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**SUBSTITUTE HOUSE BILL 2969**

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**State of Washington**

**57th Legislature**

**2002 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representative Fisher)

Read first time 02/27/2002. Referred to Committee on .

1 AN ACT Relating to transportation improvement and financing;  
2 amending RCW 46.16.070, 46.68.035, 82.38.030, 82.38.035, 82.38.045,  
3 82.38.047, 82.38.075, 46.09.170, 46.10.170, 79A.25.070, 82.08.020,  
4 82.12.020, and 39.42.060; reenacting and amending RCW 82.36.025,  
5 46.68.090, and 43.84.092; adding a new section to chapter 46.68 RCW;  
6 adding new sections to chapter 47.10 RCW; adding a new chapter to Title  
7 47 RCW; creating new sections; providing an effective date; providing  
8 for submission of this act to a vote of the people; and declaring an  
9 emergency.

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

11 **PART I - ACCOUNTABILITY FOR TRANSPORTATION PROJECTS AND PROGRAMS**

12 NEW SECTION. **Sec. 101.** It is essential that the legislature  
13 improve the accountability and efficiency of the department of  
14 transportation. Taxpayers must know that their tax dollars are being  
15 well spent to deliver critically needed transportation projects. To  
16 accomplish this, an independent transportation accountability board  
17 must be established to provide citizen oversight on these  
18 transportation projects. The board will report back to the public on

1 how their tax dollars are spent on projects funded by new  
2 transportation taxes.

3 NEW SECTION. **Sec. 102.** (1) The transportation accountability  
4 board is created.

5 (2) The board will consist of no fewer than five and no more than  
6 nine members appointed by the governor for terms of four years, except  
7 that at least half the members initially appointed will be appointed  
8 for terms of two years. The members of the board must be chosen so the  
9 council will have experience and expertise relating to major civil  
10 engineering and construction works and facilities to include: (a)  
11 Design, estimating, contract packaging, and procurement; (b)  
12 construction means and methods and construction management and  
13 administration; (c) project finance, accounting, controls, and  
14 reporting; (d) procedures for obtaining permits and for assuring  
15 regulatory compliance; (e) dispute resolution; (f) construction work  
16 force training and safety; (g) general public administration; and (h)  
17 experience crafting and implementing environmental mitigation plans.  
18 The governor shall designate one of the appointees as chairman, and may  
19 draw on members of the Blue Ribbon Commission on Transportation for  
20 initial appointees.

21 (3) The governor may not remove members from the board before the  
22 expiration of their terms unless for cause based upon a determination  
23 of incapacity, incompetence, neglect of duty, or malfeasance in office  
24 by the Thurston county superior court, upon petition and show cause  
25 proceedings brought for that purpose in that court and directed to the  
26 board member in question.

27 (4) No member may be appointed for more than three consecutive  
28 terms.

29 NEW SECTION. **Sec. 103.** (1) The board shall meet periodically upon  
30 the call of the chairman. It may adopt its own rules and may establish  
31 its own procedures. It shall act collectively in harmony with recorded  
32 resolutions or motions adopted by a majority vote of the members.

33 (2) Each member of the board will be compensated in accordance with  
34 RCW 43.03.250 and reimbursed for actual necessary traveling and other  
35 expenses in going to, attending, and returning from meetings of the  
36 board or that are incurred in the discharge of duties requested by the  
37 chairman. However, in no event may a board member be compensated in

1 any year for more than one hundred twenty days, except the chairman may  
2 be compensated for not more than one hundred fifty days. Service on  
3 the board does not qualify as a service credit for the purposes of a  
4 public retirement system.

5 (3) The board shall keep proper records and is subject to audit by  
6 the state auditor or other auditing entities.

7 NEW SECTION. **Sec. 104.** (1) Staff support to the board must be  
8 provided by the joint legislative audit and review committee, which  
9 shall provide professional support for the duties, functions,  
10 responsibilities, and activities of the board, including but not  
11 limited to information technology systems; data collection, processing,  
12 analysis, and reporting; project management; and office space,  
13 equipment, and secretarial support.

14 (2) The board may from time to time retain planners, consultants,  
15 and other technical personnel to advise it in the performance of its  
16 duties.

17 NEW SECTION. **Sec. 105.** The transportation accountability board  
18 shall serve as a single, independent point of accountability for  
19 reporting, analyzing, and monitoring the department's performance in  
20 delivering improvement projects and programs funded with new revenues.  
21 The department of transportation and the transportation commission must  
22 work cooperatively with the board to carry out the purposes of this  
23 chapter. The board has the following responsibilities:

24 (1) Direct the department of transportation to submit a quarterly  
25 audit report as required under section 106 of this act;

26 (2) Report annually to the governor and the legislature on the  
27 department's progress on each project as further defined in section 108  
28 of this act;

29 (3) When necessary, make policy recommendations for improving  
30 efficiencies, savings or improvements in the department's project  
31 management, accountability measures, or project delivery mechanisms;

32 (4) Recommend any leading edge transportation project delivery  
33 strategies, oversight, accountability, or efficiency measures.

34 NEW SECTION. **Sec. 106.** The department of transportation shall  
35 prepare and submit to the transportation commission once each quarter,  
36 a comprehensive audit report on each transportation project funded by

1 this act. At a minimum, the audit report must include the following  
2 elements:

3 (1) Project status and any scope changes;

4 (2) Estimated completion date and cost, noting any changes from  
5 past estimates;

6 (3) Actual project expenditures as compared with projected  
7 expenditures;

8 (4) Any changes in financing for each project;

9 (5) Claim or change orders that result in greater than a five  
10 percent cumulative increase in project cost, or greater than sixty days  
11 of delay;

12 (6) Status of any required permits;

13 (7) Mitigation efforts to relieve both traffic and environmental  
14 impacts;

15 (8) Evaluation of work force effectiveness, including both state  
16 employees and contractors;

17 (9) Outlook for the upcoming year, including projected  
18 accomplishments and challenges;

19 (10) Copies of any accountability reports filed with the federal  
20 highway administration;

21 (11) Any other useful information the board requests.

22 NEW SECTION. **Sec. 107.** The transportation commission must review  
23 the proposed audit report submitted by the department. After reviewing  
24 the information contained therein, the commission may request  
25 additional information or data, or ask for clarifications. The  
26 commission is prohibited from changing any of the data contained in the  
27 audit report.

28 After conducting its review, the commission must forward the audit  
29 report to the transportation accountability board.

30 NEW SECTION. **Sec. 108.** (1) Upon completion of its review under  
31 section 107 of this act, the transportation commission shall forward  
32 the quarterly audit report to the transportation accountability board.  
33 The transportation accountability board will accept or reject the audit  
34 report.

35 (a) In determining whether to accept or reject the audit report,  
36 the board:

1 (i) Will analyze, investigate, and evaluate the data contained in  
2 the quarterly audit report;

3 (ii) Will receive staff support for this evaluation from the joint  
4 legislative audit and review committee; and

5 (iii) May request additional information or data from the  
6 department of transportation.

