
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 consideration and possible revision to initiate the
10 election process of subsections (6) through (9) of this section.
11 Before a county initiates the election process, the county shall
12 provide notice of the plan to each city and town within the district,
13 the governor, the chairs of the transportation committees of the
14 legislature, the secretary of transportation, and each legislator whose
15 legislative district is partially or wholly within the boundaries of
16 the county.

17 (5) If a transportation revenue act becomes law in 2002, if the
18 plan fails under subsection (6) of this section the regional
19 transportation planning organization may redefine the selected projects
20 and the project and financing plan. The county or counties may approve
21 the new plan and resubmit it under subsections (6) through (9) of this
22 section.

23 (6) If a transportation revenue act becomes law in 2002, within
24 thirty days of receipt of a regional transportation investment plan
25 under subsection (4) of this section, cities and towns within the
26 county may act to disapprove the plan. The plan is disapproved if:

27 (a) The legislative authority of fifty percent or more of the
28 cities and towns within the county vote to reject the plan; and

29 (b) The cities or towns voting to reject represent a minimum of
30 fifty percent of the population of the cities and towns within the
31 county.

32 (7) If a transportation revenue act becomes law in 2002, and if the
33 plan is not disapproved under subsection (6) of this section, a county
34 legislative authority shall:

35 (a) Draft a ballot title;

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

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

1 (8) If a transportation revenue act becomes law in 2002, the
2 electorate will be the voters voting within the boundaries of the
3 county. A simple majority of those voting on a single proposition to
4 approve the plan and impose the taxes and fees within each county is
5 required for approval.

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

10 (10) If a transportation revenue act becomes law in 2002, after
11 voter approval of the plan, the county or counties shall enter into
12 agreements with lead agencies as to who will acquire, construct, or
13 develop projects approved by the voters. The county or counties shall
14 negotiate reasonable terms and conditions to assist lead agencies in
15 funding projects. The overall plan of the county or counties must
16 leverage the county's or counties' financial contributions so that the
17 state and other revenue sources continue to fund major state-owned
18 congestion relief and transportation capacity improvement projects.

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

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

- 29 (a) A sales and use tax, as specified in section 206 of this act;
30 (b) A local option vehicle license fee, as specified under section
31 211 of this act;
32 (c) A parking tax under RCW 82.80.030;
33 (d) A local motor vehicle excise tax under RCW 81.100.060 and
34 chapter 81.104 RCW;
35 (e) A local option fuel tax under RCW 82.80.010;
36 (f) An employer excise tax under RCW 81.100.030;
37 (g) A sales and use tax under RCW 82.14.045;
38 (h) A sales and use tax under RCW 81.104.170; and

1 (i) Vehicle tolls, but only on new or expanded facilities. Unless
2 otherwise specified by law, the department of transportation shall
3 administer the collection of vehicle tolls on designated facilities,
4 and the state transportation commission, or its successor, shall be the
5 tolling authority.

6 (2) Taxes, fees, and tolls may not be imposed without an
7 affirmative vote of the majority of the voters within the boundaries of
8 the county voting on a ballot proposition as set forth in section 103
9 (6) through (9) of this act. Revenues from these taxes and fees may be
10 used only to implement this chapter. A county may contract with the
11 state department of revenue or other appropriate entities for
12 administration and collection of any of the taxes or fees authorized in
13 this section.

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

17 (4)(a) The state sales tax imposed and collected under chapters
18 82.08 and 82.12 RCW, less any credits allowed under chapter 82.14 RCW,
19 on initial construction for any project to be constructed under this
20 chapter must be transferred to the project or identified as a credit on
21 the project to defray costs or pay debt service on that project. In
22 the case of a toll project, the transfer or credit must be used to
23 lower the overall cost of the project and thereby the amount or term of
24 the tolls.

25 (b) This transaction is exempt from the requirements in RCW
26 43.135.035(4).

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

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

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

36 (2) Of the remaining amount:

37 (a) Seventy percent must be deposited in the regional
38 transportation investment account. The department of transportation

1 and the transportation improvement board must use the funds to
2 implement projects identified in the regional transportation investment
3 plan;

4 (b) Fifteen percent must be distributed to the county for
5 transportation uses consistent with the ballot proposition and adopted
6 transportation and land use plans of the jurisdiction spending the
7 funds and consistent with any applicable and adopted regional
8 transportation plan for regional transportation planning areas;

9 (c) Fifteen percent must be distributed to cities and towns within
10 the county for transportation uses consistent with the ballot
11 proposition and with the adopted transportation and land use plans of
12 the jurisdiction spending the funds and consistent with any applicable
13 and adopted regional transportation plan for regional transportation
14 planning areas.

15 NEW SECTION. **Sec. 106.** DESIGN-BUILD. A county may use the
16 design-build procedure defined in RCW 47.20.780 for projects funded by
17 it under this chapter. The requirements and limitations of RCW
18 47.20.780 and 47.20.785 do not apply to the projects under this
19 chapter.

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

- 24 (a) Reduced level of congestion and improved safety;
- 25 (b) Improved travel time;
- 26 (c) Improved air quality;
- 27 (d) Increased daily and peak period person and vehicle trip
28 capacity;
- 29 (e) Reduced person and vehicle delay;
- 30 (f) Improved freight mobility; and
- 31 (g) Cost-effectiveness of the investment.

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

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

1 (a) The county legislative authority shall submit to the voters a
2 ballot measure that redefines the scope of the project, its schedule,
3 or its costs. If the voters fail to approve the redefined project, the
4 county shall terminate work on that project, except that the county may
5 take reasonable steps to use, preserve, or connect any improvement
6 already constructed. The remainder of any funds that would otherwise
7 have been expended on the terminated project must first be used to
8 retire any outstanding debt attributable to the plan and then may be
9 used to implement the remainder of the plan.

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

12 (i) The county shall submit to the voters a ballot measure that
13 redefines the scope of the plan, its projects, its schedule, or its
14 costs. If the voters fail to approve the redefined plan, the county
15 shall terminate work on that plan, except that the county may take
16 reasonable steps to use, preserve, or connect any improvement already
17 constructed. The remainder of any funds must be used to retire any
18 outstanding debt attributable to the plan; or

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

21 (4) To assure accountability to the public for the timely
22 construction of the transportation improvement project or projects
23 within cost projections, the county shall issue a report, at least
24 annually, to the public and copies of the report to newspapers of
25 record in the county. In the report, the county shall indicate the
26 status of project costs, project expenditures, revenues, and
27 construction schedules. The county may also include in its report
28 progress towards meeting the performance criteria provided under this
29 chapter.

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

37 (2) All of the powers granted the department under Title 47 RCW
38 relating to highway construction may, at the request of a county

1 participating in a plan, be used to implement a regional transportation
2 investment plan and construct transportation projects.

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

8 **II. FINANCE**

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

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

26 INTEREST EARNINGS. (1) All earnings of investments of surplus
27 balances in the state treasury shall be deposited to the treasury
28 income account, which account is hereby established in the state
29 treasury.

30 (2) The treasury income account shall be utilized to pay or receive
31 funds associated with federal programs as required by the federal cash
32 management improvement act of 1990. The treasury income account is
33 subject in all respects to chapter 43.88 RCW, but no appropriation is
34 required for refunds or allocations of interest earnings required by
35 the cash management improvement act. Refunds of interest to the

1 federal treasury required under the cash management improvement act
2 fall under RCW 43.88.180 and shall not require appropriation. The
3 office of financial management shall determine the amounts due to or
4 from the federal government pursuant to the cash management improvement
5 act. The office of financial management may direct transfers of funds
6 between accounts as deemed necessary to implement the provisions of the
7 cash management improvement act, and this subsection. Refunds or
8 allocations shall occur prior to the distributions of earnings set
9 forth in subsection (4) of this section.

