
ENGROSSED SUBSTITUTE HOUSE BILL 2359

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Fisher, Cooper, Kessler, Berkey, Jackley, McIntire, Conway, Wood, Kagi and Ogden)

Read first time 01/28/2002. Referred to Committee on .

1 AN ACT Relating to authorizing the financing of regional
2 transportation improvements by counties; amending RCW 81.104.140,
3 81.104.160, 81.104.170, 82.14.045, 82.14.050, 81.100.030, 81.100.060,
4 82.80.010, 82.80.020, 82.80.030, 82.80.070, 82.80.080, 47.56.030,
5 47.56.075, 84.52.010, and 84.52.052; reenacting and amending RCW
6 43.84.092; adding a new section to chapter 82.14 RCW; adding a new
7 section to chapter 43.135 RCW; adding a new section to chapter 82.32
8 RCW; adding a new section to chapter 82.80 RCW; adding a new section to
9 chapter 47.56 RCW; adding new chapters to Title 36 RCW; creating new
10 sections; and providing a contingent effective date.

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

12 **I. IMPLEMENTING REGIONAL TRANSPORTATION INVESTMENT PLANS**

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

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

17 (2) The state cannot by itself fund, in a timely way, many of the
18 major capacity and other improvements required on highways of statewide

1 significance and for other regional transportation projects in the
2 state's largest urbanized areas;

3 (3) Providing a transportation system that maintains efficient
4 mobility for persons and freight requires a partnership between the
5 state, local, and regional governments and the private sector;

6 (4) Timely construction and development of significant
7 transportation improvement projects can best be achieved through
8 enhanced funding options for governments at the city, county, and
9 regional levels. The legislature intends to use existing governments,
10 existing tax authority with enhancements, and existing authority for
11 interlocal cooperation among governments to address critical local,
12 regional, and statewide roadway and multimodal needs; and

13 (5) Voters must be assured that locally generated moneys to address
14 transportation projects will remain within the taxing jurisdiction and
15 that the tax revenues will be used to address an identified list of
16 projects and activities.

17 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this
18 section apply throughout this chapter unless the context clearly
19 requires otherwise.

20 (1) "Lead agency" means a public agency designated by a county to
21 plan, design, and build a project.

22 (2) "Transportation improvement projects" or "projects" means
23 projects contained in the transportation plan of the state or a
24 regional transportation planning organization. Projects may include
25 new or existing highways of statewide significance or local principal
26 arterials of regional significance, rail facilities, monorail
27 facilities, public transportation investments, ferry system capital
28 improvements, and transportation demand management programs. Projects
29 may also include the operation, preservation, and maintenance of these
30 roadways and other facilities.

31 (3) "Regional transportation investment plan" or "plan" means a
32 plan to develop, construct, and finance a transportation project or
33 projects.

34 (4) "Regional transportation planning organization" means that
35 organization as defined in chapter 47.80 RCW.

36 NEW SECTION. **Sec. 103.** RTPO PLANNING DUTIES--SUBMISSION OF PLAN
37 TO THE VOTERS--PROJECT IMPLEMENTATION. (1) If a transportation revenue

1 act becomes law in 2002, a county or counties choosing to implement a
2 plan under this chapter shall request that a regional transportation
3 planning organization of which they are a member develop a regional
4 transportation investment plan. The organization must adopt the plan
5 within ninety days of the county request.

6 (2) If a transportation revenue act becomes law in 2002, in
7 developing the plan the organization:

8 (a) Should consider regional transportation equity and land use
9 planning;

10 (b) Shall coordinate its activities with the department of
11 transportation, which shall provide services, data, and personnel to
12 assist in this planning as desired by the organization;

13 (c) Shall coordinate with local government entities within the
14 boundaries of the requesting county that engage in transportation
15 planning;

16 (d) Shall develop accurate cost forecasts for each project included
17 in the plan with assistance from the department and the lead agency.
18 This project costing methodology must include but not be limited to:

19 (i) Integration with a range of revenue forecasts;

20 (ii) Estimated project costs in constant dollars and year of
21 expenditure dollars;

22 (iii) A range of project costs reflected by the level of project
23 design;

24 (iv) Project contingencies;

25 (v) Identification of mitigation costs; and

26 (vi) Project and plan cash flow and bond analysis;

27 (e) Shall conduct public meetings that are needed to assure active
28 public participation in the development of the plan.

29 (3) If a transportation revenue act becomes law in 2002, the plan
30 adopted by the organization must include provisions:

31 (a) Providing for the selection, development, construction, and
32 financing of transportation improvement projects;

33 (b) Providing for improvements in mobility based on addressing
34 transportation improvement projects;

35 (c) Recommending the appropriate mix of transportation investment
36 choices to address the mobility needs of the county;

37 (d) Providing that the maximum amount possible of the funds raised
38 will be used to fund projects in the plan. Allowable costs include

1 environmental improvements and mitigation. The plan must minimize
2 administrative costs; and

3 (e) Recommending sources of revenue authorized by section 104 of
4 this act and a financing plan to fund transportation projects included
5 in the plan. Any state funding for projects developed under this
6 chapter must be specifically provided for in state law.

7 (4) If a transportation revenue act becomes law in 2002, once
8 adopted, the plan must be forwarded to the county legislative authority
9 or authorities for approval or rejection. Before a county initiates
10 the election process, the county shall provide notice of the plan to
11 each city and town within the district, the governor, the chairs of the
12 transportation committees of the legislature, the secretary of
13 transportation, and each legislator whose legislative district is
14 partially or wholly within the boundaries of the county.

15 (5) If a transportation revenue act becomes law in 2002, if the
16 plan fails under subsection (6) of this section the regional
17 transportation planning organization may redefine the selected projects
18 and the project and financing plan. The county or counties may approve
19 the new plan and resubmit it under subsections (6) through (8) of this
20 section.

21 (6) If a transportation revenue act becomes law in 2002, if the
22 county legislative authority approves the plan, the county legislative
23 authority shall:

24 (a) Draft a ballot title;

25 (b) Give notice as required by law for ballot measures; and

26 (c) Perform other duties as required to put the plan before the
27 voters of the county for their approval or rejection as a single ballot
28 proposition that approves the plan.

29 (7) If a transportation revenue act becomes law in 2002, the
30 electorate will be the voters voting within the boundaries of the
31 county. A simple majority of those voting on a single proposition to
32 approve the plan and impose the taxes and fees within each county is
33 required for approval.

34 (8) If a transportation revenue act becomes law in 2002, and if the
35 plan is approved by the voters and involves more than one county, the
36 counties must negotiate interlocal agreements necessary to implement
37 the plan.

38 (9) If a transportation revenue act becomes law in 2002, after
39 voter approval of the plan, the county or counties shall enter into

1 agreements with lead agencies as to who will acquire, construct, or
2 develop projects approved by the voters. The county or counties shall
3 negotiate reasonable terms and conditions to assist lead agencies in
4 funding projects. The overall plan of the county or counties must
5 leverage the county's or counties' financial contributions so that the
6 state and other revenue sources continue to fund major state-owned
7 congestion relief and transportation capacity improvement projects.

8 (10) If a transportation revenue act becomes law in 2002, a county
9 may, after consultation with the regional transportation planning
10 organization, amend projects in the plan as warranted without voter
11 approval. However, increases in the cost of a project, including a
12 member county's share of the cost, that exceed twenty percent must be
13 addressed under section 107 of this act.

14 NEW SECTION. **Sec. 104.** TAXES AND FEES. (1) In order to fund a
15 regional transportation investment plan, a county may, upon approval of
16 the voters as provided in this chapter, impose some or all of the
17 following taxes:

18 (a) A sales and use tax, as specified in section 206 of this act;

19 (b) A local option vehicle license fee, as specified under section
20 211 of this act;

21 (c) A parking tax under RCW 82.80.030;

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

24 (e) A local option fuel tax under RCW 82.80.010;

25 (f) An employer excise tax under RCW 81.100.030;

26 (g) A sales and use tax under RCW 82.14.045;

27 (h) A sales and use tax under RCW 81.104.170; and

28 (i) Vehicle tolls, but only on new or expanded facilities. Unless
29 otherwise specified by law, the department of transportation shall
30 administer the collection of vehicle tolls on designated facilities,
31 and the state transportation commission, or its successor, shall be the
32 tolling authority.

33 (2) Taxes, fees, and tolls may not be imposed without an
34 affirmative vote of the majority of the voters within the boundaries of
35 the county voting on a ballot proposition as set forth in section 103
36 (6) through (8) of this act. Revenues from these taxes and fees may be
37 used only to implement this chapter. A county may contract with the
38 state department of revenue or other appropriate entities for

1 administration and collection of any of the taxes or fees authorized in
2 this section.

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

6 (4)(a) The state sales tax imposed and collected under chapters
7 82.08 and 82.12 RCW, less any credits allowed under chapter 82.14 RCW,
8 on initial construction for any project to be constructed under this
9 chapter must be transferred to the project or identified as a credit on
10 the project to defray costs or pay debt service on that project. In
11 the case of a toll project, the transfer or credit must be used to
12 lower the overall cost of the project and thereby the amount or term of
13 the tolls.

14 (b) This transaction is exempt from the requirements in RCW
15 43.135.035(4).

16 (c) Government entities constructing projects under this chapter
17 shall report the amount of state sales or use tax covered under this
18 subsection (4) to the department of revenue.

19 NEW SECTION. **Sec. 105.** REVENUE DISTRIBUTION. The revenues
20 generated under section 104 of this act must be distributed in the
21 following manner:

22 (1) Tolls collected on state routes must be deposited in the motor
23 vehicle fund for the use of the department of transportation. Tolls on
24 other facilities must be used to pay for those facilities.

25 (2) Of the remaining amount:

26 (a) Seventy percent must be deposited in the regional
27 transportation investment account. The department of transportation
28 and the transportation improvement board must use the funds to
29 implement projects identified in the regional transportation investment
30 plan;

31 (b) Fifteen percent must be distributed to the county for
32 transportation uses consistent with the ballot proposition and adopted
33 transportation and land use plans of the jurisdiction spending the
34 funds and consistent with any applicable and adopted regional
35 transportation plan for regional transportation planning areas;

36 (c) Fifteen percent must be distributed to cities and towns within
37 the county for transportation uses consistent with the ballot
38 proposition and with the adopted transportation and land use plans of

1 the jurisdiction spending the funds and consistent with any applicable
2 and adopted regional transportation plan for regional transportation
3 planning areas.

4 NEW SECTION. **Sec. 106.** DESIGN-BUILD. A county may use the
5 design-build procedure defined in RCW 47.20.780 for projects funded by
6 it under this chapter. The requirements and limitations of RCW
7 47.20.780 and 47.20.785 do not apply to the projects under this
8 chapter.