7 (b) As part of the evaluation process, the board may make  
8 recommendations to the department and the transportation commission for  
9 efficiencies, savings, or improvements in the department's project  
10 management, accountability measures or project delivery mechanisms.  
11 The chairman will work with the department and the transportation  
12 commission on behalf of the board to implement changes recommended by  
13 the board.

14 (2) Upon final acceptance, the board must forward the audit report  
15 to the transportation standing committees of the house of  
16 representatives and senate, and to the office of financial management,  
17 along with any recommendations the board makes under section 105 of  
18 this act.

19 (3) The board must publish and make the audit report available to  
20 the public in both print and electronic media.

21 NEW SECTION. **Sec. 109.** Sections 101 through 108 of this act  
22 constitute a new chapter in Title 47 RCW.

23 **PART II - COMBINED LICENSING FEE**

24 **Sec. 201.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to  
25 read as follows:

26 (1) In lieu of all other vehicle licensing fees, unless  
27 specifically exempt, and in addition to (~~the excise tax prescribed in~~  
28 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and  
29 stages in RCW 46.16.125, there shall be paid and collected annually for  
30 each truck, motor truck, truck tractor, road tractor, tractor, bus,  
31 auto stage, or for hire vehicle with seating capacity of more than six,  
32 based upon the declared combined gross weight or declared gross weight  
33 (~~thereof~~)) pursuant to the provisions of chapter 46.44 RCW, the  
34 following licensing fees by such gross weight:

	(DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
1			
2	4,000 lbs.	\$ 37.00	\$ 37.00
3	6,000 lbs.	\$ 44.00	\$ 44.00
4	8,000 lbs.	\$ 55.00	\$ 55.00
5	10,000 lbs.	\$ 62.00	\$ 62.00
6	12,000 lbs.	\$ 72.00	\$ 72.00
7	14,000 lbs.	\$ 82.00	\$ 82.00
8	16,000 lbs.	\$ 92.00	\$ 92.00
9	18,000 lbs.	\$ 137.00	\$ 137.00
10	20,000 lbs.	\$ 152.00	\$ 152.00
11	22,000 lbs.	\$ 164.00	\$ 164.00
12	24,000 lbs.	\$ 177.00	\$ 177.00
13	26,000 lbs.	\$ 187.00	\$ 187.00
14	28,000 lbs.	\$ 220.00	\$ 220.00
15	30,000 lbs.	\$ 253.00	\$ 253.00
16	32,000 lbs.	\$ 304.00	\$ 304.00
17	34,000 lbs.	\$ 323.00	\$ 323.00
18	36,000 lbs.	\$ 350.00	\$ 350.00
19	38,000 lbs.	\$ 384.00	\$ 384.00
20	40,000 lbs.	\$ 439.00	\$ 439.00
21	42,000 lbs.	\$ 456.00	\$ 546.00
22	44,000 lbs.	\$ 466.00	\$ 556.00
23	46,000 lbs.	\$ 501.00	\$ 591.00
24	48,000 lbs.	\$ 522.00	\$ 612.00
25	50,000 lbs.	\$ 566.00	\$ 656.00
26	52,000 lbs.	\$ 595.00	\$ 685.00
27	54,000 lbs.	\$ 642.00	\$ 732.00
28	56,000 lbs.	\$ 677.00	\$ 767.00
29	58,000 lbs.	\$ 704.00	\$ 794.00
30	60,000 lbs.	\$ 750.00	\$ 840.00
31	62,000 lbs.	\$ 804.00	\$ 894.00
32	64,000 lbs.	\$ 822.00	\$ 912.00
33	66,000 lbs.	\$ 915.00	\$ 1,005.00
34	68,000 lbs.	\$ 954.00	\$ 1,044.00
35	70,000 lbs.	\$ 1,027.00	\$ 1,117.00
36	72,000 lbs.	\$ 1,098.00	\$ 1,188.00
37	74,000 lbs.	\$ 1,193.00	\$ 1,283.00
38	76,000 lbs.	\$ 1,289.00	\$ 1,379.00
39	78,000 lbs.	\$ 1,407.00	\$ 1,497.00
40	80,000 lbs.	\$ 1,518.00	\$ 1,608.00
41	82,000 lbs.	\$ 1,623.00	\$ 1,713.00
42	84,000 lbs.	\$ 1,728.00	\$ 1,818.00
43	86,000 lbs.	\$ 1,833.00	\$ 1,923.00
44	88,000 lbs.	\$ 1,938.00	\$ 2,028.00
45	90,000 lbs.	\$ 2,043.00	\$ 2,133.00
46	92,000 lbs.	\$ 2,148.00	\$ 2,238.00
47	94,000 lbs.	\$ 2,253.00	\$ 2,343.00

1	96,000 lbs.	\$ 2,358.00	\$ 2,448.00
2	98,000 lbs.	\$ 2,463.00	\$ 2,553.00
3	100,000 lbs.	\$ 2,568.00	\$ 2,658.00
4	102,000 lbs.	\$ 2,673.00	\$ 2,763.00
5	104,000 lbs.	\$ 2,778.00	\$ 2,868.00
6	105,500 lbs.	\$ 2,883.00	\$ 2,973.00))

