

2 **ESHB 2969** - S COMM AMD
3 By Committee on Transportation

4 PULLED 03/14/02

5 Strike everything after the enacting clause and insert the
6 following:

7 **"PART I - ACCOUNTABILITY FOR TRANSPORTATION PROJECTS AND PROGRAMS**

8 NEW SECTION. **Sec. 101.** It is essential that the legislature
9 improve the accountability and efficiency of the department of
10 transportation. Taxpayers must know that their tax dollars are being
11 well spent to deliver critically needed transportation projects. To
12 accomplish this, a transportation accountability process must be
13 established to provide oversight on transportation projects. The
14 legislative transportation accountability committee will replace and
15 assume the duties and responsibilities of the legislative
16 transportation committee and, additionally, in conjunction with an
17 independent transportation accountability board, report to the public
18 on how tax dollars are spent on projects funded by new transportation
19 taxes under this act.

20 NEW SECTION. **Sec. 102.** In addition to the legislative
21 transportation accountability committee's other responsibilities under
22 this chapter, the committee has the following responsibilities:

23 (1) Direct the department of transportation to submit a
24 transportation accountability audit report as required under section
25 103 of this act;

26 (2) Report annually to the governor and the legislature on the
27 department's progress on each project as further defined in section 103
28 of this act;

29 (3) When necessary, make policy recommendations for improving
30 efficiencies, savings, or improvements in the department's project
31 management, accountability measures, or project delivery mechanisms;

32 (4) Recommend any leading edge transportation project delivery
33 strategies, oversight, accountability, or efficiency measures; and

1 (5) Appoint members of the transportation accountability board as
2 nominated by the governor pursuant to section 106 of this act.

3 NEW SECTION. **Sec. 103.** The department of transportation shall
4 prepare and submit to the transportation commission once each quarter
5 a comprehensive audit report on each transportation project funded by
6 this act. The audit report shall be known as the "transportation
7 accountability audit." For the purposes of this act, the audit must
8 include the following elements:

9 (1) Project status and any scope changes;

10 (2) Estimated completion date and cost, noting any changes from
11 past estimates;

12 (3) Actual project expenditures as compared with projected
13 expenditures;

14 (4) Any changes in financing for each project;

15 (5) Claim or change orders that result in greater than a five-
16 percent cumulative increase in project cost, or greater than sixty days
17 of delay;

18 (6) Status of any required permits;

19 (7) Mitigation efforts to relieve both traffic and environmental
20 impacts;

21 (8) Evaluation of work force effectiveness, including both state
22 employees and contractors;

23 (9) Outlook for the upcoming year, including projected
24 accomplishments and challenges;

25 (10) Copies of any accountability reports filed with the federal
26 highway administration; and

27 (11) Any other useful information the committee or commission
28 requests.

29 NEW SECTION. **Sec. 104.** The transportation commission must review
30 the proposed transportation accountability audit submitted by the
31 department. After reviewing the information contained therein, the
32 commission may request additional information or data, or ask for
33 clarifications. The commission is prohibited from changing any of the
34 data contained in the audit report.

35 After conducting its review, the commission must forward the
36 transportation accountability audit to the legislative transportation
37 accountability committee and the transportation accountability board.

1 NEW SECTION. **Sec. 105.** (1) Upon completion of its review under
2 section 104 of this act, the transportation commission shall forward
3 the transportation accountability audit to the transportation
4 accountability board and the legislative transportation accountability
5 committee. The transportation accountability board will accept or
6 reject the report.

7 (a) In determining whether to accept or reject the report, the
8 board:

9 (i) Will analyze, investigate, and evaluate the data contained in
10 the audit report;

11 (ii) May, when authorized by the legislative transportation
12 accountability committee, contract out for planners, consultants, and
13 other technical personnel to assist in the audit review process; and

14 (iii) May request additional information or data from the
15 department of transportation.

16 (b) As part of the evaluation process, the board may make
17 recommendations to the legislative transportation accountability
18 committee for efficiencies, savings, or improvements in the
19 department's project management, accountability measures, or project
20 delivery mechanisms.

21 (2) After reviewing the report, the board must forward the
22 transportation accountability audit and recommendations to the office
23 of financial management and the legislative transportation
24 accountability committee.

25 (3) The legislative transportation accountability committee must
26 make the transportation accountability audit report available to the
27 public.

28 (4) In addition to its regular staff, the legislative
29 transportation accountability committee is authorized to contract out
30 for planners, consultants, and other technical personnel to advise it,
31 or the board at its request, in the performance of its duties, assist
32 in the review of the transportation accountability audit, and to assist
33 in other audits initiated by the committee.

34 (5) Staff support to the board must be provided by the legislative
35 transportation accountability committee, which shall provide
36 professional support for the duties, functions, responsibilities, and
37 activities of the board, including but not limited to information
38 technology systems; data collection, processing, analysis, and
39 reporting; project management; and office space, equipment, and

1 secretarial support. The legislative evaluation and accountability
2 program will provide data and information technology support consistent
3 with the support currently supplied to existing legislative committees.

4 NEW SECTION. **Sec. 106.** (1) The transportation accountability
5 board is created.

6 (2) The board will consist of no fewer than five and no more than
7 nine members nominated by the governor, and selected by the legislative
8 transportation accountability committee, for terms of four years,
9 except that at least half the members initially appointed will be
10 appointed for terms of two years. The members of the board must be
11 chosen so the board will have experience and expertise relating to
12 major civil engineering and construction works and facilities to
13 include: (a) Design, estimating, contract packaging, and procurement;
14 (b) construction means and methods and construction management and
15 administration; (c) project finance, accounting, controls, and
16 reporting; (d) procedures for obtaining permits and for assuring
17 regulatory compliance; (e) dispute resolution; (f) construction work
18 force training and safety; (g) general public administration; and (h)
19 experience crafting and implementing environmental mitigation plans.

20 (3) The legislative transportation accountability committee may not
21 remove members from the board before the expiration of their terms
22 unless for cause based upon a determination of incapacity,
23 incompetence, neglect of duty, or malfeasance in office by the Thurston
24 county superior court, upon petition and show cause proceedings brought
25 for that purpose in that court and directed to the board member in
26 question.

27 (4) No member may be appointed for more than three consecutive
28 terms.

29 NEW SECTION. **Sec. 107.** (1) The board shall meet periodically. It
30 may adopt its own rules and may establish its own procedures. It shall
31 act collectively in harmony with recorded resolutions or motions
32 adopted by a majority vote of the members. The board shall be
33 compensated from the general appropriation for the legislative
34 transportation accountability committee and in accordance with RCW
35 43.03.250.

36 (2) Each member of the board will be compensated in accordance with
37 RCW 43.03.250 and reimbursed for actual necessary traveling and other

1 expenses in going to, attending, and returning from meetings of the
2 board or that are incurred in the discharge of duties requested by the
3 chairman. However, in no event may a board member be compensated in
4 any year for more than one hundred twenty days, except the chairman may
5 be compensated for not more than one hundred fifty days. Service on
6 the board does not qualify as a service credit for the purposes of a
7 public retirement system.

