

Initiative Measure No.

976

Initiative Measure No. 976 concerns motor vehicle taxes and fees.

This measure would repeal, reduce, or remove authority to impose certain vehicle taxes and fees; limit annual motor-vehicle-license fees to \$30, except voter-approved charges; and base vehicle taxes on Kelley Blue Book value.

Should this measure be enacted into law?

Yes

No

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The Secretary of State is not responsible for the content of statements or arguments (WAC 434-381-180).

Explanatory Statement

Written by the Office of the Attorney General

The Law as it Presently Exists

A. Motor Vehicle Registration and License Fees

Owners of motor vehicles pay state and local license fees and excise taxes when they register vehicles and obtain license tabs each year. The total, combined amount depends on the type and weight of the vehicle, as well as where the vehicle is registered.

The base annual license fee ranges from \$30 to \$93 for most passenger vehicles, such as cars, motorcycles, and light-duty trucks. An additional fee is then added depending on the vehicle's weight. The vehicle weight fee can range from \$25 to \$65 for most passenger vehicles. Funds from the license and vehicle weight fee are used to pay for a variety of state transportation purposes, including road and highway repairs.

Owners of snowmobiles pay an annual license fee of \$50. The snowmobile license fee helps pay for snowmobile facilities and snowmobile safety, enforcement, and education programs throughout the state. Owners of commercial trailers pay \$34 for initial registration and \$30 for each annual renewal. These license fees also pay for state transportation purposes.

Additional taxes and fees may be added depending on the city and county where the vehicle is registered. These taxes and fees help pay for local transportation improvement projects, passenger-only ferries, and other transportation purposes. Some residents of King, Pierce, and Snohomish County also pay voter-approved, annual motor vehicle excise taxes (MVET) that help pay for mass transit projects run by Sound Transit. The MVET is calculated based on a vehicle valuation and depreciation schedule that is set in state law. The total rate of the current MVET is one and one tenths percent (1.1%) of the value of the vehicle as determined by the statutory formula. Future approved MVET's cannot exceed eight-tenths of one percent (0.8%) of the value of the vehicle.

Finally, other fees may be included in the total amount, such as for county filing and service fees, fees for special license plates, or fees for certain types of vehicles. For example, owners of electric vehicles currently pay a \$150 fee that goes toward paying for transportation feasibility studies and other transportation purposes. An additional \$75 transportation electrification fee will go into effect for electric vehicles on August 1, 2019. This fee will be used to support green transportation projects.

B. Taxes on Selling, Leasing, or Renting a Motor Vehicle

Each retail sale or lease of a motor vehicle is subject to an additional state excise tax known as the "motor vehicle sales/lease tax." This tax, which is in addition to general sales and use taxes, is set at three-tenths of one percent (0.3%) of the selling price of every motor vehicle in the state. Off-road vehicles, snowmobiles, and other non-highway vehicles are not subject to the tax. Farm tractors and vehicles are also not subject to the tax so long as the vehicles are not used for marijuana production. Funds from the motor vehicle sales/lease tax pay for transportation services in the state.

Regional transit authorities in King, Pierce, and Snohomish counties may also impose additional sales and use tax on car rentals. The rate of the tax may not exceed 2.172 percent (2.172%) of the selling price of the rental. Funds from this tax are used to provide mass transit services run by Sound Transit.

C. Sound Transit Funding

State law authorizes Sound Transit to collect multiple types of taxes from some King, Pierce, and Snohomish County residents to help pay for mass transportation projects. These taxes include the MVET and the additional sales and use tax on rental cars previously described, as well as a local property tax and a local sales and use tax on purchases made within the district. Sound Transit also uses federal grants, transit fares, interest earnings, and other revenue to pay for its transportation projects.

Since 1999, Sound Transit has issued and sold public bonds to finance its transportation projects. Sound Transit uses the revenue from the MVET and other taxes to pay the principal and interest on the bonds. It promised its bondholders that it would continue to collect the taxes until the bonds are retired. In 2006, the Washington Supreme Court held that state law could not change the terms of any existing Sound Transit bond contracts while the bonds are still outstanding. This means that Sound Transit must continue to use the tax rate and valuation formula that were in effect at the time the bond was issued, even if state law later changes the rate or formula, until the bonds are retired, defeased, or refinanced under different contract terms.

The Effect of the Proposed Measure if Approved

This measure would reduce funding for state and local transportation projects by repealing, reducing, or removing state and local authority to impose certain vehicle taxes and fees. The measure would limit

annual state and local license fees for motor vehicles weighing 10,000 pounds or less to \$30, unless the fee is approved by voters. License fees, such as the motor vehicle weight fee and transportation benefit district fees, would be eliminated. The electric vehicle license fee would be lowered to \$30. The transportation electrification fee would remain the same. The license fee for snowmobiles and commercial trailers would be lowered to \$30. Other fees, such as service and filing fees, would remain the same. The measure would also eliminate the state motor vehicle sales/lease tax and eliminate authority to impose a local motor vehicle excise tax that supports passenger-only ferries.

Any regional transit authority, such as Sound Transit, that has issued bonds financed by a motor vehicle excise tax would be required to defease, refinance, or retire the bonds early, if the bond contracts allow such action. Once the bonds have been defeased, refinanced, or retired, the authority to impose the MVET and the additional sales and use tax on rental cars would be repealed automatically. If the regional transit authority is not able to completely defease, refinance, or retire the bonds by March 31, 2020, any existing voter-approved MVETs would remain unchanged, and the maximum rate of future voter-approved MVETs would be reduced from 0.8% to 0.2%.