		Effective		Effective	
	Gross	October 1, 2002,		October 1, 2003	
	Weight	through September 30, 2003			
		Schedule A	Schedule B	Schedule A	Schedule B
11	<u>4,000</u>	<u>\$37</u>	<u>\$37</u>	<u>\$37</u>	<u>\$37</u>
12	<u>6,000</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>44</u>
13	<u>8,000</u>	<u>55</u>	<u>55</u>	<u>55</u>	<u>55</u>
14	<u>10,000</u>	<u>62</u>	<u>62</u>	<u>62</u>	<u>62</u>
15	<u>12,000</u>	<u>77</u>	<u>77</u>	<u>81</u>	<u>81</u>
16	<u>14,000</u>	<u>88</u>	<u>88</u>	<u>93</u>	<u>93</u>
17	<u>16,000</u>	<u>99</u>	<u>99</u>	<u>105</u>	<u>105</u>
18	<u>18,000</u>	<u>148</u>	<u>148</u>	<u>159</u>	<u>159</u>
19	<u>20,000</u>	<u>165</u>	<u>165</u>	<u>177</u>	<u>177</u>
20	<u>22,000</u>	<u>178</u>	<u>178</u>	<u>192</u>	<u>192</u>
21	<u>24,000</u>	<u>192</u>	<u>192</u>	<u>207</u>	<u>207</u>
22	<u>26,000</u>	<u>203</u>	<u>203</u>	<u>219</u>	<u>219</u>
23	<u>28,000</u>	<u>239</u>	<u>239</u>	<u>259</u>	<u>259</u>
24	<u>30,000</u>	<u>276</u>	<u>276</u>	<u>298</u>	<u>298</u>
25	<u>32,000</u>	<u>332</u>	<u>332</u>	<u>360</u>	<u>360</u>
26	<u>34,000</u>	<u>353</u>	<u>353</u>	<u>382</u>	<u>382</u>
27	<u>36,000</u>	<u>382</u>	<u>382</u>	<u>415</u>	<u>415</u>
28	<u>38,000</u>	<u>420</u>	<u>420</u>	<u>456</u>	<u>456</u>
29	<u>40,000</u>	<u>480</u>	<u>480</u>	<u>522</u>	<u>522</u>
30	<u>42,000</u>	<u>499</u>	<u>589</u>	<u>542</u>	<u>632</u>
31	<u>44,000</u>	<u>510</u>	<u>600</u>	<u>554</u>	<u>644</u>
32	<u>46,000</u>	<u>549</u>	<u>639</u>	<u>596</u>	<u>686</u>
33	<u>48,000</u>	<u>572</u>	<u>662</u>	<u>621</u>	<u>711</u>
34	<u>50,000</u>	<u>620</u>	<u>710</u>	<u>674</u>	<u>764</u>
35	<u>52,000</u>	<u>652</u>	<u>742</u>	<u>709</u>	<u>799</u>
36	<u>54,000</u>	<u>704</u>	<u>794</u>	<u>765</u>	<u>855</u>
37	<u>56,000</u>	<u>742</u>	<u>832</u>	<u>807</u>	<u>897</u>
38	<u>58,000</u>	<u>772</u>	<u>862</u>	<u>840</u>	<u>930</u>
39	<u>60,000</u>	<u>822</u>	<u>912</u>	<u>895</u>	<u>985</u>
40	<u>62,000</u>	<u>882</u>	<u>972</u>	<u>960</u>	<u>1,050</u>
41	<u>64,000</u>	<u>902</u>	<u>992</u>	<u>981</u>	<u>1,071</u>
42	<u>66,000</u>	<u>1,004</u>	<u>1,094</u>	<u>1,093</u>	<u>1,183</u>
43	<u>68,000</u>	<u>1,047</u>	<u>1,137</u>	<u>1,140</u>	<u>1,230</u>
44	<u>70,000</u>	<u>1,127</u>	<u>1,217</u>	<u>1,227</u>	<u>1,317</u>
45	<u>72,000</u>	<u>1,205</u>	<u>1,295</u>	<u>1,312</u>	<u>1,402</u>
46	<u>74,000</u>	<u>1,310</u>	<u>1,400</u>	<u>1,426</u>	<u>1,516</u>
47	<u>76,000</u>	<u>1,415</u>	<u>1,505</u>	<u>1,542</u>	<u>1,632</u>

1	<u>78,000</u>	<u>1,545</u>	<u>1,635</u>	<u>1,683</u>	<u>1,773</u>
2	<u>80,000</u>	<u>1,667</u>	<u>1,757</u>	<u>1,816</u>	<u>1,906</u>
3	<u>82,000</u>	<u>1,783</u>	<u>1,873</u>	<u>1,942</u>	<u>2,032</u>
4	<u>84,000</u>	<u>1,898</u>	<u>1,988</u>	<u>2,068</u>	<u>2,158</u>
5	<u>86,000</u>	<u>2,014</u>	<u>2,104</u>	<u>2,194</u>	<u>2,284</u>
6	<u>88,000</u>	<u>2,129</u>	<u>2,219</u>	<u>2,320</u>	<u>2,410</u>
7	<u>90,000</u>	<u>2,245</u>	<u>2,335</u>	<u>2,446</u>	<u>2,536</u>
8	<u>92,000</u>	<u>2,360</u>	<u>2,450</u>	<u>2,572</u>	<u>2,662</u>
9	<u>94,000</u>	<u>2,476</u>	<u>2,566</u>	<u>2,698</u>	<u>2,788</u>
10	<u>96,000</u>	<u>2,591</u>	<u>2,681</u>	<u>2,824</u>	<u>2,914</u>
11	<u>98,000</u>	<u>2,707</u>	<u>2,797</u>	<u>2,950</u>	<u>3,040</u>
12	<u>100,000</u>	<u>2,822</u>	<u>2,912</u>	<u>3,076</u>	<u>3,166</u>
13	<u>102,000</u>	<u>2,938</u>	<u>3,028</u>	<u>3,202</u>	<u>3,292</u>
14	<u>104,000</u>	<u>3,053</u>	<u>3,143</u>	<u>3,328</u>	<u>3,418</u>
15	<u>105,500</u>	<u>3,169</u>	<u>3,259</u>	<u>3,454</u>	<u>3,544</u>

16 Schedule A applies to vehicles either used exclusively for hauling  
17 logs or that do not tow trailers. Schedule B applies to vehicles that  
18 tow trailers and are not covered under Schedule A.

19 (2) Every truck, motor truck, truck tractor, and tractor exceeding  
20 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,  
21 or 46.88 RCW shall be licensed for not less than one hundred fifty  
22 percent of its empty weight unless the amount would be in excess of the  
23 legal limits prescribed for such a vehicle in RCW 46.44.041 or  
24 46.44.042, in which event the vehicle shall be licensed for the maximum  
25 weight authorized for such a vehicle or unless the vehicle is used only  
26 for the purpose of transporting any well drilling machine, air  
27 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,  
28 tool house, bunk house, or similar machine or structure attached to or  
29 made a part of such vehicle.

30 (3) The following provisions apply when increasing gross or  
31 combined gross weight for a vehicle licensed under this section:

32 (a) The new license fee will be one-twelfth of the fee listed above  
33 for the new gross weight, multiplied by the number of months remaining  
34 in the period for which licensing fees have been paid, including the  
35 month in which the new gross weight is effective.

36 (b) Upon surrender of the current certificate of registration or  
37 cab card, the new licensing fees due shall be reduced by the amount of  
38 the licensing fees previously paid for the same period for which new  
39 fees are being charged.

40 ((+2)) (4) The proceeds from the fees collected under ((subsection  
41 (1) of)) this section shall be distributed in accordance with RCW  
42 46.68.035.





1       **Sec. 302.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are  
2 each reenacted and amended to read as follows:

3       (1) All moneys that have accrued or may accrue to the motor vehicle  
4 fund from the motor vehicle fuel tax and special fuel tax shall be  
5 first expended for purposes enumerated in (a) and (b) of this  
6 subsection. The remaining net tax amount shall be distributed monthly  
7 by the state treasurer in ~~((the proportions set forth in (c) through~~  
8 ~~(1) of this))~~ accordance with subsections (2) through (4) of this  
9 section.

10       (a) For payment of refunds of motor vehicle fuel tax and special  
11 fuel tax that has been paid and is refundable as provided by law;

12       (b) For payment of amounts to be expended pursuant to  
13 appropriations for the administrative expenses of the offices of state  
14 treasurer, state auditor, and the department of licensing of the state  
15 of Washington in the administration of the motor vehicle fuel tax and  
16 the special fuel tax, which sums shall be distributed monthly~~((+))~~.

17       ~~((+e))~~ (2) All of the remaining net tax amount collected under RCW  
18 82.36.025(1) and 82.38.030(1) must be distributed in the proportions  
19 set forth in (a) through (j) of this subsection.

