

ESB 5096 - H AMD TO H AMD (H-2628.2/17) **479**
By Representative Irwin

SCOPE AND OBJECT 04/12/2017

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

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

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

9 (a) A majority of the city or county legislative authority votes
10 to nullify the taxes; or

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

13 (2) If a petition to nullify regional transit authority taxes
14 within a city or county is filed with the county auditor containing
15 the signatures of eight percent of the number of voters registered
16 and voting in the city or county for the office of the governor at
17 the last preceding gubernatorial election, the county auditor must
18 canvass the signatures in the same manner as prescribed in RCW
19 29A.72.230 and certify their sufficiency to the governing body
20 within two weeks. The proposition to nullify the taxes must then be
21 submitted to the voters of the city or county at a special election,
22 called for this purpose, no later than the date on which a primary
23 election would be held under RCW 29A.04.311. The taxes may then be
24 nullified only if approved by a majority of the voters of the city
25 or county voting on the proposition.

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

4 (4) This section expires June 30, 2019.

5
6 **Sec. 715.** RCW 81.104.150 and 2009 c 280 s 3 are each amended to
7 read as follows:

8 (1) Cities that operate transit systems, county transportation
9 authorities, metropolitan municipal corporations, public
10 transportation benefit areas, high capacity transportation corridor
11 areas, and regional transit authorities may submit an authorizing
12 proposition to the voters and if approved may impose an excise tax
13 of up to two dollars per month per employee on all employers located
14 within the applicable jurisdiction, measured by the number of
15 full-time equivalent employees, solely for the purpose of providing
16 high capacity transportation service. The rate of tax shall be
17 approved by the voters. This tax may not be imposed by: ~~((+1))~~ (a)
18 A transit agency or high capacity transportation corridor area when
19 the county within which it is located is imposing an excise tax
20 pursuant to RCW 81.100.030; or ~~((+2))~~ (b) a regional transit
21 authority when any county within the authority's boundaries is
22 imposing an excise tax pursuant to RCW 81.100.030. The agency or
23 high capacity transportation corridor area imposing the tax
24 authorized in this section may provide for exemptions from the tax
25 to such educational, cultural, health, charitable, or religious
26 organizations as it deems appropriate.

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

30
31 **Sec. 716.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
32 amended to read as follows:

33 (1) Regional transit authorities that include a county with a
34 population of more than one million five hundred thousand may submit

1 an authorizing proposition to the voters, and if approved, may levy
2 and collect an excise tax, at a rate approved by the voters, but not
3 exceeding eight-tenths of one percent on the value, under chapter
4 82.44 RCW, of every motor vehicle owned by a resident of the taxing
5 district, solely for the purpose of providing high capacity
6 transportation service. The maximum tax rate under this subsection
7 does not include a motor vehicle excise tax approved before July 15,
8 2015, if the tax will terminate on the date bond debt to which the
9 tax is pledged is repaid. This tax does not apply to vehicles
10 licensed under RCW 46.16A.455 except vehicles with an unladen weight
11 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).
12 Notwithstanding any other provision of this subsection or chapter
13 82.44 RCW, a motor vehicle excise tax imposed by a regional transit
14 authority before or after July 15, 2015, must comply with chapter
15 82.44 RCW as it existed on January 1, 1996, until December 31st of
16 the year in which the regional transit authority repays bond debt to
17 which a motor vehicle excise tax was pledged before July 15, 2015.
18 Motor vehicle taxes collected by regional transit authorities after
19 December 31st of the year in which a regional transit authority
20 repays bond debt to which a motor vehicle excise tax was pledged
21 before July 15, 2015, must comply with chapter 82.44 RCW as it
22 existed on the date the tax was approved by voters.

23 (2) An agency and high capacity transportation corridor area may
24 impose a sales and use tax solely for the purpose of providing high
25 capacity transportation service, in addition to the tax authorized
26 by RCW 82.14.030, upon retail car rentals within the applicable
27 jurisdiction that are taxable by the state under chapters 82.08 and
28 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
29 tax imposed under this subsection must bear the same ratio of the
30 2.172 percent authorized that the rate imposed under subsection (1)
31 of this section bears to the rate authorized under subsection (1) of
32 this section. The base of the tax is the selling price in the case
33 of a sales tax or the rental value of the vehicle used in the case
34 of a use tax.

