

---

SENATE BILL 5357

---

State of Washington                      64th Legislature                      2015 Regular Session

By Senators Jayapal, McCoy, Litzow, Mullet, and Keiser

Read first time 01/20/15. Referred to Committee on Transportation.

1            AN ACT Relating to clean alternative fuel motorcycles; amending  
2 RCW 46.17.323; adding a new section to chapter 82.08 RCW; adding a  
3 new section to chapter 82.12 RCW; creating new sections; providing an  
4 effective date; providing an expiration date; and providing a  
5 contingent expiration date.

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

7            NEW SECTION.        **Sec. 1.**        This section is the tax preference  
8 performance statement for the tax preference contained in sections 2  
9 and 3 of this act. The performance statement is only intended to be  
10 used for subsequent evaluation of the tax preference. It is not  
11 intended to create a private right of action by any party or be used  
12 to determine eligibility for preferential tax treatment.

13            (1) The legislature categorizes the tax preference as one  
14 intended to induce certain designated behavior by taxpayers, as  
15 indicated in RCW 82.32.808(2)(a).

16            (2) It is the legislature's specific public policy objective to  
17 increase the use of clean alternative fuel motorcycles in Washington.  
18 It is the legislature's intent to extend the existing sales and use  
19 tax exemption on clean alternative fuel vehicles to clean alternative  
20 fuel motorcycles, in order to reduce the price charged to customers  
21 for clean alternative fuel motorcycles.

1 (3) If a review finds that the number of clean alternative fuel  
2 motorcycles in Washington have increased by twenty percent compared  
3 to the number at the time of enactment, then the legislature intends  
4 to extend the expiration date of the tax preference.

5 (4) In order to obtain the data necessary to perform the review  
6 in subsection (3) of this section, the department of licensing must  
7 provide data needed for the joint legislative audit and review  
8 committee analysis. In addition to the data source described under  
9 this subsection, the joint legislative audit and review committee may  
10 use any other data it deems necessary.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08  
12 RCW to read as follows:

13 (1)(a) The tax levied by RCW 82.08.020 does not apply to the  
14 first forty-five thousand dollars in selling price of new  
15 motorcycles, which are exclusively powered by a clean alternative  
16 fuel.

17 (b) The tax levied by RCW 82.08.020 does not apply to the first  
18 forty-five thousand dollars in selling price of qualifying used  
19 motorcycles, which were modified after their initial purchase, with  
20 an EPA certified conversion to be exclusively powered by a clean  
21 alternative fuel.

22 (2) The seller must keep records necessary for the department to  
23 verify eligibility under this section.

24 (3) The definitions in this subsection apply throughout this  
25 section unless the context clearly requires otherwise.

26 (a) "Clean alternative fuel" means natural gas, propane,  
27 hydrogen, or electricity, when used as a fuel in a motor vehicle that  
28 meets the California motor vehicle emission standards in Title 13 of  
29 the California code of regulations, effective January 1, 2005, and  
30 the rules of the Washington state department of ecology.

31 (b) "Qualifying used motorcycle" means a motorcycle that:

32 (i) Is a part of a fleet of at least five vehicles, all owned by  
33 the same person;

34 (ii) Has an odometer reading of less than thirty thousand miles;

35 (iii) Is less than two years past their original date of  
36 manufacture; and

37 (iv) Is being sold for the first time after modification.

38 (4) This section expires July 1, 2021.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 82.12  
2    RCW to read as follows:

3        (1)(a) Until July 1, 2021, the provisions of this chapter do not  
4    apply in respect to the first forty-five thousand dollars of value on  
5    the use of new motorcycles, which are exclusively powered by a clean  
6    alternative fuel.

7        (b) Until July 1, 2021, the provisions of this chapter do not  
8    apply to the first forty-five thousand dollars of value on the use of  
9    qualifying used motorcycles, which were modified after their initial  
10   purchase with an EPA certified conversion to be exclusively powered  
11   by a clean alternative fuel.