The measure would also require that any future vehicle taxes, including voter-approved MVETs, be determined by using a vehicle's base model Kelley Blue Book value. The base value would not include any applicable federal excise taxes, state and local sales and use taxes, transportation or shipping costs, and preparatory and delivery costs. The measure would require the Department of Licensing to use a vehicle's base model Kelley Blue Book value for any appeal of the valuation of the vehicle.

Fiscal Impact Statement

Written by the Office of Financial Management
For more information visit www.ofm.wa.gov/ballot

FISCAL IMPACT SUMMARY

Initiative 976 changes vehicle taxes and fees by lowering motor vehicle and light duty truck weight fees to \$30; eliminating the 0.3 percent sales tax on vehicle purchases; lowering electric vehicle and snowmobile fees; modifying and reducing Sound Transit motor vehicle excise tax provisions; and removing authority for transportation benefit districts to impose a vehicle fee. Total revenue loss to the state in the next six years is \$1,921,901,238. Total revenue loss to local governments in the next 6 years is \$2,317,121,034. The

departments of Licensing and Revenue have estimated implementation costs of \$2,846,800 in the 2019–21 biennium.

General Assumptions

- Except as otherwise provided, the effective date of the initiative, if approved by voters, is December 5, 2019. Section 10 and 11 take effect on the date that the regional transit authority complies with section 12 of this act. Section 13 takes effect on April 1, 2020, if sections 10 and 11 have not taken effect by March 31, 2020.
- The provisions of the initiative apply prospectively, not retroactively.
- Fiscal estimates use the state's fiscal year of July 1 through June 30. Fiscal year 2020 is July 1, 2019, to June 30, 2020.
- State revenues are based on the June 2019 transportation revenue forecast.
- Local revenues are based on the most recent actual figures and are not forecasted.
- Transportation benefit districts (TBDs) have the authority to collect vehicle fees, and sales and use tax. This initiative repeals only the authority to collect vehicle fees, so TBDs could continue to collect sales and use tax.
- Section 5(1) erroneously states that the electric vehicle fee is \$130 total. RCW 46.17.323 includes two fees. \$100 in section (1) and \$50 in section (4)(a). The current electric vehicle fee is \$150 total. Calculations for the impact of the fee reduction are based on the correct fee. Chapter 287, Laws 2019 establishes the transportation electrification fee of \$75. I-976 would lower the \$100 in section (1) to \$30 and eliminate the \$50 in section (4)(a). It does not affect the new \$75 fee.

REVENUE

State Revenue

The initiative reduces license fees for vehicles under 10,000 lbs. to \$30. The additional 0.3 percent sales and use tax on motor vehicle sales is eliminated. The snowmobile license fee is reduced from \$50 to \$30. Commercial trailer fees are reduced from \$34 to \$30. The electric vehicle fee in Section 5(1) is reduced from \$100 to \$30. An additional electric vehicle fee in Section 5(4)(a) of \$50 is eliminated.

(See Table 1 on page 17.)

Description of affected accounts

The Snowmobile Account funds administration, acquisition, development, operation and maintenance

of snowmobile facilities and the implementation of snowmobile safety, enforcement and education programs.

The State Patrol Highway Account funds activities of the Washington State Patrol, including traffic enforcement (and associated criminal investigations), commercial vehicle enforcement and ferry vessel and terminal security.

The Transportation Partnership Account funds projects and improvements from the 2005 Transportation Partnership Omnibus Transportation Appropriations Act.

The Rural Arterial Trust Account funds construction and improvement of county roads and bridges.

The Motor Vehicle Account is the main source of funds for highway construction, maintenance, ferries and support services. A portion of motor fuel tax revenues is distributed to cities and counties for road programs.

The Puget Sound Ferry Operations Account funds ferry operations and maintenance.

The Transportation Improvement Account funds administration of the Transportation Improvement Board and grants for local government transportation projects that address congestion.

The Multimodal Transportation Account funds all modes of transportation projects, including public transportation, rail and bicycle/pedestrian projects.

The Transportation 2003 Account funds debt service on bonds and Washington State Department of Transportation operating and capital highway programs.

Local Revenue

This initiative repeals local authority to impose a TBD vehicle fee. TBD vehicle fees are used by 62 municipalities across the state to fund local improvements such as road repair and maintenance, transit systems and sidewalks. In fiscal year 2018, TBDs using a vehicle fee across the state collected \$58,186,839. This revenue would be eliminated beginning on the effective date of this initiative.

Sections 10 and 11 would reduce the motor vehicle excise tax (MVET) that funds the Central Puget Sound Regional Transit Authority (RTA) commonly known as Sound Transit. MVET rates are reduced from .8% to .2% and will be calculated based on Kelley Blue Book vehicle value instead of the manufacturer’s suggested retail price.

This tax rate would be repealed when the RTA is able to refund, refinance or defease, or terminate, outstanding bonds that have been issued against this tax. It is unknown if this is possible. If the bonds are not able to be defeased, the MVET will remain unchanged to pay off the bonds previously issued that are pledged to the revenue source. If the bonds are able to be defeased, Sound Transit’s revenue would be reduced by \$328,000,000 per fiscal year based on 2018 revenue. For new bonds issued, the MVET will decrease from .8% to .2%.

This initiative repeals local authority to impose a passenger-only ferry tax. Currently there are no passenger-only ferry districts using the MVET authority to fund their ferries, although they would no longer have the option.

