
ENGROSSED SUBSTITUTE HOUSE BILL 1677

State of Washington

52nd Legislature

1991 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Cooper, R. Fisher, Peery, Ogden, H. Myers, Morris, Jacobsen and Winsley).

Read first time March 5, 1991.

1 AN ACT Relating to high capacity transportation funding and
2 planning; amending RCW 35.58.273, 81.104.030, 81.104.110, 81.104.140,
3 and 82.44.150; and creating a new section.

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

5 **Sec. 1.** RCW 35.58.273 and 1990 c 42 s 316 are each amended to read
6 as follows:

7 (1) Through June 30, 1992, any municipality (~~within a class AA~~
8 ~~county, or within a class A county contiguous to a class AA county, or~~
9 ~~within a second class county contiguous to a class A county that is~~
10 ~~contiguous to a class AA county)), as defined in this subsection, is
11 authorized to levy and collect a special excise tax not exceeding .7824
12 percent and beginning July 1, 1992, .725 percent on the fair market
13 value of every motor vehicle owned by a resident of such municipality
14 for the privilege of using such motor vehicle provided that in no event
15 shall the tax be less than one dollar and, subject to RCW 82.44.150~~

1 (~~(5) and (6)~~) (3) and (4), the amount of such tax shall be credited
2 against the amount of the excise tax levied by the state under RCW
3 82.44.020. As used in this subsection, the term "municipality" means
4 a municipality that is located within (a) each county with a population
5 of two hundred ten thousand or more and (b) each county with a
6 population of from one hundred twenty-five thousand to less than two
7 hundred ten thousand except for those counties that do not border a
8 county with a population as described under subsection (a) of this
9 subsection.

10 (2) Through June 30, 1992, any other municipality is authorized to
11 levy and collect a special excise tax not exceeding .815 percent, and
12 beginning July 1, 1992, .725 percent on the fair market value of every
13 motor vehicle owned by a resident of such municipality for the
14 privilege of using such motor vehicle provided that in no event shall
15 the tax be less than one dollar and, subject to RCW 82.44.150 (3) and
16 (4), the amount of such tax shall be credited against the amount of the
17 excise tax levied by the state under RCW 82.44.020. Before utilization
18 of any excise tax moneys collected under authorization of this section
19 for acquisition of right of way or construction of a mass transit
20 facility on a separate right of way the municipality shall adopt rules
21 affording the public an opportunity for "corridor public hearings" and
22 "design public hearings" as herein defined, which rule shall provide in
23 detail the procedures necessary for public participation in the
24 following instances: (a) prior to adoption of location and design
25 plans having a substantial social, economic or environmental effect
26 upon the locality upon which they are to be constructed or (b) on such
27 mass rapid transit systems operating on a separate right of way
28 whenever a substantial change is proposed relating to location or
29 design in the adopted plan. In adopting rules the municipality shall
30 adhere to the provisions of the Administrative Procedure Act.

1 (3) A "corridor public hearing" is a public hearing that: (a) is
2 held before the municipality is committed to a specific mass transit
3 route proposal, and before a route location is established; (b) is held
4 to afford an opportunity for participation by those interested in the
5 determination of the need for, and the location of, the mass rapid
6 transit system; (c) provides a public forum that affords a full
7 opportunity for presenting views on the mass rapid transit system route
8 location, and the social, economic and environmental effects on that
9 location and alternate locations: PROVIDED, That such hearing shall
10 not be deemed to be necessary before adoption of an overall mass rapid
11 transit system plan by a vote of the electorate of the municipality.

12 (4) A "design public hearing" is a public hearing that: (a) is
13 held after the location is established but before the design is
14 adopted; and (b) is held to afford an opportunity for participation by
15 those interested in the determination of major design features of the
16 mass rapid transit system; and (c) provides a public forum to afford a
17 full opportunity for presenting views on the mass rapid transit system
18 design, and the social, economic, environmental effects of that design
19 and alternate designs.

20 **Sec. 2.** RCW 81.104.030 and 1990 c 43 s 24 are each amended to read
21 as follows:

22 (1) In any ~~((class A))~~ county with a population of from two hundred
23 ten thousand to less than one million that is not bordered by a ~~((class~~
24 ~~AA))~~ county with a population of one million or more, and in ~~((counties~~
25 ~~of the first class and smaller))~~ each county with a population of less
26 than two hundred ten thousand, city-owned transit systems, county
27 transportation authorities, metropolitan municipal corporations, and
28 public transportation benefit areas may elect to establish high
29 capacity transportation service. Such agencies shall form a regional

1 policy committee with proportional representation based upon population
2 distribution within the designated service area and a representative of
3 the department of transportation, or such agencies may use the
4 designated metropolitan planning organization as the regional policy
5 committee.