8 (3) The board shall keep proper records and is subject to audit by
9 the state auditor or other auditing entities.

10 NEW SECTION. **Sec. 108.** Sections 101 through 107 of this act are
11 each added to chapter 44.40 RCW.

12 **Sec. 109.** RCW 44.40.010 and 1999 sp.s. c 1 s 616 are each amended
13 to read as follows:

14 The joint fact-finding committee on highways, streets, and bridges
15 originally created by chapter 111, Laws of 1947, recreated and renamed
16 the joint committee on highways by chapter 3, Laws of 1963
17 extraordinary session, recreated and renamed the legislative
18 transportation committee by chapter 87, Laws of 1980, is hereby
19 recreated and renamed the legislative transportation accountability
20 committee. The renaming of said committee shall not affect any powers
21 invested in it or its duties imposed upon it by any other statute. All
22 appropriations made to the committee under its former name shall
23 continue to be available to said committee as renamed, the legislative
24 transportation accountability committee. The committee shall consist
25 of twelve senators to be appointed by the president of the senate and
26 twelve members of the house of representatives to be appointed by the
27 speaker thereof. Not more than six members from each house may be from
28 the same political party. A list of appointees shall be submitted
29 before the close of each regular legislative session during an odd-
30 numbered year or any successive special session convened by the
31 governor or the legislature prior to the close of such regular session
32 or successive special session(s) for confirmation of senate members, by
33 the senate, and house members, by the house. Vacancies occurring shall
34 be filled by the appointing authority. All vacancies must be filled
35 from the same political party and from the same house as the member
36 whose seat was vacated.

1 (~~On May 27, 1999, the president of the senate shall appoint an~~
2 ~~additional senate member as provided by the 1999 amendment of this~~
3 ~~section. With the appointment of the additional member, the terms of~~
4 ~~officers elected before May 27, 1999, are terminated, and the committee~~
5 ~~shall hold a new election of officers.))~~

6 The committee shall adopt rules and procedures for its orderly
7 operation.

8 **Sec. 110.** RCW 44.40.013 and 2001 c 259 s 5 are each amended to
9 read as follows:

10 The administration of the legislative transportation accountability
11 committee is subject to RCW 44.04.260.

12 **Sec. 111.** RCW 44.40.015 and 2001 c 259 s 6 are each amended to
13 read as follows:

14 The members of the legislative transportation accountability
15 committee shall form an executive committee consisting of two members
16 from each of the four major political caucuses, which will include the
17 chair and vice-chair of the legislative transportation accountability
18 committee. There will be four alternates to the executive committee,
19 one from each of the four major political caucuses. Each alternate may
20 represent a member from the same political caucus from which they were
21 chosen when that member is absent, and have voting privileges during
22 that absence.

23 Subject to RCW 44.04.260, the executive committee is responsible
24 for performing all general administrative and personnel duties assigned
25 to it in the rules and procedures adopted by the committee, determining
26 the number of legislative transportation accountability committee
27 staff, and other duties delegated to it by the committee. Except when
28 those responsibilities are assumed by the legislative transportation
29 accountability committee, and subject to RCW 44.04.260, the executive
30 committee is responsible for adopting interim work plans and meeting
31 schedules, approving all contracts signed on behalf of the committee,
32 and setting policies for legislative transportation accountability
33 committee staff utilization.

34 **Sec. 112.** RCW 44.40.020 and 1996 c 129 s 9 are each amended to
35 read as follows:

1 (1) The committee is authorized and directed to continue its
2 studies and for that purpose shall have the powers set forth in chapter
3 111, Laws of 1947. The committee is further authorized to make studies
4 related to bills assigned to the house and senate transportation
5 committees and such other studies as provided by law. The executive
6 committee of the committee may assign responsibility for all or part of
7 the conduct of studies to the house and/or senate transportation
8 committees.

9 (2) The committee may review and approve franchise agreements
10 entered into by the department of transportation under RCW
11 (~~43.51.113~~) 79A.05.125.

12 **Sec. 113.** RCW 44.40.025 and 1996 c 288 s 49 are each amended to
13 read as follows:

14 In addition to the powers and duties authorized in RCW 44.40.020,
15 the committee and the standing committees on transportation of the
16 house and senate shall, in coordination with the joint legislative
17 audit and review committee, the legislative evaluation and
18 accountability program committee, and the ways and means committees of
19 the senate and house of representatives, ascertain, study, and/or
20 analyze all available facts and matters relating or pertaining to
21 sources of revenue, appropriations, expenditures, and financial
22 condition of the motor vehicle fund and accounts thereof, the highway
23 safety fund, and all other funds or accounts related to transportation
24 programs of the state.

25 The joint legislative audit and review committee, the legislative
26 evaluation and accountability program committee, and the ways and means
27 committees of the senate and house of representatives shall coordinate
28 their activities with the legislative transportation accountability
29 committee in carrying out the committees' powers and duties under
30 chapter 43.88 RCW in matters relating to the transportation programs of
31 the state.

32 **Sec. 114.** RCW 44.40.030 and 1982 c 227 s 17 are each amended to
33 read as follows:

34 In addition to the powers and duties heretofore conferred upon it,
35 the legislative transportation accountability committee may participate
36 in: (1) The activities of committees of the council of state
37 governments concerned with transportation activities; (2) activities of

1 the national committee on uniform traffic laws and ordinances; (3) any
2 interstate reciprocity or proration meetings designated by the
3 department of licensing; and (4) such other organizations as it deems
4 necessary and appropriate.

5 **Sec. 115.** RCW 44.40.040 and 2001 c 259 s 7 are each amended to
6 read as follows:

7 The members of the legislative transportation accountability
8 committee and the house and senate transportation committees shall
9 receive allowances while attending meetings of the committees or
10 subcommittees and while engaged in other authorized business of the
11 committees as provided in RCW 44.04.120. Subject to RCW 44.04.260, all
12 expenses incurred by the committee, and the house and senate
13 transportation committees, including salaries of employees of the
14 legislative transportation accountability committee, shall be paid upon
15 voucher forms as provided by the office of financial management and
16 signed by the chairman or vice chairman or authorized designee of the
17 chairman of the committee, and the authority of said chairman or vice
18 chairman to sign vouchers shall continue until their successors are
19 selected. Vouchers may be drawn upon funds appropriated for the
20 expenses of the committee.

21 **Sec. 116.** RCW 44.40.070 and 1998 c 245 s 87 are each amended to
22 read as follows:

23 Prior to October 1st of each even-numbered year all state agencies
24 whose major programs consist of transportation activities, including
25 the department of transportation, the transportation improvement board,
26 the Washington state patrol, the department of licensing, the traffic
27 safety commission, the county road administration board, and the board
28 of pilotage commissioners, shall adopt or revise, after consultation
29 with the legislative transportation accountability committee, a
30 comprehensive six-year program and financial plan for all
31 transportation activities under each agency's jurisdiction.

