

2 **E2SSB 6140** - H AMD PASSED 3-14-02 0552
3 By Representative

4

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

7 **"I. CREATION OF REGIONAL TRANSPORTATION INVESTMENT DISTRICT**

8 NEW SECTION. **Sec. 101.** FINDINGS. The legislature finds that:

9 (1) The capacity of many of Washington state's transportation
10 facilities have failed to keep up with the state's growth, particularly
11 in major urban regions;

12 (2) The state cannot by itself fund, in a timely way, many of the
13 major capacity and other improvements required on highways of statewide
14 significance in the state's largest urbanized area;

15 (3) Providing a transportation system that provides efficient
16 mobility for persons and freight requires a shared partnership and
17 responsibility between the state, local, and regional governments and
18 the private sector; and

19 (4) Timely construction and development of significant
20 transportation improvement projects can best be achieved through
21 enhanced funding options for governments at the county and regional
22 levels, using already existing tax authority to address roadway and
23 multimodal needs and new authority for regions to address critical
24 transportation projects of statewide significance.

25 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this
26 section apply throughout this chapter unless the context clearly
27 requires otherwise.

28 (1) "Board" means the governing body of a regional transportation
29 investment district.

30 (2) "Department" means the Washington state department of
31 transportation.

32 (3) "Highway of statewide significance" means an existing or
33 proposed state route or federal interstate designated as a highway of

1 statewide significance by the transportation commission, its successor
2 entity, or the legislature.

3 (4) "Lead agency" means a public agency that by law can plan,
4 design, and build a transportation project and has been so designated
5 by the district.

6 (5) "Regional transportation investment district" or "district"
7 means a municipal corporation whose boundaries are coextensive with two
8 or more contiguous counties and that has been created by county
9 legislative authorities and a vote of the people under this chapter to
10 implement a regional transportation investment plan.

11 (6) "Regional transportation investment district planning
12 committee" or "planning committee" means the advisory committee created
13 under section 103 of this act to create and propose to county
14 legislative authorities a regional transportation investment plan to
15 develop, finance, and construct transportation projects.

16 (7) "Regional transportation investment plan" or "plan" means a
17 plan to develop, construct, and finance a transportation project or
18 projects.

19 (8) "Transportation project" means:

20 (a) A capital improvement or improvements to a highway that has
21 been designated, in whole or in part, as a highway of statewide
22 significance, including an extension, that:

23 (i) Adds a lane or new lanes to an existing state or federal
24 highway; or

25 (ii) Repairs or replaces a lane or lanes damaged by an event
26 declared an emergency by the governor before January 1, 2002.

27 (b) A capital improvement or improvements to all or a portion of a
28 highway of statewide significance, including an extension, and may
29 include the following associated multimodal capital improvements:

30 (i) Approaches to highways of statewide significance;

31 (ii) High-occupancy vehicle lanes;

32 (iii) Flyover ramps;

33 (iv) Park and ride lots;

34 (v) Bus pullouts;

35 (vi) Vans for vanpools;

36 (vii) Buses; and

37 (viii) Signalization, ramp metering, and other transportation
38 system management improvements.

1 (c) A capital improvement or improvements to all or a portion of a
2 city street, county road, or existing highway or the creation of a new
3 highway that intersects with a highway of statewide significance, if
4 all of the following conditions are met:

5 (i) The project is included in a plan that makes highway
6 improvement projects that add capacity to a highway or highways of
7 statewide significance;

8 (ii) The secretary of transportation determines that the project
9 would better relieve traffic congestion than investing that same money
10 in adding capacity to a highway of statewide significance;

11 (iii) Matching money equal to one-third of the total cost of the
12 project is provided by local entities, including but not limited to a
13 metropolitan planning organization, county, city, port, or private
14 entity in which a county participating in a plan is located. Local
15 entities may use federal grants to meet this matching requirement;

16 (iv) In no case may the cumulative regional transportation
17 investment district contribution to all projects constructed under this
18 subsection (8)(c) exceed ten percent of the revenues generated by the
19 district;

20 (v) In no case may the cumulative regional transportation
21 investment district contribution to all projects constructed under this
22 subsection (8)(c) exceed one billion dollars; and

23 (vi) The specific projects are included within the plan and
24 submitted as part of the plan to a vote of the people.

25 (d) Operations, preservation, and maintenance are excluded from
26 this definition and may not be included in a regional transportation
27 investment plan.

28 (9) "Weighted vote" means a vote that reflects the population each
29 board or planning committee member represents relative to the
30 population represented by the total membership of the board or planning
31 committee. Population will be determined using the federal 2000 census
32 or subsequent federal census data.

33 NEW SECTION. **Sec. 103.** PLANNING COMMITTEE FORMATION. Regional
34 transportation investment district planning committees are advisory
35 entities that are created, convened, and empowered as follows:

36 (1) A county with a population over one million five hundred
37 thousand persons and any adjoining counties with a population over five
38 hundred thousand persons may create a regional transportation

1 investment district and shall convene a regional transportation
2 investment district planning committee.

3 (2) The members of the legislative authorities participating in
4 planning under this chapter shall serve as the district planning
5 committee. Members of the planning committee receive no compensation,
6 but may be reimbursed for travel and incidental expenses as the
7 planning committee deems appropriate.

8 The secretary of transportation, or the appropriate regional
9 administrator of the department, as named by the secretary, shall serve
10 on the committee as a nonvoting member.

11 (3) A regional transportation investment district planning
12 committee may be entitled to state funding, as appropriated by the
13 legislature, for start-up funding to pay for salaries, expenses,
14 overhead, supplies, and similar expenses ordinarily and necessarily
15 incurred in selecting transportation projects and funding for those
16 transportation projects under this chapter. Upon creation of a
17 regional transportation investment district, the district shall within
18 one year reimburse the state for any sums advanced for these start-up
19 costs from the state.

20 (4) The planning committee shall conduct its affairs and formulate
21 a regional transportation investment plan as provided under section 104
22 of this act, except that it shall elect an executive board of seven
23 members to discharge the duties of the planning committee and formulate
24 a regional transportation investment plan, subject to the approval of
25 the full committee.

26 (5) At its first meeting, a regional transportation investment
27 district planning committee may elect officers and provide for the
28 adoption of rules and other operating procedures.

29 (6) Governance of and decisions by a regional transportation
30 investment district planning committee must be by a sixty-percent
31 weighted majority vote of the total membership.

32 (7) The planning committee may dissolve itself at any time by a
33 two-thirds weighted majority vote of the total membership of the
34 planning committee.

35 NEW SECTION. **Sec. 104.** PLANNING COMMITTEE DUTIES. (1) A regional
36 transportation investment district planning committee shall adopt a
37 regional transportation investment plan providing for the development,

1 construction, and financing of transportation projects. The planning
2 committee may consider the following factors in formulating its plan:

- 3 (a) Land use planning criteria;
- 4 (b) The input of cities located within a participating county; and
- 5 (c) The input of regional transportation planning organizations in
6 which a participating county is located. A regional transportation
7 planning organization in which a participating county is located shall
8 review its adopted regional transportation plan and submit, for the
9 planning committee's consideration, its list of transportation
10 improvement priorities.

11 (2) The planning committee may coordinate its activities with the
12 department, which shall provide services, data, and personnel to assist
13 in this planning as desired by the planning committee. In addition,
14 the planning committee may coordinate with affected cities, towns, and
15 other local governments that engage in transportation planning.

16 (3) The planning committee shall:

17 (a) Conduct public meetings that are needed to assure active public
18 participation in the development of the plan;

19 (b) Adopt a plan proposing the creation of a regional
20 transportation investment district and recommending the construction of
21 transportation projects to improve mobility. Operations, maintenance,
22 and preservation of facilities or systems may not be part of the plan;
23 and

24 (c) Recommend sources of revenue authorized by section 105 of this
25 act and a financing plan to fund selected transportation projects. The
26 overall plan of the district must leverage the district's financial
27 contributions so that the federal, state, local, and other revenue
28 sources continue to fund major congestion relief and transportation
29 capacity improvement projects in the district. A combination of local,
30 state, and federal revenues may be necessary to pay for transportation
31 projects, and the planning committee shall consider all of these
32 revenue sources in developing a plan.

