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## INITIATIVE 392

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. 392 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, 82.08.020,  
3 46.16.233, 46.16.237, 46.16.270, 81.100.060, 81.11.060, 36.120.050,  
4 82.44.065, and 81.104.160; adding a new section to chapter 82.44 RCW;  
5 adding a new section to chapter 81.112 RCW; creating new sections;  
6 repealing RCW 46.17.010, 46.17.020, and 82.44.035; providing an  
7 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 voter-  
16 approved initiatives. It's not fair and it must stop. As long as  
17 taxpayers must pay a huge general sales tax to buy a vehicle (meaning  
18 state and local governments receive huge windfalls of sales tax revenue  
19 from these transactions) and pay a huge gas tax to use a vehicle, the  
20 people find that the government is not entitled to a "third bite of the

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

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

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

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

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

34 **LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO**  
35 **MOTOR VEHICLES BY REPEALING VEHICLE FEES ABOVE THE \$25**  
36 **REGISTRATION FEE UNLESS THE HIGHER FEES ARE APPROVED BY VOTERS AT**

AN ELECTION

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

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

WEIGHT	SCHEDULE A	SCHEDULE B
<del>((4,000 lbs.))</del> .....	\$ <del>((40.00))</del> .....	\$ <del>((40.00))</del>
<u>4,000 lbs.</u>	<u>25.00</u>	<u>25.00</u>
<del>((6,000 lbs.))</del> .....	\$ <del>((50.00))</del> .....	\$ <del>((50.00))</del>
<u>6,000 lbs.</u>	<u>25.00</u>	<u>25.00</u>
<del>((8,000 lbs.))</del> .....	\$ <del>((60.00))</del> .....	\$ <del>((60.00))</del>
<u>8,000 lbs.</u>	<u>25.00</u>	<u>25.00</u>
<del>((10,000 lbs.))</del> .....	\$ <del>((62.00))</del> .....	\$ <del>((62.00))</del>
<u>10,000 lbs.</u>	<u>25.00</u>	<u>25.00</u>
12,000 lbs.....	79.00.....	79.00
14,000 lbs.....	90.00.....	90.00
16,000 lbs.....	102.00.....	102.00
18,000 lbs.....	154.00.....	154.00
20,000 lbs.....	171.00.....	171.00
22,000 lbs.....	185.00.....	185.00
24,000 lbs.....	200.00.....	200.00
26,000 lbs.....	211.00.....	211.00
28,000 lbs.....	249.00.....	249.00
30,000 lbs.....	287.00.....	287.00
32,000 lbs.....	346.00.....	346.00
34,000 lbs.....	368.00.....	368.00
36,000 lbs.....	399.00.....	399.00
38,000 lbs.....	438.00.....	438.00
40,000 lbs.....	501.00.....	501.00
42,000 lbs.....	521.00.....	611.00
44,000 lbs.....	532.00.....	622.00
46,000 lbs.....	572.00.....	662.00
48,000 lbs.....	596.00.....	686.00
50,000 lbs.....	647.00.....	737.00
52,000 lbs.....	680.00.....	770.00
54,000 lbs.....	734.00.....	824.00
56,000 lbs.....	775.00.....	865.00
58,000 lbs.....	806.00.....	896.00
60,000 lbs.....	859.00.....	949.00
62,000 lbs.....	921.00.....	1011.00

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

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

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

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

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

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

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

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

**LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO  
MOTOR VEHICLES BY REPEALING VEHICLE FEES THAT EXCEED THE \$25  
REGISTRATION FEE UNLESS THE FEES ARE APPROVED BY VOTERS AT  
AN ELECTION**

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

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

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

**LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO  
MOTOR VEHICLES BY REPEALING VEHICLE TAXES THAT EXCEED THE \$25  
REGISTRATION FEE UNLESS THE TAXES ARE APPROVED BY VOTERS AT  
AN ELECTION**

**Sec. 5.** RCW 82.08.020 and 2006 c 1 s 3 (Initiative Measure No. 900, approved November 8, 2005) are each amended to read as follows:

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

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

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

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

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

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

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

**LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO  
MOTOR VEHICLES BY REPEALING VEHICLE FEE INCREASES THAT EXCEED  
THE \$25 REGISTRATION FEE UNLESS THE FEE INCREASES ARE  
APPROVED BY VOTERS AT AN ELECTION**

**Sec. 6.** RCW 46.16.233 and 2003 c 361 s 501 and 2003 c 196 s 401 are each reenacted and amended to read as follows:

(1) Except for those license plates issued under RCW 46.16.305(1) before January 1, 1987, under RCW 46.16.305(3), and to commercial

vehicles with a gross weight in excess of twenty-six thousand pounds, effective with vehicle registrations due or to become due on January 1, 2001, the appearance of the background of all vehicle license plates may vary in color and design but must be legible and clearly identifiable as a Washington state license plate, as designated by the department. Additionally, to ensure maximum legibility and reflectivity, the department shall periodically provide for the replacement of license plates, except for commercial vehicles with a gross weight in excess of twenty-six thousand pounds. Frequency of replacement shall be established in accordance with empirical studies documenting the longevity of the reflective materials used to make license plates.

