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### INITIATIVE 394

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 394 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT Relating to limiting government-imposed charges relating to  
2 motor vehicles; amending RCW 46.16.0621, 46.16.070, 46.01.140,  
3 82.08.020, 46.16.233, 46.16.237, 46.16.270, 81.100.060, 81.11.060,  
4 36.120.050, 82.44.065, and 81.104.160; adding a new section to chapter  
5 82.44 RCW; adding a new section to chapter 81.112 RCW; creating new  
6 sections; repealing RCW 46.17.010, 46.17.020, and 82.44.035; providing  
7 an effective date; and providing contingent effective dates.

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

### 9 POLICIES AND PURPOSES

10 NEW SECTION. **Sec. 1.** Voters have repeatedly approved \$30 tabs,  
11 yet politicians are continually ignoring the voters' repeated,  
12 unambiguous mandate by imposing higher and higher vehicle taxes and  
13 fees without a vote of the people, by calculating vehicle taxes  
14 dishonestly and inaccurately to extract artificially high amounts of  
15 revenue from taxpayers, and by ignoring the provisions of  
16 voter-approved initiatives. It's not fair and it must stop. As long  
17 as taxpayers must pay a huge general sales tax to buy a vehicle  
18 (meaning state and local governments receive huge windfalls of sales  
19 tax revenue from these transactions) and pay a huge gas tax to use a  
20 vehicle, the people find that the government is not entitled to a

1 "third bite of the apple," taxes and fees above a reasonable annual  
2 amount to simply own a vehicle. Without this follow-up measure, "tab  
3 creep" will continue until vehicle charges are once again obscenely  
4 expensive, as they were prior to Initiative 695. This measure and each  
5 of its provisions limit government-imposed charges relating to motor  
6 vehicles. This measure would set combined motor vehicle registration  
7 charges at \$30 per year (a \$25 license tab fee plus a \$5 filing fee),  
8 repeal and reduce taxes and fees not approved by voters, calculate  
9 vehicle taxes based on purchase price, and retire certain bonds.  
10 Politicians promised "\$30 license tabs are here to stay." Politicians  
11 should keep their promises. Voters have repeatedly approved \$30 tabs.  
12 Politicians must learn to listen to the people.

13 **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR**  
14 **VEHICLES BY SETTING LICENSE TAB FEES AT \$25 PER YEAR**

15 **Sec. 2.** RCW 46.16.0621 and 2003 c 1 s 2 are each amended to read  
16 as follows:

17 1) (~~License tab fees are required to be \$30 per year for motor~~  
18 ~~vehicles, regardless of year, value, make, or model~~) License tab fees  
19 are set at \$25 per year for motor vehicles, regardless of year, value,  
20 make, or model, subject to the requirements of this section.

21 2) (~~For the purposes of this section, "license tab fees" are~~  
22 ~~defined as the general fees paid annually for licensing motor vehicles~~  
23 ~~and trailers as defined in RCW 46.04.620 and 46.04.623, including cars,~~  
24 ~~sport utility vehicles, motorcycles, and motor homes. Trailers~~  
25 ~~licensed under RCW 46.16.068 or 46.16.085 and campers licensed under~~  
26 ~~RCW 46.16.505 are not required to pay license tab fees under this~~  
27 ~~section~~) For the purposes of this section, "license tab fees" are  
28 defined as the general fees paid annually for licensing motor vehicles,  
29 including but not limited to cars, sport utility vehicles, motorcycles,  
30 and motor homes. This fee shall be paid and collected annually and is  
31 due at the time of initial and renewal vehicle registration. Trailers  
32 licensed under RCW 46.16.068, 46.16.085, 46.04.620, or 46.04.623 and  
33 campers licensed under RCW 46.16.505 are not required to pay license  
34 tab fees under this section.

35 3) In any jurisdiction which imposes a nonvoter-approved vehicle  
36 fee after March 31, 2009, such as a transportation benefit district  
37 under RCW 36.73.065 or 82.80.140, license tab fees on motor vehicles in

1 that jurisdiction shall be set at twenty-five dollars minus the  
2 amount(s) of any nonvoter-approved vehicle fee(s).

3 **Sec. 3.** RCW 46.16.070 and 2005 c 314 s 204 are each amended to  
4 read as follows:

5 (1) In lieu of all other vehicle licensing fees, unless  
6 specifically exempt, and in addition to the mileage fees prescribed for  
7 buses and stages in RCW 46.16.125, there shall be paid and collected  
8 annually for each truck, motor truck, truck tractor, road tractor,  
9 tractor, bus, auto stage, or for hire vehicle with seating capacity of  
10 more than six, based upon the declared combined gross weight or  
11 declared gross weight under chapter 46.44 RCW, the following licensing  
12 fees by such gross weight:

