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SENATE BILL 6494

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State of Washington

63rd Legislature

2014 Regular Session

By Senator Chase

Read first time 01/29/14. Referred to Committee on Transportation.

1 AN ACT Relating to local transit revenue; amending RCW 82.45.090,  
2 82.45.150, 82.80.---, and 82.14.0455; adding new sections to chapter  
3 82.80 RCW; adding new chapters to Title 82 RCW; creating a new section;  
4 prescribing penalties; providing effective dates; and providing an  
5 expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.80 RCW  
8 to read as follows:

9 (1) The legislative body of a city transit system under RCW  
10 35.58.2721 or chapter 35.95A RCW, a county transportation authority  
11 under chapter 36.57 RCW, a metropolitan municipal corporation transit  
12 system under chapter 36.56 RCW, a public transportation benefit area  
13 under chapter 36.57A RCW, an unincorporated transportation benefit area  
14 under RCW 36.57.100, a regional transit authority under chapter 81.112  
15 RCW, or any special purpose district formed to operate a public  
16 transportation system may impose by a majority vote of the legislative  
17 body a local motor vehicle excise tax of up to one and one-half percent  
18 annually on the value of every motor vehicle registered to a person  
19 residing within the boundaries of the entity imposing the tax based on

1 any guidebook, report, or compendium of recognized standing in the  
2 automotive industry, such as the Kelley Blue Book or the National  
3 Automobile Dealers' Association Guide. A motor vehicle excise tax may  
4 not be imposed on vehicles licensed under RCW 46.17.355, except for  
5 motor vehicles with an unladen weight of six thousand pounds or less,  
6 RCW 46.16A.425, 46.17.335, or 46.17.350(1)(c).

7 (2) An entity imposing a tax under this section must contract,  
8 before the effective date of the resolution or ordinance imposing the  
9 local motor vehicle excise tax, administration and collection to the  
10 department of licensing, as appropriate, which must deduct an amount,  
11 as provided by contract, for administration and collection expenses  
12 incurred by the department.

13 (3) If the department of licensing determines a value for a vehicle  
14 pursuant to subsection (1) of this section, any person who pays a  
15 locally imposed motor vehicle excise tax for that vehicle may appeal  
16 the valuation to the department of licensing under chapter 34.05 RCW.  
17 If the taxpayer is successful on appeal, the department must refund the  
18 excess tax.

19 (4) The tax imposed under this section applies only when renewing  
20 a vehicle registration, and is effective upon the registration renewal  
21 date as provided by the department of licensing.

22 NEW SECTION. **Sec. 2.** The definitions in this section apply  
23 throughout this chapter unless the context clearly requires otherwise.

24 (1) "Developer" means an individual, group of individuals,  
25 partnership, corporation, association, municipal corporation, state  
26 agency, or other person undertaking development, and its successors and  
27 assigns.

28 (2) "Development" means the subdivision or short platting of land  
29 or the construction or reconstruction of residential, commercial,  
30 industrial, public, or any other building, building space, or land.

31 (3) "Direct result of the proposed development" means those  
32 quantifiable transit impacts that are caused by vehicles or pedestrians  
33 whose trip origin or destination is the proposed development.

34 (4) "Fair market value" means the price in terms of money that a  
35 property will bring in a competitive and open market under all  
36 conditions of a fair sale, the buyer and seller each prudently

1 knowledgeable, and assuming the price is not affected by undue  
2 stimulus, measured at the time of the dedication to local government of  
3 land or improved transportation facilities.

4 (5) "Local public transit providers" means a city transit system  
5 under RCW 35.58.2721 or chapter 35.95A RCW, a county transportation  
6 authority under chapter 36.57 RCW, a metropolitan municipal corporation  
7 transit system under chapter 36.56 RCW, a public transportation benefit  
8 area under chapter 36.57A RCW, an unincorporated transportation benefit  
9 area under RCW 36.57.100, a regional transit authority under chapter  
10 81.112 RCW, or any special purpose district formed to operate a public  
11 transportation system in the state of Washington.

12 (6) "Off-site transit improvements" means those transit capital  
13 improvements designated in the local plan adopted under this chapter  
14 that are authorized to be undertaken by local public transit providers  
15 and that serve the transit needs of more than one development.

16 (7) "Transit impact fee" means a monetary charge imposed on new  
17 development for the purpose of mitigating off-site transit impacts that  
18 are a direct result of the proposed development.