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

(3) By November 1, 2003, in providing for the periodic replacement of license plates, the department shall offer to vehicle owners the option of retaining their current license plate numbers. The department shall charge a retention fee of (~~twenty dollars~~) fifty cents if this option is exercised. Revenue generated from the retention fee must be deposited into the multimodal transportation account.

**Sec. 7.** RCW 46.16.237 and 2005 c 314 s 301 are each amended to read as follows:

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

**Sec. 8.** RCW 46.16.270 and 2005 c 314 s 302 are each amended to read as follows:

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

Upon the loss, defacement, or destruction of one or both of the vehicle license number plates issued for any vehicle where more than one plate was originally issued or where one or both have become so illegible or in such a condition as to be difficult to distinguish, or upon the owner's option, the owner of the vehicle shall make application for new vehicle license number plates upon a form furnished by the director. The application shall be filed with the director or the director's authorized agent, accompanied by the certificate of license registration of the vehicle and a fee in the amount of (~~ten dollars~~) fifty cents per plate, whereupon the director, or the director's authorized agent, shall issue new vehicle license number plates to the applicant. It shall be accompanied by a fee of two dollars for a new motorcycle license number plate. In the event the director has issued license period tabs or a windshield emblem instead of vehicle license number plates, and upon the loss, defacement, or destruction of the tabs or windshield emblem, application shall be made on a form provided by the director and in the same manner as above described, and shall be accompanied by a fee of one dollar for each pair of tabs or for each windshield emblem, whereupon the director shall issue to the applicant a duplicate pair of tabs, year tabs, and when necessary month tabs or a windshield emblem to replace those lost, defaced, or destroyed. For vehicles owned, rented, or leased by the state of Washington or by any county, city, town, school district, or other political subdivision of the state of Washington or United States government, or owned or leased by the governing body of an Indian tribe as defined in RCW 46.16.020, a fee shall be charged for replacement of a vehicle license number plate only to the extent required by the provisions of RCW 46.16.020, 46.16.237, and 46.01.140. For vehicles owned, rented, or leased by foreign countries or international bodies to which the United States government is a signatory by treaty, the payment of any fee for the replacement of a vehicle license number plate shall not be required.

**LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO  
MOTOR VEHICLES BY REQUIRING VEHICLE TAXES BE CALCULATED BASED**



**ON THE VEHICLE'S PURCHASE PRICE AND NOT THE ARTIFICIALLY INFLATED  
MANUFACTURERS' SUGGESTED RETAIL PRICE (MSRP)**

**Sec. 9.** RCW 81.100.060 and 2006 c 311 s 15 are each amended to read as follows:

A county with a population of one million or more and a county with a population of from two hundred ten thousand to less than one million that is adjoining a county with a population of one million or more, having within their boundaries existing or planned high-occupancy vehicle lanes on the state highway system, or a regional transportation investment district, but only to the extent that the surcharge has not already been imposed by the county, may, with voter approval, impose a local surcharge of not more than three-tenths of one percent in the case of a county, or eight-tenths of one percent in the case of a regional transportation investment district, of the value on vehicles registered to a person residing within the county or investment district and not more than 13.64 percent on the state sales and use taxes paid under the rate in RCW 82.08.020(2) on retail car rentals within the county or investment district. A county may impose the surcharge only to the extent that it has not been imposed by the district. No surcharge may be imposed on vehicles licensed under RCW 46.16.070 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

Counties or investment districts imposing a surcharge under this section shall contract, before the effective date of the resolution or ordinance imposing a surcharge, administration and collection to the state department of licensing, and department of revenue, as appropriate, which shall deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes, for administration and collection expenses incurred by the department. All administrative provisions in chapters 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to motor vehicle excise taxes, be applicable to surcharges imposed under this section. All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to state sales and use taxes, be applicable to surcharges imposed under this section. A surcharge imposed under this section, or a change to the surcharge, shall take effect no sooner than seventy-five days after the department of licensing or the department of revenue receives notice of the surcharge or change to the surcharge,

and shall take effect only on the first day of January, April, July, or October. Unless waived by the department of licensing or the department of revenue, notice includes providing the appropriate department with digital mapping and legal descriptions of areas in which the tax will be collected. If the tax authorized in RCW 81.100.030 is also imposed, the total proceeds from tax sources imposed under this section and RCW 81.100.030 each year shall not exceed the maximum amount which could be collected under this section.

