
HOUSE BILL 2946

State of Washington

66th Legislature

2020 Regular Session

By Representatives Stokesbary, Wilcox, Orcutt, Barkis, MacEwen, Griffey, Mosbrucker, Irwin, Steele, Graham, Smith, Chambers, Maycumber, Boehnke, Kretz, Goehner, Corry, Gildon, Sutherland, Vick, Harris, Hoff, Chandler, Eslick, Volz, Ybarra, Walsh, Jenkin, Schmick, Dent, Van Werven, Klippert, Dufault, Caldier, Kraft, Dye, McCaslin, Rude, DeBolt, and Young

1 AN ACT Relating to reducing the financial costs imposed by the
2 state government on working Washington families; amending RCW
3 46.17.355, 46.17.323, 82.44.065, 81.104.140, 81.104.160, 82.08.020,
4 and 82.12.020; reenacting and amending RCW 46.17.350; adding a new
5 section to chapter 46.17 RCW; adding a new section to chapter 82.44
6 RCW; adding a new section to chapter 81.112 RCW; adding new sections
7 to chapter 82.08 RCW; adding new sections to chapter 82.12 RCW;
8 creating new sections; repealing RCW 46.17.365, 46.68.415, 82.80.130,
9 82.80.140, 82.44.035, and 81.104.160; providing an effective date;
10 providing contingent effective dates; providing a contingent
11 expiration date; and declaring an emergency.

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

13 **PART I**

14 **Intent**

15 NEW SECTION. **Sec. 101.** The legislature finds that voters have
16 spoken: The financial burdens they face, created by the state, are
17 overwhelming. The people of Washington have repeatedly demanded
18 thirty dollar car tabs and have expressed deep frustration with the
19 regressive nature of the sales tax on personal necessities.
20 Meanwhile, the state continues to bring in record tax revenues,

1 including over one billion dollars of unanticipated caseload savings
2 and revenue collections. Life in Washington is unaffordable for far
3 too many working families. We should expect more from our state
4 leaders. Therefore, the legislature intends to relieve financial
5 burdens on Washington's working families by:

6 (1) Ensuring stable funding for transportation projects and
7 transit while upholding the voters' demand for thirty dollar car
8 tabs;

9 (2) Eliminating the sales tax on necessities for women and
10 families; and

11 (3) Eliminating the sales tax on certain prepared food.

12 **PART II**

13 **Taxes, Fees, and Other Charges**

14 **Relating to Vehicles and Replacing Lost Revenue**

15 NEW SECTION. **Sec. 201.** A new section is added to chapter 46.17
16 RCW to read as follows:

17 (1) State and local motor vehicle license fees may not exceed
18 thirty dollars per year for motor vehicles, regardless of year,
19 value, make, or model.

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

28 **Sec. 202.** RCW 46.17.350 and 2019 c 44 s 4 are each reenacted and
29 amended to read as follows:

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

VEHICLE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
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1	(a) Auto stage, six seats or	\$ 30.00	\$ 30.00	RCW 46.68.030
2	less			
3	(b) Camper	\$ 4.90	\$ 3.50	RCW 46.68.030
4	(c) Commercial trailer	\$ ((34.00))	\$ ((34.00))	RCW 46.68.035
5		<u>30.00</u>	<u>30.00</u>	
6	(d) For hire vehicle, six	\$ 30.00	\$ 30.00	RCW 46.68.030
7	seats or less			
8	(e) Mobile home (if	\$ 30.00	\$ 30.00	RCW 46.68.030
9	registered)			
10	(f) Moped	\$ 30.00	\$ 30.00	RCW 46.68.030
11	(g) Motor home	\$ 30.00	\$ 30.00	RCW 46.68.030
12	(h) Motorcycle	\$ 30.00	\$ 30.00	RCW 46.68.030
13	(i) Off-road vehicle	\$ 18.00	\$ 18.00	RCW 46.68.045
14	(j) Passenger car	\$ 30.00	\$ 30.00	RCW 46.68.030
15	(k) Private use single-axle	\$ 15.00	\$ 15.00	RCW 46.68.035
16	trailer			
17	(l) Snowmobile	\$ ((50.00))	\$ ((50.00))	RCW 46.68.350
18		<u>30.00</u>	<u>30.00</u>	
19	(m) Snowmobile, vintage	\$ 12.00	\$ 12.00	RCW 46.68.350
20	(n) Sport utility vehicle	\$ 30.00	\$ 30.00	RCW 46.68.030
21	(o) Tow truck	\$ 30.00	\$ 30.00	RCW 46.68.030
22	(p) Trailer, over 2000	\$ 30.00	\$ 30.00	RCW 46.68.030
23	pounds			
24	(q) Travel trailer	\$ 30.00	\$ 30.00	RCW 46.68.030
25	(r) Wheeled all-terrain	\$ 12.00	\$ 12.00	RCW 46.09.540
26	vehicle, on-road use			
27	(s) Wheeled all-terrain	\$ 18.00	\$ 18.00	RCW 46.09.510
28	vehicle, off-road use			

