
ENGROSSED SUBSTITUTE SENATE BILL 6140

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Transportation (originally sponsored by Senators McDonald, Prentice, Horn, Eide, Johnson, Finkbeiner, Patterson, Shin, Benton, Kastama, Costa, McAuliffe, Rossi, Long, Roach, Zarelli and Oke)

READ FIRST TIME 04/09/01.

1 AN ACT Relating to the creation of regional transportation
2 investment districts; amending RCW 43.84.092, 43.84.092, and
3 81.104.140; reenacting and amending RCW 47.05.021; adding new sections
4 to chapter 43.131 RCW; adding a new chapter to Title 47 RCW; creating
5 a new section; providing an effective date; providing an expiration
6 date; and declaring an emergency.

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

8 NEW SECTION. **Sec. 1.** The legislature recognizes that many
9 transportation decisions are best made at the regional level, where
10 transportation problems are best understood. To achieve improved
11 regional mobility, to promote individual and economic well-being, and
12 to implement recommendation number six of the Blue Ribbon Commission on
13 Transportation final report, relating to regional transportation
14 solutions, regional transportation investment districts are created.
15 It is the purpose of regional transportation investment districts to
16 generate revenues for a limited period of time to assist in the
17 financing of transportation improvements made to highways of statewide
18 significance to improve transportation mobility in congested areas.

1 The legislature recognizes that a multimodal approach to the
2 state's transportation system is the best means of addressing
3 transportation needs. For the past decade, little money has been spent
4 on adding capacity to our state's highways of statewide significance.
5 This lack of investment includes major new highway projects to add
6 capacity and lane miles to major state routes, interstates or other
7 freeway systems, as well as associated high-capacity transportation
8 capital improvements such as park and ride facilities, high-occupancy
9 vehicle lanes, transit flyover access ramps to highway lanes, and bus
10 pullouts along highways as means to reduce traffic congestion.

11 NEW SECTION. **Sec. 2.** The definitions in this section apply
12 throughout this chapter unless the context clearly requires otherwise.

13 (1) "Regional transportation investment district" or "district"
14 means a quasi-municipal corporation whose boundaries are coextensive
15 with one or more counties and which has been created by county
16 legislative authorities and a vote of the people pursuant to this
17 chapter to implement a regional transportation investment plan.

18 (2) "Regional transportation investment district planning
19 committee" or "planning committee" means the advisory committee created
20 pursuant to section 3 of this act to create and propose to county
21 legislative authorities a regional transportation investment plan to
22 develop, finance, and construct transportation projects.

23 (3) "Regional transportation investment plan" or "plan" means a
24 plan to develop, construct, and finance a transportation project or
25 projects.

26 (4) "Highway of statewide significance" means an existing or
27 proposed state route or federal interstate as designated a highway of
28 statewide significance by the transportation commission, its successor
29 entity, or the legislature.

30 (5) "Transportation project" or "project" means a capital
31 improvement or improvements to a highway of statewide significance that
32 adds a lane or new lanes to an existing state or federal highway,
33 including associated HOV lanes, flyover ramps, park and ride lots, and
34 bus pullouts.

35 (6) "Department" means the Washington state department of
36 transportation.

1 NEW SECTION. **Sec. 3.** Regional transportation investment district
2 planning committees are advisory entities which are created, convened,
3 and empowered as follows:

4 (1) A county or, by agreement, multiple contiguous counties, may
5 choose to create a regional transportation investment district and
6 convene a regional transportation investment district planning
7 committee.

8 (2) If a regional transportation investment district planning
9 committee is formed, each county commissioner or councilmember from
10 each participating county shall appoint one member to the planning
11 committee. The appointee must be a resident of the county the
12 commissioner or councilmember serves, and, if the commissioner or
13 councilmember is nominated or elected from a commissioner or
14 councilmember district, then the appointee must also be a resident of
15 that district. The appointee shall not be an elected federal, state,
16 county, or city official. Members of the planning committee serve at
17 the pleasure of the appointing councilmember or commissioner and shall
18 receive no compensation, but may be reimbursed for travel and
19 incidental expenses as the planning committee deems appropriate:
20 PROVIDED, That in the event that a planning committee elects an
21 executive board, then each member of the executive board may receive
22 compensation of fifty dollars per day for attending meetings or
23 conferences on behalf of the district, not to exceed three thousand
24 dollars per year. An executive board member may waive all or a portion
25 of his or her compensation. Compensation provided in this section is
26 in addition to reimbursement for expenses paid by the planning
27 committee.

28 (3) A regional transportation investment district planning
29 committee may be entitled to state funding, as appropriated by the
30 legislature, for start-up funding to pay for salaries, expenses,
31 overhead, supplies, and similar expenses ordinarily and necessarily
32 incurred in selecting transportation projects and funding for those
33 projects under this chapter. Upon creation of a regional
34 transportation investment district, the district shall reimburse the
35 state for any sums advanced for these start-up costs from the state.

36 (4) At its first meeting, a regional transportation investment
37 district planning committee may elect officers and provide for the
38 adoption of rules and other operating procedures. Except as provided
39 in section 15 of this act, the planning committee may elect, from its

1 membership, an executive board to discharge the duties of the planning
2 committee and formulate a regional transportation investment plan,
3 subject to the approval of the full planning committee.