	WEIGHT	SCHEDULE A	SCHEDULE B
13			
14	<del>((4,000 lbs.))</del> .....	\$ <del>((40.00))</del> .....	\$ <del>((40.00))</del>
15	<u>4,000 lbs.</u> .....	<u>25.00</u>	<u>25.00</u>
16	<del>((6,000 lbs.))</del> .....	\$ <del>((50.00))</del> .....	\$ <del>((50.00))</del>
17	<u>6,000 lbs.</u> .....	<u>25.00</u>	<u>25.00</u>
18	<del>((8,000 lbs.))</del> .....	\$ <del>((60.00))</del> .....	\$ <del>((60.00))</del>
19	<u>8,000 lbs.</u> .....	<u>25.00</u>	<u>25.00</u>
20	<del>((10,000 lbs.))</del> .....	\$ <del>((62.00))</del> .....	\$ <del>((62.00))</del>
21	<u>10,000 lbs.</u> .....	<u>25.00</u>	<u>25.00</u>
22	12,000 lbs.....	79.00.....	79.00
23	14,000 lbs.....	90.00.....	90.00
24	16,000 lbs.....	102.00.....	102.00
25	18,000 lbs.....	154.00.....	154.00
26	20,000 lbs.....	171.00.....	171.00
27	22,000 lbs.....	185.00.....	185.00
28	24,000 lbs.....	200.00.....	200.00
29	26,000 lbs.....	211.00.....	211.00
30	28,000 lbs.....	249.00.....	249.00
31	30,000 lbs.....	287.00.....	287.00
32	32,000 lbs.....	346.00.....	346.00
33	34,000 lbs.....	368.00.....	368.00
34	36,000 lbs.....	399.00.....	399.00
35	38,000 lbs.....	438.00.....	438.00
36	40,000 lbs.....	501.00.....	501.00
37	42,000 lbs.....	521.00.....	611.00
38	44,000 lbs.....	532.00.....	622.00
39	46,000 lbs.....	572.00.....	662.00
40	48,000 lbs.....	596.00.....	686.00
41	50,000 lbs.....	647.00.....	737.00
42	52,000 lbs.....	680.00.....	770.00
43	54,000 lbs.....	734.00.....	824.00
44	56,000 lbs.....	775.00.....	865.00
45	58,000 lbs.....	806.00.....	896.00

1	60,000 lbs.....	859.00.....	949.00
2	62,000 lbs.....	921.00.....	1011.00
3	64,000 lbs.....	941.00.....	1031.00
4	66,000 lbs.....	1048.00.....	1138.00
5	68,000 lbs.....	1093.00.....	1183.00
6	70,000 lbs.....	1177.00.....	1267.00
7	72,000 lbs.....	1259.00.....	1349.00
8	74,000 lbs.....	1368.00.....	1458.00
9	76,000 lbs.....	1478.00.....	1568.00
10	78,000 lbs.....	1614.00.....	1704.00
11	80,000 lbs.....	1742.00.....	1832.00
12	82,000 lbs.....	1863.00.....	1953.00
13	84,000 lbs.....	1983.00.....	2073.00
14	86,000 lbs.....	2104.00.....	2194.00
15	88,000 lbs.....	2225.00.....	2315.00
16	90,000 lbs.....	2346.00.....	2436.00
17	92,000 lbs.....	2466.00.....	2556.00
18	94,000 lbs.....	2587.00.....	2677.00
19	96,000 lbs.....	2708.00.....	2798.00
20	98,000 lbs.....	2829.00.....	2919.00
21	100,000 lbs.....	2949.00.....	3039.00
22	102,000 lbs.....	3070.00.....	3160.00
23	104,000 lbs.....	3191.00.....	3281.00
24	105,500 lbs.....	3312.00.....	3402.00

25        Schedule A applies to vehicles either used exclusively for hauling  
26 logs or that do not tow trailers. Schedule B applies to vehicles that  
27 tow trailers and are not covered under Schedule A.

28        Every truck, motor truck, truck tractor, and tractor exceeding  
29 ~~((6000))~~ 10,000 pounds empty scale weight registered under chapter  
30 46.16, 46.87, or 46.88 RCW shall be licensed for not less than one  
31 hundred fifty percent of its empty weight unless the amount would be in  
32 excess of the legal limits prescribed for such a vehicle in RCW  
33 46.44.041 or 46.44.042, in which event the vehicle shall be licensed  
34 for the maximum weight authorized for such a vehicle or unless the  
35 vehicle is used only for the purpose of transporting any well drilling  
36 machine, air compressor, rock crusher, conveyor, hoist, donkey engine,  
37 cook house, tool house, bunk house, or similar machine or structure  
38 attached to or made a part of such vehicle.

39        The following provisions apply when increasing gross or combined  
40 gross weight for a vehicle licensed under this section:

41        (a) The new license fee will be one-twelfth of the fee listed above  
42 for the new gross weight, multiplied by the number of months remaining  
43 in the period for which licensing fees have been paid, including the  
44 month in which the new gross weight is effective.

1 (b) Upon surrender of the current certificate of registration or  
2 cab card, the new licensing fees due shall be reduced by the amount of  
3 the licensing fees previously paid for the same period for which new  
4 fees are being charged.

5 (2) The proceeds from the fees collected under subsection (1) of  
6 this section shall be distributed in accordance with RCW 46.68.035.

7 (3) In lieu of the gross weight fee under subsection (1) of this  
8 section, farm vehicles may be licensed upon payment of the fee in  
9 effect under subsection (1) of this section on May 1, 2005. In order  
10 to qualify for the reduced fee under this subsection, the farm vehicle  
11 must be exempt from property taxes in accordance with RCW 84.36.630.  
12 The applicant must submit copies of the forms required under RCW  
13 84.36.630. The application for the reduced fee under this subsection  
14 shall require the applicant to attest that the vehicle shall be used  
15 primarily for farming purposes. The department shall provide licensing  
16 agents and subagents with a schedule of the appropriate licensing fees  
17 for farm vehicles.