19 NEW SECTION. **Sec. 3.** Local public transit providers may develop  
20 and adopt programs for the purpose of jointly funding, from public and  
21 private sources, transit improvements necessitated in whole or in part  
22 by economic development and growth within their respective  
23 jurisdictions. Local public transit providers must adopt the programs  
24 by ordinance after notice and public hearing. Each program must  
25 contain the elements described in this section.

26 (1) The program must identify the geographic boundaries of the  
27 entire area or areas generally benefited by the proposed off-site  
28 transit improvements and within which transit impact fees will be  
29 imposed under this chapter.

30 (2) The program must be based on an adopted comprehensive, long-  
31 term transit plan (a) identifying the proposed off-site transit  
32 improvements reasonable and necessary to meet the future growth needs  
33 of the designated plan area and intended to be covered by this joint  
34 funding program, including acquisition of right-of-way, construction  
35 and reconstruction of transit capital improvements, and (b) identifying  
36 design standards, levels of service, capacities, and costs applicable  
37 to the program. The program must also indicate how the transit plan is

1 coordinated with applicable plans for the region and for adjacent  
2 jurisdictions. The program must also indicate how public  
3 transportation and ride-sharing improvements and services will be used  
4 to reduce off-site transit impacts from development.

5 (3) The program must include at least a six-year capital funding  
6 program, updated annually, identifying the specific public sources and  
7 amounts of revenue necessary to pay for that portion of the cost of all  
8 off-site transit improvements contained in the transit plan that will  
9 not foreseeably be funded by transit impact fees. The program must  
10 include a proposed schedule for construction and expenditures of funds.  
11 The funding program must consider the additional local tax revenue  
12 estimated to be generated by new development within the plan area if  
13 all or a portion of the additional revenue is proposed to be earmarked  
14 as future appropriations for such off-site transit improvements.

15 (4) The program must authorize transit impact fees to be imposed on  
16 new development within the plan area for the purpose of providing a  
17 portion of the funding for reasonable and necessary off-site transit  
18 improvements to solve the cumulative impacts of planned growth and  
19 development in the plan area. Off-site transit impacts must be  
20 measured as a pro rata share of the capacity of the off-site transit  
21 improvements being funded under the program. The fees must not exceed  
22 the amount that the local public transit provider can demonstrate is  
23 reasonably necessary as a direct result of the proposed development.

24 (5) The program must provide that the funds collected as a result  
25 of a particular new development must be used in substantial part to pay  
26 for improvements mitigating the impacts of the development or be  
27 refunded to the property owners of record. Fees paid toward more than  
28 one transit improvement may be pooled and expended on any one of the  
29 improvements mitigating the impact of the development. The funds must  
30 be expended, in all cases, within six years of collection by the local  
31 public transit provider or the unexpended funds must be refunded.

32 (6) The program must also describe the formula, timing, security,  
33 credits, and other terms and conditions affecting the amount and method  
34 of payment of the transit impact fees as further provided for in RCW  
35 39.92.040. In calculating the amount of the fee, local public transit  
36 providers must consider and give credit for the developer's  
37 participation in public transportation and ride-sharing improvements  
38 and services.

1 (7) The administrative element of the program must include: An  
2 opportunity for administrative appeal by the developer and hearing  
3 before an independent examiner of the amount of the transit impact fee  
4 imposed; the establishment of a designated account for the public and  
5 private funds appropriated or collected for the transit improvements  
6 identified in the plan; methods to enforce collection of the public and  
7 private funds identified in the program; the designation of the  
8 administrative departments or other entities responsible for  
9 administering the program, including determination of fee amounts,  
10 transit planning, and construction; and provisions for future amendment  
11 of the program, including the addition of other off-site transit  
12 improvements. The program may not be amended in a manner to relieve  
13 local public transit providers of any contractual obligations made to  
14 prior developers.

15 (8) The program must provide that private transit impact fees must  
16 not be collected for any off-site transit improvement that is incapable  
17 of being reasonably carried out because of lack of public funds or  
18 other foreseeable impediment.

19 (9) The program must provide that a transit impact fee may not be  
20 imposed on a development by local public transit providers pursuant to  
21 this program when mitigation of the same off-site transit impacts for  
22 the development is being required by any government agency pursuant to  
23 any other local, state, or federal law.

24 NEW SECTION. **Sec. 4.** (1) The program must describe the formula or  
25 method for calculating the amount of the transit impact fees to be  
26 imposed on new development within the plan area. The program may  
27 require developers to pay a transit impact fee for off-site transit  
28 improvements not yet constructed and for those jointly funded  
29 improvements constructed since the commencement of the program.