4 (5) Governance of and decisions by a regional transportation
5 investment district planning committee shall be by majority vote of the
6 total membership. In the event that the planning committee has been
7 convened by multiple counties, each member's vote shall be weighted to
8 reflect the population he or she represents relative to the population
9 represented by the total planning committee membership. Population
10 shall be determined utilizing the national 2000 census or subsequent
11 national census data.

12 (6) At any time, with a two-thirds vote of the membership of the
13 planning committee, the planning committee may dissolve itself.

14 (7) A regional transportation investment district planning
15 committee or if applicable, its executive board, shall convene, from
16 time to time and as appropriate, to create and adopt a regional
17 transportation investment plan providing for the selection,
18 development, construction, and financing of transportation projects.
19 The regional transportation investment plan should consider
20 transportation and land use planning. The planning committee may
21 coordinate its activities with the department, which shall provide
22 services, data, and personnel to assist in this planning as desired by
23 the planning committee. In addition, the planning committee may also
24 coordinate with such other local governments and entities that engage
25 in transportation planning.

26 (8) A planning committee shall select transportation projects to
27 reduce traffic congestion and will create a regional transportation
28 investment plan providing for the development, construction, and
29 financing of the transportation project or projects to be constructed
30 to submit to the county legislative authorities.

31 (9) A regional transportation investment district planning
32 committee may, as part of a regional transportation investment plan,
33 recommend the imposition of some or all of the following revenue
34 sources:

35 (a) A regional sales and use tax of up to 0.5 percent of the
36 selling price, in the case of a sales tax, or value of the article
37 used, in the case of a use tax. The tax authorized pursuant to this
38 section shall be in addition to the tax authorized by RCW 82.14.030 and
39 shall be collected from those persons who are taxable by the state

1 pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any
2 taxable event within the taxing district. Motor vehicles, as defined
3 in RCW 46.04.320, are exempt from the sales and use tax imposed under
4 this subsection (9)(a);

5 (b) A use tax imposed on the privilege of using a motor vehicle
6 within a regional transportation investment district. The tax applies
7 to those persons who reside within the regional transportation
8 investment district. The rate of the tax may not exceed 0.5 percent of
9 the value of the motor vehicle. The tax authorized by this subsection
10 is in addition to the tax authorized under RCW 82.14.030 and shall be
11 imposed and collected at the time a taxable event under RCW
12 82.08.020(1) or 82.12.020 takes place. All revenue received under this
13 subsection (9)(b) shall be deposited in the local sales and use tax
14 account and distributed to the regional transportation investment
15 district according to RCW 82.14.050. The following provisions shall
16 apply to the use tax in this subsection (9)(b):

17 (i) In such cases where persons are taxable under chapter 82.08
18 RCW, the seller shall collect the use tax from the buyer using the
19 collection provisions set forth in RCW 82.08.050.

20 (ii) In such cases where persons are taxable under chapter 82.12
21 RCW, the use tax shall be collected using the provisions set forth in
22 RCW 82.12.045.

23 (iii) "Motor vehicle" has the meaning given in RCW 46.04.320.

24 (iv) "Person" has the meaning given in RCW 82.04.030.

25 (v) The value of a motor vehicle shall be determined by the method
26 prescribed in RCW 82.12.010.

27 (vi) Except as specifically stated in this subsection (9)(b), the
28 provisions of chapters 82.12 and 82.32 RCW shall apply to the use tax.
29 The use tax is a local tax imposed under the authority of chapter 82.14
30 RCW and the provisions of chapter 82.14 RCW apply fully to the use tax;

31 (c) A motor vehicle, as defined in RCW 46.04.320, license fee of up
32 to one hundred dollars per vehicle registered in the district. The
33 department of licensing shall administer and collect this fee on behalf
34 of a regional transportation investment district and remit this fee to
35 the custody of the state treasurer, who shall distribute it as directed
36 by a regional transportation investment district;

37 (d) A commercial parking fee of up to ten percent of the cost
38 charged per parking transaction; and

1 (e) Vehicle tolls on state routes where improvements under this act
2 add additional lanes to a highway of statewide significance. The
3 collection of vehicle tolls on designated facilities shall be
4 administered by the department, unless otherwise specified in law, and
5 the state transportation commission, or its successor, shall be the
6 tolling authority. Specifically for projects where vehicle tolls are
7 collected, as authorized under this subsection (9)(e), the state sales
8 tax imposed and actually collected under chapters 82.08 and 82.12 RCW,
9 less any credits allowed under chapter 82.14 RCW, on initial
10 construction for any project upon which tolls are to be imposed under
11 this section shall be transferred to the motor vehicle fund. It is the
12 legislature's intent that this transaction shall be exempt from the
13 fiscal growth factor in RCW 43.135.055 and will be identified as a
14 credit on the project, thereby lowering the overall cost of the project
15 and the corresponding tolls.

16 (10) Taxes shall not be imposed without an affirmative vote of the
17 people within the boundaries of the county or counties as set forth in
18 this chapter. Revenues from these taxes may be used only to support
19 the implementation, by a regional transportation investment district,
20 of a regional transportation investment plan to construct
21 transportation projects. A regional transportation investment district
22 may contract with the state department of revenue or other appropriate
23 entities for administration and collection of any of the taxes or fees
24 authorized in this section.

25 (11) In addition to those taxes adopted pursuant to this act, a
26 county or city may use any of its existing taxing authority to provide
27 funds for a transportation project being constructed by a regional
28 transportation investment district.

