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**ENGROSSED SUBSTITUTE SENATE BILL 6140**

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**State of Washington 57th Legislature****2002 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 04/09/2001.

1 AN ACT Relating to the creation of congestion relief districts;  
2 amending RCW 43.84.092, 43.84.092, and 82.08.020; adding a new chapter  
3 to Title 47 RCW; creating a new section; providing an effective date;  
4 and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that a multimodal  
7 approach to the state's transportation system is the best means of  
8 addressing transportation needs. Recently, little money has been spent  
9 on new highway projects to add capacity and lane miles to major state  
10 routes, interstates, or other freeway systems. Expansion of our  
11 highway systems is essential to all modes of transportation, as buses  
12 and vanpools need additional lanes on which to travel in order to be  
13 effective, just as passenger vehicles need additional lanes. The  
14 legislature desires to empower local regions to add lane capacity to  
15 major highways and interstates by enabling them to raise revenue to  
16 construct highway improvements which will add lanes to existing  
17 freeways or highways, or create new freeways or highways, to meet the  
18 demand from all modes of traffic. The legislature further recognizes  
19 that many of the transportation problems facing the state are too large

1 to be addressed simply at the local level or the state level alone, and  
2 that a program whereby local areas can come together to generate  
3 revenue and partner with the state in a joint effort to construct major  
4 highway improvements is needed to achieve meaningful congestion relief.  
5 The legislature further finds that many of the improvement projects  
6 needed cross traditional city, county, and state jurisdictions, such  
7 that no current governmental boundary adequately encompasses any one  
8 corridor and that amalgamations of legislative districts, which are  
9 equal in population and yet remain small enough geographic boundaries  
10 to more closely approximate the physical locale of a highway  
11 improvement, are the best means of defining the geographic boundaries  
12 of a transportation corridor. The legislature also finds that this act  
13 will enable local taxpayers to enhance the transportation resources  
14 available to them by accelerating completion of needed state projects  
15 in their district and taking advantage of available federal funds where  
16 a match is required.

17 The legislature finds that there is a compelling need for the state  
18 and local governments to work together to solve major traffic  
19 congestion problems at transportation corridors, and that many  
20 transportation decisions are best made at the regional level, where  
21 transportation problems are paramount. To achieve regional congestion  
22 relief and to implement recommendation six of the blue ribbon  
23 commission on transportation final report, relating to regional  
24 transportation solutions, congestion relief districts are created. The  
25 legislature declares that it is the public policy of this state to  
26 encourage and facilitate highway improvements. It is the purpose of  
27 congestion relief districts to generate revenues for a limited period  
28 of time to assist in the financing of highway improvement projects to  
29 improve transportation mobility in congested areas.

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

32 (1) "Congestion relief district" or "district" means a  
33 quasi-municipal corporation whose boundaries shall be one or more  
34 legislative districts which has been created by county legislative  
35 authorities and a vote of the people pursuant to this chapter to  
36 implement a congestion relief plan.

37 (2) "Congestion relief district planning committee" or "planning  
38 committee" means the advisory committee created pursuant to section 5

1 of this act to create and propose to county legislative authorities a  
2 congestion relief plan to develop, finance, and construct highway  
3 improvement projects.

4 (3) "Congestion relief plan" or "plan" means a plan to develop,  
5 construct, and finance a highway improvement project or projects.

6 (4) "Highway improvement project" means an improvement that adds a  
7 lane or lanes to a state route or federal interstate, including HOV  
8 lanes, fly-over ramps, park and ride lots, and bus pull-outs which will  
9 serve new lanes added to a state route or federal interstate.

10 (5) "Congestion relief area" or "designated area" means the  
11 legislative district or districts within, adjacent to, or impacted by  
12 high traffic congestion as designated by the legislature pursuant to  
13 section 3 of this act, or as redefined by a planning committee and  
14 adopted pursuant to this chapter to form the boundaries of a congestion  
15 relief district.

16 (6) "Legislative district" means an area designated pursuant to  
17 chapter 44.07C RCW.

18 (7) "Department" means the Washington state department of  
19 transportation.