Tax/Fee	Fiscal year 2018 revenue impact
TBD Fee	(\$58,186,839)
RTA MVET	(\$328,000,000)
Passenger-only ferry MVET	0

EXPENDITURES

State Government Expenditures
Temporary higher administrative costs at Department of Licensing and Department of Revenue

The Department of Licensing (DOL) would have temporary, higher administrative and computer costs to implement this initiative. If Sound Transit is able to defease or refinance its bonds and the MVET is reduced, DOL will issue refunds to customers who register their vehicles prior to their annual vehicle registration date. The DOL will also have costs for computer updates, temporary staffing costs for additional calls to their call center, and accounting services to issue refunds. Biennial administrative costs for the agency are \$2,740,900 in the 2019–21 biennium.

The Department of Revenue (DOR) will experience temporary, higher administrative costs to implement this initiative. The DOR will have costs for computer updates and administrative costs for rule making, accounting services to issue refunds and developing new forms. Biennial costs for the agency are \$105,900 for computer updates and administrative items in the 2019–21 biennium.

Local Government Expenditures

N/A

Table 1 – Potential Revenue Impact by Fund Distribution – Beginning Dec. 5, 2019

Registration Fees:	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
Snowmobile Account (01M)	(\$240,300)	(\$447,200)	(\$448,500)	(\$449,900)	(\$451,200)	(\$453,000)	(\$2,490,100)
WSP Highway Account (081)	(\$9,916,900)	(\$15,661,000)	(\$15,692,400)	(\$15,723,900)	(\$15,755,400)	(\$15,823,800)	(\$88,573,400)
Transportation Partnership Account (09H)	(\$5,115,000)	(\$8,077,700)	(\$8,094,000)	(\$8,110,100)	(\$8,126,400)	(\$8,161,700)	(\$45,684,900)
Rural Arterial Trust Account (102)	(\$202,163)	(\$539,700)	(\$714,975)	(\$928,725)	(\$1,176,675)	(\$1,451,700)	(\$5,013,938)
Motor Vehicle Account (108)	(\$28,223,075)	(\$45,210,500)	(\$46,151,950)	(\$47,278,650)	(\$48,576,750)	(\$50,112,500)	(\$265,553,425)
Puget Sound Ferry Operations (109)	(\$609,800)	(\$963,000)	(\$965,000)	(\$966,900)	(\$968,900)	(\$973,100)	(\$5,446,700)
Transportation Improvement Account (144)	(\$202,163)	(\$539,700)	(\$714,975)	(\$928,725)	(\$1,176,675)	(\$1,451,700)	(\$4,272,075)
Multimodal Account (218)	(\$128,650,600)	(\$227,504,000)	(\$231,592,800)	(\$294,399,500)	(\$298,790,300)	(\$303,184,500)	(\$1,484,121,700)
Nickel Account (550)	(\$2,322,700)	(\$3,668,000)	(\$3,675,400)	(\$3,682,700)	(\$3,690,100)	(\$3,706,100)	(\$20,745,000)
Total	(\$175,280,538)	(\$302,071,100)	(\$308,050,000)	(\$372,469,100)	(\$378,712,400)	(\$385,318,100)	(\$1,921,901,238)

Your County Elections Department



Argument for

\$30 tabs now!

Taxpayers are getting ripped off, politicians know it, refuse to fix it

Taxing a \$10,000 vehicle like it's \$25,000 is fraud. I-976 repeals the dishonest valuation schedule *politicians are currently using* to artificially inflate your taxes. No more price gouging!

I-976 limits license tabs to a flat, fair, and reasonable \$30 per year for your car, truck, motorcycle, motorhome, and other vehicles. We're paying sales taxes when we *buy*, gas taxes when we *use*, we shouldn't have to pay *dishonest triple taxes* just to *own* it. Working class folks, not just rich people, should be able to afford a newer vehicle.

If politicians had any compassion for the average taxpayer, I-976 wouldn't be necessary

Washington is one of the highest taxed states in the nation. Dishonest vehicle taxes, skyrocketing property taxes, crushing sales taxes, massive gas taxes, obnoxious tolls, and costly fees on everything. Despite record revenues and \$3.5 billion tax surplus, Olympia imposed 11 new taxes costing \$27 billion. It's insane. Now they're demanding income taxes, carbon taxes, pay-per-mile taxes. Enough!

If we can't get tax relief when there's a huge \$3.5 billion tax surplus...

...when can we? Besides, all the money taxpayers save will get pumped right back into our state's economy. Opponents' threats, lies, and scare tactics are absurd – I-976 only affects a tiny fraction of government spending.

Stop getting ripped off – your vote for I-976 tells politicians you're taxed out

Politicians will *never* limit taxes – here's our only chance. Vote "Yes."

Rebuttal of argument against

Triple taxing vehicles is indefensible. Taxing a \$10,000 vehicle like it's \$25,000 is fraud. Taxpayers are getting ripped off – *that's* the issue. Personally attacking Tim Eyman? Distraction. (the truth: "*Eyman risks \$500K of his own money to fund car tab initiative*"). The threats, lies, and scare tactics about I-976 are silly: massive \$3.5 billion tax surplus and record revenues can easily backfill affected programs. I-976 forces politicians to reexamine, prioritize. Reject dishonest taxes. Vote "Yes."