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

18 (4) Monthly, the state treasurer shall distribute the earnings
19 credited to the treasury income account. The state treasurer shall
20 credit the general fund with all the earnings credited to the treasury
21 income account except:

22 (a) The following accounts and funds shall receive their
23 proportionate share of earnings based upon each account's and fund's
24 average daily balance for the period: The capitol building
25 construction account, the Cedar River channel construction and
26 operation account, the Central Washington University capital projects
27 account, the charitable, educational, penal and reformatory
28 institutions account, the common school construction fund, the county
29 criminal justice assistance account, the county sales and use tax
30 equalization account, the data processing building construction
31 account, the deferred compensation administrative account, the deferred
32 compensation principal account, the department of retirement systems
33 expense account, the drinking water assistance account, the drinking
34 water assistance administrative account, the drinking water assistance
35 repayment account, the Eastern Washington University capital projects
36 account, the education construction fund, the emergency reserve fund,
37 the federal forest revolving account, the health services account, the
38 public health services account, the health system capacity account, the
39 personal health services account, the state higher education

1 construction account, the higher education construction account, the
2 highway infrastructure account, the industrial insurance premium refund
3 account, the judges' retirement account, the judicial retirement
4 administrative account, the judicial retirement principal account, the
5 local leasehold excise tax account, the local real estate excise tax
6 account, the local sales and use tax account, the medical aid account,
7 the mobile home park relocation fund, the multimodal transportation
8 account, the municipal criminal justice assistance account, the
9 municipal sales and use tax equalization account, the natural resources
10 deposit account, the oyster reserve land account, the perpetual
11 surveillance and maintenance account, the public employees' retirement
12 system plan 1 account, the public employees' retirement system combined
13 plan 2 and plan 3 account, the public health supplemental account, the
14 Puyallup tribal settlement account, regional transportation investment
15 accounts, the resource management cost account, the site closure
16 account, the special wildlife account, the state employees' insurance
17 account, the state employees' insurance reserve account, the state
18 investment board expense account, the state investment board commingled
19 trust fund accounts, the supplemental pension account, the teachers'
20 retirement system plan 1 account, the teachers' retirement system
21 combined plan 2 and plan 3 account, the tobacco prevention and control
22 account, the tobacco settlement account, the transportation
23 infrastructure account, the tuition recovery trust fund, the University
24 of Washington bond retirement fund, the University of Washington
25 building account, the volunteer fire fighters' and reserve officers'
26 relief and pension principal fund, the volunteer fire fighters' and
27 reserve officers' administrative fund, the Washington fruit express
28 account, the Washington judicial retirement system account, the
29 Washington law enforcement officers' and fire fighters' system plan 1
30 retirement account, the Washington law enforcement officers' and fire
31 fighters' system plan 2 retirement account, the Washington school
32 employees' retirement system combined plan 2 and 3 account, the
33 Washington state health insurance pool account, the Washington state
34 patrol retirement account, the Washington State University building
35 account, the Washington State University bond retirement fund, the
36 water pollution control revolving fund, and the Western Washington
37 University capital projects account. Earnings derived from investing
38 balances of the agricultural permanent fund, the normal school
39 permanent fund, the permanent common school fund, the scientific

1 permanent fund, and the state university permanent fund shall be
2 allocated to their respective beneficiary accounts. All earnings to be
3 distributed under this subsection (4)(a) shall first be reduced by the
4 allocation to the state treasurer's service fund pursuant to RCW
5 43.08.190.

6 (b) The following accounts and funds shall receive eighty percent
7 of their proportionate share of earnings based upon each account's or
8 fund's average daily balance for the period: The aeronautics account,
9 the aircraft search and rescue account, the county arterial
10 preservation account, the department of licensing services account, the
11 essential rail assistance account, the ferry bond retirement fund, the
12 grade crossing protective fund, the high capacity transportation
13 account, the highway bond retirement fund, the highway safety account,
14 the motor vehicle fund, the motorcycle safety education account, the
15 pilotage account, the public transportation systems account, the Puget
16 Sound capital construction account, the Puget Sound ferry operations
17 account, the recreational vehicle account, the rural arterial trust
18 account, the safety and education account, the special category C
19 account, the state patrol highway account, the transportation equipment
20 fund, the transportation fund, the transportation improvement account,
21 the transportation improvement board bond retirement account, and the
22 urban arterial trust account.

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

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

28 HCT TAXES FOR REGIONAL TRANSIT. (1) Agencies authorized ~~((to~~
29 ~~provide high capacity transportation service, including transit~~
30 ~~agencies and regional transit authorities,))~~ under this section are
31 hereby granted dedicated funding sources for ~~((such))~~ high capacity
32 transportation systems. These dedicated funding sources, as set forth
33 in RCW 81.104.150, 81.104.160, and 81.104.170, are authorized ~~((only))~~
34 for:

35 (a) Transit agencies located in ~~((a) each county with a population~~
36 ~~of two hundred ten thousand or more and (b) each county with a~~
37 ~~population of from one hundred twenty five thousand to less than two~~
38 ~~hundred ten thousand except for those counties that do not border a~~

1 county with a population as described under (a) of this subsection. In
2 any county with a population of one million or more or in any county
3 having a population of four hundred thousand or more bordering a county
4 with a population of one million or more, these funding sources may be
5 imposed only by a regional transit authority)) a county that neither
6 participates in nor is eligible to participate in a regional transit
7 authority;

8 (b) Regional transit authorities;

9 (c) Counties that dedicate the funds to developing capital
10 facilities for high capacity transportation systems as part of a
11 regional transportation investment plan and meet the following
12 requirements:

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

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

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

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

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

26 (a) Acceptability;

27 (b) Ease of administration;

28 (c) Equity;

29 (d) Implementation feasibility;

30 (e) Revenue reliability; and

31 (f) Revenue yield.

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

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

38 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
39 and

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

2 Revenues from these taxes may be used only to support those
3 purposes prescribed in subsection (10) of this section. Before the
4 date of an election authorizing an agency to impose any of the taxes
5 enumerated in this section and authorized in RCW 81.104.150,
6 81.104.160, and 81.104.170, the agency must comply with the process
7 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No
8 construction on exclusive right of way may occur before the
9 requirements of RCW 81.104.100(3) are met.

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

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

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

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

37 (9) For any election in which voter approval is sought for a high
38 capacity transportation system plan and financing plan pursuant to RCW

1 81.104.040, a local voter's pamphlet shall be produced as provided in
2 chapter 29.81A RCW.

3 (10) Agencies providing high capacity transportation service shall
4 retain responsibility for revenue encumbrance, disbursement, and
5 bonding. Funds may be used for any purpose relating to planning,
6 construction, and operation of high capacity transportation systems and
7 commuter rail systems, personal rapid transit, busways, bus sets, and
8 entrained and linked buses.

9 (11) Eligible transit agencies or counties within which there are
10 transit agencies, and with those agencies' approval, may choose to
11 implement high capacity transportation service as a joint effort across
12 their respective jurisdictions. Eligible entities may coordinate
13 efforts to implement some or all of the dedicated funding sources set
14 forth in RCW 81.104.150, 81.104.160, and 81.104.170 to accomplish this
15 goal. Entities electing to coordinate efforts shall enter into
16 interlocal agreements specifying the terms of the coordination. The
17 respective county legislative authorities may choose to set forth a
18 common ballot measure and vote to authorize the dedicated funding
19 sources. Eligible entities include:

20 (a) Transit agencies located in a county that is neither
21 participating in, nor is eligible to participate in, a regional transit
22 authority; and

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

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

28 HCT--MVET. (1) Cities that operate transit systems, county
29 transportation authorities, metropolitan municipal corporations, public
30 transportation benefit areas, ~~((and))~~ regional transit authorities, and
31 counties, as part of a regional transportation investment plan, may
32 submit an authorizing proposition to the voters, and if approved, may
33 levy and collect ~~((an))~~ a motor vehicle excise tax, at a rate approved
34 by the voters, but not exceeding eighty one-hundredths of one percent
35 ~~((on))~~ of the value~~((, under chapter 82.44 RCW,))~~ of every motor
36 vehicle owned by a resident of the taxing district, solely for the
37 purpose of providing high capacity transportation service, and for
38 counties, as part of a regional transportation investment plan, solely

1 for the purpose of providing high capacity transportation capital
2 facilities or improvements. In any county imposing a motor vehicle
3 excise tax surcharge pursuant to RCW 81.100.060, the maximum tax rate
4 under this section shall be reduced to a rate equal to eighty one-
5 hundredths of one percent on the value less the equivalent motor
6 vehicle excise tax rate of the surcharge imposed pursuant to RCW
7 81.100.060. This rate shall not apply to vehicles licensed under RCW
8 46.16.070 except vehicles with an unladen weight of six thousand pounds
9 or less, RCW 46.16.079, 46.16.085, or 46.16.090.