29 (12) A combination of local, state, and federal revenues may be
30 necessary to pay for transportation projects, and the planning
31 committee shall consider all of these revenue sources in developing a
32 financing and funding plan. In particular, state and federal matching
33 funds of up to sixty percent of the total costs as provided in section
34 11 of this act shall be considered.

35 (13) Upon adoption, by majority vote of the appointed members and
36 utilizing proportional weighted voting in the case of multiple
37 counties, of the regional transportation investment plan by the
38 planning committee, the planning committee shall immediately transmit
39 the regional transportation investment plan to the county legislative

1 authority or authorities which convened the regional transportation
2 investment district planning committee. The plan shall include a
3 proposed ballot measure to be submitted to a vote of the people within
4 the county or counties. This ballot measure shall call for the
5 creation of a regional transportation investment district; specify the
6 transportation project or projects to be constructed; specify the
7 anticipated timeline for completion of the transportation project or
8 projects to be constructed; and specify the tax or taxes to be imposed,
9 the anticipated duration of the taxes imposed, and the total amount of
10 revenue estimated to be collected.

11 NEW SECTION. **Sec. 4.** A regional transportation investment
12 district is a quasi-municipal corporation which shall be formed in the
13 following manner:

14 (1) The legislative authority of the county, or in the case of
15 multiple counties, the legislative authorities, which convened the
16 planning committee shall decide by resolution whether to adopt the
17 regional transportation investment plan submitted by a regional
18 transportation investment district planning committee and participate
19 in the regional transportation investment district. This action shall
20 be completed within sixty days following receipt of the planning
21 committee's adopted plan.

22 (2) If any county opts not to adopt the plan or participate in the
23 regional transportation investment district, but one or more contiguous
24 counties do choose to continue to participate, then the planning
25 committee may, within ninety days, redefine the regional transportation
26 investment plan, and the ballot measure to be submitted to the people,
27 to reflect elimination of one or more counties, and submit the
28 redefined plan to the legislative authorities of the remaining counties
29 for their decision as to whether to continue to adopt the redefined
30 plan and participate. This action shall be completed within sixty days
31 following receipt of the redefined plan.

32 (3) The legislative authorities of the county or counties deciding
33 to participate shall place on the ballot, at the next general election
34 or at a special election called for this purpose, the single ballot
35 proposition adopted by the planning committee. The county legislative
36 authorities may not alter the plan or ballot measure adopted by the
37 planning committee and approved by the legislative authority or

1 authorities. Only those registered voters residing within the county
2 or counties participating shall vote on the ballot measure.

3 A simple majority of those voting within the county or counties is
4 required for approval. If the vote is affirmative, then the regional
5 transportation investment district is created.

6 (4) If the vote fails, then the planning committee may redefine the
7 selected projects, the construction and financing plan, and the ballot
8 measure proposition. The county legislative authorities may approve
9 the new plan and ballot measure, and may then submit the revised
10 proposition to the voters at the next election or a special election.
11 No single proposition may be submitted to the voters more than three
12 times.

13 If a positive vote on a proposition is not achieved by the third
14 vote, then the planning committee shall be dissolved within sixty days.

15 NEW SECTION. **Sec. 5.** If the voters approve the plan creating a
16 regional transportation investment district, the district will be
17 declared formed. The county election official of a county must, within
18 fifteen days of the final certification of the election results,
19 publish a notice in a newspaper or newspapers of general circulation in
20 the district declaring the district formed, and must mail copies of the
21 notice to the governor, the secretary of transportation, and the
22 executive director of each regional transportation planning
23 organization which has part or all of any participating county within
24 its boundaries. A party challenging the formation of a voter-approved
25 district must file a lawsuit challenging the district's formation
26 within thirty days after the final certification of the election, and
27 shall serve notice of the lawsuit upon each county participating in the
28 district. Failure to challenge within that time forever bars further
29 challenge of the district's valid formation.

30 NEW SECTION. **Sec. 6.** Membership of a regional transportation
31 investment district shall be composed of one representative from each
32 county council or commission district within the regional
33 transportation investment district.

34 (1) The initial membership of a regional transportation investment
35 district created pursuant to this chapter shall be composed of the
36 members of the regional transportation investment district planning
37 committee. Members serve at the pleasure of the county commissioner or

1 councilmember representing the district from which the initial
2 appointment was made to the planning committee.

3 (2) In the event of a vacancy, the county commissioner or
4 councilmember representing the district from which the initial
5 appointment was made shall appoint a replacement member to the
6 district. The appointee must be a resident of the county the
7 commissioner or councilmember serves, and if the commissioner or
8 councilmember is nominated or elected from a commissioner or
9 councilmember district, then the appointee must also be a resident of
10 that district. The appointee shall not be an elected federal, state,
11 county, or city official. Members of a district serve at the pleasure
12 of the appointing county commissioner or councilmember.

13 (3) Members of the regional transportation investment district
14 shall receive no compensation, but may receive per diem and be
15 reimbursed for travel and incidental expenses as the district deems
16 appropriate: PROVIDED, That in the event a district elects an
17 executive board, then each member of the executive board may receive
18 compensation of fifty dollars per day for attending meetings or
19 conferences on behalf of the district, not to exceed three thousand
20 dollars per year. An executive board member may waive all or a portion
21 of his or her compensation. Compensation provided in this section is
22 in addition to reimbursement for expenses paid by the district.

