

INITIATIVE 776

To the People

Chapter 1, Laws of 2003

LICENSE TAB FEES

EFFECTIVE DATE: 12/5/02

Approved by the
People of the State of Washington
in the General Election on
November 5, 2002

ORIGINALLY FILED

January 7, 2002

**Secretary of State
State of Washington**

1 AN ACT Relating to limiting government-imposed charges on motor
2 vehicles; amending RCW 46.16.0621, 46.16.070, 35.58.273, and
3 81.104.160; creating new sections; and repealing RCW 35.58.274,
4 35.58.275, 35.58.276, 35.58.277, 35.58.278, 82.44.041, 82.44.110,
5 82.44.150, and 82.80.020.

6 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

7 **POLICIES AND PURPOSES**

8 NEW SECTION. **Sec. 1.** This measure would require license tab fees
9 to be \$30 per year for motor vehicles and light trucks and would repeal
10 certain government-imposed charges, including excise taxes and fees,
11 levied on motor vehicles. Politicians promised "\$30 license tabs are
12 here to stay" and promised any increases in vehicle-related taxes, fees
13 and surcharges would be put to a public vote. Politicians should keep
14 their promises. As long as taxpayers must pay incredibly high sales
15 taxes when buying motor vehicles (meaning state and local governments
16 receive huge windfalls of sales tax revenue from these transactions),
17 the people want license tab fees to not exceed the promised \$30 per
18 year. Without this follow-up measure, "tab creep" will continue until

1 license tab fees are once again obscenely expensive, as they were prior
2 to Initiative 695. The people want a public vote on any increases in
3 vehicle-related taxes, fees and surcharges to ensure increased
4 accountability. Voters will require more cost-effective use of
5 existing revenues and fundamental reforms before approving higher
6 charges on motor vehicles (such changes may remove the need for any
7 increases). Also, dramatic changes to transportation plans and
8 programs previously presented to voters must be resubmitted. This
9 measure provides a strong directive to all taxing districts to obtain
10 voter approval before imposing taxes, fees and surcharges on motor
11 vehicles. However, if the legislature ignores this clear message, a
12 referendum will be filed to protect the voters' rights. Politicians
13 should just do the right thing and keep their promises.

14 **REQUIRING LICENSE TAB FEES TO NOT EXCEED \$30 PER YEAR**
15 **FOR MOTOR VEHICLES**

16 **Sec. 2.** RCW 46.16.0621 and 2000 1st sp.s. c 1 s 1 are each amended
17 to read as follows:

18 (1) License tab fees (~~((shall be thirty dollars))~~) are required to be
19 \$30 per year for motor vehicles, regardless of year, value, make, or
20 model(~~((, beginning January 1, 2000))~~).

21 (2) For the purposes of this section, "license tab fees" are
22 defined as the general fees paid annually for licensing motor vehicles,
23 including cars, sport utility vehicles, motorcycles, and motor homes.

24 **REQUIRING LICENSE TAB FEES TO NOT EXCEED \$30 PER YEAR**
25 **FOR LIGHT TRUCKS (HEAVY TRUCKS AND TRAILERS WILL CONTINUE**
26 **TO BE BASED ON GROSS WEIGHT AT THE RATES LISTED BELOW)**

27 **Sec. 3.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to read
28 as follows:

29 (1) In lieu of all other vehicle licensing fees, unless
30 specifically exempt, and in addition to the (~~((excise tax prescribed in~~
31 ~~chapter 82.44 RCW and the))~~) mileage fees prescribed for buses and
32 stages in RCW 46.16.125, there shall be paid and collected annually for
33 each truck, motor truck, truck tractor, road tractor, tractor, bus,
34 auto stage, or for hire vehicle with seating capacity of more than six,
35 based upon the declared combined gross weight or declared gross weight

1 thereof pursuant to the provisions of chapter 46.44 RCW, the following
 2 licensing fees by such gross weight:

	DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
3			
4	4,000 lbs.	\$(37.00)	\$(37.00)
5		<u>30.00</u>	<u>30.00</u>
6	6,000 lbs.	\$(44.00)	\$(44.00)
7		<u>30.00</u>	<u>30.00</u>
8	8,000 lbs.	\$(55.00)	\$(55.00)
9		<u>30.00</u>	<u>30.00</u>
10	10,000 lbs.	\$ 62.00	\$ 62.00
11	12,000 lbs.	\$ 72.00	\$ 72.00
12	14,000 lbs.	\$ 82.00	\$ 82.00
13	16,000 lbs.	\$ 92.00	\$ 92.00
14	18,000 lbs.	\$ 137.00	\$ 137.00
15	20,000 lbs.	\$ 152.00	\$ 152.00
16	22,000 lbs.	\$ 164.00	\$ 164.00
17	24,000 lbs.	\$ 177.00	\$ 177.00
18	26,000 lbs.	\$ 187.00	\$ 187.00
19	28,000 lbs.	\$ 220.00	\$ 220.00
20	30,000 lbs.	\$ 253.00	\$ 253.00
21	32,000 lbs.	\$ 304.00	\$ 304.00
22	34,000 lbs.	\$ 323.00	\$ 323.00
23	36,000 lbs.	\$ 350.00	\$ 350.00
24	38,000 lbs.	\$ 384.00	\$ 384.00
25	40,000 lbs.	\$ 439.00	\$ 439.00
26	42,000 lbs.	\$ 456.00	\$ 546.00
27	44,000 lbs.	\$ 466.00	\$ 556.00
28	46,000 lbs.	\$ 501.00	\$ 591.00
29	48,000 lbs.	\$ 522.00	\$ 612.00
30	50,000 lbs.	\$ 566.00	\$ 656.00
31	52,000 lbs.	\$ 595.00	\$ 685.00
32	54,000 lbs.	\$ 642.00	\$ 732.00
33	56,000 lbs.	\$ 677.00	\$ 767.00
34	58,000 lbs.	\$ 704.00	\$ 794.00
35	60,000 lbs.	\$ 750.00	\$ 840.00
36	62,000 lbs.	\$ 804.00	\$ 894.00
37	64,000 lbs.	\$ 822.00	\$ 912.00
38	66,000 lbs.	\$ 915.00	\$ 1,005.00
39	68,000 lbs.	\$ 954.00	\$ 1,044.00
40	70,000 lbs.	\$ 1,027.00	\$ 1,117.00
41	72,000 lbs.	\$ 1,098.00	\$ 1,188.00
42	74,000 lbs.	\$ 1,193.00	\$ 1,283.00
43	76,000 lbs.	\$ 1,289.00	\$ 1,379.00
44	78,000 lbs.	\$ 1,407.00	\$ 1,497.00
45	80,000 lbs.	\$ 1,518.00	\$ 1,608.00
46	82,000 lbs.	\$ 1,623.00	\$ 1,713.00

1	84,000 lbs.	\$ 1,728.00	\$ 1,818.00
2	86,000 lbs.	\$ 1,833.00	\$ 1,923.00
3	88,000 lbs.	\$ 1,938.00	\$ 2,028.00
4	90,000 lbs.	\$ 2,043.00	\$ 2,133.00
5	92,000 lbs.	\$ 2,148.00	\$ 2,238.00
6	94,000 lbs.	\$ 2,253.00	\$ 2,343.00
7	96,000 lbs.	\$ 2,358.00	\$ 2,448.00
8	98,000 lbs.	\$ 2,463.00	\$ 2,553.00
9	100,000 lbs.	\$ 2,568.00	\$ 2,658.00
10	102,000 lbs.	\$ 2,673.00	\$ 2,763.00
11	104,000 lbs.	\$ 2,778.00	\$ 2,868.00
12	105,500 lbs.	\$ 2,883.00	\$ 2,973.00

13 Schedule A applies to vehicles either used exclusively for hauling
14 logs or that do not tow trailers. Schedule B applies to vehicles that
15 tow trailers and are not covered under Schedule A.

16 Every truck, motor truck, truck tractor, and tractor exceeding
17 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,
18 or 46.88 RCW shall be licensed for not less than one hundred fifty
19 percent of its empty weight unless the amount would be in excess of the
20 legal limits prescribed for such a vehicle in RCW 46.44.041 or
21 46.44.042, in which event the vehicle shall be licensed for the maximum
22 weight authorized for such a vehicle or unless the vehicle is used only
23 for the purpose of transporting any well drilling machine, air
24 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,
25 tool house, bunk house, or similar machine or structure attached to or
26 made a part of such vehicle.

27 The following provisions apply when increasing gross or combined
28 gross weight for a vehicle licensed under this section:

29 (a) The new license fee will be one-twelfth of the fee listed above
30 for the new gross weight, multiplied by the number of months remaining
31 in the period for which licensing fees have been paid, including the
32 month in which the new gross weight is effective.

