
HOUSE BILL 2825

State of Washington

65th Legislature

2018 Regular Session

By Representative McDonald

1 AN ACT Relating to providing motor vehicle excise tax relief to
2 low-income senior citizens and disabled individuals; and amending RCW
3 81.104.160.

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

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

7 (1)(a) Regional transit authorities that include a county with a
8 population of more than one million five hundred thousand may submit
9 an authorizing proposition to the voters, and if approved, may levy
10 and collect an excise tax, at a rate approved by the voters, but not
11 exceeding eight-tenths of one percent on the value, under chapter
12 82.44 RCW, of every motor vehicle owned by a resident of the taxing
13 district, solely for the purpose of providing high capacity
14 transportation service. The maximum tax rate under this subsection
15 does not include a motor vehicle excise tax approved before July 15,
16 2015, if the tax will terminate on the date bond debt to which the
17 tax is pledged is repaid. This tax does not apply to vehicles
18 licensed under RCW 46.16A.455 except vehicles with an unladen weight
19 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).
20 Notwithstanding any other provision of this subsection or chapter
21 82.44 RCW, a motor vehicle excise tax imposed by a regional transit

1 authority before or after July 15, 2015, must comply with chapter
2 82.44 RCW as it existed on January 1, 1996, until December 31st of
3 the year in which the regional transit authority repays bond debt to
4 which a motor vehicle excise tax was pledged before July 15, 2015.
5 Motor vehicle taxes collected by regional transit authorities after
6 December 31st of the year in which a regional transit authority
7 repays bond debt to which a motor vehicle excise tax was pledged
8 before July 15, 2015, must comply with chapter 82.44 RCW as it
9 existed on the date the tax was approved by voters.

10 (b) If a resident qualifies for a property tax exemption provided
11 in RCW 84.36.381, a portion of their motor vehicle value is exempt
12 from the tax authorized in (a) of this subsection, as follows:

13 (i) If a resident qualifies under RCW 84.36.381(5)(a), twenty
14 percent of their motor vehicle value is exempt from the tax
15 authorized in (a) of this subsection;

16 (ii) If a resident qualifies under RCW 84.36.381(5)(b)(i),
17 thirty-five percent of their motor vehicle value is exempt from the
18 tax authorized in (a) of this subsection; and

19 (iii) If a resident qualifies under RCW 84.36.381(5)(b)(ii),
20 sixty percent of their motor vehicle value is exempt from the tax
21 authorized in (a) of this subsection.

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.

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