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HOUSE BILL 2578

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State of Washington

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By Representatives R. Fisher, Schmidt, Zellinsky, Hansen, Sheldon, Heavey, Quall, Eide, Shin, Cothorn, Forner, Brough, Backlund, Wood, Jones, Patterson, J. Kohl, Romero, Brumsickle, Brown, Holm, Flemming, Finkbeiner, Roland, R. Meyers, Chandler, Fuhrman, Ballard, Foreman, Lemmon, McMorris, Van Luven, Ballasiotes, Stevens, Horn, Reams, R. Johnson, Kessler, H. Myers, Long, Casada, Dyer, Veloria, Springer, Talcott, Carlson, Cooke, Tate, Lisk, Schoesler, Edmondson, G. Fisher, Kremen, Mielke, Orr, King, L. Thomas, B. Thomas, Morris, Rayburn, Ogden, Silver, Sehlin, Sheahan, Campbell, Bray, Basich, Johanson, Wolfe, Scott, Moak, Padden and L. Johnson

Read first time 01/19/94. Referred to Committee on Transportation.

1 AN ACT Relating to transferring moneys in funds related to  
2 transportation; amending RCW 82.44.110 and 82.44.150; reenacting and  
3 amending RCW 82.44.110; adding a new section to chapter 43.84 RCW;  
4 providing effective dates; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.84 RCW  
7 to read as follows:

8 In addition to the funds in the exception to the state treasurer  
9 crediting the general fund with all the earnings credited to the  
10 treasury income account under RCW 43.84.092, the following accounts and  
11 funds shall receive eighty percent of their proportionate share of  
12 earnings based upon each account's or fund's average daily balance for  
13 the period: The central Puget Sound public transportation account, the  
14 city hardship assistance account, the county arterial preservation  
15 account, the economic development account, the essential rail  
16 assistance account, the essential rail banking account, the ferry bond  
17 retirement fund, the grade crossing protective fund, the high capacity  
18 transportation account, the highway bond retirement fund, the highway  
19 construction stabilization account, the highway safety account, the

1 motorcycle safety education account, the pilotage account, the public  
2 transportation systems account, the Puget Sound capital construction  
3 account, the Puget Sound ferry operations account, the recreational  
4 vehicle account, the rural arterial trust account, the special category  
5 C account, the state patrol highway account, the transfer relief  
6 account, the transportation capital facilities account, the  
7 transportation equipment fund, the transportation improvement account,  
8 and the urban arterial trust account.

9       **Sec. 2.** RCW 82.44.110 and 1993 sp.s. c 21 s 7 are each amended to  
10 read as follows:

11       The county auditor shall regularly, when remitting license fee  
12 receipts, pay over and account to the director of licensing for the  
13 excise taxes collected under the provisions of this chapter. The  
14 director shall forthwith transmit the excise taxes to the state  
15 treasurer.

16       (1) The state treasurer shall deposit the excise taxes collected  
17 under RCW 82.44.020(1) as follows:

18       (a) 1.60 percent into the motor vehicle fund to defray  
19 administrative and other expenses incurred by the department in the  
20 collection of the excise tax.

21       (b) 8.15 percent into the Puget Sound capital construction account  
22 in the motor vehicle fund.

23       (c) 4.07 percent into the Puget Sound ferry operations account in  
24 the motor vehicle fund.

25       (d) 8.83 percent into the general fund to be distributed under RCW  
26 82.44.155.

27       (e) 4.75 percent into the municipal sales and use tax equalization  
28 account in the general fund created in RCW 82.14.210.

29       (f) 1.60 percent into the county sales and use tax equalization  
30 account in the general fund created in RCW 82.14.200.

31       (g) 62.6440 percent into the general fund through (~~June 30, 1995~~)  
32 March 31, 1994, and 57.6440 percent into the general fund beginning  
33 (~~July 1, 1995~~) April 1, 1994.

34       (h) 5 percent into the transportation fund created in RCW 82.44.180  
35 beginning (~~July 1, 1995~~) April 1, 1994.

36       (i) 5.9686 percent into the county criminal justice assistance  
37 account created in RCW 82.14.310.

1 (j) 1.1937 percent into the municipal criminal justice assistance  
2 account for distribution under RCW 82.14.320.

3 (k) 1.1937 percent into the municipal criminal justice assistance  
4 account for distribution under RCW 82.14.330.

5 Notwithstanding (i) through (k) of this subsection, no more than  
6 sixty million dollars shall be deposited into the accounts specified in  
7 (i) through (k) of this subsection for the period January 1, 1994,  
8 through June 30, 1995. For the fiscal year ending June 30, 1998, and  
9 for each fiscal year thereafter, the amounts deposited into the  
10 accounts specified in (i) through (k) of this subsection shall not  
11 increase by more than the amounts deposited into those accounts in the  
12 previous fiscal year increased by the implicit price deflator for the  
13 previous fiscal year. Any revenues in excess of this amount shall be  
14 deposited into the (~~general fund~~) transportation fund.

