
ENGROSSED SUBSTITUTE SENATE BILL 6582

State of Washington

62nd Legislature

2012 Regular Session

By Senate Transportation (originally sponsored by Senators Haugen, Eide, Hobbs, Ranker, and Shin)

READ FIRST TIME 02/07/12.

1 AN ACT Relating to local transportation revenue options; amending
2 RCW 36.73.065, 36.73.040, 82.80.010, 82.80.140, and 82.44.065;
3 reenacting and amending RCW 36.73.015; adding a new section to chapter
4 82.80 RCW; adding a new section to chapter 82.44 RCW; creating a new
5 section; and repealing RCW 82.44.035.

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

7 **Sec. 1.** RCW 36.73.065 and 2007 c 329 s 1 are each amended to read
8 as follows:

9 (1) Except as provided in subsection (4) of this section, taxes,
10 fees, charges, and tolls may not be imposed by a district without
11 approval of a majority of the voters in the district voting on a
12 proposition at a general or special election. The proposition must
13 include a specific description of the transportation improvement or
14 improvements proposed by the district and the proposed taxes, fees,
15 charges, and the range of tolls imposed by the district to raise
16 revenue to fund the improvement or improvements.

17 (2) Voter approval under this section (~~shall~~) must be accorded
18 substantial weight regarding the validity of a transportation
19 improvement as defined in RCW 36.73.015.

1 (3) A district may not increase any taxes, fees, charges, or range
2 of tolls imposed under this chapter once the taxes, fees, charges, or
3 tolls take effect, unless authorized by the district voters pursuant to
4 RCW 36.73.160.

5 (4)(a) A district that includes all the territory within the
6 boundaries of the jurisdiction, or jurisdictions, establishing the
7 district, but not including territory in which a fee is currently being
8 collected under RCW 82.80.140, may impose by a majority vote of the
9 governing board of the district the following fees and charges:

10 (i) Up to (~~twenty~~) forty dollars of the vehicle fee authorized in
11 RCW 82.80.140; or

12 (ii) A fee or charge in accordance with RCW 36.73.120.

13 (b) The vehicle fee authorized in (a) of this subsection may only
14 be imposed for a passenger-only ferry transportation improvement if the
15 vehicle fee is first approved by a majority of the voters within the
16 jurisdiction of the district.

17 (c)(i) A district solely comprised of a city or cities (~~shall~~)
18 may not impose the fees or charges identified in (a) of this subsection
19 within one hundred eighty days after July 22, 2007, unless the county
20 in which the city or cities reside, by resolution, declares that it
21 will not impose the fees or charges identified in (a) of this
22 subsection within the one hundred eighty-day period; or

23 (ii) A district solely comprised of a city or cities identified in
24 RCW 36.73.020(6)(b) (~~shall~~) may not impose the fees or charges until
25 after May 22, 2008, unless the county in which the city or cities
26 reside, by resolution, declares that it will not impose the fees or
27 charges identified in (a) of this subsection through May 22, 2008.

28 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
29 reached, a district that includes only the unincorporated territory of
30 a county may impose by a majority vote of the governing body of the
31 district up to (~~twenty~~) forty dollars of the vehicle fee authorized
32 in RCW 82.80.140.

33 **Sec. 2.** RCW 36.73.040 and 2008 c 122 s 17 are each amended to read
34 as follows:

35 (1) A transportation benefit district is a quasi-municipal
36 corporation, an independent taxing "authority" within the meaning of

1 Article VII, section 1 of the state Constitution, and a "taxing
2 district" within the meaning of Article VII, section 2 of the state
3 Constitution.

4 (2) A transportation benefit district constitutes a body corporate
5 and possesses all the usual powers of a corporation for public purposes
6 as well as all other powers that may now or hereafter be specifically
7 conferred by statute, including, but not limited to, the authority to
8 hire employees, staff, and services, to enter into contracts, to
9 acquire, hold, and dispose of real and personal property, and to sue
10 and be sued. Public works contract limits applicable to the
11 jurisdiction that established the district apply to the district.

