

1 AN ACT Relating to regional transit authorities; amending RCW
2 82.44.135, 47.12.120, 47.52.090, 47.12.125, 46.16A.110, 46.17.040,
3 and 82.44.060; reenacting and amending RCW 81.104.160 and 82.44.035;
4 adding a new section to chapter 47.01 RCW; creating a new section;
5 repealing RCW 82.44.038 and 81.112.800; repealing 2020 c 1 ss 9, 10,
6 and 13; repealing 2020 c 1 ss 11 and 16 (uncodified); providing
7 effective dates; providing a contingent effective date; and declaring
8 an emergency.

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

10 **PART I:**

11 **REGIONAL TRANSIT AUTHORITY MOTOR VEHICLE EXCISE TAXES**

12 **Sec. 1.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
13 reenacted and amended to read as follows:

14 (1) Regional transit authorities that include a county with a
15 population of more than one million five hundred thousand may submit
16 an authorizing proposition to the voters, and if approved, may levy
17 and collect an excise tax, at a rate approved by the voters, but not
18 exceeding eight-tenths of one percent on the value, under chapter
19 82.44 RCW, of every motor vehicle owned by a resident of the taxing
20 district, solely for the purpose of providing high capacity

1 transportation service. The maximum tax rate under this subsection
2 does not include a motor vehicle excise tax approved before July 15,
3 2015, if the tax will terminate on the date bond debt to which the
4 tax is pledged is repaid. This tax does not apply to vehicles
5 licensed under RCW 46.16A.455 except vehicles with an unladen weight
6 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).
7 (~~Notwithstanding any other provision of this subsection or chapter~~
8 ~~82.44 RCW, a motor vehicle excise tax imposed by a regional transit~~
9 ~~authority before or after July 15, 2015, must comply with chapter~~
10 ~~82.44 RCW as it existed on January 1, 1996, until December 31st of~~
11 ~~the year in which the regional transit authority repays bond debt to~~
12 ~~which a motor vehicle excise tax was pledged before July 15, 2015.~~
13 ~~Motor vehicle taxes collected by regional transit authorities after~~
14 ~~December 31st of the year in which a regional transit authority~~
15 ~~repays bond debt to which a motor vehicle excise tax was pledged~~
16 ~~before July 15, 2015, must comply with chapter 82.44 RCW as it~~
17 ~~existed on the date the tax was approved by voters.)) The motor
18 vehicle excise tax imposed under this subsection (1) must comply with
19 RCW 82.44.035.~~

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

32 (3) Any motor vehicle excise tax (~~previously~~) imposed under the
33 provisions of (~~RCW 81.104.160(1)~~) subsection (1) of this section
34 before December 5, 2002, shall be repealed, terminated, and expire on
35 December 5, 2002, except for a motor vehicle excise tax for which
36 revenues have been contractually pledged to repay a bonded debt
37 issued before December 5, 2002, as determined by *Pierce County et al.*
38 *v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds
39 that were (~~previously~~) issued before December 5, 2002, the motor

1 vehicle excise tax must comply with (~~chapter 82.44 RCW as it existed~~
2 ~~on January 1, 1996~~) RCW 82.44.035.

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

8 **Sec. 2.** RCW 82.44.035 and 2010 c 161 s 910 are each reenacted
9 and amended to read as follows:

10 (1) For the purpose of determining any locally imposed motor
11 vehicle excise tax, the value of a truck or trailer shall be the
12 latest purchase price of the vehicle, excluding applicable federal
13 excise taxes, state and local sales or use taxes, transportation or
14 shipping costs, or preparatory or delivery costs, multiplied by the
15 following percentage based on year of service of the vehicle since
16 last sale. The latest purchase year shall be considered the first
17 year of service.

