
HOUSE BILL 2197

State of Washington

65th Legislature

2017 Regular Session

By Representatives Harmsworth, MacEwen, Stokesbary, Graves, Caldier, Hargrove, Young, Wilcox, Stambaugh, and Rodne

Read first time 04/05/17. Referred to Committee on Transportation.

1 AN ACT Relating to regional transit authority taxes approved
2 after January 1, 2015, being used only to retire debt; amending RCW
3 81.104.160, 81.104.170, 81.104.175, 81.104.160, and 81.104.170;
4 creating a new section; providing a contingent effective date;
5 providing contingent expiration dates; and declaring an emergency.

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

7 **Sec. 1.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
8 amended to read as follows:

9 (1) Except as otherwise provided in this section, regional
10 transit authorities that include a county with a population of more
11 than one million five hundred thousand may submit an authorizing
12 proposition to the voters, and if approved, may levy and collect an
13 excise tax, at a rate approved by the voters, but not exceeding
14 eight-tenths of one percent on the value, under chapter 82.44 RCW, of
15 every motor vehicle owned by a resident of the taxing district,
16 solely for the purpose of providing high capacity transportation
17 service. The maximum tax rate under this subsection does not include
18 a motor vehicle excise tax approved before July 15, 2015, if the tax
19 will terminate on the date bond debt to which the tax is pledged is
20 repaid. This tax does not apply to vehicles licensed under RCW
21 46.16A.455 except vehicles with an unladen weight of six thousand

1 pounds or less, RCW 46.16A.425 or 46.17.335(2). Notwithstanding any
2 other provision of this subsection or chapter 82.44 RCW, a motor
3 vehicle excise tax imposed by a regional transit authority before or
4 after July 15, 2015, must comply with chapter 82.44 RCW as it existed
5 on January 1, 1996, until December 31st of the year in which the
6 regional transit authority repays bond debt to which a motor vehicle
7 excise tax was pledged before July 15, 2015. Motor vehicle taxes
8 collected by regional transit authorities after December 31st of the
9 year in which a regional transit authority repays bond debt to which
10 a motor vehicle excise tax was pledged before July 15, 2015, must
11 comply with chapter 82.44 RCW as it existed on the date the tax was
12 approved by voters.

13 (2) An agency and high capacity transportation corridor area may
14 impose a sales and use tax solely for the purpose of providing high
15 capacity transportation service, in addition to the tax authorized by
16 RCW 82.14.030, upon retail car rentals within the applicable
17 jurisdiction that are taxable by the state under chapters 82.08 and
18 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
19 tax imposed under this subsection must bear the same ratio of the
20 2.172 percent authorized that the rate imposed under subsection (1)
21 of this section bears to the rate authorized under subsection (1) of
22 this section. The base of the tax is the selling price in the case of
23 a sales tax or the rental value of the vehicle used in the case of a
24 use tax.

25 (3) Any motor vehicle excise tax previously imposed under the
26 provisions of RCW 81.104.160(1) shall be repealed, terminated, and
27 expire on December 5, 2002, except for a motor vehicle excise tax for
28 which revenues have been contractually pledged to repay a bonded debt
29 issued before December 5, 2002, as determined by *Pierce County et al.*
30 *v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds
31 that were previously issued, the motor vehicle excise tax must comply
32 with chapter 82.44 RCW as it existed on January 1, 1996.

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

38 (5) The proceeds of any tax imposed by a regional transit
39 authority that was approved after January 1, 2015, may only be used
40 to retire debt issued by that regional transit authority.

1 (6) This section expires once all of the debt issued by a
2 regional transit authority that imposed a tax pursuant to this
3 section after January 1, 2015, is retired and the notice required in
4 section 6 of this act is received.

5 **Sec. 2.** RCW 81.104.170 and 2015 3rd sp.s. c 44 s 320 are each
6 amended to read as follows:

7 (1) Except as otherwise provided in this section, cities that
8 operate transit systems, county transportation authorities,
9 metropolitan municipal corporations, public transportation benefit
10 areas, high capacity transportation corridor areas, and regional
11 transit authorities may submit an authorizing proposition to the
12 voters and if approved by a majority of persons voting, fix and
13 impose a sales and use tax in accordance with the terms of this
14 chapter, solely for the purpose of providing high capacity
15 transportation service.

16 (2) The tax authorized pursuant to this section is in addition to
17 the tax authorized by RCW 82.14.030 and must be collected from those
18 persons who are taxable by the state pursuant to chapters 82.08 and
19 82.12 RCW upon the occurrence of any taxable event within the taxing
20 district.

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

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

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

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

7 (4) The proceeds of any tax imposed by a regional transit
8 authority that was approved after January 1, 2015, may only be used
9 to retire debt issued by that regional transit authority.

10 (5) This section expires once all of the debt issued by a
11 regional transit authority that imposed a tax pursuant to this
12 section after January 1, 2015, is retired and the notice required in
13 section 6 of this act is received.

14 **Sec. 3.** RCW 81.104.175 and 2015 3rd sp.s. c 44 s 321 are each
15 amended to read as follows:

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

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

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

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

36 (b) Terminated, unless the taxes have been extended by public
37 vote.

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

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

3 (6) 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 (7) The proceeds of any tax imposed by a regional transit
9 authority that was approved after January 1, 2015, may only be used
10 to retire debt issued by that regional transit authority.

11 (8) This section expires once all of the debt issued by a
12 regional transit authority that imposed a tax pursuant to this
13 section after January 1, 2015, is retired and the notice required in
14 section 6 of this act is received.

