
SENATE BILL 6098

State of Washington

65th Legislature

2018 Regular Session

By Senator Ranker

Prefiled 01/05/18.

1 AN ACT Relating to reducing climate altering emissions from light
2 duty vehicles; amending RCW 35.92.355, 43.19.648, 70.120A.010,
3 82.08.809, and 82.12.809; adding a new section to chapter 35.92 RCW;
4 adding a new section to chapter 54.16 RCW; creating new sections; and
5 declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that because the
8 transportation sector is the source of more than forty percent of the
9 state's greenhouse gas emissions, the state must accelerate the
10 transition to vehicles that operate on fuels other than gasoline and
11 diesel. Particularly in Washington, with its electrical system
12 predominantly fueled by hydropower and other renewable energy
13 sources, electric vehicles are associated with nearly zero-carbon
14 emissions and a rapid uptake of such vehicles in the state's fleet of
15 passenger cars and light duty trucks can make a dramatic contribution
16 to reducing the state's emissions. In addition, electric vehicles do
17 not emit hydrocarbon and other toxic and conventional pollutants that
18 are associated with vehicles operating on gasoline and diesel fuel,
19 and therefore have enormous advantages in reducing public health and
20 environmental impacts, in addition to the climate mitigation
21 benefits.

1 The legislature further finds that programs for electrification
2 of transportation have the potential to allow electric utilities to
3 optimize the use of electric grid infrastructure, improve the
4 management of electric loads, and better manage the integration of
5 variable renewable energy and energy storage resources. Depending
6 upon each utility's unique circumstances, transportation
7 electrification programs may provide cost-effective energy
8 efficiency, more efficient use of energy resources, and more
9 efficient use of electric distribution system resources and
10 infrastructure. This energy efficiency may result in cost savings and
11 benefits for all ratepayers.

12 The legislature finds that as with traditional energy
13 conservation programs that provide financing for more efficient use
14 of energy in existing buildings and structures, programs that
15 directly provide for electrification of transportation or that
16 provide financing of such electrification have the potential to
17 enable utilities and their customers to achieve more efficient use of
18 electricity and the electric distribution system infrastructure.

19 For these reasons, the legislature intends to drive toward an
20 accelerated uptake of electric vehicles in two ways: First, state
21 agencies will lead by acquiring electric vehicles at a pace that
22 exceeds the projected uptake statewide over the next decade; and
23 second, Washington citizens will have a greater choice in purchasing
24 electric vehicles with the adoption of standards requiring
25 manufacturers to offer more vehicles for sale in the state,
26 consistent with an option available under the federal clean air act
27 adopted in a dozen states, including California and Oregon.

28 **Sec. 2.** RCW 35.92.355 and 1993 c 204 s 5 are each amended to
29 read as follows:

30 (1) The conservation of energy in all forms and by every possible
31 means is found and declared to be a public purpose of highest
32 priority. The legislature further finds and declares that all
33 municipal corporations, quasi municipal corporations, and other
34 political subdivisions of the state which are engaged in the
35 generation, sale, or distribution of energy should be granted the
36 authority to develop and carry out programs which will conserve
37 resources, reduce waste, and encourage more efficient use of energy
38 and energy infrastructure by consumers and utilities.

1 (2) In order to establish the most effective statewide program
2 for energy conservation and energy infrastructure efficiency, the
3 legislature hereby encourages any company, corporation, or
4 association engaged in selling or furnishing utility services to
5 assist their customers in the acquisition and installation of
6 materials and equipment, for compensation or otherwise, for the
7 conservation ((~~or~~)) and more efficient use of energy and energy
8 infrastructure, including electric vehicle supply equipment. The use
9 of appropriate tree plantings for energy conservation is encouraged
10 as part of these programs.

11 (3) The legislature finds that utilities that are traditionally
12 responsible for providing electric service to customers, and for
13 understanding and engineering the electrical grid for safety and
14 reliability, must be engaged in the electrification of the
15 transportation system. The legislature further finds that it has
16 given utilities other policy authority to promote energy conservation
17 activities, which do not make the benefits of building out electric
18 vehicle supply equipment, as well as any subsequent increase in
19 energy consumption, readily apparent. Therefore, it is the intent of
20 the legislature to provide clear authority for utilities to engage in
21 and promote the build out of electric vehicle infrastructure,
22 provided that this engagement and promotion is found to be cost-
23 effective for utilities' electric ratepayers.

