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**ESB 5096** - H AMD TO H AMD (H-2628.2/17) **487**

By Representative Muri

**SCOPE AND OBJECT 04/12/2017**

On page 81, after line 18 of the striking amendment, insert the following:

"NEW SECTION. **Sec. 714.** A new section is added to chapter 81.112 RCW to read as follows:

(1) Any motor vehicle excise taxes approved by regional transit authority voters under RCW 81.104.175 may be nullified within the complete boundaries of a city or county within a regional transit authority if either of the following conditions are met:

(a) A majority of the city or county legislative authority votes to nullify the motor vehicle excise taxes; or

(b) A proposition to nullify the motor vehicle excise taxes is approved by voters under subsection (2) of this section.

(2) If a petition to nullify regional transit authority motor vehicle excise taxes within a city or county is filed with the county auditor containing the signatures of eight percent of the number of voters registered and voting in the city or county for the office of the governor at the last preceding gubernatorial election, the county auditor must canvass the signatures in the same manner as prescribed in RCW 29A.72.230 and certify their sufficiency to the governing body within two weeks. The proposition to nullify the motor vehicle excise taxes must then be submitted to the voters of the city or county at a special election, called for this purpose, no later than the date on which a primary election would be held under RCW 29A.04.311. The motor vehicle excise taxes may then be nullified only if approved by a majority of the voters of the city or county voting on the proposition.

(3) Any regional transit authority motor vehicle excise taxes nullified under this section may not be imposed within the boundaries of the affected city or county.

(4) This section expires June 30, 2019.

**Sec. 715.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each amended to read as follows:

(1) Regional transit authorities that include a county with a population of more than one million five hundred thousand may submit an authorizing proposition to the voters, and if approved, may levy and collect an excise tax, at a rate approved by the voters, but not exceeding eight-tenths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of the taxing district, solely for the purpose of providing high capacity transportation service. The maximum tax rate under this subsection does not include a motor vehicle excise tax approved before July 15, 2015, if the tax will terminate on the date bond debt to which the tax is pledged is repaid. This tax does not apply to vehicles licensed under RCW 46.16A.455 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2). Notwithstanding any other provision of this subsection or chapter 82.44 RCW, a motor vehicle excise tax imposed by a regional transit authority before or after July 15, 2015, must comply with chapter 82.44 RCW as it existed on January 1, 1996, until December 31st of the year in which the regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before July 15, 2015. Motor vehicle taxes collected by regional transit authorities after December 31st of the year in which a regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before July 15, 2015, must comply with chapter 82.44 RCW as it existed on the date the tax was approved by voters.

(2) An agency and high capacity transportation corridor area may impose a sales and use tax solely for the purpose of providing high capacity transportation service, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the applicable jurisdiction that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of tax imposed under this subsection must bear the same ratio of the 2.172 percent authorized that the rate imposed under subsection (1) of this section bears to the rate authorized under subsection (1) of this section. The base of the tax is the selling price in the case of a sales tax or the rental value of the vehicle used in the case of a use tax.

(3) Any motor vehicle excise tax previously imposed under the provisions of RCW 81.104.160(1) shall be repealed, terminated, and expire on December 5, 2002, except for a motor vehicle excise tax for which revenues have been contractually pledged to repay a bonded debt issued before December 5, 2002, as determined by *Pierce County et al. v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds that were previously issued, the motor vehicle excise tax must comply with chapter 82.44 RCW as it existed on January 1, 1996.

(4) If a regional transit authority imposes the tax authorized under subsection (1) of this section, the authority may not receive any state grant funds provided in an omnibus transportation appropriations act except transit coordination grants created in chapter 11, Laws of 2015 3rd sp. sess.

(5) During the 2017-2019 fiscal biennium, the authority to impose a tax under this section is subject to section 714 of this act.

**Sec. 716.** RCW 81.104.190 and 2009 c 280 s 7 are each amended to read as follows:

(1) Except as otherwise provided in this section, cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, high capacity transportation corridor areas, and regional transit systems may contract with the state department of revenue or other appropriate entities for administration and collection of any tax authorized by RCW 81.104.150, 81.104.160, and 81.104.170.

(2) During the 2017-2019 fiscal biennium, a regional transit authority may not contract with the department for the collection of a motor vehicle excise tax in cities or counties that have nullified a motor vehicle tax pursuant to section 714 of this act.

**Sec. 717.** RCW 82.44.135 and 2006 c 318 s 9 are each amended to read as follows:

(1) Except as otherwise provided in this section, before a local government subject to this chapter may impose a motor vehicle excise tax, the local government must contract with the department for the collection of the tax. The department may charge a reasonable amount, not to exceed one percent of tax collections, for the administration and collection of the tax.

(2) During the 2017-2019 fiscal biennium, a regional transit authority may not contract with the department for the collection of a motor vehicle excise tax in cities or counties that have nullified a motor vehicle tax pursuant to section 714 of this act."

Renumber the remaining sections consecutively and correct any internal references accordingly.

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|  | EFFECT: Allows cities and counties to nullify regional transit authority (RTA) motor vehicle excise taxes (MVET) during the 2017-2019 fiscal biennium by a majority vote in either a referendum or a legislative authority. Prevents an RTA from contracting with the Department of Licensing to collect an MVET during the 2017-2019 fiscal biennium in cities or counties that have nullified an MVET.  FISCAL IMPACT: No net change to appropriated levels. |

**--- END ---**