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SENATE BILL 6617

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State of Washington 57th Legislature

2002 Regular Session

By Senators Jacobsen, Kline, Eide, Kohl-Welles, Regala, Fairley and Keiser

Read first time 01/23/2002. Referred to Committee on Transportation.

1 AN ACT Relating to authorizing the financing of regional  
2 transportation improvements by counties; amending RCW 81.104.140,  
3 81.104.160, 81.104.170, 82.14.045, 82.14.050, 81.100.030, 81.100.060,  
4 82.80.010, 82.80.020, 82.80.030, 82.80.070, 82.80.080, and 47.56.030;  
5 reenacting and amending RCW 43.84.092; adding a new section to chapter  
6 82.14 RCW; adding a new section to chapter 43.135 RCW; adding a new  
7 section to chapter 82.32 RCW; adding a new section to chapter 82.80  
8 RCW; adding new sections to chapter 47.56 RCW; adding a new chapter to  
9 Title 36 RCW; creating new sections; and providing a contingent  
10 effective date.

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

12 **I. CREATION OF REGIONAL TRANSPORTATION PLANNING ORGANIZATIONS**

13 NEW SECTION. **Sec. 101.** FINDINGS. The legislature finds that:

14 (1) The capacity of many of Washington state's transportation  
15 facilities have failed to keep up with the state's growth, particularly  
16 in major urban regions;

17 (2) The state cannot by itself fund, in a timely way, many of the  
18 major capacity and other improvements required on highways of statewide

1 significance and for other regional transportation projects in the  
2 state's largest urbanized areas;

3 (3) Providing a transportation system that maintains efficient  
4 mobility for persons and freight requires a partnership between the  
5 state, local, and regional governments and the private sector;

6 (4) Timely construction and development of significant  
7 transportation improvement projects can best be achieved through  
8 enhanced funding options for governments at the city, county, and  
9 regional levels. The legislature intends to use existing governments,  
10 existing tax authority with enhancements, and existing authority for  
11 interlocal cooperation among governments to address critical local,  
12 regional, and statewide roadway and multimodal needs; and

13 (5) Voters must be assured that locally generated moneys to address  
14 transportation projects will remain within the taxing jurisdiction and  
15 that the tax revenues will be used to address an identified list of  
16 projects and activities.

17 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this  
18 section apply throughout this chapter unless the context clearly  
19 requires otherwise.

20 (1) "Lead agency" means a public agency designated by the county to  
21 plan, design, and build a project.

22 (2) "Transportation improvement projects" or "projects" means  
23 projects contained in the transportation plan of the state or a  
24 regional transportation planning organization. Projects may include  
25 new or existing highways of statewide significance or local principal  
26 arterials of regional significance, rail facilities, public  
27 transportation investments, ferry system capital improvements, and  
28 transportation demand management programs.

29 (3) "Regional transportation investment plan" or "plan" means a  
30 plan to develop, construct, and finance a transportation project or  
31 projects.

32 (4) "Regional transportation planning organization" means that  
33 organization as defined in chapter 47.80 RCW.

34 NEW SECTION. **Sec. 103.** RTPO PLANNING DUTIES. (1) A county or  
35 counties may request that a regional transportation planning  
36 organization of which they are a member develop a regional

1 transportation investment plan. The organization must adopt the plan  
2 within ninety days of the county request.

3 (2) In developing the plan the organization:

4 (a) Should consider regional transportation equity and land use  
5 planning;

6 (b) May coordinate its activities with the department of  
7 transportation, which shall provide services, data, and personnel to  
8 assist in this planning as desired by the organization;

9 (c) Shall coordinate with local government entities within the  
10 boundaries of the requesting county that engage in transportation  
11 planning;

12 (d) Shall develop accurate cost forecasts for each project included  
13 in the plan with assistance from the department and the lead agency.  
14 This project costing methodology must include but not be limited to:

15 (i) Integration with a range of revenue forecasts;

16 (ii) Estimated project costs in constant dollars and year of  
17 expenditure dollars;

18 (iii) A range of project costs reflected by the level of project  
19 design;

20 (iv) Project contingencies;

21 (v) Identification of mitigation costs; and

22 (vi) Project and plan cash flow and bond analysis;

23 (e) Shall conduct public meetings that are needed to assure active  
24 public participation in the development of the plan.