24 NEW SECTION. Sec. 3. A new section is added to chapter 35.92
25 RCW to read as follows:

26 (1) The governing body of a city or town engaged in the
27 generation, sale, or distribution of energy may adopt a
28 transportation electrification plan that, at a minimum, establishes a
29 finding regarding the cost-effectiveness of utility engagement in and
30 promotion of the build out of electric vehicle infrastructure for its
31 electric ratepayers.

32 (2) If the governing body of the city or town finds that these
33 activities would be cost-effective as determined under subsection (1)
34 of this section, a city or town engaged in the generation, sale, or
35 distribution of energy and that has four hundred thousand or more
36 customers may, within limits established by the Constitution of the
37 state of Washington:

1 (a) Assist its customers in financing the acquisition and
2 installation of materials and equipment, for compensation or
3 otherwise, for the electrification of transportation; and

4 (b) Offer programs, services, or investments in the
5 electrification of transportation for its customers.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 54.16
7 RCW to read as follows:

8 (1) The commission of a district may adopt a transportation
9 electrification plan that, at a minimum, establishes a finding
10 regarding the cost-effectiveness of the district's engagement in and
11 promotion of the build out of electric vehicle infrastructure for its
12 electric ratepayers.

13 (2) If the commission of the district finds that these activities
14 would be cost-effective as determined under subsection (1) of this
15 section, a district may, within limits established by the
16 Constitution of the state of Washington:

17 (a) Assist its customers in financing the acquisition and
18 installation of materials and equipment, for compensation or
19 otherwise, for the electrification of transportation; and

20 (b) Offer programs, services, or investments in the
21 electrification of transportation for its customers.

22 **Sec. 5.** RCW 43.19.648 and 2013 c 328 s 1 are each amended to
23 read as follows:

24 (1)(a) Each state agency and institution of higher education
25 operating more than ten passenger vehicles and light duty trucks must
26 meet the following goals to acquire electric vehicles as a percentage
27 of the agency's fleet:

28 (i) At least twenty-five percent by January 1, 2024; and

29 (ii) At least fifty percent by January 1, 2030.

30 (b) This subsection (1) applies notwithstanding any conflicting
31 provision of subsections (2) through (8) of this section or rules
32 adopted thereunder.

33 (2) Effective June 1, 2015, all state agencies, to the extent
34 determined practicable by the rules adopted by the department of
35 commerce pursuant to RCW 43.325.080, are required to satisfy one
36 hundred percent of their fuel usage for operating publicly owned
37 vessels, vehicles, and construction equipment from electricity or
38 biofuel. Compressed natural gas, liquefied natural gas, or propane

1 may be substituted for electricity or biofuel if the department of
2 commerce determines that electricity and biofuel are not reasonably
3 available.

4 ~~((+2))~~ (3)(a) Effective June 1, 2018, all local government
5 subdivisions of the state, to the extent determined practicable by
6 the rules adopted by the department of commerce pursuant to RCW
7 43.325.080, are required to satisfy one hundred percent of their fuel
8 usage for operating publicly owned vessels, vehicles, and
9 construction equipment from electricity or biofuel. The department of
10 commerce shall convene an advisory committee of representatives of
11 local government subdivisions, representatives from organizations
12 representing each local government subdivision, and either (i) an
13 electric utility or (ii) a natural gas utility, or both, to work with
14 the department to develop the rules. The department may invite
15 additional stakeholders to participate in the advisory committee as
16 needed and determined by the department.

17 (b) The following are exempt from this requirement: (i) Transit
18 agencies using compressed natural gas on June 1, 2018, and (ii)
19 engine retrofits that would void warranties. Nothing in this section
20 is intended to require the replacement of equipment before the end of
21 its useful life. Compressed natural gas, liquefied natural gas, or
22 propane may be substituted for electricity or biofuel if the
23 department of commerce determines that electricity and biofuel are
24 not reasonably available.