33 (b) Upon surrender of the current certificate of registration or
34 cab card, the new licensing fees due shall be reduced by the amount of
35 the licensing fees previously paid for the same period for which new
36 fees are being charged.

37 (2) The proceeds from the fees collected under subsection (1) of
38 this section shall be distributed in accordance with RCW 46.68.035.

1 **REPEALING THE REMAINING MOTOR VEHICLE EXCISE TAX WHICH THE**
2 **LEGISLATURE FAILED TO FULLY REPEAL**

3 **Sec. 4.** RCW 35.58.273 and 1998 c 321 s 25 are each amended to read
4 as follows:

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

26 (2) A "corridor public hearing" is a public hearing that: (a) Is
27 held before the municipality is committed to a specific mass transit
28 route proposal, and before a route location is established; (b) is held
29 to afford an opportunity for participation by those interested in the
30 determination of the need for, and the location of, the mass rapid
31 transit system; (c) provides a public forum that affords a full
32 opportunity for presenting views on the mass rapid transit system route
33 location, and the social, economic and environmental effects on that
34 location and alternate locations: PROVIDED, That such hearing shall
35 not be deemed to be necessary before adoption of an overall mass rapid
36 transit system plan by a vote of the electorate of the municipality.

37 (3) A "design public hearing" is a public hearing that: (a) Is
38 held after the location is established but before the design is

1 adopted; and (b) is held to afford an opportunity for participation by
2 those interested in the determination of major design features of the
3 mass rapid transit system; and (c) provides a public forum to afford a
4 full opportunity for presenting views on the mass rapid transit system
5 design, and the social, economic, environmental effects of that design
6 and alternate designs.

7 (4) A municipality (~~imposing a tax under subsection (1) of this~~
8 ~~section~~) may (~~also~~) impose a sales and use tax, in addition to the
9 tax authorized by RCW 82.14.030, upon retail car rentals within the
10 municipality that are taxable by the state under chapters 82.08 and
11 82.12 RCW. The rate of tax shall not exceed 1.944 percent. (~~The rate~~
12 ~~of tax imposed under this subsection shall bear the same ratio to the~~
13 ~~1.944 percent rate authorized that the rate imposed under subsection~~
14 ~~(1) of this section bears to the rate authorized under subsection (1)~~
15 ~~of this section.~~) The base of the tax shall be the selling price in
16 the case of a sales tax or the rental value of the vehicle used in the
17 case of a use tax. The tax imposed under this section shall be
18 deducted from the amount of tax otherwise due under RCW 82.08.020(2).
19 The revenue collected under this (~~subsection~~) section shall be
20 collected and distributed in the same manner as (~~special excise~~)
21 sales and use taxes under (~~subsection (1) of this section~~) chapter
22 82.14 RCW.

23 Any motor vehicle (special) excise tax previously imposed under the
24 provisions of RCW 35.58.273 shall be repealed, terminated and expire on
25 the effective date of this act.

26 NEW SECTION. Sec. 5. The following acts or parts of acts are each
27 repealed:

28 (1) RCW 35.58.274 (Public transportation systems--Motor vehicles
29 exempt from tax) and 1985 c 7 s 100 & 1969 ex.s. c 255 s 9;

30 (2) RCW 35.58.275 (Public transportation systems--Provisions of
31 motor vehicle excise tax chapter applicable) and 1969 ex.s. c 255 s 10;

32 (3) RCW 35.58.276 (Public transportation systems--When tax due and
33 payable--Collection) and 1971 ex.s. c 199 s 1 & 1969 ex.s. c 255 s 11;

34 (4) RCW 35.58.277 (Public transportation systems--Remittance of tax
35 by county auditor) and 1979 c 158 s 91 & 1969 ex.s. c 255 s 12;

36 (5) RCW 35.58.278 (Public transportation systems--Distribution of
37 tax) and 1975 1st ex.s. c 270 s 2, 1974 ex.s. c 54 s 1, & 1969 ex.s. c
38 255 s 13;

1 (6) RCW 82.44.041 (Valuation of vehicles) and 1998 c 321 s 4 & 1990
2 c 42 s 303;

3 (7) RCW 82.44.110 (Disposition of revenue) and 1998 c 321 s 5, 1997
4 c 338 s 68, & 1997 c 149 s 911; and

5 (8) RCW 82.44.150 (Apportionment and distribution of motor vehicle
6 excise taxes generally) and 1999 c 94 s 30, 1998 c 321 s 6, 1995 2nd
7 sp.s. c 14 s 538, 1994 c 241 s 1, & 1993 c 491 s 2.