33 (4) Before adopting the plan, the planning committee, with
34 assistance from the department, shall work with the lead agency to
35 develop accurate cost forecasts for transportation projects. This
36 project costing methodology must be integrated with revenue forecasts
37 in developing the plan and must at a minimum include estimated project
38 costs in constant dollars as well as year of expenditure dollars, the
39 range of project costs reflected by the level of project design,

1 project contingencies, identification of mitigation costs, the range of
2 revenue forecasts, and project and plan cash flow and bond analysis.
3 The plan submitted to the voters must provide cost estimates for each
4 project, including reasonable contingency costs. Plans submitted to
5 the voters must provide that the maximum amount possible of the funds
6 raised will be used to fund projects in the plan, including
7 environmental improvements and mitigation, and that administrative
8 costs be minimized. If actual revenue exceeds actual plan costs, the
9 excess revenues must be used to retire any outstanding debt associated
10 with the plan.

11 (5) If a county opts not to adopt the plan or participate in the
12 regional transportation investment district, but two or more contiguous
13 counties do choose to continue to participate, then the planning
14 committee may, within ninety days, redefine the regional transportation
15 investment plan and the ballot measure to be submitted to the people to
16 reflect elimination of the county, and submit the redefined plan to the
17 legislative authorities of the remaining counties for their decision as
18 to whether to continue to adopt the redefined plan and participate.
19 This action must be completed within sixty days after receipt of the
20 redefined plan.

21 (6) Once adopted, the plan must be forwarded to the participating
22 county legislative authorities to initiate the election process under
23 section 107 of this act. The planning committee shall at the same time
24 provide notice to each city and town within the district, the governor,
25 the chairs of the transportation committees of the legislature, the
26 secretary of transportation, and each legislator whose legislative
27 district is partially or wholly within the boundaries of the district.

28 (7) If the ballot measure is not approved, the planning committee
29 may redefine the selected transportation projects, financing plan, and
30 the ballot measure. The county legislative authorities may approve the
31 new plan and ballot measure, and may then submit the revised
32 proposition to the voters at the next election or a special election.
33 If no ballot measure is approved by the voters by the third vote, the
34 planning committee is dissolved.

35 NEW SECTION. **Sec. 105.** TAXES AND FEES. (1) A regional
36 transportation investment district planning committee may, as part of
37 a regional transportation investment plan, recommend the imposition of
38 some or all of the following revenue sources, which a regional

1 transportation investment district may impose upon approval of the
2 voters as provided in this chapter:

3 (a) A regional sales and use tax, as specified in section 405 of
4 this act, of up to 0.5 percent of the selling price, in the case of a
5 sales tax, or value of the article used, in the case of a use tax, upon
6 the occurrence of any taxable event in the regional transportation
7 investment district;

8 (b) A local option vehicle license fee, as specified under section
9 408 of this act, of up to one hundred dollars per vehicle registered in
10 the district. As used in this subsection, "vehicle" means motor
11 vehicle as defined in RCW 46.04.320. Certain classes of vehicles, as
12 defined under chapter 46.04 RCW, may be exempted from this fee;

13 (c) A parking tax under RCW 82.80.030;

14 (d) A local motor vehicle excise tax under RCW 81.100.060 and
15 chapter 81.104 RCW;

16 (e) An employer excise tax under RCW 81.100.030; and

17 (f) Vehicle tolls on new or reconstructed facilities. Unless
18 otherwise specified by law, the department shall administer the
19 collection of vehicle tolls on designated facilities, and the state
20 transportation commission, or its successor, shall be the tolling
21 authority.

22 (2) Taxes, fees, and tolls may not be imposed without an
23 affirmative vote of the majority of the voters within the boundaries of
24 the district voting on a ballot proposition as set forth in section 107
25 of this act. Revenues from these taxes and fees may be used only to
26 implement the plan as set forth in this chapter. A district may
27 contract with the state department of revenue or other appropriate
28 entities for administration and collection of any of the taxes or fees
29 authorized in this section.

30 (3) Existing statewide motor vehicle fuel and special fuel taxes,
31 at the distribution rates in effect on January 1, 2001, are not
32 intended to be altered by this chapter.

33 NEW SECTION. **Sec. 106.** PERFORMANCE CRITERIA FOR REGIONAL
34 TRANSPORTATION PROJECT SELECTION. (1) The planning committee shall
35 consider the following criteria for selecting transportation projects
36 to improve corridor performance:

37 (a) Reduced level of congestion and improved safety;

38 (b) Improved travel time;

- 1 (c) Improved air quality;
- 2 (d) Increases in daily and peak period person and vehicle trip
- 3 capacity;
- 4 (e) Reductions in person and vehicle delay;
- 5 (f) Improved freight mobility; and
- 6 (g) Cost-effectiveness of the investment.

7 (2) These criteria represent only minimum standards that must be
8 considered in selecting transportation improvement projects. The board
9 shall also consider rules and standards for benchmarks adopted by the
10 transportation commission or its successor.

11 NEW SECTION. **Sec. 107.** SUBMISSION OF PLAN TO THE VOTERS. Two or
12 more contiguous county legislative authorities, upon receipt of the
13 regional transportation investment plan under section 104 of this act,
14 may certify the plan to the ballot, including identification of the tax
15 options necessary to fund the plan. County legislative authorities may
16 draft a ballot title, give notice as required by law for ballot
17 measures, and perform other duties as required to put the plan before
18 the voters of the proposed district for their approval or rejection as
19 a single ballot measure that both approves formation of the district
20 and approves the plan. Counties may negotiate interlocal agreements
21 necessary to implement the plan. The electorate will be the voters
22 voting within the boundaries of the participating counties. A simple
23 majority of the total persons voting on the single ballot measure to
24 approve the plan, establish the district, and approve the taxes and
25 fees is required for approval.

26 NEW SECTION. **Sec. 108.** CERTIFICATION OF FORMATION. If the voters
27 approve the plan, including creation of a regional transportation
28 investment district and imposition of taxes and fees, the district will
29 be declared formed. The county election officials of participating
30 counties shall, within fifteen days of the final certification of the
31 election results, publish a notice in a newspaper or newspapers of
32 general circulation in the district declaring the district formed, and
33 mail copies of the notice to the governor, the secretary of
34 transportation, and the executive director of the regional
35 transportation planning organization in which any part of the district
36 is located. A party challenging the procedure or the formation of a
37 voter-approved district must file the challenge in writing by serving

1 the prosecuting attorney of the participating counties and the attorney
2 general within thirty days after the final certification of the
3 election. Failure to challenge within that time forever bars further
4 challenge of the district's valid formation.

5 NEW SECTION. **Sec. 109.** BOARD COMPOSITION. (1) The governing
6 board of a district consists of the members of the legislative
7 authority of each member county, acting ex officio and independently.
8 The secretary of transportation or the appropriate regional
9 administrator of the department, as named by the secretary, shall also
10 serve as a nonvoting member of the board. The governing board may
11 elect an executive board of seven members to discharge the duties of
12 the governing board subject to the approval of the full governing
13 board.

14 (2) A sixty-percent majority of the weighted votes of the total
15 board membership is required to submit to the counties a modified plan
16 under section 114 of this act or any other proposal to be submitted to
17 the voters. The counties, may, with majority vote of each county
18 legislative authority, submit a modified plan or proposal to the
19 voters.

20 NEW SECTION. **Sec. 110.** BOARD ORGANIZATION. The board shall adopt
21 rules for the conduct of business. The board shall adopt bylaws to
22 govern district affairs, which may include:

- 23 (1) The time and place of regular meetings;
24 (2) Rules for calling special meetings;
25 (3) The method of keeping records of proceedings and official acts;
26 (4) Procedures for the safekeeping and disbursement of funds; and
27 (5) Any other provisions the board finds necessary to include.