15 (2) The state treasurer shall deposit the excise taxes collected  
16 under RCW 82.44.020(2) into the transportation fund.

17 (3) The state treasurer shall deposit the excise tax imposed by RCW  
18 82.44.020(3) into the air pollution control account created by RCW  
19 70.94.015.

20 **Sec. 3.** RCW 82.44.110 and 1993 sp.s. c 21 s 7 and 1993 c 492 s 253  
21 are each reenacted and amended to read as follows:

22 The county auditor shall regularly, when remitting license fee  
23 receipts, pay over and account to the director of licensing for the  
24 excise taxes collected under the provisions of this chapter. The  
25 director shall forthwith transmit the excise taxes to the state  
26 treasurer.

27 (1) The state treasurer shall deposit the excise taxes collected  
28 under RCW 82.44.020(1) as follows:

29 (a) 1.60 percent into the motor vehicle fund to defray  
30 administrative and other expenses incurred by the department in the  
31 collection of the excise tax.

32 (b) 8.15 percent into the Puget Sound capital construction account  
33 in the motor vehicle fund.

34 (c) 4.07 percent into the Puget Sound ferry operations account in  
35 the motor vehicle fund.

36 (d) 5.88 percent into the general fund to be distributed under RCW  
37 82.44.155.

1 (e) 4.75 percent into the municipal sales and use tax equalization  
2 account in the general fund created in RCW 82.14.210.

3 (f) 1.60 percent into the county sales and use tax equalization  
4 account in the general fund created in RCW 82.14.200.

5 (g) 62.6440 percent into the general fund through (~~June 30, 1995~~)  
6 March 31, 1994, and 57.6440 percent into the general fund beginning  
7 (~~July 1, 1995~~) April 1, 1994.

8 (h) 5 percent into the transportation fund created in RCW 82.44.180  
9 beginning (~~July 1, 1995~~) April 1, 1994.

10 (i) 5.9686 percent into the county criminal justice assistance  
11 account created in RCW 82.14.310.

12 (j) 1.1937 percent into the municipal criminal justice assistance  
13 account for distribution under RCW 82.14.320.

14 (k) 1.1937 percent into the municipal criminal justice assistance  
15 account for distribution under RCW 82.14.330.

16 (l) 2.95 percent into the general fund to be distributed by the  
17 state treasurer to county health departments to be used exclusively for  
18 public health. The state treasurer shall distribute these funds  
19 proportionately among the counties based on population as determined by  
20 the most recent United States census.

21 Notwithstanding (i) through (k) of this subsection, no more than  
22 sixty million dollars shall be deposited into the accounts specified in  
23 (i) through (k) of this subsection for the period January 1, 1994,  
24 through June 30, 1995. For the fiscal year ending June 30, 1998, and  
25 for each fiscal year thereafter, the amounts deposited into the  
26 accounts specified in (i) through (k) of this subsection shall not  
27 increase by more than the amounts deposited into those accounts in the  
28 previous fiscal year increased by the implicit price deflator for the  
29 previous fiscal year. Any revenues in excess of this amount shall be  
30 deposited into the (~~general fund~~) transportation fund.

31 (2) The state treasurer shall deposit the excise taxes collected  
32 under RCW 82.44.020(2) into the transportation fund.

33 (3) The state treasurer shall deposit the excise tax imposed by RCW  
34 82.44.020(3) into the air pollution control account created by RCW  
35 70.94.015.

36 **Sec. 4.** RCW 82.44.150 and 1993 c 491 s 2 are each amended to read  
37 as follows:

1 (1) The director of licensing shall, on the twenty-fifth day of  
2 February, May, August, and November of each year, advise the state  
3 treasurer of the total amount of motor vehicle excise taxes imposed by  
4 RCW 82.44.020 (1) and (2) remitted to the department during the  
5 preceding calendar quarter ending on the last day of March, June,  
6 September, and December, respectively, except for those payable under  
7 RCW 82.44.030, from motor vehicle owners residing within each  
8 municipality which has levied a tax under RCW 35.58.273, which amount  
9 of excise taxes shall be determined by the director as follows:

10 The total amount of motor vehicle excise taxes remitted to the  
11 department, except those payable under RCW 82.44.020(3) and 82.44.030,  
12 from each county shall be multiplied by a fraction, the numerator of  
13 which is the population of the municipality residing in such county,  
14 and the denominator of which is the total population of the county in  
15 which such municipality or portion thereof is located. The product of  
16 this computation shall be the amount of excise taxes from motor vehicle  
17 owners residing within such municipality or portion thereof. Where the  
18 municipality levying a tax under RCW 35.58.273 is located in more than  
19 one county, the above computation shall be made by county, and the  
20 combined products shall provide the total amount of motor vehicle  
21 excise taxes from motor vehicle owners residing in the municipality as  
22 a whole. Population figures required for these computations shall be  
23 supplied to the director by the office of financial management, who  
24 shall adjust the fraction annually.