25 (c)(i) Rules adopted pursuant to RCW 43.325.080 must provide the
26 authority for local government subdivisions to elect to exempt
27 police, fire, and other emergency response vehicles, including
28 utility vehicles frequently used for emergency response, from the
29 fuel usage requirement in (a) of this subsection.

30 (ii) Prior to executing its authority under (c)(i) of this
31 subsection, a local government subdivision must provide notice to the
32 department of commerce of the exemption. The notice must include the
33 rationale for the exemption and an explanation of how the exemption
34 is consistent with rules adopted by the department of commerce.

35 (d) Before June 1, 2018, local government subdivisions purchasing
36 vessels, vehicles, and construction equipment capable of using
37 biodiesel must request warranty protection for the highest level of
38 biodiesel the vessel, vehicle, or construction equipment is capable
39 of using, up to one hundred percent biodiesel, as long as the costs

1 are reasonably equal to a vessel, vehicle, or construction equipment
2 that is not warranted to use up to one hundred percent biodiesel.

3 ~~((3))~~ (4) In order to phase in this transition for the state,
4 all state agencies, to the extent determined practicable by the
5 department of commerce by rules adopted pursuant to RCW 43.325.080,
6 are required to achieve forty percent fuel usage for operating
7 publicly owned vessels, vehicles, and construction equipment from
8 electricity or biofuel by June 1, 2013. Compressed natural gas,
9 liquefied natural gas, or propane may be substituted for electricity
10 or biofuel if the department of commerce determines that electricity
11 and biofuel are not reasonably available. The department of
12 enterprise services, in consultation with the department of commerce,
13 shall report to the governor and the legislature by December 1, 2013,
14 on what percentage of the state's fuel usage is from electricity or
15 biofuel.

16 ~~((4))~~ (5) Except for cars owned or operated by the Washington
17 state patrol, when tires on vehicles in the state's motor vehicle
18 fleet are replaced, they must be replaced with tires that have the
19 same or better rolling resistance as the original tires.

20 ~~((5))~~ (6) By December 31, 2015, the state must, to the extent
21 practicable, install electrical outlets capable of charging electric
22 vehicles in each of the state's fleet parking and maintenance
23 facilities.

24 ~~((6))~~ (7) The department of transportation's obligations under
25 subsection ~~((3))~~ (4) of this section are subject to the
26 availability of amounts appropriated for the specific purpose
27 identified in subsection ~~((3))~~ (4) of this section.

28 ~~((7))~~ (8) The department of transportation's obligations under
29 subsection ~~((5))~~ (6) of this section are subject to the
30 availability of amounts appropriated for the specific purpose
31 identified in subsection ~~((5))~~ (7) of this section unless the
32 department receives federal or private funds for the specific purpose
33 identified in subsection ~~((5))~~ (6) of this section.

34 ~~((8) The definitions in this subsection apply throughout this
35 section unless the context clearly requires otherwise.~~

36 ~~(a) "Battery charging station" means an electrical component
37 assembly or cluster of component assemblies designed specifically to
38 charge batteries within electric vehicles, which meet or exceed any
39 standards, codes, and regulations set forth by chapter 19.28 RCW and
40 consistent with rules adopted under RCW 19.27.540.~~

1 ~~(b) "Battery exchange station" means a fully automated facility~~
2 ~~that will enable an electric vehicle with a swappable battery to~~
3 ~~enter a drive lane and exchange the depleted battery with a fully~~
4 ~~charged battery through a fully automated process, which meets or~~
5 ~~exceeds any standards, codes, and regulations set forth by chapter~~
6 ~~19.28 RCW and consistent with rules adopted under RCW 19.27.540.)~~)

7 **Sec. 6.** RCW 70.120A.010 and 2010 c 76 s 1 are each amended to
8 read as follows:

9 (1) Pursuant to the federal clean air act, the legislature adopts
10 the California motor vehicle emission standards in Title 13 of the
11 California Code of Regulations, effective January 1, 2005, except as
12 provided in this chapter. The department of ecology shall adopt rules
13 to implement the emission standards of the state of California for
14 passenger cars, light duty trucks, and medium duty (~~passenger~~)
15 vehicles, and shall amend the rules from time to time, to maintain
16 consistency with the California motor vehicle emission standards and
17 42 U.S.C. Sec. 7507 (section 177 of the federal clean air act).
18 (~~Notwithstanding other provisions of this chapter, the department of~~
19 ~~ecology shall not adopt the zero emission vehicle program regulations~~
20 ~~contained in Title 13 section 1962 of the California Code of~~
21 ~~Regulations effective January 1, 2005. During rule development, the~~
22 ~~department of ecology shall convene an advisory group composed of~~
23 ~~industry and consumer group representatives. Any proposed rules or~~
24 ~~changes to rules shall be subject to review and comment by the~~
25 ~~advisory group, prior to rule adoption.)~~) The order of adoption for
26 the rules required in this section shall include the signature of the
27 governor. The rules shall be effective only for those model years for
28 which the state of Oregon has adopted the California motor vehicle
29 emission standards. This section does not limit the department of
30 ecology's authority to regulate motor vehicle emissions for any other
31 class of vehicle.

32 (2) Motor vehicles with a model year equal to or later than the
33 first model year for which new vehicles sold to Washington state
34 residents are required to comply with California motor vehicle
35 emission standards are exempt from emission inspections under chapter
36 70.120 RCW.

37 (3) The provisions of this chapter do not apply with respect to
38 the use by a resident of this state of a motor vehicle acquired and

1 used while the resident is a member of the armed services and is
2 stationed outside this state pursuant to military orders.

3 NEW SECTION. **Sec. 7.** This section is the tax preference
4 performance statement for the tax preferences contained in section 8,
5 chapter . . . , Laws of 2018 (section 8 of this act). The performance
6 statement is only intended to be used for subsequent evaluation of
7 the tax preference. It is not intended to create a private right of
8 action by any party or be used to determine eligibility for
9 preferential tax treatment.

10 (1) The legislature categorizes the tax preference as one
11 intended to induce certain designated behavior by taxpayers, as
12 indicated in RCW 82.32.808(2)(a).

13 (2) It is the legislature's specific public policy objective to
14 increase the use of clean alternative fuel vehicles in Washington. It
15 is the legislature's intent to make permanent the existing sales and
16 use tax exemption on certain clean alternative fuel vehicles in order
17 to reduce the price charged to customers for clean alternative fuel
18 vehicles.

19 (3) To measure the effectiveness of the tax preferences in
20 section 8, chapter . . . , Laws of 2018 (section 8 of this act) in
21 achieving the public policy objectives described in subsection (2) of
22 this section, the joint legislative audit and review committee must
23 evaluate the number of clean alternative fuel vehicles titled in the
24 state in calendar year 2023.

25 (4) In order to obtain the data necessary to perform the review
26 in subsection (3) of this section, the department of licensing must
27 provide data needed for the joint legislative audit and review
28 committee analysis. In addition to the data source described under
29 this subsection, the joint legislative audit and review committee may
30 use any other data it deems necessary.

31 **Sec. 8.** RCW 82.08.809 and 2016 sp.s. c 32 s 2 are each amended
32 to read as follows:

33 (1)(a) Except as provided in subsection (4) of this section, the
34 tax levied by RCW 82.08.020 does not apply to sales of new passenger
35 cars, light duty trucks, and medium duty passenger vehicles, which
36 (i) are exclusively powered by a clean alternative fuel or (ii) use
37 at least one method of propulsion that is capable of being

1 reenergized by an external source of electricity and are capable of
2 traveling at least thirty miles using only battery power.

3 (b) Beginning with sales made or lease agreements signed on or
4 after July 1, 2016, the exemption in this section is only applicable
5 for up to thirty-two thousand dollars of a vehicle's selling price or
6 the total lease payments made plus the selling price of the leased
7 vehicle (~~(if the original lessee purchases the leased vehicle before~~
8 ~~the expiration of the exemption as described in subsection (6) of~~
9 ~~this section)~~).

10 (2) The seller must keep records necessary for the department to
11 verify eligibility under this section.

