
SENATE BILL 5044

State of Washington

66th Legislature

2019 Regular Session

By Senator O'Ban

Prefiled 12/24/18.

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 may
9 be nullified within the complete boundaries of a county within a
10 regional transit authority if a proposition to nullify the taxes is
11 approved by voters under subsection (2) of this section.

12 (2) If a petition to nullify regional transit authority taxes
13 within a county is filed with the county auditor containing the
14 signatures of eight percent of the number of voters registered and
15 voting in the county for the office of the governor at the last
16 preceding gubernatorial election, the county auditor must canvass the
17 signatures in the same manner as prescribed in RCW 29A.72.230 and
18 certify their sufficiency to the governing body within two weeks. The
19 proposition to nullify the taxes must then be submitted to the voters
20 of the county at a special election, called for this purpose, no
21 later than the date on which a primary election would be held under

1 RCW 29A.04.311. The taxes may then be nullified only if approved by a
2 majority of the voters of the county voting on the proposition.

3 (3) Any regional transit authority taxes nullified under this
4 section may not be imposed within the boundaries of the affected
5 county.

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

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

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

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

31 (1) Regional transit authorities that include a county with a
32 population of more than one million five hundred thousand may submit
33 an authorizing proposition to the voters, and if approved, may levy
34 and collect an excise tax, at a rate approved by the voters, but not
35 exceeding eight-tenths of one percent on the value, under chapter
36 82.44 RCW, of every motor vehicle owned by a resident of the taxing
37 district, solely for the purpose of providing high capacity
38 transportation service. The maximum tax rate under this subsection

1 does not include a motor vehicle excise tax approved before July 15,
2 2015, if the tax will terminate on the date bond debt to which the
3 tax is pledged is repaid. This tax does not apply to vehicles
4 licensed under RCW 46.16A.455 except vehicles with an unladen weight
5 of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2).
6 Notwithstanding any other provision of this subsection or chapter
7 82.44 RCW, a motor vehicle excise tax imposed by a regional transit
8 authority before or after July 15, 2015, must comply with chapter
9 82.44 RCW as it existed on January 1, 1996, until December 31st of
10 the year in which the regional transit authority repays bond debt to
11 which a motor vehicle excise tax was pledged before July 15, 2015.
12 Motor vehicle taxes collected by regional transit authorities after
13 December 31st of the year in which a regional transit authority
14 repays bond debt to which a motor vehicle excise tax was pledged
15 before July 15, 2015, must comply with chapter 82.44 RCW as it
16 existed on the date the tax was approved by voters.

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

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

37 (4) If a regional transit authority imposes the tax authorized
38 under subsection (1) of this section, the authority may not receive
39 any state grant funds provided in an omnibus transportation

1 appropriations act except transit coordination grants created in
2 chapter 11, Laws of 2015 3rd sp. sess.

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

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

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

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

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

30 (b) The maximum rate of such tax that may be imposed by a
31 regional transit authority that includes a county with a population
32 of more than one million five hundred thousand must be approved by
33 the voters and may not exceed 1.4 percent. If a regional transit
34 authority imposes the tax authorized under this subsection (2)(b) in
35 excess of 0.9 percent, the authority may not receive any state grant
36 funds provided in an omnibus transportation appropriations act except
37 transit coordination grants created in chapter 11, Laws of 2015 3rd
38 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 authority for a regional transit authority to impose a
8 tax under this section is subject to section 1 of this act.

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

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

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

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

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

30 (b) Terminated, unless the taxes have been extended by public
31 vote.

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

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

36 (6) If a regional transit authority imposes the tax authorized
37 under subsection (1) of this section, the authority may not receive
38 any state grant funds provided in an omnibus transportation

1 appropriations act except transit coordination grants created in
2 chapter 11, Laws of 2015 3rd sp. sess.

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

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

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

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