

**CHAPTER 1**

[Initiative 776]

**LICENSE TAB FEES**

AN ACT Relating to limiting government-imposed charges on motor vehicles; amending RCW 46.16.0621, 46.16.070, 35.58.273, and 81.104.160; creating new sections; and repealing RCW 35.58.274, 35.58.275, 35.58.276, 35.58.277, 35.58.278, 82.44.041, 82.44.110, 82.44.150, and 82.80.020.

Be it enacted by the People of the State of Washington:

**POLICIES AND PURPOSES**

**NEW SECTION. Sec. 1.** This measure would require license tab fees to be \$30 per year for motor vehicles and light trucks and would repeal certain government-imposed charges, including excise taxes and fees, levied on motor vehicles. Politicians promised "\$30 license tabs are here to stay" and promised any increases in vehicle-related taxes, fees and surcharges would be put to a public vote. Politicians should keep their promises. As long as taxpayers must pay incredibly high sales taxes when buying motor vehicles (meaning state and local governments receive huge windfalls of sales tax revenue from these transactions), the people want license tab fees to not exceed the promised \$30 per year. Without this follow-up measure, "tab creep" will continue until license tab fees are once again obscenely expensive, as they were prior to Initiative 695. The people want a public vote on any increases in vehicle-related taxes, fees and surcharges to ensure increased accountability. Voters will require more cost-effective use of existing revenues and fundamental reforms before approving higher charges on motor vehicles (such changes may remove the need for any increases). Also, dramatic changes to transportation plans and programs previously presented to voters must be resubmitted. This measure provides a strong directive to all taxing districts to obtain voter approval before imposing taxes, fees and surcharges on motor vehicles. However, if the legislature ignores this clear message, a referendum will be filed to protect the voters' rights. Politicians should just do the right thing and keep their promises.

**REQUIRING LICENSE TAB FEES TO NOT EXCEED \$30 PER YEAR FOR MOTOR VEHICLES**

**Sec. 2.** RCW 46.16.0621 and 2000 1st sp.s. c 1 s 1 are each amended to read as follows:

(1) License tab fees (~~(shall be thirty dollars)~~) are required to be \$30 per year for motor vehicles, regardless of year, value, make, or model (~~(, beginning January 1, 2000)~~).

(2) For the purposes of this section, "license tab fees" are defined as the general fees paid annually for licensing motor vehicles, including cars, sport utility vehicles, motorcycles, and motor homes.

**REQUIRING LICENSE TAB FEES TO NOT EXCEED \$30 PER YEAR FOR LIGHT TRUCKS (HEAVY TRUCKS AND TRAILERS WILL**

**CONTINUE TO BE BASED ON GROSS WEIGHT AT THE RATES LISTED BELOW)**

**Sec. 3.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to read as follows:

(1) In lieu of all other vehicle licensing fees, unless specifically exempt, and in addition to the ~~((excise tax prescribed in chapter 82.44 RCW and 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 thereof pursuant to the provisions of chapter 46.44 RCW, the following licensing fees by such gross weight:

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs. ....	\$ <del>((37.00))</del> ..... \$ <del>((37.00))</del>	\$ <del>((37.00))</del>
	<u>30.00</u>	<u>30.00</u>
6,000 lbs. ....	\$ <del>((44.00))</del> ..... \$ <del>((44.00))</del>	\$ <del>((44.00))</del>
	<u>30.00</u>	<u>30.00</u>
8,000 lbs. ....	\$ <del>((55.00))</del> ..... \$ <del>((55.00))</del>	\$ <del>((55.00))</del>
	<u>30.00</u>	<u>30.00</u>
10,000 lbs. ....	\$ 62.00 ..... \$ 62.00	\$ 62.00
12,000 lbs. ....	\$ 72.00 ..... \$ 72.00	\$ 72.00
14,000 lbs. ....	\$ 82.00 ..... \$ 82.00	\$ 82.00
16,000 lbs. ....	\$ 92.00 ..... \$ 92.00	\$ 92.00
18,000 lbs. ....	\$ 137.00 ..... \$ 137.00	\$ 137.00
20,000 lbs. ....	\$ 152.00 ..... \$ 152.00	\$ 152.00
22,000 lbs. ....	\$ 164.00 ..... \$ 164.00	\$ 164.00
24,000 lbs. ....	\$ 177.00 ..... \$ 177.00	\$ 177.00
26,000 lbs. ....	\$ 187.00 ..... \$ 187.00	\$ 187.00
28,000 lbs. ....	\$ 220.00 ..... \$ 220.00	\$ 220.00
30,000 lbs. ....	\$ 253.00 ..... \$ 253.00	\$ 253.00
32,000 lbs. ....	\$ 304.00 ..... \$ 304.00	\$ 304.00
34,000 lbs. ....	\$ 323.00 ..... \$ 323.00	\$ 323.00
36,000 lbs. ....	\$ 350.00 ..... \$ 350.00	\$ 350.00
38,000 lbs. ....	\$ 384.00 ..... \$ 384.00	\$ 384.00
40,000 lbs. ....	\$ 439.00 ..... \$ 439.00	\$ 439.00
42,000 lbs. ....	\$ 456.00 ..... \$ 546.00	\$ 546.00
44,000 lbs. ....	\$ 466.00 ..... \$ 556.00	\$ 556.00
46,000 lbs. ....	\$ 501.00 ..... \$ 591.00	\$ 591.00
48,000 lbs. ....	\$ 522.00 ..... \$ 612.00	\$ 612.00
50,000 lbs. ....	\$ 566.00 ..... \$ 656.00	\$ 656.00
52,000 lbs. ....	\$ 595.00 ..... \$ 685.00	\$ 685.00
54,000 lbs. ....	\$ 642.00 ..... \$ 732.00	\$ 732.00
56,000 lbs. ....	\$ 677.00 ..... \$ 767.00	\$ 767.00
58,000 lbs. ....	\$ 704.00 ..... \$ 794.00	\$ 794.00
60,000 lbs. ....	\$ 750.00 ..... \$ 840.00	\$ 840.00
62,000 lbs. ....	\$ 804.00 ..... \$ 894.00	\$ 894.00
64,000 lbs. ....	\$ 822.00 ..... \$ 912.00	\$ 912.00
66,000 lbs. ....	\$ 915.00 ..... \$ 1,005.00	\$ 1,005.00
68,000 lbs. ....	\$ 954.00 ..... \$ 1,044.00	\$ 1,044.00
70,000 lbs. ....	\$ 1,027.00 ..... \$ 1,117.00	\$ 1,117.00
72,000 lbs. ....	\$ 1,098.00 ..... \$ 1,188.00	\$ 1,188.00
74,000 lbs. ....	\$ 1,193.00 ..... \$ 1,283.00	\$ 1,283.00
76,000 lbs. ....	\$ 1,289.00 ..... \$ 1,379.00	\$ 1,379.00

78,000 lbs. ....	\$ 1,407.00 .....	\$ 1,497.00
80,000 lbs. ....	\$ 1,518.00 .....	\$ 1,608.00
82,000 lbs. ....	\$ 1,623.00 .....	\$ 1,713.00
84,000 lbs. ....	\$ 1,728.00 .....	\$ 1,818.00
86,000 lbs. ....	\$ 1,833.00 .....	\$ 1,923.00
88,000 lbs. ....	\$ 1,938.00 .....	\$ 2,028.00
90,000 lbs. ....	\$ 2,043.00 .....	\$ 2,133.00
92,000 lbs. ....	\$ 2,148.00 .....	\$ 2,238.00
94,000 lbs. ....	\$ 2,253.00 .....	\$ 2,343.00
96,000 lbs. ....	\$ 2,358.00 .....	\$ 2,448.00
98,000 lbs. ....	\$ 2,463.00 .....	\$ 2,553.00
100,000 lbs. ....	\$ 2,568.00 .....	\$ 2,658.00
102,000 lbs. ....	\$ 2,673.00 .....	\$ 2,763.00
104,000 lbs. ....	\$ 2,778.00 .....	\$ 2,868.00
105,500 lbs. ....	\$ 2,883.00 .....	\$ 2,973.00

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 6,000 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.

**REPEALING THE REMAINING MOTOR VEHICLE EXCISE TAX WHICH THE LEGISLATURE FAILED TO FULLY REPEAL**

**Sec. 4.** RCW 35.58.273 and 1998 c 321 s 25 are each amended to read as follows:

(1) ~~((A municipality is authorized to levy and collect a special excise tax not exceeding .725 percent on the value, as determined under chapter 82.44 RCW, of every motor vehicle owned by a resident of such municipality for the privilege of using such motor vehicle provided that in no event shall the tax be less than one dollar and, subject to RCW 82.44.150 (3) and (4), the amount of such tax shall be credited against the amount of the excise tax levied by the state under RCW 82.44.020(1).))~~ Before utilization of any ~~((excise))~~ tax moneys

collected under authorization of this section for acquisition of right of way or construction of a mass transit facility on a separate right of way the municipality shall adopt rules affording the public an opportunity for "corridor public hearings" and "design public hearings" as herein defined, which rule shall provide in detail the procedures necessary for public participation in the following instances: (a) Prior to adoption of location and design plans having a substantial social, economic or environmental effect upon the locality upon which they are to be constructed or (b) on such mass rapid transit systems operating on a separate right of way whenever a substantial change is proposed relating to location or design in the adopted plan. In adopting rules the municipality shall adhere to the provisions of the Administrative Procedure Act.