20       (a) For distribution to the motor vehicle fund an amount equal to  
21 44.387 percent to be expended for highway purposes of the state, as  
22 defined in RCW 46.68.130;

23       ~~((+d))~~ (b) For distribution to the special category C account,  
24 hereby created in the motor vehicle fund, an amount equal to 3.2609  
25 percent to be expended for special category C projects. Special  
26 category C projects are category C projects that, due to high cost  
27 only, will require bond financing to complete construction.

28       The following criteria, listed in order of priority, shall be used  
29 in determining which special category C projects have the highest  
30 priority:

31       (i) Accident experience;

32       (ii) Fatal accident experience;

33       (iii) Capacity to move people and goods safely and at reasonable  
34 speeds without undue congestion; and

35       (iv) Continuity of development of the highway transportation  
36 network.

37       Moneys deposited in the special category C account in the motor  
38 vehicle fund may be used for payment of debt service on bonds the

1 proceeds of which are used to finance special category C projects under  
2 this subsection (~~(1)(d)~~) (2)(b);

3 (~~(e)~~) (c) For distribution to the Puget Sound ferry operations  
4 account in the motor vehicle fund an amount equal to 2.3283 percent;

5 (~~(f)~~) (d) For distribution to the Puget Sound capital  
6 construction account in the motor vehicle fund an amount equal to  
7 2.3726 percent;

8 (~~(g)~~) (e) For distribution to the urban arterial trust account in  
9 the motor vehicle fund an amount equal to 7.5597 percent;

10 (~~(h)~~) (f) For distribution to the transportation improvement  
11 account in the motor vehicle fund an amount equal to 5.6739 percent and  
12 expended in accordance with RCW 47.26.086;

13 (~~(i)~~) (g) For distribution to the cities and towns from the motor  
14 vehicle fund an amount equal to 10.6961 percent in accordance with RCW  
15 46.68.110;

16 (~~(j)~~) (h) For distribution to the counties from the motor vehicle  
17 fund an amount equal to 19.2287 percent: (i) Out of which there shall  
18 be distributed from time to time, as directed by the department of  
19 transportation, those sums as may be necessary to carry out the  
20 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to  
21 the county road administration board to implement the provisions of RCW  
22 47.56.725(4), with the balance of such county share to be distributed  
23 monthly as the same accrues for distribution in accordance with RCW  
24 46.68.120;

25 (~~(k)~~) (i) For distribution to the county arterial preservation  
26 account, hereby created in the motor vehicle fund an amount equal to  
27 1.9565 percent. These funds shall be distributed by the county road  
28 administration board to counties in proportions corresponding to the  
29 number of paved arterial lane miles in the unincorporated area of each  
30 county and shall be used for improvements to sustain the structural,  
31 safety, and operational integrity of county arterials. The county road  
32 administration board shall adopt reasonable rules and develop policies  
33 to implement this program and to assure that a pavement management  
34 system is used;

35 (~~(l)~~) (j) For distribution to the rural arterial trust account in  
36 the motor vehicle fund an amount equal to 2.5363 percent and expended  
37 in accordance with RCW 36.79.020.

1        ~~((2))~~ (3) All of the remaining net tax amount collected under the  
2 additional four cents levied under RCW 82.36.025(2) and 82.38.030(2)  
3 must be distributed in the following manner:

4        (a) 75 percent distributed to the motor vehicle fund;

5        (b) 8.3333 percent distributed to the transportation improvement  
6 account in the motor vehicle fund and expended in accordance with RCW  
7 47.26.086;

8        (c) 8.3333 percent distributed to the cities and towns from the  
9 motor vehicle fund in accordance with RCW 46.68.110;

10       (d) 8.3333 percent distributed to the counties from the motor  
11 vehicle fund in accordance with RCW 46.68.120.

12       (4) Nothing in this section or in RCW 46.68.130 may be construed so  
13 as to violate any terms or conditions contained in any highway  
14 construction bond issues now or hereafter authorized by statute and  
15 whose payment is by such statute pledged to be paid from any excise  
16 taxes on motor vehicle fuel and special fuels.

17       **Sec. 303.** RCW 82.38.030 and 2001 c 270 s 6 are each amended to  
18 read as follows:

19       (1) There is hereby levied and imposed upon special fuel users a  
20 tax at the rate ~~((computed in the manner provided in RCW 82.36.025 on~~  
21 ~~each))~~ of twenty-three cents per gallon of special fuel, or each one  
22 hundred cubic feet of compressed natural gas, measured at standard  
23 pressure and temperature.

24       (2) Beginning October 1, 2002, an additional and cumulative special  
25 fuel tax rate of four cents per gallon of special fuel, or each one  
26 hundred cubic feet of compressed natural gas, measured at standard  
27 pressure and temperature is imposed on special fuel users.

28       (3) Beginning October 1, 2003, an additional and cumulative special  
29 fuel tax rate of four cents per gallon of special fuel, or each one  
30 hundred cubic feet of compressed natural gas, measured at standard  
31 pressure and temperature is imposed on special fuel users.

32       (4) The tax ~~((imposed by subsection (1) of this section))~~ is  
33 imposed when:

34       (a) Special fuel is removed in this state from a terminal if the  
35 special fuel is removed at the rack unless the removal is to a licensed  
36 exporter for direct delivery to a destination outside of the state, or  
37 the removal is to a special fuel distributor for direct delivery to an  
38 international fuel tax agreement licensee under RCW 82.38.320;

1 (b) Special fuel is removed in this state from a refinery if either  
2 of the following applies:

3 (i) The removal is by bulk transfer and the refiner or the owner of  
4 the special fuel immediately before the removal is not a licensee; or

5 (ii) The removal is at the refinery rack unless the removal is to  
6 a licensed exporter for direct delivery to a destination outside of the  
7 state, or the removal is to a special fuel distributor for direct  
8 delivery to an international fuel tax agreement licensee under RCW  
9 82.38.320;

10 (c) Special fuel enters into this state for sale, consumption, use,  
11 or storage if either of the following applies:

12 (i) The entry is by bulk transfer and the importer is not a  
13 licensee; or

14 (ii) The entry is not by bulk transfer;

15 (d) Special fuel is sold or removed in this state to an unlicensed  
16 entity unless there was a prior taxable removal, entry, or sale of the  
17 special fuel;

18 (e) Blended special fuel is removed or sold in this state by the  
19 blender of the fuel. The number of gallons of blended special fuel  
20 subject to tax is the difference between the total number of gallons of  
21 blended special fuel removed or sold and the number of gallons of  
22 previously taxed special fuel used to produce the blended special fuel;

23 (f) Dyed special fuel is used on a highway, as authorized by the  
24 internal revenue code, unless the use is exempt from the special fuel  
25 tax;

26 (g) Special fuel purchased by an international fuel tax agreement  
27 licensee under RCW 82.38.320 is used on a highway; and

28 (h) Special fuel is sold by a licensed special fuel supplier to a  
29 special fuel distributor, special fuel importer, or special fuel  
30 blender and the special fuel is not removed from the bulk transfer-  
31 terminal system.