9 NEW SECTION. **Sec. 107.** PERFORMANCE CRITERIA FOR REGIONAL PROJECT
10 SELECTION. (1) The regional transportation planning organization shall
11 consider the following criteria for selecting projects to improve
12 corridor performance:

- 13 (a) Reduced level of congestion and improved safety;
- 14 (b) Improved travel time;
- 15 (c) Improved air quality;
- 16 (d) Increased daily and peak period person and vehicle trip
17 capacity;
- 18 (e) Reduced person and vehicle delay;
- 19 (f) Improved freight mobility; and
- 20 (g) Cost-effectiveness of the investment.

21 (2) These criteria represent only minimum standards that must be
22 considered in selecting transportation improvement projects.

23 (3) The county shall monitor and audit the progress and execution
24 of projects to protect the investment of the public. If a project cost
25 exceeds its original cost by more than twenty percent as identified in
26 the plan:

27 (a) The county legislative authority shall submit to the voters a
28 ballot measure that redefines the scope of the project, its schedule,
29 or its costs. If the voters fail to approve the redefined project, the
30 county shall terminate work on that project, except that the county may
31 take reasonable steps to use, preserve, or connect any improvement
32 already constructed. The remainder of any funds that would otherwise
33 have been expended on the terminated project must first be used to
34 retire any outstanding debt attributable to the plan and then may be
35 used to implement the remainder of the plan.

36 (b) Alternatively, upon adoption of a resolution by a two-thirds
37 majority of the county legislative authority:

1 (i) The county shall submit to the voters a ballot measure that
2 redefines the scope of the plan, its projects, its schedule, or its
3 costs. If the voters fail to approve the redefined plan, the county
4 shall terminate work on that plan, except that the county may take
5 reasonable steps to use, preserve, or connect any improvement already
6 constructed. The remainder of any funds must be used to retire any
7 outstanding debt attributable to the plan; or

8 (ii) The county may elect to continue the project without
9 submitting an additional ballot proposal to the voters.

10 (4) To assure accountability to the public for the timely
11 construction of the transportation improvement project or projects
12 within cost projections, the county shall issue a report, at least
13 annually, to the public and copies of the report to newspapers of
14 record in the county. In the report, the county shall indicate the
15 status of project costs, project expenditures, revenues, and
16 construction schedules. The county may also include in its report
17 progress towards meeting the performance criteria provided under this
18 chapter.

19 NEW SECTION. **Sec. 108.** WASHINGTON STATE DEPARTMENT OF
20 TRANSPORTATION ROLE. (1) The department shall designate an office of
21 dedicated staff and services to assist counties under this chapter.
22 The primary responsibility of the dedicated staff is to coordinate the
23 design, preliminary engineering, permitting, financing, and
24 construction of projects in which the state has a role and are under
25 consideration by a county or counties.

26 (2) All of the powers granted the department under Title 47 RCW
27 relating to highway construction may, at the request of a county
28 participating in a plan, be used to implement a regional transportation
29 investment plan and construct transportation projects.

30 NEW SECTION. **Sec. 109.** DISSOLUTION. The county legislative
31 authority may terminate any taxes, fees, or tolls imposed under an
32 approved plan if it finds that the financing or debt service on the
33 project or series of projects constructed under this plan has been
34 completed and paid.

35 **II. FINANCE**

1 NEW SECTION. **Sec. 201.** REGIONAL TRANSPORTATION INVESTMENT
2 ACCOUNT. A regional transportation investment account is created in
3 the custody of the state treasurer for each county funding projects
4 under chapter 36.-- RCW (sections 101 through 109 of this act). All
5 money deposited in a regional transportation investment account by each
6 county will be used for design, right of way acquisition, capital
7 acquisition, construction, payment of debt service associated with
8 these activities, or the operation, maintenance, and preservation of
9 county funded projects developed under chapter 36.-- RCW (sections 101
10 through 109 of this act). The account is subject to allotment
11 procedures under chapter 43.88 RCW and the department of transportation
12 is the administering agency for the account. The county must approve
13 the allotments before any expenditures may be made from the account.
14 An appropriation is not required for expenditures from this account.

15 **Sec. 202.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273
16 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended
17 to read as follows:

18 INTEREST EARNINGS. (1) All earnings of investments of surplus
19 balances in the state treasury shall be deposited to the treasury
20 income account, which account is hereby established in the state
21 treasury.

22 (2) The treasury income account shall be utilized to pay or receive
23 funds associated with federal programs as required by the federal cash
24 management improvement act of 1990. The treasury income account is
25 subject in all respects to chapter 43.88 RCW, but no appropriation is
26 required for refunds or allocations of interest earnings required by
27 the cash management improvement act. Refunds of interest to the
28 federal treasury required under the cash management improvement act
29 fall under RCW 43.88.180 and shall not require appropriation. The
30 office of financial management shall determine the amounts due to or
31 from the federal government pursuant to the cash management improvement
32 act. The office of financial management may direct transfers of funds
33 between accounts as deemed necessary to implement the provisions of the
34 cash management improvement act, and this subsection. Refunds or
35 allocations shall occur prior to the distributions of earnings set
36 forth in subsection (4) of this section.

37 (3) Except for the provisions of RCW 43.84.160, the treasury income
38 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,
2 safekeeping, and disbursement functions for the state treasury and
3 affected state agencies. The treasury income account is subject in all
4 respects to chapter 43.88 RCW, but no appropriation is required for
5 payments to financial institutions. Payments shall occur prior to
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings
8 credited to the treasury income account. The state treasurer shall
9 credit the general fund with all the earnings credited to the treasury
10 income account except:

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

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

34 (b) The following accounts and funds shall receive eighty percent
35 of their proportionate share of earnings based upon each account's or
36 fund's average daily balance for the period: The aeronautics account,
37 the aircraft search and rescue account, the county arterial
38 preservation account, the department of licensing services account, the
39 essential rail assistance account, the ferry bond retirement fund, the

1 grade crossing protective fund, the high capacity transportation
2 account, the highway bond retirement fund, the highway safety account,
3 the motor vehicle fund, the motorcycle safety education account, the
4 pilotage account, the public transportation systems account, the Puget
5 Sound capital construction account, the Puget Sound ferry operations
6 account, the recreational vehicle account, the rural arterial trust
7 account, the safety and education account, the special category C
8 account, the state patrol highway account, the transportation equipment
9 fund, the transportation fund, the transportation improvement account,
10 the transportation improvement board bond retirement account, and the
11 urban arterial trust account.

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

15 **Sec. 203.** RCW 81.104.140 and 1992 c 101 s 25 are each amended to
16 read as follows:

17 HCT TAXES FOR REGIONAL TRANSIT. (1) Agencies authorized (~~to~~
18 ~~provide high capacity transportation service, including transit~~
19 ~~agencies and regional transit authorities,~~) under this section are
20 hereby granted dedicated funding sources for (~~such~~) high capacity
21 transportation systems. These dedicated funding sources, as set forth
22 in RCW 81.104.150, 81.104.160, and 81.104.170, are authorized (~~only~~)
23 for:

24 (a) Transit agencies located in (~~(a) each county with a population~~
25 of two hundred ten thousand or more and (b) each county with a
26 population of from one hundred twenty five thousand to less than two
27 hundred ten thousand except for those counties that do not border a
28 county with a population as described under (a) of this subsection. In
29 any county with a population of one million or more or in any county
30 having a population of four hundred thousand or more bordering a county
31 with a population of one million or more, these funding sources may be
32 imposed only by a regional transit authority) a county that neither
33 participates in nor is eligible to participate in a regional transit
34 authority;

35 (b) Regional transit authorities;

36 (c) Counties that dedicate the funds to developing capital
37 facilities for high capacity transportation systems as part of a

1 regional transportation investment plan and meet the following
2 requirements:

3 (i) Counties that participate in a regional transit authority must
4 obtain the approval of the authority;

5 (ii) Counties that do not participate in a regional transit
6 authority must have a transit agency within their boundaries and must
7 obtain the approval of the affected transit authority or authorities;

8 (iii) Counties may only impose a tax authorized by this section to
9 the extent that the maximum amount of taxes authorized under this
10 chapter have not been imposed.

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

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

16 (a) Acceptability;

17 (b) Ease of administration;

18 (c) Equity;

19 (d) Implementation feasibility;

20 (e) Revenue reliability; and

21 (f) Revenue yield.

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

25 (a) Employer tax as provided in RCW 81.104.150, other than by
26 counties under chapter 36.-- RCW (sections 101 through 109 of this
27 act);

28 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
29 and

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

31 Revenues from these taxes may be used only to support those
32 purposes prescribed in subsection (10) of this section. Before the
33 date of an election authorizing an agency to impose any of the taxes
34 enumerated in this section and authorized in RCW 81.104.150,
35 81.104.160, and 81.104.170, the agency must comply with the process
36 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No
37 construction on exclusive right of way may occur before the
38 requirements of RCW 81.104.100(3) are met.

1 (5) Authorization in subsection (4) of this section shall not
2 adversely affect the funding authority of transit agencies not provided
3 for in this chapter. Local option funds may be used to support
4 implementation of interlocal agreements with respect to the
5 establishment of regional high capacity transportation service. Except
6 when a regional transit authority exists, local jurisdictions shall
7 retain control over moneys generated within their boundaries, although
8 funds may be commingled with those generated in other areas for
9 planning, construction, and operation of high capacity transportation
10 systems as set forth in the agreements.

11 (6) Agencies planning to construct (~~and~~) or operate high capacity
12 transportation systems may contract with the state for collection and
13 transference of voter-approved local option revenue.

14 (7) Dedicated high capacity transportation funding sources
15 authorized in RCW 81.104.150, 81.104.160, and 81.104.170 shall be
16 subject to voter approval by a simple majority. A single ballot
17 proposition may seek approval for one or more of the authorized taxing
18 sources. The ballot title shall reference the document identified in
19 subsection (8) of this section.

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

28 (9) For any election in which voter approval is sought for a high
29 capacity transportation system plan and financing plan pursuant to RCW
30 81.104.040, a local voter's pamphlet shall be produced as provided in
31 chapter 29.81A RCW.

32 (10) Agencies providing high capacity transportation service shall
33 retain responsibility for revenue encumbrance, disbursement, and
34 bonding. Funds may be used for any purpose relating to planning,
35 construction, and operation of high capacity transportation systems and
36 commuter rail systems, personal rapid transit, busways, bus sets, and
37 entrained and linked buses.