10 (2) An agency imposing a tax under subsection (1) of this section
11 may also impose a sales and use tax solely for the purpose of providing
12 high capacity transportation service, in addition to the tax authorized
13 by RCW 82.14.030, upon retail car rentals within the agency's
14 jurisdiction that are taxable by the state under chapters 82.08 and
15 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The rate
16 of tax imposed under this subsection shall bear the same ratio to the
17 2.172 percent rate authorized that the rate imposed under subsection
18 (1) of this section bears to the rate authorized under subsection (1)
19 of this section. The base of the tax shall be the selling price in the
20 case of a sales tax or the rental value of the vehicle used in the case
21 of a use tax. The revenue collected under this subsection shall be
22 used in the same manner as excise taxes under subsection (1) of this
23 section.

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

27 (4) The special motor vehicle excise tax as provided in this
28 section applies only when applying for or renewing a vehicle
29 registration under chapter 46.16 RCW. This tax will be effective with
30 the initial application and upon the registration renewal date as
31 provided by the department of licensing. This tax is effective for
32 counties under chapter 36.-- RCW (sections 101 through 109 of this act)
33 only for registration renewals.

34 (5) Agencies imposing the special motor vehicle excise tax or
35 initiating an exemption process shall enter into a contract with the
36 department of licensing for collection of the tax. The contract must
37 contain provisions that fully recover the costs to the department of
38 licensing for collection and administration of the tax.

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

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

8 HCT SALES TAX. (1) Cities that operate transit systems, county
9 transportation authorities, metropolitan municipal corporations, public
10 transportation benefit areas, ((and)) regional transit authorities, and
11 counties, as part of a regional transportation investment plan, may
12 submit an authorizing proposition to the voters and if approved by a
13 majority of persons voting, fix and impose a sales and use tax in
14 accordance with the terms of this chapter, solely for the purpose of
15 providing high capacity transportation service, and for counties, as
16 part of a regional transportation investment plan, solely for the
17 purpose of providing high capacity transportation capital facilities or
18 improvements.

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

35 NEW SECTION. **Sec. 206.** A new section is added to chapter 82.14
36 RCW to read as follows:

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

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

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

14 PROJECT SALES AND USE TAX CREDIT SHIFT. Any transfer or credit
15 from the general fund of sales and use tax paid on a transportation
16 project being constructed by a county under a regional transportation
17 investment plan shall not require a corresponding lowering of the state
18 expenditure limit to reflect this shift for purposes of RCW
19 43.135.035(4).

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

22 TRANSIT SALES TAX. (1) The legislative body of any city pursuant
23 to RCW 35.92.060, of any county which has created an unincorporated
24 transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of
25 any public transportation benefit area pursuant to RCW 36.57A.080 and
26 36.57A.090, of any county transportation authority established pursuant
27 to chapter 36.57 RCW, and of any metropolitan municipal corporation
28 within a county with a population of one million or more pursuant to
29 chapter 35.58 RCW, and the legislative body of a county, where a public
30 transportation system is operating, as part of a regional
31 transportation investment plan for the purposes of implementing the
32 plan and with the permission of each municipality operating a public
33 transportation system within the county, may, by resolution or
34 ordinance for the sole purpose of providing funds for the operation,
35 maintenance, or capital needs of public transportation systems or
36 public transportation limited to persons with special needs under RCW
37 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized by

1 RCW 35.95.040, submit an authorizing proposition to the voters or
2 include such authorization in a proposition to perform the function of
3 public transportation or public transportation limited to persons with
4 special needs under RCW 36.57.130 and 36.57A.180, and if approved by a
5 majority of persons voting thereon, fix and impose a sales and use tax
6 in accordance with the terms of this chapter: PROVIDED, That no such
7 legislative body shall impose such a sales and use tax without
8 submitting such an authorizing proposition to the voters and obtaining
9 the approval of a majority of persons voting thereon: PROVIDED
10 FURTHER, That where such a proposition is submitted by a county on
11 behalf of an unincorporated transportation benefit area, it shall be
12 voted upon by the voters residing within the boundaries of such
13 unincorporated transportation benefit area and, if approved, the sales
14 and use tax shall be imposed only within such area. Notwithstanding
15 any provisions of this section to the contrary, any county in which a
16 county public transportation plan has been adopted pursuant to RCW
17 36.57.070 and the voters of such county have authorized the imposition
18 of a sales and use tax pursuant to the provisions of section 10,
19 chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be
20 authorized to fix and impose a sales and use tax as provided in this
21 section at not to exceed the rate so authorized without additional
22 approval of the voters of such county as otherwise required by this
23 section.

24 The tax authorized pursuant to this section shall be in addition to
25 the tax authorized by RCW 82.14.030 and shall be collected from those
26 persons who are taxable by the state pursuant to chapters 82.08 and
27 82.12 RCW upon the occurrence of any taxable event within such city,
28 public transportation benefit area, county, or metropolitan municipal
29 corporation as the case may be. The rate of such tax shall be one-
30 tenth, two-tenths, three-tenths, four-tenths, five-tenths, six-tenths,
31 seven-tenths, eight-tenths, or nine-tenths of one percent of the
32 selling price (in the case of a sales tax) or value of the article used
33 (in the case of a use tax). The rate of such tax shall not exceed the
34 rate authorized by the voters unless such increase shall be similarly
35 approved.

36 (2)(a) In the event a metropolitan municipal corporation shall
37 impose a sales and use tax pursuant to this chapter no city, county
38 which has created an unincorporated transportation benefit area, public
39 transportation benefit area authority, or county transportation

1 authority wholly within such metropolitan municipal corporation shall
2 be empowered to levy and/or collect taxes pursuant to RCW 35.58.273,
3 35.95.040, and/or 82.14.045, but nothing herein shall prevent such city
4 or county from imposing sales and use taxes pursuant to any other
5 authorization.

6 (b) In the event a county transportation authority shall impose a
7 sales and use tax pursuant to this section, no city, county which has
8 created an unincorporated transportation benefit area, public
9 transportation benefit area, or metropolitan municipal corporation,
10 located within the territory of the authority, shall be empowered to
11 levy or collect taxes pursuant to RCW 35.58.273, 35.95.040, or
12 82.14.045.

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

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

22 (3) Any local sales and use tax revenue collected pursuant to this
23 section by any city or by any county for transportation purposes
24 pursuant to RCW 36.57.100 and 36.57.110 shall not be counted as locally
25 generated tax revenues for the purposes of apportionment and
26 distribution, in the manner prescribed by chapter 82.44 RCW, of the
27 proceeds of the motor vehicle excise tax authorized pursuant to RCW
28 35.58.273, except that the local sales and use tax revenue collected
29 under this section by a city with a population greater than sixty
30 thousand that as of January 1, 1998, owns and operates a municipal
31 public transportation system shall be counted as locally generated tax
32 revenues for the purposes of apportionment and distribution, in the
33 manner prescribed by chapter 82.44 RCW, of the proceeds of the motor
34 vehicle excise tax authorized under RCW 35.58.273 as follows:

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

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

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

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

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

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

35 NEW SECTION. **Sec. 210.** A new section is added to chapter 82.32
36 RCW to read as follows:

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

10 (2) This transaction is exempt from the requirements in RCW
11 43.135.035(4).