12 (3) As used in this section, "clean alternative fuel" means
13 natural gas, propane, hydrogen, or electricity, when used as a fuel
14 in a motor vehicle that meets the California motor vehicle emission
15 standards in Title 13 of the California code of regulations,
16 effective January 1, 2005, and the rules of the Washington state
17 department of ecology.

18 (4)(a) A sale, other than a lease, of a vehicle identified in
19 subsection (1)(a) of this section made on or after July 15, 2015, and
20 before July 1, 2016, is not exempt from sales tax as described under
21 subsection (1) of this section if the selling price of the vehicle
22 plus trade-in property of like kind exceeds thirty-five thousand
23 dollars.

24 (b) A sale, other than a lease, of a vehicle identified in
25 subsection (1)(a) of this section made on or after July 1, 2016,
26 (~~(and before the expiration of the exemption as described in~~
27 ~~subsection (6) of this section,~~) is not exempt from sales tax as
28 described under subsection (1)(b) of this section if, at the time of
29 sale, the lowest manufacturer's suggested retail price, as determined
30 in rule by the department of licensing pursuant to chapter 34.05 RCW,
31 for the base model is more than forty-two thousand five hundred
32 dollars.

33 (c) For leased vehicles for which the lease agreement was signed
34 before July 1, 2015, lease payments are exempt from sales tax as
35 described under subsection (1)(a) of this section regardless of the
36 vehicle's fair market value at the inception of the lease.

37 (d) For leased vehicles identified in subsection (1)(a) of this
38 section for which the lease agreement is signed on or after July 15,
39 2015, and before July 1, 2016, lease payments are not exempt from
40 sales tax if the fair market value of the vehicle being leased

1 exceeds thirty-five thousand dollars at the inception of the lease.
2 For the purposes of this subsection (4), "fair market value" has the
3 same meaning as "value of the article used" in RCW 82.12.010.

4 (e) For leased vehicles identified in subsection (1)(a) of this
5 section for which the lease agreement is signed on or after July 1,
6 2016, (~~and before the expiration of the exemption as described in~~
7 ~~subsection (6) of this section,~~) lease payments are not exempt from
8 sales tax as described under subsection (1)(b) of this section if, at
9 the inception of the lease, the lowest manufacturer's suggested
10 retail price, as determined in rule by the department of licensing
11 pursuant to chapter 34.05 RCW, for the base model is more than forty-
12 two thousand five hundred dollars.

13 (f) The department of licensing must maintain and publish a list
14 of all vehicle models qualifying for the sales tax exemption under
15 this section (~~until the expiration of the exemption as described in~~
16 ~~subsection (6) of this section~~)).

17 (5)(a) On the last day of January, April, July, and October of
18 each year until the department receives notice from the department of
19 licensing under subsection (6)(b) of this section that the cumulative
20 number of seven thousand five hundred qualifying vehicles has been
21 reached, the state treasurer, based upon information provided by the
22 department, must transfer from the multimodal transportation account
23 to the general fund a sum equal to the dollar amount that would
24 otherwise have been deposited into the general fund during the prior
25 calendar quarter but for the exemption provided in this section.

26 (b) Information provided by the department to the state treasurer
27 must be based on the best available data, except that the department
28 may provide estimates of taxes exempted under this section until such
29 time as retailers are able to report such exempted amounts on their
30 tax returns. For purposes of this section, the first transfer for the
31 calendar quarter after July 15, 2015, must be calculated assuming
32 only those revenues that should have been deposited into the general
33 fund beginning July 1, 2015.