38 (11) Eligible transit agencies or counties within which there are
39 transit agencies, and with those agencies' approval, may choose to

1 implement high capacity transportation service as a joint effort across
2 their respective jurisdictions. Eligible entities may coordinate
3 efforts to implement some or all of the dedicated funding sources set
4 forth in RCW 81.104.150, 81.104.160, and 81.104.170 to accomplish this
5 goal. Entities electing to coordinate efforts shall enter into
6 interlocal agreements specifying the terms of the coordination. The
7 respective county legislative authorities may choose to set forth a
8 common ballot measure and vote to authorize the dedicated funding
9 sources. Eligible entities include:

10 (a) Transit agencies located in a county that is neither
11 participating in, nor is eligible to participate in, a regional transit
12 authority; and

13 (b) Counties in which there are transit agencies and that are
14 implementing a regional transportation investment plan as defined in
15 section 102 of this act.

16 **Sec. 204.** RCW 81.104.160 and 1998 c 321 s 35 are each amended to
17 read as follows:

18 HCT--MVET. (1) Cities that operate transit systems, county
19 transportation authorities, metropolitan municipal corporations, public
20 transportation benefit areas, ~~((and))~~ regional transit authorities, and
21 counties, as part of a regional transportation investment plan, may
22 submit an authorizing proposition to the voters, and if approved, may
23 levy and collect ~~((an))~~ a motor vehicle excise tax, at a rate approved
24 by the voters, but not exceeding eighty one-hundredths of one percent
25 ~~((on))~~ of the value~~((, under chapter 82.44 RCW,))~~ of every motor
26 vehicle owned by a resident of the taxing district, solely for the
27 purpose of providing high capacity transportation service, and for
28 counties, as part of a regional transportation investment plan, solely
29 for the purpose of providing high capacity transportation capital
30 facilities or improvements. In any county imposing a motor vehicle
31 excise tax surcharge pursuant to RCW 81.100.060, the maximum tax rate
32 under this section shall be reduced to a rate equal to eighty one-
33 hundredths of one percent on the value less the equivalent motor
34 vehicle excise tax rate of the surcharge imposed pursuant to RCW
35 81.100.060. This rate shall not apply to vehicles licensed under RCW
36 46.16.070 except vehicles with an unladen weight of six thousand pounds
37 or less, RCW 46.16.079, 46.16.085, or 46.16.090.

1 (2) An agency imposing a tax under subsection (1) of this section
2 may also impose a sales and use tax solely for the purpose of providing
3 high capacity transportation service, in addition to the tax authorized
4 by RCW 82.14.030, upon retail car rentals within the agency's
5 jurisdiction that are taxable by the state under chapters 82.08 and
6 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The rate
7 of tax imposed under this subsection shall bear the same ratio to the
8 2.172 percent rate authorized that the rate imposed under subsection
9 (1) of this section bears to the rate authorized under subsection (1)
10 of this section. The base of the tax shall be the selling price in the
11 case of a sales tax or the rental value of the vehicle used in the case
12 of a use tax. The revenue collected under this subsection shall be
13 used in the same manner as excise taxes under subsection (1) of this
14 section.

15 (3) The total cumulative rate of tax that may be imposed under
16 subsection (1) of this section shall not exceed the maximum rate
17 authorized under that subsection.

18 (4) The special motor vehicle excise tax as provided in this
19 section applies only when applying for or renewing a vehicle
20 registration under chapter 46.16 RCW. This tax will be effective with
21 the initial application and upon the registration renewal date as
22 provided by the department of licensing. This tax is effective for
23 counties under chapter 36.-- RCW (sections 101 through 109 of this act)
24 only for registration renewals.

25 (5) Agencies imposing the special motor vehicle excise tax or
26 initiating an exemption process shall enter into a contract with the
27 department of licensing for collection of the tax. The contract must
28 contain provisions that fully recover the costs to the department of
29 licensing for collection and administration of the tax.

30 (6) Agencies imposing the special motor vehicle excise tax shall
31 delay the effective date of the tax imposed by this section at least
32 six months from the date of the final certification of the vote to
33 allow the department of licensing time to implement the administration
34 and collection of or exemption from the tax.

35 **Sec. 205.** RCW 81.104.170 and 1997 c 450 s 5 are each amended to
36 read as follows:

37 HCT SALES TAX. (1) Cities that operate transit systems, county
38 transportation authorities, metropolitan municipal corporations, public

1 transportation benefit areas, (~~and~~) regional transit authorities, and
2 counties, as part of a regional transportation investment plan, may
3 submit an authorizing proposition to the voters and if approved by a
4 majority of persons voting, fix and impose a sales and use tax in
5 accordance with the terms of this chapter, solely for the purpose of
6 providing high capacity transportation service, and for counties, as
7 part of a regional transportation investment plan, solely for the
8 purpose of providing high capacity transportation capital facilities or
9 improvements.

10 (2) The tax authorized pursuant to this section shall be in
11 addition to the tax authorized by RCW 82.14.030 and shall be collected
12 from those persons who are taxable by the state pursuant to chapters
13 82.08 and 82.12 RCW upon the occurrence of any taxable event within the
14 taxing district. The maximum rate of such tax shall be approved by the
15 voters and shall not exceed one percent of the selling price (in the
16 case of a sales tax) or value of the article used (in the case of a use
17 tax). The maximum rate of such tax that may be imposed shall not
18 exceed nine-tenths of one percent in any county that imposes a tax
19 under RCW 82.14.340, or within a regional transit authority if any
20 county within the authority imposes a tax under RCW 82.14.340. The
21 total cumulative rate that may be imposed under this subsection (2) may
22 not exceed the maximum rate authorized under this subsection. The
23 exemptions in RCW 82.08.820 and 82.12.820 are for the state portion of
24 the sales and use tax and do not extend to the tax authorized in this
25 section.

26 NEW SECTION. Sec. 206. A new section is added to chapter 82.14
27 RCW to read as follows:

28 SALES AND USE TAX. (1) If a transportation revenue act becomes law
29 in 2002, and if approved by the majority of the voters within its
30 boundaries voting on the ballot proposition, a county, as part of a
31 regional transportation investment plan, may impose a sales and use tax
32 of up to 0.5 percent of the selling price or value of the article used
33 in the case of a use tax.

34 (2) If a transportation revenue act becomes law in 2002, the tax
35 authorized by this section is in addition to all other taxes imposed
36 under this chapter and must be collected from those persons who are
37 taxable by the state under chapters 82.08 and 82.12 RCW upon the
38 occurrence of any taxable event within the boundaries of the county.

1 NEW SECTION. **Sec. 207.** A new section is added to chapter 43.135
2 RCW to read as follows:

3 PROJECT SALES AND USE TAX CREDIT SHIFT. Any transfer or credit
4 from the general fund of sales and use tax paid on a transportation
5 project being constructed by a county under a regional transportation
6 investment plan shall not require a corresponding lowering of the state
7 expenditure limit to reflect this shift for purposes of RCW
8 43.135.035(4).

9 **Sec. 208.** RCW 82.14.045 and 2001 c 89 s 3 are each amended to read
10 as follows:

11 TRANSIT SALES TAX. (1) The legislative body of any city pursuant
12 to RCW 35.92.060, of any county which has created an unincorporated
13 transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of
14 any public transportation benefit area pursuant to RCW 36.57A.080 and
15 36.57A.090, of any county transportation authority established pursuant
16 to chapter 36.57 RCW, and of any metropolitan municipal corporation
17 within a county with a population of one million or more pursuant to
18 chapter 35.58 RCW, and the legislative body of a county, where a public
19 transportation system is operating, as part of a regional
20 transportation investment plan for the purposes of implementing the
21 plan and with the permission of each municipality operating a public
22 transportation system within the county, may, by resolution or
23 ordinance for the sole purpose of providing funds for the operation,
24 maintenance, or capital needs of public transportation systems or
25 public transportation limited to persons with special needs under RCW
26 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized by
27 RCW 35.95.040, submit an authorizing proposition to the voters or
28 include such authorization in a proposition to perform the function of
29 public transportation or public transportation limited to persons with
30 special needs under RCW 36.57.130 and 36.57A.180, and if approved by a
31 majority of persons voting thereon, fix and impose a sales and use tax
32 in accordance with the terms of this chapter: PROVIDED, That no such
33 legislative body shall impose such a sales and use tax without
34 submitting such an authorizing proposition to the voters and obtaining
35 the approval of a majority of persons voting thereon: PROVIDED
36 FURTHER, That where such a proposition is submitted by a county on
37 behalf of an unincorporated transportation benefit area, it shall be
38 voted upon by the voters residing within the boundaries of such

1 unincorporated transportation benefit area and, if approved, the sales
2 and use tax shall be imposed only within such area. Notwithstanding
3 any provisions of this section to the contrary, any county in which a
4 county public transportation plan has been adopted pursuant to RCW
5 36.57.070 and the voters of such county have authorized the imposition
6 of a sales and use tax pursuant to the provisions of section 10,
7 chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be
8 authorized to fix and impose a sales and use tax as provided in this
9 section at not to exceed the rate so authorized without additional
10 approval of the voters of such county as otherwise required by this
11 section.

12 The tax authorized pursuant to this section shall be in addition to
13 the tax authorized by RCW 82.14.030 and shall be collected from those
14 persons who are taxable by the state pursuant to chapters 82.08 and
15 82.12 RCW upon the occurrence of any taxable event within such city,
16 public transportation benefit area, county, or metropolitan municipal
17 corporation as the case may be. The rate of such tax shall be one-
18 tenth, two-tenths, three-tenths, four-tenths, five-tenths, six-tenths,
19 seven-tenths, eight-tenths, or nine-tenths of one percent of the
20 selling price (in the case of a sales tax) or value of the article used
21 (in the case of a use tax). The rate of such tax shall not exceed the
22 rate authorized by the voters unless such increase shall be similarly
23 approved.

24 (2)(a) In the event a metropolitan municipal corporation shall
25 impose a sales and use tax pursuant to this chapter no city, county
26 which has created an unincorporated transportation benefit area, public
27 transportation benefit area authority, or county transportation
28 authority wholly within such metropolitan municipal corporation shall
29 be empowered to levy and/or collect taxes pursuant to RCW 35.58.273,
30 35.95.040, and/or 82.14.045, but nothing herein shall prevent such city
31 or county from imposing sales and use taxes pursuant to any other
32 authorization.

33 (b) In the event a county transportation authority shall impose a
34 sales and use tax pursuant to this section, no city, county which has
35 created an unincorporated transportation benefit area, public
36 transportation benefit area, or metropolitan municipal corporation,
37 located within the territory of the authority, shall be empowered to
38 levy or collect taxes pursuant to RCW 35.58.273, 35.95.040, or
39 82.14.045.

