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**SUBSTITUTE SENATE BILL 6582**

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**State of Washington**

**62nd Legislature**

**2012 Regular Session**

**By** Senate Transportation (originally sponsored by Senators Haugen, Eide, Hobbs, Ranker, and Shin)

READ FIRST TIME 02/07/12.

1       AN ACT Relating to local transportation revenue options; amending  
2       RCW 36.73.065, 36.73.040, 82.80.010, and 82.80.140; reenacting and  
3       amending RCW 36.73.015; and adding a new section to chapter 82.80 RCW.

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

5       **Sec. 1.** RCW 36.73.065 and 2007 c 329 s 1 are each amended to read  
6       as follows:

7       (1) Except as provided in subsection (4) of this section, taxes,  
8       fees, charges, and tolls may not be imposed by a district without  
9       approval of a majority of the voters in the district voting on a  
10      proposition at a general or special election. The proposition must  
11      include a specific description of the transportation improvement or  
12      improvements proposed by the district and the proposed taxes, fees,  
13      charges, and the range of tolls imposed by the district to raise  
14      revenue to fund the improvement or improvements.

15      (2) Voter approval under this section (~~shall~~) must be accorded  
16      substantial weight regarding the validity of a transportation  
17      improvement as defined in RCW 36.73.015.

18      (3) A district may not increase any taxes, fees, charges, or range

1 of tolls imposed under this chapter once the taxes, fees, charges, or  
2 tolls take effect, unless authorized by the district voters pursuant to  
3 RCW 36.73.160.

4 (4)(a) A district that includes all the territory within the  
5 boundaries of the jurisdiction, or jurisdictions, establishing the  
6 district, but not including territory in which a fee is currently being  
7 collected under RCW 82.80.140, may impose by a majority vote of the  
8 governing board of the district the following fees and charges:

9 (i) Up to (~~twenty~~) forty dollars of the vehicle fee authorized in  
10 RCW 82.80.140; or

11 (ii) A fee or charge in accordance with RCW 36.73.120.

12 (b) The vehicle fee authorized in (a) of this subsection may only  
13 be imposed for a passenger-only ferry transportation improvement if the  
14 vehicle fee is first approved by a majority of the voters within the  
15 jurisdiction of the district.

16 (c)(i) A district solely comprised of a city or cities (~~shall~~)  
17 may not impose the fees or charges identified in (a) of this subsection  
18 within one hundred eighty days after July 22, 2007, unless the county  
19 in which the city or cities reside, by resolution, declares that it  
20 will not impose the fees or charges identified in (a) of this  
21 subsection within the one hundred eighty-day period; or

22 (ii) A district solely comprised of a city or cities identified in  
23 RCW 36.73.020(6)(b) (~~shall~~) may not impose the fees or charges until  
24 after May 22, 2008, unless the county in which the city or cities  
25 reside, by resolution, declares that it will not impose the fees or  
26 charges identified in (a) of this subsection through May 22, 2008.

27 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be  
28 reached, a district that includes only the unincorporated territory of  
29 a county may impose by a majority vote of the governing body of the  
30 district up to (~~twenty~~) forty dollars of the vehicle fee authorized  
31 in RCW 82.80.140.

32 **Sec. 2.** RCW 36.73.040 and 2008 c 122 s 17 are each amended to read  
33 as follows:

34 (1) A transportation benefit district is a quasi-municipal  
35 corporation, an independent taxing "authority" within the meaning of  
36 Article VII, section 1 of the state Constitution, and a "taxing

1 district" within the meaning of Article VII, section 2 of the state  
2 Constitution.

3 (2) A transportation benefit district constitutes a body corporate  
4 and possesses all the usual powers of a corporation for public purposes  
5 as well as all other powers that may now or hereafter be specifically  
6 conferred by statute, including, but not limited to, the authority to  
7 hire employees, staff, and services, to enter into contracts, to  
8 acquire, hold, and dispose of real and personal property, and to sue  
9 and be sued. Public works contract limits applicable to the  
10 jurisdiction that established the district apply to the district.