12 (3) To carry out the purposes of this chapter, and subject to the
13 provisions of RCW 36.73.065, a district is authorized to impose the
14 following taxes, fees, charges, and tolls:

15 (a) A sales and use tax in accordance with RCW 82.14.0455;

16 (b) A vehicle fee in accordance with RCW 82.80.140;

17 (c) A fee or charge in accordance with RCW 36.73.120. However, if
18 a county or city within the district area is levying a fee or charge
19 for a transportation improvement, the fee or charge (~~shall~~) must be
20 credited against the amount of the fee or charge imposed by the
21 district. Developments consisting of less than twenty residences are
22 exempt from the fee or charge under RCW 36.73.120; (~~and~~)

23 (d) A motor vehicle excise tax in accordance with section 3 of this
24 act; and

25 (e)(i) Vehicle tolls on state routes, city streets, or county
26 roads, within the boundaries of the district, unless otherwise
27 prohibited by law. However, consistent with RCW 47.56.820, the vehicle
28 toll must first be authorized by the legislature if the toll is imposed
29 on a state route.

30 (ii) The department of transportation (~~shall~~) must administer the
31 collection of vehicle tolls authorized on state routes, unless
32 otherwise specified in law or by contract, and the state transportation
33 commission, or its successor, may approve, set, and impose the tolls in
34 amounts sufficient to implement the district's transportation
35 improvement finance plan. The district (~~shall~~) must administer the
36 collection of vehicle tolls authorized on city streets or county roads,
37 and (~~shall~~) must set and impose the tolls in amounts sufficient to
38 implement the district's transportation improvement plan. However,

1 consistent with RCW 47.56.850, the vehicle toll, including any change
2 in an existing toll rate, must first be reviewed and approved by the
3 tolling authority designated in RCW 47.56.850 if the toll, or change in
4 toll rate, would have a significant impact, as determined by the
5 tolling authority, on the operation of any state facility.

6 (4) A district may only impose the vehicle fee under RCW 82.80.140
7 or the motor vehicle excise tax under section 3 of this act and may not
8 impose both.

9 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.80 RCW
10 to read as follows:

11 (1) Subject to the provisions of RCW 36.73.065, a transportation
12 benefit district under chapter 36.73 RCW may impose a motor vehicle
13 excise tax of up to one percent annually on the value of every motor
14 vehicle owned by a resident of the district based on the valuation
15 schedules in section 8 of this act.

16 (2) The tax under this section may not be imposed on vehicles
17 licensed under RCW 46.17.355, except vehicles with an unladen weight of
18 six thousand pounds or less, RCW 46.16A.425, 46.17.335, or
19 46.17.350(1)(c).

20 (3) The department of licensing must administer and collect the
21 tax. The department must deduct a percentage amount, as provided by
22 contract, not to exceed one percent of the taxes collected, for
23 administration and collection expenses incurred by the department. The
24 department must remit the remaining proceeds to the custody of the
25 state treasurer. The state treasurer must distribute the proceeds to
26 the district on a monthly basis.

27 (4) No tax imposed under this section may be collected until six
28 months after approval under RCW 36.73.065.

29 (5) The tax under this section applies only when renewing a vehicle
30 registration, and is effective upon the registration renewal date as
31 provided by the department of licensing.

32 **Sec. 4.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read
33 as follows:

34 (1) For purposes of this section:
35 (a) "Distributor" means every person who imports, refines,

1 manufactures, produces, or compounds motor vehicle fuel and special
2 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
3 or distributes the fuel into a county;

4 (b) "Person" has the same meaning as in RCW 82.04.030.