29 (2) The vehicle license fee required in subsection (1) of this
30 section is in addition to the filing fee required under RCW
31 46.17.005, and any other fee or tax required by law.

32 **Sec. 203.** RCW 46.17.355 and 2015 3rd sp.s. c 44 s 201 are each
33 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	SCHEDULE
	A	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

1	54,000 pounds	\$ 732.00	\$ 822.00
2	56,000 pounds	\$ 773.00	\$ 863.00
3	58,000 pounds	\$ 804.00	\$ 894.00
4	60,000 pounds	\$ 857.00	\$ 947.00
5	62,000 pounds	\$ 919.00	\$ 1,009.00
6	64,000 pounds	\$ 939.00	\$ 1,029.00
7	66,000 pounds	\$ 1,046.00	\$ 1,136.00
8	68,000 pounds	\$ 1,091.00	\$ 1,181.00
9	70,000 pounds	\$ 1,175.00	\$ 1,265.00
10	72,000 pounds	\$ 1,257.00	\$ 1,347.00
11	74,000 pounds	\$ 1,366.00	\$ 1,456.00
12	76,000 pounds	\$ 1,476.00	\$ 1,566.00
13	78,000 pounds	\$ 1,612.00	\$ 1,702.00
14	80,000 pounds	\$ 1,740.00	\$ 1,830.00
15	82,000 pounds	\$ 1,861.00	\$ 1,951.00
16	84,000 pounds	\$ 1,981.00	\$ 2,071.00
17	86,000 pounds	\$ 2,102.00	\$ 2,192.00
18	88,000 pounds	\$ 2,223.00	\$ 2,313.00
19	90,000 pounds	\$ 2,344.00	\$ 2,434.00
20	92,000 pounds	\$ 2,464.00	\$ 2,554.00
21	94,000 pounds	\$ 2,585.00	\$ 2,675.00
22	96,000 pounds	\$ 2,706.00	\$ 2,796.00
23	98,000 pounds	\$ 2,827.00	\$ 2,917.00
24	100,000 pounds	\$ 2,947.00	\$ 3,037.00
25	102,000 pounds	\$ 3,068.00	\$ 3,158.00
26	104,000 pounds	\$ 3,189.00	\$ 3,279.00
27	105,500 pounds	\$ 3,310.00	\$ 3,400.00

28 (b) For vehicle registrations that are due or become due on or
 29 after July 1, 2016, in lieu of the vehicle license fee required under
 30 RCW 46.17.350 and before accepting an application for a vehicle
 31 registration for motor vehicles described in RCW 46.16A.455, the
 32 department, county auditor or other agent, or subagent appointed by

1 the director shall require the applicant, unless specifically exempt,
2 to pay the following license fee by gross weight:

WEIGHT	SCHEDULE	SCHEDULE
	A	B
4,000 pounds	\$ ((53.00))	\$ ((53.00))
	<u>30.00</u>	<u>30.00</u>
6,000 pounds	\$ ((73.00))	\$ ((73.00))
	<u>30.00</u>	<u>30.00</u>
8,000 pounds	\$ ((93.00))	\$ ((93.00))
	<u>30.00</u>	<u>30.00</u>
10,000 pounds	\$ ((93.00))	\$ ((93.00))
	<u>30.00</u>	<u>30.00</u>
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