Written by

Bob Henkel, collected 8103 signatures from Pierce County voters, Puyallup; **Suzie Burke**, collected 2440 signatures from King County voters, Seattle; **Sid Maietto**, 4929 signatures from Snohomish County/North King voters; **Connie Christiansen**, 1588 signatures from Pierce County/South King voters; **Erma Turner**, 1014 signatures collected from voters; **Tim Eyman**, collected 8910 signatures from voters across the state.

Contact: (425) 590-9363; 30tabs@gmail.com; www.30tabs.com

Argument against

Tim Eyman's latest misguided, deceptive initiative would irresponsibly slash state and local transportation funding by more than \$4.2 billion over the next six years, undermining our ability to address critical safety and traffic problems. Vote *no* on 976!

976 Threatens Transportation Safety

Washington has over 160 bridges and overpasses in "poor" condition. 976 jeopardizes public safety, delaying projects to fix dilapidated bridges, overpasses, and tunnels that do not meet earthquake safety standards. The Washington State Troopers Association says, "We oppose this dangerous measure because it would stop thousands of needed road safety repair projects across the state, putting driver and pedestrian safety at greater risk."

976 Will Harm Your Local Community

This measure eliminates important local transportation funding in 62 cities throughout Washington. As a result, cities from Seattle to Spokane, from Anacortes to Zillah, would lose nearly \$60 million a year in funding needed for bus service, to repair potholes, upgrade safety, provide transit to seniors and people with disabilities, and reduce congestion.

976 Will Devastate Public Transit

Public transit connects people to jobs, education, health care, and each other. Many in our communities rely on public transportation as their primary way to get around. This measure would gut voter-approved light rail expansion and eliminate hundreds of thousands of bus trips each year for commuters, people with disabilities, teenage and elderly riders.

Public safety and transportation experts, business, labor and environmental groups all oppose Eyman's latest flawed and deceptive money-making scheme. Vote *no* on 976!

Rebuttal of argument for

Eyman's 976 might sound good, but in reality *it slashes transit and transportation funding by billions*, harming our ability to maintain and improve our roads, bridges, ferries, buses and light rail. And 976 isn't fair. It will give huge tax breaks to owners of brand-new luxury cars, and almost nothing to someone who drives a 10-year-old Corolla – while leaving all of us stuck in traffic. Vote *no* on 976!

Written by

Steve Mullin, President, Washington Roundtable; **Larry Brown**, President, Washington State Labor Council, AFL-CIO; **Alex Hudson**, Executive Director, Transportation Choices Coalition; **Jeff Merrill**, President, Washington State Patrol Troopers Association; **Paula J. Hammond**, P.E., Former State Transportation Secretary; **Tim Archer**, President, Spokane Firefighters Local 29

Contact: (206) 249-9717; contact@no976.org; www.no976.org

Complete Text

Initiative Measure No. 976

BRING BACK OUR \$30 CAR TABS

AN ACT Relating to limiting state and local taxes, fees, and other charges relating to vehicles; amending RCW 46.17.350, 46.17.355, 46.17.323, 82.08.020, 82.44.065, 81.104.140, and 81.104.160; adding a new section to chapter 46.17 RCW; adding a new section to chapter 82.44 RCW; adding a new section to chapter 81.112 RCW; creating new sections; repealing RCW 46.17.365, 46.68.415, 82.80.130, 82.80.140, 82.44.035, and 81.104.160; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

POLICIES AND PURPOSES

NEW SECTION. Sec. 1. Voters have repeatedly approved initiatives limiting vehicle costs, yet politicians keep ignoring the voters' repeated, unambiguous mandate by imposing higher and higher vehicle taxes and fees. It's not fair and it must stop. Without this follow-up ballot measure, vehicle costs will continue to skyrocket until vehicle charges are obscenely expensive, as they were prior to Initiative 695. This measure and each of its provisions limit state and local taxes, fees, and other charges relating to motor vehicles. This measure would limit annual motor vehicle license fees to \$30, except voter-approved charges, repeal and remove authority to impose certain vehicle taxes and charges; and base vehicle taxes on Kelley Blue Book rather than the dishonest, inaccurate, and artificially inflated manufacturer's suggested retail price (MSRP). Voters have repeatedly approved initiatives limiting vehicle costs. Politicians must learn to listen to the people.

LIMITING ANNUAL MOTOR-VEHICLE-LICENSE FEES TO \$30, EXCEPT VOTER-APPROVED CHARGES

NEW SECTION. Sec. 2. A new section is added to chapter 46.17 RCW to read as follows:

(1) State and local motor vehicle license fees may not exceed \$30 per year for motor vehicles, regardless of year, value, make, or model.

(2) For the purposes of this section, "state and local motor vehicle license fees" means the general license tab fees paid annually for licensing motor vehicles, including but not limited to cars, sport utility vehicles, light trucks under RCW 46.17.355, motorcycles, and motor homes, and do not include charges approved by voters after the effective date of this section. This annual fee must be paid and collected annually and is due at the time of initial and renewal vehicle registration.