32 The comprehensive six-year program and financial plan shall state
33 the general objectives and needs of each agency's major transportation
34 programs, including workload and performance estimates.

35 **Sec. 117.** RCW 44.40.090 and 2001 c 259 s 8 are each amended to
36 read as follows:

1 Subject to RCW 44.04.260, powers and duties enumerated by this
2 chapter shall be delegated to the senate and house transportation
3 committees during periods when the legislative transportation
4 accountability committee is not appointed.

5 **Sec. 118.** RCW 44.40.100 and 2001 c 259 s 9 are each amended to
6 read as follows:

7 Subject to RCW 44.04.260, the legislative transportation
8 accountability committee and the senate and house transportation
9 committees may enter into contracts on behalf of the state to carry out
10 the purposes of this chapter; and it or they may act for the state in
11 the initiation of or participation in any multigovernmental program
12 relative to transportation planning or programming; and it or they may
13 enter into contracts to receive federal or other funds, grants, or
14 gifts to carry out said purposes and to be used in preference to or in
15 combination with state funds. When federal or other funds are
16 received, they shall be deposited with the state treasurer and
17 thereafter expended only upon approval by the committee or committees.

18 **Sec. 119.** RCW 44.40.140 and 1983 c 212 s 2 are each amended to
19 read as follows:

20 Prior to the start of each regular legislative session in an odd-
21 numbered year, the legislative transportation accountability committee
22 shall review the policy of the state concerning fees imposed on
23 nonpolluting fuels under RCW 82.38.075, and shall report its findings
24 and recommendations for change, if any, to the legislature.

25 **Sec. 120.** RCW 44.40.150 and 1998 c 245 s 88 are each amended to
26 read as follows:

27 (1) The legislative transportation accountability committee shall
28 undertake a study and develop recommendations for legislative and
29 executive consideration that will:

30 (a) Increase the efficiency and effectiveness of state
31 transportation programs and reduce costs;

32 (b) Enhance the accountability and organizational soundness of all
33 transportation modes;

34 (c) Encourage better communication between local jurisdictions and
35 the department of transportation in developing engineering plans and
36 subsequent construction projects;

1 (d) Encourage private sector support and financial participation in
2 project development and construction of transportation projects;

3 (e) Develop long-range goals that reflect changing technology and
4 state-of-the-art advancements in transportation;

5 (f) Explore alternatives for the establishment of an integrated and
6 balanced multimodal statewide transportation system to meet the needs
7 of the 21st century; and

8 (g) Explore ways to reduce the demand on the transportation system
9 and more effectively use the existing system.

10 The committee may study other transportation needs and problems and
11 make further recommendations.

12 (2) The office of financial management and the department of
13 transportation shall provide staff support as required by the
14 legislative transportation accountability committee in developing the
15 recommendations. To the extent permitted by law, all agencies of the
16 state shall cooperate fully with the legislative transportation
17 accountability committee in carrying out its duties under this section.

18 (3) The legislative transportation accountability committee may
19 receive and expend gifts, grants, and endowments from private sector
20 sources to carry out the purpose of this section.

21 **PART II - LICENSE FEES**

22 **Sec. 201.** RCW 46.16.0621 and 2000 1st sp.s. c 1 s 1 are each
23 amended to read as follows:

24 (1) License tab fees shall be thirty dollars per year for motor
25 vehicles, regardless of year, value, make, or model, beginning January
26 1, 2000.

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

31 NEW SECTION. **Sec. 202.** A new section is added to chapter 46.04
32 RCW to read as follows:

33 "Gross weight portion of the current combined licensing fees" means
34 the amounts listed in RCW 46.16.070, Schedule A, less twenty-five
35 dollars and seventy-five cents, and the amounts listed in Schedule B,
36 less twenty-five dollars and seventy-five cents and less an additional

1 ninety dollars if the requested gross weight is over forty thousand
2 pounds.

3 **Sec. 203.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to
4 read as follows:

5 (1) In lieu of all other vehicle licensing fees, unless
6 specifically exempt, and in addition to (~~the excise tax prescribed in~~
7 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and
8 stages in RCW 46.16.125, there shall be paid and collected annually for
9 each truck, motor truck, truck tractor, road tractor, tractor, bus,
10 auto stage, motor home, or for hire vehicle with seating capacity of
11 more than six, based upon the declared combined gross weight or
12 declared gross weight (~~thereof pursuant to the provisions of~~) under
13 chapter 46.44 RCW, the following licensing fees by such gross weight:

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs.	\$ 37.00	\$ 37.00
6,000 lbs.	\$ 44.00	\$ 44.00
8,000 lbs.	\$ 55.00	\$ 55.00
10,000 lbs.	\$ 62.00	\$ 62.00
12,000 lbs.	\$ 72.00	\$ 72.00
14,000 lbs.	\$ 82.00	\$ 82.00
16,000 lbs.	\$ 92.00	\$ 92.00
18,000 lbs.	\$ 137.00	\$ 137.00
20,000 lbs.	\$ 152.00	\$ 152.00
22,000 lbs.	\$ 164.00	\$ 164.00
24,000 lbs.	\$ 177.00	\$ 177.00
26,000 lbs.	\$ 187.00	\$ 187.00
28,000 lbs.	\$ 220.00	\$ 220.00
30,000 lbs.	\$ 253.00	\$ 253.00
32,000 lbs.	\$ 304.00	\$ 304.00
34,000 lbs.	\$ 323.00	\$ 323.00
36,000 lbs.	\$ 350.00	\$ 350.00
38,000 lbs.	\$ 384.00	\$ 384.00
40,000 lbs.	\$ 439.00	\$ 439.00
42,000 lbs.	\$ 456.00	\$ 546.00
44,000 lbs.	\$ 466.00	\$ 556.00
46,000 lbs.	\$ 501.00	\$ 591.00
48,000 lbs.	\$ 522.00	\$ 612.00
50,000 lbs.	\$ 566.00	\$ 656.00
52,000 lbs.	\$ 595.00	\$ 685.00
54,000 lbs.	\$ 642.00	\$ 732.00
56,000 lbs.	\$ 677.00	\$ 767.00
58,000 lbs.	\$ 704.00	\$ 794.00
60,000 lbs.	\$ 750.00	\$ 840.00