18	YEAR OF SERVICE	PERCENTAGE
19	1	100
20	2	81
21	3	67
22	4	55
23	5	45
24	6	37
25	7	30
26	8	25
27	9	20
28	10	16
29	11	13
30	12	11
31	13	9
32	14	7
33	15	3
34	16 or older	0

1 (2) The reissuance of a certificate of title and registration
2 certificate for a truck or trailer because of the installation of
3 body or special equipment shall be treated as a sale, and the value
4 of the truck or trailer at that time, as determined by the department
5 from such information as may be available, shall be considered the
6 latest purchase price.

7 (3) For the purpose of determining any locally imposed motor
8 vehicle excise tax, the value of a vehicle other than a truck or
9 trailer shall be eighty-five percent of the manufacturer's base
10 suggested retail price of the vehicle when first offered for sale as
11 a new vehicle, excluding any optional equipment, applicable federal
12 excise taxes, state and local sales or use taxes, transportation or
13 shipping costs, or preparatory or delivery costs, multiplied by the
14 applicable percentage listed in this subsection (3) based on year of
15 service of the vehicle.

16 If the manufacturer's base suggested retail price is unavailable
17 or otherwise unascertainable at the time of initial registration in
18 this state, the department shall determine a value equivalent to a
19 manufacturer's base suggested retail price as follows:

20 (a) The department shall determine a value using any information
21 that may be available, including any guidebook, report, or compendium
22 of recognized standing in the automotive industry or the selling
23 price and year of sale of the vehicle. The department may use an
24 appraisal by the county assessor. In valuing a vehicle for which the
25 current value or selling price is not indicative of the value of
26 similar vehicles of the same year and model, the department shall
27 establish a value that more closely represents the average value of
28 similar vehicles of the same year and model. The value determined in
29 this subsection (3)(a) shall be divided by the applicable percentage
30 listed in (b) of this subsection (3) to establish a value equivalent
31 to a manufacturer's base suggested retail price and this value shall
32 be multiplied by eighty-five percent.

33 (b) The year the vehicle is offered for sale as a new vehicle
34 shall be considered the first year of service.

YEAR OF SERVICE	PERCENTAGE
1	100
2	81
3	72

1	4	63
2	5	55
3	6	47
4	7	41
5	8	36
6	9	32
7	10	27
8	11	26
9	12	((24)) <u>16</u>
10	13	((23)) <u>12</u>
11	14	((21)) <u>12</u>
12	15	((16)) <u>12</u>
13	16 or older	10

14 (4) For purposes of this chapter, value shall exclude value
15 attributable to modifications of a vehicle and equipment that are
16 designed to facilitate the use or operation of the vehicle by a
17 person with a disability.

18 **Sec. 3.** RCW 82.44.135 and 2006 c 318 s 9 are each amended to
19 read as follows:

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

26 (2) Any contract entered into with a regional transit authority
27 for the collection of a motor vehicle excise tax must provide that
28 the department receives full reimbursement for the administration and
29 collection of the tax, including those costs related to customer
30 service and information technology.

31 **PART II:**
32 **LEASING OF STATE FACILITIES TO A REGIONAL TRANSIT AUTHORITY**

1 **Sec. 4.** RCW 47.12.120 and 2003 c 198 s 2 are each amended to
2 read as follows:

3 The department may rent or lease any lands, improvements, or air
4 space above or below any lands that are held for highway purposes but
5 are not presently needed. The rental or lease:

6 (1) Must be upon such terms and conditions as the department may
7 determine;

8 (2) Is subject to the provisions and requirements of zoning
9 ordinances of political subdivisions of government;

10 (3) Includes lands used or to be used for both limited access and
11 conventional highways that otherwise meet the requirements of this
12 section; (~~and~~)

13 (4) In the case of bus shelters provided by a local transit
14 authority that include commercial advertising, may charge the transit
15 authority only for commercial space; and

16 (5) In the case of use by a regional transit authority, must
17 include consideration at rental value (economic rent) and must
18 provide that the department shall allow:

19 (a) Rental or lease obligations accrued by a regional transit
20 authority to accrue using a land bank agreement;

21 (b) A negative balance in the land bank until January 1, 2042;
22 and

23 (c) A regional transit authority to enter into separate
24 agreements with counties, incorporated cities and towns, and
25 municipal corporations for the sublease or subrent of the lands,
26 improvements, or airspace leased or rented from the department. The
27 agreements between a regional transit authority and counties,
28 incorporated cities and towns, and municipal corporations may allow
29 for cash payments to the regional transit authority.