1 (c) In the event a public transportation benefit area shall impose
2 a sales and use tax pursuant to this section, no city, county which has
3 created an unincorporated transportation benefit area, or metropolitan
4 municipal corporation, located wholly or partly within the territory of
5 the public transportation benefit area, shall be empowered to levy or
6 collect taxes pursuant to RCW 35.58.273, 35.95.040, or 82.14.045.

7 (d) The total cumulative rate of tax that may be imposed under
8 subsection (1) of this section shall not exceed the maximum rate
9 authorized under that subsection.

10 (3) Any local sales and use tax revenue collected pursuant to this
11 section by any city or by any county for transportation purposes
12 pursuant to RCW 36.57.100 and 36.57.110 shall not be counted as locally
13 generated tax revenues for the purposes of apportionment and
14 distribution, in the manner prescribed by chapter 82.44 RCW, of the
15 proceeds of the motor vehicle excise tax authorized pursuant to RCW
16 35.58.273, except that the local sales and use tax revenue collected
17 under this section by a city with a population greater than sixty
18 thousand that as of January 1, 1998, owns and operates a municipal
19 public transportation system shall be counted as locally generated tax
20 revenues for the purposes of apportionment and distribution, in the
21 manner prescribed by chapter 82.44 RCW, of the proceeds of the motor
22 vehicle excise tax authorized under RCW 35.58.273 as follows:

23 (a) For fiscal year 2000, revenues collected under this section
24 shall be counted as locally generated tax revenues for up to 25 percent
25 of the tax collected under RCW 35.58.273;

26 (b) For fiscal year 2001, revenues collected under this section
27 shall be counted as locally generated tax revenues for up to 50 percent
28 of the tax collected under RCW 35.58.273;

29 (c) For fiscal year 2002, revenues collected under this section
30 shall be counted as locally generated tax revenues for up to 75 percent
31 of the tax collected under RCW 35.58.273; and

32 (d) For fiscal year 2003 and thereafter, revenues collected under
33 this section shall be counted as locally generated tax revenues for up
34 to 100 percent of the tax collected under RCW 35.58.273.

35 **Sec. 209.** RCW 82.14.050 and 1999 c 165 s 14 are each amended to
36 read as follows:

37 CONTRACTS FOR COLLECTION OF SALES AND USE TAX. The counties,
38 cities, and transportation authorities under RCW 82.14.045 ((and))L

1 public facilities districts under chapter 36.100 and 35.57 RCW, and
2 counties, under a regional transportation investment plan shall
3 contract, prior to the effective date of a resolution or ordinance
4 imposing a sales and use tax, the administration and collection to the
5 state department of revenue, which shall deduct a percentage amount, as
6 provided by contract, not to exceed two percent of the taxes collected
7 for administration and collection expenses incurred by the department.
8 The remainder of any portion of any tax authorized by this chapter
9 which is collected by the department of revenue shall be deposited by
10 the state department of revenue in the local sales and use tax account
11 hereby created in the state treasury. Moneys in the local sales and
12 use tax account may be spent only for distribution to counties, cities,
13 transportation authorities, and public facilities districts imposing a
14 sales and use tax. All administrative provisions in chapters 82.03,
15 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be
16 amended, shall, insofar as they are applicable to state sales and use
17 taxes, be applicable to taxes imposed pursuant to this chapter. Except
18 as provided in RCW 43.08.190, all earnings of investments of balances
19 in the local sales and use tax account shall be credited to the local
20 sales and use tax account and distributed to the counties, cities,
21 transportation authorities, and public facilities districts monthly.

22 NEW SECTION. Sec. 210. A new section is added to chapter 82.32
23 RCW to read as follows:

24 CREDIT ON SALES TAX ON PROJECTS. (1) The tax imposed and collected
25 under chapters 82.08 and 82.12 RCW, less any credits allowed under
26 chapter 82.14 RCW, on initial construction for a project to be
27 constructed under chapter 36.-- RCW (sections 101 through 109 of this
28 act), must be transferred to the project or identified as a credit on
29 the project to defray costs or pay debt service on that project. In
30 the case of a toll project, this transfer or credit must be used to
31 lower the overall cost of the project and thereby the amount or term of
32 the tolls.

33 (2) This transaction is exempt from the requirements in RCW
34 43.135.035(4).

35 (3) Government entities constructing projects under chapter 36.--
36 RCW (sections 101 through 109 of this act) shall report to the
37 department the amount of state sales or use tax covered under this
38 section.

1 NEW SECTION. **Sec. 211.** A new section is added to chapter 82.80
2 RCW to read as follows:

3 LOCAL OPTION VEHICLE LICENSE FEE. (1) If a transportation revenue
4 act becomes law in 2002, and upon approval of a majority of the voters
5 within its boundaries voting on the ballot proposition, a county, as
6 part of a regional transportation investment plan, may set and impose
7 an annual local option vehicle license fee of a uniform amount of up to
8 one hundred dollars per motor vehicle registered within the boundaries
9 of the region on every motor vehicle that is subject to license fees
10 under RCW 46.16.0621 and for each vehicle that is subject to RCW
11 46.16.070 with a declared gross weight of twelve thousand pounds or
12 less and that is determined by the department of licensing to be
13 registered within the boundaries of the county. Vehicles registered
14 under chapter 46.87 RCW and the international registration plan are
15 exempt from the annual local option vehicle license fee set forth in
16 this section. The county may also exempt certain classes of vehicles
17 from the fee under this section. The department of licensing shall
18 administer and collect this fee on behalf of counties and remit this
19 fee to the county to implement the regional transportation investment
20 plan.

21 (2) If a transportation revenue act becomes law in 2002, the local
22 option vehicle license fee applies only when renewing a vehicle
23 registration. This fee is effective upon the registration renewal date
24 as provided by the department of licensing.

25 (3) If a transportation revenue act becomes law in 2002, a county
26 imposing the local option vehicle license fee or initiating an
27 exemption process shall enter into a contract with the department of
28 licensing. The contract must contain provisions that fully recover the
29 costs to the department of licensing for collection and administration
30 of the fee.

31 (4) If a transportation revenue act becomes law in 2002, a county
32 imposing the local option fee shall delay the effective date of the
33 local option vehicle license fee imposed by this section at least six
34 months from the date of the final certification of the approval
35 election to allow the department of licensing to implement the
36 administration and collection of or exemption from the fee.

37 NEW SECTION. **Sec. 212.** A new section is added to chapter 47.56
38 RCW to read as follows:

1 AUTHORIZATION FOR COUNTY TO IMPOSE TOLLS. Upon approval of a
2 majority of the voters within its boundaries voting on the ballot
3 proposition, and only for the purposes authorized in section 104(1)(i)
4 of this act, a county may impose vehicle tolls on state routes where
5 improvements financed in whole or in part by a county under a regional
6 transportation investment plan reconstruct or add additional lanes to
7 a highway of statewide significance. The department shall administer
8 the collection of vehicle tolls on designated facilities unless
9 otherwise specified in law, and the state transportation commission, or
10 its successor, shall be the tolling authority.

11 **Sec. 213.** RCW 81.100.030 and 1991 c 363 s 153 are each amended to
12 read as follows:

13 HIGH-OCCUPANCY VEHICLE EMPLOYER TAX. (1) A county with a
14 population of one million or more, or a county with a population of
15 from two hundred ten thousand to less than one million that is
16 adjoining a county with a population of one million or more, and having
17 within its boundaries existing or planned high_occupancy vehicle lanes
18 on the state highway system, or those same counties, as part of a
19 regional transportation investment plan, may, with voter approval
20 impose an excise tax of up to two dollars per employee per month on all
21 employers or any class or classes of employers, public and private,
22 including the state located in the agency's jurisdiction, measured by
23 the number of full-time equivalent employees. In no event may the
24 total taxes imposed under this section exceed two dollars per employee
25 per month for any single employer. The county imposing the tax
26 authorized in this section may provide for exemptions from the tax to
27 such educational, cultural, health, charitable, or religious
28 organizations as it deems appropriate.

29 Counties may contract with the state department of revenue or other
30 appropriate entities for administration and collection of the tax.
31 Such contract shall provide for deduction of an amount for
32 administration and collection expenses.

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

37 (3) A county shall adopt rules which exempt from all or a portion
38 of the tax any employer that has entered into an agreement with the

1 county that is designed to reduce the proportion of employees who drive
2 in single-occupant vehicles during peak commuting periods in proportion
3 to the degree that the agreement is designed to meet the goals for the
4 employer's location adopted under RCW 81.100.040.

5 The agreement shall include a list of specific actions that the
6 employer will undertake to be entitled to the exemption. Employers
7 having an exemption from all or part of the tax through this subsection
8 shall annually certify to the county that the employer is fulfilling
9 the terms of the agreement. The exemption continues as long as the
10 employer is in compliance with the agreement.

11 If the tax authorized in RCW 81.100.060 is also imposed (~~by the~~
12 ~~county~~)), the total proceeds from both tax sources each year shall not
13 exceed the maximum amount which could be collected under RCW
14 81.100.060.

15 **Sec. 214.** RCW 81.100.060 and 1998 c 321 s 34 are each amended to
16 read as follows:

17 HIGH-OCCUPANCY VEHICLE MOTOR VEHICLE EXCISE TAX. (1) A county with
18 a population of one million or more and a county with a population of
19 from two hundred ten thousand to less than one million that is
20 adjoining a county with a population of one million or more, having
21 within their boundaries existing or planned high-occupancy vehicle
22 lanes on the state highway system, and those same counties, as part of
23 a regional transportation investment plan, may, with voter approval,
24 impose a local surcharge of not more than (~~13.64 percent on the state~~
25 ~~motor vehicle excise tax paid under RCW 82.44.020(1))~~) three-tenths of
26 one percent of the value on vehicles registered to a person residing
27 within the county and not more than 13.64 percent on the state sales
28 and use taxes paid under the rate in RCW 82.08.020(2) on retail car
29 rentals within the county. No surcharge may be imposed on vehicles
30 licensed under RCW 46.16.070 except vehicles with an unladen weight of
31 six thousand pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

32 (~~Counties imposing a tax under this section shall contract, before~~
33 ~~the effective date of the resolution or ordinance imposing a surcharge,~~
34 ~~administration and collection to the state department of licensing, and~~
35 ~~department of revenue, as appropriate, which shall deduct an amount, as~~
36 ~~provided by contract, for administration and collection expenses~~
37 ~~incurred by the department.)) (2) All administrative provisions in
38 chapters 82.03, 82.32, and 82.44 RCW shall, insofar as they are~~

1 applicable to ((state)) motor vehicle excise taxes, be applicable to
2 surcharges imposed under this section. All administrative provisions
3 in chapters 82.03, 82.08, 82.12, and 82.32 RCW shall, insofar as they
4 are applicable to state sales and use taxes, be applicable to
5 surcharges imposed under this section.