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

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

18 LOCAL OPTION VEHICLE LICENSE FEE. (1) If a transportation revenue
19 act becomes law in 2002, and upon approval of a majority of the voters
20 within its boundaries voting on the ballot proposition, a county, as
21 part of a regional transportation investment plan, may set and impose
22 an annual local option vehicle license fee of a uniform amount of up to
23 one hundred dollars per motor vehicle registered within the boundaries
24 of the region on every motor vehicle that is subject to license fees
25 under RCW 46.16.0621 and for each vehicle that is subject to RCW
26 46.16.070 with a declared gross weight of twelve thousand pounds or
27 less and that is determined by the department of licensing to be
28 registered within the boundaries of the county. Vehicles registered
29 under chapter 46.87 RCW and the international registration plan are
30 exempt from the annual local option vehicle license fee set forth in
31 this section. The county may also exempt certain classes of vehicles
32 from the fee under this section. The department of licensing shall
33 administer and collect this fee on behalf of counties and remit this
34 fee to the county to implement the regional transportation investment
35 plan.

36 (2) If a transportation revenue act becomes law in 2002, the local
37 option vehicle license fee applies only when renewing a vehicle

1 registration. This fee is effective upon the registration renewal date
2 as provided by the department of licensing.

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

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

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

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

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

29 HIGH-OCCUPANCY VEHICLE EMPLOYER TAX. (1) A county with a
30 population of one million or more, or a county with a population of
31 from two hundred ten thousand to less than one million that is
32 adjoining a county with a population of one million or more, and having
33 within its boundaries existing or planned high_occupancy vehicle lanes
34 on the state highway system, or those same counties, as part of a
35 regional transportation investment plan, may, with voter approval
36 impose an excise tax of up to two dollars per employee per month on all
37 employers or any class or classes of employers, public and private,

1 including the state located in the agency's jurisdiction, measured by
2 the number of full-time equivalent employees. In no event may the
3 total taxes imposed under this section exceed two dollars per employee
4 per month for any single employer. The county imposing the tax
5 authorized in this section may provide for exemptions from the tax to
6 such educational, cultural, health, charitable, or religious
7 organizations as it deems appropriate.

8 Counties may contract with the state department of revenue or other
9 appropriate entities for administration and collection of the tax.
10 Such contract shall provide for deduction of an amount for
11 administration and collection expenses.

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

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

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

28 If the tax authorized in RCW 81.100.060 is also imposed (~~by the~~
29 ~~county~~), the total proceeds from both tax sources each year shall not
30 exceed the maximum amount which could be collected under RCW
31 81.100.060.

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

34 HIGH-OCCUPANCY VEHICLE MOTOR VEHICLE EXCISE TAX. (1) A county with
35 a population of one million or more and a county with a population of
36 from two hundred ten thousand to less than one million that is
37 adjoining a county with a population of one million or more, having
38 within their boundaries existing or planned high_occupancy vehicle

1 lanes on the state highway system, and those same counties, as part of
2 a regional transportation investment plan, may, with voter approval,
3 impose a local surcharge of not more than ((13.64 percent on the state
4 motor vehicle excise tax paid under RCW 82.44.020(1)) three-tenths of
5 one percent of the value on vehicles registered to a person residing
6 within the county and not more than 13.64 percent on the state sales
7 and use taxes paid under the rate in RCW 82.08.020(2) on retail car
8 rentals within the county. No surcharge may be imposed on vehicles
9 licensed under RCW 46.16.070 except vehicles with an unladen weight of
10 six thousand pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

11 ~~((Counties imposing a tax under this section shall contract, before~~
12 ~~the effective date of the resolution or ordinance imposing a surcharge,~~
13 ~~administration and collection to the state department of licensing, and~~
14 ~~department of revenue, as appropriate, which shall deduct an amount, as~~
15 ~~provided by contract, for administration and collection expenses~~
16 ~~incurred by the department.)) (2) All administrative provisions in~~
17 ~~chapters 82.03, 82.32, and 82.44 RCW shall, insofar as they are~~
18 ~~applicable to ((state)) motor vehicle excise taxes, be applicable to~~
19 ~~surcharges imposed under this section. All administrative provisions~~
20 ~~in chapters 82.03, 82.08, 82.12, and 82.32 RCW shall, insofar as they~~
21 ~~are applicable to state sales and use taxes, be applicable to~~
22 ~~surcharges imposed under this section.~~

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

29 (4) A county imposing the local surcharge or initiating an
30 exemption process shall enter into a contract with the department of
31 licensing for collection of the tax. The contract must contain
32 provisions that fully recover the costs to the department of licensing
33 for collection and administration of the surcharge.

34 (5) A county imposing the surcharge shall delay the effective date
35 of the surcharge imposed by this section at least six months from the
36 date of the final certification of the referendum to allow the
37 department of licensing time to implement the administration and
38 collection of or exemption from the surcharge.

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

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

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

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

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

13 (2) Subject to the conditions of this section, any county may levy,
14 by approval of its legislative body and a majority of the registered
15 voters of the county voting on the proposition at a general or special
16 election, additional excise taxes equal to ten percent of the statewide
17 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
18 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
19 fuel as defined in RCW 82.38.020 sold within the boundaries of the
20 county. Vehicles paying an annual license fee under RCW 82.38.075 are
21 exempt from the county fuel excise tax. An election held under this
22 section must be held not more than twelve months before the date on
23 which the proposed tax is to be levied. The ballot setting forth the
24 proposition shall state the tax rate that is proposed. The county's
25 authority to levy additional excise taxes under this section includes
26 the incorporated and unincorporated areas of the county. The
27 additional excise taxes are subject to the same exceptions and rights
28 of refund as applicable to other motor vehicle fuel and special fuel
29 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
30 tax shall not be levied less than one month from the date the election
31 results are certified by the county election officer. The commencement
32 date for the levy of any tax under this section shall be the first day
33 of January, April, July, or October.

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

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

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

7 (5) All administrative provisions in chapters 82.01, 82.03, and
8 82.32 RCW, as they now exist or may hereafter be amended, insofar as
9 they are applicable, also apply to local option fuel taxes imposed
10 under this section.

11 (6) Before the effective date of the imposition of the fuel taxes
12 under this section, a county shall contract with the department of
13 revenue for the administration and collection of the taxes. The
14 contract must provide that a percentage amount, not to exceed two
15 percent of the taxes imposed under this section, will be deposited into
16 the local tax administration account created in the custody of the
17 state treasurer. The department of revenue may spend money from this
18 account, upon appropriation, for the administration of the local taxes
19 imposed under this section.

20 (7) A county imposing the tax authorized under this section shall
21 provide funds to distributors to offset their local fuel tax
22 administration costs. The county shall dedicate a percentage amount of
23 the tax collected under this section for that purpose. The percentage
24 amount must be equal to the amount provided for the administrative
25 expenses of the department of revenue under subsection (6) of this
26 section.

27 (8) The state treasurer shall distribute monthly to the levying
28 county and cities contained therein the proceeds of the additional
29 excise taxes collected under this section, or to the county levying the
30 tax as part of a regional transportation investment plan, after the
31 deductions for payments and expenditures as provided in RCW
32 46.68.090(1) ((and (2))) and under the conditions and limitations
33 provided in RCW 82.80.080.