1	54,000 pounds	\$ 732.00	\$ 822.00
2	56,000 pounds	\$ 773.00	\$ 863.00
3	58,000 pounds	\$ 804.00	\$ 894.00
4	60,000 pounds	\$ 857.00	\$ 947.00
5	62,000 pounds	\$ 919.00	\$ 1,009.00
6	64,000 pounds	\$ 939.00	\$ 1,029.00
7	66,000 pounds	\$ 1,046.00	\$ 1,136.00
8	68,000 pounds	\$ 1,091.00	\$ 1,181.00
9	70,000 pounds	\$ 1,175.00	\$ 1,265.00
10	72,000 pounds	\$ 1,257.00	\$ 1,347.00
11	74,000 pounds	\$ 1,366.00	\$ 1,456.00
12	76,000 pounds	\$ 1,476.00	\$ 1,566.00
13	78,000 pounds	\$ 1,612.00	\$ 1,702.00
14	80,000 pounds	\$ 1,740.00	\$ 1,830.00
15	82,000 pounds	\$ 1,861.00	\$ 1,951.00
16	84,000 pounds	\$ 1,981.00	\$ 2,071.00
17	86,000 pounds	\$ 2,102.00	\$ 2,192.00
18	88,000 pounds	\$ 2,223.00	\$ 2,313.00
19	90,000 pounds	\$ 2,344.00	\$ 2,434.00
20	92,000 pounds	\$ 2,464.00	\$ 2,554.00
21	94,000 pounds	\$ 2,585.00	\$ 2,675.00
22	96,000 pounds	\$ 2,706.00	\$ 2,796.00
23	98,000 pounds	\$ 2,827.00	\$ 2,917.00
24	100,000 pounds	\$ 2,947.00	\$ 3,037.00
25	102,000 pounds	\$ 3,068.00	\$ 3,158.00
26	104,000 pounds	\$ 3,189.00	\$ 3,279.00
27	105,500 pounds	\$ 3,310.00	\$ 3,400.00

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

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

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

5 (5) The license fees provided in subsection (1) of this section
6 for light trucks weighing 10,000 pounds or less are limited to thirty
7 dollars.

8 (6) The license fee based on declared gross weight as provided in
9 subsection (1) of this section must be distributed under RCW
10 46.68.035.

11 ~~((+6))~~ (7) For vehicle registrations that are due or become due
12 on or after July 1, 2016, in addition to the license fee based on
13 declared gross weight as provided in subsection (1) of this section,
14 the department, county auditor or other agent, or subagent appointed
15 by the director must require an applicant with a vehicle with a
16 declared gross weight of more than 10,000 pounds, unless specifically
17 exempt, to pay a freight project fee equal to fifteen percent of the
18 license fee provided in subsection (1) of this section, rounded to
19 the nearest whole dollar, which must be distributed under RCW
20 46.68.035.

21 ~~((+7))~~ (8) For vehicle registrations that are due or become due
22 on or after July 1, 2022, in addition to the license fee based on
23 declared gross weight as provided in subsection (1) of this section,
24 the department, county auditor or other agent, or subagent appointed
25 by the director must require an applicant with a vehicle with a
26 declared gross weight of less than or equal to 12,000 pounds, unless
27 specifically exempt, to pay an additional weight fee of ten dollars,
28 which must be distributed under RCW 46.68.035.

29 **Sec. 204.** RCW 46.17.323 and 2015 3rd sp.s. c 44 s 203 are each
30 amended to read as follows:

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

1 ~~((one hundred))~~ thirty dollar fee is due only at the time of annual
2 registration renewal.

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

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

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

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

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

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

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

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

33 ~~(i) The first one million dollars raised by the fee must be
34 deposited into the multimodal transportation account created in RCW
35 47.66.070; and~~

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

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

1 NEW SECTION. **Sec. 205.** The following acts or parts of acts are
2 each repealed:

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

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

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

10 (4) RCW 82.80.140 (Vehicle fee—Transportation benefit district—
11 Exemptions) and 2015 3rd sp.s. c 44 s 310, 2010 c 161 s 917, 2007 c
12 329 s 2, & 2005 c 336 s 16.

13 NEW SECTION. **Sec. 206.** A new section is added to chapter 82.44
14 RCW to read as follows:

15 BASE VEHICLE TAXES USING KELLEY BLUE BOOK VALUE. (1) Any motor
16 vehicle excise tax must be calculated in an honest and accurate way
17 so the burden on vehicle owners is not artificially inflated. For the
18 purpose of determining a vehicle tax, a taxing district imposing a
19 vehicle tax must set a vehicle's taxable value at the vehicle's base
20 model Kelley Blue Book value. This ensures an honest and accurate
21 calculation of the tax and, combined with the appeal process in RCW
22 82.44.065, ensures that vehicle owners are taxed on their vehicle's
23 market value.