18 **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR**  
19 **VEHICLES BY SETTING FILING FEES AT \$5 PER YEAR**

20 NEW SECTION. Sec. 4. RCW 46.01.140 and 2005 c 343 s 1 are each  
21 amended to read as follows:

22 1) The county auditor, if appointed by the director of licensing  
23 shall carry out the provisions of this title relating to the licensing  
24 of vehicles and the issuance of vehicle license number plates under the  
25 direction and supervision of the director and may with the approval of  
26 the director appoint assistants as special deputies and recommend  
27 subagents to accept applications and collect fees for vehicle licenses  
28 and transfers and to deliver vehicle license number plates.

29 (2) A county auditor appointed by the director may request that the  
30 director appoint subagencies within the county.

31 (a) Upon authorization of the director, the auditor shall use an  
32 open competitive process including, but not limited to, a written  
33 business proposal and oral interview to determine the qualifications of  
34 all interested applicants.

35 (b) A subagent may recommend a successor who is either the  
36 subagent's sibling, spouse, or child, or a subagency employee, as long  
37 as the recommended successor participates in the open, competitive

1 process used to select an applicant. In making successor  
2 recommendation and appointment determinations, the following provisions  
3 apply:

4 (i) If a subagency is held by a partnership or corporate entity,  
5 the nomination must be submitted on behalf of, and agreed to by, all  
6 partners or corporate officers.

7 (ii) No subagent may receive any direct or indirect compensation or  
8 remuneration from any party or entity in recognition of a successor  
9 nomination. A subagent may not receive any financial benefit from the  
10 transfer or termination of an appointment.

11 (iii) (a) and (b) of this subsection are intended to assist in the  
12 efficient transfer of appointments in order to minimize public  
13 inconvenience. They do not create a proprietary or property interest  
14 in the appointment.

15 (c) The auditor shall submit all proposals to the director, and  
16 shall recommend the appointment of one or more subagents who have  
17 applied through the open competitive process. The auditor shall  
18 include in his or her recommendation to the director, not only the name  
19 of the successor who is a relative or employee, if applicable and if  
20 otherwise qualified, but also the name of one other applicant who is  
21 qualified and was chosen through the open competitive process. The  
22 director has final appointment authority.

23 (3)(a) A county auditor who is appointed as an agent by the  
24 department shall enter into a standard contract provided by the  
25 director, developed with the advice of the title and registration  
26 advisory committee.

27 (b) A subagent appointed under subsection (2) of this section shall  
28 enter into a standard contract with the county auditor, developed with  
29 the advice of the title and registration advisory committee. The  
30 director shall provide the standard contract to county auditors.

31 (c) The contracts provided for in (a) and (b) of this subsection  
32 must contain at a minimum provisions that:

33 (i) Describe the responsibilities, and where applicable, the  
34 liability, of each party relating to the service expectations and  
35 levels, equipment to be supplied by the department, and equipment  
36 maintenance;

37 (ii) Require the specific type of insurance or bonds so that the  
38 state is protected against any loss of collected motor vehicle tax  
39 revenues or loss of equipment;

1 (iii) Specify the amount of training that will be provided by the  
2 state, the county auditor, or subagents;

3 (iv) Describe allowable costs that may be charged to vehicle  
4 licensing activities as provided for in (d) of this subsection;

5 (v) Describe the causes and procedures for termination of the  
6 contract, which may include mediation and binding arbitration.

7 (d) The department shall develop procedures that will standardize  
8 and prescribe allowable costs that may be assigned to vehicle licensing  
9 and vessel registration and title activities performed by county  
10 auditors.

11 (e) The contracts may include any provision that the director deems  
12 necessary to ensure acceptable service and the full collection of  
13 vehicle and vessel tax revenues.

14 (f) The director may waive any provisions of the contract deemed  
15 necessary in order to ensure that readily accessible service is  
16 provided to the citizens of the state.

17 (4)(a) At any time any application is made to the director, the  
18 county auditor, or other agent pursuant to any law dealing with  
19 licenses, registration, or the right to operate any vehicle or vessel  
20 upon the public highways or waters of this state, excluding applicants  
21 already paying such fee under RCW 46.16.070 or 46.16.085, the applicant  
22 shall pay to the director, county auditor, or other agent a fee of  
23 (~~three~~) five dollars for each application in addition to any other  
24 fees required by law.

25 (b) Counties that do not cover the expenses of vehicle licensing  
26 and vessel registration and title activities may submit to the  
27 department a request for cost-coverage moneys. The request must be  
28 submitted on a form developed by the department. The department shall  
29 develop procedures to verify whether a request is reasonable. Payment  
30 shall be made on requests found to be allowable from the licensing  
31 services account.

32 (c) Applicants for certificates of ownership, including applicants  
33 paying fees under RCW 46.16.070 or 46.16.085, shall pay to the  
34 director, county auditor, or other agent a fee of four dollars in  
35 addition to any other fees required by law.

36 (d) The fees under (a) and (c) of this subsection, if paid to the  
37 county auditor as agent of the director, or if paid to a subagent of  
38 the county auditor, shall be paid to the county treasurer in the same  
39 manner as other fees collected by the county auditor and credited to

1 the county current expense fund. If the fee is paid to another agent  
2 of the director, the fee shall be used by the agent to defray his or  
3 her expenses in handling the application.