28 NEW SECTION. **Sec. 111.** BOARD'S POWERS AND DUTIES. (1) The
29 governing board of the district is responsible for the execution of the
30 voter-approved plan. The board shall:

- 31 (a) Impose taxes and fees authorized by district voters;
32 (b) Enter into agreements with state, local, and regional agencies
33 and departments as necessary to accomplish district purposes and
34 protect the district's investment in transportation projects;
35 (c) Accept gifts, grants, or other contributions of funds that will
36 support the purposes and programs of the district;

1 (d) Monitor and audit the progress and execution of transportation
2 projects to protect the investment of the public and annually make
3 public its findings;

4 (e) Pay for services and enter into leases and contracts, including
5 professional service contracts;

6 (f) Hire no more than ten employees, including a director or
7 executive officer, a treasurer or financial officer, a project manager
8 or engineer, a project permit coordinator, and clerical staff; and

9 (g) Exercise other powers and duties as may be reasonable to carry
10 out the purposes of the district.

11 (2) It is the intent of the legislature that existing staff
12 resources of lead agencies be used in implementing this chapter. A
13 district may coordinate its activities with the department, which shall
14 provide services, data, and personnel to assist as desired by the
15 regional transportation investment district. Lead agencies for
16 transportation projects that are not state facilities shall also
17 provide staff support for the board.

18 (3) A district may not acquire, hold, or dispose of real property.

19 (4) A district may not own, operate, or maintain an ongoing
20 facility, road, or transportation system.

21 (5) A district may accept and expend or use gifts, grants, or
22 donations.

23 (6) It is the intent of the legislature that administrative and
24 overhead costs of a regional transportation investment district be
25 minimized. For transportation projects costing up to fifty million
26 dollars, administrative and overhead costs may not exceed three percent
27 of the total construction and design project costs per year. For
28 transportation projects costing more than fifty million dollars,
29 administrative and overhead costs may not exceed three percent of the
30 first fifty million dollars in costs, plus an additional one-tenth of
31 one percent of each additional dollar above fifty million. These
32 limitations apply only to the district, and do not limit the
33 administration or expenditures of the department.

34 (7) A district may use the design-build procedure for
35 transportation projects developed by it. As used in this section
36 "design-build procedure" means a method of contracting under which the
37 district contracts with another party for that party to both design and
38 build the structures, facilities, and other items specified in the
39 contract. The requirements and limitations of RCW 47.20.780 and

1 47.20.785 do not apply to the transportation projects under this
2 chapter.

3 NEW SECTION. **Sec. 112.** TREASURER. The regional transportation
4 investment district, by resolution, shall designate a person having
5 experience in financial or fiscal matters as treasurer of the district.
6 The district may designate the treasurer of a county within which the
7 district is located to act as its treasurer. Such a treasurer has all
8 of the powers, responsibilities, and duties the county treasurer has
9 related to investing surplus funds. The district shall require a bond
10 with a surety company authorized to do business in this state in an
11 amount and under the terms and conditions the district, by resolution,
12 from time to time finds will protect the district against loss. The
13 district shall pay the premium on the bond.

14 In addition to the account established in section 401 of this act,
15 the treasurer may establish a special account, into which may be paid
16 district funds. The treasurer may disburse district funds only on
17 warrants issued by the district upon orders or vouchers approved by the
18 district.

19 If the treasurer of the district is the treasurer of a county, all
20 district funds must be deposited with a county depository under the
21 same restrictions, contracts, and security as provided for county
22 depositories. If the treasurer of the district is some other person,
23 all funds must be deposited in a bank or banks authorized to do
24 business in this state qualified for insured deposits under any federal
25 deposit insurance act as the district, by resolution, designates.

26 The district may provide and require a reasonable bond of any other
27 person handling moneys or securities of the district, but the district
28 shall pay the premium on the bond.

29 NEW SECTION. **Sec. 113.** DEBT AND BONDING. The district may borrow
30 money, but may not issue any debt of its own for more than two years'
31 duration. A district may issue notes or other evidences of
32 indebtedness with a maturity of not more than two years. A district
33 may, when authorized by the plan, enter into agreements with the state
34 or lead agencies to pledge taxes or other revenues of the district for
35 the purpose of paying in part or whole principal and interest on bonds
36 issued by the lead agency. The contracts pledging revenues and taxes
37 are binding for the term of the agreement, but not to exceed twenty-

1 five years, and no tax pledged by an agreement may be eliminated or
2 modified if it would impair the pledge of the agreement.

3 NEW SECTION. **Sec. 114.** TRANSPORTATION PROJECT OR PLAN
4 MODIFICATION--ACCOUNTABILITY. (1) A plan may be modified to change
5 transportation projects or revenue sources if:

6 (a) Two or more participating counties adopt a resolution to modify
7 the plan; and

8 (b) The counties submit to the voters in the district a ballot
9 measure that redefines the scope of the plan, its projects, its
10 schedule, its costs, or the revenue sources. If the voters fail to
11 approve the redefined plan, the district shall continue to work on and
12 complete the plan, and the projects in it, that was originally approved
13 by the voters. If the voters approve the redefined plan, the district
14 shall work on and complete the projects under the redefined plan.

15 (2) If a transportation project cost exceeds its original cost by
16 more than twenty percent as identified in the plan:

17 (a) The board shall, in coordination with the county legislative
18 authorities, submit to the voters in the district a ballot measure that
19 redefines the scope of the transportation project, its schedule, or its
20 costs. If the voters fail to approve the redefined transportation
21 project, the district shall terminate work on that transportation
22 project, except that the district may take reasonable steps to use,
23 preserve, or connect any improvement already constructed. The
24 remainder of any funds that would otherwise have been expended on the
25 terminated transportation project must first be used to retire any
26 outstanding debt attributable to the plan and then may be used to
27 implement the remainder of the plan.

28 (b) Alternatively, upon adoption of a resolution by two or more
29 participating counties:

30 (i) The counties shall submit to the voters in the district a
31 ballot measure that redefines the scope of the plan, its transportation
32 projects, its schedule, or its costs. If the voters fail to approve
33 the redefined plan, the district shall terminate work on that plan,
34 except that the district may take reasonable steps to use, preserve, or
35 connect any improvement already constructed. The remainder of any
36 funds must be used to retire any outstanding debt attributable to the
37 plan; or

1 (ii) The counties may elect to have the district continue the
2 transportation project without submitting an additional ballot proposal
3 to the voters.

4 (3) To assure accountability to the public for the timely
5 construction of the transportation improvement project or projects
6 within cost projections, the district shall issue a report, at least
7 annually, to the public and copies of the report to newspapers of
8 record in the district. In the report, the district shall indicate the
9 status of transportation project costs, transportation project
10 expenditures, revenues, and construction schedules. The report may
11 also include progress towards meeting the performance criteria provided
12 under this chapter.

13 NEW SECTION. **Sec. 115.** STATE DEPARTMENT OF TRANSPORTATION ROLE.

14 (1) The department shall designate an office or division of dedicated
15 staff and services whose primary responsibility is to coordinate the
16 design, preliminary engineering, permitting, financing, and
17 construction of transportation projects under consideration by a
18 regional transportation investment district planning committee or that
19 are part of a regional transportation investment plan being implemented
20 by a regional transportation investment district.

21 (2) All of the powers granted the department under Title 47 RCW
22 relating to highway construction may, at the request of a regional
23 transportation investment district, be used to implement a regional
24 transportation investment plan and construct transportation projects.

25 NEW SECTION. **Sec. 116.** STATE OWNS IMPROVEMENTS TO STATE
26 FACILITIES. Any improvement to a state facility constructed under this
27 chapter becomes and remains the property of this state.

28 NEW SECTION. **Sec. 117.** DISSOLUTION. Within thirty days of the
29 completion of the construction of the transportation project or series
30 of projects forming the regional transportation investment plan, the
31 district shall terminate day-to-day operations and exist solely as a
32 limited entity that oversees the collection of revenue and the payment
33 of debt service or financing still in effect, if any. The district
34 shall accordingly adjust downward its employees, administration, and
35 overhead expenses. Any taxes, fees, or tolls imposed under an approved
36 plan terminate when the financing or debt service on the transportation

1 project or series of transportation projects constructed is completed
2 and paid, thirty days from which point the district shall dissolve
3 itself and cease to exist. If there is no debt outstanding, then the
4 district shall dissolve within thirty days from completion of
5 construction of the transportation project or series of transportation
6 projects forming the regional transportation investment plan. Notice
7 of dissolution must be published in newspapers of general circulation
8 within the district at least three times in a period of thirty days.
9 Creditors must file claims for payment of claims due within thirty days
10 of the last published notice or the claim is extinguished.