30 **Sec. 5.** RCW 47.52.090 and 1984 c 7 s 241 are each amended to
31 read as follows:

32 The highway authorities of the state, counties, incorporated
33 cities and towns, regional transit authorities, and municipal
34 corporations owning or operating an urban public transportation
35 system are authorized to enter into agreements with each other, or
36 with the federal government, respecting the financing, planning,
37 establishment, improvement, construction, maintenance, use,
38 regulation, or vacation of limited access facilities in their
39 respective jurisdictions to facilitate the purposes of this chapter.

1 Any such agreement may provide for the exclusive or nonexclusive use
2 of a portion of the facility by streetcars, trains, or other vehicles
3 forming a part of an urban public transportation system and for the
4 erection, construction, and maintenance of structures and facilities
5 of such a system including facilities for the receipt and discharge
6 of passengers. Within incorporated cities and towns the title to
7 every state limited access highway vests in the state, and,
8 notwithstanding any other provision of this section, the department
9 shall exercise full jurisdiction, responsibility, and control to and
10 over the highway from the time it is declared to be operational as a
11 limited access facility by the department, subject to the following
12 provisions:

13 (1) Cities and towns shall regulate all traffic restrictions on
14 such facilities except as provided in RCW 46.61.430, and all
15 regulations adopted are subject to approval of the department before
16 becoming effective. Nothing herein precludes the state patrol or any
17 county, city, or town from enforcing any traffic regulations and
18 restrictions prescribed by state law, county resolution, or municipal
19 ordinance.

20 (2) The city, town, or franchise holder shall at its own expense
21 maintain its underground facilities beneath the surface across the
22 highway and has the right to construct additional facilities
23 underground or beneath the surface of the facility or necessary
24 overcrossings of power lines and other utilities as may be necessary
25 insofar as the facilities do not interfere with the use of the right-
26 of-way for limited access highway purposes. The city or town has the
27 right to maintain any municipal utility and the right to open the
28 surface of the highway. The construction, maintenance until permanent
29 repair is made, and permanent repair of these facilities shall be
30 done in a time and manner authorized by permit to be issued by the
31 department or its authorized representative, except to meet emergency
32 conditions for which no permit will be required, but any damage
33 occasioned thereby shall promptly be repaired by the city or town
34 itself, or at its direction. Where a city or town is required to
35 relocate overhead facilities within the corporate limits of a city or
36 town as a result of the construction of a limited access facility,
37 the cost of the relocation shall be paid by the state.

38 (3) Cities and towns have the right to grant utility franchises
39 crossing the facility underground and beneath its surface insofar as
40 the franchises are not inconsistent with the use of the right-of-way

1 for limited access facility purposes and the franchises are not in
2 conflict with state laws. The department is authorized to enforce, in
3 an action brought in the name of the state, any condition of any
4 franchise that a city or town has granted. No franchise for
5 transportation of passengers in motor vehicles may be granted on such
6 highways without the approval of the department, except cities and
7 towns are not required to obtain a franchise for the operation of
8 municipal vehicles or vehicles operating under franchises from the
9 city or town operating within the corporate limits of a city or town
10 and within a radius not exceeding eight miles outside the corporate
11 limits for public transportation on such facilities, but these
12 vehicles may not stop on the limited access portion of the facility
13 to receive or to discharge passengers unless appropriate special
14 lanes or deceleration, stopping, and acceleration space is provided
15 for the vehicles.

16 Every franchise or permit granted any person by a city or town
17 for use of any portion of a limited access facility shall require the
18 grantee or permittee to restore, permanently repair, and replace to
19 its original condition any portion of the highway damaged or injured
20 by it. Except to meet emergency conditions, the construction and
21 permanent repair of any limited access facility by the grantee of a
22 franchise shall be in a time and manner authorized by a permit to be
23 issued by the department or its authorized representative.