34 ((+4)) (9) The proceeds of the additional excise taxes levied
35 under this section shall be used strictly for transportation purposes
36 in accordance with RCW 82.80.070. The proceeds of the additional taxes
37 levied by a county, as a part of a regional transportation investment
38 plan, must be used as provided in chapter 36.-- RCW (sections 101
39 through 109 of this act).

1 (~~(5) The department of licensing shall administer and collect the~~
2 ~~county fuel taxes. The department shall deduct a percentage amount, as~~
3 ~~provided by contract, for administrative, collection, refund, and audit~~
4 ~~expenses incurred. The remaining proceeds shall be remitted to the~~
5 ~~custody of the state treasurer for monthly distribution under RCW~~
6 ~~82.80.080.))~~

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

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

12 VEHICLE LICENSE FEE--EXEMPTIONS--LIMITATIONS. (1) The legislative
13 authority of a county, or subject to subsection (7) of this section, a
14 qualifying city or town located in a county that has not imposed a
15 fifteen-dollar fee under this section, may fix and impose an additional
16 fee, not to exceed fifteen dollars per vehicle, for each vehicle that
17 is subject to license fees under RCW 46.16.0621 and for each vehicle
18 that is subject to RCW 46.16.070 with an unladen weight of six thousand
19 pounds or less, and that is determined by the department of licensing
20 to be registered within the boundaries of the county.

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

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

29 (4) A county or qualifying city or town imposing this fee or
30 initiating an exemption process shall delay the effective date at least
31 six months from the date the ordinance is enacted to allow the
32 department of licensing to implement administration and collection of
33 or exemption from the fee.

34 (5) The legislative authority of a county or qualifying city or
35 town may develop and initiate an exemption process of the fifteen
36 dollar fee for the registered owners of vehicles residing within the
37 boundaries of the county or qualifying city or town: (a) Who are
38 sixty-one years old or older at the time payment of the fee is due and

1 whose household income for the previous calendar year is less than an
2 amount prescribed by the county or qualifying city or town legislative
3 authority; or (b) who have a physical disability.

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

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

15 (a) The city or town may impose the fee only if authorized to do so
16 by a majority of voters voting at a general or special election on a
17 proposition for that purpose. At a minimum, the ballot measure shall
18 contain: (i) A description of the transportation project proposed for
19 funding, properly identified by mileposts or other designations that
20 specify the project parameters; (ii) the proposed number of months or
21 years necessary to fund the city or town's share of the project cost;
22 and (iii) the amount of fee to be imposed for the project.

23 (b) The city or town may not impose a fee that, if combined with
24 the county fee, exceeds fifteen dollars. If a county imposes or
25 increases a fee under this section that, if combined with the fee
26 imposed by a city or town, exceeds fifteen dollars, the city or town
27 fee shall be reduced or eliminated as needed so that in no city or town
28 does the combined fee exceed fifteen dollars. All revenues from
29 county-imposed fees shall be distributed as called for in RCW
30 82.80.080.

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

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

1 (8) The fee imposed under subsection (7) of this section shall
2 apply only to renewals and shall not apply to ownership transfer
3 transactions.

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

6 PARKING TAX. (1) Subject to the conditions of this section, the
7 legislative authority of a county or city may fix and impose a parking
8 tax on all persons engaged in a commercial parking business within its
9 respective jurisdiction. (~~The jurisdiction of a county, for purposes~~
10 ~~of this section, includes only the unincorporated area of the county~~)
11 If a county is imposing the tax to implement a regional transportation
12 investment plan under chapter 36.-- RCW (sections 101 through 109 of
13 this act) the county may impose the tax throughout its jurisdiction
14 excluding cities that have levied a tax under this section before the
15 effective date of the county levy. Otherwise, the county may impose
16 the tax only in the unincorporated area of the county. The
17 jurisdiction of a city includes only the area within its
18 (~~incorporated~~) boundaries.

19 (2) In lieu of the tax in subsection (1) of this section, a city or
20 a county (~~in its unincorporated area~~) within the jurisdiction
21 authorized under subsection (1) of this section, may fix and impose a
22 tax for the act or privilege of parking a motor vehicle in a facility
23 operated by a commercial parking business.

24 The city or county may provide that:

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

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

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

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

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

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

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

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

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

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

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

25 REQUIRES THAT LOCAL OPTION TAXES IMPOSED BY DISTRICT BE USED FOR
26 DISTRICT PROJECTS. (1) The proceeds collected pursuant to the exercise
27 of the local option authority of RCW 82.80.010, 82.80.020, 82.80.030,
28 and 82.80.050 and sections 206, 211, and 212 of this act, (hereafter
29 called "local option transportation revenues") shall be used for
30 transportation purposes only, including but not limited to the
31 following: The operation and preservation of roads, streets, and other
32 transportation improvements; new construction, reconstruction, and
33 expansion of city streets, county roads, and state highways and other
34 transportation improvements; development and implementation of public
35 transportation and high-capacity transit improvements and programs; and
36 planning, design, and acquisition of right of way and sites for such
37 transportation purposes. The proceeds collected from excise taxes on
38 the sale, distribution, or use of motor vehicle fuel and special fuel

1 under RCW 82.80.010 shall be used exclusively for "highway purposes" as
2 that term is construed in Article II, section 40 of the state
3 Constitution.

4 (2) The local option transportation revenues shall be expended for
5 transportation uses consistent with the adopted transportation and land
6 use plans of the jurisdiction expending the funds and consistent with
7 any applicable and adopted regional transportation plan for
8 metropolitan planning areas.

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

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

16 (b) The program shall be based on an adopted transportation plan
17 for the geographic areas covered and shall identify the proposed
18 operation and construction of transportation improvements and services
19 in the designated plan area intended to be funded in whole or in part
20 by local option transportation revenues and shall identify the annual
21 costs applicable to the program.

22 (c) The program shall indicate how the local transportation plan is
23 coordinated with applicable transportation plans for the region and for
24 adjacent jurisdictions.

25 (d) The program shall include at least a six-year funding plan,
26 updated annually, identifying the specific public and private sources
27 and amounts of revenue necessary to fund the program. The program
28 shall include a proposed schedule for construction of projects and
29 expenditure of revenues. The funding plan shall consider the
30 additional local tax revenue estimated to be generated by new
31 development within the plan area if all or a portion of the additional
32 revenue is proposed to be earmarked as future appropriations for
33 transportation improvements in the program.

34 (4) Local governments with a population greater than eight thousand
35 exercising the authority for local option transportation funds shall
36 periodically review and update their transportation program to ensure
37 that it is consistent with applicable local and regional transportation
38 and land use plans and within the means of estimated public and private
39 revenue available.

1 (5) In the case of expenditure for new or expanded transportation
2 facilities, improvements, and services, priorities in the use of local
3 option transportation revenues shall be identified in the
4 transportation program and expenditures shall be made based upon the
5 following criteria, which are stated in descending order of weight to
6 be attributed:

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

8 (b) Second, it is necessitated by existing or reasonably
9 foreseeable congestion;

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

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

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

17 (6) It is the intent of the legislature that as a condition of
18 levying, receiving, and expending local option transportation revenues,
19 no local government agency use the revenues to replace, divert, or loan
20 any revenues currently being used for transportation purposes to
21 nontransportation purposes. The association of Washington cities and
22 the Washington state association of counties, in consultation with the
23 legislative transportation committee, shall study the issue of
24 nondiversion and make recommendations to the legislative transportation
25 committee for language implementing the intent of this section by
26 December 1, 1990.

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

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

35 (9) Proceeds collected under the exercise of local option authority
36 under this chapter by a county, as part of a regional transportation
37 investment plan, must be used in accordance with chapter 36.-- RCW
38 (sections 101 through 109 of this act).