5 (2) Subject to the conditions of this section, any county may levy,
6 by approval of its legislative body and a majority of the registered
7 voters of the county voting on the proposition at a general or special
8 election, additional excise taxes equal to ~~((ten percent of the
9 statewide motor vehicle fuel tax rate under RCW 82.36.025))~~ one cent,
10 two cents, or three cents on each gallon of motor vehicle fuel as
11 defined in RCW 82.36.010 and on each gallon of special fuel as defined
12 in RCW 82.38.020 sold within the boundaries of the county. Vehicles
13 paying an annual license fee under RCW 82.38.075 are exempt from the
14 county fuel excise tax. An election held under this section must be
15 held not more than twelve months before the date on which the proposed
16 tax is to be levied. The ballot setting forth the proposition
17 ~~((shall))~~ must state the tax rate that is proposed. The county's
18 authority to levy additional excise taxes under this section includes
19 the incorporated and unincorporated areas of the county. The
20 additional excise taxes are subject to the same exceptions and rights
21 of refund as applicable to other motor vehicle fuel and special fuel
22 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
23 tax ~~((shall))~~ may not be levied less than one month from the date the
24 election results are certified by the county election officer. The
25 commencement date for the levy of any tax under this section ~~((shall
26 be))~~ is the first day of January, April, July, or October.

27 (3) The local option motor vehicle fuel tax on each gallon of motor
28 vehicle fuel and on each gallon of special fuel is imposed upon the
29 distributor of the fuel.

30 (4) A taxable event for the purposes of this section occurs upon
31 the first distribution of the fuel within the boundaries of a county to
32 a retail outlet, bulk fuel user, or ultimate user of the fuel.

33 (5) All administrative provisions in chapters 82.01, 82.03, and
34 82.32 RCW, insofar as they are applicable, apply to local option fuel
35 taxes imposed under this section.

36 (6) Before the effective date of the imposition of the fuel taxes
37 under this section, a county ~~((shall))~~ must contract with the
38 department of revenue for the administration and collection of the

1 taxes. The contract must provide that a percentage amount, not to
2 exceed one percent of the taxes imposed under this section, will be
3 deposited into the local tax administration account created in the
4 custody of the state treasurer. The department of revenue may spend
5 money from this account, upon appropriation, for the administration of
6 the local taxes imposed under this section.

7 (7) The state treasurer (~~shall~~) must distribute monthly to the
8 levying county and cities contained therein the proceeds of the
9 additional excise taxes collected under this section, after the
10 deductions for payments and expenditures as provided in RCW
11 46.68.090(1) (a) and (b) and under the conditions and limitations
12 provided in RCW 82.80.080.

13 (8) The proceeds of the additional excise taxes levied under this
14 section (~~shall~~) must be used strictly for transportation purposes in
15 accordance with RCW 82.80.070.

16 (9) A county may not levy the tax under this section if they are
17 levying the tax in RCW 82.80.110 or if they are a member of a regional
18 transportation investment district levying the tax in RCW 82.80.120.

19 **Sec. 5.** RCW 82.80.140 and 2010 c 161 s 917 are each amended to
20 read as follows:

21 (1) Subject to the provisions of RCW 36.73.065, a transportation
22 benefit district under chapter 36.73 RCW may fix and impose an annual
23 vehicle fee, not to exceed one hundred dollars per vehicle registered
24 in the district, for each vehicle subject to vehicle license fees under
25 RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q)
26 and for each vehicle subject to gross weight license fees under RCW
27 46.17.355 with a scale weight of six thousand pounds or less.

28 (2)(a) A district that includes all the territory within the
29 boundaries of the jurisdiction, or jurisdictions, establishing the
30 district, but not including territory in which a fee is currently being
31 collected under this section, may impose by a majority vote of the
32 governing board of the district up to (~~twenty~~) forty dollars of the
33 vehicle fee authorized in subsection (1) of this section.

34 (i) If the district is countywide, the revenues of the fee
35 (~~shall~~) must be distributed to each city within the (~~county~~)
36 district by interlocal agreement that must be effective prior to
37 imposition of the fee. The interlocal agreement is effective when

1 approved by the (~~county~~) district and sixty percent of the cities
2 representing seventy-five percent of the population of the cities
3 within the (~~county~~) district in which the countywide fee is
4 collected.

