
SENATE BILL 5043

State of Washington

66th Legislature

2019 Regular Session

By Senators O'Ban, Becker, Fortunato, and Honeyford

Prefiled 12/24/18. Read first time 01/14/19. Referred to Committee on Transportation.

1 AN ACT Relating to nullifying the imposition of certain taxes
2 within regional transit authority boundaries; amending RCW 81.104.160
3 and 81.104.175; adding a new section to chapter 81.112 RCW; and
4 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 after
9 January 1, 2015, may be nullified within the complete boundaries of a
10 county within a regional transit authority if a proposition to
11 nullify the taxes is approved by voters under subsection (2) of this
12 section.

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

1 later than the date on which a primary election would be held under
2 RCW 29A.04.311. The taxes may then be nullified only if approved by a
3 majority of the voters of the county voting on the proposition.

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

7 (4) If any regional transit authority taxes are nullified under
8 this section, a regional transit authority must defease any bond
9 contracts that may impede implementing this section if the bond
10 contracts include a defeasance option.

11 **Sec. 2.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
12 amended to read as follows:

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

37 (2) An agency and high capacity transportation corridor area may
38 impose a sales and use tax solely for the purpose of providing high
39 capacity transportation service, in addition to the tax authorized by

1 RCW 82.14.030, upon retail car rentals within the applicable
2 jurisdiction that are taxable by the state under chapters 82.08 and
3 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
4 tax imposed under this subsection must bear the same ratio of the
5 2.172 percent authorized that the rate imposed under subsection (1)
6 of this section bears to the rate authorized under subsection (1) of
7 this section. The base of the tax is the selling price in the case of
8 a sales tax or the rental value of the vehicle used in the case of a
9 use tax.

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

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

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

25 **Sec. 3.** RCW 81.104.175 and 2018 c 81 s 1 are each amended to
26 read as follows:

27 (1) A regional transit authority that includes a county with a
28 population of more than one million five hundred thousand may impose
29 a regular property tax levy in an amount not to exceed twenty-five
30 cents per thousand dollars of the assessed value of property in the
31 regional transit authority district in accordance with the terms of
32 this section.

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

37 (3) Property taxes imposed under this section may be imposed for
38 the period of time required to pay the cost to plan, design,
39 construct, operate, and maintain the transit facilities set forth in

1 the approved proposition. Property taxes pledged to repay bonds may
2 be imposed at the pledged amount until the bonds are retired. After
3 the bonds are retired, property taxes authorized under this section
4 must be:

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

7 (b) Terminated, unless the taxes have been extended by public
8 vote.

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

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

13 (6) If a regional transit authority imposes the tax authorized
14 under subsection (1) of this section, the authority may not receive
15 any state grant funds provided in an omnibus transportation
16 appropriations act except transit coordination grants created in
17 chapter 11, Laws of 2015 3rd sp. sess.

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

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

22 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of
24 the state government and its existing public institutions, and takes
25 effect immediately.

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