4 (e) Applicants required to pay the (~~(three-dollar)~~) five-dollar fee  
5 established under (a) of this subsection, must (~~(pay an additional)~~)  
6 have seventy-five cents (~~(, which must be collected and)~~) of that fee  
7 remitted to the state treasurer and distributed as follows:

8 (i) Fifty cents must be deposited into the department of licensing  
9 services account of the motor vehicle fund and must be used for agent  
10 and subagent support, which is to include but not be limited to the  
11 replacement of department-owned equipment in the possession of agents  
12 and subagents.

13 (ii) Twenty-five cents must be deposited into the license plate  
14 technology account created under RCW 46.16.685.

15 (5) A subagent shall collect a service fee of (a) ten dollars for  
16 changes in a certificate of ownership, with or without registration  
17 renewal, or verification of record and preparation of an affidavit of  
18 lost title other than at the time of the title application or transfer  
19 and (b) four dollars for registration renewal only, issuing a transit  
20 permit, or any other service under this section.

21 (6) If the fee is collected by the state patrol as agent for the  
22 director, the fee so collected shall be certified to the state  
23 treasurer and deposited to the credit of the state patrol highway  
24 account. If the fee is collected by the department of transportation  
25 as agent for the director, the fee shall be certified to the state  
26 treasurer and deposited to the credit of the motor vehicle fund. All  
27 such fees collected by the director or branches of his office shall be  
28 certified to the state treasurer and deposited to the credit of the  
29 highway safety fund.

30 (7) Any county revenues that exceed the cost of providing vehicle  
31 licensing and vessel registration and title activities in a county,  
32 calculated in accordance with the procedures in subsection (3)(d) of  
33 this section, shall be expended as determined by the county legislative  
34 authority during the process established by law for adoption of county  
35 budgets.

36 (8) The director may adopt rules to implement this section.

37 **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR**  
38 **VEHICLES BY REPEALING VEHICLE FEES THAT EXCEED THE \$30 COMBINED**



1           **REGISTRATION FEE UNLESS THE FEES ARE APPROVED BY VOTERS AT**  
2   **AN ELECTION**

3           NEW SECTION.   **Sec. 5.**   The following acts or parts of acts are each  
4   repealed:

5           (1) RCW 46.17.010 (Vehicle weight fee--Motor vehicles, except motor  
6   homes) and 2006 c 337 s 9 & 2005 c 314 s 201; and

7           (2) RCW 46.17.020 (Vehicle weight fee--Motor homes) and 2005 c 314  
8   s 202.

9   **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR**  
10           **VEHICLES BY REPEALING VEHICLE TAXES THAT EXCEED THE \$30 COMBINED**  
11           **REGISTRATION FEE UNLESS THE TAXES ARE APPROVED BY VOTERS AT**  
12   **AN ELECTION**

13           **Sec. 6.**   RCW 82.08.020 and 2006 c 1 s 3 (Initiative Measure No.  
14   900, approved November 8, 2005) are each amended to read as follows:

15           (1) There is levied and there shall be collected a tax on each  
16   retail sale in this state equal to six and five-tenths percent of the  
17   selling price.

18           (2) There is levied and there shall be collected an additional tax  
19   on each retail car rental, regardless of whether the vehicle is  
20   licensed in this state, equal to five and nine-tenths percent of the  
21   selling price.   The revenue collected under this subsection shall be  
22   deposited in the multimodal transportation account created in RCW  
23   47.66.070.

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

30   ~~—(4) For purposes of subsection (3) of this section, "motor vehicle"~~  
31   ~~has the meaning provided in RCW 46.04.320, but does not include farm~~  
32   ~~tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,~~  
33   ~~off-road and nonhighway vehicles as defined in RCW 46.09.020, and~~  
34   ~~snowmobiles as defined in RCW 46.10.010.~~

35   ~~—(5))~~ Beginning on December 8, 2005, 0.16 percent of the taxes  
36   collected under subsection (1) of this section shall be dedicated to

1 funding comprehensive performance audits required under RCW 43.09.470.  
2 The revenue identified in this subsection shall be deposited in the  
3 performance audits of government account created in RCW 43.09.475.

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

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

8 **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR VEHICLES**  
9 **BY REPEALING VEHICLE FEE INCREASES THAT EXCEED THE \$30 COMBINED**  
10 **REGISTRATION FEE UNLESS THE FEE INCREASES ARE APPROVED BY**  
11 **VOTERS AT AN ELECTION**

12 **Sec. 7.** RCW 46.16.233 and 2003 c 361 s 501 and 2003 c 196 s 401  
13 are each reenacted and amended to read as follows:

14 (1) Except for those license plates issued under RCW 46.16.305(1)  
15 before January 1, 1987, under RCW 46.16.305(3), and to commercial  
16 vehicles with a gross weight in excess of twenty-six thousand pounds,  
17 effective with vehicle registrations due or to become due on January 1,  
18 2001, the appearance of the background of all vehicle license plates  
19 may vary in color and design but must be legible and clearly  
20 identifiable as a Washington state license plate, as designated by the  
21 department. Additionally, to ensure maximum legibility and  
22 reflectivity, the department shall periodically provide for the  
23 replacement of license plates, except for commercial vehicles with a  
24 gross weight in excess of twenty-six thousand pounds. Frequency of  
25 replacement shall be established in accordance with empirical studies  
26 documenting the longevity of the reflective materials used to make  
27 license plates.

28 (2) Special license plate series approved by the special license  
29 plate review board created under RCW 46.16.705 and enacted by the  
30 legislature may display a symbol or artwork approved by the special  
31 license plate review board.