30 (2) The program must define the event in the development approval  
31 process that triggers a determination of the amount of the transit  
32 impact fees and the event that triggers the obligation to make actual  
33 payment of the fees. However, the payment obligation may not commence  
34 before the date the developer has obtained a building permit for the  
35 new development or, in the case of residential subdivisions or short  
36 plats, at the time of final plat approval, at the developer's option.  
37 If the developer of a residential subdivision or short plat elects to

1 pay the fee at the date a building permit has been obtained, the option  
2 to pay the transit impact fee by installments as authorized under this  
3 section is deemed to have been waived by the developer. The developer  
4 must be given the option to pay the transit impact fee in a lump sum,  
5 without interest, or by installment with reasonable interest over a  
6 period of five years or more as specified by the local government.

7 (3) The local public transit provider must require security for the  
8 obligation to pay the transit impact fee, in the form of a recorded  
9 agreement, deed of trust, letter of credit, or other instrument  
10 determined satisfactory by the local government. The developer must  
11 also be given credit against its obligations for the transit impact  
12 fee, for the fair market value of off-site land or for the cost of  
13 constructing off-site transit improvements dedicated to the local  
14 public transit provider, or both. If the value of the dedication  
15 exceeds the amount of transit impact fee obligation, the developer is  
16 entitled to reimbursement from transit impact fees attributable to the  
17 dedicated improvements and paid by subsequent developers within the  
18 plan area.

19 (4) Payment of the transit impact fee entitles the developer and  
20 its successors and assigns to credit against any other fee, local  
21 improvement district assessment, or other monetary imposition made  
22 specifically for the designated off-site transit improvements intended  
23 to be covered by the transit impact fee imposed under this program.  
24 The program must also define the criteria for establishing periodic fee  
25 increases attributable to construction and related cost increases for  
26 the improvements designated in the program.

27 NEW SECTION. **Sec. 5.** The definitions in this section apply  
28 throughout this chapter unless the context clearly requires otherwise.  
29 Any term used in this chapter has the same meaning as when used in a  
30 comparable context in the internal revenue code unless provided  
31 otherwise.

32 (1) "Capital assets" has the same meaning as provided in section  
33 1221 of the internal revenue code.

34 (2) "Capital gains" means the excess of the gains from sales or  
35 exchanges of capital assets over the losses from such sales or  
36 exchanges received by a person.

37 (3) "Department" means the state department of revenue.

1 (4) "Internal revenue code" means the United States internal  
2 revenue code of 1986 and amendments thereto, as existing and in effect  
3 as of the effective date of this section.

4 (5) "Nonresident" means a person whose domicile is not in this  
5 state and who does not reside in this state for more than one hundred  
6 eighty-three days during the tax year.

7 (6) "Person" means a natural person.

8 (7)(a) "Resident" means a person whose domicile is in this state or  
9 whose domicile is not in this state but who resides in this state for  
10 more than one hundred eighty-three days during the tax year.

11 (b) For purposes of this subsection, once a person is a resident,  
12 residency continues for three years, notwithstanding changes in  
13 domicile.

14 (8) "Taxable year" means the taxpayer's taxable year as defined  
15 under the internal revenue code.

16 (9) "Taxpayer" means a person receiving capital gains subject to  
17 tax under this chapter.

18 NEW SECTION. **Sec. 6.** (1) The legislative body of a city transit  
19 system under RCW 35.58.2721 or chapter 35.95A RCW, a county  
20 transportation authority under chapter 36.57 RCW, a metropolitan  
21 municipal corporation transit system under chapter 36.56 RCW, a public  
22 transportation benefit area under chapter 36.57A RCW, an unincorporated  
23 transportation benefit area under RCW 36.57.100, a regional transit  
24 authority under chapter 81.112 RCW, or any special purpose district  
25 formed to operate a public transportation system may impose by a  
26 majority vote of the legislative body a tax on every person residing  
27 within the boundaries of the entity imposing the tax for the privilege  
28 of selling or exchanging capital assets. The tax equals two percent  
29 multiplied by a person's capital gains for each taxable year.

30 (2) For resident persons, all capital gains must be allocated to  
31 this state.

32 (3) For nonresident persons, capital gains must be derived from  
33 sources within this state and allocated to this state.

34 (4) The following threshold exemptions are allowed in determining  
35 the tax under subsection (1) of this section:

36 (a) Fifty thousand dollars; or

1 (b) One hundred thousand dollars for persons filing joint returns  
2 under section 9 of this act.

