
ENGROSSED SUBSTITUTE SENATE BILL 5955

State of Washington

65th Legislature

2018 Regular Session

By Senate Transportation (originally sponsored by Senators Kuderer, Wellman, Keiser, Hobbs, Palumbo, Mullet, Lias, Chase, Hasegawa, Darneille, Conway, Cleveland, Nelson, Billig, and Takko)

READ FIRST TIME 02/06/18.

1 AN ACT Relating to the collection of certain taxes and fees as a
2 result of a high capacity transit system approved by the voters of a
3 regional transit authority in 2016; amending RCW 82.44.135 and
4 81.112.360; adding a new section to chapter 82.44 RCW; adding new
5 sections to chapter 81.112 RCW; adding a new section to chapter 36.01
6 RCW; adding a new section to chapter 35.21 RCW; adding a new section
7 to chapter 35A.21 RCW; adding a new section to chapter 47.01 RCW; and
8 declaring an emergency.

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

10 **Sec. 1.** RCW 82.44.135 and 2006 c 318 s 9 are each amended to
11 read as follows:

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

18 (2) Any contract entered into with a regional transit authority
19 for the collection of a motor vehicle excise tax must provide that
20 the department receives full reimbursement for the administration and

1 collection of the tax, including those costs related to customer
2 service and information technology.

3 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.44
4 RCW to read as follows:

5 If the department enters into a contract with a regional transit
6 authority for the collection of a motor vehicle excise tax authorized
7 in RCW 81.104.160(1), and after the regional transit authority
8 implements a market value adjustment program as directed in section 3
9 of this act, the department must clearly indicate, when issuing
10 notices to persons renewing vehicle registrations under RCW
11 46.16A.110, the net result after application of the credit. The
12 department must include as part of the notices an insert that
13 provides a description of the market value adjustment program and how
14 it affects taxpayers generally.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 81.112
16 RCW to read as follows:

17 (1) A regional transit authority that includes portions of a
18 county with a population of more than one million five hundred
19 thousand and that imposes a motor vehicle excise tax under RCW
20 81.104.160(1) must establish a market value adjustment program to be
21 implemented for vehicles with registrations that are due or become
22 due on or after September 1, 2018.

23 (2) Under the market value adjustment program, the authority must
24 provide a credit against the motor vehicle excise tax due in an
25 amount equal to the tax due under RCW 81.104.160(1) calculated using
26 the vehicle valuation methodology authorized under RCW 81.104.160(1),
27 less the tax otherwise due calculated using the vehicle valuation
28 schedule of percentages in RCW 82.44.035, as applied to eighty-five
29 percent of the value of the vehicle, if the resulting difference is
30 positive.

31 (3) The program may be funded by any resources available to the
32 authority including, but not limited to:

- 33 (a) Unrestricted tax proceeds or other revenues; and
34 (b) Savings from the delivery of projects.

35 (4)(a) The program must be implemented in a manner that allows
36 the delivery of the system and financing plan approved by the
37 authority's voters in 2016 to the extent practicable. Building on
38 past and ongoing cost-savings efforts, the agency must continue to

1 evaluate measures that may be needed to reduce costs. These measures
2 include, but are not limited to:

3 (i) Designing projects using the principles of practical design,
4 as described for use by the department of transportation under RCW
5 47.01.480;

6 (ii) Efficiencies realized in coordinating and integrating
7 activities with other transit agencies and local governments,
8 including through shared maintenance and operations, joint
9 procurement, joint marketing, joint customer services, and joint
10 capital projects; and

11 (iii) Revising project contingency budgets, if practicable.

12 (b) If, when implementing the program, the authority is not able
13 to deliver projects according to the system and financing plan
14 approved by the authority's voters in 2016, the authority must
15 identify savings and cost reductions, first, from projects other than
16 light rail projects and bus rapid transit projects, and is prohibited
17 from eliminating light rail projects and bus rapid transit projects.

18 (5) Until the plan has been completed, the authority must submit
19 an annual report to the transportation committees of the legislature
20 by December 31st of each year on the status of the delivery of the
21 plan. The report must include detail on the extent to and manner in
22 which the authority has used cost savings to maintain the delivery of
23 the plan as approved by the voters.

24 (6) The department of licensing is authorized to make rules to
25 implement this section.

26 NEW SECTION. **Sec. 4.** A new section is added to chapter 81.112
27 RCW to read as follows:

28 (1) Beginning July 1, 2019, and continuing through the end of
29 June 2020, the authority must allow an additional one-time credit
30 against the motor vehicle excise tax due with respect to any vehicle
31 for which the 0.8 percent tax in RCW 81.104.160(1) was paid before
32 September 1, 2018. The one-time credit amount on the 0.8 percent tax
33 paid before September 1, 2018, must be calculated using the market
34 value adjustment program credit methodology in section 3 of this act,
35 except that the total amount of credit applied under this section and
36 section 3 of this act may not exceed the current motor vehicle excise
37 tax liability with respect to the vehicle. The authority may develop
38 a system for issuing one-time credits in consultation with the
39 department of licensing.

1 To the greatest extent practicable, the credit provided under
2 this section must be issued using an online process or as part of
3 regular motor vehicle excise tax payment processing.

4 (2) The department of licensing is authorized to make rules to
5 implement this section.