32 (3) By November 1, 2003, in providing for the periodic replacement  
33 of license plates, the department shall offer to vehicle owners the  
34 option of retaining their current license plate numbers. The  
35 department shall charge a retention fee of ~~((twenty dollars))~~ fifty  
36 cents if this option is exercised. Revenue generated from the

1 retention fee must be deposited into the multimodal transportation  
2 account.

3 **Sec. 8.** RCW 46.16.237 and 2005 c 314 s 301 are each amended to  
4 read as follows:

5 All vehicle license number plates issued after January 1, 1968, or  
6 such earlier date as the director may prescribe with respect to plates  
7 issued in any county, shall be treated with fully reflectorized  
8 materials designed to increase the visibility and legibility of such  
9 plates at night. In addition to all other fees prescribed by law,  
10 there shall be paid and collected for each vehicle license number plate  
11 treated with such materials, the sum of (~~two dollars~~) fifty cents and  
12 for each set of two plates, the sum of (~~four~~) one dollar(~~s~~).  
13 However, one plate is available only to those vehicles that by law  
14 require only one plate. Such fees shall be deposited in the motor  
15 vehicle fund.

16 **Sec. 9.** RCW 46.16.270 and 2005 c 314 s 302 are each amended to  
17 read as follows:

18 The total replacement plate fee shall be deposited in the motor  
19 vehicle fund.

20 Upon the loss, defacement, or destruction of one or both of the  
21 vehicle license number plates issued for any vehicle where more than  
22 one plate was originally issued or where one or both have become so  
23 illegible or in such a condition as to be difficult to distinguish, or  
24 upon the owner's option, the owner of the vehicle shall make  
25 application for new vehicle license number plates upon a form furnished  
26 by the director. The application shall be filed with the director or  
27 the director's authorized agent, accompanied by the certificate of  
28 license registration of the vehicle and a fee in the amount of (~~ten~~  
29 ~~dollars~~) fifty cents per plate, whereupon the director, or the  
30 director's authorized agent, shall issue new vehicle license number  
31 plates to the applicant. It shall be accompanied by a fee of two  
32 dollars for a new motorcycle license number plate. In the event the  
33 director has issued license period tabs or a windshield emblem instead  
34 of vehicle license number plates, and upon the loss, defacement, or  
35 destruction of the tabs or windshield emblem, application shall be made  
36 on a form provided by the director and in the same manner as above  
37 described, and shall be accompanied by a fee of one dollar for each

1 pair of tabs or for each windshield emblem, whereupon the director  
2 shall issue to the applicant a duplicate pair of tabs, year tabs, and  
3 when necessary month tabs or a windshield emblem to replace those lost,  
4 defaced, or destroyed. For vehicles owned, rented, or leased by the  
5 state of Washington or by any county, city, town, school district, or  
6 other political subdivision of the state of Washington or United States  
7 government, or owned or leased by the governing body of an Indian tribe  
8 as defined in RCW 46.16.020, a fee shall be charged for replacement of  
9 a vehicle license number plate only to the extent required by the  
10 provisions of RCW 46.16.020, 46.16.237, and 46.01.140. For vehicles  
11 owned, rented, or leased by foreign countries or international bodies  
12 to which the United States government is a signatory by treaty, the  
13 payment of any fee for the replacement of a vehicle license number  
14 plate shall not be required.

15 **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR**  
16 **VEHICLES BY REQUIRING VEHICLE TAXES BE CALCULATED BASED ON THE**  
17 **VEHICLE'S PURCHASE PRICE AND NOT THE ARTIFICIALLY INFLATED**  
18 **MANUFACTURERS' SUGGESTED RETAIL PRICE (MSRP)**

19 **Sec. 10.** RCW 81.100.060 and 2006 c 311 s 15 are each amended to  
20 read as follows:

21 A county with a population of one million or more and a county with  
22 a population of from two hundred ten thousand to less than one million  
23 that is adjoining a county with a population of one million or more,  
24 having within their boundaries existing or planned high-occupancy  
25 vehicle lanes on the state highway system, or a regional transportation  
26 investment district, but only to the extent that the surcharge has not  
27 already been imposed by the county, may, with voter approval, impose a  
28 local surcharge of not more than three-tenths of one percent in the  
29 case of a county, or eight-tenths of one percent in the case of a  
30 regional transportation investment district, of the value on vehicles  
31 registered to a person residing within the county or investment  
32 district and not more than 13.64 percent on the state sales and use  
33 taxes paid under the rate in RCW 82.08.020(2) on retail car rentals  
34 within the county or investment district. A county may impose the  
35 surcharge only to the extent that it has not been imposed by the  
36 district. No surcharge may be imposed on vehicles licensed under RCW

1 46.16.070 except vehicles with an unladen weight of six thousand pounds  
2 or less, RCW 46.16.079, 46.16.085, or 46.16.090.

