

SENATE BILL REPORT

SB 5573

As of February 6, 2023

Title: An act relating to expanding vehicle licensing options to include quarterly or semiannual registrations.

Brief Description: Expanding vehicle licensing options to include quarterly or semiannual registrations.

Sponsors: Senators Fortunato and Nobles.

Brief History:

Committee Activity: Transportation: 2/06/23.

Brief Summary of Bill

- Requires that a vehicle owner in the geographic boundaries of a regional transit authority that is imposing a motor vehicle excise tax must be provided an optional ability to pay their initial registration or renewal on a quarterly or semiannual basis beginning May 1, 2024.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Bryon Moore (786-7726)

Background: Renewal Vehicle Registration. Motor vehicles used on public highways must, generally, be registered annually with the Department of Licensing (DOL). Payment of all fees and taxes required by law for the vehicle registration renewal is due at the time of application for renewal.

Motor Vehicle Taxes and Fees. Most vehicles, such as passenger cars, motorcycles, sports utility vehicles, tow trucks, and cabs, are subject to a \$30 annual registration fee; an annual weight fee of \$35 to \$82 based on the scale weight of the vehicle; and other fees totaling \$13.25. In lieu of the vehicle annual registration fee and weight fees, trucks, including light

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duty trucks, are subject to a license fee based on gross vehicle weight. For light duty trucks, which are those trucks under 10,000 pounds, the current annual license fees by weight range from \$63 to \$103. There are also fees and charges based on where the vehicle is registered geographically and whether the vehicle qualifies for a fee based on vehicle type, such as electric vehicles and motor homes.

Electric and Hybrid Vehicle Fees. In addition to any other fees due at annual vehicle registration renewal, an electric or hybrid vehicle using at least one method of propulsion capable of being reenergized by an external source of electricity and capable of traveling at least 30 miles using only battery power, powered by electricity, are subject to two electric vehicle fees that total \$150. These same vehicles are also subject to an annual \$75 transportation electrification fee. An annual \$75 hybrid vehicle transportation electrification fee is imposed on hybrid and alternative fuel vehicles that do not pay the electric vehicle fees or the transportation electrification fee. These fee are collected at the time of vehicle registration renewal.

Transportation Benefit District Vehicle Fees. A transportation benefit district (TBD) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for acquiring, constructing, improving, providing, and funding transportation improvements within the TBD. A TBD may impose a vehicle fee up to \$20 annually with a majority vote of the governing body; up to \$40 upon a majority vote of the governing body if a \$20 fee has been in effect for at least 24 months; or up to \$50 upon a majority vote of the governing body if a \$40 fee has been in effect for at least 24 months. Any license fees over these amounts, up to \$100, must be approved by a simple majority of voters.

Regional Transit Authority Motor Vehicle Excise Tax. A regional transit authority (RTA) is authorized to use its tax revenues to plan, construct, and operate high-capacity transportation, such as express bus service and light rail. There is currently one RTA—Sound Transit—which operates light rail, commuter rail, and express bus service in Puget Sound. A motor vehicle excise tax (MVET) is a tax paid on the value of a motor vehicle. Sound Transit currently imposes a 1.1 percent MVET at the time of vehicle registration. Sound Transit is the only local agency currently imposing a MVET to develop and operate a high capacity transit system.

Summary of Bill: Beginning May 1, 2024, a vehicle owner in the geographic boundaries of an RTA that is imposing a MVET must be given the option to pay their initial registration or renewal on a quarterly or semiannual basis.

Appropriation: None.

Fiscal Note: Requested on January 31, 2023.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is an innovative approach to solving a major problem, particularly for people in the Sound Transit area. This provides an opportunity for people to have additional options based on the personal needs and circumstances. This dovetails with the road usage charge where DOL will have to set up individual payments. Some individuals need these options given the high cost of their car tabs.

OTHER: If the Legislature wants to allow payment options, we can implement the policy. However, it should be recognized this is a significant change. There are other alternatives that the Department of Licensing would be happy to discuss.

Persons Testifying: PRO: Senator Phil Fortunato, Prime Sponsor; Bryce Yadon, Transportation Choices Coalition.

OTHER: Beau Perschbacher, WA Dept. of Licensing.

Persons Signed In To Testify But Not Testifying: No one.