11 (3) To carry out the purposes of this chapter, and subject to the  
12 provisions of RCW 36.73.065, a district is authorized to impose the  
13 following taxes, fees, charges, and tolls:

14 (a) A sales and use tax in accordance with RCW 82.14.0455;

15 (b) A vehicle fee in accordance with RCW 82.80.140;

16 (c) A fee or charge in accordance with RCW 36.73.120. However, if  
17 a county or city within the district area is levying a fee or charge  
18 for a transportation improvement, the fee or charge (~~shall~~) must be  
19 credited against the amount of the fee or charge imposed by the  
20 district. Developments consisting of less than twenty residences are  
21 exempt from the fee or charge under RCW 36.73.120; (~~and~~)

22 (d) A motor vehicle excise tax in accordance with section 3 of this  
23 act; and

24 (e)(i) Vehicle tolls on state routes, city streets, or county  
25 roads, within the boundaries of the district, unless otherwise  
26 prohibited by law. However, consistent with RCW 47.56.820, the vehicle  
27 toll must first be authorized by the legislature if the toll is imposed  
28 on a state route.

29 (ii) The department of transportation (~~shall~~) must administer the  
30 collection of vehicle tolls authorized on state routes, unless  
31 otherwise specified in law or by contract, and the state transportation  
32 commission, or its successor, may approve, set, and impose the tolls in  
33 amounts sufficient to implement the district's transportation  
34 improvement finance plan. The district (~~shall~~) must administer the  
35 collection of vehicle tolls authorized on city streets or county roads,  
36 and (~~shall~~) must set and impose the tolls in amounts sufficient to  
37 implement the district's transportation improvement plan. However,  
38 consistent with RCW 47.56.850, the vehicle toll, including any change

1 in an existing toll rate, must first be reviewed and approved by the  
2 tolling authority designated in RCW 47.56.850 if the toll, or change in  
3 toll rate, would have a significant impact, as determined by the  
4 tolling authority, on the operation of any state facility.

5 (4) A district may only impose the vehicle fee under RCW 82.80.140  
6 or the motor vehicle excise tax under section 3 of this act and may not  
7 impose both.

8 NEW SECTION. Sec. 3. A new section is added to chapter 82.80 RCW  
9 to read as follows:

10 (1) Subject to the provisions of RCW 36.73.065, a transportation  
11 benefit district under chapter 36.73 RCW may impose a motor vehicle  
12 excise tax of up to one percent annually on the value of every motor  
13 vehicle owned by a resident of the district based on the valuation  
14 schedules in RCW 82.44.035.

15 (2) The tax under this section may not be imposed on vehicles  
16 licensed under RCW 46.17.355, except vehicles with an unladen weight of  
17 six thousand pounds or less, RCW 46.16A.425, 46.17.335, or  
18 46.17.350(1)(c).

19 (3) The department of licensing must administer and collect the  
20 tax. The department must deduct a percentage amount, as provided by  
21 contract, not to exceed one percent of the taxes collected, for  
22 administration and collection expenses incurred by the department. The  
23 department must remit the remaining proceeds to the custody of the  
24 state treasurer. The state treasurer must distribute the proceeds to  
25 the district on a monthly basis.

26 (4) No tax imposed under this section may be collected until six  
27 months after approval under RCW 36.73.065.

28 (5) The tax under this section applies only when renewing a vehicle  
29 registration, and is effective upon the registration renewal date as  
30 provided by the department of licensing.

31 **Sec. 4.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read  
32 as follows:

33 (1) For purposes of this section:

34 (a) "Distributor" means every person who imports, refines,  
35 manufactures, produces, or compounds motor vehicle fuel and special

1 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells  
2 or distributes the fuel into a county;

3 (b) "Person" has the same meaning as in RCW 82.04.030.