3 Counties or investment districts imposing a surcharge under this  
4 section shall contract, before the effective date of the resolution or  
5 ordinance imposing a surcharge, administration and collection to the  
6 state department of licensing, and department of revenue, as  
7 appropriate, which shall deduct a percentage amount, as provided by  
8 contract, not to exceed two percent of the taxes, for administration  
9 and collection expenses incurred by the department. All administrative  
10 provisions in chapters 82.03, 82.32, and 82.44 RCW shall, insofar as  
11 they are applicable to motor vehicle excise taxes, be applicable to  
12 surcharges imposed under this section. All administrative provisions  
13 in chapters 82.03, 82.08, 82.12, and 82.32 RCW shall, insofar as they  
14 are applicable to state sales and use taxes, be applicable to  
15 surcharges imposed under this section. A surcharge imposed under this  
16 section, or a change to the surcharge, shall take effect no sooner than  
17 seventy-five days after the department of licensing or the department  
18 of revenue receives notice of the surcharge or change to the surcharge,  
19 and shall take effect only on the first day of January, April, July, or  
20 October. Unless waived by the department of licensing or the  
21 department of revenue, notice includes providing the appropriate  
22 department with digital mapping and legal descriptions of areas in  
23 which the tax will be collected. If the tax authorized in RCW  
24 81.100.030 is also imposed, the total proceeds from tax sources imposed  
25 under this section and RCW 81.100.030 each year shall not exceed the  
26 maximum amount which could be collected under this section.

27 The valuation of motor vehicles for purposes of any tax or  
28 surcharge imposed under this section must be consistent with and abide  
29 by section 13 of this act to ensure an honest and accurate calculation  
30 of the tax.

31 **Sec. 11.** RCW 81.100.060 and 2006 c 318 s 2 are each amended to  
32 read as follows:

33 A county with a population of one million or more and a county with  
34 a population of from two hundred ten thousand to less than one million  
35 that is adjoining a county with a population of one million or more,  
36 having within their boundaries existing or planned high-occupancy  
37 vehicle lanes on the state highway system, or a regional transportation  
38 investment district for capital improvements, but only to the extent

1 that the surcharge has not already been imposed by the county, may,  
2 with voter approval, impose a local surcharge of not more than three-  
3 tenths of one percent of the value on vehicles registered to a person  
4 residing within the county and not more than 13.64 percent on the state  
5 sales and use taxes paid under the rate in RCW 82.08.020(2) on retail  
6 car rentals within the county or investment district. A county may  
7 impose the surcharge only to the extent that it has not been imposed by  
8 the district. No surcharge may be imposed on vehicles licensed under  
9 RCW 46.16.070 except vehicles with an unladen weight of six thousand  
10 pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

11 Counties or investment districts imposing a tax under this section  
12 shall contract, before the effective date of the resolution or  
13 ordinance imposing a surcharge, administration and collection to the  
14 state department of licensing, and department of revenue, as  
15 appropriate, which shall deduct an amount, as provided by contract, for  
16 administration and collection expenses incurred by the department. All  
17 administrative provisions in chapters 82.03, 82.32, and 82.44 RCW, as  
18 existing on January 1, 2006, shall, insofar as they are applicable to  
19 motor vehicle excise taxes, be applicable to surcharges imposed under  
20 this section before June 7, 2006. Motor vehicles subject to the local  
21 surcharge authorized in this section shall be administered in  
22 accordance with this act if the surcharge is first imposed on or after  
23 June 7, 2006. All administrative provisions in chapters 82.03, 82.08,  
24 82.12, and 82.32 RCW shall, insofar as they are applicable to state  
25 sales and use taxes, be applicable to surcharges imposed under this  
26 section. If the tax authorized in RCW 81.100.030 is also imposed, the  
27 total proceeds from tax sources imposed under this section and RCW  
28 81.100.030 each year shall not exceed the maximum amount which could be  
29 collected under this section.

30 The valuation of motor vehicles for purposes of any tax or  
31 surcharge imposed under this section must be consistent with and abide  
32 by section 13 of this act to ensure an honest and accurate calculation  
33 of the tax.

34 **Sec. 12.** RCW 36.120.050 and 2006 c 311 s 13 are each amended to  
35 read as follows:

36 (1) A regional transportation investment district planning  
37 committee may, as part of a regional transportation investment plan,  
38 recommend the imposition or authorization of some or all of the

1 following revenue sources, which a regional transportation investment  
2 district may impose or authorize upon approval of the voters as  
3 provided in this chapter:

4 (a) A regional sales and use tax, as specified in RCW 82.14.430, of  
5 up to 0.1 percent of the selling price, in the case of a sales tax, or  
6 value of the article used, in the case of a use tax, upon the  
7 occurrence of any taxable event in the regional transportation  
8 investment district;

9 (b) A local option vehicle license fee, as specified under RCW  
10 82.80.100, of up to one hundred dollars per vehicle registered in the  
11 district. As used in this subsection, "vehicle" means motor vehicle as  
12 defined in RCW 46.04.320. Certain classes of vehicles, as defined  
13 under chapter 46.04 RCW, may be exempted from this fee;

14 (c) A parking tax under RCW 82.80.030;

15 (d) A local motor vehicle excise tax under RCW 81.100.060;

16 (e) A local option fuel tax under RCW 82.80.120;

17 (f) An employer excise tax under RCW 81.100.030; and

18 (g) Vehicle tolls on new or reconstructed local or regional  
19 arterials or state or federal highways within the boundaries of the  
20 district, if the following conditions are met:

21 (i) Any such toll must be approved by the state transportation  
22 commission or its successor statewide tolling authority;

23 (ii) The regional transportation investment plan must identify the  
24 facilities that may be tolled; and

25 (iii) Unless otherwise specified by law, the department shall  
26 administer the collection of vehicle tolls on designated facilities,  
27 and the state transportation commission, or its successor, shall be the  
28 tolling authority.