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

31 **Sec. 207.** RCW 82.44.065 and 2010 c 161 s 912 are each amended to
32 read as follows:

33 If the department determines a value for a vehicle ((~~equivalent~~
34 ~~to a manufacturer's base suggested retail price or the value of a~~
35 ~~truck or trailer under RCW 82.44.035)) under section 206 of this act,
36 any person who pays a state or locally imposed tax for that vehicle
37 may appeal the valuation to the department under chapter 34.05 RCW.~~

1 If the taxpayer is successful on appeal, the department shall refund
2 the excess tax in the manner provided in RCW 82.44.120. Using Kelley
3 Blue Book value ensures an honest and accurate calculation.

4 **Sec. 208.** RCW 81.104.140 and 2015 3rd sp.s. c 44 s 318 are each
5 amended to read as follows:

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

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

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

- 32 (a) Acceptability;
- 33 (b) Ease of administration;
- 34 (c) Equity;
- 35 (d) Implementation feasibility;
- 36 (e) Revenue reliability; and
- 37 (f) Revenue yield.

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

4 (i) Employer tax as provided in RCW 81.104.150, other than by
5 regional transportation investment districts;

6 (ii) ~~((Special motor vehicle excise tax as provided in RCW~~
7 ~~81.104.160;~~

8 ~~((iii)))~~ Regular property tax as provided in RCW 81.104.175; and

9 ~~((iv)))~~ (iii) Sales and use tax as provided in RCW 81.104.170.

10 (b) Revenues from these taxes may be used only to support those
11 purposes prescribed in subsection (10) of this section. Before the
12 date of an election authorizing an agency to impose any of the taxes
13 enumerated in this section and authorized in RCW 81.104.150,
14 81.104.160, 81.104.170, and 81.104.175, the agency must comply with
15 the process prescribed in RCW 81.104.100 (1) and (2) and 81.104.110.
16 No construction on exclusive right-of-way may occur before the
17 requirements of RCW 81.104.100(3) are met.

18 (5) Except for the regular property tax authorized in RCW
19 81.104.175, the authorization in subsection (4) of this section may
20 not adversely affect the funding authority of transit agencies not
21 provided for in this chapter. Local option funds may be used to
22 support implementation of interlocal agreements with respect to the
23 establishment of regional high capacity transportation service.
24 Except when a regional transit authority exists, local jurisdictions
25 must retain control over moneys generated within their boundaries,
26 although funds may be commingled with those generated in other areas
27 for planning, construction, and operation of high capacity
28 transportation systems as set forth in the agreements.

29 (6) Except for the regular property tax authorized in RCW
30 81.104.175, agencies planning to construct and operate high capacity
31 transportation systems may contract with the state for collection and
32 transference of voter-approved local option revenue.

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

39 (8) Agencies must provide to the registered voters in the area a
40 document describing the systems plan and the financing plan set forth

1 in RCW 81.104.100. It must also describe the relationship of the
2 system to regional issues such as development density at station
3 locations and activity centers, and the interrelationship of the
4 system to adopted land use and transportation demand management goals
5 within the region. This document must be provided to the voters at
6 least twenty days prior to the date of the election.

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

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

17 (b) A regional transit authority that (~~((imposes a motor vehicle~~
18 ~~excise tax after July 15, 2015,))~~) imposes a property tax(~~((,))~~) or
19 increases a sales and use tax to more than nine-tenths of one percent
20 must undertake a process in which the authority's board formally
21 considers inclusion of the name, Scott White, in the naming
22 convention associated with either the University of Washington or
23 Roosevelt stations.

24 NEW SECTION. **Sec. 209.** The following acts or parts of acts are
25 each repealed:

26 (1) RCW 82.44.035 (Valuation of vehicles) and 2010 c 161 s 910 &
27 2006 c 318 s 1; and

28 (2) RCW 81.104.160 (Motor vehicle excise tax for regional transit
29 authorities—Sales and use tax on car rentals—Former motor vehicle
30 excise tax repealed) and 2015 3rd sp.s. c 44 s 319, 2010 c 161 s 903,
31 2009 c 280 s 4, 2003 c 1 s 6, & 1998 c 321 s 35.

