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HOUSE BILL 1662

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State of Washington

65th Legislature

2017 Regular Session

By Representative MacEwen

1 AN ACT Relating to modifying tax exemptions for ride-sharing  
2 vehicles to include certain electric vehicles; amending RCW  
3 46.74.010, 82.08.0287, 82.12.0282, and 82.44.015; and providing an  
4 effective date.

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

6 **Sec. 1.** RCW 46.74.010 and 2014 c 97 s 501 are each amended to  
7 read as follows:

8 The definitions in this section apply throughout this chapter  
9 unless the context clearly indicates otherwise.

10 (1) "Commuter ride sharing" means a car pool or van pool  
11 arrangement whereby one or more fixed groups not exceeding fifteen  
12 persons each including the drivers, and (a) not fewer than five  
13 persons including the drivers, ~~((or))~~ (b) not fewer than four persons  
14 including the drivers where at least two of those persons are  
15 confined to wheelchairs when riding, or (c) if the vehicle uses at  
16 least one method of propulsion that is capable of being reenergized  
17 by an external source of electricity and is capable of traveling at  
18 least thirty miles using only battery power, not fewer than three  
19 persons including the drivers, are transported in a passenger motor  
20 vehicle with a gross vehicle weight not exceeding ten thousand  
21 pounds, excluding special rider equipment, between their places of

1 abode or termini near such places, and their places of employment or  
2 educational or other institutions, each group in a single daily round  
3 trip where the drivers are also on the way to or from their places of  
4 employment or educational or other institution.

5 (2) "Flexible commuter ride sharing" means a car pool or van pool  
6 arrangement whereby a group of at least two but not exceeding fifteen  
7 persons including the driver is transported in a passenger motor  
8 vehicle with a gross vehicle weight not exceeding ten thousand  
9 pounds, excluding special rider equipment, between their places of  
10 abode or termini near such places, and their places of employment or  
11 educational or other institutions, where the driver is also on the  
12 way to or from his or her place of employment or educational or other  
13 institution.

14 (3) "Persons with special transportation needs" has the same  
15 meaning as provided in RCW 81.66.010.

16 (4) "Ride sharing for persons with special transportation needs"  
17 means an arrangement whereby a group of persons with special  
18 transportation needs, and their attendants, is transported by a  
19 public social service agency or a private, nonprofit transportation  
20 provider, as defined in RCW 81.66.010, serving persons with special  
21 needs, in a passenger motor vehicle as defined by the department to  
22 include small buses, cutaways, and modified vans not more than  
23 twenty-eight feet long: PROVIDED, That the driver need not be a  
24 person with special transportation needs.

25 (5) "Ride-sharing operator" means the person, entity, or concern,  
26 not necessarily the driver, responsible for the existence and  
27 continuance of commuter ride sharing, flexible commuter ride sharing,  
28 or ride sharing for persons with special transportation needs. The  
29 term "ride-sharing operator" includes but is not limited to an  
30 employer, an employer's agent, an employer-organized association, a  
31 state agency, a county, a city, a public transportation benefit area,  
32 or any other political subdivision that owns or leases a ride-sharing  
33 vehicle.

34 (6) "Ride-sharing promotional activities" means those activities  
35 involved in forming a commuter ride-sharing arrangement or a flexible  
36 commuter ride-sharing arrangement, including but not limited to  
37 receiving information from existing and prospective ride-sharing  
38 participants, sharing that information with other existing and  
39 prospective ride-sharing participants, matching those persons with

1 other existing or prospective ride-sharing participants, and making  
2 assignments of persons to ride-sharing arrangements.

3 **Sec. 2.** RCW 82.08.0287 and 2014 c 97 s 503 are each amended to  
4 read as follows:

5 (1) The tax imposed by this chapter does not apply to sales of  
6 passenger motor vehicles which are to be used primarily for commuter  
7 ride sharing or ride sharing for persons with special transportation  
8 needs, as defined in RCW 46.74.010, if the vehicles are used as ride-  
9 sharing vehicles for thirty-six consecutive months beginning from the  
10 date of purchase.

11 (2) To qualify for the tax exemption, those passenger motor  
12 vehicles with five or six passengers or, if the vehicle uses at least  
13 one method of propulsion that is capable of being reenergized by an  
14 external source of electricity and is capable of traveling at least  
15 thirty miles using only battery power, three or more passengers,  
16 including the driver, used for commuter ride sharing, must be  
17 operated either within the state's eight largest counties that are  
18 required to develop commute trip reduction plans as directed by  
19 chapter 70.94 RCW or in other counties, or cities and towns within  
20 those counties, that elect to adopt and implement a commute trip  
21 reduction plan. Additionally at least one of the following conditions  
22 must apply: (a) The vehicle must be operated by a public  
23 transportation agency for the general public; or (b) the vehicle must  
24 be used by a major employer, as defined in RCW 70.94.524 as an  
25 element of its commute trip reduction program for their employees; or  
26 (c) the vehicle must be owned and operated by individual employees  
27 and must be registered either with the employer as part of its  
28 commute trip reduction program or with a public transportation agency  
29 serving the area where the employees live or work. Individual  
30 employee owned and operated motor vehicles will require certification  
31 that the vehicle is registered with a major employer or a public  
32 transportation agency. Major employers who own and operate motor  
33 vehicles for their employees must certify that the commuter ride-  
34 sharing arrangement conforms to a carpool/vanpool element contained  
35 within their commute trip reduction program.