1	62,000 lbs.	\$ 804.00	\$ 894.00
2	64,000 lbs.	\$ 822.00	\$ 912.00
3	66,000 lbs.	\$ 915.00	\$ 1,005.00
4	68,000 lbs.	\$ 954.00	\$ 1,044.00
5	70,000 lbs.	\$ 1,027.00	\$ 1,117.00
6	72,000 lbs.	\$ 1,098.00	\$ 1,188.00
7	74,000 lbs.	\$ 1,193.00	\$ 1,283.00
8	76,000 lbs.	\$ 1,289.00	\$ 1,379.00
9	78,000 lbs.	\$ 1,407.00	\$ 1,497.00
10	80,000 lbs.	\$ 1,518.00	\$ 1,608.00
11	82,000 lbs.	\$ 1,623.00	\$ 1,713.00
12	84,000 lbs.	\$ 1,728.00	\$ 1,818.00
13	86,000 lbs.	\$ 1,833.00	\$ 1,923.00
14	88,000 lbs.	\$ 1,938.00	\$ 2,028.00
15	90,000 lbs.	\$ 2,043.00	\$ 2,133.00
16	92,000 lbs.	\$ 2,148.00	\$ 2,238.00
17	94,000 lbs.	\$ 2,253.00	\$ 2,343.00
18	96,000 lbs.	\$ 2,358.00	\$ 2,448.00
19	98,000 lbs.	\$ 2,463.00	\$ 2,553.00
20	100,000 lbs.	\$ 2,568.00	\$ 2,658.00
21	102,000 lbs.	\$ 2,673.00	\$ 2,763.00
22	104,000 lbs.	\$ 2,778.00	\$ 2,868.00
23	105,500 lbs.	\$ 2,883.00	\$ 2,973.00

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

27 (2) Every truck, motor truck, truck tractor, and tractor exceeding
28 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,
29 or 46.88 RCW shall be licensed for not less than one hundred fifty
30 percent of its empty weight unless the amount would be in excess of the
31 legal limits prescribed for such a vehicle in RCW 46.44.041 or
32 46.44.042, in which event the vehicle shall be licensed for the maximum
33 weight authorized for such a vehicle or unless the vehicle is used only
34 for the purpose of transporting any well drilling machine, air
35 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,
36 tool house, bunk house, or similar machine or structure attached to or
37 made a part of such vehicle.

38 (3)(a) Beginning with all motor vehicle registrations that are due
39 or become due on July 1, 2002, there will be paid and collected
40 annually a fifteen percent surcharge on the gross weight portion of the
41 combined licensing fees in effect January 1, 2002, for vehicles with a
42 licensed gross weight over ten thousand pounds.

1 (b) Beginning with all motor vehicle registrations that are due or
2 become due on July 1, 2003, and thereafter, there will be paid and
3 collected annually a thirty percent surcharge on the gross weight
4 portion of the combined licensing fees in effect January 1, 2002, for
5 vehicles with a licensed gross weight over ten thousand pounds.

6 (4) The following provisions apply when increasing gross or
7 combined gross weight for a vehicle licensed under this section:

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

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

16 ~~((+2))~~ (5) The proceeds from the fees collected under ~~((subsection~~
17 ~~(1) of))~~ this section shall be distributed in accordance with RCW
18 46.68.035.

19 **Sec. 204.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each
20 amended to read as follows:

21 All proceeds from combined vehicle licensing fees received by the
22 director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall
23 be forwarded to the state treasurer to be distributed into accounts
24 according to the following method:

25 (1) The sum of two dollars for each vehicle shall be deposited into
26 the multimodal transportation account, except that for each vehicle
27 registered by a county auditor or agent to a county auditor pursuant to
28 RCW 46.01.140, the sum of two dollars shall be credited to the current
29 county expense fund.

30 (2) The proceeds from the surcharge collected under RCW
31 46.16.070(3) must be deposited into the freight mobility and roadway
32 resurfacing account under section 206 of this act.

33 (3) All fees collected under RCW 46.16.070(1) for motor homes, less
34 the distribution required under subsection (1) of this section, must be
35 deposited into the motor vehicle account.

36 (4) The remainder shall be distributed as follows:

37 (a) 23.677 percent shall be deposited into the state patrol highway
38 account of the motor vehicle fund;

1 (b) 1.521 percent shall be deposited into the Puget Sound ferry
2 operations account of the motor vehicle fund; and

3 (c) The remaining proceeds shall be deposited into the motor
4 vehicle fund.

5 **Sec. 205.** RCW 46.16.071 and 1996 c 315 s 4 are each amended to
6 read as follows:

7 (1) In addition to the fees set forth in RCW 46.16.070, there shall
8 be paid and collected annually upon registration, a fee of one dollar
9 for each motor home, truck, motor truck, truck tractor, road tractor,
10 tractor, bus, auto stage, or for hire vehicle with seating capacity of
11 more than six, notwithstanding the provisions of RCW 46.16.070.

12 (2) In addition to the fees set forth in RCW 46.16.085, there shall
13 be paid and collected annually upon registration, a fee of one dollar
14 for each trailer, semitrailer, and pole trailer, notwithstanding the
15 provisions of RCW 46.16.085.

16 (3) The proceeds from the fees collected under subsections (1) and
17 (2) of this section shall be deposited into the highway safety fund,
18 except that for each vehicle registered by a county auditor or agent to
19 a county auditor under RCW 46.01.140, the proceeds shall be credited to
20 the current county expense fund.

21 NEW SECTION. **Sec. 206.** A new section is added to chapter 46.68
22 RCW to read as follows:

23 The freight mobility and roadway resurfacing account is created in
24 the state treasury. All receipts from RCW 46.68.035(2) must be
25 deposited into the account. Money in the account may be spent only
26 after appropriation. Expenditures from the account may be used only
27 for the purpose of roadway improvement projects on state highways that
28 facilitate freight and preservation of roadways in response to damage
29 created by the transport of freight.

30 **PART III - FUEL TAX**

31 **Sec. 301.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are
32 each reenacted and amended to read as follows:

33 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon
34 (~~shall apply~~) applies to the sale, distribution, or use of motor
35 vehicle fuel.

1 (2) Beginning July 1, 2002, an additional and cumulative motor fuel
2 tax rate of five cents per gallon applies to the sale, distribution, or
3 use of motor vehicle fuel.

4 (3) Beginning July 1, 2003, an additional and cumulative motor
5 vehicle fuel tax rate of four cents per gallon applies to the sale,
6 distribution, or use of motor vehicle fuel.

7 **Sec. 302.** RCW 82.38.030 and 2001 c 270 s 6 are each amended to
8 read as follows:

9 (1) There is hereby levied and imposed upon special fuel users a
10 tax at the rate (~~computed in the manner provided in RCW 82.36.025 on~~
11 ~~each~~) of twenty-three cents per gallon of special fuel, or each one
12 hundred cubic feet of compressed natural gas, measured at standard
13 pressure and temperature.

14 (2) Beginning July 1, 2002, an additional and cumulative tax rate
15 of five cents per gallon of special fuel, or each one hundred cubic
16 feet of compressed natural gas, measured at standard pressure and
17 temperature shall be imposed on special fuel users.

18 (3) Beginning July 1, 2003, an additional and cumulative special
19 fuel tax rate of four cents per gallon of special fuel, or each one
20 hundred cubic feet of compressed natural gas, measured at standard
21 pressure and temperature shall be imposed on special fuel users.

