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**SENATE BILL 6108**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senator O'Ban

Prefiled 12/23/19.

1 AN ACT Relating to nullifying certain taxes approved by regional  
2 transit authority voters; amending RCW 81.104.160, 81.104.170, and  
3 81.104.175; adding a new section to chapter 81.112 RCW; and declaring  
4 an emergency.

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

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

8 (1) Any taxes approved by regional transit authority voters after  
9 January 1, 2015, are nullified within the complete boundaries of any  
10 county within a regional transit authority with a population of less  
11 than one million that contains a city with a population of more than  
12 two hundred thousand.

13 (2) Any regional transit authority taxes nullified under this  
14 section may not be imposed within the boundaries of an affected  
15 county.

16 (3) A regional transit authority must defease any bond contracts  
17 that may impede implementing this section if the bond contracts  
18 include a defeasance option.

19 (4) Any regional transit authority taxes approved by voters after  
20 January 1, 2015, that have already been collected from within the  
21 boundaries of an affected county may be used only for the following:

- 1 (a) Issuing refunds to taxpayers within an affected county; or
- 2 (b) Defeating bond contracts under subsection (3) of this
- 3 section.

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

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

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

19 **Sec. 3.** RCW 81.104.170 and 2019 c 273 s 12 are each amended to  
20 read as follows:

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

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

34 (a) Except for the tax imposed under (b) of this subsection by  
35 regional transit authorities that include a county with a population  
36 of more than one million five hundred thousand, the maximum rate of  
37 such tax must be approved by the voters and may not exceed one  
38 percent of the selling price (in the case of a sales tax) or value of  
39 the article used (in the case of a use tax). The maximum rate of such

1 tax that may be imposed may not exceed nine-tenths of one percent in  
2 any county that imposes a tax under RCW 82.14.340, or within a  
3 regional transit authority if any county within the authority imposes  
4 a tax under RCW 82.14.340.

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

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

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

20 (c) The exemptions in RCW 82.14.532 are for the local sales and  
21 use taxes and include the tax authorized by this section.

22 (4) The authority to impose a tax under this section is subject  
23 to section 1 of this act.

24 **Sec. 4.** RCW 81.104.175 and 2018 c 81 s 1 are each amended to  
25 read as follows:

26 (1) A regional transit authority that includes a county with a  
27 population of more than one million five hundred thousand may impose  
28 a regular property tax levy in an amount not to exceed twenty-five  
29 cents per thousand dollars of the assessed value of property in the  
30 regional transit authority district in accordance with the terms of  
31 this section.

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

36 (3) Property taxes imposed under this section may be imposed for  
37 the period of time required to pay the cost to plan, design,  
38 construct, operate, and maintain the transit facilities set forth in  
39 the approved proposition. Property taxes pledged to repay bonds may

1 be imposed at the pledged amount until the bonds are retired. After  
2 the bonds are retired, property taxes authorized under this section  
3 must be:

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

6 (b) Terminated, unless the taxes have been extended by public  
7 vote.

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

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

12 (6) 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 (7) Property taxes imposed under this section may not be imposed  
18 on less than a whole parcel.

19 (8) The authority to impose a tax under this section is subject  
20 to section 1 of this act.

21 NEW SECTION. **Sec. 5.** This act is necessary for the immediate  
22 preservation of the public peace, health, or safety, or support of  
23 the state government and its existing public institutions, and takes  
24 effect immediately.

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