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

3 LOCAL OPTION TAX REVENUE DISTRIBUTION. (1) The state treasurer
4 shall distribute revenues, less authorized deductions, generated by the
5 local option taxes authorized in RCW 82.80.010 and 82.80.020, levied by
6 counties to the levying counties, and cities contained in those
7 counties, based on the relative per capita population. County
8 population for purposes of this section is equal to one and one-half of
9 the unincorporated population of the county. In calculating the
10 distributions, the state treasurer shall use the population estimates
11 prepared by the state office of financial management and shall further
12 calculate the distribution based on information supplied by the
13 departments of licensing and revenue, as appropriate.

14 (2) The state treasurer shall distribute revenues, less authorized
15 deductions, generated by the local option taxes authorized in RCW
16 82.80.010 and 82.80.020 levied by qualifying cities and towns to the
17 levying cities and towns.

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

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

24 EXCEPTION FOR COUNTY TOLL FACILITIES. (1) Except as provided in
25 RCW 47.56.075, the department of transportation shall have full charge
26 of the construction of all toll bridges and other toll facilities
27 including the Washington state ferries, and the operation and
28 maintenance thereof. The transportation commission shall determine and
29 establish the tolls and charges thereon, and shall perform all duties
30 and exercise all powers relating to the financing, refinancing, and
31 fiscal management of all toll bridges and other toll facilities
32 including the Washington state ferries, and bonded indebtedness in the
33 manner provided by law. The department shall have full charge of
34 design of all toll facilities. Except as provided in this section, the
35 department shall proceed with the construction of such toll bridges and
36 other facilities and the approaches thereto by contract in the manner
37 of state highway construction immediately upon there being made
38 available funds for such work and shall prosecute such work to

1 completion as rapidly as practicable. The department is authorized to
2 negotiate contracts for any amount without bid under (a) and (b) of
3 this subsection:

4 (a) Emergency contracts, in order to make repairs to ferries or
5 ferry terminal facilities or removal of such facilities whenever
6 continued use of ferries or ferry terminal facilities constitutes a
7 real or immediate danger to the traveling public or precludes prudent
8 use of such ferries or facilities; and

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

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

19 (a) Except as provided in (d) of this subsection, when the
20 secretary of the department of transportation determines in writing
21 that the use of invitation for bid is either not practicable or not
22 advantageous to the state and it may be necessary to make competitive
23 evaluations, including technical or performance evaluations among
24 acceptable proposals to complete the contract award, a contract may be
25 entered into by use of a competitive sealed proposals method, and a
26 formal request for proposals solicitation. Such formal request for
27 proposals solicitation shall include a functional description of the
28 needs and requirements of the state and the significant factors.

29 (b) When purchases are made through a formal request for proposals
30 solicitation the contract shall be awarded to the responsible proposer
31 whose competitive sealed proposal is determined in writing to be the
32 most advantageous to the state taking into consideration price and
33 other evaluation factors set forth in the request for proposals. No
34 significant factors may be used in evaluating a proposal that are not
35 specified in the request for proposals. Factors that may be considered
36 in evaluating proposals include but are not limited to: Price;
37 maintainability; reliability; commonality; performance levels; life
38 cycle cost if applicable under this section; cost of transportation or

1 delivery; delivery schedule offered; installation cost; cost of spare
2 parts; availability of parts and service offered; and the following:

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

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

7 (iii) Whether the proposer can perform the contract within the time
8 specified;

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

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

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

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

18 (c) When purchases are made through a request for proposal process,
19 proposals received shall be evaluated based on the evaluation factors
20 set forth in the request for proposal. When issuing a request for
21 proposal for the procurement of propulsion equipment or systems that
22 include an engine, the request for proposal must specify the use of a
23 life cycle cost analysis that includes an evaluation of fuel
24 efficiency. When a life cycle cost analysis is used, the life cycle
25 cost of a proposal shall be given at least the same relative importance
26 as the initial price element specified in the request of proposal
27 documents. The department may reject any and all proposals received.
28 If the proposals are not rejected, the award shall be made to the
29 proposer whose proposal is most advantageous to the department,
30 considering price and the other evaluation factors set forth in the
31 request for proposal.

32 (d) If the department is procuring large equipment or systems
33 (e.g., electrical, propulsion) needed for the support, maintenance, and
34 use of a ferry operated by Washington state ferries, the department
35 shall proceed with a formal request for proposal solicitation under
36 this subsection (2) without a determination of necessity by the
37 secretary.

1 embrace all the territory in the authority area. A city transportation
2 authority will be a municipal corporation, an independent taxing
3 "authority" within the meaning of Article VII, section 1 of the state
4 Constitution, and a "taxing district" within the meaning of Article
5 VII, section 2 of the state Constitution.

6 (2) Any city transportation authority established under this
7 chapter must be approved by a majority vote of the electors residing
8 within the proposed authority area voting at a regular or special
9 election. Additional territory may be added to an authority area with
10 the approval of the legislative authority of each city, or county in
11 the case of an unincorporated area, within which the territory exists,
12 and with the approval of the electors within the area proposed to be
13 added to the authority area.

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

17 (a) Propose the authority area and the size and method of selection
18 of the governing body of the authority, which governing body may be
19 appointed or elected, provided that officers or employees of any single
20 city may not compose a majority of the members of the authority's
21 governing body;

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

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

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

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

34 (3) If an authority is proposed to be created with an authority
35 area that includes more than one city, or the unincorporated area of a
36 county, an ordinance must be passed by the legislative authority of all
37 cities and counties within the proposed authority area, or in the
38 alternative, a petition must be signed by one percent of the qualified

1 electors of the proposed authority area within each city or
2 unincorporated area of a county.

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

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

9 (1) To acquire by purchase, condemnation, gift, or grant and to
10 lease, construct, add to, improve, replace, repair, maintain, operate,
11 and regulate the use of certain public transportation facilities,
12 including monorails, trams, and trolleys, and including passenger
13 terminal and parking facilities and properties, and other facilities
14 and properties as may be necessary for passenger and vehicular access
15 to and from public transportation facilities, together with all lands,
16 rights of way, and property within or outside the authority area, and
17 together with equipment and accessories necessary or appropriate for
18 these facilities;

19 (2) To fix rates, tolls, fares, and charges for the use of
20 facilities and to establish various routes and classes of service.
21 Rates, tolls, fares, or charges may be adjusted or eliminated for any
22 distinguishable class of users including, but not limited to, senior
23 citizens, handicapped persons, and students;

24 (3) To contract with the United States or any of its agencies, any
25 state or any of its agencies, any metropolitan municipal corporation,
26 any other county, city, other political subdivision or governmental
27 instrumentality, or governmental agency, or any private person, firm,
28 or corporation for the purpose of receiving gifts or grants or securing
29 loans or advances for preliminary planning and feasibility studies, or
30 for the design, construction, operation, or maintenance of public
31 transportation facilities, as long as contracts for the construction of
32 facilities with an estimated cost greater than two hundred thousand
33 dollars are awarded after a competitive bid process consistent with
34 chapter 39.04 RCW or are awarded consistent with an alternative public
35 works contracting procedure consistent with chapter 39.10 RCW.
36 Contracts for construction with an estimated cost of two hundred
37 thousand dollars or less may be awarded under RCW 39.04.155;

1 (4) To contract with the United States or any of its agencies, any
2 state or any of its agencies, any metropolitan municipal corporation,
3 any other county, city, other political subdivision or governmental
4 instrumentality, any governmental agency, or any private person, firm,
5 or corporation for the use by either contracting party of all or any
6 part of the facilities, structures, lands, interests in lands, air
7 rights over lands, and rights of way of all kinds which are owned,
8 leased, or held by the other party and for the purpose of planning,
9 designing, constructing, operating any public transportation facility,
10 or performing any service related to transportation which the authority
11 is authorized to operate or perform, on terms as may be agreed upon by
12 the contracting parties;