22 (4) The tax is imposed (~~by subsection (1) of this section is~~
23 ~~imposed~~) when:

24 (a) Special fuel is removed in this state from a terminal if the
25 special fuel is removed at the rack unless the removal is to a licensed
26 exporter for direct delivery to a destination outside of the state, or
27 the removal is to a special fuel distributor for direct delivery to an
28 international fuel tax agreement licensee under RCW 82.38.320;

29 (b) Special fuel is removed in this state from a refinery if either
30 of the following applies:

31 (i) The removal is by bulk transfer and the refiner or the owner of
32 the special fuel immediately before the removal is not a licensee; or

33 (ii) The removal is at the refinery rack unless the removal is to
34 a licensed exporter for direct delivery to a destination outside of the
35 state, or the removal is to a special fuel distributor for direct
36 delivery to an international fuel tax agreement licensee under RCW
37 82.38.320;

1 (c) Special fuel enters into this state for sale, consumption, use,
2 or storage if either of the following applies:

3 (i) The entry is by bulk transfer and the importer is not a
4 licensee; or

5 (ii) The entry is not by bulk transfer;

6 (d) Special fuel is sold or removed in this state to an unlicensed
7 entity unless there was a prior taxable removal, entry, or sale of the
8 special fuel;

9 (e) Blended special fuel is removed or sold in this state by the
10 blender of the fuel. The number of gallons of blended special fuel
11 subject to tax is the difference between the total number of gallons of
12 blended special fuel removed or sold and the number of gallons of
13 previously taxed special fuel used to produce the blended special fuel;

14 (f) Dyed special fuel is used on a highway, as authorized by the
15 internal revenue code, unless the use is exempt from the special fuel
16 tax;

17 (g) Special fuel purchased by an international fuel tax agreement
18 licensee under RCW 82.38.320 is used on a highway; and

19 (h) Special fuel is sold by a licensed special fuel supplier to a
20 special fuel distributor, special fuel importer, or special fuel
21 blender and the special fuel is not removed from the bulk transfer-
22 terminal system.

23 ~~((+3+))~~ (5) The tax imposed by this chapter, if required to be
24 collected by the licensee, is held in trust by the licensee until paid
25 to the department, and a licensee who appropriates or converts the tax
26 collected to his or her own use or to any use other than the payment of
27 the tax to the extent that the money required to be collected is not
28 available for payment on the due date as prescribed in this chapter is
29 guilty of a felony, or gross misdemeanor in accordance with the theft
30 and anticipatory provisions of Title 9A RCW. A person, partnership,
31 corporation, or corporate officer who fails to collect the tax imposed
32 by this section, or who has collected the tax and fails to pay it to
33 the department in the manner prescribed by this chapter, is personally
34 liable to the state for the amount of the tax.

35 **Sec. 303.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are
36 each reenacted and amended to read as follows:

37 (1) All moneys that have accrued or may accrue to the motor vehicle
38 fund from the motor vehicle fuel tax and special fuel tax shall be

1 first expended for purposes enumerated in (a) and (b) of this
2 subsection. The remaining net tax amount shall be distributed monthly
3 by the state treasurer in ~~((the proportions set forth in (c) through~~
4 ~~(1)))~~ accordance with subsections (2), (3), and (4) of this
5 ~~((subsection))~~ section.

6 (a) For payment of refunds of motor vehicle fuel tax and special
7 fuel tax that has been paid and is refundable as provided by law;

8 (b) For payment of amounts to be expended pursuant to
9 appropriations for the administrative expenses of the offices of state
10 treasurer, state auditor, and the department of licensing of the state
11 of Washington in the administration of the motor vehicle fuel tax and
12 the special fuel tax, which sums shall be distributed monthly~~((+))~~.

13 (2) All of the remaining net tax amount collected under RCW
14 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)
15 through (j) of this subsection.

16 ~~((+))~~ (a) For distribution to the motor vehicle fund an amount
17 equal to 44.387 percent of the net tax amount collected under RCW
18 82.36.025(1) and 82.38.030(1) to be expended for highway purposes of
19 the state as defined in RCW 46.68.130;

20 ~~((+))~~ (b) For distribution to the special category C account,
21 hereby created in the motor vehicle fund, an amount equal to 3.2609
22 percent of the net tax amount collected under RCW 82.36.025(1) and
23 82.38.030(1) to be expended for special category C projects. Special
24 category C projects are category C projects that, due to high cost
25 only, will require bond financing to complete construction.

26 The following criteria, listed in order of priority, shall be used
27 in determining which special category C projects have the highest
28 priority:

29 (i) Accident experience;

30 (ii) Fatal accident experience;

31 (iii) Capacity to move people and goods safely and at reasonable
32 speeds without undue congestion; and

33 (iv) Continuity of development of the highway transportation
34 network.

35 Moneys deposited in the special category C account in the motor
36 vehicle fund may be used for payment of debt service on bonds the
37 proceeds of which are used to finance special category C projects under
38 this subsection ~~((1)(d))~~ (2)(b);

1 ~~((e))~~ (c) For distribution to the Puget Sound ferry operations
2 account in the motor vehicle fund an amount equal to 2.3283 percent of
3 the net tax amount collected under RCW 82.36.025(1) and 82.38.030(1);
4 ~~((f))~~ (d) For distribution to the Puget Sound capital
5 construction account in the motor vehicle fund an amount equal to
6 2.3726 percent of the net tax amount collected under RCW 82.36.025(1)
7 and 82.38.030(1);
8 ~~((g))~~ (e) For distribution to the urban arterial trust account in
9 the motor vehicle fund an amount equal to 7.5597 percent of the net tax
10 amount collected under RCW 82.36.025(1) and 82.38.030(1);
11 ~~((h))~~ (f) For distribution to the transportation improvement
12 account in the motor vehicle fund an amount equal to 5.6739 percent of
13 the net tax amount collected under RCW 82.36.025(1) and 82.38.030(1)
14 and expended in accordance with RCW 47.26.086;
15 ~~((i))~~ (g) For distribution to the cities and towns from the motor
16 vehicle fund an amount equal to 10.6961 percent of the net tax amount
17 collected under RCW 82.36.025(1) and 82.38.030(1) in accordance with
18 RCW 46.68.110;
19 ~~((j))~~ (h) For distribution to the counties from the motor vehicle
20 fund an amount equal to 19.2287 percent of the net tax amount collected
21 under RCW 82.36.025(1) and 82.38.030(1): (i) Out of which there shall
22 be distributed from time to time, as directed by the department of
23 transportation, those sums as may be necessary to carry out the
24 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
25 the county road administration board to implement the provisions of RCW
26 47.56.725(4), with the balance of such county share to be distributed
27 monthly as the same accrues for distribution in accordance with RCW
28 46.68.120;
29 ~~((k))~~ (i) For distribution to the county arterial preservation
30 account, hereby created in the motor vehicle fund an amount equal to
31 1.9565 percent of the net tax amount collected under RCW 82.36.025(1)
32 and 82.38.030(1). These funds shall be distributed by the county road
33 administration board to counties in proportions corresponding to the
34 number of paved arterial lane miles in the unincorporated area of each
35 county and shall be used for improvements to sustain the structural,
36 safety, and operational integrity of county arterials. The county road
37 administration board shall adopt reasonable rules and develop policies
38 to implement this program and to assure that a pavement management
39 system is used;

1 (~~(1)~~) (j) For distribution to the rural arterial trust account in
2 the motor vehicle fund an amount equal to 2.5363 percent of the net tax
3 amount collected under RCW 82.36.025(1) and 82.38.030(1) and expended
4 in accordance with RCW 36.79.020.