The valuation of motor vehicles for purposes of any tax or surcharge imposed under this section must be consistent with and abide by section 12 of this act to ensure an honest and accurate calculation of the tax.

**Sec. 10.** RCW 81.100.060 and 2006 c 318 s 2 are each amended to read as follows:

A county with a population of one million or more and a county with a population of from two hundred ten thousand to less than one million that is adjoining a county with a population of one million or more, having within their boundaries existing or planned high-occupancy vehicle lanes on the state highway system, or a regional transportation investment district for capital improvements, but only to the extent that the surcharge has not already been imposed by the county, may, with voter approval, impose a local surcharge of not more than three-tenths of one percent of the value on vehicles registered to a person residing within the county and not more than 13.64 percent on the state sales and use taxes paid under the rate in RCW 82.08.020(2) on retail car rentals within the county or investment district. A county may impose the surcharge only to the extent that it has not been imposed by the district. No surcharge may be imposed on vehicles licensed under RCW 46.16.070 except vehicles with an unladen weight of six thousands pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

Counties or investment districts imposing a tax under this section shall contract, before the effective date of the resolution or ordinance imposing a surcharge, administration and collection to the state department of licensing, and department of revenue, as appropriate, which shall deduct an amount, as provided by contract, for administration and collection expenses incurred by the department. All administrative provisions in chapters 82.03, 82.32, and 82.44 RCW, as existing on January 1, 2006, shall, insofar as they are applicable to

motor vehicle excise taxes, be applicable to surcharges imposed under this section before June 7, 2006. Motor vehicles subject to the local surcharge authorized in this section shall be administered in accordance with this act if the surcharge is first imposed on or after June 7, 2006. All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to state sales and use taxes, be applicable to surcharges imposed under this section. If the tax authorized in RCW 81.100.030 is also imposed, the total proceeds from tax sources imposed under this section and RCW 81.100.030 each year shall not exceed the maximum amount which could be collected under this section.

The valuation of motor vehicles for purposes of any tax or surcharge imposed under this section must be consistent with and abide by section 12 of this act to ensure an honest and accurate calculation of the tax.

**Sec. 11.** RCW 36.120.050 and 2006 c 311 s 13 are each amended to read as follows:

(1) A regional transportation investment district planning committee may, as part of a regional transportation investment plan, recommend the imposition or authorization of some or all of the following revenue sources, which a regional transportation investment district may impose or authorize upon approval of the voters as provided in this chapter:

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

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

- (c) A parking tax under RCW 82.80.030;
- (d) A local motor vehicle excise tax under RCW 81.100.060;
- (e) A local option fuel tax under RCW 82.80.120;
- (f) An employer excise tax under RCW 81.100.030; and

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

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

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

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

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

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

(4) The valuation of motor vehicles for purposes of any motor vehicle surcharge imposed under RCW 81.100.060 must be consistent with and abide by section 12 of this act to ensure an honest and accurate calculation of the tax.

(5) The valuation of motor vehicles for purposes of any tax imposed under this section must be consistent with and abide by section 12 of this act to ensure an honest and accurate calculation of the tax.

**LIMITING GOVERNMENT-IMPOSED CHARGES RELATING TO  
MOTOR VEHICLES BY USING THE VEHICLE'S PURCHASE PRICE, NOT THE  
DISHONEST, INACCURATE, AND ARTIFICIALLY INFLATED  
MANUFACTURER'S SUGGESTED RETAIL PRICE (MSRP), TO CALCULATE  
VEHICLE TAXES**

NEW SECTION. **Sec. 12.** A new section to chapter 82.44 RCW is added and reads as follows:

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

(2) For the purpose of determining the tax under this chapter, the value of a truck-type power or trailing unit, or motor vehicle, including a passenger vehicle, motorcycle, motor home, sport-utility vehicle, or light-duty truck shall be the latest purchase price of the vehicle, excluding applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the following percentage based on year of service of the vehicle since its most recent sale. The year in which a purchase occurs shall be considered a first year of service.

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

(3) The reissuance of title and registration for a truck-type power or trailing unit or motor vehicle, including a passenger vehicle, motorcycle, motor home, sport-utility vehicle, or light-duty truck because of the installation of body or special equipment shall be treated as a sale, and the latest purchase price of the truck-type power or trailing unit or motor vehicle, including a passenger vehicle, motorcycle, motor home, sport-utility vehicle, or light-duty truck at

that time, as determined by the department from such information as may be available, shall be considered its base value.

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

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

NEW SECTION. **Sec. 13.** RCW 82.44.035 (Valuation of vehicles) and 2006 c 318 s 1 are hereby repealed.