(2) A "corridor public hearing" is a public hearing that: (a) Is held before the municipality is committed to a specific mass transit route proposal, and before a route location is established; (b) is held to afford an opportunity for participation by those interested in the determination of the need for, and the location of, the mass rapid transit system; (c) provides a public forum that affords a full opportunity for presenting views on the mass rapid transit system route location, and the social, economic and environmental effects on that location and alternate locations: PROVIDED, That such hearing shall not be deemed to be necessary before adoption of an overall mass rapid transit system plan by a vote of the electorate of the municipality.

(3) A "design public hearing" is a public hearing that: (a) Is held after the location is established but before the design is adopted; and (b) is held to afford an opportunity for participation by those interested in the determination of major design features of the mass rapid transit system; and (c) provides a public forum to afford a full opportunity for presenting views on the mass rapid transit system design, and the social, economic, environmental effects of that design and alternate designs.

(4) A municipality (~~imposing a tax under subsection (1) of this section~~) may (~~also~~) impose a sales and use tax, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the municipality that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax shall not exceed 1.944 percent. (~~The rate of tax imposed under this subsection shall bear the same ratio to the 1.944 percent rate authorized that the rate imposed under subsection (1) of this section bears to the rate authorized under subsection (1) of this section.~~) The base of the tax 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. The tax imposed under this section shall be deducted from the amount of tax otherwise due under RCW 82.08.020(2). The revenue collected under this (~~subsection~~) section shall be collected and distributed in the same manner as (~~special~~ excise) sales and use taxes under (~~subsection (1) of this section~~) chapter 82.14 RCW.

Any motor vehicle (special) excise tax previously imposed under the provisions of RCW 35.58.273 shall be repealed, terminated and expire on the effective date of this act.

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

(1) RCW 35.58.274 (Public transportation systems—Motor vehicles exempt from tax) and 1985 c 7 s 100 & 1969 ex.s. c 255 s 9;

(2) RCW 35.58.275 (Public transportation systems—Provisions of motor vehicle excise tax chapter applicable) and 1969 ex.s. c 255 s 10;

(3) RCW 35.58.276 (Public transportation systems—When tax due and payable—Collection) and 1971 ex.s. c 199 s 1 & 1969 ex.s. c 255 s 11;

(4) RCW 35.58.277 (Public transportation systems—Remittance of tax by county auditor) and 1979 c 158 s 91 & 1969 ex.s. c 255 s 12;

(5) RCW 35.58.278 (Public transportation systems—Distribution of tax) and 1975 1st ex.s. c 270 s 2, 1974 ex.s. c 54 s 1, & 1969 ex.s. c 255 s 13;

(6) RCW 82.44.041 (Valuation of vehicles) and 1998 c 321 s 4 & 1990 c 42 s 303;

(7) RCW 82.44.110 (Disposition of revenue) and 1998 c 321 s 5, 1997 c 338 s 68, & 1997 c 149 s 911; and

(8) RCW 82.44.150 (Apportionment and distribution of motor vehicle excise taxes generally) and 1999 c 94 s 30, 1998 c 321 s 6, 1995 2nd sp.s. c 14 s 538, 1994 c 241 s 1, & 1993 c 491 s 2.

## REPEALING THE LOCAL MOTOR VEHICLE EXCISE TAX

**Sec. 6.** RCW 81.104.160 and 1998 c 321 s 35 are each amended to read as follows:

~~((1) Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, and regional transit authorities may submit an authorizing proposition to the voters, and if approved, may levy and collect an excise tax, at a rate approved by the voters, but not exceeding eighty one hundredths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of the taxing district, solely for the purpose of providing high capacity transportation service. In any county imposing a motor vehicle excise tax surcharge pursuant to RCW 81.100.060, the maximum tax rate under this section shall be reduced to a rate equal to eighty one hundredths of one percent on the value less the equivalent motor vehicle excise tax rate of the surcharge imposed pursuant to RCW 81.100.060. This rate shall not apply to 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.~~

~~((2)) An agency ((imposing a tax under subsection (1) of this section)) may ((also)) 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 82.08 and 82.12 RCW. The rate of tax shall not exceed 2.172 percent. ((The rate of tax imposed under this subsection shall bear the same ratio to the 2.172 percent rate authorized that the rate imposed under subsection (1) of this section bears to the rate authorized under subsection (1) of this section.)) The base of the tax 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. ((The revenue collected under this subsection shall be used in the same manner as excise taxes under subsection (1) of this section.))~~

Any motor vehicle excise tax previously imposed under the provisions of RCW 81.104.160(1) shall be repealed, terminated and expire on the effective date of this act.