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

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

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

17
18 **Sec. 717.** RCW 81.104.170 and 2015 3rd sp.s. c 44 s 320 are each
19 amended to read as follows:

20 (1) Cities that operate transit systems, county transportation
21 authorities, metropolitan municipal corporations, public
22 transportation benefit areas, high capacity transportation corridor
23 areas, and regional transit authorities may submit an authorizing
24 proposition to the voters and if approved by a majority of persons
25 voting, fix and impose a sales and use tax in accordance with the
26 terms of this chapter, solely for the purpose of providing high
27 capacity transportation service.

28 (2) The tax authorized pursuant to this section is in addition
29 to the tax authorized by RCW 82.14.030 and must be collected from
30 those persons who are taxable by the state pursuant to chapters
31 82.08 and 82.12 RCW upon the occurrence of any taxable event within
32 the taxing district.

33 (a) Except for the tax imposed under (b) of this subsection by
34 regional transit authorities that include a county with a population

1 of more than one million five hundred thousand, the maximum rate of
2 such tax must be approved by the voters and may not exceed one
3 percent of the selling price (in the case of a sales tax) or value
4 of the article used (in the case of a use tax). The maximum rate of
5 such tax that may be imposed may not exceed nine-tenths of one
6 percent in any county that imposes a tax under RCW 82.14.340, or
7 within a regional transit authority if any county within the
8 authority imposes a tax under RCW 82.14.340.

9 (b) The maximum rate of such tax that may be imposed by a
10 regional transit authority that includes a county with a population
11 of more than one million five hundred thousand must be approved by
12 the voters and may not exceed 1.4 percent. If a regional transit
13 authority imposes the tax authorized under this subsection (2)(b) in
14 excess of 0.9 percent, the authority may not receive any state grant
15 funds provided in an omnibus transportation appropriations act
16 except transit coordination grants created in chapter 11, Laws of
17 2015 3rd sp. sess.

18 (3)(a) The exemptions in RCW 82.08.820 and 82.12.820 are for the
19 state portion of the sales and use tax and do not extend to the tax
20 authorized in this section.

21 (b) The exemptions in RCW 82.08.962 and 82.12.962 are for the
22 state and local sales and use taxes and include the tax authorized
23 by this section.

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

27

28 **Sec. 718.** RCW 81.104.175 and 2015 3rd sp.s. c 44 s 321 are each
29 amended to read as follows:

30 (1) A regional transit authority that includes a county with a
31 population of more than one million five hundred thousand may impose
32 a regular property tax levy in an amount not to exceed twenty-five
33 cents per thousand dollars of the assessed value of property in the
34

1 regional transit authority district in accordance with the terms of
2 this section.

3 (2) Any tax imposed under this section must be used for the
4 purpose of providing high capacity transportation service, as set
5 forth in a proposition that is approved by a majority of the
6 registered voters that vote on the proposition.

7 (3) Property taxes imposed under this section may be imposed for
8 the period of time required to pay the cost to plan, design,
9 construct, operate, and maintain the transit facilities set forth in
10 the approved proposition. Property taxes pledged to repay bonds may
11 be imposed at the pledged amount until the bonds are retired. After
12 the bonds are retired, property taxes authorized under this section
13 must be:

14 (a) Reduced to the level required to operate and maintain the
15 regional transit authority's transit facilities; or

16 (b) Terminated, unless the taxes have been extended by public
17 vote.

18 (4) The limitations in RCW 84.52.043 do not apply to the tax
19 authorized in this section.

20 (5) The limitation in RCW 84.55.010 does not apply to the first
21 levy imposed under this section.

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

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

29
30 Renumber the remaining sections consecutively and correct any
31 internal references accordingly.

32

33 EFFECT: Allows cities and counties to nullify regional transit
34 authority taxes during the 2017-2019 fiscal biennium by a majority

vote in either a referendum or a legislative authority.

FISCAL IMPACT: No net change to appropriated levels.

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