projects;~~

19 ~~(c) Development of high capacity transportation systems as defined~~
20 ~~in RCW 81.104.015;~~

21 ~~(d) Development of high occupancy vehicle lanes and related~~
22 ~~facilities as defined in RCW 81.100.020;~~

23 ~~(e) Other public transportation system related roadway projects on~~
24 ~~state highways, county roads, or city streets; and~~

25 ~~(f) Public transportation system contributions required to fund~~
26 ~~projects under federal programs and those approved by the~~
27 ~~transportation improvement board from other fund sources.))~~

28 (b) The transportation improvement board shall allocate (i) sixty
29 percent of the funds from the account to public transportation benefit
30 areas, metropolitan municipal corporations, and regional transportation
31 authorities operating within counties whose population is three hundred
32 thousand or greater, and (ii) forty percent of the funds from the
33 account to municipal corporations, as defined in RCW 35.58.272, that
34 provide public transportation services that are not eligible for the
35 sixty percent distribution in (i).

36 NEW SECTION. Sec. 4. The office of the state treasurer may
37 transfer any public transportation systems account and central Puget

1 Sound public transportation account balances into the public
2 transportation capital account.

3 Projects obligated by the transportation improvement board before
4 July 1, 1999, and funded from the predecessor public transportation
5 systems account and central Puget Sound public transportation account
6 programs are eligible projects for reimbursement from the public
7 transportation capital account.

8 NEW SECTION. **Sec. 5.** (1) Section 1 of this act is necessary for
9 the immediate preservation of the public peace, health, or safety, or
10 support of the state government and its existing public institutions,
11 and takes effect July 1, 1999.

12 (2) Sections 2, 3, and 4 of this act take effect January 1, 2000.

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