11 NEW SECTION. **Sec. 118.** OTHER REGIONS. The legislature finds that
12 regional solutions to the state's transportation needs are of paramount
13 concern. The legislature further recognizes that different areas of
14 the state will need the flexibility to fashion local solutions to their
15 transportation problems, and that regional transportation systems may
16 evolve over time. Areas of the state outside of King, Snohomish, and
17 Pierce counties are eligible for grants from the state of no more than
18 two hundred thousand dollars each to study and develop regional
19 transportation models. Regions receiving these grants shall:

- 20 (1) Develop a model that can be used within their region to select,
21 fund, and administer regional transportation solutions;
22 (2) Adopt a county resolution approving the model proposed;
23 (3) Form interlocal agreements among counties as appropriate;
24 (4) Report to the transportation committees in the senate and house
25 of representatives, petitioning the legislature to grant them authority
26 to implement their proposed model.

27 **II. JOINT BALLOT WITH RTA**

28 NEW SECTION. **Sec. 201.** JOINT BALLOT MEASURE. At the option of
29 the planning committee, and with the explicit approval of the regional
30 transit authority, the participating counties may choose to impose any
31 remaining high capacity transportation taxes under chapter 81.104 RCW
32 that have not otherwise been used by a regional transit authority and
33 submit to the voters a common ballot measure that creates the district,
34 approves the regional transportation investment plan, implements the
35 taxes, and implements any remaining high capacity transportation taxes
36 within the boundaries of the regional transportation investment

1 district. Collection and expenditures of any high capacity
2 transportation taxes implemented under this section must be determined
3 by agreement between the participating counties or district and the
4 regional transit authority electing to submit high capacity
5 transportation taxes to the voters under a common ballot measure as
6 provided in this section. If the measure fails, all such unused high
7 capacity transportation taxes revert back to and remain with the
8 regional transit authority. A project constructed with this funding is
9 not considered a "transportation project" under section 102 of this
10 act.

11 **Sec. 202.** RCW 81.104.140 and 1992 c 101 s 25 are each amended to
12 read as follows:

13 (1) Agencies authorized to provide high capacity transportation
14 service, including transit agencies and regional transit authorities,
15 and regional transportation investment districts acting with the
16 agreement of an agency, are hereby granted dedicated funding sources
17 for such systems. These dedicated funding sources, as set forth in RCW
18 81.104.150, 81.104.160, and 81.104.170, are authorized only for
19 agencies located in (a) each county with a population of two hundred
20 ten thousand or more and (b) 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 under (a) of this subsection. In any county with a
24 population of one million or more or in any county having a population
25 of four hundred thousand or more bordering a county with a population
26 of one million or more, these funding sources may be imposed only by a
27 regional transit authority or a regional transportation investment
28 district. Regional transportation investment districts may, with the
29 approval of the regional transit authority within its boundaries,
30 impose the taxes authorized under this chapter, but only upon approval
31 of the voters and to the extent that the maximum amount of taxes
32 authorized under this chapter have not been imposed.

33 (2) Agencies planning to construct and operate a high capacity
34 transportation system should also seek other funds, including federal,
35 state, local, and private sector assistance.

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

38 (a) Acceptability;

- 1 (b) Ease of administration;
- 2 (c) Equity;
- 3 (d) Implementation feasibility;
- 4 (e) Revenue reliability; and
- 5 (f) Revenue yield.

6 (4) Agencies participating in regional high capacity transportation
7 system development are authorized to levy and collect the following
8 voter-approved local option funding sources:

9 (a) Employer tax as provided in RCW 81.104.150, other than by
10 regional transportation investment districts;

11 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
12 and

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

14 Revenues from these taxes may be used only to support those
15 purposes prescribed in subsection (10) of this section. Before the
16 date of an election authorizing an agency to impose any of the taxes
17 enumerated in this section and authorized in RCW 81.104.150,
18 81.104.160, and 81.104.170, the agency must comply with the process
19 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No
20 construction on exclusive right of way may occur before the
21 requirements of RCW 81.104.100(3) are met.

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

32 (6) Agencies planning to construct and operate high capacity
33 transportation systems may contract with the state for collection and
34 transference of voter-approved local option revenue.

35 (7) Dedicated high capacity transportation funding sources
36 authorized in RCW 81.104.150, 81.104.160, and 81.104.170 shall be
37 subject to voter approval by a simple majority. A single ballot
38 proposition may seek approval for one or more of the authorized taxing

1 sources. The ballot title shall reference the document identified in
2 subsection (8) of this section.

3 (8) Agencies shall provide to the registered voters in the area a
4 document describing the systems plan and the financing plan set forth
5 in RCW 81.104.100. It shall also describe the relationship of the
6 system to regional issues such as development density at station
7 locations and activity centers, and the interrelationship of the system
8 to adopted land use and transportation demand management goals within
9 the region. This document shall be provided to the voters at least
10 twenty days prior to the date of the election.

11 (9) For any election in which voter approval is sought for a high
12 capacity transportation system plan and financing plan pursuant to RCW
13 81.104.040, a local voter's pamphlet shall be produced as provided in
14 chapter 29.81A RCW.

15 (10) Agencies providing high capacity transportation service shall
16 retain responsibility for revenue encumbrance, disbursement, and
17 bonding. Funds may be used for any purpose relating to planning,
18 construction, and operation of high capacity transportation systems and
19 commuter rail systems, personal rapid transit, busways, bus sets, and
20 entrained and linked buses.

21 **III. HIGHWAYS OF STATEWIDE SIGNIFICANCE**

22 **Sec. 301.** RCW 47.05.021 and 1998 c 245 s 95 and 1998 c 171 s 5 are
23 each reenacted and amended to read as follows:

24 LEGISLATURE MAY DESIGNATE HIGHWAYS OF STATEWIDE SIGNIFICANCE. (1)
25 The transportation commission is hereby directed to conduct periodic
26 analyses of the entire state highway system, report thereon to the
27 chairs of the transportation committees of the senate and house of
28 representatives, including one copy to the staff of each of the
29 committees, biennially and based thereon, to subdivide, classify, and
30 subclassify according to their function and importance all designated
31 state highways and those added from time to time and periodically
32 review and revise the classifications into the following three
33 functional classes:

34 (a) The "principal arterial system" shall consist of a connected
35 network of rural arterial routes with appropriate extensions into and
36 through urban areas, including all routes designated as part of the
37 interstate system, which serve corridor movements having travel

1 characteristics indicative of substantial statewide and interstate
2 travel;

3 (b) The "minor arterial system" shall, in conjunction with the
4 principal arterial system, form a rural network of arterial routes
5 linking cities and other activity centers which generate long distance
6 travel, and, with appropriate extensions into and through urban areas,
7 form an integrated network providing interstate and interregional
8 service; and

9 (c) The "collector system" shall consist of routes which primarily
10 serve the more important intercounty, intracounty, and intraurban
11 travel corridors, collect traffic from the system of local access roads
12 and convey it to the arterial system, and on which, regardless of
13 traffic volume, the predominant travel distances are shorter than on
14 arterial routes.

15 (2) In making the functional classification the transportation
16 commission shall adopt and give consideration to criteria consistent
17 with this section and federal regulations relating to the functional
18 classification of highways, including but not limited to the following:

19 (a) Urban population centers within and without the state
20 stratified and ranked according to size;

21 (b) Important traffic generating economic activities, including but
22 not limited to recreation, agriculture, government, business, and
23 industry;

24 (c) Feasibility of the route, including availability of alternate
25 routes within and without the state;

26 (d) Directness of travel and distance between points of economic
27 importance;

28 (e) Length of trips;

29 (f) Character and volume of traffic;

30 (g) Preferential consideration for multiple service which shall
31 include public transportation;

32 (h) Reasonable spacing depending upon population density; and

33 (i) System continuity.