20 NEW SECTION. **Sec. 3.** The legislature shall designate the  
21 legislative district or districts within, adjacent to, or impacted by  
22 traffic congestion at major transportation corridors, which shall form  
23 congestion relief areas. If the legislative districts subsequently  
24 change pursuant to redistricting, then an area shall consist of those  
25 districts within, adjacent to, or impacted by a transportation  
26 corridor, plus those districts previously within the area which remain  
27 within, adjacent to, or affected by that corridor or corridors and  
28 still have fifty percent of their original geographic area unchanged.  
29 The tax boundaries of areas subject to any new taxes imposed under this  
30 chapter shall be unaffected by subsequent redistricting.

31 NEW SECTION. **Sec. 4.** The central Puget Sound congestion relief  
32 area is hereby created and is comprised of the following legislative  
33 districts: 38, 21, 1, 44, 32, 46, 45, 36, 43, 48, 34, 11, 37, 41, 33,  
34 47, 5, 30, 25, and 31.

1        NEW SECTION.        **Sec. 5.**        Congestion relief district planning

2 committees are advisory entities which are created, convened, and  
3 empowered as follows:

4        (1) A congestion relief district planning committee shall be formed  
5 and composed of one representative from each legislative district  
6 within the boundaries of a congestion relief area.        The three  
7 legislators elected from each legislative district within the area  
8 shall choose, by majority vote, a fourth person who is not a legislator  
9 to serve as a representative on the congestion relief planning  
10 committee.        Members of a planning committee shall receive no  
11 compensation.

12        (2) At its first meeting, a congestion relief district planning  
13 committee shall elect officers and provide for the adoption of rules  
14 and other operating procedures.        Governance of and decisions by a  
15 congestion relief district planning committee shall be by majority  
16 vote.        At any time, with a two-thirds vote of the membership of the  
17 planning committee, the planning committee may dissolve itself.

18        (3) A congestion relief district planning committee shall convene,  
19 from time to time and as appropriate, to create and adopt a congestion  
20 relief plan providing for the selection, development, construction, and  
21 financing of the highway improvement project or projects to be  
22 constructed.        The congestion relief plan should consider transportation  
23 and land use planning.        The planning committee may coordinate its  
24 activities with the department of transportation, which shall provide  
25 services, data, and personnel to assist in this planning as desired by  
26 the planning committee.        In addition, the planning committee may also  
27 coordinate with such other local governments and entities that engage  
28 in transportation planning.

29        (4) A planning committee shall select highway improvement projects  
30 to reduce traffic congestion and will create a congestion relief plan  
31 providing for the development, construction, and financing of the  
32 highway improvement project or projects to be constructed to submit to  
33 the county legislative authorities.

34        (5) A congestion relief district planning committee may, as part of  
35 a congestion relief plan, recommend the imposition of some or all of  
36 the following revenue sources:

37        (a) A regional sales and use tax of up to 0.5 percent of the  
38 selling price, in the case of a sales tax, or value of the article  
39 used, in the case of a use tax.        The tax authorized pursuant to this

1 section shall be in addition to the tax authorized by RCW 82.14.030 and  
2 shall be collected from those persons who are taxable by the state  
3 pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any  
4 taxable event within the taxing district. Motor vehicles are exempt  
5 from the sales tax imposed under this section;

6 (b) A vehicle license fee of up to seventy-five dollars per vehicle  
7 registered in the district, except commercial vehicles as defined in  
8 RCW 46.04.140, per year on passenger cars, sport utility vehicles,  
9 motorcycles, motorhomes, pickup trucks, and trailers or trailing units.  
10 The department of licensing shall administer and collect this fee on  
11 behalf of a congestion relief district and remit this fee to the  
12 custody of the state treasurer, who shall distribute it as directed by  
13 a congestion relief district;

14 (c) A motor vehicle fuel tax of up to six cents per each gallon of  
15 motor vehicle fuel sold in the district as defined in RCW 82.36.010 and  
16 on each gallon of special fuel sold in the district as defined in RCW  
17 82.38.020. This tax shall be collected in the same manner as state  
18 fuel taxes and remitted to the state treasurer, who shall distribute it  
19 as directed by a congestion relief district; and

20 (d) A commercial vehicle fee of up to one hundred fifty dollars per  
21 commercial vehicle registered in the district as defined in RCW  
22 46.04.140. The department of licensing shall administer and collect  
23 this fee on behalf of a congestion relief district and remit this fee  
24 to the custody of the state treasurer, who shall distribute it as  
25 directed by a congestion relief district.