6 (a) City-owned transit systems, county transportation authorities,
7 metropolitan municipal corporations, and public transportation benefit
8 areas participating in joint regional policy committees shall seek
9 voter approval within their own service boundaries of a high capacity
10 transportation system plan and an implementation program including a
11 financing program.

12 (b) An interim regional authority may be formed pursuant to RCW
13 81.104.040(2) and shall seek voter approval of a high capacity
14 transportation plan and financing program within its proposed service
15 boundaries.

16 (2) City-owned transit systems, county transportation authorities,
17 metropolitan municipal corporations, and public transportation benefit
18 areas in counties adjoining state or international boundaries are
19 authorized to participate in the regional high capacity transportation
20 programs of an adjoining state or nation.

21 **Sec. 3.** RCW 81.104.110 and 1990 c 43 s 32 are each amended to read
22 as follows:

23 The legislature recognizes that the planning process described in
24 RCW 81.104.100 provides a recognized framework for guiding high
25 capacity transportation studies. However, the process cannot guarantee
26 appropriate transit decisions unless key study assumptions are
27 reasonable.

28 To assure appropriate project assumptions and to provide for review
29 of project results, the department of transportation shall develop

1 independent oversight procedures which are appropriate to the scope of
2 any project for which high capacity transportation account funds are
3 requested.

4 An expert review panel shall be appointed to provide independent
5 technical review for any project which is to be funded in whole or in
6 part by the imposition of any voter-approved local option funding
7 sources enumerated in RCW 81.104.140.

8 (1) The expert review panel shall consist of five to ten members
9 who are recognized experts in relevant fields, such as transit
10 operations, planning, emerging transportation technologies,
11 engineering, finance, law, the environment, geography, economics, and
12 political science.

13 (2) The expert review panel shall be selected cooperatively by the
14 chair of the legislative transportation committee, the secretary of the
15 department of transportation, and the governor to assure a balance of
16 disciplines. In the case of counties adjoining another state or nation
17 the expert review panel membership shall be selected cooperatively with
18 representatives of the adjoining state or nation.

19 (3) The chair of the expert review panel shall be designated by the
20 appointing body.

21 (4) The expert review panel shall serve without compensation but
22 shall be reimbursed for expenses according to chapter 43.03 RCW.

23 (5) Funds appropriated for expenses of the expert panel shall be
24 administered by the department of transportation.

25 (6) The expert panel shall review all reports required in RCW
26 81.104.100(2)(b)(vi) but shall concentrate on service modes and
27 concepts, costs, patronage, financing, and project evaluation.

28 (7) The expert panel shall provide timely reviews and comments on
29 individual project reports and study conclusions to the governor, the
30 legislative transportation committee, the department of transportation,

1 and the submitting lead transit agency. In the case of counties
2 adjoining another state or nation, the expert review panel shall
3 provide its reviews, comments, and conclusions to the representatives
4 of the adjoining state or nation.

5 (8) The legislative transportation committee shall contract for
6 consulting services for expert review panels. The amount of consultant
7 support shall be negotiated with each expert review panel by the
8 legislative transportation committee and shall be paid from the high
9 capacity transportation account.

10 **Sec. 4.** RCW 81.104.140 and 1990 c 43 s 35 are each amended to read
11 as follows:

12 (1) Agencies authorized to provide high capacity transportation
13 service, including city-owned transit systems, county transportation
14 authorities, metropolitan municipal corporations and public
15 transportation benefit areas, are hereby granted dedicated funding
16 sources for such systems. These dedicated funding sources, as set
17 forth in RCW 81.104.150, 81.104.160, and 81.104.170, are authorized
18 only for agencies located in (~~class AA counties, class A counties,~~
19 ~~counties of the first class which border another state, and counties~~
20 ~~which, on March 14, 1990, are of the second class and which adjoin~~
21 ~~class A counties~~)) (a) each county with a population of two hundred ten
22 thousand or more and (b) each county with a population of from one
23 hundred twenty-five thousand to less than two hundred ten thousand
24 except for those counties that do not border a county with a population
25 as described under subsection (a) of this subsection.