34 (3) The transportation commission or the legislature shall
35 designate state highways of statewide significance under RCW
36 47.06.140(~~(, and)~~). If the commission designates a state highway of
37 statewide significance, it shall submit a list of such facilities for
38 adoption by the ((1999)) legislature. This statewide system shall
39 include at a minimum interstate highways and other statewide principal

1 arterials that are needed to connect major communities across the state
2 and support the state's economy.

3 (4) The transportation commission shall designate a freight and
4 goods transportation system. This statewide system shall include state
5 highways, county roads, and city streets. The commission, in
6 cooperation with cities and counties, shall review and make
7 recommendations to the legislature regarding policies governing weight
8 restrictions and road closures which affect the transportation of
9 freight and goods.

10 NEW SECTION. **Sec. 302.** A new section is added to chapter 47.05
11 RCW to read as follows:

12 DESIGNATION OF STATE ROUTE NUMBER 509. The legislature designates
13 that portion of state route number 509 that runs or will run from state
14 route number 518 in the north to the intersection with interstate 5 in
15 the south as a state highway of statewide significance.

16 NEW SECTION. **Sec. 303.** A new section is added to chapter 47.05
17 RCW to read as follows:

18 DESIGNATION OF HIGHWAYS OF REGIONAL SIGNIFICANCE. Highways of
19 regional significance may receive funding under the conditions of
20 section 102(8)(c) of this act. The following highways are of regional
21 significance:

22 (1) That portion of state route number 9 that runs from state route
23 number 522 in the south to state route number 531 in the north;

24 (2) That portion of state route number 524 that runs from state
25 route number 5 easterly to state route number 522;

26 (3) That portion of state route number 704 from state route number
27 5 to state route number 7.

28 NEW SECTION. **Sec. 304.** A new section is added to chapter 47.17
29 RCW to read as follows:

30 DESIGNATION OF CROSS BASE HIGHWAY. A state highway to be known as
31 state route number 704 is established as follows: Beginning at a
32 junction with state route number 5 in south Pierce county, thence
33 easterly across Fort Lewis to a junction with state route number 7.

34 **IV. FINANCE**

1 NEW SECTION. **Sec. 401.** REGIONAL TRANSPORTATION INVESTMENT
2 DISTRICT ACCOUNT. The regional transportation investment district
3 account is created in the custody of the state treasurer. The purpose
4 of this account is to act as an account into which may be deposited
5 state money, if any, that may be used in conjunction with district
6 money to fund transportation projects. Additionally, the district may
7 deposit funds into this account for disbursement, as appropriate, on
8 transportation projects. Nothing in this section requires any state
9 matching money. All money deposited in the regional transportation
10 investment district account will be used for design, right of way
11 acquisition, capital acquisition, and construction, or for the payment
12 of debt service associated with these activities, for regionally funded
13 transportation projects developed under this chapter. Only the
14 district may authorize expenditures from the account. The account is
15 subject to allotment procedures under chapter 43.88 RCW. An
16 appropriation is not required for expenditures from this account.

17 **Sec. 402.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273
18 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended
19 to read as follows:

20 DEPOSIT OF SURPLUS BALANCE INVESTMENT EARNINGS--TREASURY INCOME
21 ACCOUNT--ACCOUNTS AND FUNDS CREDITED. (1) All earnings of investments
22 of surplus balances in the state treasury shall be deposited to the
23 treasury income account, which account is hereby established in the
24 state treasury.

25 (2) The treasury income account shall be utilized to pay or receive
26 funds associated with federal programs as required by the federal cash
27 management improvement act of 1990. The treasury income account is
28 subject in all respects to chapter 43.88 RCW, but no appropriation is
29 required for refunds or allocations of interest earnings required by
30 the cash management improvement act. Refunds of interest to the
31 federal treasury required under the cash management improvement act
32 fall under RCW 43.88.180 and shall not require appropriation. The
33 office of financial management shall determine the amounts due to or
34 from the federal government pursuant to the cash management improvement
35 act. The office of financial management may direct transfers of funds
36 between accounts as deemed necessary to implement the provisions of the
37 cash management improvement act, and this subsection. Refunds or

1 allocations shall occur prior to the distributions of earnings set
2 forth in subsection (4) of this section.

3 (3) Except for the provisions of RCW 43.84.160, the treasury income
4 account may be utilized for the payment of purchased banking services
5 on behalf of treasury funds including, but not limited to, depository,
6 safekeeping, and disbursement functions for the state treasury and
7 affected state agencies. The treasury income account is subject in all
8 respects to chapter 43.88 RCW, but no appropriation is required for
9 payments to financial institutions. Payments shall occur prior to
10 distribution of earnings set forth in subsection (4) of this section.

11 (4) Monthly, the state treasurer shall distribute the earnings
12 credited to the treasury income account. The state treasurer shall
13 credit the general fund with all the earnings credited to the treasury
14 income account except:

15 (a) The following accounts and funds shall receive their
16 proportionate share of earnings based upon each account's and fund's
17 average daily balance for the period: The capitol building
18 construction account, the Cedar River channel construction and
19 operation account, the Central Washington University capital projects
20 account, the charitable, educational, penal and reformatory
21 institutions account, the common school construction fund, the county
22 criminal justice assistance account, the county sales and use tax
23 equalization account, the data processing building construction
24 account, the deferred compensation administrative account, the deferred
25 compensation principal account, the department of retirement systems
26 expense account, the drinking water assistance account, the drinking
27 water assistance administrative account, the drinking water assistance
28 repayment account, the Eastern Washington University capital projects
29 account, the education construction fund, the emergency reserve fund,
30 the federal forest revolving account, the health services account, the
31 public health services account, the health system capacity account, the
32 personal health services account, the state higher education
33 construction account, the higher education construction account, the
34 highway infrastructure account, the industrial insurance premium refund
35 account, the judges' retirement account, the judicial retirement
36 administrative account, the judicial retirement principal account, the
37 local leasehold excise tax account, the local real estate excise tax
38 account, the local sales and use tax account, the medical aid account,
39 the mobile home park relocation fund, the multimodal transportation

1 account, the municipal criminal justice assistance account, the
2 municipal sales and use tax equalization account, the natural resources
3 deposit account, the oyster reserve land account, the perpetual
4 surveillance and maintenance account, the public employees' retirement
5 system plan 1 account, the public employees' retirement system combined
6 plan 2 and plan 3 account, the public health supplemental account, the
7 Puyallup tribal settlement account, the regional transportation
8 investment district account, the resource management cost account, the
9 site closure account, the special wildlife account, the state
10 employees' insurance account, the state employees' insurance reserve
11 account, the state investment board expense account, the state
12 investment board commingled trust fund accounts, the supplemental
13 pension account, the teachers' retirement system plan 1 account, the
14 teachers' retirement system combined plan 2 and plan 3 account, the
15 tobacco prevention and control account, the tobacco settlement account,
16 the transportation infrastructure account, the tuition recovery trust
17 fund, the University of Washington bond retirement fund, the University
18 of Washington building account, the volunteer fire fighters' and
19 reserve officers' relief and pension principal fund, the volunteer fire
20 fighters' and reserve officers' administrative fund, the Washington
21 fruit express account, the Washington judicial retirement system
22 account, the Washington law enforcement officers' and fire fighters'
23 system plan 1 retirement account, the Washington law enforcement
24 officers' and fire fighters' system plan 2 retirement account, the
25 Washington school employees' retirement system combined plan 2 and 3
26 account, the Washington state health insurance pool account, the
27 Washington state patrol retirement account, the Washington State
28 University building account, the Washington State University bond
29 retirement fund, the water pollution control revolving fund, and the
30 Western Washington University capital projects account. Earnings
31 derived from investing balances of the agricultural permanent fund, the
32 normal school permanent fund, the permanent common school fund, the
33 scientific permanent fund, and the state university permanent fund
34 shall be allocated to their respective beneficiary accounts. All
35 earnings to be distributed under this subsection (4)(a) shall first be
36 reduced by the allocation to the state treasurer's service fund
37 pursuant to RCW 43.08.190.