15 **Sec. 4.** RCW 81.104.160 and 2017 c ... s 1 (section 1 of this
16 act) are each amended to read as follows:

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

1 ~~comply with chapter 82.44 RCW as it existed on the date the tax was~~
2 ~~approved by voters.~~

3 ~~(2))~~ An agency and high capacity transportation corridor area
4 may impose a sales and use tax solely for the purpose of providing
5 high capacity transportation service, in addition to the tax
6 authorized by RCW 82.14.030, upon retail car rentals within the
7 applicable jurisdiction that are taxable by the state under chapters
8 82.08 and 82.12 RCW. The rate of tax may not exceed 2.172 percent.
9 ~~((The rate of tax imposed under this subsection must bear the same~~
10 ~~ratio of the 2.172 percent authorized that the rate imposed under~~
11 ~~subsection (1) of this section bears to the rate authorized under~~
12 ~~subsection (1) of this section.))~~ The base of the tax is the selling
13 price in the case of a sales tax or the rental value of the vehicle
14 used in the case of a use tax.

15 ~~((3))~~ (2) Any motor vehicle excise tax previously imposed under
16 the provisions of RCW 81.104.160(1) shall be repealed, terminated,
17 and expire on December 5, 2002, except for a motor vehicle excise tax
18 for which revenues have been contractually pledged to repay a bonded
19 debt issued before December 5, 2002, as determined by *Pierce County*
20 *et al. v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of
21 bonds that were previously issued, the motor vehicle excise tax must
22 comply with chapter 82.44 RCW as it existed on January 1, 1996.

23 ~~((4))~~ (3) If a regional transit authority imposes the tax
24 authorized under ~~((subsection (1) of))~~ this section, the authority
25 may not receive any state grant funds provided in an omnibus
26 transportation appropriations act except transit coordination grants
27 created in chapter 11, Laws of 2015 3rd sp. sess.

28 ~~((5))~~ (4) The proceeds of any tax imposed by a regional transit
29 authority that was approved after January 1, 2015, may only be used
30 to retire debt issued by that regional transit authority.

31 ~~((6) This section expires once all of the debt issued by a~~
32 ~~regional transit authority that imposed a tax pursuant to this~~
33 ~~section after January 1, 2015, is retired and the notice required in~~
34 ~~section 6 of this act is received.))~~

35 **Sec. 5.** RCW 81.104.170 and 2017 c ... s 2 (section 2 of this
36 act) are each amended to read as follows:

37 (1) Except as otherwise provided in this section, cities that
38 operate transit systems, county transportation authorities,
39 metropolitan municipal corporations, public transportation benefit

1 areas, high capacity transportation corridor areas, and regional
2 transit authorities may submit an authorizing proposition to the
3 voters and if approved by a majority of persons voting, fix and
4 impose a sales and use tax in accordance with the terms of this
5 chapter, solely for the purpose of providing high capacity
6 transportation service.

7 (2) The tax authorized pursuant to this section is in addition to
8 the tax authorized by RCW 82.14.030 and must be collected from those
9 persons who are taxable by the state pursuant to chapters 82.08 and
10 82.12 RCW upon the occurrence of any taxable event within the taxing
11 district.

12 ~~((a) Except for the tax imposed under (b) of this subsection by~~
13 ~~regional transit authorities that include a county with a population~~
14 ~~of more than one million five hundred thousand,))~~ The maximum rate of
15 such tax must be approved by the voters and may not exceed one
16 percent of the selling price (in the case of a sales tax) or value of
17 the article used (in the case of a use tax). The maximum rate of such
18 tax that may be imposed may not exceed nine-tenths of one percent in
19 any county that imposes a tax under RCW 82.14.340, or within a
20 regional transit authority if any county within the authority imposes
21 a tax under RCW 82.14.340.

22 ~~((b) The maximum rate of such tax that may be imposed by a~~
23 ~~regional transit authority that includes a county with a population~~
24 ~~of more than one million five hundred thousand must be approved by~~
25 ~~the voters and may not exceed 1.4 percent.))~~ If a regional transit
26 authority imposes the tax authorized under this subsection (2)~~((b)~~
27 ~~in excess of 0.9 percent)),~~ the authority may not receive any state
28 grant funds provided in an omnibus transportation appropriations act
29 except transit coordination grants created in chapter 11, Laws of
30 2015 3rd sp. sess.

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

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

37 (4) The proceeds of any tax imposed by a regional transit
38 authority that was approved after January 1, 2015, may only be used
39 to retire debt issued by that regional transit authority.

1 (~~(5) This section expires once all of the debt issued by a~~
2 ~~regional transit authority that imposed a tax pursuant to this~~
3 ~~section after January 1, 2015, is retired and the notice required in~~
4 ~~section 6 of this act is received.))~~

5 NEW SECTION. **Sec. 6.** A regional transit authority that includes
6 a county with a population of more than one million five hundred
7 thousand must provide notice to the chief clerk of the house of
8 representatives, the secretary of the senate, and the office of the
9 code reviser once all of the debt issued by that regional transit
10 authority is retired.

11 NEW SECTION. **Sec. 7.** Except for sections 4 and 5 of this act,
12 this act is necessary for the immediate preservation of the public
13 peace, health, or safety, or support of the state government and its
14 existing public institutions, and takes effect immediately.

15 NEW SECTION. **Sec. 8.** Sections 4 and 5 of this act take effect
16 upon receipt of the notice required by section 6 of this act.

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