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

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

3 (a) Acceptability;

4 (b) Ease of administration;

5 (c) Equity;

6 (d) Implementation feasibility;

7 (e) Revenue reliability; and

8 (f) Revenue yield.

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

14 (a) Employer tax as provided in RCW 81.104.150;

15 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;

16 and

17 (c) Sales and use tax as provided in RCW 81.104.170.

18 Revenues from these taxes may be used only to support those
19 purposes prescribed in subsection (8) of this section. Before an
20 agency may impose any of the taxes enumerated in this section and
21 authorized in RCW 81.104.150, 81.104.160, and 81.104.170, it must
22 comply with the process prescribed in RCW 81.104.100 and 81.104.110.

23 (5) Authorization in subsection (4) of this section shall not
24 adversely affect the funding authority of existing transit agencies.
25 Local option funds may be used to support implementation of interlocal
26 agreements with respect to the establishment of regional high capacity
27 transportation service. Local jurisdictions shall retain control over
28 moneys generated within their boundaries, although funds may be
29 commingled for planning, construction, and operation of high capacity
30 transportation systems as set forth in the agreements.

1 (6) Agencies providing high capacity transportation service may
2 contract with the state for collection and transference of local option
3 revenue.

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

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

11 **Sec. 5.** RCW 82.44.150 and 1990 c 42 s 308 are each amended to read
12 as follows:

13 (1) The director of licensing shall, on the twenty-fifth day of
14 February, May, August, and November of each year, advise the state
15 treasurer of the total amount of motor vehicle excise taxes remitted to
16 the department during the preceding calendar quarter ending on the last
17 day of March, June, September, and December, respectively, except for
18 those payable under RCW 82.44.030, from motor vehicle owners residing
19 within each municipality which has levied a tax under RCW 35.58.273,
20 which amount of excise taxes shall be determined by the director as
21 follows:

22 The total amount of motor vehicle excise taxes remitted to the
23 department, except those payable under RCW 82.44.030, from each county
24 shall be multiplied by a fraction, the numerator of which is the
25 population of the municipality residing in such county, and the
26 denominator of which is the total population of the county in which
27 such municipality or portion thereof is located. The product of this
28 computation shall be the amount of excise taxes from motor vehicle
29 owners residing within such municipality or portion thereof. Where the

1 municipality levying a tax under RCW 35.58.273 is located in more than
2 one county, the above computation shall be made by county, and the
3 combined products shall provide the total amount of motor vehicle
4 excise taxes from motor vehicle owners residing in the municipality as
5 a whole. Population figures required for these computations shall be
6 supplied to the director by the office of financial management, who
7 shall adjust the fraction annually.

8 (2) On the first day of the months of January, April, July, and
9 October of each year, the state treasurer based upon information
10 provided by the department shall, from motor vehicle excise taxes
11 deposited in the general fund, under RCW 82.44.110(7), make the
12 following deposits:

13 (a) To the high capacity transportation account created in RCW
14 47.78.010, a sum equal to four and five-tenths percent of the special
15 excise tax levied under RCW 35.58.273 by those municipalities
16 authorized to levy a special excise tax within ~~((a class AA county, or
17 within a class A county contiguous to a class AA county, or within a
18 second class county contiguous to a class A county that is contiguous
19 to a class AA county))~~ (i) each county with a population of two hundred
20 ten thousand or more and (ii) each county with a population of from one
21 hundred twenty-five thousand to less than two hundred ten thousand
22 except for those counties that do not border a county with a population
23 as described in subsection (i) of this subsection;

24 (b) To the central Puget Sound public transportation account
25 created in RCW 82.44.180, for revenues distributed after December 31,
26 1992, within a ~~((class AA county or within a class A county contiguous
27 to a class AA))~~ county with a population of one million or more and a
28 county with a population of from two hundred thousand to less than one
29 million bordering a county with a population of one million or more, a
30 sum equal to the difference between (i) the special excise tax levied

1 and collected under RCW 35.58.273 by those municipalities authorized to
2 levy and collect a special excise tax subject to the requirements of
3 subsections (3) and (4) of this section and (ii) the special excise tax
4 that the municipality would otherwise have been eligible to levy and
5 collect at a tax rate of .815 percent and been able to match with
6 locally generated tax revenues, other than the excise tax imposed under
7 RCW 35.58.273, budgeted for any public transportation purpose. Before
8 this deposit, the sum shall be reduced by an amount equal to the amount
9 distributed under (a) of this subsection for each of the municipalities
10 within the counties to which this subsection (2)(b) applies; however,
11 any transfer under this subsection (2)(b) must be greater than zero;