34 (6)(a) (~~The exemption under this section expires, effective with~~
35 ~~sales of vehicles delivered to the buyer or leased vehicles for which~~
36 ~~the lease agreement was signed, after the last day of the calendar~~
37 ~~month immediately following the month the department receives notice~~
38 ~~from the department of licensing under subsection (7)(b) of this~~
39 ~~section. All leased vehicles that qualified for the exemption before~~
40 ~~the expiration of the exemption must continue to receive the~~

1 ~~exemption as described under subsection (1)(b) of this section on~~
2 ~~lease payments due through the remainder of the lease.~~

3 ~~(b) Upon receiving notice from the department of licensing under~~
4 ~~subsection (7)(b) of this section, the department must provide notice~~
5 ~~as soon as is practicable on its web site of the expiration date of~~
6 ~~the exemption under this section.~~

7 ~~(c) For purposes of this subsection, even if the department of~~
8 ~~licensing provides the department with notice under subsection (7)(b)~~
9 ~~of this section before the end of the fifth working day of the month~~
10 ~~notice is required, the notice is deemed to have been received by the~~
11 ~~department at the end of the fifth working day of the month notice is~~
12 ~~required.~~

13 ~~(d) If, by the end of the fifth working day of May 2019, the~~
14 ~~department has not received notice from the department of licensing~~
15 ~~under subsection (7)(b) of this section, the exemption under this~~
16 ~~section expires effective with sales of vehicles delivered to the~~
17 ~~buyer or leased vehicles for which the lease agreement was signed~~
18 ~~after June 30, 2019.~~

19 ~~(e) Nothing in this subsection (6) may be construed to affect the~~
20 ~~validity of any exemption properly allowed by a seller under this~~
21 ~~section before the expiration of the exemption as described in (a) of~~
22 ~~this subsection and reported to the department on returns filed after~~
23 ~~the expiration of the exemption.~~

24 ~~(f) Nothing in this subsection (6) may be construed to allow an~~
25 ~~exemption under this section for the purchase of a qualifying vehicle~~
26 ~~by the original lessee of the vehicle after the expiration of the~~
27 ~~exemption as provided in (a) of this subsection.~~

28 ~~(7)(a))~~ By the end of the fifth working day of each month,
29 ~~((until the expiration of the exemption as described in subsection~~
30 ~~(6) of this section,))~~ the department of licensing must determine the
31 cumulative number of qualifying vehicles titled on or after July 15,
32 2015, and provide notice of the cumulative number of these vehicles
33 to the department.

34 (b) The department of licensing must notify the department once
35 the cumulative number of qualifying vehicles titled in the state on
36 or after July 15, 2015, equals or exceeds seven thousand five
37 hundred.

38 ~~((8))~~ (7) By the last day of July 2016, and every six months
39 thereafter ~~((until the expiration of the exemption as described in~~
40 ~~subsection (6) of this section,))~~ based on the best available data,

1 the department must report the following information to the
2 transportation committees of the legislature: The cumulative number
3 of qualifying vehicles titled in the state on or after July 15, 2015,
4 as reported to it by the department of licensing; and the dollar
5 amount of all state retail sales and use taxes exempted on or after
6 July 15, 2015, under this section and RCW 82.12.809.

7 ~~((9))~~ (8) For purposes of this section, "qualifying vehicle"
8 means a vehicle qualifying for the exemption under this section or
9 RCW 82.12.809 in which the sale was made or the lease agreement was
10 signed on or after July 15, 2015.

11 **Sec. 9.** RCW 82.12.809 and 2016 sp.s. c 32 s 3 are each amended
12 to read as follows:

13 (1)(a) Except as provided in subsection (4) of this section, the
14 provisions of this chapter do not apply in respect to the use of new
15 passenger cars, light duty trucks, and medium duty passenger
16 vehicles, which (i) are exclusively powered by a clean alternative
17 fuel or (ii) use at least one method of propulsion that is capable of
18 being reenergized by an external source of electricity and are
19 capable of traveling at least thirty miles using only battery power.

20 (b) Beginning with purchases made or lease agreements signed on
21 or after July 1, 2016, the exemption in this section is only
22 applicable for up to thirty-two thousand dollars of a vehicle's
23 purchase price or the total lease payments made plus the purchase
24 price of the leased vehicle (~~if the original lessee purchases the~~
25 ~~leased vehicle before the expiration of the exemption as described in~~
26 ~~RCW 82.08.809(6))~~).

27 (2) The definitions in RCW 82.08.809 apply to this section.