32 NEW SECTION. **Sec. 210.** A new section is added to chapter 81.112
33 RCW to read as follows:

34 In order to effectuate the policies, purposes, and intent of this
35 act and to ensure that the motor vehicle excise taxes repealed by
36 this act are no longer imposed or collected, an authority that
37 imposes a motor vehicle excise tax under RCW 81.104.160 must fully

1 retire, defease, or refinance any outstanding bonds issued under this
2 chapter if:

3 (1) Any revenue collected prior to the effective date of this
4 section from the motor vehicle excise tax imposed under RCW
5 81.104.160 has been pledged to such bonds; and

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

9 **Sec. 211.** RCW 81.104.160 and 2015 3rd sp.s. c 44 s 319 are each
10 amended to read as follows:

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

35 (2) An agency and high capacity transportation corridor area may
36 impose a sales and use tax solely for the purpose of providing high
37 capacity transportation service, in addition to the tax authorized by
38 RCW 82.14.030, upon retail car rentals within the applicable
39 jurisdiction that are taxable by the state under chapters 82.08 and

1 82.12 RCW. The rate of tax may not exceed 2.172 percent. The rate of
2 tax imposed under this subsection must bear the same ratio of the
3 2.172 percent authorized that the rate imposed under subsection (1)
4 of this section bears to the rate authorized under subsection (1) of
5 this section. The base of the tax is the selling price in the case of
6 a sales tax or the rental value of the vehicle used in the case of a
7 use tax.

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

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

22 **Sec. 212.** RCW 82.08.020 and 2014 c 140 s 12 are each amended to
23 read as follows:

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

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

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

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

34 (d) Extended warranties to consumers; and

35 (e) Anything else, the sale of which is included within the RCW
36 82.04.050 definition of retail sale.

37 (2) There is levied and collected an additional tax on each
38 retail car rental, regardless of whether the vehicle is licensed in
39 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)(a) 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.

(b) For purposes of this subsection (3), "motor vehicle" has the meaning provided in RCW 46.04.320, but does not include:

(i) 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;

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

(iii) Nonhighway vehicles as defined in RCW 46.09.310; and

(iv) Snowmobiles as defined in RCW 46.04.546.

~~(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.))~~ (a) Beginning July

1, 2020, ten percent of all revenue collected under subsection (1) of this section on each new and used retail sale of a vehicle in this state, including private party sales, but excluding retail car rentals taxed under subsection (2) of this section, must be deposited into the following accounts in the proportions specified:

(i) Twenty-five percent to the motor vehicle fund; and

(ii) Seventy-five percent to the multimodal transportation account.

(b) Beginning July 1, 2021, twenty percent of all revenue collected under subsection (1) of this section on each new and used retail sale of a vehicle in this state, including private party sales, but excluding retail car rentals taxed under subsection (2) of this section, must be deposited into the following accounts in the proportions specified:

(i) Twenty-five percent to the motor vehicle fund; and

1 (ii) Seventy-five percent to the multimodal transportation
2 account.

3 (c) Beginning July 1, 2022, thirty percent of all revenue
4 collected under subsection (1) of this section on each new and used
5 retail sale of a vehicle in this state, including private party
6 sales, but excluding retail car rentals taxed under subsection (2) of
7 this section, must be deposited into the following accounts in the
8 proportions specified:

9 (i) Twenty-five percent to the motor vehicle fund; and
10 (ii) Seventy-five percent to the multimodal transportation
11 account.

12 (d) Beginning July 1, 2023, one-third of all revenue collected
13 under subsection (1) of this section on each new and used retail sale
14 of a vehicle in this state, including private party sales, but
15 excluding retail car rentals taxed under subsection (2) of this
16 section, must be deposited into the following accounts in the
17 proportions specified:

18 (i) Twenty-five percent to the motor vehicle fund; and
19 (ii) Seventy-five percent to the multimodal transportation
20 account.

21 (e) If the employment growth forecast for any fiscal year is
22 estimated to be less than one percent, then the requirements of (a)
23 through (d) of this subsection (4) are suspended for that fiscal
24 year.