26 Taxes shall not be imposed without an affirmative vote of the  
27 people within the boundaries of the designated area on a referendum as  
28 set forth in this chapter. Revenues from these taxes may be used only  
29 to support the implementation, by a congestion relief district, of a  
30 congestion relief plan to construct highway improvement projects. A  
31 congestion relief district may contract with the state department of  
32 revenue or other appropriate entities for administration and collection  
33 of any of the taxes or fees authorized in this section.

34 (6) A combination of local, state, and federal revenues may be  
35 necessary to pay for highway improvement projects, and the planning  
36 committee shall consider all of these revenue sources in developing a  
37 financing and funding plan. In particular, state matching funds of up  
38 to sixty percent of the total costs as provided in section 12 of this  
39 act shall be considered.

1 (7) A congestion relief district planning committee shall also set  
2 the final recommended area boundaries of the proposed congestion relief  
3 district. Such boundaries may be the original area set forth by the  
4 legislature in creating the congestion relief area, or the planning  
5 committee may propose a new area which adds or deletes districts from  
6 the area originally set forth by the legislature. Boundaries must be  
7 set by legislative districts in their entirety, and the area may not  
8 include portions of legislative districts. This area shall form the  
9 boundaries of the congestion relief district for purposes of any taxes  
10 imposed under this chapter. This area shall also constitute the voting  
11 area for purposes of the ballot measure, and only those registered  
12 voters residing within this designated area shall vote on the ballot  
13 measure.

14 (8) Upon adoption, by majority vote, of the congestion relief plan  
15 by the planning committee, the planning committee shall immediately  
16 transmit the congestion relief plan to the county legislative  
17 authorities within the designated area. The plan shall include a  
18 proposed ballot measure to be submitted to a vote of the people within  
19 the designated area. This ballot measure shall call for the creation  
20 of a congestion relief district; specify the boundaries of the  
21 district; specify the highway improvement project or projects to be  
22 constructed; specify the anticipated timeline for completion of the  
23 highway improvement project or projects to be constructed; and specify  
24 the tax or taxes to be imposed, the anticipated duration of the taxes  
25 imposed, and the total amount of revenue estimated to be collected.

26 NEW SECTION. **Sec. 6.** A congestion relief district is a  
27 quasi-municipal corporation which shall be formed in the following  
28 manner:

29 (1) The legislative authorities of the counties within the  
30 designated area shall decide by resolution whether to adopt the  
31 congestion relief plan submitted by a congestion relief planning  
32 committee and participate in the congestion relief district. This  
33 action shall be completed within sixty days following receipt of the  
34 planning committee's adopted plan.

35 (2) If any county opts not to adopt the plan or participate in the  
36 congestion relief district, but one or more contiguous counties do  
37 choose to continue to participate, then the planning committee may,  
38 within ninety days, redefine the congestion relief plan, as well as the

1 area boundaries and the ballot measure to be submitted to the people,  
2 to reflect elimination of one or more counties, and submit the  
3 redefined plan to the legislative authorities of the remaining counties  
4 for their decision as to whether to continue to adopt the redefined  
5 plan and participate. This action shall be completed within sixty days  
6 following receipt of the redefined plan.

7 (3) The legislative authorities of the county or counties deciding  
8 to participate shall place on the ballot, at the next general election  
9 or at a special election called for this purpose, the single ballot  
10 proposition adopted by the planning committee. The county legislative  
11 authorities may not alter the plan or ballot measure adopted by the  
12 planning committee and approved by the legislative authority or  
13 authorities. Only those registered voters residing within the  
14 designated area shall vote on the ballot measure.

15 A simple majority of those voting within the designated area is  
16 required for approval. If the vote is affirmative, then the congestion  
17 relief district is created. Its boundaries shall consist of the  
18 designated area.

19 (4) If a vote on a proposition fails, then the planning committee  
20 may redefine the boundaries, the selected projects, the construction  
21 and financing plan, and the ballot measure proposition. The county  
22 legislative authorities may approve the new plan and ballot measure,  
23 and may then submit the revised proposition to the voters at the next  
24 election or a special election. No single proposition may be submitted  
25 to the voters more than twice.