5 (ii) If the district is less than countywide, the revenues of the
6 fee must be distributed to each city within the district by interlocal
7 agreement that must be effective prior to imposition of the fee.

8 (b) A district may not impose a fee under this subsection (2):

9 (i) For a passenger-only ferry transportation improvement unless
10 the vehicle fee is first approved by a majority of the voters within
11 the jurisdiction of the district; or

12 (ii) That, if combined with the fees previously imposed by another
13 district within its boundaries under RCW 36.73.065(4)(a)(i), exceeds
14 (~~twenty~~) forty dollars.

15 If a district imposes or increases a fee under this subsection (2)
16 that, if combined with the fees previously imposed by another district
17 within its boundaries, exceeds (~~twenty~~) forty dollars, the district
18 (~~shall~~) must provide a credit for the previously imposed fees so that
19 the combined vehicle fee does not exceed (~~twenty~~) forty dollars.

20 (3) The department of licensing (~~shall~~) must administer and
21 collect the fee. The department (~~shall~~) must deduct a percentage
22 amount, as provided by contract, not to exceed one percent of the fees
23 collected, for administration and collection expenses incurred by it.
24 The department shall remit remaining proceeds to the custody of the
25 state treasurer. The state treasurer shall distribute the proceeds to
26 the district on a monthly basis.

27 (4) No fee under this section may be collected until six months
28 after approval under RCW 36.73.065.

29 (5) The vehicle fee under this section applies only when renewing
30 a vehicle registration, and is effective upon the registration renewal
31 date as provided by the department of licensing.

32 (6) The following vehicles are exempt from the fee under this
33 section:

34 (a) Campers, as defined in RCW 46.04.085;

35 (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and
36 46.04.181;

37 (c) Mopeds, as defined in RCW 46.04.304;

38 (d) Off-road and nonhighway vehicles, as defined in RCW 46.04.365;

- 1 (e) Private use single-axle trailer, as defined in RCW 46.04.422;
- 2 (f) Snowmobiles, as defined in RCW 46.04.546; and
- 3 (g) Vehicles registered under chapter 46.87 RCW and the
- 4 international registration plan.

5 **Sec. 6.** RCW 36.73.015 and 2010 c 251 s 2 and 2010 c 105 s 1 are
6 each reenacted and amended to read as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "City" means a city or town.

10 (2) "District" means a transportation benefit district created
11 under this chapter.

12 (3) "Supplemental transportation improvement" or "supplemental
13 improvement" means any project, work, or undertaking to provide public
14 transportation service, in addition to a district's existing or planned
15 voter-approved transportation improvements, proposed by a participating
16 city member of the district under RCW 36.73.180.

17 (4) "Transportation improvement" means a project contained in the
18 transportation plan of the state, a regional transportation planning
19 organization, city, county, or eligible jurisdiction as identified in
20 RCW 36.73.020(2). A project may include, but is not limited to,
21 investment in new or existing highways of statewide significance,
22 principal arterials of regional significance, high capacity
23 transportation, public transportation, and other transportation
24 projects and programs of local, regional, or statewide significance
25 including transportation demand management. Projects may also include
26 the operation, preservation, and maintenance of these facilities or
27 programs.

28 **POLICIES AND PURPOSES**

29 NEW SECTION. **Sec. 7.** If politicians impose a vehicle tax based on
30 the value of the vehicle, vehicle owners have a right to a valuation
31 schedule based on the vehicle's purchase price and not the
32 manufacturer's suggested retail price.

