
HOUSE BILL 1868

State of Washington

66th Legislature

2019 Regular Session

By Representatives Young, Walsh, and Barkis

1 AN ACT Relating to nullifying the imposition of certain taxes
2 within regional transit authority boundaries; amending RCW
3 81.104.150, 81.104.160, 81.104.170, and 81.104.175; adding a new
4 section to chapter 81.112 RCW; and declaring 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 on or
9 after January 1, 2015, may be nullified within the complete
10 boundaries of a city or county within a regional transit authority if
11 either of the following conditions are met:

12 (a) A majority of the city or county legislative authority votes
13 to nullify the taxes; or

14 (b) A proposition to nullify the taxes is approved by voters
15 under subsection (2) of this section.

16 (2) If a petition to nullify regional transit authority taxes
17 within a city or county is filed with the county auditor containing
18 the signatures of eight percent of the number of voters registered
19 and voting in the city or county for the office of the governor at
20 the last preceding gubernatorial election, the county auditor must
21 canvass the signatures in the same manner as prescribed in RCW

1 29A.72.230 and certify their sufficiency to the governing body within
2 two weeks. The proposition to nullify the taxes must then be
3 submitted to the voters of the city or county at a special election,
4 called for this purpose, no later than the date on which a primary
5 election would be held under RCW 29A.04.311. The taxes may then be
6 nullified only if approved by a majority of the voters of the city or
7 county voting on the proposition.

8 (3) Any regional transit authority taxes nullified under this
9 section may not be imposed within the boundaries of the affected city
10 or county.

11 **Sec. 2.** RCW 81.104.150 and 2009 c 280 s 3 are each amended to
12 read as follows:

13 (1) Cities that operate transit systems, county transportation
14 authorities, metropolitan municipal corporations, public
15 transportation benefit areas, high capacity transportation corridor
16 areas, and regional transit authorities may submit an authorizing
17 proposition to the voters and if approved may impose an excise tax of
18 up to two dollars per month per employee on all employers located
19 within the applicable jurisdiction, measured by the number of
20 full-time equivalent employees, solely for the purpose of providing
21 high capacity transportation service. The rate of tax shall be
22 approved by the voters. This tax may not be imposed by: ~~((1))~~ (a) A
23 transit agency or high capacity transportation corridor area when the
24 county within which it is located is imposing an excise tax pursuant
25 to RCW 81.100.030; or ~~((2))~~ (b) a regional transit authority when
26 any county within the authority's boundaries is imposing an excise
27 tax pursuant to RCW 81.100.030. The agency or high capacity
28 transportation corridor area imposing the tax authorized in this
29 section may provide for exemptions from the tax to such educational,
30 cultural, health, charitable, or religious organizations as it deems
31 appropriate.

32 (2) The authority for a regional transit authority to impose a
33 tax under this section is subject to section 1 of this act.

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

36 (1) Regional transit authorities that include a county with a
37 population of more than one million five hundred thousand may submit
38 an authorizing proposition to the voters, and if approved, may levy

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

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

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

1 that were previously issued, the motor vehicle excise tax must comply
2 with chapter 82.44 RCW as it existed on January 1, 1996.

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 (5) The authority to impose a tax under this section is subject
9 to section 1 of this act.

10 **Sec. 4.** RCW 81.104.170 and 2015 3rd sp.s. c 44 s 320 are each
11 amended to read as follows:

12 (1) Cities that operate transit systems, county transportation
13 authorities, metropolitan municipal corporations, public
14 transportation benefit areas, high capacity transportation corridor
15 areas, and regional transit authorities may submit an authorizing
16 proposition to the voters and if approved by a majority of persons
17 voting, fix and impose a sales and use tax in accordance with the
18 terms of this chapter, solely for the purpose of providing high
19 capacity transportation service.

20 (2) The tax authorized pursuant to this section is in addition to
21 the tax authorized by RCW 82.14.030 and must be collected from those
22 persons who are taxable by the state pursuant to chapters 82.08 and
23 82.12 RCW upon the occurrence of any taxable event within the taxing
24 district.

25 (a) Except for the tax imposed under (b) of this subsection by
26 regional transit authorities that include a county with a population
27 of more than one million five hundred thousand, the maximum rate of
28 such tax must be approved by the voters and may not exceed one
29 percent of the selling price (in the case of a sales tax) or value of
30 the article used (in the case of a use tax). The maximum rate of such
31 tax that may be imposed may not exceed nine-tenths of one percent in
32 any county that imposes a tax under RCW 82.14.340, or within a
33 regional transit authority if any county within the authority imposes
34 a tax under RCW 82.14.340.

35 (b) The maximum rate of such tax that may be imposed by a
36 regional transit authority that includes a county with a population
37 of more than one million five hundred thousand must be approved by
38 the voters and may not exceed 1.4 percent. If a regional transit
39 authority imposes the tax authorized under this subsection (2)(b) in

1 excess of 0.9 percent, the authority may not receive any state grant
2 funds provided in an omnibus transportation appropriations act except
3 transit coordination grants created in chapter 11, Laws of 2015 3rd
4 sp. sess.

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

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

11 (4) The authority for a regional transit authority to impose a
12 tax under this section is subject to section 1 of this act.

13 **Sec. 5.** RCW 81.104.175 and 2018 c 81 s 1 are each amended to
14 read as follows:

15 (1) A regional transit authority that includes a county with a
16 population of more than one million five hundred thousand may impose
17 a regular property tax levy in an amount not to exceed twenty-five
18 cents per thousand dollars of the assessed value of property in the
19 regional transit authority district in accordance with the terms of
20 this section.

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

25 (3) Property taxes imposed under this section may be imposed for
26 the period of time required to pay the cost to plan, design,
27 construct, operate, and maintain the transit facilities set forth in
28 the approved proposition. Property taxes pledged to repay bonds may
29 be imposed at the pledged amount until the bonds are retired. After
30 the bonds are retired, property taxes authorized under this section
31 must be:

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

34 (b) Terminated, unless the taxes have been extended by public
35 vote.

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

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

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

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

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

10 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
11 preservation of the public peace, health, or safety, or support of
12 the state government and its existing public institutions, and takes
13 effect immediately.

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