12 (c) To the public transportation systems account created in RCW
13 82.44.180, for revenues distributed after December 31, 1992, within
14 counties not described in (b) of this subsection, a sum equal to the
15 difference between (i) the special excise tax levied and collected
16 under RCW 35.58.273 by those municipalities authorized to levy and
17 collect a special excise tax subject to the requirements of subsections
18 (3) and (4) of this section and (ii) the special excise tax that the
19 municipality would otherwise have been eligible to levy and collect at
20 a tax rate of .815 percent and been able to match with locally
21 generated tax revenues, other than the excise tax imposed under RCW
22 35.58.273, budgeted for any public transportation purpose. Before this
23 deposit, the sum shall be reduced by an amount equal to the amount
24 distributed under (a) of this subsection for each of the municipalities
25 within the counties to which this subsection (2)(c) applies; however,
26 any transfer under this subsection (2)(c) must be greater than zero;
27 and

28 (d) To the transportation fund created in RCW 82.44.180, for
29 revenues distributed after June 30, 1991, a sum equal to the difference
30 between (i) the special excise tax levied and collected under RCW

1 35.58.273 by those municipalities authorized to levy and collect a
2 special excise tax subject to the requirements of subsections (3) and
3 (4) of this section and (ii) the special excise tax that the
4 municipality would otherwise have been eligible to levy and collect at
5 a tax rate of .815 percent notwithstanding the requirements set forth
6 in subsections (3) through (6) of this section, reduced by an amount
7 equal to distributions made under (a), (b), and (c) of this subsection.

8 (3) On the first day of the months of January, April, July, and
9 October of each year, the state treasurer, based upon information
10 provided by the department, shall remit motor vehicle excise tax
11 revenues imposed and collected under RCW 35.58.273 as follows:

12 (a) The amount required to be remitted by the state treasurer to
13 the treasurer of any municipality levying the tax shall not exceed in
14 any calendar year the amount of locally-generated tax revenues,
15 excluding the excise tax imposed under RCW 35.58.273 for the purposes
16 of this section, which shall have been budgeted by the municipality to
17 be collected in such calendar year for any public transportation
18 purposes including but not limited to operating costs, capital costs,
19 and debt service on general obligation or revenue bonds issued for
20 these purposes; and

21 (b) In no event may the amount remitted in a single calendar
22 quarter exceed the amount collected on behalf of the municipality under
23 RCW 35.58.273 during the calendar quarter next preceding the
24 immediately preceding quarter.

25 (4) At the close of each calendar year accounting period, but not
26 later than April 1, each municipality that has received motor vehicle
27 excise taxes under subsection (3) of this section shall transmit to the
28 director of licensing and the state auditor a written report showing by
29 source the previous year's budgeted tax revenues for public
30 transportation purposes as compared to actual collections. Any

1 municipality that has not submitted the report by April 1 shall cease
2 to be eligible to receive motor vehicle excise taxes under subsection
3 (3) of this section until the report is received by the director of
4 licensing. If a municipality has received more or less money under
5 subsection (3) of this section for the period covered by the report
6 than it is entitled to receive by reason of its locally-generated
7 collected tax revenues, the director of licensing shall, during the
8 next ensuing quarter that the municipality is eligible to receive motor
9 vehicle excise tax funds, increase or decrease the amount to be
10 remitted in an amount equal to the difference between the locally-
11 generated budgeted tax revenues and the locally-generated collected tax
12 revenues. In no event may the amount remitted for a calendar year
13 exceed the amount collected on behalf of the municipality under RCW
14 35.58.273 during that same calendar year. At the time of the next
15 fiscal audit of each municipality, the state auditor shall verify the
16 accuracy of the report submitted and notify the director of licensing
17 of any discrepancies.

18 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
19 required to be remitted under this section shall be remitted without
20 legislative appropriation.

21 (6) Any municipality levying and collecting a tax under RCW
22 35.58.273 which does not have an operating, public transit system or a
23 contract for public transportation services in effect within one year
24 from the initial effective date of the tax shall return to the state
25 treasurer all motor vehicle excise taxes received under subsection (3)
26 of this section.

27 NEW SECTION. **Sec. 6.** The 1991 amendments to RCW 35.58.273,
28 81.104.030, 81.104.140, and 82.44.150 in chapter ---, Laws of 1991 (SHB
29 1201) are each repealed.