28 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020
29 on the use(~~, on or after the expiration of the exemption as~~
30 ~~described in RCW 82.08.809(6),~~) of a passenger car, light duty
31 truck, or medium duty passenger vehicle that is exclusively powered
32 by a clean alternative fuel or uses at least one method of propulsion
33 that is capable of being reenergized by an external source of
34 electricity and is capable of traveling at least thirty miles using
35 only battery power, if the taxpayer used such vehicle in this state
36 (~~before the expiration of the exemption as described in RCW~~
37 ~~82.08.809(6),~~) and the use was exempt under this section from the
38 tax imposed in RCW 82.12.020.

1 (4)(a) For vehicles identified in subsection (1)(a) of this
2 section purchased on or after July 1, 2016, (~~and before the~~
3 ~~expiration of the exemption as described in RCW 82.08.809(6),~~) or
4 for leased vehicles identified in subsection (1)(a) of this section
5 for which the lease agreement was signed on or after July 1, 2016,
6 (~~and before the expiration of the exemption as described in RCW~~
7 ~~82.08.809(6),~~) a vehicle is not exempt from use tax as described
8 under subsection (1)(b) of this section if, at the time the tax is
9 imposed for purchased vehicles or at the inception of the lease for
10 leased vehicles, the lowest manufacturer's suggested retail price, as
11 determined in rule by the department of licensing pursuant to chapter
12 34.05 RCW, for the base model is more than forty-two thousand five
13 hundred dollars.

14 (b) For vehicles identified in subsection (1)(a) of this section
15 purchased on or after July 15, 2015, and before July 1, 2016, or for
16 leased vehicles identified in subsection (1)(a) of this section for
17 which the lease agreement was signed on or after July 15, 2015, and
18 before July 1, 2016, a vehicle is not exempt from use tax if the fair
19 market value of the vehicle exceeds thirty-five thousand dollars at
20 the time the tax is imposed for purchased vehicles, or at the
21 inception of the lease for leased vehicles.

22 (c) For leased vehicles for which the lease agreement was signed
23 before July 1, 2015, lease payments are exempt from use tax as
24 described under subsection (1)(a) of this section regardless of the
25 vehicle's fair market value at the inception of the lease.

26 (5)(a) On the last day of January, April, July, and October of
27 each year until the department receives notice from the department of
28 licensing under RCW 82.08.809(6)(b) that the cumulative number of
29 seven thousand five hundred qualifying vehicles has been reached, the
30 state treasurer, based upon information provided by the department,
31 must transfer from the multimodal transportation account to the
32 general fund a sum equal to the dollar amount that would otherwise
33 have been deposited into the general fund during the prior calendar
34 quarter but for the exemption provided in this section.

35 (b) Information provided by the department to the state treasurer
36 must be based on the best available data. For purposes of this
37 section, the first transfer for the calendar quarter after July 15,
38 2015, must be calculated assuming only those revenues that should
39 have been deposited into the general fund beginning July 1, 2015.

1 ~~((6)(a) The exemption provided under this section does not apply~~
2 ~~to the use of new passenger cars, light duty trucks, and medium duty~~
3 ~~passenger vehicles, or lease payments due on such vehicles, if the~~
4 ~~date of sale of the vehicle from the seller to the buyer occurred or~~
5 ~~the lease agreement was signed after the expiration of the exemption~~
6 ~~as provided in RCW 82.08.809(6).~~

7 ~~(b) All leased vehicles that qualified for the exemption before~~
8 ~~the expiration of the exemption must continue to receive the~~
9 ~~exemption as described under subsection (1)(b) of this section on~~
10 ~~lease payments due through the remainder of the lease.~~

11 ~~(c) Nothing in this subsection (6) may be construed to allow an~~
12 ~~exemption under this section for the purchase of a qualifying vehicle~~
13 ~~by the original lessee of the vehicle after the expiration of the~~
14 ~~exemption.))~~

15 NEW SECTION. **Sec. 10.** RCW 82.32.805 does not apply to any
16 provisions of chapter . . . , Laws of 2018 (this act).

17 NEW SECTION. **Sec. 11.** Sections 8 and 9 of this act are
18 necessary for the immediate preservation of the public peace, health,
19 or safety, or support of the state government and its existing public
20 institutions, and take effect immediately.

--- END ---