23 NEW SECTION. **Sec. 7.** (1) A regional transportation investment
24 district shall meet from time to time as necessary to oversee the
25 implementation of the regional transportation investment plan. At its
26 first meeting, the regional transportation investment district planning
27 committee may elect officers and provide for the adoption of rules and
28 other operating procedures. Except as provided in section 15 of this
29 act, the district may elect, from its membership, an executive board to
30 discharge the duties of the district and implement the regional
31 transportation investment plan, subject to the approval of the full
32 district membership. Governance of and decisions by a regional
33 transportation investment district shall be by majority vote of the
34 total membership. In the event that the district is composed of
35 multiple counties, each member's vote shall be weighted to reflect the
36 population he or she represents relative to the population represented
37 by the total district membership. Population shall be determined
38 utilizing the national 2000 census or subsequent national census data.

1 (2) A regional transportation investment district is a body
2 corporate and shall have the powers necessary and incidental to
3 overseeing the implementation of a regional transportation investment
4 plan approved by the voters under this act, including but not limited
5 to:

6 (a) The authority to hire no more than six employees, including, if
7 it chooses, a director or executive officer, a treasurer or financial
8 officer, a project manager or engineer, legal counsel, a project permit
9 coordinator, and clerical staff; and

10 (b) The authority to pay for services and enter into contracts,
11 including professional service contracts.

12 (3) A regional transportation investment district does not have the
13 authority to acquire, hold, or dispose of real property.

14 (4) A regional transportation investment district shall not own,
15 operate, or maintain any ongoing facility, road, or transportation
16 system.

17 (5) A regional transportation investment district may accept and
18 expend or use gifts, grants, or donations.

19 (6) A regional transportation investment district may coordinate
20 its activities with the department, which shall provide services, data,
21 and personnel to assist as desired by the regional transportation
22 investment district.

23 (7) It is the intent of the legislature that administrative and
24 overhead costs of a regional transportation investment district be
25 minimized. For projects costing up to fifty million dollars,
26 administrative and overhead costs may not exceed three percent of the
27 total construction and design project costs per year. For projects
28 costing in excess of fifty million dollars, administrative and overhead
29 costs shall be no more than three percent of the first fifty million
30 dollars in costs, plus an additional one-tenth of one percent for each
31 additional dollar above fifty million. These limitations apply only to
32 the district, and shall not be construed as limiting the administration
33 or expenditures of the department of transportation.

34 (8) A regional transportation investment district may not
35 substantially vary the regional transportation investment plan or the
36 projects to be constructed. Minor variations or deviations as to the
37 timeline, project plans, or right-of-way, and of up to five percent of
38 the total costs may be made, but in no case may the district add to or
39 delete from the plan projects to be constructed. Major revisions to

1 the plan, including the addition or deletion of projects to be
2 constructed, must be submitted first to the county legislative
3 authorities and then a vote of the people in the same manner as
4 provided for the initial plan under this chapter.

5 (9) To assure accountability to the public for the timely
6 construction of the transportation project or projects within cost
7 projections, the district shall issue a public report every year on the
8 progress made in implementing the regional transportation investment
9 plan. In the report, the district shall detail progress in two areas:
10 (a) Whether the project or projects costs-to-date are within the amount
11 of revenue raised for the project or projects under the vote of the
12 people as provided in section 4 of this act; and (b) whether the
13 project or projects are proceeding in accordance with the original
14 construction schedule. If the progress of a project or projects is
15 inconsistent with either the cost projections or timelines, the
16 district shall provide the public with a plan to move the project or
17 projects back into compliance with the original construction schedule
18 and cost projections.

19 NEW SECTION. **Sec. 8.** The regional transportation investment
20 district, by resolution, shall designate a person having experience in
21 financial or fiscal matters as treasurer of the district. The district
22 may designate the treasurer of a county within which the district is
23 located to act as its treasurer. Such a treasurer shall possess all of
24 the powers, responsibilities, and duties the county treasurer possesses
25 related to investing surplus funds. The district shall require a bond
26 with a surety company authorized to do business in the state of
27 Washington in an amount and under the terms and conditions the
28 district, by resolution, from time to time finds will protect the
29 district against loss. The premium on any such bond shall be paid by
30 the district.

31 All district funds shall be paid to the treasurer and shall be
32 disbursed by the treasurer only on warrants issued by district upon
33 orders or vouchers approved by the district.

34 The treasurer shall establish a special fund, into which shall be
35 paid all district funds, and the treasurer shall maintain such special
36 accounts as may be created by the district into which shall be placed
37 all money as the district may, by resolution, direct.

1 If the treasurer of the district is the treasurer of a county, all
2 district funds shall be deposited with the county depository under the
3 same restrictions, contracts, and security as provided for county
4 depositories. If the treasurer of the district is some other person,
5 all funds shall be deposited in such bank or banks authorized to do
6 business in this state that have qualified for insured deposits under
7 any federal deposit insurance act as the district, by resolution, shall
8 designate.

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

12 NEW SECTION. **Sec. 9.** The district may not issue any debt of its
13 own for more than two years' duration. A district may enter into
14 agreements with the state to pledge taxes or other revenues of the
15 district for the purpose of paying in part or whole principal and
16 interest on bonds issued by the state. The contracts pledging revenues
17 and taxes shall be binding for the term of the agreement, but not to
18 exceed twenty-five years, and no tax pledged by an agreement may be
19 eliminated or modified if it would impair the pledge of the agreement.

20 NEW SECTION. **Sec. 10.** (1) The department shall create a division
21 of dedicated staff and services whose sole responsibility is to
22 coordinate the design, preliminary engineering, permitting, financing,
23 and construction of projects under consideration by a regional
24 transportation investment district planning committee or which are part
25 of a regional transportation investment plan being implemented by a
26 regional transportation investment district.