25 (f) For purposes of this subsection (4), "vehicle" has the
26 meaning provided in RCW 46.04.670 including, but not limited to,
27 passenger vehicles, light trucks, commercial vehicles, travel
28 trailers, recreational vehicles, intermittent use trailers,
29 motorcycles, and campers, but "vehicle" does not include:

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

33 (ii) Off-road vehicles as defined in RCW 46.04.365;

34 (iii) Nonhighway vehicles as defined in RCW 46.09.310;

35 (iv) Bicycles as defined in RCW 46.04.071; and

36 (v) Snowmobiles as defined in RCW 46.04.546.

37 (5) Beginning on December 8, 2005, 0.16 percent of the taxes
38 collected under subsection (1) of this section must be dedicated to
39 funding comprehensive performance audits required under RCW
40 43.09.470. The revenue identified in this subsection must be

1 deposited in the performance audits of government account created in
2 RCW 43.09.475.

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

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

7 **Sec. 213.** RCW 82.12.020 and 2017 c 323 s 520 are each amended to
8 read as follows:

9 (1) There is levied and collected from every person in this state
10 a tax or excise for the privilege of using within this state as a
11 consumer any:

12 (a) Article of tangible personal property acquired by the user in
13 any manner, including tangible personal property acquired at a casual
14 or isolated sale, and including by-products used by the manufacturer
15 thereof, except as otherwise provided in this chapter, irrespective
16 of whether the article or similar articles are manufactured or are
17 available for purchase within this state;

18 (b) Prewritten computer software, regardless of the method of
19 delivery, but excluding prewritten computer software that is either
20 provided free of charge or is provided for temporary use in viewing
21 information, or both;

22 (c) Services defined as a retail sale in RCW 82.04.050 (2) (a) or
23 (g) or (6)(c), excluding services defined as a retail sale in RCW
24 82.04.050(6)(c) that are provided free of charge;

25 (d) Extended warranty; or

26 (e)(i) Digital good, digital code, or digital automated service,
27 including the use of any services provided by a seller exclusively in
28 connection with digital goods, digital codes, or digital automated
29 services, whether or not a separate charge is made for such services.

30 (ii) With respect to the use of digital goods, digital automated
31 services, and digital codes acquired by purchase, the tax imposed in
32 this subsection (1)(e) applies in respect to:

33 (A) Sales in which the seller has granted the purchaser the right
34 of permanent use;

35 (B) Sales in which the seller has granted the purchaser a right
36 of use that is less than permanent;

37 (C) Sales in which the purchaser is not obligated to make
38 continued payment as a condition of the sale; and

1 (D) Sales in which the purchaser is obligated to make continued
2 payment as a condition of the sale.

3 (iii) With respect to digital goods, digital automated services,
4 and digital codes acquired other than by purchase, the tax imposed in
5 this subsection (1)(e) applies regardless of whether or not the
6 consumer has a right of permanent use or is obligated to make
7 continued payment as a condition of use.

8 (2) The provisions of this chapter do not apply in respect to the
9 use of any article of tangible personal property, extended warranty,
10 digital good, digital code, digital automated service, or service
11 taxable under RCW 82.04.050 (2) (a) or (g) or (6)(c), if the sale to,
12 or the use by, the present user or the present user's bailor or donor
13 has already been subjected to the tax under chapter 82.08 RCW or this
14 chapter and the tax has been paid by the present user or by the
15 present user's bailor or donor.

16 (3)(a) Except as provided in this section, payment of the tax
17 imposed by this chapter or chapter 82.08 RCW by one purchaser or user
18 of tangible personal property, extended warranty, digital good,
19 digital code, digital automated service, or other service does not
20 have the effect of exempting any other purchaser or user of the same
21 property, extended warranty, digital good, digital code, digital
22 automated service, or other service from the taxes imposed by such
23 chapters.