29 (2) Taxes, fees, and tolls may not be imposed or authorized without  
30 an affirmative vote of the majority of the voters within the boundaries  
31 of the district voting on a ballot proposition as set forth in RCW  
32 36.120.070. Revenues from these taxes and fees may be used only to  
33 implement the plan as set forth in this chapter. A district may  
34 contract with the state department of revenue or other appropriate  
35 entities for administration and collection of any of the taxes or fees  
36 authorized in this section.

37 (3) Existing statewide motor vehicle fuel and special fuel taxes,  
38 at the distribution rates in effect on January 1, 2001, are not  
39 intended to be altered by this chapter.

1       (4) The valuation of motor vehicles for purposes of any motor  
2 vehicle surcharge imposed under RCW 81.100.060 must be consistent with  
3 and abide by section 13 of this act to ensure an honest and accurate  
4 calculation of the tax.

5       (5) The valuation of motor vehicles for purposes of any tax imposed  
6 under this section must be consistent with and abide by section 13 of  
7 this act to ensure an honest and accurate calculation of the tax.

8                   **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR**  
9                   **VEHICLES BY USING THE VEHICLE'S PURCHASE PRICE, NOT THE**  
10                   **DISHONEST, INACCURATE, AND ARTIFICIALLY INFLATED**  
11                   **MANUFACTURER'S SUGGESTED RETAIL PRICE (MSRP), TO CALCULATE**  
12                   **VEHICLE TAXES (VEHICLE FEES ARE NOT SUBJECT TO THIS SECTION)**

13       NEW SECTION. Sec. 13. A new section to chapter 82.44 RCW is added  
14 and reads as follows:

15       (1) A motor vehicle excise tax (vehicle fees are not subject to  
16 this section) must be calculated in an honest and accurate way so the  
17 burden on vehicle owners is not artificially inflated. For the purpose  
18 of determining any motor vehicle excise tax otherwise authorized by  
19 law, any taxing district imposing a motor vehicle excise tax must set  
20 a vehicle's taxable value by using the depreciation schedule set forth  
21 in this section. The taxable value equals the product of a percentage  
22 based on a vehicle's year of service, as provided in subsection (2) of  
23 this section, and the latest purchase price of the vehicle. The  
24 purchase price for year of service one shall be determined by the bill  
25 of sale provided by buyer and seller, subject to the exemptions,  
26 exceptions, and definitions provided by this section, and which must be  
27 affirmed by declaration by both parties. This ensures an honest and  
28 accurate calculation of the tax and, combined with the appeal process  
29 in RCW 82.44.065, ensures that vehicle owners are taxed fairly.

30       (2) For the purpose of determining the tax under this chapter, the  
31 value of a truck-type power or trailing unit, or motor vehicle,  
32 including a passenger vehicle, motorcycle, motor home, sport-utility  
33 vehicle, or light-duty truck shall be the latest purchase price of the  
34 vehicle, excluding applicable federal excise taxes, state and local  
35 sales or use taxes, transportation or shipping costs, or preparatory or  
36 delivery costs, multiplied by the following percentage based on year of



1 service of the vehicle since its most recent sale. The year in which  
2 a purchase occurs shall be considered a first year of service.

3	YEAR OF SERVICE	PERCENTAGE
4	1	100
5	2	75
6	3	55
7	4	40
8	5	25
9	6	10
10	7 and over	5

11 (3) The reissuance of title and registration for a truck-type power  
12 or trailing unit or motor vehicle, including a passenger vehicle,  
13 motorcycle, motor home, sport-utility vehicle, or light-duty truck  
14 because of the installation of body or special equipment shall be  
15 treated as a sale, and the latest purchase price of the truck-type  
16 power or trailing unit or motor vehicle, including a passenger vehicle,  
17 motorcycle, motor home, sport-utility vehicle, or light-duty truck at  
18 that time, as determined by the department from such information as may  
19 be available, shall be considered its base value.

20 (4) If the purchase price is unavailable or otherwise  
21 unascertainable or the reissuance of title and registration is the  
22 result of a gift or inheritance, the department shall determine a value  
23 equivalent to the latest purchase price by using any information that  
24 may be available, including any guidebook, report, or compendium of  
25 recognized standing in the automotive industry or the selling price and  
26 year of sale of the vehicle. The department may use an appraisal by  
27 the county assessor. In valuing a vehicle for which the current value  
28 or selling price is not indicative of the value of similar vehicles of  
29 the same year and model, the department shall establish a value that  
30 more closely represents the average value of similar vehicles of the  
31 same year and model.

32 (5) For purposes of this chapter, value shall exclude value  
33 attributable to modifications of a motor vehicle and equipment that are  
34 designed to facilitate the use or operation of the motor vehicle by a  
35 person with disability.

36 NEW SECTION. **Sec. 14.** RCW 82.44.035 (Valuation of vehicles) and  
37 2006 c 318 s 1 are hereby repealed.

1       **Sec. 15.** RCW 82.44.065 and 2006 c 318 s 5 are each amended to read  
2 as follows:

3       If the department determines a value for a motor vehicle  
4 (~~equivalent to a manufacturer's base suggested retail price~~) under  
5 section 13 of this act or the value of a truck-type power or trailing  
6 unit under (~~RCW 82.44.035~~) section 13 of this act, any person who  
7 pays a locally imposed tax for that vehicle may appeal the valuation to  
8 the department under chapter 34.05 RCW. If the taxpayer is successful  
9 on appeal, the department shall refund the excess tax in the manner  
10 provided in RCW 82.44.120. This ensures an honest and accurate  
11 calculation of the tax.