38 (b) The following accounts and funds shall receive eighty percent
39 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The aeronautics account,
2 the aircraft search and rescue account, the county arterial
3 preservation account, the department of licensing services account, the
4 essential rail assistance account, the ferry bond retirement fund, the
5 grade crossing protective fund, the high capacity transportation
6 account, the highway bond retirement fund, the highway safety account,
7 the motor vehicle fund, the motorcycle safety education account, the
8 pilotage account, the public transportation systems account, the Puget
9 Sound capital construction account, the Puget Sound ferry operations
10 account, the recreational vehicle account, the rural arterial trust
11 account, the safety and education account, the special category C
12 account, the state patrol highway account, the transportation equipment
13 fund, the transportation fund, the transportation improvement account,
14 the transportation improvement board bond retirement account, and the
15 urban arterial trust account.

16 (5) In conformance with Article II, section 37 of the state
17 Constitution, no treasury accounts or funds shall be allocated earnings
18 without the specific affirmative directive of this section.

19 NEW SECTION. **Sec. 403.** A new section is added to chapter 47.56
20 RCW to read as follows:

21 AUTHORIZATION FOR DISTRICT TO IMPOSE TOLLS. Upon approval of a
22 majority of the voters within its boundaries voting on the ballot
23 proposition, and only for the purposes authorized in section 105(1)(f)
24 of this act, a regional transportation investment district may impose
25 vehicle tolls on state routes where improvements financed in whole or
26 in part by a regional transportation investment district add additional
27 lanes to, or reconstruct lanes on, a highway of statewide significance.
28 The department shall administer the collection of vehicle tolls on
29 designated facilities unless otherwise specified in law, and the state
30 transportation commission, or its successor, shall be the tolling
31 authority.

32 **Sec. 404.** RCW 47.56.075 and 1984 c 7 s 252 are each amended to
33 read as follows:

34 DEPARTMENT OF TRANSPORTATION AUTHORIZATION FOR DISTRICT TOLL
35 FACILITIES. The department shall approve for construction only such
36 toll roads as the legislature specifically authorizes or such toll

1 facilities as are specifically sponsored by a regional transportation
2 investment district, city, town, or county.

3 NEW SECTION. **Sec. 405.** A new section is added to chapter 82.14
4 RCW to read as follows:

5 SALES AND USE TAX. (1) If approved by the majority of the voters
6 within its boundaries voting on the ballot proposition, a regional
7 transportation investment district may impose a sales and use tax of up
8 to 0.5 percent of the selling price or value of the article used in the
9 case of a use tax. The tax authorized by this section is in addition
10 to the tax authorized by RCW 82.14.030 and must be collected from those
11 persons who are taxable by the state under chapters 82.08 and 82.12 RCW
12 upon the occurrence of any taxable event within the taxing district.
13 Motor vehicles are exempt from the sales and use tax imposed under this
14 subsection.

15 (2) If approved by the majority of the voters within its boundaries
16 voting on the ballot proposition, a regional transportation investment
17 district may impose a tax on the use of a motor vehicle within a
18 regional transportation investment district. The tax applies to those
19 persons who reside within the regional transportation investment
20 district. The rate of the tax may not exceed 0.5 percent of the value
21 of the motor vehicle. The tax authorized by this subsection is in
22 addition to the tax authorized under RCW 82.14.030 and must be imposed
23 and collected at the time a taxable event under RCW 82.08.020(1) or
24 82.12.020 takes place. All revenue received under this subsection must
25 be deposited in the local sales and use tax account and distributed to
26 the regional transportation investment district according to RCW
27 82.14.050. The following provisions apply to the use tax in this
28 subsection:

29 (a) Where persons are taxable under chapter 82.08 RCW, the seller
30 shall collect the use tax from the buyer using the collection
31 provisions of RCW 82.08.050.

32 (b) Where persons are taxable under chapter 82.12 RCW, the use tax
33 must be collected using the provisions of RCW 82.12.045.

34 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but
35 does not include farm tractors or farm vehicles as defined in RCW
36 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
37 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

38 (d) "Person" has the meaning given in RCW 82.04.030.

1 (e) The value of a motor vehicle must be determined under RCW
2 82.12.010.

3 (f) Except as specifically stated in this subsection (2), chapters
4 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax
5 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW
6 applies fully to the use tax.

7 **Sec. 406.** RCW 82.14.050 and 1999 c 165 s 14 are each amended to
8 read as follows:

9 CONTRACTS FOR COLLECTION OF SALES AND USE TAX. The counties,
10 cities, and transportation authorities under RCW 82.14.045 (~~and~~),
11 public facilities districts under chapters 36.100 and 35.57 RCW, and
12 regional transportation investment districts shall contract, prior to
13 the effective date of a resolution or ordinance imposing a sales and
14 use tax, the administration and collection to the state department of
15 revenue, which shall deduct a percentage amount, as provided by
16 contract, not to exceed two percent of the taxes collected for
17 administration and collection expenses incurred by the department. The
18 remainder of any portion of any tax authorized by this chapter
19 (~~which~~) that is collected by the department of revenue shall be
20 deposited by the state department of revenue in the local sales and use
21 tax account hereby created in the state treasury. Moneys in the local
22 sales and use tax account may be spent only for distribution to
23 counties, cities, transportation authorities, (~~and~~) public facilities
24 districts, and regional transportation investment districts imposing a
25 sales and use tax. All administrative provisions in chapters 82.03,
26 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be
27 amended, shall, insofar as they are applicable to state sales and use
28 taxes, be applicable to taxes imposed pursuant to this chapter. Except
29 as provided in RCW 43.08.190, all earnings of investments of balances
30 in the local sales and use tax account shall be credited to the local
31 sales and use tax account and distributed to the counties, cities,
32 transportation authorities, (~~and~~) public facilities districts, and
33 regional transportation investment districts monthly.

34 NEW SECTION. **Sec. 407.** A new section is added to chapter 82.32
35 RCW to read as follows:

36 TRANSFER OF SALES TAX ON TOLL PROJECTS. (1) The tax imposed and
37 collected under chapters 82.08 and 82.12 RCW, less any credits allowed

1 under chapter 82.14 RCW, on initial construction for a transportation
2 project to be constructed under chapter 36.-- RCW (sections 101 through
3 118, 201, and 401 of this act), must be transferred to the
4 transportation project to defray costs or pay debt service on that
5 transportation project. In the case of a toll project, this transfer
6 or credit must be used to lower the overall cost of the project and
7 thereby the corresponding tolls.

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

10 (3) Government entities constructing transportation projects under
11 chapter 36.-- RCW (sections 101 through 118, 201, and 401 of this act)
12 shall report to the department the amount of state sales or use tax
13 covered under this section.

14 NEW SECTION. **Sec. 408.** A new section is added to chapter 82.80
15 RCW to read as follows:

16 LOCAL OPTION VEHICLE LICENSE FEE. (1) Upon approval of a majority
17 of the voters within its boundaries voting on the ballot proposition,
18 a regional transportation investment district may set and impose an
19 annual local option vehicle license fee, or a schedule of fees based
20 upon the age of the vehicle, of up to one hundred dollars per motor
21 vehicle registered within the boundaries of the region on every motor
22 vehicle. As used in this section "motor vehicle" has the meaning
23 provided in RCW 46.04.320, but does not include farm tractors or farm
24 vehicles as defined in RCW 46.04.180 and 46.04.181, off-road and
25 nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as
26 defined in RCW 46.10.010. Vehicles registered under chapter 46.87 RCW
27 and the International Registration Plan are exempt from the annual
28 local option vehicle license fee set forth in this section. The
29 department of licensing shall administer and collect this fee on behalf
30 of regional transportation investment districts and remit this fee to
31 the custody of the state treasurer for monthly distribution under RCW
32 82.80.080.

33 (2) The local option vehicle license fee applies only when renewing
34 a vehicle registration, and is effective upon the registration renewal
35 date as provided by the department of licensing.

36 (3) A regional transportation investment district imposing the
37 local option vehicle license fee or initiating an exemption process
38 shall enter into a contract with the department of licensing. The

1 contract must contain provisions that fully recover the costs to the
2 department of licensing for collection and administration of the fee.