24 (4) The department has the right to use all storm sewers that are
25 adequate and available for the additional quantity of runoff proposed
26 to be passed through such storm sewers.

27 (5) The construction and maintenance of city streets over and
28 under crossings and surface intersections of the limited access
29 facility shall be in accordance with the governing policy entered
30 into between the department and the association of Washington cities
31 on June 21, 1956, or as such policy may be amended by agreement
32 between the department and the association of Washington cities.

33 (6) An agreement under this section between the department and a
34 regional transit authority for the lease or rent of lands,
35 improvements, or airspace above or below any lands that are held for
36 highway purposes must include consideration at rental value (economic
37 rent) and must provide that the department shall allow:

38 (a) Rental or lease obligations accrued by a regional transit
39 authority to accrue using a land bank agreement;

1 (b) A negative balance in the land bank until January 1, 2042;
2 and

3 (c) A regional transit authority to enter into separate
4 agreements with counties, incorporated cities and towns, and
5 municipal corporations for the sublease or subrent of the lands,
6 improvements, or airspace leased or rented from the department. The
7 agreements between a regional transit authority and counties,
8 incorporated cities and towns, and municipal corporations may allow
9 for cash payments to the regional transit authority.

10 **Sec. 6.** RCW 47.12.125 and 1999 c 94 s 15 are each amended to
11 read as follows:

12 All moneys paid to the state of Washington under any of the
13 provisions of RCW 47.12.120 shall be deposited in the department's
14 advance right-of-way revolving fund, except moneys that are subject
15 to federal aid reimbursement and moneys received from rental of
16 capital facilities properties, which shall be deposited in the motor
17 vehicle fund. Rental or lease obligations accrued by a regional
18 transit authority through a land bank agreement with the department
19 shall be allowed to be held as a negative balance in the land bank,
20 with cash payments deferred, until January 1, 2042.

21 **PART III:**

22 **PAYMENT OF MOTOR VEHICLE EXCISE TAXES WITHIN A REGIONAL TRANSIT**
23 **AUTHORITY**

24 **Sec. 7.** RCW 46.16A.110 and 2014 c 80 s 3 are each amended to
25 read as follows:

26 (1) A registered owner or the registered owner's authorized
27 representative must apply for a renewal vehicle registration to the
28 department, county auditor or other agent, or subagent appointed by
29 the director on a form approved by the director. The application for
30 a renewal vehicle registration must be accompanied by a draft, money
31 order, certified bank check, or cash for all fees and taxes required
32 by law for the application for a renewal vehicle registration, except
33 as allowed under subsection (6) of this section.

34 (2)(a) When a vehicle changes ownership, the person taking
35 ownership or his or her authorized representative must apply for a
36 renewal vehicle registration as provided in subsection (1) of this
37 section and, except as provided in (b) of this subsection, pay all

1 the taxes and fees that are due at the time of registration renewal.
2 For the purposes of this section, when a vehicle is sold to a vehicle
3 dealer for resale, the application for a renewal registration need
4 not be made until the vehicle is sold by the vehicle dealer.

5 (b) The person taking ownership or his or her authorized
6 representative must be given credit for the portion of a motor
7 vehicle excise tax, including the motor vehicle excise tax collected
8 under RCW 81.104.160, that reflects the remaining period for which
9 the tax was initially paid by the previous owner.

10 (3) An application and the fees and taxes for a renewal vehicle
11 registration must be handled in the same manner as an original
12 vehicle registration application. The registration does not need to
13 show the name of the lienholder when the application for renewal
14 vehicle registration becomes the renewal registration upon
15 validation.