26 If a positive vote on a proposition within two years from the date  
27 of the first election on a proposition is not achieved, then the  
28 planning committee is dissolved.

29 NEW SECTION. **Sec. 7.** Membership of a congestion relief district  
30 shall be composed of one representative from each legislative district  
31 within the congestion relief district area, and shall serve for terms  
32 of one year.

33 (1) A representative must reside within the legislative district  
34 which he or she will represent on the congestion relief district.

35 (2) No legislator, county council member, city council member,  
36 mayor, county executive, state elected official, state appointed  
37 official, local appointed official, or any other elected or appointed

1 member to any governmental entity may serve on a congestion relief  
2 district.

3 (3) The initial membership of a congestion relief district created  
4 pursuant to this chapter shall be composed of the members of the  
5 congestion relief district planning committee, except that the county  
6 legislative authority in which a legislative district lies may choose  
7 to remove a member and appoint a different member in the following  
8 manner:

9 (a) The county legislative authority in which a legislative  
10 district lies or, in the event that a legislative district consists of  
11 more than one county or portions of counties, then the county  
12 legislative authorities from each of those counties, by agreement, may  
13 remove an initial member of the congestion relief district. In no case  
14 may a county legislative authority for a county which is not included  
15 as part of a legislative district remove a member from that legislative  
16 district.

17 (b) If an initial member is removed, then the three legislators  
18 from the affected legislative district shall, by majority vote, submit  
19 a list of up to two names of persons residing in the affected  
20 legislative district to the county legislative authority or authorities  
21 in which the legislative district lies. The county legislative  
22 authority or authorities shall give due consideration to the names  
23 submitted by the legislators in appointing one person from that  
24 legislative district to serve on the congestion relief district. In  
25 the event that a legislative district consists of more than one county  
26 or portions of counties, then the county legislative authorities from  
27 each of those counties shall agree upon the appointment. In no case  
28 may a county legislative authority for a county which is not included  
29 as part of a legislative district appoint a member from that  
30 legislative district.

31 (4) One year from the creation of the congestion relief district,  
32 and for terms of one year thereafter, members of a congestion relief  
33 district shall be appointed as follows: The three legislators from  
34 each legislative district shall, by majority vote, submit a list of up  
35 to two names of persons residing in the legislative district to the  
36 county legislative authority or authorities in which the legislative  
37 district lies. The county legislative authority or authorities shall  
38 give due consideration to the names submitted by the legislators in  
39 appointing one person from each legislative district, who resides in



1 that district, within the designated area to serve on the congestion  
2 relief district. In the event that a legislative district consists of  
3 more than one county or portions of counties, then the county  
4 legislative authorities from each of those counties shall agree upon  
5 the appointment. In no case may a county legislative authority for a  
6 county which is not included as part of a legislative district appoint  
7 a member from that legislative district.

8 (5) In the event of a vacancy on the congestion relief district,  
9 that vacancy shall be filled in the same manner as provided for under  
10 subsection (4) of this section.

11 (6) Members of the congestion relief district shall receive no  
12 compensation, but may receive per diem and be reimbursed for travel and  
13 incidental expenses as the district deems appropriate.

14 NEW SECTION. **Sec. 8.** (1) A congestion relief district shall meet  
15 from time to time as necessary to oversee the implementation of the  
16 congestion relief plan. At its first meeting, the congestion relief  
17 district planning committee shall elect officers and provide for the  
18 adoption of rules and other operating procedures. Governance of and  
19 decisions by a congestion relief district shall be by majority vote.

20 (2) A congestion relief district is a body corporate and shall have  
21 the powers necessary and incidental to overseeing the implementation of  
22 a congestion relief plan approved by the voters under section 5 of this  
23 act, including but not limited to:

24 (a) The authority to hire no more than six employees, including a  
25 director or executive officer, a treasurer or financial officer, a  
26 project manager or engineer, legal counsel, a project permit  
27 coordinator, and clerical staff; and

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

30 (3) A congestion relief district does not have the authority to  
31 acquire, hold, or dispose of real property.

32 (4) A congestion relief district shall not own, operate, or  
33 maintain any ongoing facility, road, or transportation system.

34 (5) A congestion relief district may accept and expend or use  
35 gifts, grants, or donations.