36 **Sec. 3.** RCW 82.12.0282 and 2014 c 97 s 504 are each amended to  
37 read as follows:

1 (1) The tax imposed by this chapter does not apply with respect  
2 to the use of passenger motor vehicles used primarily for commuter  
3 ride sharing or ride sharing for persons with special transportation  
4 needs, as defined in RCW 46.74.010, if the vehicles are used as ride-  
5 sharing vehicles for thirty-six consecutive months beginning with the  
6 date of first use.

7 (2) To qualify for the tax exemption, those passenger motor  
8 vehicles with five or six passengers or, if the vehicle uses at least  
9 one method of propulsion that is capable of being reenergized by an  
10 external source of electricity and is capable of traveling at least  
11 thirty miles using only battery power, three or more passengers,  
12 including the driver, used for commuter ride sharing, must be  
13 operated either within the state's eight largest counties that are  
14 required to develop commute trip reduction plans as directed by  
15 chapter 70.94 RCW or in other counties, or cities and towns within  
16 those counties, that elect to adopt and implement a commute trip  
17 reduction plan. Additionally at least one of the following conditions  
18 must apply: (a) The vehicle must be operated by a public  
19 transportation agency for the general public; or (b) the vehicle must  
20 be used by a major employer, as defined in RCW 70.94.524 as an  
21 element of its commute trip reduction program for their employees; or  
22 (c) the vehicle must be owned and operated by individual employees  
23 and must be registered either with the employer as part of its  
24 commute trip reduction program or with a public transportation agency  
25 serving the area where the employees live or work. Individual  
26 employee owned and operated motor vehicles will require certification  
27 that the vehicle is registered with a major employer or a public  
28 transportation agency. Major employers who own and operate motor  
29 vehicles for their employees must certify that the commuter ride-  
30 sharing arrangement conforms to a carpool/vanpool element contained  
31 within their commute trip reduction program.

32 **Sec. 4.** RCW 82.44.015 and 2014 c 97 s 502 are each amended to  
33 read as follows:

34 (1) Passenger motor vehicles used primarily for commuter ride  
35 sharing and ride sharing for persons with special transportation  
36 needs, as defined in RCW 46.74.010, are not subject to the motor  
37 vehicle excise tax authorized under this chapter if the vehicles are  
38 used as ride-sharing vehicles for thirty-six consecutive months  
39 beginning from the date of purchase.

1 (2) To qualify for the motor vehicle excise tax exemption for  
2 commuter ride-sharing vehicles, passenger motor vehicles must:

3 (a)(i) Have a seating capacity of five or six passengers,  
4 including the driver; or

5 (ii) If the vehicle uses at least one method of propulsion that  
6 is capable of being reenergized by an external source of electricity  
7 and is capable of traveling at least thirty miles using only battery  
8 power, have a seating capacity of three or more passengers, including  
9 the driver;

10 (b) Be used for commuter ride sharing;

11 (c) Be operated either within:

12 (i) The state's eight largest counties that are required to  
13 develop commute trip reduction plans as directed by chapter 70.94  
14 RCW; or

15 (ii) In other counties, or cities and towns within those  
16 counties, that elect to adopt and implement a commute trip reduction  
17 plan; and

18 (d) Meet at least one of the following conditions:

19 (i) The vehicle must be operated by a public transportation  
20 agency for the general public;

21 (ii) The vehicle must be used by a major employer, as defined in  
22 RCW 70.94.524 as an element of its commute trip reduction program for  
23 their employees; or

24 (iii) The vehicle must be owned and operated by individual  
25 employees and must be registered either with the employer as part of  
26 its commute trip reduction program or with a public transportation  
27 agency serving the area where the employees live or work. Individual  
28 employee owned and operated motor vehicles will require certification  
29 that the vehicle is registered with a major employer or a public  
30 transportation agency. Major employers who own and operate motor  
31 vehicles for their employees must certify that the commuter ride-  
32 sharing arrangement conforms to a carpool/vanpool element contained  
33 within their commute trip reduction program.

34 (3) The registered owner of a passenger motor vehicle described  
35 in subsection (2) of this section:

36 (a) Shall notify the department upon the termination of the  
37 primary use of the vehicle in commuter ride sharing or ride sharing  
38 for persons with special transportation needs; and

1 (b) Is liable for the motor vehicle excise tax imposed under this  
2 chapter, prorated on the remaining months for which the vehicle is  
3 registered.

4 NEW SECTION. **Sec. 5.** This act takes effect August 1, 2017.

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