3 (4) A regional transportation investment district imposing the
4 local option fee shall delay the effective date of the local option
5 vehicle license fee imposed by this section at least six months from
6 the date of the final certification of the approval election to allow
7 the department of licensing to implement the administration and
8 collection of or exemption from the fee.

9 **Sec. 409.** RCW 81.100.010 and 1990 c 43 s 12 are each amended to
10 read as follows:

11 DISTRICT AUTHORITY TO IMPOSE HIGH-OCCUPANCY VEHICLE TAXES. The
12 need for mobility, growing travel demand, and increasing traffic
13 congestion in urban areas necessitate accelerated development and
14 increased utilization of the high_occupancy vehicle system. RCW
15 81.100.030 and 81.100.060 provide taxing authority that counties or
16 regional transportation investment districts can use in the near term
17 to accelerate development and increase utilization of the
18 high_occupancy vehicle system by supplementing available federal,
19 state, and local funds.

20 **Sec. 410.** RCW 81.100.030 and 1991 c 363 s 153 are each amended to
21 read as follows:

22 DISTRICT AUTHORITY TO IMPOSE HIGH-OCCUPANCY VEHICLE EMPLOYER TAX.
23 (1) A county with a population of one million or more, or a county with
24 a population of from two hundred ten thousand to less than one million
25 that is adjoining a county with a population of one million or more,
26 and having within its boundaries existing or planned high_occupancy
27 vehicle lanes on the state highway system, or a regional transportation
28 investment district for capital improvements, but only to the extent
29 that the tax has not already been imposed by the county, may, with
30 voter approval impose an excise tax of up to two dollars per employee
31 per month on all employers or any class or classes of employers, public
32 and private, including the state located in the agency's jurisdiction,
33 measured by the number of full-time equivalent employees. In no event
34 may the total taxes imposed under this section exceed two dollars per
35 employee per month for any single employer. The county or investment
36 district imposing the tax authorized in this section may provide for

1 exemptions from the tax to such educational, cultural, health,
2 charitable, or religious organizations as it deems appropriate.

3 Counties or investment districts may contract with the state
4 department of revenue or other appropriate entities for administration
5 and collection of the tax. Such contract shall provide for deduction
6 of an amount for administration and collection expenses.

7 (2) The tax shall not apply to employment of a person when the
8 employer has paid for at least half of the cost of a transit pass
9 issued by a transit agency for that employee, valid for the period for
10 which the tax would otherwise be owed.

11 (3) A county or investment district shall adopt rules (~~which~~)
12 that exempt from all or a portion of the tax any employer that has
13 entered into an agreement with the county or investment district that
14 is designed to reduce the proportion of employees who drive in single-
15 occupant vehicles during peak commuting periods in proportion to the
16 degree that the agreement is designed to meet the goals for the
17 employer's location adopted under RCW 81.100.040.

18 The agreement shall include a list of specific actions that the
19 employer will undertake to be entitled to the exemption. Employers
20 having an exemption from all or part of the tax through this subsection
21 shall annually certify to the county or investment district that the
22 employer is fulfilling the terms of the agreement. The exemption
23 continues as long as the employer is in compliance with the agreement.

24 If the tax authorized in RCW 81.100.060 is also imposed (~~by the~~
25 ~~county~~), the total proceeds from both tax sources each year shall not
26 exceed the maximum amount which could be collected under RCW
27 81.100.060.

28 **Sec. 411.** RCW 81.100.060 and 1998 c 321 s 34 are each amended to
29 read as follows:

30 DISTRICT AUTHORITY TO IMPOSE HIGH-OCCUPANCY VEHICLE MOTOR VEHICLE
31 EXCISE TAX. A county with a population of one million or more and a
32 county with a population of from two hundred ten thousand to less than
33 one million that is adjoining a county with a population of one million
34 or more, having within their boundaries existing or planned
35 high-occupancy vehicle lanes on the state highway system, or a regional
36 transportation investment district for capital improvements, but only
37 to the extent that the surcharge has not already been imposed by the
38 county, may, with voter approval, impose a local surcharge of not more

1 than (~~(13.64 percent on the state motor vehicle excise tax paid under~~
2 ~~RCW 82.44.020(1))~~) three-tenths of one percent of the value on vehicles
3 registered to a person residing within the county and not more than
4 13.64 percent on the state sales and use taxes paid under the rate in
5 RCW 82.08.020(2) on retail car rentals within the county or investment
6 district. A county may impose the surcharge only to the extent that it
7 has not been imposed by the district. No surcharge may be imposed on
8 vehicles licensed under RCW 46.16.070 except vehicles with an unladen
9 weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or
10 46.16.090.

11 Counties or investment districts imposing a tax under this section
12 shall contract, before the effective date of the resolution or
13 ordinance imposing a surcharge, administration and collection to the
14 state department of licensing, and department of revenue, as
15 appropriate, which shall deduct an amount, as provided by contract, for
16 administration and collection expenses incurred by the department. All
17 administrative provisions in chapters 82.03, 82.32, and 82.44 RCW
18 shall, insofar as they are applicable to (~~state~~) motor vehicle excise
19 taxes, be applicable to surcharges imposed under this section. All
20 administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32
21 RCW shall, insofar as they are applicable to state sales and use taxes,
22 be applicable to surcharges imposed under this section.

23 If the tax authorized in RCW 81.100.030 is also imposed (~~by the~~
24 ~~county~~), the total proceeds from tax sources imposed under this
25 section and RCW 81.100.030 each year shall not exceed the maximum
26 amount which could be collected under this section.

27 **Sec. 412.** RCW 82.80.030 and 1990 c 42 s 208 are each amended to
28 read as follows:

29 DISTRICT AUTHORITY TO IMPOSE PARKING TAX. (1) Subject to the
30 conditions of this section, the legislative authority of a county
31 (~~or~~), city, or district may fix and impose a parking tax on all
32 persons engaged in a commercial parking business within its respective
33 jurisdiction. A city or county may impose the tax only to the extent
34 that it has not been imposed by the district, and a district may impose
35 the tax only to the extent that it has not been imposed by a city or
36 county. The jurisdiction of a county, for purposes of this section,
37 includes only the unincorporated area of the county. The jurisdiction

1 of a city, or district includes only the area within its
2 (~~incorporated~~) boundaries.

3 (2) In lieu of the tax in subsection (1) of this section, a city
4 (~~or~~), a county in its unincorporated area, or a district may fix and
5 impose a tax for the act or privilege of parking a motor vehicle in a
6 facility operated by a commercial parking business.

7 The city (~~or~~), county, or district may provide that:

8 (a) The tax is paid by the operator or owner of the motor vehicle;

9 (b) The tax applies to all parking for which a fee is paid, whether
10 paid or leased, including parking supplied with a lease of
11 nonresidential space;

12 (c) The tax is collected by the operator of the facility and
13 remitted to the city (~~or~~), county, or district;

14 (d) The tax is a fee per vehicle or is measured by the parking
15 charge;

16 (e) The tax rate varies with zoning or location of the facility,
17 the duration of the parking, the time of entry or exit, the type or use
18 of the vehicle, or other reasonable factors; and

19 (f) Tax exempt carpools, vehicles with handicapped decals, or
20 government vehicles are exempt from the tax.

21 (3) "Commercial parking business" as used in this section, means
22 the ownership, lease, operation, or management of a commercial parking
23 lot in which fees are charged. "Commercial parking lot" means a
24 covered or uncovered area with stalls for the purpose of parking motor
25 vehicles.

26 (4) The rate of the tax under subsection (1) of this section may be
27 based either upon gross proceeds or the number of vehicle stalls
28 available for commercial parking use. The rates charged must be
29 uniform for the same class or type of commercial parking business.

30 (5) The county (~~or~~), city, or district levying the tax provided
31 for in subsection (1) or (2) of this section may provide for its
32 payment on a monthly, quarterly, or annual basis. Each local
33 government may develop by ordinance or resolution rules for
34 administering the tax, including provisions for reporting by commercial
35 parking businesses, collection, and enforcement.