6 (3) The local surcharge applies only when initially applying for or
7 renewing a vehicle registration. This surcharge will be effective with
8 the initial application and upon the registration renewal date as
9 provided by the department of licensing. This surcharge is effective
10 for counties under chapter 36.-- RCW (sections 101 through 109 of this
11 act) only for registration renewals.

12 (4) A county imposing the local surcharge or initiating an
13 exemption process shall enter into a contract with the department of
14 licensing for collection of the tax. The contract must contain
15 provisions that fully recover the costs to the department of licensing
16 for collection and administration of the surcharge.

17 (5) A county imposing the surcharge shall delay the effective date
18 of the surcharge imposed by this section at least six months from the
19 date of the final certification of the referendum to allow the
20 department of licensing time to implement the administration and
21 collection of or exemption from the surcharge.

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

26 **Sec. 215.** RCW 82.80.010 and 1998 c 176 s 86 are each amended to
27 read as follows:

28 LOCAL OPTION FUEL TAX. (1) For purposes of this section:

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

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

34 (2) Subject to the conditions of this section, any county may levy,
35 by approval of its legislative body and a majority of the registered
36 voters of the county voting on the proposition at a general or special
37 election, additional excise taxes equal to ten percent of the statewide
38 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor

1 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
2 fuel as defined in RCW 82.38.020 sold within the boundaries of the
3 county. Vehicles paying an annual license fee under RCW 82.38.075 are
4 exempt from the county fuel excise tax. An election held under this
5 section must be held not more than twelve months before the date on
6 which the proposed tax is to be levied. The ballot setting forth the
7 proposition shall state the tax rate that is proposed. The county's
8 authority to levy additional excise taxes under this section includes
9 the incorporated and unincorporated areas of the county. The
10 additional excise taxes are subject to the same exceptions and rights
11 of refund as applicable to other motor vehicle fuel and special fuel
12 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
13 tax shall not be levied less than one month from the date the election
14 results are certified by the county election officer. The commencement
15 date for the levy of any tax under this section shall be the first day
16 of January, April, July, or October.

17 ~~((2) Every person subject to the tax shall pay, in addition to any
18 other taxes provided by law, an additional excise tax to the director
19 of licensing at the rate levied by a county exercising its authority
20 under this section.))~~

21 (3) The local option motor vehicle fuel tax on each gallon of motor
22 vehicle fuel and on each gallon of special fuel is imposed upon the
23 distributor of the fuel.

24 (4) The incidence of the tax occurs upon the first distribution of
25 the fuel within the exterior boundaries of a county to a retail outlet,
26 bulk fuel user, or ultimate user of the fuel.

27 (5) All administrative provisions in chapters 82.01, 82.03, and
28 82.32 RCW, as they now exist or may hereafter be amended, insofar as
29 they are applicable, also apply to local option fuel taxes imposed
30 under this section.

31 (6) Before the effective date of the imposition of the fuel taxes
32 under this section, a county shall contract with the department of
33 revenue for the administration and collection of the taxes. The
34 contract must provide that a percentage amount, not to exceed two
35 percent of the taxes imposed under this section, will be deposited into
36 the local tax administration account created in the custody of the
37 state treasurer. The department of revenue may spend money from this
38 account, upon appropriation, for the administration of the local taxes
39 imposed under this section.

1 (7) A county imposing the tax authorized under this section shall
2 provide funds to distributors to offset their local fuel tax
3 administration costs. The county shall dedicate a percentage amount of
4 the tax collected under this section for that purpose. The percentage
5 amount must be equal to the amount provided for the administrative
6 expenses of the department of revenue under subsection (6) of this
7 section.

8 (8) The state treasurer shall distribute monthly to the levying
9 county and cities contained therein the proceeds of the additional
10 excise taxes collected under this section, or to the county levying the
11 tax as part of a regional transportation investment plan, after the
12 deductions for payments and expenditures as provided in RCW
13 46.68.090(1) ((and (2))) and under the conditions and limitations
14 provided in RCW 82.80.080.

15 ((4)) (9) The proceeds of the additional excise taxes levied
16 under this section shall be used strictly for transportation purposes
17 in accordance with RCW 82.80.070. The proceeds of the additional taxes
18 levied by a county, as a part of a regional transportation investment
19 plan, must be used as provided in chapter 36.-- RCW (sections 101
20 through 109 of this act).

21 ((5) The department of licensing shall administer and collect the
22 county fuel taxes. The department shall deduct a percentage amount, as
23 provided by contract, for administrative, collection, refund, and audit
24 expenses incurred. The remaining proceeds shall be remitted to the
25 custody of the state treasurer for monthly distribution under RCW
26 82.80.080.)

27 (10) A county levying the tax under this section to implement a
28 regional transportation investment plan may not levy the county local
29 option fuel tax under this section.

30 **Sec. 216.** RCW 82.80.020 and 2001 c 64 s 15 are each amended to
31 read as follows:

32 VEHICLE LICENSE FEE--EXEMPTIONS--LIMITATIONS. (1) The legislative
33 authority of a county, or subject to subsection (7) of this section, a
34 qualifying city or town located in a county that has not imposed a
35 fifteen-dollar fee under this section, may fix and impose an additional
36 fee, not to exceed fifteen dollars per vehicle, for each vehicle that
37 is subject to license fees under RCW 46.16.0621 and for each vehicle
38 that is subject to RCW 46.16.070 with an unladen weight of six thousand

1 pounds or less, and that is determined by the department of licensing
2 to be registered within the boundaries of the county.

3 (2) The department of licensing shall administer and collect the
4 fee. The department shall deduct a percentage amount, as provided by
5 contract, not to exceed two percent of the taxes collected, for
6 administration and collection expenses incurred by it. The remaining
7 proceeds shall be remitted to the custody of the state treasurer for
8 monthly distribution under RCW 82.80.080.

9 (3) The proceeds of this fee shall be used strictly for
10 transportation purposes in accordance with RCW 82.80.070.

11 (4) A county or qualifying city or town imposing this fee or
12 initiating an exemption process shall delay the effective date at least
13 six months from the date the ordinance is enacted to allow the
14 department of licensing to implement administration and collection of
15 or exemption from the fee.

16 (5) The legislative authority of a county or qualifying city or
17 town may develop and initiate an exemption process of the fifteen
18 dollar fee for the registered owners of vehicles residing within the
19 boundaries of the county or qualifying city or town: (a) Who are
20 sixty-one years old or older at the time payment of the fee is due and
21 whose household income for the previous calendar year is less than an
22 amount prescribed by the county or qualifying city or town legislative
23 authority; or (b) who have a physical disability.

24 (6) The legislative authority of a county or qualifying city or
25 town shall develop and initiate an exemption process of the fifteen-
26 dollar fee for vehicles registered within the boundaries of the county
27 that are licensed under RCW 46.16.374.

28 (7) For purposes of this section, a "qualifying city or town" means
29 a city or town (~~residing within a county having a population of~~
30 ~~greater than seventy five thousand in which is located all or part of~~
31 ~~a national monument~~) whose legislative authority has imposed by
32 ordinance a vehicle license fee. A qualifying city or town may impose
33 the fee authorized in subsection (1) of this section subject to the
34 following conditions and limitations:

35 (a) The city or town may impose the fee only if authorized to do so
36 by a majority of voters voting at a general or special election on a
37 proposition for that purpose. At a minimum, the ballot measure shall
38 contain: (i) A description of the transportation project proposed for
39 funding, properly identified by mileposts or other designations that

1 specify the project parameters; (ii) the proposed number of months or
2 years necessary to fund the city or town's share of the project cost;
3 and (iii) the amount of fee to be imposed for the project.

4 (b) The city or town may not impose a fee that, if combined with
5 the county fee, exceeds fifteen dollars. If a county imposes or
6 increases a fee under this section that, if combined with the fee
7 imposed by a city or town, exceeds fifteen dollars, the city or town
8 fee shall be reduced or eliminated as needed so that in no city or town
9 does the combined fee exceed fifteen dollars. All revenues from
10 county-imposed fees shall be distributed as called for in RCW
11 82.80.080.

12 (c) Any fee imposed by a city or town under this section shall
13 expire at the end of the term of months or years provided in the ballot
14 measure, or when the city or town's bonded indebtedness on the project
15 is retired, whichever is sooner.

16 (d) A county may impose the fee in all areas of the county other
17 than within the incorporated boundary of a city or town that has
18 already imposed the fee.

19 (8) The fee imposed under subsection (7) of this section shall
20 apply only to renewals and shall not apply to ownership transfer
21 transactions.

22 **Sec. 217.** RCW 82.80.030 and 1990 c 42 s 208 are each amended to
23 read as follows:

24 PARKING TAX. (1) Subject to the conditions of this section, the
25 legislative authority of a county or city may fix and impose a parking
26 tax on all persons engaged in a commercial parking business within its
27 respective jurisdiction. ~~((The jurisdiction of a county, for purposes~~
28 ~~of this section, includes only the unincorporated area of the county))~~
29 If a county is imposing the tax to implement a regional transportation
30 investment plan under chapter 36.-- RCW (sections 101 through 109 of
31 this act) the county may impose the tax throughout its jurisdiction
32 excluding cities that have levied a tax under this section before the
33 effective date of the county levy. Otherwise, the county may impose
34 the tax only in the unincorporated area of the county. The
35 jurisdiction of a city includes only the area within its
36 ((~~incorporated~~)) boundaries.

37 (2) In lieu of the tax in subsection (1) of this section, a city or
38 a county ~~((in its unincorporated area))~~ within the jurisdiction

1 authorized under subsection (1) of this section, may fix and impose a
2 tax for the act or privilege of parking a motor vehicle in a facility
3 operated by a commercial parking business.

4 The city or county may provide that:

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

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

9 (c) The tax is collected by the operator of the facility and
10 remitted to the city or county;

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

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

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

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

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

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

33 (6) The proceeds of the commercial parking tax fixed and imposed by
34 a city or county, not part of a regional transportation investment
35 plan, under subsection (1) or (2) of this section shall be used
36 strictly for transportation purposes in accordance with RCW 82.80.070.
37 The proceeds of the parking tax imposed by a county, as part of a
38 regional transportation investment plan, shall be used as provided in
39 chapter 36.-- RCW (sections 101 through 109 of this act).