24 (b) The tax imposed by this chapter does not apply:

25 (i) If the sale to, or the use by, the present user or his or her
26 bailor or donor has already been subjected to the tax under chapter
27 82.08 RCW or this chapter and the tax has been paid by the present
28 user or by his or her bailor or donor;

29 (ii) In respect to the use of any article of tangible personal
30 property acquired by bailment and the tax has once been paid based on
31 reasonable rental as determined by RCW 82.12.060 measured by the
32 value of the article at time of first use multiplied by the tax rate
33 imposed by chapter 82.08 RCW or this chapter as of the time of first
34 use;

35 (iii) In respect to the use of any article of tangible personal
36 property acquired by bailment, if the property was acquired by a
37 previous bailee from the same bailor for use in the same general
38 activity and the original bailment was prior to June 9, 1961; or

39 (iv) To the use of digital goods or digital automated services,
40 which were obtained through the use of a digital code, if the sale of

1 the digital code to, or the use of the digital code by, the present
2 user or the present user's bailor or donor has already been subjected
3 to the tax under chapter 82.08 RCW or this chapter and the tax has
4 been paid by the present user or by the present user's bailor or
5 donor.

6 (4) (a) Except as provided in (b) of this subsection (4), the tax
7 is levied and must be collected in an amount equal to the value of
8 the article used, value of the digital good or digital code used,
9 value of the extended warranty used, or value of the service used by
10 the taxpayer, multiplied by the applicable rates in effect for the
11 retail sales tax under RCW 82.08.020.

12 (b) In the case of a seller required to collect use tax from the
13 purchaser, the tax must be collected in an amount equal to the
14 purchase price multiplied by the applicable rate in effect for the
15 retail sales tax under RCW 82.08.020.

16 (5) For purposes of the tax imposed in this section, "person"
17 includes anyone within the definition of "buyer," "purchaser," and
18 "consumer" in RCW 82.08.010.

19 (6) (a) Beginning July 1, 2020, ten percent of all use tax revenue
20 collected under subsection (1) of this section on the use of each new
21 and used vehicle in this state, but excluding retail car rentals
22 taxed under RCW 82.08.020, must be deposited into the following
23 accounts in the proportions specified:

24 (i) Twenty-five percent to the motor vehicle fund; and

25 (ii) Seventy-five percent to the multimodal transportation
26 account.

27 (b) Beginning July 1, 2021, twenty percent of all use tax revenue
28 collected under subsection (1) of this section on the use of each new
29 and used vehicle in this state, but excluding retail car rentals
30 taxed under RCW 82.08.020, must be deposited into the following
31 accounts in the proportions specified:

32 (i) Twenty-five percent to the motor vehicle fund; and

33 (ii) Seventy-five percent to the multimodal transportation
34 account.

35 (c) Beginning July 1, 2022, thirty percent of all use tax revenue
36 collected under subsection (1) of this section on the use of each new
37 and used vehicle in this state, but excluding retail car rentals
38 taxed under RCW 82.08.020, must be deposited into the following
39 accounts in the proportions specified:

40 (i) Twenty-five percent to the motor vehicle fund; and

(ii) Seventy-five percent to the multimodal transportation account.

(d) Beginning July 1, 2023, one-third of all use tax revenue collected under subsection (1) of this section on the use of each new and used vehicle in this state, but excluding retail car rentals taxed under RCW 82.08.020, must be deposited into the following accounts in the proportions specified:

(i) Twenty-five percent to the motor vehicle fund; and

(ii) Seventy-five percent to the multimodal transportation account.

(e) If the employment growth forecast for any fiscal year is estimated to be less than one percent, then the requirements of (a) through (d) of this subsection (6) are suspended for that fiscal year.

PART III

Sales and Use Tax on Diapers and Diaper Services

NEW SECTION. **Sec. 301.** A new section is added to chapter 82.08
RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales of
diapers or diaper services.

(2) The following definitions apply to this section:

(a) "Diaper" means an absorbent garment that is washable or disposable and is designed, manufactured, processed, fabricated, or packaged for use by infants, toddlers, or children who are incapable of or have difficulty controlling their bladder or bowel movements;

(b) "Diaper service" means a business that supplies and launders diapers.

NEW SECTION. **Sec. 302.** A new section is added to chapter 82.12
RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of diapers or diaper services.

(2) The definitions in section 301 of this act apply to this section.

PART IV

Sales and Use Tax on Feminine Hygiene Products

(i) "Breast pump collection and storage supplies" includes, but is not limited to: Breast shields and breast shield connectors; breast pump tubes and tubing adapters; breast pump valves and membranes; backflow protectors and backflow protector adaptors; bottle and bottle caps specific to the operation of the breast pump; breast milk storage bags; and other items that may be useful to initiate, support, or sustain breastfeeding using a breast pump during lactation, that may be sold separately, but are generally sold as part of a breast pump kit.