**Sec. 14.** RCW 82.44.065 and 2006 c 318 s 5 are each amended to read as follows:

If the department determines a value for a motor vehicle (~~(equivalent to a manufacturer's base suggested retail price)~~) under section 12 of this act or the value of a truck-type power or trailing unit under (~~(RCW 82.44.035)~~) section 12 of this act, any person who pays a locally imposed tax for that vehicle may appeal the valuation to the department under chapter 34.05 RCW. If the taxpayer is successful on appeal, the department shall refund the excess tax in the manner provided in RCW 82.44.120. This ensures an honest and accurate calculation of the tax.

**Sec. 15.** RCW 81.104.160 and 2003 c 1 s 6 are each amended to read as follows:

An agency may impose a sales and use tax solely for the purpose of providing high capacity transportation service, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the

agency's jurisdiction that are taxable by the state under chapters 82.02 and 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The base of the tax shall be the selling price in the case of a sales tax or the rental value of the vehicle used in the case of a use tax.

Any motor vehicle excise tax (~~((previously))~~) imposed under (~~((the provisions of RCW 81.104.160(1))~~) any previously existing version of this section shall be (~~((repealed, terminated and expire on December 5, 2002))~~) discontinued as provided in section 16 of this act.

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

NEW SECTION. **Sec. 16.** A new section is added to chapter 81.112 RCW to read as follows:

An authority must fully retire or defease any outstanding bonds by March 31, 2009, if: (1) The bonds have pledged the motor vehicle excise tax imposed under a previously existing version of RCW 81.104.160; and (2) the bonds, by virtue of the terms of the bond contract, covenants, or similar terms, may be defeased or retired early at the authority's discretion. To defease the outstanding bonds, the authority must set aside with a trustee or escrow agent and pledge for that purpose cash and/or nonmalleable government obligations sufficient to redeem and retire such bonds. The authority may use funds from the sale or liquidation of liquid assets, including cash reserves and short term investments and securities, and, if necessary, the sale of other assets. The pledged motor vehicle excise tax shall not be collected after March 31, 2009, or the date the bonds have been fully retired or defeased, whichever occurs first.

**MISCELLANEOUS**

NEW SECTION. **Sec. 17.** The provisions of this act are to be liberally construed to effectuate the intent, policies, and purposes of this act.

NEW SECTION. **Sec. 18.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other

persons or circumstances is not affected. If the repeal or reduction of any tax or fee in this act is judicially held to impair any contract in existence as of the effective date of this section, the repeal of pledged revenues shall apply to any other contract, including novation, renewal, or refunding (in the case of bond contract).

NEW SECTION. **Sec. 19.** If a taxing district continues to collect tax revenue from a tax or fee that is repealed, reduced, or eliminated by this act, for any reason, including reliance on a judicial determination that such taxes or fees may continue to be collected, and a court rules subsequently that the continued collection of tax or fee revenues was unlawful, taxpayers are entitled to a refund of the tax or fee paid plus eighteen percent annualized interest (calculated from the effective date of this measure to the date the refunds are sent) on the refund amount due to vehicle owners, plus litigation costs and attorneys fees reasonably incurred in seeking refunds. For an authority under RCW 81.112 referenced in section 16, the calculation will be from March 31, 2009 to the date the refunds are sent.

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

NEW SECTION. **Sec. 20.** Subheadings used in this act are not any part of the law.

NEW SECTION. **Sec. 21.** This act shall be called "Car Tabs: \$25 Plus Whatever Amount Voters Approve".

NEW SECTION. **Sec. 22.** Section 4 of this act shall take effect March 31, 2009, unless these specific vehicle fees are referred to and approved by the voters at an election prior to March 31, 2009. To qualify for this exception, the voters must be provided with a specific opportunity for approval or rejection of this specific vehicle fee taxing authority; no tax, fee, or tax-and-fee package is permitted.

NEW SECTION. **Sec. 23.** Section 5 of this act shall take effect March 31, 2009, unless this specific vehicle tax is referred to and approved by the voters at an election prior to March 31, 2009. To qualify for this exception, the voters must be provided with a specific



opportunity for approval or rejection of this specific vehicle taxing authority; no tax, fee, or tax-and-fee package is permitted.

NEW SECTION. **Sec. 24.** Sections 6, 7, and 8 of this act shall take effect March 31, 2009, unless these specific vehicle fees are referred to and approved by the voters at an election prior to March 31, 2009. To qualify for this exception, the voters must be provided with a specific opportunity for approval or rejection of this specific vehicle fee taxing authority; no tax, fee, or tax-and-fee package is permitted.

NEW SECTION. **Sec. 25.** Except for sections 4 through 8 of this act, this act takes effect December 10, 2008.

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