1 **Sec. 218.** RCW 82.80.070 and 1991 c 141 s 4 are each amended to
2 read as follows:

3 REQUIRES THAT LOCAL OPTION TAXES IMPOSED BY DISTRICT BE USED FOR
4 DISTRICT PROJECTS. (1) The proceeds collected pursuant to the exercise
5 of the local option authority of RCW 82.80.010, 82.80.020, 82.80.030,
6 and 82.80.050 and sections 206, 211, and 212 of this act, (hereafter
7 called "local option transportation revenues") shall be used for
8 transportation purposes only, including but not limited to the
9 following: The operation and preservation of roads, streets, and other
10 transportation improvements; new construction, reconstruction, and
11 expansion of city streets, county roads, and state highways and other
12 transportation improvements; development and implementation of public
13 transportation and high-capacity transit improvements and programs; and
14 planning, design, and acquisition of right of way and sites for such
15 transportation purposes. The proceeds collected from excise taxes on
16 the sale, distribution, or use of motor vehicle fuel and special fuel
17 under RCW 82.80.010 shall be used exclusively for "highway purposes" as
18 that term is construed in Article II, section 40 of the state
19 Constitution.

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

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

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

32 (b) The program shall be based on an adopted transportation plan
33 for the geographic areas covered and shall identify the proposed
34 operation and construction of transportation improvements and services
35 in the designated plan area intended to be funded in whole or in part
36 by local option transportation revenues and shall identify the annual
37 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) Proceeds collected under the exercise of local option authority
15 under this chapter by a county, as part of a regional transportation
16 investment plan, must be used in accordance with chapter 36.-- RCW
17 (sections 101 through 109 of this act).

18 **Sec. 219.** RCW 82.80.080 and 1998 c 281 s 2 are each amended to
19 read as follows:

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

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

35 (3) The state treasurer shall distribute revenues to a county, as
36 part of a regional transportation investment plan, less authorized
37 deductions, generated by the local option taxes under RCW 82.80.010 or
38 fees under section 211 of this act.

1 **Sec. 220.** RCW 47.56.030 and 2001 c 59 s 1 are each amended to read
2 as follows:

3 EXCEPTION FOR COUNTY TOLL FACILITIES. (1) Except as provided in
4 RCW 47.56.075, the department of transportation shall have full charge
5 of the construction of all toll bridges and other toll facilities
6 including the Washington state ferries, and the operation and
7 maintenance thereof. The transportation commission shall determine and
8 establish the tolls and charges thereon, and shall perform all duties
9 and exercise all powers relating to the financing, refinancing, and
10 fiscal management of all toll bridges and other toll facilities
11 including the Washington state ferries, and bonded indebtedness in the
12 manner provided by law. The department shall have full charge of
13 design of all toll facilities. Except as provided in this section, the
14 department shall proceed with the construction of such toll bridges and
15 other facilities and the approaches thereto by contract in the manner
16 of state highway construction immediately upon there being made
17 available funds for such work and shall prosecute such work to
18 completion as rapidly as practicable. The department is authorized to
19 negotiate contracts for any amount without bid under (a) and (b) of
20 this subsection:

21 (a) Emergency contracts, in order to make repairs to ferries or
22 ferry terminal facilities or removal of such facilities whenever
23 continued use of ferries or ferry terminal facilities constitutes a
24 real or immediate danger to the traveling public or precludes prudent
25 use of such ferries or facilities; and

26 (b) Single source contracts for vessel dry dockings, when there is
27 clearly and legitimately only one available bidder to conduct dry dock-
28 related work for a specific class or classes of vessels. The contracts
29 may be entered into for a single vessel dry docking or for multiple
30 vessel dry dockings for a period not to exceed two years.

31 (2) The department shall proceed with the procurement of materials,
32 supplies, services, and equipment needed for the support, maintenance,
33 and use of a ferry, ferry terminal, or other facility operated by
34 Washington state ferries, in accordance with chapter 43.19 RCW except
35 as follows:

36 (a) Except as provided in (d) of this subsection, when the
37 secretary of the department of transportation determines in writing
38 that the use of invitation for bid is either not practicable or not
39 advantageous to the state and it may be necessary to make competitive

1 evaluations, including technical or performance evaluations among
2 acceptable proposals to complete the contract award, a contract may be
3 entered into by use of a competitive sealed proposals method, and a
4 formal request for proposals solicitation. Such formal request for
5 proposals solicitation shall include a functional description of the
6 needs and requirements of the state and the significant factors.

7 (b) When purchases are made through a formal request for proposals
8 solicitation the contract shall be awarded to the responsible proposer
9 whose competitive sealed proposal is determined in writing to be the
10 most advantageous to the state taking into consideration price and
11 other evaluation factors set forth in the request for proposals. No
12 significant factors may be used in evaluating a proposal that are not
13 specified in the request for proposals. Factors that may be considered
14 in evaluating proposals include but are not limited to: Price;
15 maintainability; reliability; commonality; performance levels; life
16 cycle cost if applicable under this section; cost of transportation or
17 delivery; delivery schedule offered; installation cost; cost of spare
18 parts; availability of parts and service offered; and the following:

19 (i) The ability, capacity, and skill of the proposer to perform the
20 contract or provide the service required;

21 (ii) The character, integrity, reputation, judgment, experience,
22 and efficiency of the proposer;

23 (iii) Whether the proposer can perform the contract within the time
24 specified;

25 (iv) The quality of performance of previous contracts or services;

26 (v) The previous and existing compliance by the proposer with laws
27 relating to the contract or services;

28 (vi) Objective, measurable criteria defined in the request for
29 proposal. These criteria may include but are not limited to items such
30 as discounts, delivery costs, maintenance services costs, installation
31 costs, and transportation costs; and

32 (vii) Such other information as may be secured having a bearing on
33 the decision to award the contract.

34 (c) When purchases are made through a request for proposal process,
35 proposals received shall be evaluated based on the evaluation factors
36 set forth in the request for proposal. When issuing a request for
37 proposal for the procurement of propulsion equipment or systems that
38 include an engine, the request for proposal must specify the use of a
39 life cycle cost analysis that includes an evaluation of fuel

1 efficiency. When a life cycle cost analysis is used, the life cycle
2 cost of a proposal shall be given at least the same relative importance
3 as the initial price element specified in the request of proposal
4 documents. The department may reject any and all proposals received.
5 If the proposals are not rejected, the award shall be made to the
6 proposer whose proposal is most advantageous to the department,
7 considering price and the other evaluation factors set forth in the
8 request for proposal.

9 (d) If the department is procuring large equipment or systems
10 (e.g., electrical, propulsion) needed for the support, maintenance, and
11 use of a ferry operated by Washington state ferries, the department
12 shall proceed with a formal request for proposal solicitation under
13 this subsection (2) without a determination of necessity by the
14 secretary.

15 NEW SECTION. **Sec. 221.** DESIGNATION OF STATE ROUTE NUMBER 509.
16 The legislature designates that portion of state route number 509 that
17 runs or will run from state route number 518 in the north to the
18 intersection with interstate 5 in the south as a state highway of
19 statewide significance.

20 **Sec. 222.** RCW 47.56.075 and 1984 c 7 s 252 are each amended to
21 read as follows:

22 COUNTY DESIGNATION OF TOLL FACILITY. (1) The department shall
23 approve for construction only such toll roads as the legislature
24 specifically authorizes or such toll facilities as are specifically
25 sponsored by a city, town, or county.

26 (2) A county may designate a state highway within its boundaries as
27 a toll bridge or a toll road subject to section 212 of this act. In
28 that event, the county shall enter into an interlocal agreement with
29 the state providing for the state to administer the toll facility under
30 this chapter, including the issuance, sale, and redemption of bonds
31 under this chapter.

32 **III. CITY TRANSPORTATION AUTHORITIES**

33 NEW SECTION. **Sec. 301.** The definitions in this section apply
34 throughout this chapter unless the context clearly requires otherwise.

1 (1) "Authority" means a city transportation authority created under
2 this chapter.

3 (2) "Authority area" means the territory within a city or cities,
4 and contiguous unincorporated territory, or such portions thereof, as
5 designated in the ordinance creating the authority.

6 (3) "Bonds" means bonds, notes, or other evidences of indebtedness.

7 (4) "Public transportation function" means the transportation of
8 passengers and their incidental baggage, as authorized in this chapter,
9 together with the necessary passenger stations, terminals, parking
10 facilities, related facilities or other properties, and facilities
11 necessary and appropriate for passenger and vehicular access to and
12 from people-moving systems.

13 NEW SECTION. **Sec. 302.** (1) Every city with a population greater
14 than three hundred thousand may create a city transportation authority
15 to perform a public transportation function. The authority must
16 embrace all the territory in the authority area. A city transportation
17 authority will be a municipal corporation, an independent taxing
18 "authority" within the meaning of Article VII, section 1 of the state
19 Constitution, and a "taxing district" within the meaning of Article
20 VII, section 2 of the state Constitution.

21 (2) Any city transportation authority established under this
22 chapter must be approved by a majority vote of the electors residing
23 within the proposed authority area voting at a regular or special
24 election. Additional territory may be added to an authority area with
25 the approval of the legislative authority of each city, or county in
26 the case of an unincorporated area, within which the territory exists,
27 and with the approval of the electors within the area proposed to be
28 added to the authority area.

29 NEW SECTION. **Sec. 303.** (1) A city that undertakes to create an
30 authority shall propose the authority by ordinance of the city
31 legislative body. The ordinance must:

32 (a) Propose the authority area and the size and method of selection
33 of the governing body of the authority, which governing body may be
34 appointed or elected, provided that officers or employees of any single
35 city may not compose a majority of the members of the authority's
36 governing body;

1 (b) Propose whether all or a specified portion of the public
2 transportation function will be exercised by the authority;

3 (c) Propose an initial array of taxes to be voted upon by the
4 electors within the proposed authority area; and

5 (d) Provide for an interim governing body of the authority that
6 shall govern the authority upon voter approval of formation of the
7 authority, until a permanent governing body is selected, but in no
8 event longer than fourteen months.

9 (2) An authority may also be proposed to be created by a petition
10 setting forth the matters described in subsection (1) of this section,
11 and signed by one percent of the qualified electors of the proposed
12 authority area.

13 (3) If an authority is proposed to be created with an authority
14 area that includes more than one city, or the unincorporated area of a
15 county, an ordinance must be passed by the legislative authority of all
16 cities and counties within the proposed authority area, or in the
17 alternative, a petition must be signed by one percent of the qualified
18 electors of the proposed authority area within each city or
19 unincorporated area of a county.

20 (4) Upon approval of its formation by the qualified electors, the
21 governing body of an authority, or interim governing body, as
22 applicable, shall adopt bylaws determining, among other things, the
23 authority's officers and the method of their selection, and other
24 matters the governing body deems appropriate.

