
SECOND ENGROSSED SENATE BILL 5893

State of Washington

65th Legislature

2017 Regular Session

By Senators O'Ban, Rossi, Becker, Rivers, Miloscia, King, Bailey, Braun, Wilson, Walsh, Zeiger, Angel, Warnick, Brown, Honeyford, Fortunato, Pearson, Padden, Fain, Schoesler, and Hawkins

Read first time 03/17/17. Referred to Committee on Transportation.

1 AN ACT Relating to establishing a vehicle valuation method for a
2 regional transit authority collecting a motor vehicle excise tax that
3 is based on Kelley blue book or national automobile dealers
4 association values; amending RCW 82.44.135; adding a new section to
5 chapter 81.112 RCW; creating new sections; and declaring an
6 emergency.

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

8 **Sec. 1.** RCW 82.44.135 and 2006 c 318 s 9 are each amended to
9 read as follows:

10 (1) Except as otherwise provided in this section, before a local
11 government subject to this chapter may impose a motor vehicle excise
12 tax, the local government must contract with the department for the
13 collection of the tax. The department may charge a reasonable amount,
14 not to exceed one percent of tax collections, for the administration
15 and collection of the tax.

16 (2) A regional transit authority may contract with the department
17 for the collection of a motor vehicle excise tax only if the
18 authority has implemented a market value adjustment program as
19 directed in section 2 of this act.

20 (3) Any contract entered into under this section must provide
21 that the department will receive amounts sufficient to fully cover

1 the costs applicable to the tax collection and market value
2 adjustment process, including (a) customer service-related costs, (b)
3 information technology-related costs, (c) public announcement and
4 education costs, and (d) any liability or other related risk
5 assessment costs. The contract must also provide that any unforeseen
6 future administrative costs will be borne by the regional transit
7 authority.

8 (4) If the department enters into a contract with a regional
9 transit authority for the collection of a motor vehicle excise tax
10 authorized in RCW 81.104.160(1), and after the regional transit
11 authority implements a market value adjustment program as directed in
12 section 2 of this act, the department must clearly indicate, when
13 notifying taxpayers of the expected tax due and when collecting the
14 tax: The amount of tax owed under current law, the amount of any
15 credit applied, and the net result.

16 NEW SECTION. Sec. 2. A new section is added to chapter 81.112
17 RCW to read as follows:

18 (1) A regional transit authority that includes portions of a
19 county with a population of more than one million five hundred
20 thousand and that imposes a motor vehicle excise tax under RCW
21 81.104.160(1) must establish a market value adjustment program to be
22 implemented by December 31, 2017.

23 (2) Under the market value adjustment program, the authority must
24 provide a credit against the total motor vehicle excise tax due in an
25 amount equal to the tax due calculated using the vehicle valuation
26 schedule in effect on the effective date of this section, less an
27 amount calculated using an assumed motor vehicle excise tax of 0.5
28 percent and the value of a motor vehicle based on base model Kelley
29 blue book values or national automobile dealers association values,
30 whichever is lower, if the resulting difference is positive.

31 (3) Except for the property tax authorized in RCW 81.104.175 and
32 for project schedule adjustments, the program may be funded by any
33 resources available to the authority.

34 (4) The program must provide credit retroactive to the date that
35 the authority first imposed the tax under RCW 81.104.160(1). The
36 authority, in consultation with the department of licensing, must
37 develop a system to issue refunds of credits with respect to vehicles
38 for which the registrations were renewed before January 1, 2018.

1 (5) The program must be implemented in a manner that allows the
2 delivery of the system and financing plan approved by the authority's
3 voters in 2016 to the extent practicable. Building on past and
4 ongoing cost-savings efforts, the agency must continue to evaluate
5 measures that may be needed to reduce costs. These measures include,
6 but are not limited to:

7 (a) Designing projects using the principles of practical design,
8 as described for use by the department of transportation under RCW
9 47.01.480;

10 (b) Efficiencies realized in coordinating and integrating
11 activities with other transit agencies and local governments,
12 including through shared maintenance and operations, joint
13 procurement, joint marketing, joint customer services, and joint
14 capital projects; and

15 (c) Revising project contingency budgets, if practicable.

16 (6) Until the plan has been completed, the authority must submit
17 an annual report to the transportation committees of the legislature
18 by December 31st of each year on the status of the delivery of the
19 plan. The report must include detail on the extent to and manner in
20 which the authority has used cost savings to maintain the delivery of
21 the plan as approved by the voters.

22 NEW SECTION. **Sec. 3.** This act must be construed to preclude a
23 regional transit authority from defeasing any outstanding bond
24 obligations.

25 NEW SECTION. **Sec. 4.** Section 2 of this act applies to vehicle
26 registrations that are due or become due on or after January 1, 2018.

27 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of
29 the state government and its existing public institutions, and takes
30 effect immediately.

--- END ---