27 (2) All of the powers granted the department pursuant to Title 47
28 RCW relating to highway construction may, at the request of a regional
29 transportation investment district, be utilized to implement a regional
30 transportation investment plan and construct transportation projects.

31 NEW SECTION. **Sec. 11.** (1) A regional transportation investment
32 district is eligible for state and federal matching funds of up to
33 sixty percent of the total costs of a transportation project or series
34 of projects being constructed by a regional transportation investment
35 district. A regional transportation investment district need not
36 utilize matching funds, and nothing in this section may be construed as

1 prohibiting a regional transportation investment district from funding
2 and paying all or more than forty percent of the total costs of a
3 transportation project or series of projects being constructed.

4 (2) The regional transportation investment district matching
5 account is hereby created within the state treasury. The regional
6 transportation investment district matching account shall be
7 administered by the state treasurer. Funds appropriated by the
8 legislature as matching state money for a transportation project or
9 series of projects being constructed by a regional transportation
10 investment district shall be deposited into this account. The purpose
11 of this account is to serve as an account from which payments for
12 transportation projects being constructed by a regional transportation
13 investment district may be made. Payments from this account may be
14 made as follows:

15 (a) The state may pay for its share of up to sixty percent,
16 including federal funds, of the total costs of a transportation project
17 or series of projects being constructed by a regional transportation
18 investment district from funds appropriated to this account by the
19 legislature for this purpose; and

20 (b) A regional transportation investment district may also transfer
21 money to this account to pay for its share of any transportation
22 projects being constructed by the state on behalf of that regional
23 transportation investment district, or for payment of any bonds, debt,
24 or other financing incurred by the state on its behalf to construct
25 such projects. The state may then use these transfers to make payments
26 on the district's behalf.

27 All moneys deposited in the regional transportation investment
28 district matching account shall be invested by the state treasurer.
29 Funds within the regional transportation investment district matching
30 account shall be used solely to pay for transportation projects being
31 constructed by a regional transportation investment district.

32 NEW SECTION. **Sec. 12.** The department or district may use the
33 design-build procedure for projects developed by a regional
34 transportation investment district. As used in this section
35 "design-build procedure" means a method of contracting under which the
36 department or district contracts with another party for such party to
37 both design and build the structures, facilities, and other items
38 specified in the contract.

1 NEW SECTION. **Sec. 13.** Within thirty days of the completion of the
2 construction of the project or series of projects forming the regional
3 transportation investment plan, the district shall terminate day-to-day
4 operations and exist solely as a limited entity which oversees the
5 collection of revenue and the payment of any debt service or financing
6 still in effect, if any. The district shall adjust its employees,
7 administration, and overhead expenses downward accordingly. Any taxes
8 imposed pursuant to an approved plan shall terminate when the financing
9 or debt service on the project or series of projects constructed is
10 completed and paid, thirty days from which point the district shall
11 dissolve itself and cease to exist. If there is no debt outstanding,
12 then the district shall dissolve within thirty days from completion of
13 construction of the project or series of projects forming the regional
14 transportation investment plan.

15 NEW SECTION. **Sec. 14.** Any transportation project constructed
16 pursuant to this chapter becomes and remains the property of the state
17 of Washington.

18 NEW SECTION. **Sec. 15.** The legislature finds that regional
19 solutions to the state's transportation needs are of paramount concern.
20 The legislature further recognizes that different areas of the state
21 will need the flexibility to fashion local solutions to their
22 transportation problems, and that regional transportation systems may
23 evolve over time.

24 (1) The central Puget Sound regional transportation investment
25 district planning committee is hereby created as a pilot project, and
26 consists of the counties of King, Pierce, and Snohomish. The planning
27 committee shall conduct its affairs and formulate a regional
28 transportation investment plan as provided under section 3 of this act,
29 except that it shall elect an executive board of seven members to
30 discharge the duties of the planning committee and formulate a regional
31 transportation investment plan, subject to the approval of the full
32 planning committee. All other provisions of this chapter shall apply
33 to this pilot project.

34 (2) Areas of the state outside of King, Snohomish, and Pierce
35 counties shall be eligible for grants from the state of one hundred
36 fifty thousand dollars or more to study and develop regional
37 transportation models. Regions electing to participate in this pilot

1 program shall develop a model that can be used in other parts of the
2 state and shall report to the transportation committees in the senate
3 and house of representatives on the positive and negative aspects of
4 the model as well as costs associated with it no later than June 30,
5 2002.

6 **Sec. 16.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 5 are each amended
7 to read as follows:

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

11 (2) The treasury income account shall be utilized to pay or receive
12 funds associated with federal programs as required by the federal cash
13 management improvement act of 1990. The treasury income account is
14 subject in all respects to chapter 43.88 RCW, but no appropriation is
15 required for refunds or allocations of interest earnings required by
16 the cash management improvement act. Refunds of interest to the
17 federal treasury required under the cash management improvement act
18 fall under RCW 43.88.180 and shall not require appropriation. The
19 office of financial management shall determine the amounts due to or
20 from the federal government pursuant to the cash management improvement
21 act. The office of financial management may direct transfers of funds
22 between accounts as deemed necessary to implement the provisions of the
23 cash management improvement act, and this subsection. Refunds or
24 allocations shall occur prior to the distributions of earnings set
25 forth in subsection (4) of this section.