**LEGISLATIVE INTENT RELATING TO OUTSTANDING BONDS**

**NEW SECTION. Sec. 7.** If the repeal of taxes in section 6 of this act affects any bonds previously issued for any purpose relating to light rail, the people expect transit agencies to retire these bonds using reserve funds including accrued interest, sale of property or equipment, new voter approved tax revenues, or any combination of these sources of revenue. Taxing districts should abstain from further bond sales for any purpose relating to light rail until voters decide this measure. The people encourage transit agencies to put another tax revenue measure before voters if they want to continue with a light rail system dramatically changed from that previously represented to and approved by voters.

**REPEALING THE LOCAL OPTION VEHICLE LICENSE FEE**

**NEW SECTION. Sec. 8.** RCW 82.80.020 (Vehicle license fee—Exemptions—Limitations) and 2001 c 64 s 15, 2000 c 103 s 20, 1998 c 281 s 1, 1996 c 139 s 4, 1993 c 60 s 1, 1991 c 318 s 13, & 1990 c 42 s 206 are each repealed.

**CONSTRUCTION CLAUSE**

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

**SEVERABILITY CLAUSE**

**NEW SECTION. Sec. 10.** 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 of taxes in section 6 of this act is judicially held to impair any contract in existence as of the effective date of this act, the repeal shall apply to any other contract, including novation, renewal, or refunding (in the case of bond contract).

**LEGISLATIVE INTENT**

**NEW SECTION. Sec. 11.** The people have made clear through the passage of numerous initiatives and referenda that taxes need to be reasonable and tax increases should always be a last resort. However, politicians throughout the state of Washington continue to ignore these repeated mandates.

The people expect politicians to keep their promises. The legislative intent of this measure is to ensure that they do.

Politicians are reminded:

(1) Washington voters want license tab fees to be \$30 per year for motor vehicles unless voters authorize higher vehicle-related charges at an election.

(2) All political power is vested in the people, as stated in Article I, section 1 of the Washington state Constitution.

(3) The first power reserved by the people is the initiative, as stated in Article II, section 1 of the Washington state Constitution.

(4) When voters approve initiatives, politicians have a moral, ethical, and constitutional obligation to fully implement them. When politicians ignore this obligation, they corrupt the term "public servant."

(5) Any attempt to violate the clear intent and spirit of this measure undermines the trust of the people in their government and will increase the likelihood of future tax limitation measures.

Originally filed in Office of Secretary of State January 7, 2002.

Approved by the People of the State of Washington in the General Election on November 5, 2002.

## CHAPTER 2

[Initiative 790]

### LAW ENFORCEMENT, FIRE FIGHTERS' RETIREMENT SYSTEM

AN ACT Relating to the law enforcement officers' and fire fighters' retirement system, plan 2; adding new sections to chapter 41.26 RCW; creating new sections; and providing an effective date.

Be it enacted by the People of the State of Washington:

**NEW SECTION. Sec. 1. OVERVIEW.** The law enforcement officers' and fire fighters' retirement system plan 2 is currently subject to policymaking by the legislature's joint committee on pension policy with ratification by the members of the legislature and is administered by the department of retirement systems.

Members of the plan have no direct input into the management of their retirement program. Forty-six other states currently have member representation in their pension management. This act is intended to give management of the retirement program to the people whose lives are directly affected by it and who provide loyal and valiant service to ensure the health, safety, and welfare of the citizens of the state of Washington.

**NEW SECTION. Sec. 2. INTENT.** It is the intent of this act to:

(1) Establish a board of trustees responsible for the adoption of actuarial standards to be applied to the plan;

(2) Provide for additional benefits for fire fighters and law enforcement officers subject to the cost limitations provided for in this act;

(3) Exercise fiduciary responsibility in the oversight of those pension management functions assigned to the board;

(4) Provide effective monitoring of the plan by providing an annual report to the legislature, to the members and beneficiaries of the plan, and to the public;

(5) Establish contribution rates for employees, employers, and the state of Washington that will guaranty viability of the plan, subject to the limitations provided for in this act;

(6) Provide for an annual budget and to pay costs from the trust, as part of the normal cost of the plan; and

(7) Enable the board of trustees to retain professional and technical advisors as necessary for the fulfillment of their statutory responsibilities.

**NEW SECTION. Sec. 3. DEFINITIONS.** The definitions in this section apply throughout this act unless the context clearly requires otherwise.

(1) "Member" or "beneficiary" means:

(a) Current and future law enforcement officers and fire fighters who are contributing to the plan;