5 (~~(2)~~) (3) 100 percent of the net tax amount collected under RCW
6 82.36.025(2) and 82.38.030(2) shall be distributed as follows:

7 (a) 4.3366 percent shall be distributed to cities and towns in
8 accordance with RCW 46.68.110(6).

9 (b) 4.3366 percent shall be distributed to counties in accordance
10 with RCW 46.68.120.

11 (c) 91.3268 percent shall be distributed to the motor vehicle
12 account.

13 (4) 100 percent of the net tax amount collected under RCW
14 82.36.025(3) and 82.38.030(3) shall be distributed to the motor vehicle
15 account.

16 (5) Nothing in this section or in RCW 46.68.130 may be construed so
17 as to violate any terms or conditions contained in any highway
18 construction bond issues now or hereafter authorized by statute and
19 whose payment is by such statute pledged to be paid from any excise
20 taxes on motor vehicle fuel and special fuels.

21 **Sec. 304.** RCW 46.68.110 and 1999 c 269 s 3 and 1999 c 94 s 9 are
22 each reenacted and amended to read as follows:

23 Funds credited to the incorporated cities and towns of the state as
24 set forth in RCW 46.68.090(~~(1)~~(i)) shall be subject to deduction and
25 distribution as follows:

26 (1) One and one-half percent of such sums distributed under RCW
27 46.68.090 (2)(g) and (3) shall be deducted monthly as such sums are
28 credited and set aside for the use of the department of transportation
29 for the supervision of work and expenditures of such incorporated
30 cities and towns on the city and town streets thereof, including the
31 supervision and administration of federal-aid programs for which the
32 department of transportation has responsibility: PROVIDED, That any
33 moneys so retained and not expended shall be credited in the succeeding
34 biennium to the incorporated cities and towns in proportion to
35 deductions herein made;

36 (2) Thirty-three one-hundredths of one percent of such funds
37 distributed under RCW 46.68.090 (2)(g) and (3) shall be deducted
38 monthly, as such funds accrue, and set aside for the use of the

1 department of transportation for the purpose of funding the cities'
2 share of the costs of highway jurisdiction studies and other studies.
3 Any funds so retained and not expended shall be credited in the
4 succeeding biennium to the cities in proportion to the deductions made;

5 (3) One percent of such funds distributed under RCW 46.68.090(2)(g)
6 shall be deducted monthly, as such funds accrue, to be deposited in the
7 urban arterial trust account, to implement the city hardship assistance
8 program, as provided in RCW 47.26.164. However, any moneys so retained
9 and not required to carry out the program as of July 1st of each odd-
10 numbered year thereafter, shall be provided within sixty days to the
11 treasurer and distributed in the manner prescribed in subsection (5) of
12 this section;

13 (4) After making the deductions under subsections (1) through (3)
14 of this section and RCW 35.76.050, 31.86 percent of the fuel tax
15 distributed to the cities and towns in RCW 46.68.090((+1)(+)) (2)(g)
16 shall be allocated monthly as the funds accrue to the incorporated
17 cities and towns ((in the manner set forth in subsection (5) of this
18 section and subject to deductions in subsections (1), (2), and (3) of
19 this section, subject to RCW 35.76.050, to)) of the state ratably on
20 the basis of the population as last determined by the office of
21 financial management. Funds shall be used exclusively for: The
22 construction, improvement, chip sealing, seal-coating, and repair for
23 arterial highways and city streets as those terms are defined in RCW
24 46.04.030 and 46.04.120; the maintenance of arterial highways and city
25 streets for those cities with a population of less than fifteen
26 thousand; or the payment of any municipal indebtedness which may be
27 incurred in the construction, improvement, chip sealing, seal-coating,
28 and repair of arterial highways and city streets; ((and))

29 (5) The ~~((balance))~~ remaining ~~((to the credit of incorporated~~
30 ~~cities and towns after such deduction))~~ funds not distributed under
31 subsection (4) of this section shall be apportioned monthly as such
32 funds accrue among the ((several)) incorporated cities and towns within
33 the state ratably on the basis of the population last determined by the
34 office of financial management; and

35 (6) After making the deductions under subsections (1) and (2) of
36 this section and RCW 35.76.050, one hundred percent of the funds
37 distributed to the cities and towns in RCW 46.68.090(3)(a) shall be
38 allocated monthly as such funds accrue to the incorporated cities and
39 towns of the state with populations over ten thousand persons, ratably

1 on the basis of population as last determined by the office of
2 financial management.

3 NEW SECTION. **Sec. 305.** A new section is added to chapter 47.26
4 RCW to read as follows:

5 As part of the matching funds requirements under RCW 47.26.270, the
6 transportation improvement board shall require a city or town receiving
7 funds under RCW 46.68.110(6) to use a portion of these funds, as
8 determined by the board by rule, for the purpose of matching a portion
9 of the corridor grant money allocated to the city or town by the board
10 under this chapter.

11 **Sec. 306.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to
12 read as follows:

13 (1) A licensed supplier shall remit tax on special fuel to the
14 department as provided in RCW 82.38.030(~~((+2))~~) (4)(a). On a two-party
15 exchange, or buy-sell agreement between two licensed suppliers, the
16 receiving exchange partner or buyer shall remit the tax.

17 (2) A refiner shall remit tax to the department on special fuel
18 removed from a refinery as provided in RCW 82.38.030(~~((+2))~~) (4)(b).

19 (3) An importer shall remit tax to the department on special fuel
20 imported into this state as provided in RCW 82.38.030(~~((+2))~~) (4)(c).

21 (4) A blender shall remit tax to the department on the removal or
22 sale of blended special fuel as provided in RCW 82.38.030(~~((+2))~~)
23 (4)(e).

24 (5) A dyed special fuel user shall remit tax to the department on
25 the use of dyed special fuel as provided in RCW 82.38.030(~~((+2))~~)
26 (4)(f).

27 **Sec. 307.** RCW 82.38.045 and 1998 c 176 s 54 are each amended to
28 read as follows:

29 A terminal operator is jointly and severally liable for remitting
30 the tax imposed under RCW 82.38.030(~~((+1))~~) if, at the time of removal:

31 (1) The position holder with respect to the special fuel is a
32 person other than the terminal operator and is not a licensee;

33 (2) The terminal operator is not a licensee;

34 (3) The position holder has an expired internal revenue service
35 notification certificate issued under chapter 26, C.F.R. Part 48; or

1 (4) The terminal operator had reason to believe that information on
2 the notification certificate was false.