13 (5) To acquire any existing public transportation facility by
14 conveyance, sale, or lease. In any acquisition from a county, city, or
15 other political subdivision of the state, the authority shall receive
16 credit from the county or city or other political subdivision for any
17 federal assistance and state matching assistance used by the county or
18 city or other political subdivision in acquiring any portion of the
19 public transportation facility. Upon acquisition, the authority shall
20 assume and observe all existing labor contracts relating to the public
21 transportation facility and, to the extent necessary for operation of
22 the public transportation facility, all of the employees of the public
23 transportation facility whose duties are necessary to efficiently
24 operate the public transportation facility shall be appointed to
25 comparable positions to those which they held at the time of the
26 transfer, and no employee or retired or pensioned employee of the
27 public transportation facility shall be placed in any worse position
28 with respect to pension seniority, wages, sick leave, vacation, or
29 other benefits than he or she enjoyed as an employee of the public
30 transportation facility prior to the acquisition. Furthermore, the
31 authority shall engage in collective bargaining with the duly appointed
32 representatives of any employee labor organization having existing
33 contracts with the acquired facility and may enter into labor contracts
34 with the employee labor organization;

35 (6) To contract for, participate in, and support research,
36 demonstration, testing, and development of public transportation
37 facilities, equipment, and use incentives, and have all powers
38 necessary to comply with any criteria, standards, and regulations that
39 may be adopted under state and federal law, and to take all actions

1 necessary to meet the requirements of those laws. The authority has,
2 in addition to these powers, the authority to prepare, adopt, and carry
3 out a comprehensive transit plan and to make other plans and studies
4 and to perform programs as the authority deems necessary to implement
5 and comply with those laws;

6 (7) To establish local improvement districts within the authority
7 area to finance public transportation facilities, to levy special
8 assessments on property specially benefited by those facilities, and to
9 issue local improvement bonds to be repaid by the collection of local
10 improvement assessments. The method of establishment, levying,
11 collection, enforcement, and all other matters relating to the local
12 improvement districts, assessments, collection, and bonds must be as
13 provided in the statutes governing local improvement districts of
14 cities and towns. The duties devolving upon the city treasurer in
15 those statutes are imposed on the treasurer of the authority;

16 (8) To exercise all other powers necessary and appropriate to carry
17 out its responsibilities, including without limitation the power to
18 own, construct, purchase, lease, add to, and maintain any real and
19 personal property or property rights necessary for the conduct of the
20 affairs of the authority, to enter into contracts, and to employ the
21 persons as the authority deems appropriate. An authority may also
22 sell, lease, convey, or otherwise dispose of any authority real or
23 personal property no longer necessary for the conduct of the affairs of
24 the authority.

25 NEW SECTION. **Sec. 305.** Each authority shall establish the funds
26 and accounts it deems necessary and appropriate. The authority may
27 designate a treasurer or may contract with any city with territory
28 within the authority area for treasury and other financial functions.
29 The city will be reimbursed for the expenses of treasury services.
30 However, no city whose treasurer serves as treasurer of an authority is
31 liable for the obligations of the authority.

32 NEW SECTION. **Sec. 306.** The authority shall adopt a public
33 transportation plan for public transportation facilities to be provided
34 by the authority. The plan, and any amendments, must be approved by
35 the legislative authority of each city and county, in the case of
36 unincorporated territory, comprising more than ten percent of the
37 qualified electors in the authority area. Before adoption of the plan,

1 the authority shall provide a minimum of sixty days during which
2 sufficient public hearings must be held to provide interested persons
3 an opportunity to participate in development of the plan.

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

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

9 (2) Issue general obligation bonds, not to exceed an amount,
10 together with any outstanding nonvoter-approved general obligation
11 indebtedness equal to one and one-half percent of the value of the
12 taxable property within the authority area, as the term "value of the
13 taxable property" is defined in RCW 39.36.015. An authority may
14 additionally issue general obligation bonds, together with outstanding
15 voter-approved and nonvoter-approved general obligation indebtedness,
16 equal to two and one-half percent of the value of the taxable property
17 within the authority area, as the term "value of the taxable property"
18 is defined in RCW 39.36.015, when the bonds are approved by three-
19 fifths of the qualified electors of the authority at a general or
20 special election called for that purpose and may provide for the
21 retirement thereof by levies in excess of dollar rate limitations in
22 accordance with the provisions of RCW 84.52.056. These elections must
23 be held as provided in RCW 39.36.050;

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

31 Unless authorized by the legislative authority of a city or county
32 or by the legislature, bonds issued by an authority are not obligations
33 of any city, county, or the state of Washington or any political
34 subdivision thereof other than the authority, and the bonds must state
35 that fact.

36 NEW SECTION. **Sec. 308.** (1) Every authority has the power to levy
37 and collect a special excise tax not exceeding two and one-half percent

1 on the value of every motor vehicle owned by a resident of the
2 authority area for the privilege of using a motor vehicle. Before use
3 of any excise tax money collected under this section for acquisition of
4 right of way or construction of a public transportation facility on a
5 separate right of way, the authority shall adopt rules affording the
6 public an opportunity for corridor public hearings and design public
7 hearings, which must provide in detail the procedures necessary for
8 public participation in the following instances: (a) Before adoption
9 of location and design plans having a substantial social, economic, or
10 environmental effect upon the locality upon which they are to be
11 constructed; or (b) on the public transportation facilities operating
12 on a separate right of way whenever a substantial change is proposed
13 relating to location or design in the adopted plan. In adopting rules
14 the authority shall adhere to the provisions of the Administrative
15 Procedure Act.

16 (2) A "corridor public hearing" is a public hearing that: (a) Is
17 held before the authority is committed to a specific route proposal for
18 the public transportation facility, and before a route location is
19 established; (b) is held to afford an opportunity for participation by
20 those interested in the determination of the need for, and the location
21 of, the public transportation facility; and (c) provides a public forum
22 that affords a full opportunity for presenting views on the public
23 transportation facility route location, and the social, economic, and
24 environmental effects on that location and alternate locations.
25 However, the hearing is not necessary before adoption of a
26 transportation plan as provided in section 306 of this act or a vote of
27 the qualified electors under subsection (5) of this section.

28 (3) A "design public hearing" is a public hearing that: (a) Is
29 held after the location is established but before the design is
30 adopted; (b) is held to afford an opportunity for participation by
31 those interested in the determination of major design features of the
32 public transportation facility; and (c) provides a public forum to
33 afford a full opportunity for presenting views on the public
34 transportation system design, and the social, economic, and
35 environmental effects of that design and alternate designs.

36 (4) An authority imposing a tax under subsection (1) of this
37 section may also impose a sales and use tax, in addition to any tax
38 authorized by RCW 82.14.030, upon retail car rentals within the city
39 that are taxable by the state under chapters 82.08 and 82.12 RCW. The

1 rate of tax may not exceed 1.944 percent of the base of the tax. The
2 base of the tax is the selling price in the case of a sales tax or the
3 rental value of the vehicle used in the case of a use tax. The tax
4 imposed under this section must be deducted from the amount of any tax
5 otherwise due under RCW 82.08.020(2). The revenue collected under this
6 subsection must be distributed in the same manner as sales and use
7 taxes under chapter 82.14 RCW.

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

11 NEW SECTION. **Sec. 309.** (1) Every authority may fix and impose a
12 fee, not to exceed one hundred dollars per vehicle, for each vehicle
13 that is subject to license tab fees under RCW 46.16.0621 and for each
14 vehicle that is subject to RCW 46.16.070 with an unladen weight of six
15 thousand pounds or less, and that is determined by the department of
16 licensing to be registered within the boundaries of the authority area.
17 The department of licensing shall provide an exemption from the fee for
18 any vehicle the owner of which demonstrates is not operated within the
19 authority area.

20 (2) The department of licensing shall administer and collect the
21 fee. The department shall deduct a percentage amount, as provided by
22 contract, not to exceed two percent of the taxes collected, for
23 administration and collection expenses incurred by it. The remaining
24 proceeds must be remitted to the custody of the state treasurer for
25 monthly distribution to the authority.

