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**SUBSTITUTE SENATE BILL 5170**

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**State of Washington**

**57th Legislature**

**2001 Regular Session**

**By** Senate Committee on Transportation (originally sponsored by Senators Jacobsen, Finkbeiner, Eide and Kohl-Welles)

READ FIRST TIME 03/08/01.

1       AN ACT Relating to commute trip reduction; amending RCW 70.94.521  
2 and 70.94.524; adding new sections to chapter 70.94 RCW; adding a new  
3 section to chapter 82.04 RCW; adding a new section to chapter 82.16  
4 RCW; creating a new section; and providing an effective date.

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

6       **Sec. 1.** RCW 70.94.521 and 1997 c 250 s 1 are each amended to read  
7 as follows:

8       The legislature finds that automotive traffic in Washington's  
9 metropolitan areas is the major source of emissions of air  
10 contaminants. This air pollution causes significant harm to public  
11 health, causes damage to trees, plants, structures, and materials and  
12 degrades the quality of the environment.

13       Increasing automotive traffic is also aggravating traffic  
14 congestion in Washington's metropolitan areas. This traffic congestion  
15 imposes significant costs on Washington's businesses, governmental  
16 agencies, and individuals in terms of lost working hours and delays in  
17 the delivery of goods and services. Traffic congestion worsens  
18 automobile-related air pollution, increases the consumption of fuel,  
19 and degrades the habitability of many of Washington's cities and

1 suburban areas. The capital and environmental costs of fully  
2 accommodating the existing and projected automobile traffic on roads  
3 and highways are prohibitive. Decreasing the demand for vehicle trips  
4 is significantly less costly and at least as effective in reducing  
5 traffic congestion and its impacts as constructing new transportation  
6 facilities such as roads and bridges, to accommodate increased traffic  
7 volumes.

8 The legislature also finds that increasing automotive  
9 transportation is a major factor in increasing consumption of gasoline  
10 and, thereby, increasing reliance on imported sources of petroleum.  
11 Moderating the growth in automotive travel is essential to stabilizing  
12 and reducing dependence on imported petroleum and improving the  
13 nation's energy security.

14 The legislature further finds that reducing the number of commute  
15 trips to work made via single-occupant cars and light trucks is an  
16 effective way of reducing automobile-related air pollution, traffic  
17 congestion, and energy use. Major employers have significant  
18 opportunities to encourage and facilitate reducing single-occupant  
19 vehicle commuting by employees. In addition, the legislature also  
20 recognizes the importance of increasing individual citizens' awareness  
21 of air quality, energy consumption, and traffic congestion, and the  
22 contribution individual actions can make towards addressing these  
23 issues.

24 The legislature further finds that telework has been found to  
25 reduce commute trips and provide flexibility for work-related travel.  
26 Additionally, telework enables employers to allow employees to work  
27 outside urban areas, which reduces commute trips while strengthening  
28 rural economies. Telework is a key component in a comprehensive  
29 transportation demand management package.

30 The intent of this chapter is to require local governments in those  
31 counties experiencing the greatest automobile-related air pollution and  
32 traffic congestion to develop and implement plans to reduce single-  
33 occupant vehicle commute trips. Such plans shall require major  
34 employers and employers at major worksites to implement programs to  
35 reduce single-occupant vehicle commuting by employees at major  
36 worksites. Local governments in counties experiencing significant but  
37 less severe automobile-related air pollution and traffic congestion may  
38 implement such plans. State agencies shall implement programs to

1 reduce single-occupant vehicle commuting at all major worksites  
2 throughout the state.

3 **Sec. 2.** RCW 70.94.524 and 1991 c 202 s 11 are each amended to read  
4 as follows:

5 Unless the context clearly requires otherwise, the definitions in  
6 this section apply throughout this chapter.

7 (1) "A major employer" means a private or public employer that  
8 employs one hundred or more full-time employees at a single worksite  
9 who begin their regular work day between 6:00 a.m. and 9:00 a.m. on  
10 weekdays for at least twelve continuous months during the year.

11 (2) "Major worksite" means a building or group of buildings that  
12 are on physically contiguous parcels of land or on parcels separated  
13 solely by private or public roadways or rights of way, and at which  
14 there are one hundred or more full-time employees of one or more  
15 employers, who begin their regular work day between 6:00 a.m. and 9:00  
16 a.m. on weekdays, for at least twelve continuous months.

17 (3) "Commute trip reduction zones" mean areas, such as census  
18 tracts or combinations of census tracts, within a jurisdiction that are  
19 characterized by similar employment density, population density, level  
20 of transit service, parking availability, access to high occupancy  
21 vehicle facilities, and other factors that are determined to affect the  
22 level of single occupancy vehicle commuting.