32 ((+3)) (5) The tax imposed by this chapter, if required to be  
33 collected by the licensee, is held in trust by the licensee until paid  
34 to the department, and a licensee who appropriates or converts the tax  
35 collected to his or her own use or to any use other than the payment of  
36 the tax to the extent that the money required to be collected is not  
37 available for payment on the due date as prescribed in this chapter is  
38 guilty of a felony, or gross misdemeanor in accordance with the theft  
39 and anticipatory provisions of Title 9A RCW. A person, partnership,

1 corporation, or corporate officer who fails to collect the tax imposed  
2 by this section, or who has collected the tax and fails to pay it to  
3 the department in the manner prescribed by this chapter, is personally  
4 liable to the state for the amount of the tax.

5 **Sec. 304.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to  
6 read as follows:

7 (1) A licensed supplier shall remit tax on special fuel to the  
8 department as provided in RCW 82.38.030(~~(+2)~~) (4)(a). On a two-party  
9 exchange, or buy-sell agreement between two licensed suppliers, the  
10 receiving exchange partner or buyer shall remit the tax.

11 (2) A refiner shall remit tax to the department on special fuel  
12 removed from a refinery as provided in RCW 82.38.030(~~(+2)~~) (4)(b).

13 (3) An importer shall remit tax to the department on special fuel  
14 imported into this state as provided in RCW 82.38.030(~~(+2)~~) (4)(c).

15 (4) A blender shall remit tax to the department on the removal or  
16 sale of blended special fuel as provided in RCW 82.38.030(~~(+2)~~)  
17 (4)(e).

18 (5) A dyed special fuel user shall remit tax to the department on  
19 the use of dyed special fuel as provided in RCW 82.38.030(~~(+2)~~)  
20 (4)(f).

21 **Sec. 305.** RCW 82.38.045 and 1998 c 176 s 54 are each amended to  
22 read as follows:

23 A terminal operator is jointly and severally liable for remitting  
24 the tax imposed under RCW 82.38.030(~~(+1)~~) if, at the time of removal:

25 (1) The position holder with respect to the special fuel is a  
26 person other than the terminal operator and is not a licensee;

27 (2) The terminal operator is not a licensee;

28 (3) The position holder has an expired internal revenue service  
29 notification certificate issued under chapter 26, C.F.R. Part 48; or

30 (4) The terminal operator had reason to believe that information on  
31 the notification certificate was false.

32 **Sec. 306.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to  
33 read as follows:

34 A terminal operator is jointly and severally liable for remitting  
35 the tax imposed under RCW 82.38.030(~~(+1)~~) if, in connection with the  
36 removal of special fuel that is not dyed or marked in accordance with

1 internal revenue service requirements, the terminal operator provides  
2 a person with a bill of lading, shipping paper, or similar document  
3 indicating that the special fuel is dyed or marked in accordance with  
4 internal revenue service requirements.

5 **Sec. 307.** RCW 82.38.075 and 1983 c 212 s 1 are each amended to  
6 read as follows:

7 In order to encourage the use of nonpolluting fuels, an annual  
8 license fee in lieu of the tax imposed by RCW 82.38.030 shall be  
9 imposed upon the use of natural gas as defined in this chapter or on  
10 liquified petroleum gas, commonly called propane, which is used in any  
11 motor vehicle, as defined in RCW 46.04.320, which shall be based upon  
12 the following schedule as adjusted by the formula set out below:

13	VEHICLE TONNAGE (GVW)	FEE
14	0 - 6,000	\$ 45
15	6,001 - 10,000	\$ 45
16	10,001 - 18,000	\$ 80
17	18,001 - 28,000	\$110
18	28,001 - 36,000	\$150
19	36,001 and above	\$250

20 To determine the actual annual license fee imposed by this section  
21 for a registration year, the appropriate dollar amount set out in the  
22 above schedule shall be multiplied by the ((~~motor vehicle~~)) special  
23 fuel tax rate ((~~in cents per gallon~~)) as established by RCW  
24 ((~~82.36.025~~)) 82.38.030 effective on July 1st of the preceding calendar  
25 year and the product thereof shall be divided by 12 cents.

26 The department of licensing, in addition to the foregoing fee,  
27 shall charge a further fee of five dollars as a handling charge for  
28 each license issued.

29 The director of licensing shall be authorized to prorate the  
30 vehicle tonnage fee so that the annual license required by this section  
31 will correspond with the staggered vehicle licensing system.

32 A decal or other identifying device issued upon payment of these  
33 annual fees shall be displayed as prescribed by the department as  
34 authority to purchase this fuel.

35 Persons selling or dispensing natural gas or propane may not sell  
36 or dispense this fuel for their own use or the use of others into tanks

1 of vehicles powered by this fuel which do not display a valid decal or  
2 other identifying device as provided in this section.

3 Vehicles registered in jurisdictions outside the state of  
4 Washington are exempt from this section.

5 Any person selling or dispensing natural gas or propane into the  
6 tank of a motor vehicle powered by this fuel, except as prescribed in  
7 this chapter, is subject to the penalty provisions of this chapter.

8 NEW SECTION. **Sec. 308.** A new section is added to chapter 46.68  
9 RCW to read as follows:

10 There is hereby created the freight mobility strategic investment  
11 account. All money deposited in the account shall be used by the  
12 department of transportation for:

13 (1) Improving the freight transportation highway system by  
14 constructing projects selected by the freight mobility strategic  
15 investment board.

16 (2) The department may pledge any money in the freight mobility  
17 strategic investment account for debt service on bonds issued to  
18 finance projects authorized under subsection (1) of this section.

19 (3) Money in the freight mobility strategic investment account of  
20 the motor vehicle fund that is not required by the department for  
21 payment of principal or interest on bond issues or for any of the other  
22 purposes authorized in this section may be invested by the department  
23 in bonds and obligations of the nature eligible for the investment of  
24 current state funds as provided in RCW 43.84.080.

25 **Sec. 309.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273  
26 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended  
27 to read as follows:

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

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



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

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

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

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

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

1 earnings to be distributed under this subsection (4)(a) shall first be  
2 reduced by the allocation to the state treasurer's service fund  
3 pursuant to RCW 43.08.190.