12        (2) A taxpayer is not liable for the tax imposed in RCW 82.12.020  
13   on the first forty-five thousand dollars of value on the use, on or  
14   after July 1, 2021, of a motorcycle exclusively powered by a clean  
15   alternative fuel, if the taxpayer used such vehicle in this state  
16   before July 1, 2021, and the use was exempt under this section from  
17   the tax imposed in RCW 82.12.020.

18        (3) The definitions in this subsection apply throughout this  
19   section unless the context clearly requires otherwise.

20        (a) "Clean alternative fuel" means natural gas, propane,  
21   hydrogen, or electricity, when used as a fuel in a motor vehicle that  
22   meets the California motor vehicle emission standards in Title 13 of  
23   the California code of regulations, effective January 1, 2005, and  
24   the rules of the Washington state department of ecology.

25        (b) "Qualifying used motorcycle" has the same meaning as provided  
26   in section 2 of this act.

27        **Sec. 4.**    RCW 46.17.323 and 2012 c 74 s 10 are each amended to  
28   read as follows:

29        (1) Before accepting an application for an annual vehicle  
30   registration renewal for an electric vehicle that uses propulsion  
31   units powered solely by electricity, except for electric motorcycles,  
32   the department, county auditor or other agent, or subagent appointed  
33   by the director must require the applicant to pay a one hundred  
34   dollar fee in addition to any other fees and taxes required by law.  
35   The one hundred dollar fee is due only at the time of annual  
36   registration renewal.

37        (2) Before accepting an application for an annual vehicle  
38   registration renewal for an electric motorcycle that uses propulsion  
39   units powered solely by electricity, the department, county auditor

1 or other agent, or subagent appointed by the director must require  
2 the applicant to pay a twenty-five dollar fee in addition to any  
3 other fees and taxes required by law. The twenty-five dollar fee is  
4 due only at the time of annual registration renewal.

5 (3) This section only applies to:

6 (a) A vehicle that is designed to have the capability to drive at  
7 a speed of more than thirty-five miles per hour; and

8 (b) An annual vehicle registration renewal that is due on or  
9 after February 1, 2013.

10 ~~((3))~~ (4)(a) The fee under this section is imposed to provide  
11 funds to mitigate the impact of vehicles on state roads and highways  
12 and for the purpose of evaluating the feasibility of transitioning  
13 from a revenue collection system based on fuel taxes to a road user  
14 assessment system, and is separate and distinct from other vehicle  
15 license fees. Proceeds from the fee must be used for highway  
16 purposes, and must be deposited in the motor vehicle fund created in  
17 RCW 46.68.070, subject to (b) of this subsection.

18 (b) If in any year the amount of proceeds from the fee collected  
19 under this section exceeds one million dollars, the excess amount  
20 over one million dollars must be deposited as follows:

21 (i) Seventy percent to the motor vehicle fund created in RCW  
22 46.68.070;

23 (ii) Fifteen percent to the transportation improvement account  
24 created in RCW 47.26.084; and

25 (iii) Fifteen percent to the rural arterial trust account created  
26 in RCW 36.79.020.

27 NEW SECTION. Sec. 5. Section 4 of this act applies to vehicle  
28 registrations that are due or become due on or after January 1, 2016.

29 NEW SECTION. Sec. 6. Sections 2 and 3 of this act take effect  
30 January 1, 2016.

31 NEW SECTION. Sec. 7. (1) Section 4 of this act expires on the  
32 effective date of legislation enacted by the legislature that imposes  
33 a vehicle miles traveled fee or tax.

34 (2) The department of licensing must provide written notice of  
35 the expiration date of section 4 of this act to affected parties, the  
36 chief clerk of the house of representatives, the secretary of the

1 senate, the office of the code reviser, and others as deemed  
2 appropriate by the department.

--- END ---