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**SENATE BILL 5075**

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**State of Washington**                      **66th Legislature**                      **2019 Regular Session**

**By** Senators Kuderer, Palumbo, Wellman, Hunt, Hasegawa, and Darneille

Prefiled 01/04/19.

1            AN ACT Relating to the creation of a motor vehicle excise tax  
2 low-income market value adjustment program; amending RCW 82.44.135;  
3 adding a new section to chapter 82.44 RCW; adding new sections to  
4 chapter 81.112 RCW; and declaring an emergency.

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

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

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

14            (2) Any contract entered into with a regional transit authority  
15 for the collection of a motor vehicle excise tax must provide that  
16 the department receives full reimbursement for the administration and  
17 collection of the tax, including those costs related to customer  
18 service and information technology.

19            NEW SECTION.    **Sec. 2.** A new section is added to chapter 82.44  
20 RCW to read as follows:

1        If the department enters into a contract with a regional transit  
2 authority for the collection of a motor vehicle excise tax authorized  
3 in RCW 81.104.160(1), and after the regional transit authority  
4 implements a low-income market value adjustment program as directed  
5 in section 3 of this act, the department must clearly indicate, when  
6 issuing notices to persons renewing vehicle registrations under RCW  
7 46.16A.110, the net result after application of the credit. The  
8 department must include as part of the notices an insert that  
9 provides a description of the low-income market value adjustment  
10 program and how it affects taxpayers generally.

11        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 81.112  
12 RCW to read as follows:

13        (1) A regional transit authority that includes portions of a  
14 county with a population of more than one million five hundred  
15 thousand and that imposes a motor vehicle excise tax under RCW  
16 81.104.160(1) must establish a low-income market value adjustment  
17 program to be implemented for eligible vehicles owned by low-income  
18 individuals with registrations that are due or become due on or after  
19 July 1, 2019.

20        (2) Under the low-income market value adjustment program, the  
21 authority must provide a credit against the motor vehicle excise tax  
22 due in an amount equal to the tax due under RCW 81.104.160(1)  
23 calculated using the vehicle valuation methodology authorized under  
24 RCW 81.104.160(1), less the tax otherwise due calculated using the  
25 vehicle valuation schedule of percentages in RCW 82.44.035, as  
26 applied to eighty-five percent of the value of the vehicle, if the  
27 resulting difference is positive.

28        (3) The program may be funded by any resources available to the  
29 authority. The program must be implemented in a manner that allows  
30 the delivery of the system and financing plan approved by the  
31 authority's voters in 2016 to the extent practicable.

32        (4) Until the plan has been completed, the authority must submit  
33 an annual report to the transportation committees of the legislature  
34 by December 31st of each year on the status of the delivery of the  
35 plan. The report must include detail on the extent to and manner in  
36 which the authority has used cost savings to maintain the delivery of  
37 the plan as approved by the voters.

38        (5) The department of licensing is authorized to make rules to  
39 implement this section.

1 (6) For the purposes of this section:

2 (a) "Eligible vehicle" means a vehicle that is ten years old or  
3 newer; and

4 (b) "Low-income individual" means a person with an income at or  
5 below two hundred fifty percent of the federal poverty line, adjusted  
6 for family size, for the county in which he or she resides.

7 NEW SECTION. **Sec. 4.** A new section is added to chapter 81.112  
8 RCW to read as follows:

9 (1) Beginning September 1, 2019, and continuing through the end  
10 of June 2020, the authority must allow an additional one-time low-  
11 income individual credit against the motor vehicle excise tax due  
12 with respect to any vehicle for which the 0.8 percent tax in RCW  
13 81.104.160(1) was paid on or after January 1, 2019, and before July  
14 1, 2019. The one-time low-income individual credit amount on the 0.8  
15 percent tax paid on or after January 1, 2019, and before July 1,  
16 2019, must be calculated using the low-income market value adjustment  
17 program credit methodology in section 3 of this act, except that the  
18 total amount of credit applied under this section and section 3 of  
19 this act may not exceed the current motor vehicle excise tax  
20 liability with respect to the vehicle. The authority may develop a  
21 system for issuing one-time credits in consultation with the  
22 department of licensing.

23 To the greatest extent practicable, the credit provided under  
24 this section must be issued using an online process or as part of  
25 regular motor vehicle excise tax payment processing.

26 (2) The department of licensing is authorized to make rules to  
27 implement this section.

28 NEW SECTION. **Sec. 5.** If any provision of this act or its  
29 application to any person or circumstance is held invalid, the  
30 remainder of the act or the application of the provision to other  
31 persons or circumstances is not affected.

32 NEW SECTION. **Sec. 6.** This act is necessary for the immediate  
33 preservation of the public peace, health, or safety, or support of  
34 the state government and its existing public institutions, and takes  
35 effect immediately.

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