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

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

25 **Sec. 310.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to  
26 read as follows:

27 (1) From time to time, but at least once each year, the state  
28 treasurer shall refund from the motor vehicle fund one percent of the  
29 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,  
30 based on the tax rate in effect January 1, (~~(1990)~~) 2001, less proper  
31 deductions for refunds and costs of collection as provided in RCW  
32 46.68.090. The treasurer shall place these funds in the general fund  
33 as follows:

34 (a) Forty percent shall be credited to the ORV and nonhighway  
35 vehicle account and administered by the department of natural resources  
36 solely for planning, maintenance, and management of ORV recreation  
37 facilities, nonhighway roads, and nonhighway road recreation

1 facilities. The funds under this subsection shall be expended in  
2 accordance with the following limitations:

3 (i) Not more than five percent may be expended for information  
4 programs under this chapter;

5 (ii) Not less than ten percent and not more than fifty percent may  
6 be expended for ORV recreation facilities;

7 (iii) Not more than twenty-five percent may be expended for  
8 maintenance of nonhighway roads;

9 (iv) Not more than fifty percent may be expended for nonhighway  
10 road recreation facilities;

11 (v) Ten percent shall be transferred to the interagency committee  
12 for outdoor recreation for grants to law enforcement agencies in those  
13 counties where the department of natural resources maintains ORV  
14 facilities. This amount is in addition to those distributions made by  
15 the interagency committee for outdoor recreation under (d)(i) of this  
16 subsection;

17 (b) Three and one-half percent shall be credited to the ORV and  
18 nonhighway vehicle account and administered by the department of fish  
19 and wildlife solely for the acquisition, planning, development,  
20 maintenance, and management of nonhighway roads and recreation  
21 facilities;

22 (c) Two percent shall be credited to the ORV and nonhighway vehicle  
23 account and administered by the parks and recreation commission solely  
24 for the maintenance and management of ORV use areas and facilities; and

25 (d) Fifty-four and one-half percent, together with the funds  
26 received by the interagency committee for outdoor recreation under RCW  
27 46.09.110, shall be credited to the nonhighway and off-road vehicle  
28 activities program account to be administered by the committee for  
29 planning, acquisition, development, maintenance, and management of ORV  
30 recreation facilities and nonhighway road recreation facilities; ORV  
31 user education and information; and ORV law enforcement programs. The  
32 funds under this subsection shall be expended in accordance with the  
33 following limitations:

34 (i) Not more than twenty percent may be expended for ORV education,  
35 information, and law enforcement programs under this chapter;

36 (ii) Not less than an amount equal to the funds received by the  
37 interagency committee for outdoor recreation under RCW 46.09.110 and  
38 not more than sixty percent may be expended for ORV recreation  
39 facilities;

1 (iii) Not more than twenty percent may be expended for nonhighway  
2 road recreation facilities.

3 (2) On a yearly basis an agency may not, except as provided in RCW  
4 46.09.110, expend more than ten percent of the funds it receives under  
5 this chapter for general administration expenses incurred in carrying  
6 out this chapter.

7 **Sec. 311.** RCW 46.10.170 and 1994 c 262 s 4 are each amended to  
8 read as follows:

9 From time to time, but at least once each four years, the  
10 department shall determine the amount of moneys paid to it as motor  
11 vehicle fuel tax that is tax on snowmobile fuel. Such determination  
12 shall use one hundred thirty-five gallons as the average yearly fuel  
13 usage per snowmobile, the number of registered snowmobiles during the  
14 calendar year under determination, and the fuel tax rate in effect  
15 January 1, (~~1990~~) 2001.

16 **Sec. 312.** RCW 79A.25.070 and 2000 c 11 s 73 are each amended to  
17 read as follows:

18 Upon expiration of the time limited by RCW 82.36.330 for claiming  
19 of refunds of tax on marine fuel, the state of Washington shall succeed  
20 to the right to such refunds. The director of licensing, after taking  
21 into account past and anticipated claims for refunds from and deposits  
22 to the marine fuel tax refund account and the costs of carrying out the  
23 provisions of RCW 79A.25.030, shall request the state treasurer to  
24 transfer monthly from the marine fuel tax refund account an amount  
25 equal to the proportion of the moneys in the account representing the  
26 motor vehicle fuel tax rate under RCW 82.36.025 in effect on January 1,  
27 (~~1990~~) 2001, to the recreation resource account and the remainder to  
28 the motor vehicle fund.

29 **PART IV - SALES TAX ON MOTOR VEHICLES**

30 **Sec. 401.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each  
31 amended to read as follows:

32 (1) There is levied and there shall be collected a tax on each  
33 retail sale in this state equal to six and five-tenths percent of the  
34 selling price.

1 (2) There is levied and there shall be collected an additional tax  
2 on each retail car rental, regardless of whether the vehicle is  
3 licensed in this state, equal to five and nine-tenths percent of the  
4 selling price. The revenue collected under this subsection shall be  
5 deposited in the multimodal transportation account created in RCW  
6 47.66.070.

7 (3) There is levied and there shall be collected an additional tax  
8 on each retail sale of a motor vehicle, as defined in RCW 46.04.320, of  
9 one percent. The revenue collected under this subsection (3) and the  
10 revenue collected under RCW 82.12.020 based on the rate provided in  
11 this subsection (3) will be deposited in the multimodal transportation  
12 account under RCW 47.66.070.

13 (4) The taxes imposed under this chapter shall apply to successive  
14 retail sales of the same property.

15 (~~(4)~~) (5) The rates provided in this section apply to taxes  
16 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

17 **Sec. 402.** RCW 82.12.020 and 1999 c 358 s 9 are each amended to  
18 read as follows:

19 (1) There is hereby levied and there shall be collected from every  
20 person in this state a tax or excise for the privilege of using within  
21 this state as a consumer: (a) Any article of tangible personal  
22 property purchased at retail, or acquired by lease, gift, repossession,  
23 or bailment, or extracted or produced or manufactured by the person so  
24 using the same, or otherwise furnished to a person engaged in any  
25 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned  
26 software, regardless of the method of delivery, but excluding canned  
27 software that is either provided free of charge or is provided for  
28 temporary use in viewing information, or both.

29 (2) This tax shall apply to the use of every service defined as a  
30 retail sale in RCW 82.04.050(3)(a) and the use of every article of  
31 tangible personal property, including property acquired at a casual or  
32 isolated sale, and including byproducts used by the manufacturer  
33 thereof, except as hereinafter provided, irrespective of whether the  
34 article or similar articles are manufactured or are available for  
35 purchase within this state.

36 (3) Except as provided in RCW 82.12.0252, payment by one purchaser  
37 or user of tangible personal property or service of the tax imposed by  
38 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any

1 other purchaser or user of the same property or service from the taxes  
2 imposed by such chapters.

3 (4) The tax shall be levied and collected in an amount equal to the  
4 value of the article used by the taxpayer multiplied by the rates in  
5 effect for the retail sales tax under RCW 82.08.020.

6 (5) The use tax revenue collected on the rate provided in RCW  
7 82.08.020(3) will be deposited in the multimodal transportation account  
8 under RCW 47.66.070.

9 **PART V - BOND AUTHORIZATION**

10 NEW SECTION. **Sec. 501.** In order to provide funds necessary for  
11 the location, design, right of way, and construction of selected state  
12 and local highway improvements, there shall be issued and sold upon the  
13 request of the transportation commission a total of three billion five  
14 hundred million dollars of general obligation bonds of the state of  
15 Washington.

16 NEW SECTION. **Sec. 502.** Upon the request of the transportation  
17 commission, as appropriate, the state finance committee shall supervise  
18 and provide for the issuance, sale, and retirement of the bonds  
19 authorized by RCW 46.68.090 in accordance with chapter 39.42 RCW.  
20 Bonds authorized by this act shall be sold in the manner, at time or  
21 times, in amounts, and at the price as the state finance committee  
22 shall determine. No bonds may be offered for sale without prior  
23 legislative appropriation of the net proceeds of the sale of the bonds.