23 (4) "Commute trip" means trips made from a worker's home to a  
24 worksite during the peak period of 6:00 a.m. to 9:00 a.m. on weekdays.

25 (5) "Proportion of single-occupant vehicle commute trips" means the  
26 number of commute trips made by single-occupant automobiles divided by  
27 the number of full-time employees.

28 (6) "Commute trip vehicle miles traveled per employee" means the  
29 sum of the individual vehicle commute trip lengths in miles over a set  
30 period divided by the number of full-time employees during that period.

31 (7) "Base year" means the year January 1, 1992, through December  
32 31, 1992, on which goals for vehicle miles traveled and single-occupant  
33 vehicle trips shall be based. Base year goals may be determined using  
34 the 1990 journey-to-work census data projected to the year 1992 and  
35 shall be consistent with the growth management act. The task force  
36 shall establish a method to be used by jurisdictions to determine  
37 reductions of vehicle miles traveled.

1       (8) "Telework" means a work arrangement whereby employees are  
2 regularly scheduled to perform the normal duties and responsibilities  
3 of their positions at locations other than the traditional workplace,  
4 through the use of electronic communication with their workplace. The  
5 term includes only work arrangements made by employers for employees  
6 and excludes persons who are self-employed. "Telework" does not  
7 include activities to extend the work day.

8       (9) "Telework equipment" includes, but is not limited to:

9       (a) Desktop and laptop computers, computer-related hardware,  
10 facsimile machines, modems, routers, and similar data processing, data  
11 connection networks, or telecommunication equipment used at an  
12 alternate worksite, including an employee's home for telework purposes;  
13 and

14       (b) Equipment installed at an employer's place of business that is  
15 used to provide remote data and voice access to telework employees.

16       (10) "Telework expenditures" means amounts spent, including but not  
17 limited to, sales or use taxes paid, to purchase telework equipment or  
18 for telework installation costs. The term includes only expenditures  
19 for equipment and services reasonably necessary to facilitate telework.

20       (11) "Telework installation costs" means one-time expenditures for  
21 installation of remote access technology at an employee's home for the  
22 purposes of telework, including high-speed data lines.

23       NEW SECTION. Sec. 3. A new section is added to chapter 70.94 RCW  
24 to read as follows:

25       (1) The commute trip reduction task force must include a telework  
26 enhancement committee. The task force shall select the members of the  
27 telework enhancement committee. The committee membership may consist  
28 of nonmembers and members of the commute trip reduction task force.  
29 The committee shall select grants and loans for telework enhancement  
30 projects and telework activities, to be approved by the commute trip  
31 reduction task force. Funding for the grants and loans must be from  
32 the amounts appropriated by the legislature to the commute trip  
33 reduction task force for this purpose. The task force shall award  
34 grants and loans to telework enhancement projects on a statewide basis.  
35 The committee shall not limit grants and loans to projects in cities  
36 and counties meeting the requirements of RCW 70.94.527.

37       (2) The task force shall develop procedures and criteria for  
38 allocation of funds for the telework enhancement projects and telework

1 activities on a statewide basis to address the highest priorities for  
2 enhancing telework.

3 (3) In evaluating, ranking, and awarding funds for projects and  
4 activities the task force shall give preference to projects that:

5 (a) Encourage and assist employers to provide telework  
6 opportunities for employees;

7 (b) Provide assistance to employers to locate jobs outside the  
8 congested Puget Sound urban areas; or

9 (c) Assist in developing telecommunications infrastructure in rural  
10 and underserved communities.

11 (4) In evaluating, ranking, and awarding funds for projects and  
12 activities the task force shall also give consideration to projects  
13 that:

14 (a) Are the most cost-effective;

15 (b) Have the greatest matched or in-kind funding; and

16 (c) Will be implemented by a sponsor with a successful record of  
17 project implementation.

18 (5) The commute trip reduction task force shall determine the  
19 effectiveness of this subcommittee as part of its ongoing evaluation of  
20 the commute trip reduction law and report to the legislature. The  
21 report must be incorporated into the recommendations required in RCW  
22 70.94.537(5).

23 NEW SECTION. **Sec. 4.** A new section is added to chapter 70.94 RCW  
24 to read as follows:

25 The telework enhancement account is created in the state treasury.  
26 Such funds as the legislature directs or appropriates to the account  
27 will be deposited to the account. Moneys in the account may only be  
28 spent after appropriation. Expenditures from the account may be used  
29 only for telework enhancement projects.