(ii) "Breast pump collection and storage supplies" does not include the following items if not sold as part of a breast pump kit prepackaged by the breast pump manufacturer or distributor:

(A) Bottles and bottle caps not specific to the operation of the breast pump;

(B) Breast pump travel bags and other similar carrying accessories, including ice packs, labels, and other similar products;

(C) Breast pump cleaning supplies;

(D) Nursing bras, bra pads, breast shells, and other similar products; and

(E) Creams, ointments, and other similar products that relieve breastfeeding-related symptoms or conditions of the breasts or nipples.

(c) "Breast pump kit" means a kit that contains a breast pump and one or more of the following items: Breast pump collection and storage supplies; and other taxable items of tangible personal property that may be useful to initiate, support, or sustain breastfeeding using a breast pump during lactation, so long as the other taxable items of tangible personal property sold with the breast pump kit at the time of the sale are less than ten percent of the total sales price of the breast pump kit.

NEW SECTION. **Sec. 502.** A new section is added to chapter 82.12 RCW to read as follows:

(1) The provisions of this chapter do not apply with respect to the use of a breast pump, repair and replacement parts therefor, and breast pump collection and storage supplies.

(2) The definitions, conditions, and requirements of section 501 of this act apply to this section.

1 **Sales and Use Tax on Prepared Food Sold by Grocery Stores**

2 NEW SECTION. **Sec. 601.** A new section is added to chapter 82.08
3 RCW to read as follows:

4 (1) The tax levied by RCW 82.08.020 does not apply to sales of
5 prepared foods sold by grocery stores.

6 (2) The following definitions apply to this section:

7 (a) "Grocery store" means any store, other than a convenience
8 store, engaged primarily in the retail sale of packaged food; and

9 (b) "Prepared food" is defined as provided in RCW 82.08.0293.

10 NEW SECTION. **Sec. 602.** A new section is added to chapter 82.12
11 RCW to read as follows:

12 (1) The provisions of this chapter do not apply with respect to
13 the use of prepared foods sold by grocery stores.

14 (2) The definitions in section 601 of this act apply to this
15 section.

16 **PART VII**

17 **Miscellaneous Provisions**

18 NEW SECTION. **Sec. 701.** The provisions of sections 201 through
19 211 of this act are to be liberally construed to effectuate the
20 intent, policies, and purposes of this act.

21 NEW SECTION. **Sec. 702.** If any provision of sections 201 through
22 211 of this act or its application to any person or circumstance is
23 held invalid, the remainder of the act or application of the
24 provision to other persons or circumstances is not affected.

25 NEW SECTION. **Sec. 703.** (1) Sections 208 and 209 of this act
26 take effect on the date that the regional transit authority complies
27 with section 210 of this act and retires, defeases, or refinances its
28 outstanding bonds.

29 (2) Section 211 of this act is necessary for the immediate
30 preservation of the public peace, health, or safety, or support of
31 the state government and its existing public institutions, and takes
32 effect April 1, 2020, if sections 208 and 209 of this act have not
33 taken effect by March 31, 2020.

1 (3) The regional transit authority must provide written notice of
2 the effective dates of sections 208, 209, and 211 of this act to
3 affected parties, the chief clerk of the house of representatives,
4 the secretary of the senate, the office of the code reviser, and
5 others as deemed appropriate by the regional transit authority.

6 NEW SECTION. **Sec. 704.** Sections 201, 202, 203, 204, 205, 206,
7 207, and 210 of this act are necessary for the immediate preservation
8 of the public peace, health, or safety, or support of the state
9 government and its existing public institutions, and take effect
10 immediately.

11 NEW SECTION. **Sec. 705.** Sections 212 and 213 of this act take
12 effect July 1, 2020.

13 NEW SECTION. **Sec. 706.** The provisions of RCW 82.32.805 and
14 82.32.808 do not apply to sections 301, 302, 401, 402, 501, 502, 601,
15 and 602 of this act.

16 NEW SECTION. **Sec. 707.** Sections 201 through 211 of this act
17 expire immediately upon a court of final jurisdiction holding that
18 chapter 1 (Initiative Measure No. 976), Laws of 2020 is no longer
19 enjoined from effectiveness.

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