25 NEW SECTION. **Sec. 304.** Every authority has the following powers:

26 (1) To acquire by purchase, condemnation, gift, or grant and to
27 lease, construct, add to, improve, replace, repair, maintain, operate,
28 and regulate the use of certain public transportation facilities,
29 including monorails, trams, and trolleys, and including passenger
30 terminal and parking facilities and properties, and other facilities
31 and properties as may be necessary for passenger and vehicular access
32 to and from public transportation facilities, together with all lands,
33 rights of way, and property within or outside the authority area, and
34 together with equipment and accessories necessary or appropriate for
35 these facilities;

36 (2) To fix rates, tolls, fares, and charges for the use of
37 facilities and to establish various routes and classes of service.
38 Rates, tolls, fares, or charges may be adjusted or eliminated for any

1 distinguishable class of users including, but not limited to, senior
2 citizens, handicapped persons, and students;

3 (3) To contract with the United States or any of its agencies, any
4 state or any of its agencies, any metropolitan municipal corporation,
5 any other county, city, other political subdivision or governmental
6 instrumentality, or governmental agency, or any private person, firm,
7 or corporation for the purpose of receiving gifts or grants or securing
8 loans or advances for preliminary planning and feasibility studies, or
9 for the design, construction, operation, or maintenance of public
10 transportation facilities, as long as contracts for the construction of
11 facilities with an estimated cost greater than two hundred thousand
12 dollars are awarded after a competitive bid process consistent with
13 chapter 39.04 RCW or are awarded consistent with an alternative public
14 works contracting procedure consistent with chapter 39.10 RCW.
15 Contracts for construction with an estimated cost of two hundred
16 thousand dollars or less may be awarded under RCW 39.04.155;

17 (4) To contract with the United States or any of its agencies, any
18 state or any of its agencies, any metropolitan municipal corporation,
19 any other county, city, other political subdivision or governmental
20 instrumentality, any governmental agency, or any private person, firm,
21 or corporation for the use by either contracting party of all or any
22 part of the facilities, structures, lands, interests in lands, air
23 rights over lands, and rights of way of all kinds which are owned,
24 leased, or held by the other party and for the purpose of planning,
25 designing, constructing, operating any public transportation facility,
26 or performing any service related to transportation which the authority
27 is authorized to operate or perform, on terms as may be agreed upon by
28 the contracting parties;

29 (5) To acquire any existing public transportation facility by
30 conveyance, sale, or lease. In any acquisition from a county, city, or
31 other political subdivision of the state, the authority shall receive
32 credit from the county or city or other political subdivision for any
33 federal assistance and state matching assistance used by the county or
34 city or other political subdivision in acquiring any portion of the
35 public transportation facility. Upon acquisition, the authority shall
36 assume and observe all existing labor contracts relating to the public
37 transportation facility and, to the extent necessary for operation of
38 the public transportation facility, all of the employees of the public
39 transportation facility whose duties are necessary to efficiently

1 operate the public transportation facility shall be appointed to
2 comparable positions to those which they held at the time of the
3 transfer, and no employee or retired or pensioned employee of the
4 public transportation facility shall be placed in any worse position
5 with respect to pension seniority, wages, sick leave, vacation, or
6 other benefits than he or she enjoyed as an employee of the public
7 transportation facility prior to the acquisition. Furthermore, the
8 authority shall engage in collective bargaining with the duly appointed
9 representatives of any employee labor organization having existing
10 contracts with the acquired facility and may enter into labor contracts
11 with the employee labor organization;

12 (6) To contract for, participate in, and support research,
13 demonstration, testing, and development of public transportation
14 facilities, equipment, and use incentives, and have all powers
15 necessary to comply with any criteria, standards, and regulations that
16 may be adopted under state and federal law, and to take all actions
17 necessary to meet the requirements of those laws. The authority has,
18 in addition to these powers, the authority to prepare, adopt, and carry
19 out a comprehensive transit plan and to make other plans and studies
20 and to perform programs as the authority deems necessary to implement
21 and comply with those laws;

22 (7) To establish local improvement districts within the authority
23 area to finance public transportation facilities, to levy special
24 assessments on property specially benefited by those facilities, and to
25 issue local improvement bonds to be repaid by the collection of local
26 improvement assessments. The method of establishment, levying,
27 collection, enforcement, and all other matters relating to the local
28 improvement districts, assessments, collection, and bonds must be as
29 provided in the statutes governing local improvement districts of
30 cities and towns. The duties devolving upon the city treasurer in
31 those statutes are imposed on the treasurer of the authority;

32 (8) To exercise all other powers necessary and appropriate to carry
33 out its responsibilities, including without limitation the power to
34 own, construct, purchase, lease, add to, and maintain any real and
35 personal property or property rights necessary for the conduct of the
36 affairs of the authority, to enter into contracts, and to employ the
37 persons as the authority deems appropriate. An authority may also
38 sell, lease, convey, or otherwise dispose of any authority real or

1 personal property no longer necessary for the conduct of the affairs of
2 the authority.

3 NEW SECTION. **Sec. 305.** Each authority shall establish the funds
4 and accounts it deems necessary and appropriate. The authority may
5 designate a treasurer or may contract with any city with territory
6 within the authority area for treasury and other financial functions.
7 The city will be reimbursed for the expenses of treasury services.
8 However, no city whose treasurer serves as treasurer of an authority is
9 liable for the obligations of the authority.

10 NEW SECTION. **Sec. 306.** The authority shall adopt a public
11 transportation plan for public transportation facilities to be provided
12 by the authority. The plan, and any amendments, must be approved by
13 the legislative authority of each city and county, in the case of
14 unincorporated territory, comprising more than ten percent of the
15 qualified electors in the authority area. Before adoption of the plan,
16 the authority shall provide a minimum of sixty days during which
17 sufficient public hearings must be held to provide interested persons
18 an opportunity to participate in development of the plan.

19 NEW SECTION. **Sec. 307.** Every authority has the power to:

20 (1) Levy excess levies upon the property included within the
21 authority area, in the manner prescribed by Article VII, section 2 of
22 the state Constitution and by RCW 84.52.052 for operating funds,
23 capital outlay funds, and cumulative reserve funds;

24 (2) Issue general obligation bonds, not to exceed an amount,
25 together with any outstanding nonvoter-approved general obligation
26 indebtedness equal to one and one-half percent of the value of the
27 taxable property within the authority area, as the term "value of the
28 taxable property" is defined in RCW 39.36.015. An authority may
29 additionally issue general obligation bonds, together with outstanding
30 voter-approved and nonvoter-approved general obligation indebtedness,
31 equal to two and one-half percent of the value of the taxable property
32 within the authority area, as the term "value of the taxable property"
33 is defined in RCW 39.36.015, when the bonds are approved by three-
34 fifths of the qualified electors of the authority at a general or
35 special election called for that purpose and may provide for the
36 retirement thereof by levies in excess of dollar rate limitations in

1 accordance with the provisions of RCW 84.52.056. These elections must
2 be held as provided in RCW 39.36.050;

3 (3) Issue revenue bonds payable from any revenues other than taxes
4 levied by the authority, and to pledge those revenues for the repayment
5 of the bonds. Proceeds of revenue bonds may be expended for the costs
6 of public transportation facilities, for financing costs, and for
7 capitalized interest during construction plus six months thereafter.
8 The bonds and warrants must be issued and sold in accordance with
9 chapter 39.46 RCW.

10 Unless authorized by the legislative authority of a city or county
11 or by the legislature, bonds issued by an authority are not obligations
12 of any city, county, or the state of Washington or any political
13 subdivision thereof other than the authority, and the bonds must state
14 that fact.

15 NEW SECTION. **Sec. 308.** (1) Every authority has the power to levy
16 and collect a special excise tax not exceeding two and one-half percent
17 on the value of every motor vehicle owned by a resident of the
18 authority area for the privilege of using a motor vehicle. Before use
19 of any excise tax money collected under this section for acquisition of
20 right of way or construction of a public transportation facility on a
21 separate right of way, the authority shall adopt rules affording the
22 public an opportunity for corridor public hearings and design public
23 hearings, which must provide in detail the procedures necessary for
24 public participation in the following instances: (a) Before adoption
25 of location and design plans having a substantial social, economic, or
26 environmental effect upon the locality upon which they are to be
27 constructed; or (b) on the public transportation facilities operating
28 on a separate right of way whenever a substantial change is proposed
29 relating to location or design in the adopted plan. In adopting rules
30 the authority shall adhere to the provisions of the Administrative
31 Procedure Act.

32 (2) A "corridor public hearing" is a public hearing that: (a) Is
33 held before the authority is committed to a specific route proposal for
34 the public transportation facility, and before a route location is
35 established; (b) is held to afford an opportunity for participation by
36 those interested in the determination of the need for, and the location
37 of, the public transportation facility; and (c) provides a public forum
38 that affords a full opportunity for presenting views on the public

1 transportation facility route location, and the social, economic, and
2 environmental effects on that location and alternate locations.
3 However, the hearing is not necessary before adoption of a
4 transportation plan as provided in section 306 of this act or a vote of
5 the qualified electors under subsection (5) of this section.

6 (3) A "design public hearing" is a public hearing that: (a) Is
7 held after the location is established but before the design is
8 adopted; (b) is held to afford an opportunity for participation by
9 those interested in the determination of major design features of the
10 public transportation facility; and (c) provides a public forum to
11 afford a full opportunity for presenting views on the public
12 transportation system design, and the social, economic, and
13 environmental effects of that design and alternate designs.

14 (4) An authority imposing a tax under subsection (1) of this
15 section may also impose a sales and use tax, in addition to any tax
16 authorized by RCW 82.14.030, upon retail car rentals within the city
17 that are taxable by the state under chapters 82.08 and 82.12 RCW. The
18 rate of tax may not exceed 1.944 percent of the base of the tax. The
19 base of the tax is the selling price in the case of a sales tax or the
20 rental value of the vehicle used in the case of a use tax. The tax
21 imposed under this section must be deducted from the amount of any tax
22 otherwise due under RCW 82.08.020(2). The revenue collected under this
23 subsection must be distributed in the same manner as sales and use
24 taxes under chapter 82.14 RCW.

25 (5) Before an authority may impose any of the taxes authorized
26 under this section, the authorization for imposition of the taxes must
27 be approved by the qualified electors of the authority area.

28 NEW SECTION. **Sec. 309.** (1) Every authority may fix and impose a
29 fee, not to exceed one hundred dollars per vehicle, for each vehicle
30 that is subject to license tab fees under RCW 46.16.0621 and for each
31 vehicle that is subject to RCW 46.16.070 with an unladen weight of six
32 thousand pounds or less, and that is determined by the department of
33 licensing to be registered within the boundaries of the authority area.
34 The department of licensing shall provide an exemption from the fee for
35 any vehicle the owner of which demonstrates is not operated within the
36 authority area.