16 (4) A person expecting to be out of state during the normal
17 renewal period of a vehicle registration may renew a vehicle
18 registration and have license plates or tabs preissued by applying
19 for a renewal as described in subsection (1) of this section. A
20 vehicle registration may be renewed for the subsequent registration
21 year up to eighteen months before the current expiration date and
22 must be displayed from the date of issue or from the day of the
23 expiration of the current registration year, whichever date is later.

24 (5) An application for a renewal vehicle registration is not
25 required for those vehicles owned, rented, or leased by:

26 (a) The state of Washington, or by any county, city, town, school
27 district, or other political subdivision of the state of Washington;
28 or

29 (b) A governing body of an Indian tribe located within this state
30 and recognized as a governmental entity by the United States
31 department of the interior.

32 (6) If a vehicle is subject to a motor vehicle excise tax
33 pursuant to RCW 81.104.160, the registered owner or the registered
34 owner's authorized representative may:

35 (a) Accompany the registered owner or registered owner's
36 authorized representative's application for a renewal vehicle
37 registration with payment from an existing balance in a "Good to Go!"
38 account linked to the registered vehicle; and

39 (b) Enter into either a quarterly or monthly payment plan with
40 the department for all fees and taxes required by law for the

1 application for a renewal vehicle registration if payments are made
2 from an existing balance in a "Good to Go!" account linked to the
3 registered vehicle pursuant to (a) of this subsection. The quarterly
4 or monthly payments must each be of an equal amount, except when the
5 entire remaining amount of the motor vehicle excise tax due is paid
6 along with any payment that is due. The first quarterly or monthly
7 payment must be made with the application for a renewal vehicle
8 registration. Payments made after the application for a renewal
9 vehicle registration are not subject to additional fees under RCW
10 46.17.040(1)(b), 46.17.005, 46.17.025, or 46.17.015.

11 NEW SECTION. **Sec. 8.** A new section is added to chapter 47.01
12 RCW to read as follows:

13 The department must allow the department of licensing to accept
14 payment for renewal vehicle registrations from balances in "Good to
15 Go!" accounts linked to the registered vehicle. The department may
16 charge a fee of not more than one percent of each vehicle
17 registration transaction to the "Good to Go!" account.

18 **Sec. 9.** RCW 46.17.040 and 2019 c 417 s 2 are each amended to
19 read as follows:

20 (1) The department, county auditor or other agent, or subagent
21 appointed by the director shall collect a service fee of:

22 (a) Fifteen dollars for changes in a certificate of title,
23 changes in ownership for nontitled vehicles, or for verification of
24 record and preparation of an affidavit of lost title other than at
25 the time of the certificate of title application or transfer, in
26 addition to any other fees or taxes due at the time of application;
27 and

28 (b) Eight dollars for a registration renewal, issuing a transit
29 permit, or any other service under this section, in addition to any
30 other fees or taxes due at the time of application, except payments
31 made after the initial payment made with the application for a
32 renewal vehicle registration under RCW 46.16A.110(6).

33 (2) Service fees collected under this section by the department
34 or county auditor or other agent appointed by the director must be
35 credited to the capital vessel replacement account under RCW
36 47.60.322.

1 **Sec. 10.** RCW 82.44.060 and 2010 c 161 s 911 are each amended to
2 read as follows:

3 (1) Any locally imposed excise tax:

4 (a) Is due at the time of registration of a vehicle, except as
5 allowed under subsection (4)(a) of this section;

6 (b) Must be paid in full before any registration certificate or
7 license tab may be issued, except as allowed under subsection (4)(a)
8 of this section;

9 (c) Is in addition to any other vehicle license fees required by
10 law;

11 (d) Must be collected by the department, county auditor or other
12 agent, or subagent appointed by the director of licensing before
13 issuing the registration certificate, except as allowed under
14 subsection (4)(a) of this section;

15 (e) Must be collected for each registration year, except as
16 allowed under subsection (4)(a) of this section; and

17 (f) Must be levied for one full registration year beginning on
18 the date of the calendar year designated by the department and ending
19 on the same date of the next succeeding calendar year, except as
20 allowed under subsection (4)(a) of this section. For vehicles
21 registered under chapter 46.87 RCW, proportional registration, and
22 for vehicle dealer plates issued under chapter 46.70 RCW, the
23 registration year is the period provided in those chapters. However,
24 the tax shall in no case be less than two dollars except for
25 proportionally registered vehicles.