36 (6) The proceeds of the commercial parking tax fixed and imposed by
37 a city or county under subsection (1) or (2) of this section shall be
38 used strictly for transportation purposes in accordance with RCW
39 82.80.070. The proceeds of the parking tax imposed by a district must

1 be used as provided in chapter 36.-- RCW (sections 101 through 118,
2 201, and 401 of this act).

3 **Sec. 413.** RCW 82.80.070 and 1991 c 141 s 4 are each amended to
4 read as follows:

5 REQUIRES THAT LOCAL OPTION TAXES IMPOSED BY DISTRICT BE USED FOR
6 DISTRICT TRANSPORTATION PROJECTS. (1) The proceeds collected pursuant
7 to the exercise of the local option authority of RCW 82.80.010,
8 82.80.020, 82.80.030, and 82.80.050 (hereafter called "local option
9 transportation revenues") shall be used for transportation purposes
10 only, including but not limited to the following: The operation and
11 preservation of roads, streets, and other transportation improvements;
12 new construction, reconstruction, and expansion of city streets, county
13 roads, and state highways and other transportation improvements;
14 development and implementation of public transportation and high-
15 capacity transit improvements and programs; and planning, design, and
16 acquisition of right of way and sites for such transportation purposes.
17 The proceeds collected from excise taxes on the sale, distribution, or
18 use of motor vehicle fuel and special fuel under RCW 82.80.010 shall be
19 used exclusively for "highway purposes" as that term is construed in
20 Article II, section 40 of the state Constitution.

21 (2) The local option transportation revenues shall be expended for
22 transportation uses consistent with the adopted transportation and land
23 use plans of the jurisdiction expending the funds and consistent with
24 any applicable and adopted regional transportation plan for
25 metropolitan planning areas.

26 (3) Each local government with a population greater than eight
27 thousand that levies or expends local option transportation funds, is
28 also required to develop and adopt a specific transportation program
29 that contains the following elements:

30 (a) The program shall identify the geographic boundaries of the
31 entire area or areas within which local option transportation revenues
32 will be levied and expended.

33 (b) The program shall be based on an adopted transportation plan
34 for the geographic areas covered and shall identify the proposed
35 operation and construction of transportation improvements and services
36 in the designated plan area intended to be funded in whole or in part
37 by local option transportation revenues and shall identify the annual
38 costs applicable to the program.

1 (c) The program shall indicate how the local transportation plan is
2 coordinated with applicable transportation plans for the region and for
3 adjacent jurisdictions.

4 (d) The program shall include at least a six-year funding plan,
5 updated annually, identifying the specific public and private sources
6 and amounts of revenue necessary to fund the program. The program
7 shall include a proposed schedule for construction of projects and
8 expenditure of revenues. The funding plan shall consider the
9 additional local tax revenue estimated to be generated by new
10 development within the plan area if all or a portion of the additional
11 revenue is proposed to be earmarked as future appropriations for
12 transportation improvements in the program.

13 (4) Local governments with a population greater than eight thousand
14 exercising the authority for local option transportation funds shall
15 periodically review and update their transportation program to ensure
16 that it is consistent with applicable local and regional transportation
17 and land use plans and within the means of estimated public and private
18 revenue available.

19 (5) In the case of expenditure for new or expanded transportation
20 facilities, improvements, and services, priorities in the use of local
21 option transportation revenues shall be identified in the
22 transportation program and expenditures shall be made based upon the
23 following criteria, which are stated in descending order of weight to
24 be attributed:

25 (a) First, the project serves a multijurisdictional function;

26 (b) Second, it is necessitated by existing or reasonably
27 foreseeable congestion;

28 (c) Third, it has the greatest person-carrying capacity;

29 (d) Fourth, it is partially funded by other government funds, such
30 as from the state transportation improvement board, or by private
31 sector contributions, such as those from the local transportation act,
32 chapter 39.92 RCW; and

33 (e) Fifth, it meets such other criteria as the local government
34 determines is appropriate.

35 (6) It is the intent of the legislature that as a condition of
36 levying, receiving, and expending local option transportation revenues,
37 no local government agency use the revenues to replace, divert, or loan
38 any revenues currently being used for transportation purposes to
39 nontransportation purposes. The association of Washington cities and

1 the Washington state association of counties, in consultation with the
2 legislative transportation committee, shall study the issue of
3 nondiversion and make recommendations to the legislative transportation
4 committee for language implementing the intent of this section by
5 December 1, 1990.

6 (7) Local governments are encouraged to enter into interlocal
7 agreements to jointly develop and adopt with other local governments
8 the transportation programs required by this section for the purpose of
9 accomplishing regional transportation planning and development.

10 (8) Local governments may use all or a part of the local option
11 transportation revenues for the amortization of local government
12 general obligation and revenue bonds issued for transportation purposes
13 consistent with the requirements of this section.

14 (9) Subsections (1) through (8) of this section do not apply to a
15 regional transportation investment district imposing a tax or fee under
16 the local option authority of this chapter. Proceeds collected under
17 the exercise of local option authority under this chapter by a district
18 must be used in accordance with chapter 36.-- RCW (sections 101 through
19 118, 201, and 401 of this act).

20 **Sec. 414.** RCW 82.80.080 and 1998 c 281 s 2 are each amended to
21 read as follows:

22 LOCAL OPTION TAX REVENUE DISTRIBUTION. (1) The state treasurer
23 shall distribute revenues, less authorized deductions, generated by the
24 local option taxes authorized in RCW 82.80.010 and 82.80.020, levied by
25 counties to the levying counties, and cities contained in those
26 counties, based on the relative per capita population. County
27 population for purposes of this section is equal to one and one-half of
28 the unincorporated population of the county. In calculating the
29 distributions, the state treasurer shall use the population estimates
30 prepared by the state office of financial management and shall further
31 calculate the distribution based on information supplied by the
32 departments of licensing and revenue, as appropriate.

33 (2) The state treasurer shall distribute revenues, less authorized
34 deductions, generated by the local option taxes authorized in RCW
35 82.80.010 and 82.80.020 levied by qualifying cities and towns to the
36 levying cities and towns.

37 (3) The state treasurer shall distribute to the district revenues,
38 less authorized deductions, generated by the local option taxes under

1 RCW 82.80.010 or fees under section 408 of this act levied by a
2 district.

3 NEW SECTION. **Sec. 415.** A new section is added to chapter 82.80
4 RCW to read as follows:

5 DISTRICT DEFINED FOR LOCAL TAXES. For the purposes of this
6 chapter, "district" means a regional transportation investment district
7 created under chapter 36.-- RCW (sections 101 through 118, 201, and 401
8 of this act).

9 **V. OTHER PROVISIONS**

10 NEW SECTION. **Sec. 501.** CAPTIONS AND SUBHEADINGS. Captions and
11 subheadings used in this act are not part of the law.

12 NEW SECTION. **Sec. 502.** CODIFICATION. Sections 101 through 118,
13 201, and 401 of this act constitute a new chapter in Title 36 RCW.

14 NEW SECTION. **Sec. 503.** SEVERABILITY. If any provision of this
15 act or its application to any person or circumstance is held invalid,
16 the remainder of the act or the application of the provision to other
17 persons or circumstances is not affected.

18 NEW SECTION. **Sec. 504.** NULL AND VOID. This act is null and void
19 if a transportation revenue act containing new or additional revenue
20 does not become law by December 31, 2002."

21 **E2SSB 6140** - H AMD
22 By Representative

23

24 On page 1, line 2 of the title, after "districts;" strike the
25 remainder of the title and insert "amending RCW 81.104.140, 47.56.075,
26 82.14.050, 81.100.010, 81.100.030, 81.100.060, 82.80.030, 82.80.070,
27 and 82.80.080; reenacting and amending RCW 47.05.021 and 43.84.092;
28 adding new sections to chapter 47.05 RCW; adding a new section to
29 chapter 47.17 RCW; adding a new section to chapter 47.56 RCW; adding a
30 new section to chapter 82.14 RCW; adding a new section to chapter 82.32

1 RCW; adding new sections to chapter 82.80 RCW; adding a new chapter to
2 Title 36 RCW; and creating new sections."

--- **END** ---