4 (2) Subject to the conditions of this section(~~(7)~~): (a) Any county  
5 may levy, by approval of its legislative body and a majority of the  
6 registered voters of the county voting on the proposition at a general  
7 or special election, additional excise taxes equal to (~~ten percent of~~  
8 ~~the statewide motor vehicle fuel tax rate under RCW 82.36.025~~) one  
9 cent, two cents, or three cents on each gallon of motor vehicle fuel as  
10 defined in RCW 82.36.010 and on each gallon of special fuel as defined  
11 in RCW 82.38.020 sold within the boundaries of the county; and (b) any  
12 city may levy, by approval of its legislative body and a majority of  
13 the registered voters of the city voting on the proposition at a  
14 general or special election, additional excise taxes equal to one cent  
15 on each gallon of motor vehicle fuel as defined in RCW 82.36.010 and on  
16 each gallon of special fuel as defined in RCW 82.38.020 sold within the  
17 boundaries of the city. Vehicles paying an annual license fee under  
18 RCW 82.38.075 are exempt from the county fuel excise tax. An election  
19 held under this section must be held not more than twelve months before  
20 the date on which the proposed tax is to be levied. The ballot setting  
21 forth the proposition (~~shall~~) must state the tax rate that is  
22 proposed. The county's authority to levy additional excise taxes under  
23 this section includes the incorporated and unincorporated areas of the  
24 county to the extent that the tax has not been imposed by the city.  
25 The additional excise taxes are subject to the same exceptions and  
26 rights of refund as applicable to other motor vehicle fuel and special  
27 fuel excise taxes levied under chapters 82.36 and 82.38 RCW. The  
28 proposed tax (~~shall~~) may not be levied less than one month from the  
29 date the election results are certified by the county election officer.  
30 The commencement date for the levy of any tax under this section  
31 (~~shall be~~) is the first day of January, April, July, or October.

32 (3) The local option motor vehicle fuel tax on each gallon of motor  
33 vehicle fuel and on each gallon of special fuel is imposed upon the  
34 distributor of the fuel.

35 (4) A taxable event for the purposes of this section occurs upon  
36 the first distribution of the fuel within the boundaries of a county or  
37 city to a retail outlet, bulk fuel user, or ultimate user of the fuel.

1 (5) All administrative provisions in chapters 82.01, 82.03, and  
2 82.32 RCW, insofar as they are applicable, apply to local option fuel  
3 taxes imposed under this section.

4 (6) Before the effective date of the imposition of the fuel taxes  
5 under this section, a county (~~shall~~) or city must contract with the  
6 department of revenue for the administration and collection of the  
7 taxes. The contract must provide that a percentage amount, not to  
8 exceed one percent of the taxes imposed under this section, will be  
9 deposited into the local tax administration account created in the  
10 custody of the state treasurer. The department of revenue may spend  
11 money from this account, upon appropriation, for the administration of  
12 the local taxes imposed under this section.

13 (7) The state treasurer (~~shall~~) must distribute monthly to the  
14 levying county and cities contained therein the proceeds of the  
15 additional excise taxes collected under this section, after the  
16 deductions for payments and expenditures as provided in RCW  
17 46.68.090(1) (a) and (b) and under the conditions and limitations  
18 provided in RCW 82.80.080.

19 (8) The proceeds of the additional excise taxes levied under this  
20 section (~~shall~~) must be used strictly for transportation purposes in  
21 accordance with RCW 82.80.070.

22 (9) A county or city may not levy the tax under this section if  
23 they are levying the tax in RCW 82.80.110 or if they are a member of a  
24 regional transportation investment district levying the tax in RCW  
25 82.80.120.

26 **Sec. 5.** RCW 82.80.140 and 2010 c 161 s 917 are each amended to  
27 read as follows:

28 (1) Subject to the provisions of RCW 36.73.065, a transportation  
29 benefit district under chapter 36.73 RCW may fix and impose an annual  
30 vehicle fee, not to exceed one hundred dollars per vehicle registered  
31 in the district, for each vehicle subject to vehicle license fees under  
32 RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q)  
33 and for each vehicle subject to gross weight license fees under RCW  
34 46.17.355 with a scale weight of six thousand pounds or less.