26 (2) A vehicle is deemed registered for the first time in this
27 state when the vehicle was not previously registered by this state
28 for the registration year immediately preceding the registration year
29 in which the application for registration is made or when the vehicle
30 has been registered in another jurisdiction subsequent to any prior
31 registration in this state.

32 (3) An additional tax may not be imposed under this chapter on
33 any vehicle when the certificate of title is being transferred if the
34 tax has already been paid for the registration year or fraction of a
35 registration year in which transfer of ownership occurs, except as
36 required by a payment plan entered into pursuant to subsection (4)(a)
37 of this section.

38 (4)(a) If a vehicle is subject to a motor vehicle excise tax
39 pursuant to RCW 81.104.160 and if payments are made from an existing
40 balance in a "Good to Go!" account linked to the registered vehicle

1 pursuant to RCW 46.16A.110(6), the registered owner or the registered
2 owner's authorized representative may enter into either a quarterly
3 or monthly payment plan with the department for all fees and taxes
4 required by law for the application for a renewal vehicle
5 registration. The quarterly or monthly payments must each be of an
6 equal amount, except when the entire remaining amount of the motor
7 vehicle excise tax due is paid along with any payment that is due.
8 The first quarterly or monthly payment must be made with the
9 application for a renewal vehicle registration. Payments made after
10 the initial payment made with the application for a renewal vehicle
11 registration are not subject to additional fees under RCW
12 46.17.040(1)(b), 46.17.005, 46.17.025, or 46.17.015.

13 (b) The department and any regional transit authority imposing an
14 excise tax pursuant to RCW 81.104.160 must provide a report to the
15 transportation committees of the legislature by November 15, 2021,
16 regarding the implementation of, and potential improvements to, the
17 payment plan created under (a) of this subsection.

18 **PART IV:**

19 **MISCELLANEOUS**

20 NEW SECTION. Sec. 11. The following acts or parts of acts are
21 each repealed:

22 (1) RCW 82.44.038 (Valuation of vehicles—Use of Kelley Blue Book
23 value) and 2020 c 1 s 8 (Initiative Measure No. 976);

24 (2) RCW 81.112.800 (Motor vehicle excise tax—Outstanding bonds—
25 Retirement, defeasement, and refinancing) and 2020 c 1 s 12
26 (Initiative Measure No. 976);

27 (3) 2020 c 1 (Initiative Measure No. 976) s 9;

28 (4) 2020 c 1 (Initiative Measure No. 976) s 10;

29 (5) 2020 c 1 (Initiative Measure No. 976) s 11 (uncodified);

30 (6) 2020 c 1 (Initiative Measure No. 976) s 13; and

31 (7) 2020 c 1 (Initiative Measure No. 976) s 16 (uncodified).

32 NEW SECTION. Sec. 12. Section 11 of this act takes effect
33 immediately upon a court of final jurisdiction holding that chapter 1
34 (Initiative Measure No. 976), Laws of 2020 is no longer enjoined from
35 effectiveness.

1 NEW SECTION. **Sec. 13.** The department of licensing must provide
2 written notice of the effective date of section 11 of this act to
3 affected parties, the chief clerk of the house of representatives,
4 the secretary of the senate, the office of the code reviser, and
5 others as deemed appropriate by the department.

6 NEW SECTION. **Sec. 14.** Sections 1 through 6 of this act take
7 effect January 1, 2021.

8 NEW SECTION. **Sec. 15.** Sections 7 through 10 of this act take
9 effect October 1, 2020.

10 NEW SECTION. **Sec. 16.** Section 12 of this act is necessary for
11 the immediate preservation of the public peace, health, or safety, or
12 support of the state government and its existing public institutions,
13 and takes effect immediately.

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