3 **Sec. 308.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to
4 read as follows:

5 A terminal operator is jointly and severally liable for remitting
6 the tax imposed under RCW 82.38.030(~~((+1))~~) if, in connection with the
7 removal of special fuel that is not dyed or marked in accordance with
8 internal revenue service requirements, the terminal operator provides
9 a person with a bill of lading, shipping paper, or similar document
10 indicating that the special fuel is dyed or marked in accordance with
11 internal revenue service requirements.

12 **Sec. 309.** RCW 82.38.075 and 1983 c 212 s 1 are each amended to
13 read as follows:

14 In order to encourage the use of nonpolluting fuels, an annual
15 license fee in lieu of the tax imposed by RCW 82.38.030 shall be
16 imposed upon the use of natural gas as defined in this chapter or on
17 liquified petroleum gas, commonly called propane, which is used in any
18 motor vehicle, as defined in RCW 46.04.320, which shall be based upon
19 the following schedule as adjusted by the formula set out below:

20	VEHICLE TONNAGE (GVW)	FEE
21	0 - 6,000	\$ 45
22	6,001 - 10,000	\$ 45
23	10,001 - 18,000	\$ 80
24	18,001 - 28,000	\$110
25	28,001 - 36,000	\$150
26	36,001 and above	\$250

27 To determine the actual annual license fee imposed by this section
28 for a registration year, the appropriate dollar amount set out in the
29 above schedule shall be multiplied by the (~~(motor vehicle)~~) special
30 fuel tax rate in cents per gallon as established by RCW (~~((82.36.025))~~)
31 82.38.030 effective on July 1st of the preceding calendar year and the
32 product thereof shall be divided by 12 cents.

33 The department of licensing, in addition to the foregoing fee,
34 shall charge a further fee of five dollars as a handling charge for
35 each license issued.

1 The director of licensing shall be authorized to prorate the
2 vehicle tonnage fee so that the annual license required by this section
3 will correspond with the staggered vehicle licensing system.

4 A decal or other identifying device issued upon payment of these
5 annual fees shall be displayed as prescribed by the department as
6 authority to purchase this fuel.

7 Persons selling or dispensing natural gas or propane may not sell
8 or dispense this fuel for their own use or the use of others into tanks
9 of vehicles powered by this fuel which do not display a valid decal or
10 other identifying device as provided in this section.

11 Vehicles registered in jurisdictions outside the state of
12 Washington are exempt from this section.

13 Any person selling or dispensing natural gas or propane into the
14 tank of a motor vehicle powered by this fuel, except as prescribed in
15 this chapter, is subject to the penalty provisions of this chapter.

16 **Sec. 310.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to
17 read as follows:

18 (1) From time to time, but at least once each year, the state
19 treasurer shall refund from the motor vehicle fund one percent of the
20 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
21 based on the tax rate in effect January 1, (~~(1990)~~) 2001, less proper
22 deductions for refunds and costs of collection as provided in RCW
23 46.68.090. The treasurer shall place these funds in the general fund
24 as follows:

25 (a) Forty percent shall be credited to the ORV and nonhighway
26 vehicle account and administered by the department of natural resources
27 solely for planning, maintenance, and management of ORV recreation
28 facilities, nonhighway roads, and nonhighway road recreation
29 facilities. The funds under this subsection shall be expended in
30 accordance with the following limitations:

31 (i) Not more than five percent may be expended for information
32 programs under this chapter;

33 (ii) Not less than ten percent and not more than fifty percent may
34 be expended for ORV recreation facilities;

35 (iii) Not more than twenty-five percent may be expended for
36 maintenance of nonhighway roads;

37 (iv) Not more than fifty percent may be expended for nonhighway
38 road recreation facilities;

1 (v) Ten percent shall be transferred to the interagency committee
2 for outdoor recreation for grants to law enforcement agencies in those
3 counties where the department of natural resources maintains ORV
4 facilities. This amount is in addition to those distributions made by
5 the interagency committee for outdoor recreation under (d)(i) of this
6 subsection;

7 (b) Three and one-half percent shall be credited to the ORV and
8 nonhighway vehicle account and administered by the department of fish
9 and wildlife solely for the acquisition, planning, development,
10 maintenance, and management of nonhighway roads and recreation
11 facilities;

12 (c) Two percent shall be credited to the ORV and nonhighway vehicle
13 account and administered by the parks and recreation commission solely
14 for the maintenance and management of ORV use areas and facilities; and

15 (d) Fifty-four and one-half percent, together with the funds
16 received by the interagency committee for outdoor recreation under RCW
17 46.09.110, shall be credited to the nonhighway and off-road vehicle
18 activities program account to be administered by the committee for
19 planning, acquisition, development, maintenance, and management of ORV
20 recreation facilities and nonhighway road recreation facilities; ORV
21 user education and information; and ORV law enforcement programs. The
22 expenditures in this subsection (1)(d) shall be calculated on the motor
23 vehicle fuel tax in effect January 1, 1990, until this subsection
24 (1)(d) is amended to reflect the findings of the recreational fuel use
25 study provided in section 346, chapter 8, Laws of 2001 2nd sp. sess.
26 The funds under this subsection shall be expended in accordance with
27 the following limitations:

28 (i) Not more than twenty percent may be expended for ORV education,
29 information, and law enforcement programs under this chapter;

30 (ii) Not less than an amount equal to the funds received by the
31 interagency committee for outdoor recreation under RCW 46.09.110 and
32 not more than sixty percent may be expended for ORV recreation
33 facilities;

34 (iii) Not more than twenty percent may be expended for nonhighway
35 road recreation facilities.

36 (2) On a yearly basis an agency may not, except as provided in RCW
37 46.09.110, expend more than ten percent of the funds it receives under
38 this chapter for general administration expenses incurred in carrying
39 out this chapter.

1 of a motor vehicle in this state, other than retail car rentals taxed
2 under subsection (2) of this section.

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

8 (5) The revenue collected under subsection (3) of this section must
9 be deposited into the multimodal transportation account under RCW
10 47.66.070.

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

13 ~~((4))~~ (7) The rates provided in this section apply to taxes
14 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

15 **Sec. 402.** RCW 82.12.020 and 1999 c 358 s 9 are each amended to
16 read as follows:

17 (1) There is hereby levied and there shall be collected from every
18 person in this state a tax or excise for the privilege of using within
19 this state as a consumer: (a) Any article of tangible personal
20 property purchased at retail, or acquired by lease, gift, repossession,
21 or bailment, or extracted or produced or manufactured by the person so
22 using the same, or otherwise furnished to a person engaged in any
23 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned
24 software, regardless of the method of delivery, but excluding canned
25 software that is either provided free of charge or is provided for
26 temporary use in viewing information, or both.