12       **Sec. 16.** RCW 81.104.160 and 2003 c 1 s 6 are each amended to read  
13 as follows:

14       An agency may impose a sales and use tax solely for the purpose of  
15 providing high capacity transportation service, in addition to the tax  
16 authorized by RCW 82.14.030, upon retail car rentals within the  
17 agency's jurisdiction that are taxable by the state under chapters  
18 82.02 and 82.12 RCW. The rate of tax shall not exceed 2.172 percent.  
19 The base of the tax shall be the selling price in the case of a sales  
20 tax or the rental value of the vehicle used in the case of a use tax.

21       Any motor vehicle excise tax (~~previously~~) imposed under (~~the~~  
22 ~~provisions of RCW 81.104.160(1)~~) any previously existing version of  
23 this section shall be (~~repealed, terminated and expire on December 5,~~  
24 ~~2002~~) discontinued as provided in section 17 of this act.

25                   **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO MOTOR**  
26                   **VEHICLES BY ELIMINATING OR REDUCING VOTER-REPEALED**  
27                   **VEHICLE TAXES**

28       NEW SECTION.   **Sec. 17.** A new section is added to chapter 81.112  
29 RCW to read as follows:

30       An authority must fully retire or defease any outstanding bonds by  
31 March 31, 2009, if: (1) The bonds have pledged the motor vehicle  
32 excise tax imposed under a previously existing version of RCW  
33 81.104.160; and (2) the bonds, by virtue of the terms of the bond  
34 contract, covenants, or similar terms, may be defeased or retired early  
35 at the authority's discretion. To defease the outstanding bonds, the  
36 authority must set aside with a trustee or escrow agent and pledge for

1 that purpose cash and/or nonmalleable government obligations sufficient  
2 to redeem and retire such bonds. The authority may use funds from the  
3 sale or liquidation of liquid assets, including cash reserves and short  
4 term investments and securities, and, if necessary, the sale of other  
5 assets. The pledged motor vehicle excise tax shall not be collected  
6 after March 31, 2009, or the date the bonds have been fully retired or  
7 defeased, whichever occurs first.

8 **MISCELLANEOUS**

9 NEW SECTION. **Sec. 18.** The provisions of this act are to be  
10 liberally construed to effectuate the intent, policies, and purposes of  
11 this act.

12 NEW SECTION. **Sec. 19.** If any provision of this act or its  
13 application to any person or circumstance is held invalid, the  
14 remainder of the act or the application of the provision to other  
15 persons or circumstances is not affected. If the repeal or reduction  
16 of any tax or fee in this act is judicially held to impair any contract  
17 in existence as of the effective date of this section, the repeal of  
18 pledged revenues shall apply to any other contract, including novation,  
19 renewal, or refunding (in the case of bond contract).

20 NEW SECTION. **Sec. 20.** If a taxing district continues to collect  
21 tax revenue from a tax or fee that is repealed, reduced, or eliminated  
22 by this act, for any reason, including reliance on a judicial  
23 determination that such taxes or fees may continue to be collected, and  
24 a court rules subsequently that the continued collection of tax or fee  
25 revenues was unlawful, taxpayers are entitled to a refund of the tax or  
26 fee paid plus eighteen percent annualized interest (calculated from the  
27 effective date of this measure to the date the refunds are sent) on the  
28 refund amount due to vehicle owners, plus litigation costs and  
29 attorneys fees reasonably incurred in seeking refunds. For an  
30 authority under RCW 81.112 referenced in section 17, the calculation  
31 will be from March 31, 2009 to the date the refunds are sent.

32 The people find that taxpayers deserve to be compensated when state  
33 or local governments continue to collect taxes or fees illegally.

1        NEW SECTION.    **Sec. 21.**    Subheadings used in this act are not any  
2 part of the law.

3        NEW SECTION.    **Sec. 22.**    This act shall be called "Car Tabs:    \$30  
4 Plus Whatever Amount Voters Approve".

5        NEW SECTION.    **Sec. 23.**    Section 5 of this act shall take effect  
6 March 31, 2009, unless these specific vehicle fees are referred to and  
7 approved by the voters at an election prior to March 31, 2009. To  
8 qualify for this exception, the voters must be provided with a specific  
9 opportunity for approval or rejection of this specific vehicle fee  
10 taxing authority; no tax, fee, or tax-and-fee package is permitted.

11       NEW SECTION.    **Sec. 24.**    Section 6 of this act shall take effect  
12 March 31, 2009, unless this specific vehicle tax is referred to and  
13 approved by the voters at an election prior to March 31, 2009. To  
14 qualify for this exception, the voters must be provided with a specific  
15 opportunity for approval or rejection of this specific vehicle taxing  
16 authority; no tax, fee, or tax-and-fee package is permitted.

17       NEW SECTION.    **Sec. 25.**    Sections 7, 8, and 9 of this act shall take  
18 effect March 31, 2009, unless these specific vehicle fees are referred  
19 to and approved by the voters at an election prior to March 31, 2009.  
20 To qualify for this exception, the voters must be provided with a  
21 specific opportunity for approval or rejection of this specific vehicle  
22 fee taxing authority; no tax, fee, or tax-and-fee package is permitted.

23       NEW SECTION.    **Sec. 26.**    Except for sections 5 through 9 of this  
24 act, this act takes effect December 10, 2008.

--- END ---