35 (2)(a) A district that includes all the territory within the  
36 boundaries of the jurisdiction, or jurisdictions, establishing the  
37 district, but not including territory in which a fee is currently being

1 collected under this section, may impose by a majority vote of the  
2 governing board of the district up to (~~twenty~~) forty dollars of the  
3 vehicle fee authorized in subsection (1) of this section.

4 (i) If the district is countywide, the revenues of the fee  
5 (~~shall~~) must be distributed to each city within the (~~county~~)  
6 district by interlocal agreement that must be effective prior to  
7 imposition of the fee. The interlocal agreement is effective when  
8 approved by the (~~county~~) district and sixty percent of the cities  
9 representing seventy-five percent of the population of the cities  
10 within the (~~county~~) district in which the countywide fee is  
11 collected.

12 (ii) If the district is less than countywide, the revenues of the  
13 fee must be distributed to each city within the district by interlocal  
14 agreement that must be effective prior to imposition of the fee.

15 (b) A district may not impose a fee under this subsection (2):

16 (i) For a passenger-only ferry transportation improvement unless  
17 the vehicle fee is first approved by a majority of the voters within  
18 the jurisdiction of the district; or

19 (ii) That, if combined with the fees previously imposed by another  
20 district within its boundaries under RCW 36.73.065(4)(a)(i), exceeds  
21 (~~twenty~~) forty dollars.

22 If a district imposes or increases a fee under this subsection (2)  
23 that, if combined with the fees previously imposed by another district  
24 within its boundaries, exceeds (~~twenty~~) forty dollars, the district  
25 (~~shall~~) must provide a credit for the previously imposed fees so that  
26 the combined vehicle fee does not exceed (~~twenty~~) forty dollars.

27 (3) The department of licensing (~~shall~~) must administer and  
28 collect the fee. The department (~~shall~~) must deduct a percentage  
29 amount, as provided by contract, not to exceed one percent of the fees  
30 collected, for administration and collection expenses incurred by it.  
31 The department shall remit remaining proceeds to the custody of the  
32 state treasurer. The state treasurer shall distribute the proceeds to  
33 the district on a monthly basis.

34 (4) No fee under this section may be collected until six months  
35 after approval under RCW 36.73.065.

36 (5) The vehicle fee under this section applies only when renewing  
37 a vehicle registration, and is effective upon the registration renewal  
38 date as provided by the department of licensing.

1 (6) The following vehicles are exempt from the fee under this  
2 section:

- 3 (a) Campers, as defined in RCW 46.04.085;
- 4 (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and  
5 46.04.181;
- 6 (c) Mopeds, as defined in RCW 46.04.304;
- 7 (d) Off-road and nonhighway vehicles, as defined in RCW 46.04.365;
- 8 (e) Private use single-axle trailer, as defined in RCW 46.04.422;
- 9 (f) Snowmobiles, as defined in RCW 46.04.546; and
- 10 (g) Vehicles registered under chapter 46.87 RCW and the  
11 international registration plan.

12 **Sec. 6.** RCW 36.73.015 and 2010 c 251 s 2 and 2010 c 105 s 1 are  
13 each reenacted and amended to read as follows:

14 The definitions in this section apply throughout this chapter  
15 unless the context clearly requires otherwise.

- 16 (1) "City" means a city or town.
- 17 (2) "District" means a transportation benefit district created  
18 under this chapter.
- 19 (3) "Supplemental transportation improvement" or "supplemental  
20 improvement" means any project, work, or undertaking to provide public  
21 transportation service, in addition to a district's existing or planned  
22 voter-approved transportation improvements, proposed by a participating  
23 city member of the district under RCW 36.73.180.
- 24 (4) "Transportation improvement" means a project contained in the  
25 transportation plan of the state, a regional transportation planning  
26 organization, city, county, or eligible jurisdiction as identified in  
27 RCW 36.73.020(2). A project may include, but is not limited to,  
28 investment in new or existing highways of statewide significance,  
29 principal arterials of regional significance, high capacity  
30 transportation, public transportation, and other transportation  
31 projects and programs of local, regional, or statewide significance  
32 including transportation demand management. Projects may also include  
33 the operation, preservation, and maintenance of these facilities or  
34 programs.

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