27 (2) This tax shall apply to the use of every service defined as a
28 retail sale in RCW 82.04.050(3)(a) and the use of every article of
29 tangible personal property, including property acquired at a casual or
30 isolated sale, and including byproducts used by the manufacturer
31 thereof, except as hereinafter provided, irrespective of whether the
32 article or similar articles are manufactured or are available for
33 purchase within this state.

34 (3) Except as provided in RCW 82.12.0252, payment by one purchaser
35 or user of tangible personal property or service of the tax imposed by
36 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any
37 other purchaser or user of the same property or service from the taxes
38 imposed by such chapters.

1 (4) The tax shall be levied and collected in an amount equal to the
2 value of the article used by the taxpayer multiplied by the rates in
3 effect for the retail sales tax under RCW 82.08.020.

4 **Sec. 403.** RCW 82.12.045 and 1996 c 149 s 19 are each amended to
5 read as follows:

6 (1) In the collection of the use tax on motor vehicles, the
7 department of revenue may designate the county auditors of the several
8 counties of the state as its collecting agents. Upon such designation,
9 it shall be the duty of each county auditor to collect the tax at the
10 time an applicant applies for the registration of, and transfer of
11 title to, the motor vehicle, except in the following instances:

12 (a) Where the applicant exhibits a dealer's report of sale showing
13 that the retail sales tax has been collected by the dealer;

14 (b) Where the application is for the renewal of registration;

15 (c) Where the applicant presents a written statement signed by the
16 department of revenue, or its duly authorized agent showing that no use
17 tax is legally due; or

18 (d) Where the applicant presents satisfactory evidence showing that
19 the retail sales tax or the use tax has been paid by ((him)) the
20 applicant on the vehicle in question.

21 (2) The term "motor vehicle," as used in this section means and
22 includes all motor vehicles, trailers and semitrailers used, or of a
23 type designed primarily to be used, upon the public streets and
24 highways, for the convenience or pleasure of the owner, or for the
25 conveyance, for hire or otherwise, of persons or property, including
26 fixed loads, facilities for human habitation, and vehicles carrying
27 exempt licenses.

28 (3) It shall be the duty of every applicant for registration and
29 transfer of certificate of title who is subject to payment of tax under
30 this section to declare upon ((his)) the application the value of the
31 vehicle for which application is made, which shall consist of the
32 consideration paid or contracted to be paid therefor.

33 (4) Each county auditor who acts as agent of the department of
34 revenue shall at the time of remitting license fee receipts on motor
35 vehicles subject to the provisions of this section pay over and account
36 to the state treasurer for all use tax revenue collected under this
37 section, after first deducting as ((his)) a collection fee the sum of
38 two dollars for each motor vehicle upon which the tax has been

1 collected. All revenue received by the state treasurer under this
2 section shall be credited to the general fund. The auditor's
3 collection fee shall be deposited in the county current expense fund.
4 A duplicate of the county auditor's transmittal report to the state
5 treasurer shall be forwarded forthwith to the department of revenue.

6 (5) Any applicant who has paid use tax to a county auditor under
7 this section may apply to the department of revenue for refund thereof
8 if he or she has reason to believe that such tax was not legally due
9 and owing. No refund shall be allowed unless application therefor is
10 received by the department of revenue within the statutory period for
11 assessment of taxes, penalties, or interest prescribed by RCW
12 82.32.050(3). Upon receipt of an application for refund the department
13 of revenue shall consider the same and issue its order either granting
14 or denying it and if refund is denied the taxpayer shall have the right
15 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

16 (6) The provisions of this section shall be construed as cumulative
17 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,
18 for the collection of the tax imposed by this chapter. The department
19 of revenue shall have power to promulgate such rules as may be
20 necessary to administer the provisions of this section. Any duties
21 required by this section to be performed by the county auditor may be
22 performed by the director of licensing but no collection fee shall be
23 deductible by said director in remitting use tax revenue to the state
24 treasurer.

25 (7) The use tax revenue collected on the rate provided in RCW
26 82.08.020(3) will be deposited in the multimodal transportation account
27 under RCW 47.66.070.

28 NEW SECTION. Sec. 404. A new section is added to chapter 43.135
29 RCW to read as follows:

30 A transfer from the general fund to the multimodal transportation
31 account under section 405 of this act for taxes collected under
32 chapters 82.08 and 82.12 RCW on new construction projects within the
33 improvement program in RCW 47.05.030(2), does not require a
34 corresponding lowering of the state expenditure limit to reflect this
35 shift for purposes of RCW 43.135.035(4).

36 NEW SECTION. Sec. 405. A new section is added to chapter 82.32
37 RCW to read as follows:

1 (1) Effective for taxes collected in fiscal year 2006, the tax
2 imposed and collected under chapters 82.08 and 82.12 RCW, less any
3 credits allowed under chapter 82.14 RCW, on construction projects
4 within the improvement program in RCW 47.05.030(2), except for those
5 projects related to safety and environmental retrofit, shall be
6 transferred from the general fund to the multimodal transportation
7 account once each year as described by subsection (3) of this section.

8 (2) This transaction is exempt from the requirements in RCW
9 43.135.035(4).

10 (3) Government entities conducting construction projects within the
11 improvement program in RCW 47.05.030(2), except for those projects
12 related to safety and environmental retrofit, shall report to the
13 department by August 1st of each year the amount of state sales or use
14 tax attributable to the projects identified in this section from the
15 previous fiscal year for purposes of transfer to the multimodal
16 transportation account. The department shall notify the state
17 treasurer of the amount of the transfer by September 30th of each year.

18 **PART V - MISCELLANEOUS**

19 NEW SECTION. **Sec. 501.** If any provision of this act or its
20 application to any person or circumstance is held invalid, the
21 remainder of the act or the application of the provision to other
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 502.** Part headings used in this act do not
24 constitute any part of the law."

25 **ESHB 2969** - S COMM AMD
26 By Committee on Transportation

27
28 On page 1, line 1 of the title, after "financing;" strike the
29 remainder of the title and insert "amending RCW 44.40.010, 44.40.013,
30 44.40.015, 44.40.020, 44.40.025, 44.40.030, 44.40.040, 44.40.070,
31 44.40.090, 44.40.100, 44.40.140, 44.40.150, 46.16.0621, 46.16.070,
32 46.68.035, 46.16.071, 82.38.030, 82.38.035, 82.38.045, 82.38.047,
33 82.38.075, 46.09.170, 46.10.170, 79A.25.070, 82.08.020, 82.12.020, and
34 82.12.045; reenacting and amending RCW 82.36.025, 46.68.090, and

1 46.68.110; adding new sections to chapter 44.40 RCW; adding a new
2 section to chapter 46.04 RCW; adding a new section to chapter 46.68
3 RCW; adding a new section to chapter 47.26 RCW; adding a new section to
4 chapter 43.135 RCW; adding a new section to chapter 82.32 RCW; and
5 creating a new section."

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