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

30 (4) Before an authority may impose any of the fees authorized under
31 this section, the authorization for imposition of the fees must be
32 approved by a majority of the qualified electors of the authority area
33 voting.

34 NEW SECTION. **Sec. 310.** (1) Every authority may impose annual
35 regular property tax levies in an amount equal to one dollar and fifty
36 cents or less per thousand dollars of assessed value of property in the
37 authority area when specifically authorized to do so by a majority of

1 the voters voting on a proposition submitted at a special election or
2 at the regular election of the authority. A proposition authorizing
3 the tax levies may not be submitted by an authority more than twice in
4 any twelve-month period. Ballot propositions must conform with RCW
5 29.30.111. The number of years during which the regular levy will be
6 imposed may be limited as specified in the ballot proposition or may be
7 unlimited in duration. If an authority is levying property taxes that
8 in combination with property taxes levied by other taxing districts
9 subject to the one percent limitation provided for in Article VII,
10 section 2 of the state Constitution result in taxes in excess of the
11 limitation provided for in RCW 84.52.043, the authority's property tax
12 levy must be reduced or eliminated consistent with RCW 84.52.010.

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

16 NEW SECTION. **Sec. 311.** All taxes and fees levied and collected by
17 an authority must be levied and used solely for the purpose of paying
18 all or any part of the cost of acquiring, designing, constructing,
19 equipping, or operating the facilities of an authority or contracting
20 for the services thereof, or to pay or secure the payment of all or
21 part of the principal of or interest on any general obligation bonds or
22 revenue bonds issued for authority purposes. Until expended, money
23 accumulated in the funds and accounts of an authority may be invested
24 in the manner authorized by the governing body of the authority,
25 consistent with state law.

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

31 NEW SECTION. **Sec. 312.** The special excise tax imposed under
32 section 309(1) of this act will be collected at the same time and in
33 the same manner as license tab fees under RCW 46.16.0621 and section
34 310 of this act. Every year on January 1st, April 1st, July 1st, and
35 October 1st the department of licensing shall remit special excise
36 taxes collected on behalf of an authority, back to the authority, at no
37 cost to the authority.

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

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

5 The rate percent of all taxes for state and county purposes, and
6 purposes of taxing districts coextensive with the county, shall be
7 determined, calculated and fixed by the county assessors of the
8 respective counties, within the limitations provided by law, upon the
9 assessed valuation of the property of the county, as shown by the
10 completed tax rolls of the county, and the rate percent of all taxes
11 levied for purposes of taxing districts within any county shall be
12 determined, calculated and fixed by the county assessors of the
13 respective counties, within the limitations provided by law, upon the
14 assessed valuation of the property of the taxing districts
15 respectively.

16 When a county assessor finds that the aggregate rate of tax levy on
17 any property, that is subject to the limitations set forth in RCW
18 84.52.043 or 84.52.050, exceeds the limitations provided in either of
19 these sections, the assessor shall recompute and establish a
20 consolidated levy in the following manner:

21 (1) The full certified rates of tax levy for state, county, county
22 road district, and city or town purposes shall be extended on the tax
23 rolls in amounts not exceeding the limitations established by law;
24 however any state levy shall take precedence over all other levies and
25 shall not be reduced for any purpose other than that required by RCW
26 84.55.010. If, as a result of the levies imposed under RCW 84.52.069,
27 84.34.230, the portion of the levy by a metropolitan park district that
28 was protected under RCW 84.52.120, and 84.52.105, the combined rate of
29 regular property tax levies that are subject to the one percent
30 limitation exceeds one percent of the true and fair value of any
31 property, then these levies shall be reduced as follows: (a) The
32 portion of the levy by a metropolitan park district that is protected
33 under RCW 84.52.120 shall be reduced until the combined rate no longer
34 exceeds one percent of the true and fair value of any property or shall
35 be eliminated; (b) if the combined rate of regular property tax levies
36 that are subject to the one percent limitation still exceeds one
37 percent of the true and fair value of any property, then the levies
38 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
39 imposed under RCW 84.52.069 that is in excess of thirty cents per

1 thousand dollars of assessed value, shall be reduced on a pro rata
2 basis until the combined rate no longer exceeds one percent of the true
3 and fair value of any property or shall be eliminated; and (c) if the
4 combined rate of regular property tax levies that are subject to the
5 one percent limitation still exceeds one percent of the true and fair
6 value of any property, then the thirty cents per thousand dollars of
7 assessed value of tax levy imposed under RCW 84.52.069 shall be reduced
8 until the combined rate no longer exceeds one percent of the true and
9 fair value of any property or eliminated.

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

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

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

21 (c) Third, if the consolidated tax levy rate still exceeds these
22 limitations, the certified property tax levy rates of all other junior
23 taxing districts, other than fire protection districts, library
24 districts, the first fifty cent per thousand dollars of assessed
25 valuation levies for metropolitan park districts, and the first fifty
26 cent per thousand dollars of assessed valuation levies for public
27 hospital districts, shall be reduced on a pro rata basis or eliminated;

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

32 (e) Fifth, if the consolidated tax levy rate still exceeds these
33 limitations, the certified property tax levy rates authorized for fire
34 protection districts under RCW 52.16.130, library districts,
35 metropolitan park districts under their first fifty cent per thousand
36 dollars of assessed valuation levy, and public hospital districts under
37 their first fifty cent per thousand dollars of assessed valuation levy,
38 shall be reduced on a pro rata basis or eliminated.

1 In determining whether the aggregate rate of tax levy on any
2 property, that is subject to the limitations set forth in RCW
3 84.52.050, exceeds the limitations provided in that section, the
4 assessor shall use the hypothetical state levy, as apportioned to the
5 county under RCW 84.48.080, that was computed under RCW 84.48.080
6 without regard to the reduction under RCW 84.55.012.

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

9 The limitations imposed by RCW 84.52.050 through 84.52.056, and RCW
10 84.52.043 shall not prevent the levy of additional taxes by any taxing
11 district except school districts in which a larger levy is necessary in
12 order to prevent the impairment of the obligation of contracts. As
13 used in this section, the term "taxing district" means any county,
14 metropolitan park district, park and recreation service area, park and
15 recreation district, water-sewer district, solid waste disposal
16 district, public facilities district, flood control zone district,
17 county rail district, service district, public hospital district, road
18 district, rural county library district, island library district, rural
19 partial-county library district, intercounty rural library district,
20 fire protection district, cemetery district, city, town, transportation
21 benefit district, emergency medical service district with a population
22 density of less than one thousand per square mile, ((or)) cultural
23 arts, stadium, and convention district, or city transportation
24 authority.

25 Any such taxing district may levy taxes at a rate in excess of the
26 rate specified in RCW 84.52.050 through 84.52.056 and 84.52.043, or
27 84.55.010 through 84.55.050, when authorized so to do by the voters of
28 such taxing district in the manner set forth in Article VII, section
29 2(a) of the Constitution of this state at a special or general election
30 to be held in the year in which the levy is made.

31 A special election may be called and the time therefor fixed by the
32 county legislative authority, or council, board of commissioners, or
33 other governing body of any such taxing district, by giving notice
34 thereof by publication in the manner provided by law for giving notices
35 of general elections, at which special election the proposition
36 authorizing such excess levy shall be submitted in such form as to
37 enable the voters favoring the proposition to vote "yes" and those
38 opposed thereto to vote "no."

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

3 **IV. MISCELLANEOUS PROVISIONS**

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

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

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

12 NEW SECTION. **Sec. 404.** SEVERABILITY. If any provision of this
13 act or its application to any person or circumstance is held invalid,
14 the remainder of the act or the application of the provision to other
15 persons or circumstances is not affected.

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

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