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

34 (4) Monthly, the state treasurer shall distribute the earnings
35 credited to the treasury income account. The state treasurer shall
36 credit the general fund with all the earnings credited to the treasury
37 income account except:

1 (a) The following accounts and funds shall receive their
2 proportionate share of earnings based upon each account's and fund's
3 average daily balance for the period: The capitol building
4 construction account, the Cedar River channel construction and
5 operation account, the Central Washington University capital projects
6 account, the charitable, educational, penal and reformatory
7 institutions account, the common school construction fund, the regional
8 transportation investment district matching account, the county
9 criminal justice assistance account, the county sales and use tax
10 equalization account, the data processing building construction
11 account, the deferred compensation administrative account, the deferred
12 compensation principal account, the department of retirement systems
13 expense account, the drinking water assistance account, the Eastern
14 Washington University capital projects account, the education
15 construction fund, the emergency reserve fund, the federal forest
16 revolving account, the health services account, the public health
17 services account, the health system capacity account, the personal
18 health services account, the state higher education construction
19 account, the higher education construction account, the highway
20 infrastructure account, the industrial insurance premium refund
21 account, the judges' retirement account, the judicial retirement
22 administrative account, the judicial retirement principal account, the
23 local leasehold excise tax account, the local real estate excise tax
24 account, the local sales and use tax account, the medical aid account,
25 the mobile home park relocation fund, the multimodal transportation
26 account, the municipal criminal justice assistance account, the
27 municipal sales and use tax equalization account, the natural resources
28 deposit account, the perpetual surveillance and maintenance account,
29 the public employees' retirement system plan 1 account, the public
30 employees' retirement system plan 2 account, the Puyallup tribal
31 settlement account, the resource management cost account, the site
32 closure account, the special wildlife account, the state employees'
33 insurance account, the state employees' insurance reserve account, the
34 state investment board expense account, the state investment board
35 commingled trust fund accounts, the supplemental pension account, the
36 teachers' retirement system plan 1 account, the teachers' retirement
37 system combined plan 2 and plan 3 account, the tobacco prevention and
38 control account, the tobacco settlement account, the transportation
39 infrastructure account, the tuition recovery trust fund, the University

1 of Washington bond retirement fund, the University of Washington
2 building account, the volunteer fire fighters' and reserve officers'
3 relief and pension principal fund, the volunteer fire fighters' and
4 reserve officers' administrative fund, the Washington judicial
5 retirement system account, the Washington law enforcement officers' and
6 fire fighters' system plan 1 retirement account, the Washington law
7 enforcement officers' and fire fighters' system plan 2 retirement
8 account, the Washington school employees' retirement system combined
9 plan 2 and 3 account, the Washington state health insurance pool
10 account, the Washington state patrol retirement account, the Washington
11 State University building account, the Washington State University bond
12 retirement fund, the water pollution control revolving fund, and the
13 Western Washington University capital projects account. Earnings
14 derived from investing balances of the agricultural permanent fund, the
15 normal school permanent fund, the permanent common school fund, the
16 scientific permanent fund, and the state university permanent fund
17 shall be allocated to their respective beneficiary accounts. All
18 earnings to be distributed under this subsection (4)(a) shall first be
19 reduced by the allocation to the state treasurer's service fund
20 pursuant to RCW 43.08.190.

21 (b) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The aeronautics account,
24 the aircraft search and rescue account, the county arterial
25 preservation account, the department of licensing services account, the
26 essential rail assistance account, the ferry bond retirement fund, the
27 grade crossing protective fund, the high capacity transportation
28 account, the highway bond retirement fund, the highway safety account,
29 the motor vehicle fund, the motorcycle safety education account, the
30 pilotage account, the public transportation systems account, the Puget
31 Sound capital construction account, the Puget Sound ferry operations
32 account, the recreational vehicle account, the rural arterial trust
33 account, the safety and education account, the special category C
34 account, the state patrol highway account, the transportation equipment
35 fund, the transportation fund, the transportation improvement account,
36 the transportation improvement board bond retirement account, and the
37 urban arterial trust account.

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

4 **Sec. 17.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 6 are each amended
5 to read as follows:

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

9 (2) The treasury income account shall be utilized to pay or receive
10 funds associated with federal programs as required by the federal cash
11 management improvement act of 1990. The treasury income account is
12 subject in all respects to chapter 43.88 RCW, but no appropriation is
13 required for refunds or allocations of interest earnings required by
14 the cash management improvement act. Refunds of interest to the
15 federal treasury required under the cash management improvement act
16 fall under RCW 43.88.180 and shall not require appropriation. The
17 office of financial management shall determine the amounts due to or
18 from the federal government pursuant to the cash management improvement
19 act. The office of financial management may direct transfers of funds
20 between accounts as deemed necessary to implement the provisions of the
21 cash management improvement act, and this subsection. Refunds or
22 allocations shall occur prior to the distributions of earnings set
23 forth in subsection (4) of this section.