36 (6) A congestion relief district may coordinate its activities with  
37 the department of transportation, which shall provide services, data,  
38 and personnel to assist as desired by the congestion relief district.

1 (7) A congestion relief district may not substantially vary the  
2 congestion relief plan or the projects to be constructed. Minor  
3 variations or deviations as to the timeline, project plans or right of  
4 way, and up to five percent of the total costs may be made, but in no  
5 case may the district add to or delete from the plan projects to be  
6 constructed. Major revisions to the plan, including the addition or  
7 deletion of projects to be constructed, must be submitted first to the  
8 county legislative authorities and then a vote of the people in the  
9 same manner as provided for the initial plan under this chapter.

10 NEW SECTION. **Sec. 9.** The congestion relief district, by  
11 resolution, shall designate a person having experience in financial or  
12 fiscal matters as treasurer of the district. The district may  
13 designate the treasurer of a county within which the district is  
14 located to act as its treasurer. Such a treasurer shall possess all of  
15 the powers, responsibilities, and duties the county treasurer possesses  
16 related to investing surplus funds. The district shall require a bond  
17 with a surety company authorized to do business in the state of  
18 Washington in an amount and under the terms and conditions the  
19 district, by resolution, from time to time finds will protect the  
20 district against loss. The premium on any such bond shall be paid by  
21 the district.

22 All district funds shall be paid to the treasurer and shall be  
23 disbursed by the treasurer only on warrants issued by district upon  
24 orders or vouchers approved by the district.

25 The treasurer shall establish a special fund, into which shall be  
26 paid all district funds, and the treasurer shall maintain such special  
27 accounts as may be created by the district into which shall be placed  
28 all money as the district may, by resolution, direct.

29 If the treasurer of the district is the treasurer of a county, all  
30 district funds shall be deposited with the county depository under the  
31 same restrictions, contracts, and security as provided for county  
32 depositories. If the treasurer of the district is some other person,  
33 all funds shall be deposited in such bank or banks authorized to do  
34 business in this state that have qualified for insured deposits under  
35 any federal deposit insurance act as the district, by resolution, shall  
36 designate.

37 The district may by resolution designate a person having experience  
38 in financial or fiscal matters, as the auditor of the district. Such

1 auditor shall possess all of the powers, responsibilities, and duties  
2 related to creating and maintaining funds, issuing warrants, and  
3 maintaining a record of receipts and disbursements.

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

7 NEW SECTION. **Sec. 10.** The legislature recognizes that it may be  
8 prudent for certain congestion relief highway improvement projects to  
9 be financed over time through the issuance of bonds. By act of the  
10 legislature, the state may, pursuant to chapter 47.10 RCW, issue bonds  
11 to finance all or part of the total costs of highway improvement  
12 projects being constructed by a congestion relief district. The state  
13 and a congestion relief district may enter into a contract or  
14 arrangement by which a congestion relief district shall repay its  
15 portion, if any, of any outstanding bond debt issued by the state. A  
16 congestion relief district shall remain liable to the state for the  
17 payment of its portion of any debt incurred, including interest, but  
18 only from amounts collected from taxes authorized in this chapter.

19 Alternatively, notwithstanding RCW 39.36.020(1), a congestion  
20 relief district may contract indebtedness or borrow money to pay for  
21 highway improvement projects in an amount not exceeding one and one-  
22 half percent of the value of the taxable property within the boundaries  
23 of the region, as long as the total indebtedness of the region does not  
24 exceed five percent of the value of the taxable property in it. The  
25 bonds must be issued and sold in accordance with chapter 39.46 RCW, and  
26 the bond proceeds must be used solely to pay for highway improvement  
27 projects and any start-up costs advanced by the state for expenses of  
28 the district prior to the referendum. The term "value of the taxable  
29 property" has the meaning set forth in RCW 39.36.015.

30 NEW SECTION. **Sec. 11.** (1) The department shall create a division  
31 of dedicated staff and services whose sole responsibility is to  
32 coordinate the design, preliminary engineering, permitting, financing,  
33 and construction of projects under consideration by a congestion relief  
34 district planning committee or which are part of a congestion relief  
35 plan being implemented by a congestion relief district.

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

1 congestion relief district, be utilized to implement a congestion  
2 relief plan and construct highway improvement projects.