6 **Sec. 5.** RCW 81.112.360 and 2015 3rd sp.s. c 44 s 422 are each
7 amended to read as follows:

8 (1) (~~Beginning January 1, 2017~~) After a regional transit
9 authority adopts a resolution affirming that payment of a sales and
10 use tax offset fee will not impact delivery of a regional transit
11 system plan approved by voters in 2016, and until the requirements in
12 subsection ~~((4))~~ (3) of this section are met, ~~((a))~~ the regional
13 transit authority must pay to the department of revenue, for deposit
14 into the Puget Sound taxpayer accountability account, a sales and use
15 tax offset fee.

16 (2) A sales and use tax offset fee is three and twenty-five one-
17 hundredths percent of the total payments made by the regional transit
18 authority to construction contractors on construction contracts that
19 are (a) for new projects identified in the system plan funded by any
20 proposition approved by voters after January 1, 2015, and (b)
21 excluded from the definition of retail sale under RCW 82.04.050(10).

22 ~~((Fees are due monthly by the twenty fifth day of the month,~~
23 ~~with respect to payments made to construction contractors during the~~
24 ~~previous month.~~

25 ~~(4))~~ A sales and use tax offset fee is due until the regional
26 transit authority has paid five hundred eighteen million dollars in
27 payments over a period of no more than five years.

28 ~~((5))~~ (4) Except as otherwise provided in this section, the
29 provisions of chapter 82.32 RCW apply to this section.

30 ~~((6))~~ (5) The department of revenue must oversee the collection
31 of the sales and use tax offset fee and may adopt rules necessary to
32 implement this section.

33 NEW SECTION. **Sec. 6.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other
36 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 36.01
2 RCW to read as follows:

3 For any regional transportation authority projects approved by
4 voters after January 1, 2016, a county must take all reasonable,
5 feasible, and lawful measures necessary, including code or rule
6 amendments and other agreements, to facilitate the preparation,
7 filing, and processing of any required permits as soon as
8 practicable, with the goal of providing land use permit decisions
9 within one hundred twenty days of submittal and other technical
10 permit decisions sooner. Permit facilitation may include assigning a
11 single point of contact accountable for permit processing through
12 environmental, design, and construction phases of a project. A county
13 must participate in any project preferred alternative selection
14 process as early as possible in the environmental process to
15 facilitate expedited planning for regional transportation authority
16 projects approved by voters after January 1, 2016.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 35.21
18 RCW to read as follows:

19 For any regional transportation authority projects approved by
20 voters after January 1, 2016, a city must take all reasonable,
21 feasible, and lawful measures necessary, including code or rule
22 amendments and other agreements, to facilitate the preparation,
23 filing, and processing of any required permits as soon as
24 practicable, with the goal of providing land use permit decisions
25 within one hundred twenty days of submittal and other technical
26 permit decisions sooner. Permit facilitation may include assigning a
27 single point of contact accountable for permit processing through
28 environmental, design, and construction phases of a project. A city
29 must participate in any project preferred alternative selection
30 process as early as possible in the environmental process to
31 facilitate expedited planning for regional transportation authority
32 projects approved by voters after January 1, 2016.

33 NEW SECTION. **Sec. 9.** A new section is added to chapter 35A.21
34 RCW to read as follows:

35 For any regional transportation authority projects approved by
36 voters after January 1, 2016, a city must take all reasonable,
37 feasible, and lawful measures necessary, including code or rule
38 amendments and other agreements, to facilitate the preparation,

1 filing, and processing of any required permits as soon as
2 practicable, with the goal of providing land use permit decisions
3 within one hundred twenty days of submittal and other technical
4 permit decisions sooner. Permit facilitation may include assigning a
5 single point of contact accountable for permit processing through
6 environmental, design, and construction phases of a project. A city
7 must participate in any project preferred alternative selection
8 process as early as possible in the environmental process to
9 facilitate expedited planning for regional transportation authority
10 projects approved by voters after January 1, 2016.

11 NEW SECTION. **Sec. 10.** A new section is added to chapter 47.01
12 RCW to read as follows:

13 If applicable, for any regional transportation authority projects
14 approved by voters after January 1, 2016, the department must take
15 all reasonable, feasible, and lawful measures necessary, including
16 rule amendments and other agreements, to facilitate the preparation,
17 filing, and processing of any required permits as soon as
18 practicable, with the goal of providing land use permit decisions
19 within one hundred twenty days of submittal and other technical
20 permit decisions sooner. Permit facilitation may include assigning a
21 single point of contact accountable for permit processing through
22 environmental, design, and construction phases of a project. If
23 applicable, the department must participate in any project preferred
24 alternative selection process as early as possible in the
25 environmental process to facilitate expedited planning for regional
26 transportation authority projects approved by voters after January 1,
27 2016.

28 NEW SECTION. **Sec. 11.** A new section is added to chapter 81.112
29 RCW to read as follows:

30 A regional transit authority must submit, in compliance with RCW
31 43.01.036, biennial reports to the transportation committees of the
32 legislature on the status of permit timelines and the effectiveness
33 of sections 7 through 10 of this act in expediting the permitting
34 process for projects approved by voters after January 1, 2016.

35 NEW SECTION. **Sec. 12.** This act is necessary for the immediate
36 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes
2 effect immediately.

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