

---

SENATE BILL 6582

---

State of Washington                      62nd Legislature                      2012 Regular Session

By Senators Haugen, Eide, Hobbs, Ranker, and Shin

Read first time 02/02/12. Referred to Committee on Transportation.

1            AN ACT Relating to local transportation revenue options; amending  
2 RCW 36.73.065, 36.73.040, 82.80.010, 84.55.005, 36.82.040, and  
3 36.82.070; adding a new section to chapter 82.80 RCW; and creating a  
4 new section.

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

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

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

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

1 (3) A district may not increase any taxes, fees, charges, or range  
2 of tolls imposed under this chapter once the taxes, fees, charges, or  
3 tolls take effect, unless authorized by the district voters pursuant to  
4 RCW 36.73.160.

5 (4)(a) A district that includes all the territory within the  
6 boundaries of the jurisdiction, or jurisdictions, establishing the  
7 district may impose by a majority vote of the governing board of the  
8 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 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.80 RCW  
6 to read as follows:

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

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

16 (3) A district imposing a tax under this section may contract with  
17 the department of licensing for the administration and collection and  
18 the department of licensing shall deduct an amount, as provided by  
19 contract, for the administration and collection expenses incurred by  
20 the department.

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

23 (1) For purposes of this section:

24 (a) "Distributor" means every person who imports, refines,  
25 manufactures, produces, or compounds motor vehicle fuel and special  
26 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells  
27 or distributes the fuel into a county;

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

29 (2) Subject to the conditions of this section, any county or city  
30 may levy, by approval of its legislative body and a majority of the  
31 registered voters of the county or city voting on the proposition at a  
32 general or special election, additional excise taxes equal to (~~ten~~  
33 ~~percent of the statewide motor vehicle fuel tax rate under RCW~~  
34 ~~82.36.025~~) one cent, two cents, or three cents on each gallon of motor  
35 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special  
36 fuel as defined in RCW 82.38.020 sold within the boundaries of the

1 county or city. Vehicles paying an annual license fee under RCW  
2 82.38.075 are exempt from the county fuel excise tax. An election held  
3 under this section must be held not more than twelve months before the  
4 date on which the proposed tax is to be levied. The ballot setting  
5 forth the proposition (~~(shall)~~) must state the tax rate that is  
6 proposed. The county's authority to levy additional excise taxes under  
7 this section includes the incorporated and unincorporated areas of the  
8 county to the extent that the tax has not been imposed by the city.  
9 The additional excise taxes are subject to the same exceptions and  
10 rights of refund as applicable to other motor vehicle fuel and special  
11 fuel excise taxes levied under chapters 82.36 and 82.38 RCW. The  
12 proposed tax (~~(shall)~~) may not be levied less than one month from the  
13 date the election results are certified by the county election officer.  
14 The commencement date for the levy of any tax under this section  
15 (~~(shall be)~~) is the first day of January, April, July, or October.

16 (3) The local option motor vehicle fuel tax on each gallon of motor  
17 vehicle fuel and on each gallon of special fuel is imposed upon the  
18 distributor of the fuel.

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

22 (5) All administrative provisions in chapters 82.01, 82.03, and  
23 82.32 RCW, insofar as they are applicable, apply to local option fuel  
24 taxes imposed under this section.

25 (6) Before the effective date of the imposition of the fuel taxes  
26 under this section, a county (~~(shall)~~) or city must contract with the  
27 department of revenue for the administration and collection of the  
28 taxes. The contract must provide that a percentage amount, not to  
29 exceed one percent of the taxes imposed under this section, will be  
30 deposited into the local tax administration account created in the  
31 custody of the state treasurer. The department of revenue may spend  
32 money from this account, upon appropriation, for the administration of  
33 the local taxes imposed under this section.

34 (7) The state treasurer (~~(shall)~~) must distribute monthly to the  
35 levying county and cities contained therein the proceeds of the  
36 additional excise taxes collected under this section, after the  
37 deductions for payments and expenditures as provided in RCW

1 46.68.090(1) (a) and (b) and under the conditions and limitations  
2 provided in RCW 82.80.080.