3 NEW SECTION. **Sec. 12.** (1) A congestion relief district is  
4 eligible for state matching funds of up to sixty percent of the total  
5 costs of a highway improvement project or series of projects being  
6 constructed by a congestion relief district. A congestion relief  
7 district need not utilize state matching funds, and nothing in this  
8 section may be construed as prohibiting a congestion relief district  
9 from funding and paying all or more than forty percent of the total  
10 costs of a highway improvement project or series of projects being  
11 constructed.

12 (2) The congestion relief district matching account is hereby  
13 created within the state treasury. The congestion relief district  
14 matching account shall be administered by the state treasurer. Funds  
15 appropriated by the legislature as matching state money for a highway  
16 improvement project or series of projects being constructed by a  
17 congestion relief district shall be deposited into this account. The  
18 purpose of this account is to serve as an account from which payments  
19 for highway improvement projects being constructed by a congestion  
20 relief district may be made. Payments from this account may be made as  
21 follows:

22 (a) The state may pay for its share of up to sixty percent,  
23 including federal funds, of the total costs of a highway improvement  
24 project or series of projects being constructed by a congestion relief  
25 district from funds appropriated to this account by the legislature for  
26 this purpose; and

27 (b) A congestion relief district may also transfer money to this  
28 account to pay for its share of any highway improvement projects being  
29 constructed by the state on behalf of that congestion relief district,  
30 or for payment of any bonds, debt, or other financing incurred by the  
31 state on its behalf to construct such projects. The state may then use  
32 these transfers to make payments on the district's behalf.

33 All moneys deposited in the congestion relief district matching  
34 account shall be invested by the state treasurer. Funds within the  
35 congestion relief district matching account shall be used solely to pay  
36 for highway improvement projects being constructed by a congestion  
37 relief district.

1        NEW SECTION.    **Sec. 13.**    The department or district may use the  
2 design-build procedure for projects developed by a congestion relief  
3 district.    As used in this section "design-build procedure" means a  
4 method of contracting under which the department or district contracts  
5 with another party for such party to both design and build the  
6 structures, facilities, and other items specified in the contract.

7        NEW SECTION.    **Sec. 14.**    Within thirty days of the completion of the  
8 construction of the project or series of projects forming the  
9 congestion relief plan, the district shall terminate day-to-day  
10 operations and exist solely as a limited entity which oversees the  
11 collection of revenue and the payment of any debt service or financing  
12 still in effect, if any.    Any taxes imposed pursuant to an approved  
13 plan shall terminate when the financing or debt service on the project  
14 or series of projects constructed is completed and paid, thirty days  
15 from which point the district shall dissolve itself and cease to exist.  
16 If there is no debt outstanding, then the district shall dissolve  
17 within thirty days from completion of construction of the project or  
18 series of projects forming the congestion relief plan.

19        NEW SECTION.    **Sec. 15.**    Any highway improvement project constructed  
20 pursuant to this chapter becomes and remains the property of the state  
21 of Washington.

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

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

27        (2) The treasury income account shall be utilized to pay or receive  
28 funds associated with federal programs as required by the federal cash  
29 management improvement act of 1990.    The treasury income account is  
30 subject in all respects to chapter 43.88 RCW, but no appropriation is  
31 required for refunds or allocations of interest earnings required by  
32 the cash management improvement act.    Refunds of interest to the  
33 federal treasury required under the cash management improvement act  
34 fall under RCW 43.88.180 and shall not require appropriation.    The  
35 office of financial management shall determine the amounts due to or  
36 from the federal government pursuant to the cash management improvement

1 act. The office of financial management may direct transfers of funds  
2 between accounts as deemed necessary to implement the provisions of the  
3 cash management improvement act, and this subsection. Refunds or  
4 allocations shall occur prior to the distributions of earnings set  
5 forth in subsection (4) of this section.

