
HOUSE BILL 2070

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Nelson, R. Fisher, Valle and Brekke.

Read first time February 20, 1991. Referred to Committee on
Transportation.

1 AN ACT Relating to a local option sales and use tax on motor
2 vehicle and special fuels; amending RCW 81.104.140, 81.104.180, and
3 81.104.190; adding new sections to chapter 81.104 RCW; and declaring an
4 emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 81.104 RCW
7 to read as follows:

8 The legislative bodies of cities that operate transit systems,
9 county transportation authorities, metropolitan municipal corporations,
10 and public transportation benefit areas, solely for the purpose of
11 providing high capacity transportation service may submit an
12 authorizing proposition to the voters and if approved by a majority of
13 persons voting, fix and impose a sales and use tax on the sale or use
14 of motor vehicle fuel, as defined in chapter 82.36 RCW, and special

1 fuel, as defined in chapter 82.38 RCW, in accordance with the terms of
2 this chapter.

3 The tax authorized by this section is in addition to the tax
4 authorized by RCW 82.14.030 and shall be collected from those persons
5 who purchase or use motor vehicle fuel or special fuel upon the
6 occurrence of the taxable event within the city, county transportation
7 authority, metropolitan municipal corporation, or public transportation
8 benefit area, as the case may be. The maximum rate of such tax shall
9 be approved by the voters and shall not exceed a percent of the selling
10 price (in the case of a sales tax) or value of the fuel used (in the
11 case of a use tax) that generates more revenue than would be generated
12 by a sales tax imposed under RCW 81.104.170.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 81.104 RCW
14 to read as follows:

15 The tax levied under section 1 of this act does not apply to sales
16 of:

17 (1) Motor vehicle fuel used in aircraft by the manufacturer thereof
18 for research, development, and testing purposes; and

19 (2) Motor vehicle and special fuel if:

20 (a) The fuel is purchased for the purpose of public transportation
21 and the purchaser is entitled to a refund or an exemption under RCW
22 82.36.275 or 82.38.080(9); or

23 (b) The fuel is purchased by a private, nonprofit transportation
24 provider certified under chapter 81.66 RCW and the purchaser is
25 entitled to a refund or an exemption under RCW 82.36.285 or
26 82.38.080(8).

27 **Sec. 3.** RCW 81.104.140 and 1990 c 43 s 35 are each amended to read
28 as follows:

1 (1) Agencies authorized to provide high capacity transportation
2 service, including city-owned transit systems, county transportation
3 authorities, metropolitan municipal corporations and public
4 transportation benefit areas, are hereby granted dedicated funding
5 sources for such systems. These dedicated funding sources, as set
6 forth in RCW 81.104.150, 81.104.160, ((and)) 81.104.170, and section 1
7 of this act, are authorized only for agencies located in class AA
8 counties, class A counties, counties of the first class which border
9 another state, and counties which, on March 14, 1990, are of the second
10 class and which adjoin class A counties.

11 (2) Agencies providing high capacity transportation service should
12 also seek other funds, including federal, state, local, and private
13 sector assistance.

14 (3) Funding sources should satisfy each of the following criteria
15 to the greatest extent possible:

- 16 (a) Acceptability;
- 17 (b) Ease of administration;
- 18 (c) Equity;
- 19 (d) Implementation feasibility;
- 20 (e) Revenue reliability; and
- 21 (f) Revenue yield.

22 (4) Agencies participating in regional high capacity transportation
23 system development through interlocal agreements or a conference-
24 approved interim regional rail authority or subregional process as
25 defined in RCW 81.104.040 are authorized to levy and collect the
26 following voter-approved local option funding sources:

- 27 (a) Employer tax as provided in RCW 81.104.150;
- 28 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
- 29 ((and))
- 30 (c) Sales and use tax as provided in RCW 81.104.170;

1 (d) Sale and use tax as provided in section 1 of this act.

2 Revenues from these taxes may be used only to support those
3 purposes prescribed in subsection (8) of this section. Before an
4 agency may impose any of the taxes enumerated in this section and
5 authorized in RCW 81.104.150, 81.104.160, (~~and~~) 81.104.170, and
6 section 1 of this act, it must comply with the process prescribed in
7 RCW 81.104.100 and 81.104.110.

8 (5) Authorization in subsection (4) of this section shall not
9 adversely affect the funding authority of existing transit agencies.
10 Local option funds may be used to support implementation of interlocal
11 agreements with respect to the establishment of regional high capacity
12 transportation service. Local jurisdictions shall retain control over
13 moneys generated within their boundaries, although funds may be
14 commingled for planning, construction, and operation of high capacity
15 transportation systems as set forth in the agreements.

16 (6) Agencies providing high capacity transportation service may
17 contract with the state for collection and transference of local option
18 revenue.

19 (7) Dedicated high capacity transportation funding shall be subject
20 to voter approval by a simple majority.

21 (8) Agencies providing high capacity transportation service shall
22 retain responsibility for revenue encumbrance, disbursement, and
23 bonding. Funds may be used for any purpose relating to planning,
24 construction, and operation of high capacity transportation, commuter
25 rail, and feeder transportation systems.

26 **Sec. 4.** RCW 81.104.180 and 1990 c 43 s 44 are each amended to read
27 as follows:

28 Cities that operate transit systems, county transportation
29 authorities, metropolitan municipal corporations, and public

1 transportation benefit areas are authorized to pledge revenues from the
2 employer tax authorized by RCW 81.104.150, the special motor vehicle
3 excise tax authorized by RCW 81.104.160, and the sales and use tax
4 authorized by RCW 81.104.170 and section 1 of this act, to retire bonds
5 issued solely for the purpose of providing high capacity transportation
6 service.

7 **Sec. 5.** RCW 81.104.190 and 1990 c 43 s 45 are each amended to read
8 as follows:

9 Cities that operate transit systems, county transportation
10 authorities, metropolitan municipal corporations, and public
11 transportation benefit areas may contract with the state department of
12 revenue or other appropriate entities for administration and collection
13 of any tax authorized by RCW 81.104.150, 81.104.160, ~~((and))~~
14 81.104.170, and section 1 of this act.

15 NEW SECTION. **Sec. 6.** This act is necessary for the immediate
16 preservation of the public peace, health, or safety, or support of the
17 state government and its existing public institutions, and shall take
18 effect immediately.