3 (5) Capital gains must be reported in the taxable year they are  
4 received. Losses from the sale or exchange of capital assets may only  
5 be used to offset gains from other sales or exchanges of capital assets  
6 in the same taxable year.

7 (6) Receipts from this tax must be deposited into the education  
8 legacy trust account created in RCW 83.100.230.

9 NEW SECTION. **Sec. 7.** This chapter does not apply to gain from the  
10 sale of a principal residence.

11 NEW SECTION. **Sec. 8.** This chapter does not apply to amounts  
12 received by any person for the sale or exchange of property as  
13 authorized under the condemnation proceedings as provided by law for  
14 the exercise of the power of eminent domain under Title 8 RCW,  
15 regardless of whether the parties have settled the matter prior to  
16 filing an action.

17 NEW SECTION. **Sec. 9.** (1) The intent of this section is to prevent  
18 the multiple taxation of capital gains in both Washington and another  
19 taxing jurisdiction.

20 (2) As used in this section, "taxing jurisdiction" means any of the  
21 states, the District of Columbia, or any territory or possession of the  
22 United States; any municipality, city, county, township, parish,  
23 transportation district, or assessment jurisdiction; or other political  
24 subdivision within the territorial limits of the United States with the  
25 authority to impose a tax, charge, or fee.

26 (3) A resident person is allowed a credit against the tax imposed  
27 in section 6 of this act equal to the amount of tax paid to another  
28 taxing jurisdiction on capital gains derived from sources within the  
29 other taxing jurisdiction.

30 (4) The amount of tax credits received by any resident person under  
31 this section may not exceed the total amount of tax due under this  
32 chapter, and there may be no carryback or carryforward of any unused  
33 credits.

1        NEW SECTION.    **Sec. 10.**    (1) Any person who knowingly attempts to  
2 evade the tax imposed under this chapter or payment of the tax is  
3 guilty of a class C felony as provided in chapter 9A.20 RCW.

4        (2) Any person who knowingly fails to pay tax, make returns, keep  
5 records, or supply information, as required under this chapter, is  
6 guilty of a gross misdemeanor as provided in chapter 9A.20 RCW.

7        NEW SECTION.    **Sec. 11.**    (1) All taxpayers residing within the  
8 boundaries of an entity imposing the tax under section 6 of this act  
9 must file with the department, on forms prescribed by the department,  
10 a capital gains tax return for each taxable year. A person owing no  
11 tax for a taxable year is not required to file a return for that year.  
12 Each person required to file a return under this chapter must, without  
13 assessment, notice, or demand, pay any tax due thereon to the  
14 department on or before the date fixed for the filing of the return.

15        (2) The department may by rule require that certain taxpayers file,  
16 on forms prescribed by the department, informational returns for any  
17 period.

18        NEW SECTION.    **Sec. 12.**    The due date of a return required to be  
19 filed with the department must be the due date of the federal income  
20 tax return or informational return for federal income tax purposes,  
21 except as otherwise required by the department. The department may  
22 grant extensions of times by which returns required to be filed by this  
23 title may be submitted. The department may grant extensions of time to  
24 pay tax with regard to taxes imposed by this chapter. Interest at the  
25 rate as specified in RCW 82.32.050 must accrue during any extension  
26 period and the interest and penalty provisions under chapter 82.32 RCW  
27 apply to late payments and deficiencies.

28        NEW SECTION.    **Sec. 13.**    (1) If the federal income tax liabilities  
29 of both spouses are determined on a joint federal return for the  
30 taxable year, they must file a joint return under this chapter.

31        (2) If neither spouse is required to file a federal income tax  
32 return for the taxable year, a joint return is required to be filed  
33 under this title under the same conditions under which a joint return  
34 may be filed for purposes of the federal income tax.

1 (3) Except as provided in subsection (5) of this section, if the  
2 federal income tax liability of either spouse is determined on a  
3 separate federal return for the taxable year, they must file separate  
4 returns under this chapter.

5 (4) In any case in which a joint return is filed under this  
6 section, the liability of the husband and wife or partners is joint and  
7 several, unless the spouse or partner is relieved of liability under 26  
8 U.S.C. Sec. 6013 of the internal revenue code.

9 (5) Partners in a state registered domestic partnership or who have  
10 a marriage licensed under chapter 26.04 RCW may file a joint return  
11 under this chapter.