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

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

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

1 the local real estate excise tax account, the local sales and use tax  
2 account, the medical aid account, the mobile home park relocation fund,  
3 the multimodal transportation account, the municipal criminal justice  
4 assistance account, the municipal sales and use tax equalization  
5 account, the natural resources deposit account, the perpetual  
6 surveillance and maintenance account, the public employees' retirement  
7 system plan 1 account, the public employees' retirement system plan 2  
8 account, the Puyallup tribal settlement account, the resource  
9 management cost account, the site closure account, the special wildlife  
10 account, the state employees' insurance account, the state employees'  
11 insurance reserve account, the state investment board expense account,  
12 the state investment board commingled trust fund accounts, the  
13 supplemental pension account, the teachers' retirement system plan 1  
14 account, the teachers' retirement system combined plan 2 and plan 3  
15 account, the tobacco prevention and control account, the tobacco  
16 settlement account, the transportation infrastructure account, the  
17 tuition recovery trust fund, the University of Washington bond  
18 retirement fund, the University of Washington building account, the  
19 volunteer fire fighters' and reserve officers' relief and pension  
20 principal fund, the volunteer fire fighters' and reserve officers'  
21 administrative fund, the Washington judicial retirement system account,  
22 the Washington law enforcement officers' and fire fighters' system plan  
23 1 retirement account, the Washington law enforcement officers' and fire  
24 fighters' system plan 2 retirement account, the Washington school  
25 employees' retirement system combined plan 2 and 3 account, the  
26 Washington state health insurance pool account, the Washington state  
27 patrol retirement account, the Washington State University building  
28 account, the Washington State University bond retirement fund, the  
29 water pollution control revolving fund, and the Western Washington  
30 University capital projects account. Earnings derived from investing  
31 balances of the agricultural permanent fund, the normal school  
32 permanent fund, the permanent common school fund, the scientific  
33 permanent fund, and the state university permanent fund shall be  
34 allocated to their respective beneficiary accounts. All earnings to be  
35 distributed under this subsection (4)(a) shall first be reduced by the  
36 allocation to the state treasurer's service fund pursuant to RCW  
37 43.08.190.

38 (b) The following accounts and funds shall receive eighty percent  
39 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The aeronautics account,  
2 the aircraft search and rescue account, the county arterial  
3 preservation account, the department of licensing services account, the  
4 essential rail assistance account, the ferry bond retirement fund, the  
5 grade crossing protective fund, the high capacity transportation  
6 account, the highway bond retirement fund, the highway safety account,  
7 the motor vehicle fund, the motorcycle safety education account, the  
8 pilotage account, the public transportation systems account, the Puget  
9 Sound capital construction account, the Puget Sound ferry operations  
10 account, the recreational vehicle account, the rural arterial trust  
11 account, the safety and education account, the special category C  
12 account, the state patrol highway account, the transportation equipment  
13 fund, the transportation fund, the transportation improvement account,  
14 the transportation improvement board bond retirement account, and the  
15 urban arterial trust account.

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

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

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

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



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

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

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

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

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

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

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

14 **Sec. 18.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each amended  
15 to read as follows:

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

19 (2) There is levied and there shall be collected an additional tax  
20 on each retail car rental, regardless of whether the vehicle is  
21 licensed in this state, equal to five and nine-tenths percent of the  
22 selling price. The revenue collected under this subsection shall be  
23 deposited in the multimodal transportation account created in RCW  
24 47.66.070.

25 (3) There is levied and there shall be collected an additional tax  
26 on each retail sale of a motor vehicle to a resident of a congestion  
27 relief district under chapter 47.-- RCW (sections 1 through 15 of this  
28 act) equal to one-half percent of the selling price. The revenue  
29 collected under this subsection must be distributed to the appropriate  
30 congestion relief district: PROVIDED, That this subsection does not  
31 apply to residents outside of a congestion relief district, or  
32 residents of a congestion relief district which has not imposed a sales  
33 and use tax equal to one-half percent as provided under chapter 47.--  
34 RCW (sections 1 through 15 of this act).

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

37 ((+4)) (5) The rates provided in this section apply to taxes  
38 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

1        NEW SECTION.    **Sec. 19.**    Section 16 of this act expires March 1,  
2    2002.

3        NEW SECTION.    **Sec. 20.**    Section 17 of this act takes effect March  
4    1, 2002.

5        NEW SECTION.    **Sec. 21.**    Sections 1 through 15 of this act  
6    constitute a new chapter in Title 47 RCW.

7        NEW SECTION.    **Sec. 22.**    If any provision of this act or its  
8    application to any person or circumstance is held invalid, then the  
9    entire act shall be null and void and of no force or effect.

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