8 **REPEALING THE LOCAL MOTOR VEHICLE EXCISE TAX**

9 **Sec. 6.** RCW 81.104.160 and 1998 c 321 s 35 are each amended to
10 read as follows:

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

27 ~~(2)) An agency ((imposing a tax under subsection (1) of this
28 section)) may ((also)) impose a sales and use tax solely for the
29 purpose of providing high capacity transportation service, in addition
30 to the tax authorized by RCW 82.14.030, upon retail car rentals within
31 the agency's jurisdiction that are taxable by the state under chapters
32 82.08 and 82.12 RCW. The rate of tax shall not exceed 2.172 percent.
33 ((The rate of tax imposed under this subsection shall bear the same
34 ratio to the 2.172 percent rate authorized that the rate imposed under
35 subsection (1) of this section bears to the rate authorized under
36 subsection (1) of this section.)) The base of the tax shall be the
37 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 revenue collected under~~
2 ~~this subsection shall be used in the same manner as excise taxes under~~
3 ~~subsection (1) of this section.~~)

4 Any motor vehicle excise tax previously imposed under the
5 provisions of RCW 81.104.160(1) shall be repealed, terminated and
6 expire on the effective date of this act.

7 **LEGISLATIVE INTENT RELATING TO OUTSTANDING BONDS**

8 NEW SECTION. **Sec. 7.** If the repeal of taxes in section 6 of this
9 act affects any bonds previously issued for any purpose relating to
10 light rail, the people expect transit agencies to retire these bonds
11 using reserve funds including accrued interest, sale of property or
12 equipment, new voter approved tax revenues, or any combination of these
13 sources of revenue. Taxing districts should abstain from further bond
14 sales for any purpose relating to light rail until voters decide this
15 measure. The people encourage transit agencies to put another tax
16 revenue measure before voters if they want to continue with a light
17 rail system dramatically changed from that previously represented to
18 and approved by voters.

19 **REPEALING THE LOCAL OPTION VEHICLE LICENSE FEE**

20 NEW SECTION. **Sec. 8.** RCW 82.80.020 (Vehicle license fee--
21 Exemptions--Limitations) and 2001 c 64 s 15, 2000 c 103 s 20, 1998 c
22 281 s 1, 1996 c 139 s 4, 1993 c 60 s 1, 1991 c 318 s 13, & 1990 c 42 s
23 206 are each repealed.

24 **CONSTRUCTION CLAUSE**

25 NEW SECTION. **Sec. 9.** The provisions of this act are to be
26 liberally construed to effectuate the intent, policies, and purposes of
27 this act.

28 **SEVERABILITY CLAUSE**

29 NEW SECTION. **Sec. 10.** If any provision of this act or its
30 application to any person or circumstance is held invalid, the
31 remainder of the act or the application of the provision to other

1 persons or circumstances is not affected. If the repeal of taxes in
2 section 6 of this act is judicially held to impair any contract in
3 existence as of the effective date of this act, the repeal shall apply
4 to any other contract, including novation, renewal, or refunding (in
5 the case of bond contract).

6 **LEGISLATIVE INTENT**

7 NEW SECTION. **Sec. 11.** The people have made clear through the
8 passage of numerous initiatives and referenda that taxes need to be
9 reasonable and tax increases should always be a last resort. However,
10 politicians throughout the state of Washington continue to ignore these
11 repeated mandates.

12 The people expect politicians to keep their promises. The
13 legislative intent of this measure is to ensure that they do.

14 Politicians are reminded:

15 (1) Washington voters want license tab fees to be \$30 per year for
16 motor vehicles unless voters authorize higher vehicle-related charges
17 at an election.

18 (2) All political power is vested in the people, as stated in
19 Article I, section 1 of the Washington state Constitution.

20 (3) The first power reserved by the people is the initiative, as
21 stated in Article II, section 1 of the Washington state Constitution.

22 (4) When voters approve initiatives, politicians have a moral,
23 ethical, and constitutional obligation to fully implement them. When
24 politicians ignore this obligation, they corrupt the term "public
25 servant."

26 (5) Any attempt to violate the clear intent and spirit of this
27 measure undermines the trust of the people in their government and will
28 increase the likelihood of future tax limitation measures.

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