
SENATE BILL 5528

State of Washington

67th Legislature

2022 Regular Session

By Senators Pedersen, Lias, and Hawkins

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1 AN ACT Relating to the imposition of additive revenue sources
2 within a regional transit authority area; amending RCW 81.104.160;
3 and adding new sections to chapter 81.112 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 81.112
6 RCW to read as follows:

7 (1) The board of a regional transit authority may establish one
8 or more enhanced service zones within a portion of the boundaries of
9 the authority in order to finance system improvements directly
10 benefiting the respective enhanced service zone. An enhanced service
11 zone must lie entirely within the authority boundaries and must
12 comprise no less than the entire portion of a city or town that lies
13 within the authority boundaries. An enhanced service zone may also
14 include one or more entire adjacent cities or towns and adjacent
15 unincorporated areas. There may also be multiple enhanced service
16 zones encompassing the same city or town, or adjacent unincorporated
17 area.

18 (2) Before an enhanced service zone may be established, it must
19 first be recommended to the board by an advisory committee composed
20 of board members representing the proposed enhanced service zone. The
21 advisory committee's recommendations must include proposed system

1 improvements benefiting the enhanced service zone, to be financed by
2 residents of the enhanced service zone but constructed and operated
3 by the authority. If the board establishes the recommended enhanced
4 service zone, then the board must submit a ballot proposition to
5 voters within the enhanced service zone at a general or special
6 election for approval of the proposed system improvements and funding
7 sources as provided in subsection (3) of this section. The funding
8 sources may not be imposed without approval of a majority of the
9 voters in the enhanced service zone voting on the proposition. The
10 proposition must include a specific description of the proposed
11 system improvement or improvements and the funding sources to be
12 imposed within the enhanced service zone to raise revenue to fund the
13 improvement or improvements.

14 (3) An authority may levy and collect within the boundaries of an
15 enhanced service zone one or more of the following voter-approved
16 local option funding sources to finance the proposed improvements
17 within the enhanced service zone:

18 (a) A special motor vehicle excise tax as provided in RCW
19 81.104.160(1)(b); and

20 (b) A commercial parking tax under section 3 of this act.

21 (4) To the extent that system improvements include new fixed rail
22 guideway components of the rail fixed guideway public transportation
23 system within a city with a population of 500,000 or more, such
24 guideway shall be in entirely exclusive rights-of-way and not contain
25 any level traffic crossings with modes not part of the rail fixed
26 guideway public transportation system.

27 (5) "System improvement or improvements," as used in this
28 section, means additions to or alterations of a high capacity
29 transportation system or rail fixed guideway public transportation
30 system as both are defined in RCW 81.104.015.

31 **Sec. 2.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
32 amended to read as follows:

33 (1) (a) Regional transit authorities that include a county with a
34 population of more than one million five hundred thousand may submit
35 an authorizing proposition to the voters, and if approved, may levy
36 and collect an excise tax, at a rate approved by the voters, but not
37 exceeding eight-tenths of one percent on the value, under chapter
38 82.44 RCW, of every motor vehicle owned by a resident of the taxing

1 district, solely for the purpose of providing high capacity
2 transportation service.

3 (b) In addition to the authority provided in (a) of this
4 subsection, regional transit authorities described in (a) of this
5 subsection may submit an authorizing proposition to the voters within
6 the boundaries of an enhanced service zone described in section 1 of
7 this act, and if approved, may levy and collect an excise tax within
8 the enhanced service zone, at a rate approved by the voters, but not
9 exceeding one and one-half percent on the value, under chapter 82.44
10 RCW, of every motor vehicle owned by a resident of the enhanced
11 service zone, solely to raise revenue to fund the improvement or
12 improvements described in section 1 of this act.

13 (c) The maximum tax (~~rate~~) rates under this subsection (~~does~~)
14 (1) do not include a motor vehicle excise tax approved before July
15 15, 2015, if the tax will terminate on the date bond debt to which
16 the tax is pledged is repaid. (~~This tax does~~) The taxes under this
17 subsection (1) do not apply to vehicles licensed under RCW 46.16A.455
18 except vehicles with an unladen weight of six thousand pounds or
19 less, RCW 46.16A.425 or 46.17.335(2). Notwithstanding any other
20 provision of this subsection (1) or chapter 82.44 RCW, a motor
21 vehicle excise tax imposed by a regional transit authority before or
22 after July 15, 2015, must comply with chapter 82.44 RCW as it existed
23 on January 1, 1996, until December 31st of the year in which the
24 regional transit authority repays bond debt to which a motor vehicle
25 excise tax was pledged before July 15, 2015. Motor vehicle taxes
26 collected by regional transit authorities after December 31st of the
27 year in which a regional transit authority repays bond debt to which
28 a motor vehicle excise tax was pledged before July 15, 2015, must
29 comply with chapter 82.44 RCW as it existed on the date the tax was
30 approved by voters.