25 (2) On the first day of the months of January, April, July, and  
26 October of each year, the state treasurer based upon information  
27 provided by the department shall, from motor vehicle excise taxes  
28 deposited in the general fund, under RCW 82.44.110(1)(g), make the  
29 following deposits:

30 (a) To the high capacity transportation account created in RCW  
31 47.78.010, a sum equal to four and five-tenths percent of the special  
32 excise tax levied under RCW 35.58.273 by those municipalities  
33 authorized to levy a special excise tax within (i) each county with a  
34 population of two hundred ten thousand or more and (ii) each county  
35 with a population of from one hundred twenty-five thousand to less than  
36 two hundred ten thousand except for those counties that do not border  
37 a county with a population as described in subsection (i) of this  
38 subsection;

1 (b) To the central Puget Sound public transportation account  
2 created in RCW 82.44.180, for revenues distributed after December 31,  
3 1992, within a county with a population of one million or more and a  
4 county with a population of from two hundred thousand to less than one  
5 million bordering a county with a population of one million or more, a  
6 sum equal to the difference between (i) the special excise tax levied  
7 and collected under RCW 35.58.273 by those municipalities authorized to  
8 levy and collect a special excise tax subject to the requirements of  
9 subsections (3) and (4) of this section and (ii) the special excise tax  
10 that the municipality would otherwise have been eligible to levy and  
11 collect at a tax rate of .815 percent and been able to match with  
12 locally generated tax revenues, other than the excise tax imposed under  
13 RCW 35.58.273, budgeted for any public transportation purpose. Before  
14 this deposit, the sum shall be reduced by an amount equal to the amount  
15 distributed under (a) of this subsection for each of the municipalities  
16 within the counties to which this subsection (2)(b) applies; however,  
17 any transfer under this subsection (2)(b) must be greater than zero;

18 (c) To the public transportation systems account created in RCW  
19 82.44.180, for revenues distributed after December 31, 1992, within  
20 counties not described in (b) of this subsection, a sum equal to the  
21 difference between (i) the special excise tax levied and collected  
22 under RCW 35.58.273 by those municipalities authorized to levy and  
23 collect a special excise tax subject to the requirements of subsections  
24 (3) and (4) of this section and (ii) the special excise tax that the  
25 municipality would otherwise have been eligible to levy and collect at  
26 a tax rate of .815 percent and been able to match with locally  
27 generated tax revenues, other than the excise tax imposed under RCW  
28 35.58.273, budgeted for any public transportation purpose. Before this  
29 deposit, the sum shall be reduced by an amount equal to the amount  
30 distributed under (a) of this subsection for each of the municipalities  
31 within the counties to which this subsection (2)(c) applies; however,  
32 any transfer under this subsection (2)(c) must be greater than zero;  
33 and

34 (d) To the ~~((general))~~ transportation fund created in RCW  
35 82.44.180, for revenues distributed after ~~((June 30, 1993, and to the~~  
36 ~~transportation fund, for revenues distributed after June 30, 1995))~~  
37 March 31, 1994, a sum equal to the difference between (i) the special  
38 excise tax levied and collected under RCW 35.58.273 by those  
39 municipalities authorized to levy and collect a special excise tax

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

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

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

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

24 (4) At the close of each calendar year accounting period, but not  
25 later than April 1, each municipality that has received motor vehicle  
26 excise taxes under subsection (3) of this section shall transmit to the  
27 director of licensing and the state auditor a written report showing by  
28 source the previous year's budgeted tax revenues for public  
29 transportation purposes as compared to actual collections. Any  
30 municipality that has not submitted the report by April 1 shall cease  
31 to be eligible to receive motor vehicle excise taxes under subsection  
32 (3) of this section until the report is received by the director of  
33 licensing. If a municipality has received more or less money under  
34 subsection (3) of this section for the period covered by the report  
35 than it is entitled to receive by reason of its locally-generated  
36 collected tax revenues, the director of licensing shall, during the  
37 next ensuing quarter that the municipality is eligible to receive motor  
38 vehicle excise tax funds, increase or decrease the amount to be  
39 remitted in an amount equal to the difference between the locally-

1 generated budgeted tax revenues and the locally-generated collected tax  
2 revenues. In no event may the amount remitted for a calendar year  
3 exceed the amount collected on behalf of the municipality under RCW  
4 35.58.273 during that same calendar year. At the time of the next  
5 fiscal audit of each municipality, the state auditor shall verify the  
6 accuracy of the report submitted and notify the director of licensing  
7 of any discrepancies.

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

11 (6) Any municipality levying and collecting a tax under RCW  
12 35.58.273 which does not have an operating, public transit system or a  
13 contract for public transportation services in effect within one year  
14 from the initial effective date of the tax shall return to the state  
15 treasurer all motor vehicle excise taxes received under subsection (3)  
16 of this section.

17 NEW SECTION. **Sec. 5.** (1) Sections 1, 2, and 4 of this act are  
18 necessary for the immediate preservation of the public peace, health,  
19 or safety, or support of the state government and its existing public  
20 institutions, and shall take effect April 1, 1994.

21 (2) Section 3 of this act shall take effect July 1, 1995.

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