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

32 (4) Monthly, the state treasurer shall distribute the earnings
33 credited to the treasury income account. The state treasurer shall
34 credit the general fund with all the earnings credited to the treasury
35 income account except:

36 (a) The following accounts and funds shall receive their
37 proportionate share of earnings based upon each account's and fund's
38 average daily balance for the period: The capitol building

1 construction account, the Cedar River channel construction and
2 operation account, the Central Washington University capital projects
3 account, the charitable, educational, penal and reformatory
4 institutions account, the common school construction fund, the regional
5 transportation investment district matching account, the county
6 criminal justice assistance account, the county sales and use tax
7 equalization account, the data processing building construction
8 account, the deferred compensation administrative account, the deferred
9 compensation principal account, the department of retirement systems
10 expense account, the drinking water assistance account, the Eastern
11 Washington University capital projects account, the education
12 construction fund, the emergency reserve fund, the federal forest
13 revolving account, the health services account, the public health
14 services account, the health system capacity account, the personal
15 health services account, the state higher education construction
16 account, the higher education construction account, the highway
17 infrastructure account, the industrial insurance premium refund
18 account, the judges' retirement account, the judicial retirement
19 administrative account, the judicial retirement principal account, the
20 local leasehold excise tax account, the local real estate excise tax
21 account, the local sales and use tax account, the medical aid account,
22 the mobile home park relocation fund, the multimodal transportation
23 account, the municipal criminal justice assistance account, the
24 municipal sales and use tax equalization account, the natural resources
25 deposit account, the perpetual surveillance and maintenance account,
26 the public employees' retirement system plan 1 account, the public
27 employees' retirement system combined plan 2 and plan 3 account, the
28 Puyallup tribal settlement account, the resource management cost
29 account, the site closure account, the special wildlife account, the
30 state employees' insurance account, the state employees' insurance
31 reserve account, the state investment board expense account, the state
32 investment board commingled trust fund accounts, the supplemental
33 pension account, the teachers' retirement system plan 1 account, the
34 teachers' retirement system combined plan 2 and plan 3 account, the
35 tobacco prevention and control account, the tobacco settlement account,
36 the transportation infrastructure account, the tuition recovery trust
37 fund, the University of Washington bond retirement fund, the University
38 of Washington building account, the volunteer fire fighters' and
39 reserve officers' relief and pension principal fund, the volunteer fire

1 fighters' and reserve officers' administrative fund, the Washington
2 judicial retirement system account, the Washington law enforcement
3 officers' and fire fighters' system plan 1 retirement account, the
4 Washington law enforcement officers' and fire fighters' system plan 2
5 retirement account, the Washington school employees' retirement system
6 combined plan 2 and 3 account, the Washington state health insurance
7 pool account, the Washington state patrol retirement account, the
8 Washington State University building account, the Washington State
9 University bond retirement fund, the water pollution control revolving
10 fund, and the Western Washington University capital projects account.
11 Earnings derived from investing balances of the agricultural permanent
12 fund, the normal school permanent fund, the permanent common school
13 fund, the scientific permanent fund, and the state university permanent
14 fund shall be allocated to their respective beneficiary accounts. All
15 earnings to be distributed under this subsection (4)(a) shall first be
16 reduced by the allocation to the state treasurer's service fund
17 pursuant to RCW 43.08.190.

18 (b) The following accounts and funds shall receive eighty percent
19 of their proportionate share of earnings based upon each account's or
20 fund's average daily balance for the period: The aeronautics account,
21 the aircraft search and rescue account, the county arterial
22 preservation account, the department of licensing services account, the
23 essential rail assistance account, the ferry bond retirement fund, the
24 grade crossing protective fund, the high capacity transportation
25 account, the highway bond retirement fund, the highway safety account,
26 the motor vehicle fund, the motorcycle safety education account, the
27 pilotage account, the public transportation systems account, the Puget
28 Sound capital construction account, the Puget Sound ferry operations
29 account, the recreational vehicle account, the rural arterial trust
30 account, the safety and education account, the special category C
31 account, the state patrol highway account, the transportation equipment
32 fund, the transportation fund, the transportation improvement account,
33 the transportation improvement board bond retirement account, and the
34 urban arterial trust account.

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

1 **Sec. 18.** RCW 81.104.140 and 1992 c 101 s 25 are each amended to
2 read as follows:

3 (1) Agencies authorized to provide high capacity transportation
4 service, including transit agencies and regional transit authorities,
5 are hereby granted dedicated funding sources for such systems. These
6 dedicated funding sources, as set forth in RCW 81.104.150, 81.104.160,
7 and 81.104.170, are authorized (~~(only)~~) for agencies located in (~~((a)~~
8 ~~each county with a population of two hundred ten thousand or more and~~
9 ~~(b) each county with a population of from one hundred twenty five~~
10 ~~thousand to less than two hundred ten thousand except for those~~
11 ~~counties that do not border a county with a population as described~~
12 ~~under (a) of this subsection. In any county with a population of one~~
13 ~~million or more or in any county having a population of four hundred~~
14 ~~thousand or more bordering a county with a population of one million or~~
15 ~~more)) any county other than a county which, in whole or in part, is a
16 part of a regional transit authority, or is eligible to form or
17 participate in a regional transit authority. For counties which, in
18 whole or in part, are part of a regional transit authority, or which
19 are eligible to form or participate in a regional transit authority,
20 these funding sources may be imposed only by a regional transit
21 authority.~~

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

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

- 27 (a) Acceptability;
- 28 (b) Ease of administration;
- 29 (c) Equity;
- 30 (d) Implementation feasibility;
- 31 (e) Revenue reliability; and
- 32 (f) Revenue yield.

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

- 36 (a) Employer tax as provided in RCW 81.104.150;
- 37 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
- 38 and
- 39 (c) Sales and use tax as provided in RCW 81.104.170.