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

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

10 **Sec. 5.** RCW 84.55.005 and 2007 sp.s. c 1 s 1 are each amended to  
11 read as follows:

12 As used in this chapter:

13 (1) "Inflation" means the percentage change in the implicit price  
14 deflator for personal consumption expenditures for the United States as  
15 published for the most recent twelve-month period by the bureau of  
16 economic analysis of the federal department of commerce in September of  
17 the year before the taxes are payable;

18 (2) "Limit factor" means:

19 (a) For taxing districts with a population of less than ten  
20 thousand in the calendar year prior to the assessment year, one hundred  
21 one percent;

22 (b) For taxing districts for which a limit factor is authorized  
23 under RCW 84.55.0101, the lesser of the limit factor authorized under  
24 that section or one hundred one percent;

25 (c) For taxing districts levying the tax in RCW 36.82.040, one  
26 hundred three percent for the county road tax;

27 (d) For all other districts, the lesser of one hundred one percent  
28 or one hundred percent plus inflation; and

29 (3) "Regular property taxes" has the meaning given it in RCW  
30 84.04.140.

31 **Sec. 6.** RCW 36.82.040 and 2001 c 212 s 27 are each amended to read  
32 as follows:

33 For the purpose of raising revenue for transportation purposes as  
34 described in RCW 82.80.070(1), and for establishing, laying out,  
35 constructing, altering, repairing, improving, and maintaining county  
36 roads, bridges, and wharves necessary for vehicle ferriage and for

1 other proper county purposes, the board (~~shall~~) must annually at the  
2 time of making the levy for general purposes make a uniform tax levy  
3 throughout the county, or any road district thereof, of not to exceed  
4 two dollars and twenty-five cents per thousand dollars of assessed  
5 value of the last assessed valuation of the taxable property in the  
6 county, or road district thereof, unless other law of the state  
7 requires a lower maximum levy, in which event such lower maximum levy  
8 (~~shall~~) controls. All funds accruing from such levy (~~shall~~) must  
9 be credited to and deposited in the county road fund except that  
10 revenue diverted under RCW 36.33.220 (~~shall~~) must be placed in a  
11 separate and identifiable account within the county current expense  
12 fund and except that revenue diverted under chapter 39.89 RCW (~~shall~~)  
13 must be expended as provided under chapter 39.89 RCW. All funds  
14 accruing from such levy which exceed the limit factor in RCW  
15 84.55.005(2)(a) may not be diverted from the county road fund.

16 **Sec. 7.** RCW 36.82.070 and 2010 c 43 s 1 are each amended to read  
17 as follows:

18 (1) Any money paid to any county road fund may be used for the  
19 construction, alteration, repair, improvement, or maintenance of county  
20 roads and bridges thereon and for wharves necessary for ferriage of  
21 motor vehicle traffic, and for ferries, and for the acquiring,  
22 operating, and maintaining of machinery, equipment, quarries, or pits  
23 for the extraction of materials, and for the cost of establishing  
24 county roads, acquiring rights-of-way therefor, and expenses for the  
25 operation of the county engineering office, and for any of the  
26 following programs when directly related to county road purposes:  
27 (~~(1)~~) (a) Insurance; (~~(2)~~) (b) self-insurance programs; and (~~(3)~~)  
28 (c) risk management programs; and for any other proper county road  
29 purpose. Such expenditure may be made either independently or in  
30 conjunction with the state or any city, town, or tax district within  
31 the county. County road purposes include the construction,  
32 maintenance, or improvement of park and ride lots. County road  
33 purposes also include the removal of barriers to fish passage related  
34 to county roads, and include but are not limited to the following  
35 activities associated with the removal of these barriers: Engineering  
36 and technical services; stream bank stabilization; streambed  
37 restoration; the placement of weirs, rock, or woody debris; planting;

1 and channel modification. County road funds may be used beyond the  
2 county right-of-way for activities clearly associated with removal of  
3 fish passage barriers that are the responsibility of the county.  
4 Activities related to the removal of barriers to fish passage performed  
5 beyond the county right-of-way must not exceed twenty-five percent of  
6 the total cost of activities related to fish barrier removal on any one  
7 project, and the total annual cost of activities related to the removal  
8 of barriers to fish passage performed beyond the county rights-of-way  
9 must not exceed one-half of one percent of a county's annual road  
10 construction budget. The use of county road funds beyond the county  
11 right-of-way for activities associated with the removal of fish  
12 barriers is permissive, and wholly within the discretion of the county  
13 legislative authority. The use of county road funds beyond the county  
14 right-of-way for such activities does not create or impose a legal duty  
15 upon a county for salmon recovery work beyond the county right-of-way.

16 (2) County road funds generated by the tax in RCW 36.82.040 may  
17 also be used for the purposes provided in that section.

18 NEW SECTION. **Sec. 8.** This act applies to taxes levied for  
19 collection in 2013 and thereafter.

--- END ---