12 NEW SECTION. **Sec. 14.** (1) Every person required to pay the tax  
13 imposed under this chapter must keep records, render statements, make  
14 returns, file reports, and perform other acts as the department  
15 requires by rule. Each return must be made under penalty of perjury  
16 and on forms prescribed by the department. The department may require  
17 other statements and reports be made under penalty of perjury and on  
18 forms prescribed by the department. The department may require any  
19 taxpayer to furnish to the department a correct copy of any return or  
20 document that the taxpayer has filed with the internal revenue service  
21 or received from the internal revenue service.

22 (2) All books and records and other papers and documents required  
23 to be kept under this chapter are subject to inspection by the  
24 department at all times during business hours of the day.

25 NEW SECTION. **Sec. 15.** (1) To the extent possible without being  
26 inconsistent with this chapter, all of the provisions of the internal  
27 revenue code relating to the time and manner of making returns,  
28 extensions of time for filing returns, verification of returns, and the  
29 time when a return is deemed filed apply to this chapter.

30 (2) The department by rule may provide modifications and exceptions  
31 to the requirements specified under subsection (1) of this section if  
32 reasonably necessary to facilitate the prompt, efficient, and equitable  
33 collection of tax under this chapter.

34 NEW SECTION. **Sec. 16.** (1) The department must refund all taxes  
35 improperly paid or collected.

1 (2) The following sections apply to the administration of taxes  
2 imposed under this title: RCW 82.32.050, 82.32.055, 82.32.060,  
3 82.32.070, 82.32.080, 82.32.085, 82.32.090, 82.32.100, 82.32.105,  
4 82.32.110, 82.32.117, 82.32.120, 82.32.130, 82.32.135, 82.32.145,  
5 82.32.150, 82.32.160, 82.32.170, 82.32.180, 82.32.190, 82.32.200,  
6 82.32.210, 82.32.212, 82.32.220, 82.32.230, 82.32.235, 82.32.237,  
7 82.32.240, 82.32.245, 82.32.265, 82.32.300, 82.32.310, 82.32.320,  
8 82.32.330, 82.32.340, 82.32.350, 82.32.360, 82.32.380, and 82.32.410.

9 NEW SECTION. **Sec. 17.** The department may adopt rules under  
10 chapter 34.05 RCW for the administration and enforcement of this  
11 chapter. The rules, to the extent possible without being inconsistent  
12 with this chapter, must follow the internal revenue code and the  
13 regulations and rulings of the United States treasury department with  
14 respect to the federal income tax. The department may adopt as a part  
15 of these rules any portions of the internal revenue code and treasury  
16 department regulations and rulings, in whole or in part.

17 NEW SECTION. **Sec. 18.** (1) An authorized agent providing closing  
18 and settlement services in a conveyance is required to withhold from  
19 consideration payable to a transferor an amount equal to the tax due  
20 imposed under section 6 of this act.

21 (2) An authorized agent is not required to withhold amounts under  
22 this section if:

23 (a) The conveyance is in lieu of foreclosure of a mortgage, trust  
24 deed, or other security instrument or a land sale contract with no  
25 additional monetary consideration;

26 (b) The transferor is a personal representative, executor,  
27 conservator, bankruptcy trustee, or other person acting under judicial  
28 review;

29 (c) The transferor delivers to the authorized agent a written  
30 assurance that the sale or exchange qualifies for the exclusion of gain  
31 under section 7 or 8 of this act.

32 (3)(a) An authorized agent must electronically report the tax  
33 withheld on forms prescribed by the department and remit electronic  
34 payment of the tax to the department under the methods provided in RCW  
35 82.32.080. An authorized agent must electronically file and make

1 payment under this subsection within twenty-five days after the end of  
2 the month in which the conveyance occurred.

3 (b) The amount of tax due is a specific lien upon each parcel of  
4 real property located in this state that is sold by a transferor. The  
5 lien attached from the time of sale until the tax is withheld and paid  
6 as provided under this section. The lien may be enforced in the manner  
7 prescribed for the foreclosure of mortgages.

8 (c) Amounts withheld under this section are held in trust. If an  
9 authorized agent fails to remit an amount withheld by the agent under  
10 this section by the time remittance is required, the department may  
11 recover from the authorized agent the amount withheld, plus interest  
12 and penalties as provided in chapter 82.32 RCW. The tax collection  
13 provisions of chapter 82.32 RCW apply to the collection of amounts  
14 withheld pursuant to this section but not remitted to the department as  
15 required under this section.

16 (4) A transferor may claim the amount withheld by an authorized  
17 agent on the transferor's tax return.

18 (5) An authorized agent may withhold funds under this section  
19 without written instructions to withhold from the transferor.