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

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

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

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

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

36 (9) For any election in which voter approval is sought for a high
37 capacity transportation system plan and financing plan pursuant to RCW
38 81.104.040, a local voter's pamphlet shall be produced as provided in
39 chapter 29.81A RCW.

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

7 (11) By interlocal agreement, transit agencies located in any
8 county other than a county which, in whole or in part, is a part of a
9 regional transit authority, or is eligible to form or participate in a
10 regional transit authority, may choose to coordinate their efforts to
11 implement some or all of the dedicated funding sources set forth in RCW
12 81.104.150, 81.104.160, and 81.104.170, to implement high-capacity
13 transportation service as a joint effort, across their respective
14 jurisdictions. The respective county legislative authorities may
15 choose to set forth a common ballot measure and vote to accomplish this
16 purpose.

17 **Sec. 19.** RCW 47.05.021 and 1998 c 245 s 95 and 1998 c 171 s 5 are
18 each reenacted and amended to read as follows:

19 (1) The transportation commission is hereby directed to conduct
20 periodic analyses of the entire state highway system, report thereon to
21 the chairs of the transportation committees of the senate and house of
22 representatives, including one copy to the staff of each of the
23 committees, biennially and based thereon, to subdivide, classify, and
24 subclassify according to their function and importance all designated
25 state highways and those added from time to time and periodically
26 review and revise the classifications into the following three
27 functional classes:

28 (a) The "principal arterial system" shall consist of a connected
29 network of rural arterial routes with appropriate extensions into and
30 through urban areas, including all routes designated as part of the
31 interstate system, which serve corridor movements having travel
32 characteristics indicative of substantial statewide and interstate
33 travel;

34 (b) The "minor arterial system" shall, in conjunction with the
35 principal arterial system, form a rural network of arterial routes
36 linking cities and other activity centers which generate long distance
37 travel, and, with appropriate extensions into and through urban areas,

1 form an integrated network providing interstate and interregional
2 service; and

3 (c) The "collector system" shall consist of routes which primarily
4 serve the more important intercounty, intracounty, and intraurban
5 travel corridors, collect traffic from the system of local access roads
6 and convey it to the arterial system, and on which, regardless of
7 traffic volume, the predominant travel distances are shorter than on
8 arterial routes.

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

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

15 (b) Important traffic generating economic activities, including but
16 not limited to recreation, agriculture, government, business, and
17 industry;

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

20 (d) Directness of travel and distance between points of economic
21 importance;

22 (e) Length of trips;

23 (f) Character and volume of traffic;

24 (g) Preferential consideration for multiple service which shall
25 include public transportation;

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

27 (i) System continuity.

28 (3) The transportation commission or the legislature shall
29 designate state highways of statewide significance under RCW
30 47.06.140(~~(, and)~~). If the commission designates a state highway of
31 statewide significance, it shall submit a list of such facilities for
32 adoption by the ((1999)) legislature. This statewide system shall
33 include at a minimum interstate highways and other statewide principal
34 arterials that are needed to connect major communities across the state
35 and support the state's economy.

36 (4) The transportation commission shall designate a freight and
37 goods transportation system. This statewide system shall include state
38 highways, county roads, and city streets. The commission, in
39 cooperation with cities and counties, shall review and make

1 recommendations to the legislature regarding policies governing weight
2 restrictions and road closures which affect the transportation of
3 freight and goods.

4 NEW SECTION. **Sec. 20.** The legislature hereby designates state
5 route number 519 and that portion of state route number 509 which runs
6 or will run from state route number 518 in the north to the
7 intersection with interstate 5 in the south as state highways of
8 statewide significance.

9 NEW SECTION. **Sec. 21.** A new section is added to chapter 43.131
10 RCW to read as follows:

11 Regional transportation investment districts and their powers and
12 duties shall be terminated on June 30, 2006, as provided in section 22
13 of this act.

14 NEW SECTION. **Sec. 22.** A new section is added to chapter 43.131
15 RCW to read as follows:

16 The following acts or parts of acts, as now existing or hereafter
17 amended, are each repealed, effective June 30, 2007:

- 18 (1) Section 1 of this act;
- 19 (2) Section 2 of this act;
- 20 (3) Section 3 of this act;
- 21 (4) Section 4 of this act;
- 22 (5) Section 5 of this act;
- 23 (6) Section 6 of this act;
- 24 (7) Section 7 of this act;
- 25 (8) Section 8 of this act;
- 26 (9) Section 9 of this act;
- 27 (10) Section 10 of this act;
- 28 (11) Section 11 of this act;
- 29 (12) Section 12 of this act;
- 30 (13) Section 13 of this act;
- 31 (14) Section 14 of this act; and
- 32 (15) Section 15 of this act.

33 NEW SECTION. **Sec. 23.** Section 16 of this act expires March 1,
34 2002.

1 NEW SECTION. **Sec. 24.** Section 17 of this act takes effect March
2 1, 2002.

3 NEW SECTION. **Sec. 25.** Sections 1 through 15 of this act
4 constitute a new chapter in Title 47 RCW.

5 NEW SECTION. **Sec. 26.** If any provision of this act or its
6 application to any person or circumstance is held invalid, the
7 remainder of the act or the application of the provision to other
8 persons or circumstances is not affected.

9 NEW SECTION. **Sec. 27.** Sections 1 through 16 and 18 through 20 of
10 this act are necessary for the immediate preservation of the public
11 peace, health, or safety, or support of the state government and its
12 existing public institutions, and take effect immediately.

--- END ---