31 (2) An agency and high capacity transportation corridor area may
32 impose a sales and use tax solely for the purpose of providing high
33 capacity transportation service, in addition to the tax authorized by
34 RCW 82.14.030, upon retail car rentals within the applicable
35 jurisdiction that are taxable by the state under chapters 82.08 and
36 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
37 tax imposed under this subsection must bear the same ratio of the
38 2.172 percent authorized that the rate imposed under subsection (1)
39 of this section bears to the rate authorized under subsection (1) of
40 this section. The base of the tax is the selling price in the case of

1 a sales tax or the rental value of the vehicle used in the case of a
2 use tax.

3 (3) Any motor vehicle excise tax previously imposed under the
4 provisions of (~~RCW 81.104.160(1)~~) subsection (1) of this section
5 shall be repealed, terminated, and expire on December 5, 2002, except
6 for a motor vehicle excise tax for which revenues have been
7 contractually pledged to repay a bonded debt issued before December
8 5, 2002, as determined by *Pierce County et al. v. State*, 159 Wn.2d
9 16, 148 P.3d 1002 (2006). In the case of bonds that were previously
10 issued, the motor vehicle excise tax must comply with chapter 82.44
11 RCW as it existed on January 1, 1996.

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

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

19 (1) Subject to the conditions of this section, an authority may
20 submit an authorizing proposition to the voters within the boundaries
21 of an enhanced service zone described in section 1 of this act, and
22 if approved, may fix and impose a parking tax on all persons engaged
23 in a commercial parking business within the enhanced service zone.

24 (2) In lieu of the tax in subsection (1) of this section, an
25 authority may submit an authorizing proposition to the voters within
26 the boundaries of an enhanced service zone described in section 1 of
27 this act, and if approved, may fix and impose a tax for the act or
28 privilege of parking a motor vehicle in a facility operated by a
29 commercial parking business within the enhanced service zone.

30 The authority may provide that:

31 (a) The tax is paid by the operator or owner of the motor
32 vehicle;

33 (b) The tax applies to all parking for which a fee is paid,
34 whether paid directly or indirectly through a lease, including
35 parking supplied with a lease of nonresidential space, but the tax
36 does not apply when an exclusive and individual parking stall is
37 provided as an inseverable condition of a residential lease agreement
38 for the duration of that lease agreement;

1 (c) The tax is collected by the operator of the facility and
2 remitted to the authority;

3 (d) The tax is a fee per vehicle or is measured by the parking
4 charge;

5 (e) The tax rate varies with zoning or location of the facility,
6 the duration of the parking, the time of entry or exit, the type or
7 use of the vehicle, or other reasonable factors; and

8 (f) Tax exempt carpools, vehicles with a disabled parking
9 placard, or government vehicles are exempt from the tax.

10 (3) "Commercial parking business," as used in this section, means
11 the ownership, lease, operation, or management of a commercial
12 parking lot in which fees are charged, except that "commercial
13 parking business" does not mean lease of parking in a residential
14 building as part of a housing lease or housing rent payments.
15 "Commercial parking lot" means a covered or uncovered area with
16 stalls for the purpose of parking motor vehicles.

17 (4) The rate of the tax under subsection (1) of this section may
18 be based either upon gross proceeds or the number of vehicle stalls
19 available for commercial parking use. The rates charged must be
20 uniform for the same class or type of commercial parking business.

21 (5) The authority levying the tax provided for in subsection (1)
22 or (2) of this section may provide for its payment on a monthly,
23 quarterly, or annual basis. An authority may develop by ordinance or
24 resolution rules for administering the tax, including provisions for
25 reporting by commercial parking businesses, collection, and
26 enforcement.

27 (6) The proceeds of the commercial parking tax fixed and imposed
28 by an authority under subsection (1) or (2) of this section must be
29 used to raise revenue to fund the improvement or improvements
30 described in section 1 of this act.

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