20 (6) A written affidavit must be executed by the transferor or the  
21 transferor's tax advisor under penalty of perjury and must contain the  
22 transferor's taxpayer identification number. The authorized agent must  
23 retain for six years from the date of the closing of the conveyance any  
24 written affirmation obtained by the agent in connection with the  
25 conveyance. The department must prescribe by rule the form and content  
26 of the written affidavit.

27 (7) It is a defense to any claim by the department or by a  
28 transferor against an agent that the agent has acted in reasonable  
29 reliance upon representations made by the transferor or the  
30 transferor's tax advisor.

31 (8) For the purposes of this section, the following definitions  
32 apply unless the context clearly requires otherwise:

33 (a) "Authorized agent" means an agent who is responsible for  
34 closing and settlement services in a conveyance;

35 (b) "Closing and settlement services" means services that are  
36 provided by:

37 (i) A licensed escrow agent in a real estate closing escrow; or

1 (ii) An attorney for the benefit of a transferor or a transferee in  
2 a conveyance, if, simultaneously with the conveyance, the attorney  
3 deposits the unpaid purchase price into the attorney's client trust  
4 account for disbursement pursuant to the written instructions of, or the  
5 agreement between, the transferor and transferee;

6 (c) "Consideration" includes the amount of cash paid for a  
7 conveyance and the amount of any lien, mortgage, contract,  
8 indebtedness, or other encumbrance existing against the property  
9 conveyed to which the property remains subject or which the purchaser  
10 agrees to pay or assume;

11 (d) "Conveyance" means a sale or exchange of any real estate  
12 located in Washington;

13 (e) "Net proceeds" means the net amount to be disbursed to the  
14 transferor, prior to reduction for withholding, as shown on the  
15 transferor's settlement statement for the conveyance; and

16 (f) "Transferor" means a person, as defined in section 5 of this  
17 act, on the closing date of the conveyance.

18 **Sec. 19.** RCW 82.45.090 and 2009 c 350 s 8 are each amended to read  
19 as follows:

20 (1) Except for a sale of a beneficial interest in real property  
21 (~~where~~) when no instrument evidencing the sale is recorded in the  
22 official real property records of the county in which the property is  
23 located, the tax imposed (~~by~~) under this chapter (~~shall~~) and the  
24 tax withheld under section 18 of this act must be paid to and collected  
25 by the treasurer of the county within which is located the real  
26 property which was sold.

27 (2) In collecting the tax under this section, the treasurer  
28 (~~shall~~) must act as agent for the state.

29 (a) The county treasurer (~~shall~~) must cause a verification of  
30 payment evidencing satisfaction of the lien to be affixed to the  
31 instrument of sale or conveyance prior to its recording or to the real  
32 estate excise tax affidavit in the case of used mobile home sales and  
33 used floating home sales.

34 (i) A receipt issued by the county treasurer for the payment of the  
35 tax imposed under this chapter (~~shall be~~) is evidence of the  
36 satisfaction of the lien imposed hereunder and may be recorded in the  
37 manner prescribed for recording satisfactions of mortgages.

1       (~~No~~) (ii) An instrument of sale or conveyance evidencing a sale  
2 subject to the tax (~~shall~~) may not be accepted by the county auditor  
3 for filing or recording until the tax (~~shall have~~) has been paid and  
4 the verification of payment affixed thereto; in case the tax is not due  
5 on the transfer, the instrument (~~shall~~) may not be so accepted until  
6 suitable notation of such fact has been made on the instrument by the  
7 treasurer.

8       (iii) Any time there is a sale of a used mobile home, used  
9 manufactured home, used park model, or used floating home that has not  
10 been title eliminated, property taxes must be current in order to  
11 complete the processing of the real estate excise tax affidavit or  
12 other documents transferring title.

13       (iv) Verification that the property taxes are current must be noted  
14 on the mobile home real estate excise tax affidavit or on a form  
15 approved by the county treasurer.

16       (b) For the purposes of this subsection (2), "mobile home,"  
17 "manufactured home," and "park model" have the same meaning as provided  
18 in RCW 59.20.030.

19       (~~(+2)~~) (3) For a sale of a beneficial interest in real property  
20 (~~where~~) when a tax is due under this chapter and (~~where~~) when no  
21 instrument is recorded in the official real property records of the  
22 county in which the property is located, the sale (~~shall~~) must be  
23 reported to the department of revenue within five days from the date of  
24 the sale on such returns or forms and according to such procedures as  
25 the department may prescribe. Such forms or returns (~~shall~~) must be  
26 signed by both the transferor and the transferee and shall be  
27 accompanied by payment of the tax due.