24 The state finance committee shall consider the issuance of short-  
25 term obligations in lieu of long-term obligations for the purposes of  
26 more favorable interest rates, lower total interest costs, and  
27 increased marketability and for the purpose of retiring the bonds  
28 during the life of the project for which they were issued.

29 NEW SECTION. **Sec. 503.** The proceeds from the sale of bonds  
30 authorized by section 501 of this act shall be deposited in the motor  
31 vehicle fund. The proceeds shall be available only for the purposes  
32 enumerated in section 501 of this act, for the payment of bond  
33 anticipation notes, if any, and for the payment of bond issuance costs,  
34 including the costs of underwriting.

1        NEW SECTION.    **Sec. 504.**    Bonds issued under the authority of  
2 section 501 of this act shall distinctly state that they are a general  
3 obligation of the state of Washington, shall pledge the full faith and  
4 credit of the state to the payment of the principal thereof and the  
5 interest thereon, and shall contain an unconditional promise to pay  
6 such principal and interest as the same shall become due.    The  
7 principal and interest on the bonds shall be first payable from the  
8 proceeds of the state excise taxes on motor vehicle and special fuels  
9 imposed by chapters 82.36 and 82.38 RCW.    Proceeds of these excise  
10 taxes are hereby pledged to the payment of any bonds and the interest  
11 thereon issued under the authority of RCW 47.10.843 through 47.10.848,  
12 and the legislature agrees to continue to impose these excise taxes on  
13 motor vehicle and special fuels in amounts sufficient to pay, when due,  
14 the principal and interest on all bonds issued under the authority of  
15 section 501 of this act.

16        NEW SECTION.    **Sec. 505.**    Both principal and interest on the bonds  
17 issued for the purposes of section 501 of this act shall be payable  
18 from the highway bond retirement fund.    The state finance committee may  
19 provide that a special account be created in the fund to facilitate  
20 payment of the principal and interest.    The state finance committee  
21 shall, on or before June 30th of each year, certify to the state  
22 treasurer the amount required for principal and interest on the bonds  
23 in accordance with the bond proceedings.    The state treasurer shall  
24 withdraw revenues from the motor vehicle fund and deposit in the  
25 highway bond retirement fund, or a special account in the fund, such  
26 amounts, and at such times, as are required by the bond proceedings.

27        Any funds required for bond retirement or interest on the bonds  
28 authorized by section 501 of this act shall be taken from that portion  
29 of the motor vehicle fund that results from the imposition of excise  
30 taxes on motor vehicle and special fuels and which is, or may be,  
31 appropriated to the department of transportation for state highway  
32 purposes.    Funds required shall never constitute a charge against any  
33 other allocations of motor vehicle fuel and special fuel tax revenues  
34 to the state, counties, cities, and towns unless the amount arising  
35 from excise taxes on motor vehicle and special fuels distributed to the  
36 state in the motor vehicle fund proves insufficient to meet the  
37 requirements for bond retirement or interest on any such bonds.



1 Any payments for bond retirement or interest on the bonds taken  
2 from other revenues from the motor vehicle fuel or special fuel taxes  
3 that are distributable to the state, counties, cities, and towns shall  
4 be repaid from the first revenues from the motor vehicle fuel or  
5 special fuel taxes distributed to the motor vehicle fund not required  
6 for bond retirement or interest on the bonds.

7 NEW SECTION. **Sec. 506.** Bonds issued under the authority of  
8 section 501 of this act and this section and any other general  
9 obligation bonds of the state of Washington that have been or that may  
10 be authorized and that pledge motor vehicle and special fuels excise  
11 taxes for the payment of principal and interest thereon shall be an  
12 equal charge against the revenues from such motor vehicle and special  
13 fuels excise taxes.

14 NEW SECTION. **Sec. 507.** For the purpose of providing funds for the  
15 planning, design, construction, reconstruction, and other necessary  
16 costs for transportation projects, including rail and passenger-only  
17 ferry projects, the state finance committee is authorized to issue  
18 general obligation bonds of the state of Washington in the sum of two  
19 hundred fifty million dollars, or as much thereof as may be required,  
20 to finance these projects and all costs incidental thereto. Bonds  
21 authorized in this section may be sold at such price as the state  
22 finance committee shall determine. No bonds authorized in this section  
23 may be offered for sale without prior legislative appropriation of the  
24 net proceeds of the sale of the bonds.

25 NEW SECTION. **Sec. 508.** The proceeds of the sale of the bonds  
26 authorized in section 507 of this act must be deposited in the  
27 multimodal transportation account and must be used exclusively for the  
28 purposes specified in section 507 of this act and for the payment of  
29 expenses incurred in the issuance and sale of the bonds.

30 NEW SECTION. **Sec. 509.** (1) The nondebt-limit reimbursable bond  
31 retirement account must be used for the payment of the principal and  
32 interest on the bonds authorized in section 507 of this act.

33 (2)(a) The state finance committee must, on or before June 30th of  
34 each year, certify to the state treasurer the amount needed in the

1 ensuing twelve months to meet the bond retirement and interest  
2 requirements on the bonds authorized in section 507 of this act.

3 (b) On or before the date on which any interest or principal and  
4 interest is due, the state treasurer shall transfer from the multimodal  
5 transportation account for deposit into the nondebt-limit reimbursable  
6 bond retirement account the amount computed in (a) of this subsection  
7 for bonds issued for the purposes of section 507 of this act.

8 (3) If the multimodal transportation account has insufficient  
9 revenues to pay the principal and interest computed in subsection  
10 (2)(a) of this section, then the debt-limit reimbursable bond  
11 retirement account must be used for the payment of the principal and  
12 interest on the bonds authorized in section 507 of this act from any  
13 additional means provided by the legislature.

14 (4) If at any time the multimodal transportation account has  
15 insufficient revenues to repay the bonds, the legislature may provide  
16 additional means for the payment of the bonds.

17 NEW SECTION. **Sec. 510.** (1) Bonds issued under section 507 of this  
18 act must state that they are a general obligation of the state of  
19 Washington, must pledge the full faith and credit of the state to the  
20 payment of the principal and interest, and must contain an  
21 unconditional promise to pay the principal and interest as it becomes  
22 due.

23 (2) The owner and holder of each of the bonds or the trustee for  
24 the owner and holder of any of the bonds may by mandamus or other  
25 appropriate proceeding require the transfer and payment of funds as  
26 directed in this section.

27 NEW SECTION. **Sec. 511.** The legislature may provide additional  
28 means for raising moneys for the payment of the principal and interest  
29 on the bonds authorized in section 507 of this act, and sections 509  
30 and 510 of this act are not deemed to provide an exclusive method for  
31 their payment.

32 NEW SECTION. **Sec. 512.** The bonds authorized in section 507 of  
33 this act are a legal investment for all state funds or funds under  
34 state control and for all funds of any other public body.