Sec. 3. RCW 46.17.350 and 2014 c 30 s 2 are each amended to read as follows:

(1) Before accepting an application for a vehicle registration, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following vehicle license fee by vehicle type:

VEHICLE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIB-UTED UNDER
(a) Auto stage, six seats or less	\$ 30.00	\$ 30.00	RCW 46.68.030
(b) Camper	\$ 4.90	\$ 3.50	RCW 46.68.030
(c) Commercial trailer	\$ ((34.00)) 30.00	\$ 30.00	RCW 46.68.035
(d) For hire vehicle, six seats or less	\$ 30.00	\$ 30.00	RCW 46.68.030
(e) Mobile home (if registered)	\$ 30.00	\$ 30.00	RCW 46.68.030
(f) Moped	\$ 30.00	\$ 30.00	RCW 46.68.030
(g) Motor home	\$ 30.00	\$ 30.00	RCW 46.68.030
(h) Motorcycle	\$ 30.00	\$ 30.00	RCW 46.68.030
(i) Off-road vehicle	\$ 18.00	\$ 18.00	RCW 46.68.045
(j) Passenger car	\$ 30.00	\$ 30.00	RCW 46.68.030
(k) Private use single-axle trailer	\$ 15.00	\$ 15.00	RCW 46.68.035
(l) Snowmobile	\$ ((50.00)) 30.00	\$ ((50.00)) 30.00	RCW 46.68.350
(m) Snowmobile, vintage	\$ 12.00	\$ 12.00	RCW 46.68.350
(n) Sport utility vehicle	\$ 30.00	\$ 30.00	RCW 46.68.030
(o) Tow truck	\$ 30.00	\$ 30.00	RCW 46.68.030
(p) Trailer, over 2000 pounds	\$ 30.00	\$ 30.00	RCW 46.68.030
(q) Travel trailer	\$ 30.00	\$ 30.00	RCW 46.68.030
(r) Wheeled all-terrain vehicle, on-road use	\$ 12.00	\$ 12.00	RCW 46.09.540
(s) Wheeled all-terrain vehicle, off-road use	\$ 18.00	\$ 18.00	RCW 46.09.510

(2) The vehicle license fee required in subsection (1) of this section is in addition to the filing fee required under RCW 46.17.005, and any other fee or tax required by law.

Sec. 4. RCW 46.17.355 and 2015 3rd sp.s. c 44 s 201 are each amended to read as follows:

(1)(a) For vehicle registrations that are due or become due before July 1, 2016, in lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for motor vehicles described in RCW 46.16A.455, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following license fee by weight:

WEIGHT	SCHEDULE A	SCHEDULE B
4,000 pounds	\$ 38.00	\$ 38.00
6,000 pounds	\$ 48.00	\$ 48.00
8,000 pounds	\$ 58.00	\$ 58.00
10,000 pounds	\$ 60.00	\$ 60.00
12,000 pounds	\$ 77.00	\$ 77.00
14,000 pounds	\$ 88.00	\$ 88.00
16,000 pounds	\$ 100.00	\$ 100.00
18,000 pounds	\$ 152.00	\$ 152.00
20,000 pounds	\$ 169.00	\$ 169.00
22,000 pounds	\$ 183.00	\$ 183.00
24,000 pounds	\$ 198.00	\$ 198.00
26,000 pounds	\$ 209.00	\$ 209.00
28,000 pounds	\$ 247.00	\$ 247.00
30,000 pounds	\$ 285.00	\$ 285.00
32,000 pounds	\$ 344.00	\$ 344.00
34,000 pounds	\$ 366.00	\$ 366.00
36,000 pounds	\$ 397.00	\$ 397.00
38,000 pounds	\$ 436.00	\$ 436.00
40,000 pounds	\$ 499.00	\$ 499.00
42,000 pounds	\$ 519.00	\$ 609.00
44,000 pounds	\$ 530.00	\$ 620.00
46,000 pounds	\$ 570.00	\$ 660.00
48,000 pounds	\$ 594.00	\$ 684.00
50,000 pounds	\$ 645.00	\$ 735.00
52,000 pounds	\$ 678.00	\$ 768.00
54,000 pounds	\$ 732.00	\$ 822.00
56,000 pounds	\$ 773.00	\$ 863.00
58,000 pounds	\$ 804.00	\$ 894.00
60,000 pounds	\$ 857.00	\$ 947.00
62,000 pounds	\$ 919.00	\$ 1,009.00
64,000 pounds	\$ 939.00	\$ 1,029.00
66,000 pounds	\$ 1,046.00	\$ 1,136.00
68,000 pounds	\$ 1,091.00	\$ 1,181.00
70,000 pounds	\$ 1,175.00	\$ 1,265.00
72,000 pounds	\$ 1,257.00	\$ 1,347.00
74,000 pounds	\$ 1,366.00	\$ 1,456.00
76,000 pounds	\$ 1,476.00	\$ 1,566.00
78,000 pounds	\$ 1,612.00	\$ 1,702.00
80,000 pounds	\$ 1,740.00	\$ 1,830.00
82,000 pounds	\$ 1,861.00	\$ 1,951.00
84,000 pounds	\$ 1,981.00	\$ 2,071.00
86,000 pounds	\$ 2,102.00	\$ 2,192.00
88,000 pounds	\$ 2,223.00	\$ 2,313.00
90,000 pounds	\$ 2,344.00	\$ 2,434.00
92,000 pounds	\$ 2,464.00	\$ 2,554.00

94,000 pounds	\$ 2,585.00	\$ 2,675.00
96,000 pounds	\$ 2,706.00	\$ 2,796.00
98,000 pounds	\$ 2,827.00	\$ 2,917.00
100,000 pounds	\$ 2,947.00	\$ 3,037.00
102,000 pounds	\$ 3,068.00	\$ 3,158.00
104,000 pounds	\$ 3,189.00	\$ 3,279.00
105,500 pounds	\$ 3,310.00	\$ 3,400.00

(b) For vehicle registrations that are due or become due on or after July 1, 2016, in lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for motor vehicles described in RCW 46.16A.455, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following license fee by gross weight:

WEIGHT	SCHEDULE A	SCHEDULE B
4,000 pounds	\$ ((53.00)) 30.00	\$ ((53.00)) 30.00
6,000 pounds	\$ ((73.00)) 30.00	\$ ((73.00)) 30.00
8,000 pounds	\$ ((93.00)) 30.00	\$ ((93.00)) 30.00
10,000 pounds	\$ ((93.00)) 30.00	\$ ((93.00)) 30.00
12,000 pounds	\$ 81.00	\$ 81.00
14,000 pounds	\$ 88.00	\$ 88.00
16,000 pounds	\$ 100.00	\$ 100.00
18,000 pounds	\$ 152.00	\$ 152.00
20,000 pounds	\$ 169.00	\$ 169.00
22,000 pounds	\$ 183.00	\$ 183.00
24,000 pounds	\$ 198.00	\$ 198.00
26,000 pounds	\$ 209.00	\$ 209.00
28,000 pounds	\$ 247.00	\$ 247.00
30,000 pounds	\$ 285.00	\$ 285.00
32,000 pounds	\$ 344.00	\$ 344.00
34,000 pounds	\$ 366.00	\$ 366.00
36,000 pounds	\$ 397.00	\$ 397.00
38,000 pounds	\$ 436.00	\$ 436.00
40,000 pounds	\$ 499.00	\$ 499.00
42,000 pounds	\$ 519.00	\$ 609.00
44,000 pounds	\$ 530.00	\$ 620.00
46,000 pounds	\$ 570.00	\$ 660.00
48,000 pounds	\$ 594.00	\$ 684.00
50,000 pounds	\$ 645.00	\$ 735.00
52,000 pounds	\$ 678.00	\$ 768.00
54,000 pounds	\$ 732.00	\$ 822.00
56,000 pounds	\$ 773.00	\$ 863.00
58,000 pounds	\$ 804.00	\$ 894.00
60,000 pounds	\$ 857.00	\$ 947.00
62,000 pounds	\$ 919.00	\$ 1,009.00
64,000 pounds	\$ 939.00	\$ 1,029.00
66,000 pounds	\$ 1,046.00	\$ 1,136.00
68,000 pounds	\$ 1,091.00	\$ 1,181.00
70,000 pounds	\$ 1,175.00	\$ 1,265.00
72,000 pounds	\$ 1,257.00	\$ 1,347.00
74,000 pounds	\$ 1,366.00	\$ 1,456.00
76,000 pounds	\$ 1,476.00	\$ 1,566.00
78,000 pounds	\$ 1,612.00	\$ 1,702.00
80,000 pounds	\$ 1,740.00	\$ 1,830.00
82,000 pounds	\$ 1,861.00	\$ 1,951.00
84,000 pounds	\$ 1,981.00	\$ 2,071.00
86,000 pounds	\$ 2,102.00	\$ 2,192.00
88,000 pounds	\$ 2,223.00	\$ 2,313.00

90,000 pounds	\$ 2,344.00	\$ 2,434.00
92,000 pounds	\$ 2,464.00	\$ 2,554.00
94,000 pounds	\$ 2,585.00	\$ 2,675.00
96,000 pounds	\$ 2,706.00	\$ 2,796.00
98,000 pounds	\$ 2,827.00	\$ 2,917.00
100,000 pounds	\$ 2,947.00	\$ 3,037.00
102,000 pounds	\$ 3,068.00	\$ 3,158.00
104,000 pounds	\$ 3,189.00	\$ 3,279.00
105,500 pounds	\$ 3,310.00	\$ 3,400.00

(2) Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.

(3) If the resultant gross weight is not listed in the table provided in subsection (1) of this section, it must be increased to the next higher weight.

(4) The license fees provided in subsection (1) of this section and the freight project fee provided in subsection ((6)) (7) of this section are in addition to the filing fee required under RCW 46.17.005 and any other fee or tax required by law.

(5) The license fees provided in subsection (1) of this section for light trucks weighing 10,000 pounds or less are limited to \$30.

(6) The license fee based on declared gross weight as provided in subsection (1) of this section must be distributed under RCW 46.68.035.

((6)) (7) For vehicle registrations that are due or become due on or after July 1, 2016, in addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of more than 10,000 pounds, unless specifically exempt, to pay a freight project fee equal to fifteen percent of the license fee provided in subsection (1) of this section, rounded to the nearest whole dollar, which must be distributed under RCW 46.68.035.

((7)) (8) For vehicle registrations that are due or become due on or after July 1, 2022, in addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of less than or equal to 12,000 pounds, unless specifically exempt, to pay an additional weight fee of ten dollars, which must be distributed under RCW 46.68.035.

Sec. 5. RCW 46.17.323 and 2015 3rd sp.s. c 44 s 203 are each amended to read as follows:

(1) Before accepting an application for an annual vehicle registration renewal for a vehicle that both (a) uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and (b) is capable of traveling at least thirty miles using only battery power, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a ~~((one hundred dollar fee in addition to any other fees and taxes required by law))~~ \$30 fee. The ~~((one~~

~~hundred thirty dollar))~~ \$30 fee is due only at the time of annual registration renewal.

(2) This section only applies to a vehicle that is designed to have the capability to drive at a speed of more than thirty-five miles per hour.