28       (~~(+3)~~) (4) Any person who intentionally makes a false statement  
29 on any return or form required to be filed with the department under  
30 this chapter is guilty of perjury under chapter 9A.72 RCW.

31       **Sec. 20.** RCW 82.45.150 and 1996 c 149 s 6 are each amended to read  
32 as follows:

33       (1) All of chapter 82.32 RCW, except RCW 82.32.030, 82.32.050,  
34 82.32.140, 82.32.270, and 82.32.090 (1) and (~~(+8)~~) (10), applies to  
35 the tax imposed (~~by~~) under this chapter, in addition to any other  
36 provisions of law for the payment and enforcement of the tax imposed  
37 (~~by~~) under this chapter. The department of revenue (~~shall~~) must by

1 rule provide for the effective administration of this chapter. The  
2 rules (~~shall~~) must prescribe and furnish a real estate excise tax  
3 affidavit form verified by both the seller and the buyer, or agents of  
4 each, to be used by each county, or the department, as the case may be,  
5 in the collection of the tax imposed by this chapter, except that an  
6 affidavit given in connection with grant of an easement or right-of-way  
7 to a gas, electrical, or telecommunications company, as defined in RCW  
8 80.04.010, or to a public utility district or cooperative that  
9 distributes electricity, need be verified only on behalf of the  
10 company, district, or cooperative. The department of revenue (~~shall~~)  
11 must annually conduct audits of transactions and affidavits filed under  
12 this chapter.

13 (2) The department may combine the form required in section 11 of  
14 this act with the real estate excise tax affidavit form required in  
15 this section.

16 NEW SECTION. Sec. 21. A new section is added to chapter 82.80 RCW  
17 to read as follows:

18 (1) The legislative authority of any county may submit an  
19 authorizing proposition to the voters and, if approved, may fix and  
20 impose a tax at up to the rate specified in the authorizing proposition  
21 on the selling price on the retail sale of motor vehicle fuel and  
22 special fuel within the applicable jurisdiction solely for the purpose  
23 of providing funds for the operation, maintenance, or capital needs of  
24 a public transportation agency or public transportation limited to  
25 persons with special needs under RCW 36.57.130 and 36.57A.180 that is  
26 located within the boundaries of the county.

27 (2) An election held under this section must be held not more than  
28 twelve months before the date on which the proposed tax is to be  
29 levied. The ballot setting forth the proposition must state the tax  
30 rate that is proposed.

31 (3) The tax imposed under this section must be collected and paid  
32 to the jurisdiction only once in respect to any motor vehicle fuel or  
33 special fuel. This tax is in addition to any other tax authorized or  
34 imposed by law.

35 (4) An entity imposing a tax under this section must contract,  
36 before the effective date of the resolution or ordinance imposing the  
37 local motor vehicle fuel and special fuel tax, administration and

1 collection of the tax to the department of licensing, as appropriate,  
2 which must deduct an amount, as provided by contract, for the  
3 administration and collection expenses incurred by the department.

4 (5) For purposes of this section:

5 (a) "Motor vehicle fuel" has the meaning as provided in RCW  
6 82.36.010;

7 (b) "Special fuel" has the meaning as provided in RCW 82.38.020;  
8 and

9 (c) "Motor vehicle" has the meaning as provided in RCW 82.36.010.

10 **Sec. 22.** RCW 82.80.--- and 2014 c ... (this act) s 21 are each  
11 amended to read as follows:

12 (1) The legislative authority of any county may submit an  
13 authorizing proposition to the voters and, if approved, may fix and  
14 impose a tax at up to the rate specified in the authorizing proposition  
15 on the selling price on the retail sale of (~~motor vehicle fuel and~~  
16 ~~special~~) fuel within the applicable jurisdiction solely for the  
17 purpose of providing funds for the operation, maintenance, or capital  
18 needs of a public transportation agency or public transportation  
19 limited to persons with special needs under RCW 36.57.130 and  
20 36.57A.180 that is located within the boundaries of the county.

21 (2) An election held under this section must be held not more than  
22 twelve months before the date on which the proposed tax is to be  
23 levied. The ballot setting forth the proposition must state the tax  
24 rate that is proposed.

25 (3) The tax imposed under this section must be collected and paid  
26 to the jurisdiction only once in respect to any (~~motor vehicle fuel or~~  
27 ~~special~~) fuel. This tax is in addition to any other tax authorized or  
28 imposed by law.