30 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04 RCW  
31 to read as follows:

32 (1) An employer is allowed a credit against tax due under this  
33 chapter for telework expenditures, including telework equipment,  
34 installation costs, and telework training. A credit claimed under this  
35 section may not exceed the amount of tax that would otherwise be due  
36 under this chapter. The credit must be claimed in the year in which  
37 the expenditure is made. The employer must make the expenditure the

1 year in which the credit is approved by the department. Approved  
2 credit may not be carried over to subsequent calendar years. The  
3 credit must be claimed by the due date of the last tax return for the  
4 calendar year in which the expenditure is made. Any unused credit  
5 expires. A refund may not be given in place of a credit. Total  
6 credits claimed by a person under this section and section 6 of this  
7 act may not exceed twenty thousand dollars for any tax year. The  
8 commute trip reduction task force, in cooperation with the department,  
9 may set a maximum total credit amount of less than twenty thousand  
10 dollars. Expenditures made before the effective date of this act are  
11 not eligible for credit. If a person has used a credit approved under  
12 section 6 of this act against a tax under chapter 82.16 RCW, that same  
13 credit cannot be used against a tax under this chapter.

14 (2) The department, in consultation with the commute trip reduction  
15 task force, shall adopt rules for implementing the tax credit  
16 authorized under this section and section 6 of this act.

17 (3) Application for credits under this section must be made before  
18 making a telework expenditure. Applications must be made to the  
19 department in a form and manner as required by the department. The  
20 department shall approve or deny applications for credits using the  
21 criteria under this subsection. The department shall keep a running  
22 total of all credits approved under this subsection during each  
23 calendar year, and shall deny any credit application that would cause  
24 the tabulation for any year to exceed three million dollars. A person  
25 claiming a credit must keep records to verify eligibility under this  
26 section, including records showing that an employee was regularly  
27 scheduled to telework from his or her home or a remote site two or more  
28 days per week.

29 (4) As used in this section and section 6 of this act:

30 (a) "Telework" means a work arrangement whereby employees are  
31 regularly scheduled to perform the normal duties and responsibilities  
32 of their positions at locations other than the traditional workplace,  
33 through the use of electronic communication with their workplace. The  
34 term includes only work arrangements made by employers for employees  
35 and excludes persons who are self-employed. "Telework" does not  
36 include activities to extend the work day.

37 (b) "Telework equipment" includes, but is not limited to:

38 (i) Desktop and laptop computers, computer-related hardware,  
39 facsimile machines, modems, routers, and similar data processing, data

1 connection networks, or telecommunication equipment used at an  
2 alternate worksite, including an employee's home for telework purposes;  
3 and

4 (ii) Equipment installed at an employer's place of business that is  
5 used to provide remote data and voice access to telework employees.

6 (c) "Telework expenditures" means amounts spent, including but not  
7 limited to, sales or use taxes paid, to purchase telework equipment or  
8 for telework installation costs. The term includes only expenditures  
9 for equipment and services reasonably necessary to facilitate telework.

10 (d) "Telework installation costs" means one-time expenditures for  
11 installation of remote access technology at an employee's home for the  
12 purposes of telework, including high-speed data lines.

13 (5) On the twenty-fifth of February, May, August, and November of  
14 each year, the director shall advise the state treasurer of the amount  
15 of credit taken during the preceding calendar quarter ending on the  
16 last day of December, March, June, and September, respectively.

17 (6) On the first of April, July, October, and January of each year,  
18 the state treasurer based upon information provided by the department  
19 shall deposit to the general fund a sum equal to the dollar amount of  
20 the credit provided under this section and section 6 of this act from  
21 the multimodal account. In no case may this amount exceed three  
22 million dollars in any calendar year.

23 (7) The commute trip reduction task force shall determine the  
24 effectiveness of this tax credit as part of its ongoing evaluation of  
25 the commute trip reduction law and report to the legislature. The  
26 report must include information on the amount of tax credits claimed to  
27 date and recommendations on future funding for the tax credit program.  
28 The report must be incorporated into the recommendations required in  
29 RCW 70.94.537(5).

30 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.16 RCW  
31 to read as follows:

32 An employer is allowed a credit against tax due under this chapter  
33 for telework expenditures, as defined in section 5 of this act. A  
34 credit may be claimed under this section in the same manner as provided  
35 for credits under section 5 of this act. Credits under this section  
36 are subject to the same conditions and limitations as credits under  
37 section 5 of this act.

1        NEW SECTION.   **Sec. 7.**   This act takes effect October 1, 2001.

2        NEW SECTION.   **Sec. 8.**   If specific funding for the purposes of this  
3 act is not provided by June 30, 2001, in the transportation  
4 appropriations act, this act is null and void.

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