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

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

~~((i)) (a) Seventy percent to the motor vehicle fund created in RCW 46.68.070;~~

~~((iii)) (b) Fifteen percent to the transportation improvement account created in RCW 47.26.084; and~~

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

~~((4)(a) In addition to the fee established in subsection (1) of this section, before accepting an application for an annual vehicle registration renewal for a vehicle that both (i) uses at least one method of propulsion that is capable of being reenergized by an external source of electricity and (ii) is capable of traveling at least thirty miles using only battery power, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a fifty dollar fee.~~

~~(b) The fee required under (a) of this subsection must be distributed as follows:~~

~~(i) The first one million dollars raised by the fee must be deposited into the multimodal transportation account created in RCW 47.66.070; and~~

~~(ii) Any remaining amounts must be deposited into the motor vehicle fund created in RCW 46.68.070.~~

~~(5) This section applies to annual vehicle registration renewals until the effective date of enacted legislation that imposes a vehicle miles traveled fee or tax.)~~

REPEAL AND REMOVE AUTHORITY TO IMPOSE CERTAIN VEHICLE TAXES AND CHARGES

Sec. 6. The following acts or parts of acts are each repealed:

(1) RCW 46.17.365 (Motor vehicle weight fee—Motor home vehicle weight fee) and 2015 3rd sp.s. c 44 s 202 & 2010 c 161 s 533;

(2) RCW 46.68.415 (Motor vehicle weight fee, motor home vehicle weight fee—Disposition) and 2010 c 161 s 813;

(3) RCW 82.80.130 (Passenger-only ferry service—Local option motor vehicle excise tax authorized) and 2010 c 161 s 916, 2006 c 318 s 4, & 2003 c 83 s 206; and

(4) RCW 82.80.140 (Vehicle fee—Transportation benefit

district—Exemptions) and 2015 3rd sp.s. c 44 s 310, 2010 c 161 s 917, 2007 c 329 s 2, & 2005 c 336 s 16.

Sec. 7. RCW 82.08.020 and 2014 c 140 s 12 are each amended to read as follows:

(1) There is levied and collected a tax equal to six and five-tenths percent of the selling price on each retail sale in this state of:

(a) Tangible personal property, unless the sale is specifically excluded from the RCW 82.04.050 definition of retail sale;

(b) Digital goods, digital codes, and digital automated services, if the sale is included within the RCW 82.04.050 definition of retail sale;

(c) Services, other than digital automated services, included within the RCW 82.04.050 definition of retail sale;

(d) Extended warranties to consumers; and

(e) Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

(2) There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.

~~(3) ((Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.~~

~~(4) For purposes of subsection (3) of this section, “motor vehicle” has the meaning provided in RCW 46.04.320, but does not include:~~

~~(a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of marijuana;~~

~~(b) Off-road vehicles as defined in RCW 46.04.365;~~

~~(c) Nonhighway vehicles as defined in RCW 46.09.310; and~~

~~(d) Snowmobiles as defined in RCW 46.04.546.~~

~~(5)) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.~~

~~((6)) (4) The taxes imposed under this chapter apply to successive retail sales of the same property.~~

~~((7)) (5) The rates provided in this section apply to taxes imposed under chapter 82.12 RCW as provided in RCW 82.12.020.~~

BASE VEHICLE TAXES USING KELLEY BLUE BOOK VALUE

NEW SECTION. Sec. 8. A new section is added to chapter 82.44 RCW to read as follows:

(1) **BASE VEHICLE TAXES USING KELLEY BLUE BOOK VALUE.** Any motor vehicle excise tax must be calculated in an honest and accurate way so the burden on vehicle owners is not artificially inflated. For the purpose of determining a vehicle tax, a taxing district imposing a vehicle tax must set a vehicle’s taxable value at the vehicle’s base model Kelley Blue book value. This ensures an honest and accurate calculation of the tax and, combined with the appeal process in RCW 82.44.065, ensures that vehicle owners are taxed on their vehicle’s market value.

(2) For the purpose of determining a tax under this chapter, the value of a truck-type power or trailing unit, or motor vehicle, including a passenger vehicle, motorcycle, motor home, sport utility vehicle, or light duty truck is the base model Kelley Blue book value of the vehicle, excluding applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs.

Sec. 9. RCW 82.44.065 and 2010 c 161 s 912 each amended to read as follows:

If the department determines a value for a vehicle ~~((equivalent to a manufacturer’s base suggested retail price or the value of a truck or trailer under RCW 82.44.035))~~ under section 8 of this act, any person who pays a state or locally imposed tax for that vehicle may appeal the valuation to the department under chapter 34.05 RCW. If the taxpayer is successful on appeal, the department shall refund the excess tax in the manner provided in RCW 82.44.120. Using Kelley Blue Book value ensures an honest and accurate calculation.

NEW SECTION. Sec. 10. RCW 81.104.140 and 2015 3rd sp.s. c 44 s 318 are each amended to read as follows:

(1) Agencies authorized to provide high capacity transportation service, including transit agencies and regional transit authorities, and regional transportation investment districts acting with the agreement of an agency, are hereby granted dedicated funding sources for such systems. These dedicated funding sources, as set forth in RCW 81.104.150, 81.104.160, 81.104.170, and 81.104.175, are authorized only for agencies located in (a) each county with a population of two hundred ten thousand or more and (b) each county with a population of from one hundred twenty-five thousand to less than two hundred ten thousand except for those counties that do not border a county with a population as described under (a) of this subsection. In any county with a population of one million or more or in any county having a population of four hundred thousand or more bordering a county with a population of one million or more, these funding sources may be imposed only by a regional transit authority or a regional transportation investment district. Regional transportation investment districts may, with the approval of the regional transit authority within its boundaries, impose the taxes authorized under this chapter, but only upon approval of the voters and to the extent that the maximum amount of taxes authorized under this chapter have not been imposed.