33 **THE RIGHT TO HAVE VEHICLE TAXES BASED ON PURCHASE**

1 **PRICE, NOT THE MANUFACTURER'S SUGGESTED RETAIL PRICE**

2 NEW SECTION. **Sec. 8.** A new section is added to chapter 82.44 RCW
3 to read as follows:

4 (1)(a) A motor vehicle excise tax must be calculated in an honest
5 and accurate way. For the purpose of determining any motor vehicle
6 excise tax otherwise authorized by law, any taxing district imposing a
7 motor vehicle excise tax must set a vehicle's taxable value by using
8 the depreciation schedule set forth in this section. The taxable value
9 equals the product of a percentage based on a vehicle's year of
10 service, as provided in subsection (2) of this section, and the latest
11 purchase price of the vehicle. The purchase price for the first year
12 of service must be determined by the bill of sale provided by buyer and
13 seller, subject to the exemptions, exceptions, and definitions provided
14 by this section, and must be affirmed by declaration by both parties.

15 (b) The legislature intends that this section is to ensure an
16 honest and accurate calculation of the tax. It is further the intent
17 of the legislature that this section, when combined with the appeal
18 process in RCW 82.44.065, will ensure that vehicle owners are taxed
19 fairly.

20 (2) For the purpose of determining the tax under this chapter, the
21 value of a truck-type power or trailing unit, or motor vehicle,
22 including a passenger vehicle, motorcycle, motor home, sport-utility
23 vehicle, or light-duty truck must be the latest purchase price of the
24 vehicle, excluding applicable federal excise taxes, state and local
25 sales or use taxes, transportation or shipping costs, or preparatory or
26 delivery costs, multiplied by the following percentage based on year of
27 service of the vehicle since its most recent sale. The year the
28 vehicle is offered for sale as a new vehicle must be considered the
29 first year of service.

30	YEAR OF SERVICE	PERCENTAGE
31	1	100
32	2	75
33	3	55
34	4	40
35	5	25
36	6	10

2 (3) The reissuance of title and registration for a truck-type power
 3 or trailing unit or motor vehicle, including a passenger vehicle,
 4 motorcycle, motor home, sport-utility vehicle, or light-duty truck
 5 because of the installation of body or special equipment must be
 6 treated as a sale, and the latest purchase price of the truck-type
 7 power or trailing unit or motor vehicle, including a passenger vehicle,
 8 motorcycle, motor home, sport-utility vehicle, or light-duty truck at
 9 that time, as determined by the department from such information as may
 10 be available, must be considered its base value.

11 (4) If the purchase price is unavailable or otherwise
 12 unascertainable or the reissuance of title and registration is the
 13 result of a gift or inheritance, the department shall determine a value
 14 equivalent to the latest purchase price by using any information that
 15 may be available, including any guidebook, report, or compendium of
 16 recognized standing in the automotive industry or the selling price and
 17 year of sale of the vehicle. The department may use an appraisal by
 18 the county assessor. In valuing a vehicle for which the current value
 19 or selling price is not indicative of the value of similar vehicles of
 20 the same year and model, the department must establish a value that
 21 more closely represents the average value of similar vehicles of the
 22 same year and model.

23 (5) For purposes of this chapter, "value" excludes value
 24 attributable to modifications of a motor vehicle and equipment that are
 25 designed to facilitate the use or operation of the motor vehicle by a
 26 person with a disability.

27 NEW SECTION. Sec. 9. RCW 82.44.035 (Valuation of vehicles) and
 28 2010 c 161 s 910 & 2006 c 318 s 1 are each repealed.

29 **Sec. 10.** RCW 82.44.065 and 2010 c 161 s 912 are each amended to
 30 read as follows:

31 (1) If the department determines a value for a vehicle ((equivalent
 32 to a manufacturer's base suggested retail price)) under section 8 of
 33 this act or the value of a truck or trailer under ((RCW 82.44.035))
 34 section 8 of this act, any person who pays a locally imposed tax for
 35 that vehicle may appeal the valuation to the department under chapter

1 34.05 RCW. If the taxpayer is successful on appeal, the department
2 (~~shall~~) must refund the excess tax in the manner provided in RCW
3 82.44.120.

4 (2) The legislature intends for this section to ensure an honest
5 and accurate calculation of the tax.

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