
HOUSE BILL 2123

State of Washington

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2019 Regular Session

By Representatives Pellicciotti, Leavitt, Kilduff, Entenman, Ryu, Goodman, Bergquist, Kloba, Slatter, Valdez, Springer, Pollet, Pettigrew, Kirby, Stanford, Lovick, Orwall, Davis, Hudgins, Ortiz-Self, Sullivan, Walen, Senn, Thai, Mead, Robinson, Peterson, Santos, Ramos, and Callan

1 AN ACT Relating to the collection of a motor vehicle excise tax
2 approved by voters of a regional transit authority in 2016 by
3 creating a market value adjustment program to provide a credit based
4 on the difference between the vehicle valuation schedule used by the
5 authority to determine the tax amount under current law and the
6 vehicle valuation schedule in RCW 82.44.035 in a manner that limits
7 the delay and diminution of the voter approved 2016 plan; amending
8 RCW 82.44.135 and 47.12.120; adding a new section to chapter 82.44
9 RCW; adding a new section to chapter 81.112 RCW; and declaring an
10 emergency.

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

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

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

20 (2) Any contract entered into with a regional transit authority
21 for the collection of a motor vehicle excise tax must provide that

1 the department receives full reimbursement for the administration and
2 collection of the tax, including those costs related to customer
3 service and information technology.

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

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

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

18 (1) A regional transit authority that includes portions of a
19 county with a population of more than one million five hundred
20 thousand and that imposes a motor vehicle excise tax under RCW
21 81.104.160(1) must establish a market value adjustment program to be
22 implemented for vehicles with registrations that are due or become
23 due on or after January 1, 2020.

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

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

34 (a) Unrestricted tax proceeds or other revenues; and

35 (b) Savings from the delivery of projects.

36 (4) (a) The program must be implemented in a manner that allows
37 the delivery of the system and financing plan approved by the
38 authority's voters in 2016 to the extent practicable. Building on

1 past and ongoing cost-savings efforts, the agency must continue to
2 evaluate measures that may be needed to reduce costs. These measures
3 include, but are not limited to:

4 (i) Designing projects using the principles of practical design,
5 as described for use by the department of transportation under RCW
6 47.01.480;

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

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

13 (b) If, when implementing the program, and after applying
14 available resources under subsection (3) of this section and cost-
15 savings measures under this subsection (4), the authority is not able
16 to deliver projects according to the system and financing plan
17 approved by the authority's voters in 2016, the authority must
18 identify savings and cost reductions, first, from projects other than
19 light rail projects and bus rapid transit projects, and is prohibited
20 from eliminating light rail projects and bus rapid transit projects.

21 (5) Until the plan has been completed, the authority must submit
22 an annual report to the transportation committees of the legislature
23 by December 31st of each year on the status of the delivery of the
24 plan. The report must include detail on the extent to and manner in
25 which the authority has used cost savings to maintain the delivery of
26 the plan as approved by the voters. The report must also include
27 detail on the status of revenues received by the authority for the
28 purposes of the plan, including anticipated federal funding and other
29 revenues, as compared to actual revenues.

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

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

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

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

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

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

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

9 (5) In the case of lands for the development of a high capacity
10 transportation system by a regional transit authority of facilities
11 pursuant to a system plan adopted by the authority's voters after
12 January 1, 2016, and before January 1, 2021, and pursuant to chapter
13 81.112 RCW, consideration for rental agreements or leases, executed
14 on or after the effective date of this section and prior to January
15 1, 2042, must be the sum of:

16 (a) The percentage of the fair market rental or lease value equal
17 to the percentage of state funds from the motor vehicle fund
18 contributed to the total costs of acquisition of the lands; and

19 (b) The state share of the costs of any improvements made to the
20 lands paid for from the motor vehicle fund that cannot otherwise be
21 restored by the regional transit authority upon the department-
22 approved mitigation.

23 NEW SECTION. Sec. 5. If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. Sec. 6. This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of
29 the state government and its existing public institutions, and takes
30 effect immediately.

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