(2) Agencies planning to construct and operate a high capacity transportation system should also seek other funds, including federal, state, local, and private sector assistance.

(3) Funding sources should satisfy each of the following criteria to the greatest extent possible:

- (a) Acceptability;
- (b) Ease of administration;
- (c) Equity;
- (d) Implementation feasibility;
- (e) Revenue reliability; and
- (f) Revenue yield.

(4)(a) Agencies participating in regional high capacity transportation system development are authorized to levy and collect the following voter-approved local option funding sources:

- (i) Employer tax as provided in RCW 81.104.150, other than by regional transportation investment districts;
- (ii) ~~(Special motor vehicle excise tax as provided in RCW 81.104.160;~~
- (iii) Regular property tax as provided in 81.104.175; and
- ~~((iv))~~ (iii) Sales and use tax as provided in RCW 81.104.170.

(b) Revenues from these taxes may be used only to support those purposes prescribed in subsection (10) of this section. Before the date of an election authorizing an agency to impose any of the taxes enumerated in this section and authorized in RCW 81.104.150, 81.104.160, 81.104.170, and 81.104.175, the agency must comply with the process prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No construction on exclusive right-of-way may occur before the requirements of RCW 81.104.100(3) are met.

(5) Except for the regular property tax authorized in 81.104.175, the authorization in subsection (4) of this section may not adversely affect the funding authority of transit agencies not provided for in this chapter. Local option funds may be used to support implementation of interlocal agreements with respect to the establishment of regional high capacity transportation service. Except when a regional transit authority exists, local jurisdictions must retain control over moneys generated within their boundaries, although funds may be commingled with those generated in other areas for planning, construction, and operation of high capacity transportation systems as set forth in the agreements.

(6) Except for the regular property tax authorized in 81.104.175, agencies planning to construct and operate high capacity transportation systems may contract with the state for collection and transference of voter-approved local option revenue.

(7) Dedicated high capacity transportation funding sources authorized in RCW 81.104.150, 81.104.160, 81.104.170, and 81.104.175 are subject to voter approval by a simple majority. A single ballot proposition may seek approval for one or more of the authorized taxing sources. The ballot title must reference the document identified in subsection (8) of this section.

(8) Agencies must provide to the registered voters in the area a document describing the systems plan and the financing plan set forth in RCW 81.104.100. It must also describe the relationship of the system to regional issues such as development density at station locations and activity centers, and the interrelationship of the system to adopted land use and transportation demand management goals within the region. This document must be provided to the voters at least twenty days prior to the date of the election.

(9) For any election in which voter approval is sought for a high capacity transportation system plan and financing plan pursuant to RCW 81.104.040, a local voter's pamphlet must be produced as provided in chapter 29A.32 RCW.

(10)(a) Agencies providing high capacity transportation service must retain responsibility for revenue encumbrance, disbursement, and bonding. Funds may be used for any purpose relating to planning, construction, and operation of high capacity transportation systems and commuter rail systems, personal rapid transit, busways, bus sets, and entrained and linked buses.

(b) A regional transit authority that ~~((imposes a motor vehicle excise tax after the effective date of this section,))~~ imposes a property tax(;) or increases a sales and use tax to more than nine-tenths of one percent must undertake a process in which the authority's board formally considers inclusion of the name, Scott White, in the naming convention associated with either the University of Washington or Roosevelt stations.

NEW SECTION. Sec. 11. The following acts or parts of acts are each repealed:

(1) RCW 82.44.035 (Valuation of vehicles) and 2010 c 161 s 910 & 2006 c 318 s 1; and

(2) RCW 81.104.160 (Motor vehicle excise tax for regional transit authorities---Sales and use tax on car rentals---Former motor vehicle excise tax repealed) and 2015 3rd sp.s. c 44 s 319, 2010 c 161 s 903, 2009 c 280 s 4, 2003 c 1 s 6 (Initiative Measure No. 776, approved November 5, 2002), & 1998 c 321 s 35 (Referendum Bill No. 49, approved November 3, 1998).

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

In order to effectuate the policies, purposes, and intent of this act and to ensure that the motor vehicle excise taxes repealed by this act are no longer imposed or collected, an authority that imposes a motor vehicle excise tax under RCW 81.104.160 must fully retire, defease, or refinance any outstanding bonds issued under this chapter if:

(1) Any revenue collected prior to the effective date of this section from the motor vehicle excise tax imposed under RCW 81.104.160 has been pledged to such bonds; and

(2) The bonds, by virtue of the terms of the bond contract, covenants, or similar terms, may be retired or defeased early or refinanced.

Sec. 13. RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each amended to read as follows:

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

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

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

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

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

NEW SECTION. **Sec. 14. CONSTRUCTION CLAUSE.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

NEW SECTION. **Sec. 15. SEVERABILITY CLAUSE.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 16. EFFECTIVE DATE.** (1) Sections 10 and 11 of this act take effect on the date that the regional transit authority complies with section 12 of this act and retires, defeases, or refinances its outstanding bonds.

(2) Section 13 takes effect April 1, 2020, if sections 10 and 11 of this act have not taken effect by March 31, 2020.

(3) The regional transit authority must provide written notice of the effective dates of sections 10, 11, and 13 of this act to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the regional transit authority.

NEW SECTION. **Sec. 17. TITLE.** This act is known and may be cited as "Bring Back Our \$30 Car Tabs."

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