37 (2) The department of licensing shall administer and collect the
38 fee. The department shall deduct a percentage amount, as provided by

1 contract, not to exceed two percent of the taxes collected, for
2 administration and collection expenses incurred by it. The remaining
3 proceeds must be remitted to the custody of the state treasurer for
4 monthly distribution to the authority.

5 (3) The authority imposing this fee shall delay the effective date
6 at least six months from the date the fee is approved by the qualified
7 voters of the authority area to allow the department of licensing to
8 implement administration and collection of the fee.

9 (4) Before an authority may impose any of the fees authorized under
10 this section, the authorization for imposition of the fees must be
11 approved by a majority of the qualified electors of the authority area
12 voting.

13 NEW SECTION. **Sec. 310.** (1) Every authority may impose annual
14 regular property tax levies in an amount equal to one dollar and fifty
15 cents or less per thousand dollars of assessed value of property in the
16 authority area when specifically authorized to do so by a majority of
17 the voters voting on a proposition submitted at a special election or
18 at the regular election of the authority. A proposition authorizing
19 the tax levies may not be submitted by an authority more than twice in
20 any twelve-month period. Ballot propositions must conform with RCW
21 29.30.111. The number of years during which the regular levy will be
22 imposed may be limited as specified in the ballot proposition or may be
23 unlimited in duration. If an authority is levying property taxes that
24 in combination with property taxes levied by other taxing districts
25 subject to the one percent limitation provided for in Article VII,
26 section 2 of the state Constitution result in taxes in excess of the
27 limitation provided for in RCW 84.52.043, the authority's property tax
28 levy must be reduced or eliminated consistent with RCW 84.52.010.

29 (2) The limitation in RCW 84.55.010 does not apply to the first
30 levy imposed under this section after the approval of the levies by the
31 voters under subsection (1) of this section.

32 NEW SECTION. **Sec. 311.** All taxes and fees levied and collected by
33 an authority must be levied and used solely for the purpose of paying
34 all or any part of the cost of acquiring, designing, constructing,
35 equipping, or operating the facilities of an authority or contracting
36 for the services thereof, or to pay or secure the payment of all or
37 part of the principal of or interest on any general obligation bonds or

1 revenue bonds issued for authority purposes. Until expended, money
2 accumulated in the funds and accounts of an authority may be invested
3 in the manner authorized by the governing body of the authority,
4 consistent with state law.

5 If any of the revenue from any tax or fee authorized to be levied
6 by an authority has been pledged by the authority to secure the payment
7 of any bonds as authorized in this chapter, then as long as that pledge
8 is in effect the legislature shall not withdraw from the authority the
9 authorization to levy and collect the tax or fee.

10 NEW SECTION. **Sec. 312.** The special excise tax imposed under
11 section 309(1) of this act will be collected at the same time and in
12 the same manner as license tab fees under RCW 46.16.0621 and section
13 310 of this act. Every year on January 1st, April 1st, July 1st, and
14 October 1st the department of licensing shall remit special excise
15 taxes collected on behalf of an authority, back to the authority, at no
16 cost to the authority.

17 **Sec. 313.** RCW 84.52.010 and 1995 2nd sp.s. c 13 s 4 are each
18 amended to read as follows:

19 Except as is permitted under RCW 84.55.050, all taxes shall be
20 levied or voted in specific amounts.

21 The rate percent of all taxes for state and county purposes, and
22 purposes of taxing districts coextensive with the county, shall be
23 determined, calculated and fixed by the county assessors of the
24 respective counties, within the limitations provided by law, upon the
25 assessed valuation of the property of the county, as shown by the
26 completed tax rolls of the county, and the rate percent of all taxes
27 levied for purposes of taxing districts within any county shall be
28 determined, calculated and fixed by the county assessors of the
29 respective counties, within the limitations provided by law, upon the
30 assessed valuation of the property of the taxing districts
31 respectively.

32 When a county assessor finds that the aggregate rate of tax levy on
33 any property, that is subject to the limitations set forth in RCW
34 84.52.043 or 84.52.050, exceeds the limitations provided in either of
35 these sections, the assessor shall recompute and establish a
36 consolidated levy in the following manner:

1 (1) The full certified rates of tax levy for state, county, county
2 road district, and city or town purposes shall be extended on the tax
3 rolls in amounts not exceeding the limitations established by law;
4 however any state levy shall take precedence over all other levies and
5 shall not be reduced for any purpose other than that required by RCW
6 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
7 84.34.230, the portion of the levy by a metropolitan park district that
8 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
9 regular property tax levies that are subject to the one percent
10 limitation exceeds one percent of the true and fair value of any
11 property, then these levies shall be reduced as follows: (a) The
12 portion of the levy by a metropolitan park district that is protected
13 under RCW 84.52.120 shall be reduced until the combined rate no longer
14 exceeds one percent of the true and fair value of any property or shall
15 be eliminated; (b) if the combined rate of regular property tax levies
16 that are subject to the one percent limitation still exceeds one
17 percent of the true and fair value of any property, then the levies
18 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
19 imposed under RCW 84.52.069 that is in excess of thirty cents per
20 thousand dollars of assessed value, shall be reduced on a pro rata
21 basis until the combined rate no longer exceeds one percent of the true
22 and fair value of any property or shall be eliminated; and (c) if the
23 combined rate of regular property tax levies that are subject to the
24 one percent limitation still exceeds one percent of the true and fair
25 value of any property, then the thirty cents per thousand dollars of
26 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced
27 until the combined rate no longer exceeds one percent of the true and
28 fair value of any property or eliminated.

29 (2) The certified rates of tax levy subject to these limitations by
30 all junior taxing districts imposing taxes on such property shall be
31 reduced or eliminated as follows to bring the consolidated levy of
32 taxes on such property within the provisions of these limitations:

33 (a) First, the certified property tax levy rates of those junior
34 taxing districts authorized under RCW 36.68.525, 36.69.145, section 310
35 of this act, and 67.38.130 shall be reduced on a pro rata basis or
36 eliminated;

37 (b) Second, if the consolidated tax levy rate still exceeds these
38 limitations, the certified property tax levy rates of flood control
39 zone districts shall be reduced on a pro rata basis or eliminated;

1 (c) Third, if the consolidated tax levy rate still exceeds these
2 limitations, the certified property tax levy rates of all other junior
3 taxing districts, other than fire protection districts, library
4 districts, the first fifty cent per thousand dollars of assessed
5 valuation levies for metropolitan park districts, and the first fifty
6 cent per thousand dollars of assessed valuation levies for public
7 hospital districts, shall be reduced on a pro rata basis or eliminated;

8 (d) Fourth, if the consolidated tax levy rate still exceeds these
9 limitations, the certified property tax levy rates authorized to fire
10 protection districts under RCW 52.16.140 and 52.16.160 shall be reduced
11 on a pro rata basis or eliminated; and

12 (e) Fifth, if the consolidated tax levy rate still exceeds these
13 limitations, the certified property tax levy rates authorized for fire
14 protection districts under RCW 52.16.130, library districts,
15 metropolitan park districts under their first fifty cent per thousand
16 dollars of assessed valuation levy, and public hospital districts under
17 their first fifty cent per thousand dollars of assessed valuation levy,
18 shall be reduced on a pro rata basis or eliminated.

19 In determining whether the aggregate rate of tax levy on any
20 property, that is subject to the limitations set forth in RCW
21 84.52.050, exceeds the limitations provided in that section, the
22 assessor shall use the hypothetical state levy, as apportioned to the
23 county under RCW 84.48.080, that was computed under RCW 84.48.080
24 without regard to the reduction under RCW 84.55.012.

25 **Sec. 314.** RCW 84.52.052 and 1996 c 230 s 1615 are each amended to
26 read as follows:

27 The limitations imposed by RCW 84.52.050 through 84.52.056, and RCW
28 84.52.043 shall not prevent the levy of additional taxes by any taxing
29 district except school districts in which a larger levy is necessary in
30 order to prevent the impairment of the obligation of contracts. As
31 used in this section, the term "taxing district" means any county,
32 metropolitan park district, park and recreation service area, park and
33 recreation district, water-sewer district, solid waste disposal
34 district, public facilities district, flood control zone district,
35 county rail district, service district, public hospital district, road
36 district, rural county library district, island library district, rural
37 partial-county library district, intercounty rural library district,
38 fire protection district, cemetery district, city, town, transportation

1 benefit district, emergency medical service district with a population
2 density of less than one thousand per square mile, ((or)) cultural
3 arts, stadium, and convention district, or city transportation
4 authority.

5 Any such taxing district may levy taxes at a rate in excess of the
6 rate specified in RCW 84.52.050 through 84.52.056 and 84.52.043, or
7 84.55.010 through 84.55.050, when authorized so to do by the voters of
8 such taxing district in the manner set forth in Article VII, section
9 2(a) of the Constitution of this state at a special or general election
10 to be held in the year in which the levy is made.

11 A special election may be called and the time therefor fixed by the
12 county legislative authority, or council, board of commissioners, or
13 other governing body of any such taxing district, by giving notice
14 thereof by publication in the manner provided by law for giving notices
15 of general elections, at which special election the proposition
16 authorizing such excess levy shall be submitted in such form as to
17 enable the voters favoring the proposition to vote "yes" and those
18 opposed thereto to vote "no."

19 NEW SECTION. **Sec. 315.** Sections 301 through 312 of this act
20 constitute a new chapter in Title 36 RCW.

21 **IV. MISCELLANEOUS PROVISIONS**

22 NEW SECTION. **Sec. 401.** CAPTIONS. Captions used in this act are
23 not part of the law.

24 NEW SECTION. **Sec. 402.** STATEWIDE MOTOR FUEL TAXES HELD HARMLESS.
25 Existing statewide motor vehicle fuel and special fuel taxes, at the
26 distribution rates in RCW 46.68.090, are not intended to be altered by
27 this act.

28 NEW SECTION. **Sec. 403.** CODIFICATION. Sections 101 through 109 of
29 this act constitute a new chapter in Title 36 RCW.

30 NEW SECTION. **Sec. 404.** SEVERABILITY. If any provision of this
31 act or its application to any person or circumstance is held invalid,
32 the remainder of the act or the application of the provision to other
33 persons or circumstances is not affected.

1 NEW SECTION. **Sec. 405.** CONTINGENT EFFECT. This act is
2 contingent upon a transportation revenue act (. Bill No.
3 . . .) becoming law in 2002.

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