1       **Sec. 513.** RCW 39.42.060 and 2001 2nd sp.s. c 9 s 18 are each  
2 amended to read as follows:

3       No bonds, notes, or other evidences of indebtedness for borrowed  
4 money shall be issued by the state which will cause the aggregate debt  
5 contracted by the state to exceed that amount for which payments of  
6 principal and interest in any fiscal year would require the state to  
7 expend more than seven percent of the arithmetic mean of its general  
8 state revenues, as defined in section 1(c) of Article VIII of the  
9 Washington state Constitution for the three immediately preceding  
10 fiscal years as certified by the treasurer in accordance with RCW  
11 39.42.070. It shall be the duty of the state finance committee to  
12 compute annually the amount required to pay principal of and interest  
13 on outstanding debt. In making such computation, the state finance  
14 committee shall include all borrowed money represented by bonds, notes,  
15 or other evidences of indebtedness which are secured by the full faith  
16 and credit of the state or are required to be paid, directly or  
17 indirectly, from general state revenues and which are incurred by the  
18 state, any department, authority, public corporation or quasi public  
19 corporation of the state, any state university or college, or any other  
20 public agency created by the state but not by counties, cities, towns,  
21 school districts, or other municipal corporations, and shall include  
22 debt incurred pursuant to section 3 of Article VIII of the Washington  
23 state Constitution, but shall exclude the following:

24       (1) Obligations for the payment of current expenses of state  
25 government;

26       (2) Indebtedness incurred pursuant to RCW 39.42.080 or 39.42.090;

27       (3) Principal of and interest on bond anticipation notes;

28       (4) Any indebtedness which has been refunded;

29       (5) Financing contracts entered into under chapter 39.94 RCW;

30       (6) Indebtedness authorized or incurred before July 1, 1993,  
31 pursuant to statute which requires that the state treasury be  
32 reimbursed, in the amount of the principal of and the interest on such  
33 indebtedness, from money other than general state revenues or from the  
34 special excise tax imposed pursuant to chapter 67.40 RCW;

35       (7) Indebtedness authorized and incurred after July 1, 1993,  
36 pursuant to statute that requires that the state treasury be  
37 reimbursed, in the amount of the principal of and the interest on such  
38 indebtedness, from (a) moneys outside the state treasury, except higher  
39 education operating fees, (b) higher education building fees, (c)

1 indirect costs recovered from federal grants and contracts, and (d)  
2 fees and charges associated with hospitals operated or managed by  
3 institutions of higher education;

4 (8) Any agreement, promissory note, or other instrument entered  
5 into by the state finance committee under RCW 39.42.030 in connection  
6 with its acquisition of bond insurance, letters of credit, or other  
7 credit support instruments for the purpose of guaranteeing the payment  
8 or enhancing the marketability, or both, of any state bonds, notes, or  
9 other evidence of indebtedness;

10 (9) Indebtedness incurred for the purposes identified in RCW  
11 43.99N.020;

12 (10) Indebtedness incurred for the purposes of the school district  
13 bond guaranty established by chapter 39.98 RCW;

14 (11) Indebtedness incurred for the purposes of replacing the  
15 waterproof membrane over the east plaza garage and revising related  
16 landscaping construction pursuant to RCW 43.99Q.070; ((and))

17 (12) Indebtedness incurred for the purposes of the state  
18 legislative building rehabilitation, to the extent that principal and  
19 interest payments of such indebtedness are paid from the capitol  
20 building construction account pursuant to RCW 43.99Q.140(2)(b); and

21 (13) Indebtedness incurred for the purposes of financing projects  
22 under section 507 of this act.

23 To the extent necessary because of the constitutional or statutory  
24 debt limitation, priorities with respect to the issuance or  
25 guaranteeing of bonds, notes, or other evidences of indebtedness by the  
26 state shall be determined by the state finance committee.

27 NEW SECTION. Sec. 514. Sections 501 through 512 of this act are  
28 each added to chapter 47.10 RCW.

29 **PART VI - REFERENDUM**

30 NEW SECTION. Sec. 601. (1) The secretary of state shall submit  
31 this act to the people for their adoption and ratification, or  
32 rejection, at a special election to be held in this state on or before  
33 June 20, 2002, in accordance with Article II, section 1 of the state  
34 Constitution and the laws adopted to facilitate its operation. The  
35 special election shall be limited to submission of this act to the  
36 people.

1 (2) If the people ratify this act, revenues generated shall be  
2 spent as detailed in House Bill No. . . . ., the 2001-03 state  
3 supplemental transportation budget. The primary emphasis of revenues  
4 raised shall be improving transportation safety, reducing congestion,  
5 and improving the movement of freight and goods. The legislature  
6 recognizes that the projects detailed in House Bill No. . . . . are  
7 based on assumptions that are beyond the legislature's control, such as  
8 availability of federal funds, interest rates, required public approval  
9 for certain projects, etc., and furthermore, that current laws  
10 authorize the state transportation commission to make necessary  
11 adjustments to the proposed projects as unforeseen circumstances may  
12 require. If additional funding for the projects contained in House  
13 Bill No. . . . . becomes available, the legislature urges the  
14 acceleration of project construction wherever possible.

15 (3) The attorney general shall prepare the explanatory statement  
16 required by RCW 29.81.250 and transmit that statement regarding the  
17 referendum to the secretary of state no later than the last Monday of  
18 April before the special election.

19 (4) The secretary of state shall prepare and distribute a voters'  
20 pamphlet addressing this referendum measure following the procedures  
21 and requirements of chapter 29.81 RCW, except that the secretary of  
22 state may establish different deadlines for the appointment of  
23 committees to draft arguments for and against the referendum, for  
24 submitting arguments for and against the referendum, and for submitting  
25 rebuttal statements of arguments for and against the referendum.

26 (5) A county auditor may conduct the voting at this special  
27 election in all precincts of the county by mail using the procedures  
28 set forth in chapter 29.36 RCW.

29 (6) Notwithstanding the provisions of RCW 29.62.020, the county  
30 canvassing board in each county shall canvass and certify the votes  
31 cast at this special election in that county to the secretary of state  
32 no later than the seventh day following the election. Notwithstanding  
33 the provisions of RCW 29.62.120, the secretary of state shall canvass  
34 and certify the returns from the counties no later than the ninth day  
35 following the special election.

36 (7) The secretary of state shall reimburse each county for the cost  
37 of conducting the special election in that county in the same manner as  
38 state primary and general election costs are reimbursed under RCW  
39 29.13.047 (1) and (3).

1        NEW SECTION.   **Sec. 602.**   Part headings used in this act are not any  
2 part of the law.

3        NEW SECTION.   **Sec. 603.**   Sections 201, 202, and 401 of this act  
4 take effect October 1, 2002.

5        NEW SECTION.   **Sec. 604.**   Section 601 of this act is necessary for  
6 the immediate preservation of the public peace, health, or safety, or  
7 support of the state government and its existing public institutions,  
8 and takes effect immediately.

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