29 (4) An entity imposing a tax under this section must contract,  
30 before the effective date of the resolution or ordinance imposing the  
31 local (~~motor vehicle fuel and special~~) fuel tax, administration and  
32 collection of the tax to the department of licensing, as appropriate,  
33 which must deduct an amount, as provided by contract, for the  
34 administration and collection expenses incurred by the department.

35 (5) For purposes of this section:

36 (a) (~~"Motor vehicle fuel" has the meaning as provided in RCW~~  
37 ~~82.36.010;~~

1       ~~(b) "Special))~~ Fuel" has the meaning as provided in RCW 82.38.020;  
2 and  
3       ~~((e))~~ (b) "Motor vehicle" has the meaning as provided in RCW  
4 ~~((82.36.010))~~ 82.38.020.

5       NEW SECTION. Sec. 23. A new section is added to chapter 82.80 RCW  
6 to read as follows:

7       (1) The legislative body of a city transit system under RCW  
8 35.58.2721 or chapter 35.95A RCW, a county transportation authority  
9 under chapter 36.57 RCW, a metropolitan municipal corporation transit  
10 system under chapter 36.56 RCW, a public transportation benefit area  
11 under chapter 36.57A RCW, an unincorporated transportation benefit area  
12 under RCW 36.57.100, a regional transit authority under chapter 81.112  
13 RCW, or any special purpose district formed to operate a public  
14 transportation system may impose by a majority vote of the legislative  
15 body an excise tax of up to:

16       (a) One-tenth of one percent of the total payroll of an employer  
17 with forty-nine or fewer employees, measured by the number of full-time  
18 equivalent employees;

19       (b) Two-tenths of one percent of the total payroll of an employer  
20 with more than forty-nine employees but less than two hundred fifty-one  
21 employees, measured by the number of full-time equivalent employees;  
22 and

23       (c) Three-tenths of one percent of the total payroll of an employer  
24 with two hundred fifty-one or more employees, measured by the number of  
25 full-time equivalent employees.

26       (2) The entity imposing the tax authorized in this section may  
27 provide for exemptions from the tax to such educational, cultural,  
28 health, charitable, or religious organizations as it deems appropriate.

29       Sec. 24. RCW 82.14.0455 and 2010 c 105 s 3 are each amended to  
30 read as follows:

31       (1) Subject to the provisions in RCW 36.73.065, a transportation  
32 benefit district under chapter 36.73 RCW may fix and impose a sales and  
33 use tax in accordance with the terms of this chapter. The tax  
34 authorized in this section is in addition to any other taxes authorized  
35 by law and shall be collected from those persons who are taxable by the  
36 state under chapters 82.08 and 82.12 RCW upon the occurrence of any

1 taxable event within the boundaries of the district. The rate of tax  
2 shall not exceed two-tenths of one percent of the selling price in the  
3 case of a sales tax, or value of the article used, in the case of a use  
4 tax. Except as provided in subsection (2) of this section, the tax may  
5 not be imposed for a period exceeding ten years. This tax, if not  
6 imposed under the conditions of subsection (2) of this section, may be  
7 extended for a period not exceeding ten years with an affirmative vote  
8 of the voters voting at the election.

9 (2) The voter-approved sales tax initially imposed under this  
10 section after July 1, 2010, may be imposed for a period exceeding ten  
11 years if the moneys received under this section are dedicated for the  
12 repayment of indebtedness incurred in accordance with the requirements  
13 of chapter 36.73 RCW.

14 (3) Money received from the tax imposed under this section must be  
15 spent in accordance with the requirements of chapter 36.73 RCW.

16 (4) The tax authorized under this section may not be imposed by a  
17 county that is imposing a tax or fee under section 1, 3, 6, or 21 of  
18 this act.

19 NEW SECTION. Sec. 25. Sections 2 through 4 of this act constitute  
20 a new chapter in Title 82 RCW.

21 NEW SECTION. Sec. 26. Sections 5 through 18 of this act  
22 constitute a new chapter in Title 82 RCW.

23 NEW SECTION. Sec. 27. This act, being necessary for the welfare  
24 of the state and its inhabitants, must be liberally construed.

25 NEW SECTION. Sec. 28. If any provision of this act or its  
26 application to any person or circumstance is held invalid, the  
27 remainder of the act or the application of the provision to other  
28 persons or circumstances is not affected.

29 NEW SECTION. Sec. 29. Except for section 22 of this act, this act  
30 takes effect July 1, 2014.

31 NEW SECTION. Sec. 30. Section 22 of this act takes effect July 1,  
32 2015.

1        NEW SECTION.    **Sec. 31.**    Section 21 of this act expires July 1,  
2    2015.

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