25 (3) The plan adopted by the organization must include provisions:

26 (a) Providing for the selection, development, construction, and  
27 financing of transportation improvement projects;

28 (b) Providing for improvements in mobility based on addressing  
29 transportation improvement projects;

30 (c) Recommending the appropriate mix of transportation investment  
31 choices to address the mobility needs of the county. Unless otherwise  
32 specifically required by law, there is no state fund matching  
33 requirement for a project under this chapter;

34 (d) Providing that the maximum amount possible of the funds raised  
35 will be used to fund projects in the plan. Allowable costs include  
36 environmental improvements and mitigation. The plan must minimize  
37 administrative costs; and

1 (e) Recommending sources of revenue authorized by section 106 of  
2 this act and a financing plan to fund transportation projects included  
3 in the plan.

4 (4) Once adopted, the plan must be forwarded to the county  
5 legislative authority or authorities for consideration and possible  
6 revision to initiate the election process of section 104 of this act.  
7 Before a county initiates the election process, the county shall  
8 provide notice of the plan to each city and town within the district,  
9 the governor, the chairs of the transportation committees of the  
10 legislature, the secretary of transportation, and each legislator whose  
11 legislative district is partially or wholly within the boundaries of  
12 the county.

13 (5) If the plan fails under section 104 of this act the regional  
14 transportation planning organization may redefine the selected projects  
15 and the project and financing plan. The county or counties may approve  
16 the new plan and certify a ballot measure, and may then submit the  
17 revised proposition to the voters at the next election or a special  
18 election.

19 NEW SECTION. **Sec. 104.** SUBMISSION OF PLAN TO THE VOTERS. (1)  
20 Within thirty days of receipt of a transportation investment plan under  
21 section 103 of this act, cities and towns within the county may act to  
22 disapprove the plan. The plan is disapproved if:

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

25 (b) The cities or towns voting to reject represent a minimum of  
26 fifty percent of the population of the cities and towns within the  
27 county.

28 (2) If the plan is not disapproved under subsection (1) of this  
29 section, a county legislative authority shall:

30 (a) Draft a ballot title;

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

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

35 (3) The electorate will be the voters voting within the boundaries  
36 of the county. A simple majority of those voting on a single  
37 proposition to approve the plan and impose the taxes and fees within  
38 each county is required for approval.

1 (4) If the plan is approved by the voters and involves more than  
2 one county, the counties must negotiate interlocal agreements necessary  
3 to implement the plan.

4 NEW SECTION. **Sec. 105.** PROJECT IMPLEMENTATION. (1) After voter  
5 approval of the plan, the county or counties shall enter into  
6 agreements with lead agencies as to who will acquire, construct, or  
7 develop projects approved by the voters. The county or counties shall  
8 negotiate reasonable terms and conditions to assist project sponsors in  
9 funding projects. The overall plan of the county or counties must  
10 leverage the county's or counties' financial contributions so that the  
11 state and other revenue sources continue to fund major state-owned  
12 congestion relief and transportation capacity improvement projects.

13 (2) A county may, after consultation with the regional  
14 transportation planning organization, amend projects in the plan as  
15 warranted without voter approval. However, increases in the cost of a  
16 project, including a member county's share of the cost, that exceeds  
17 twenty percent requires voter approval.

18 NEW SECTION. **Sec. 106.** TAXES AND FEES. (1) In order to fund a  
19 regional transportation investment plan, a county may, upon approval of  
20 the voters as provided in this chapter, impose some or all of the  
21 following taxes:

22 (a) A regional sales and use tax, as specified in section 206 of  
23 this act, of up to 0.5 percent of the selling price, in the case of a  
24 sales tax, or value of the article used, in the case of a use tax, upon  
25 the occurrence of any taxable event in the county;

26 (b) A local option vehicle license fee, as specified under section  
27 211 of this act, of up to one hundred dollars per vehicle registered in  
28 the county. As used in this subsection, "vehicle" means motor vehicle  
29 as defined in RCW 46.04.320. Certain classes of vehicles, as defined  
30 under chapter 46.04 RCW, may be exempted from this fee;

31 (c) A parking tax under RCW 82.80.030;

32 (d) A local motor vehicle excise tax under RCW 81.100.060 and  
33 chapter 81.104 RCW;

34 (e) A local option fuel tax under RCW 82.80.010;

35 (f) An employer excise tax under RCW 81.100.030;

36 (g) A sales and use tax under RCW 82.14.045;

37 (h) A sales and use tax under RCW 81.104.170; and

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

6 (2) Taxes, fees, and tolls may not be imposed without an  
7 affirmative vote of the majority of the voters within the boundaries of  
8 the county voting on a ballot proposition as set forth in section 104  
9 of this act. Revenues from these taxes and fees may be used only to  
10 implement this chapter. A county may contract with the state  
11 department of revenue or other appropriate entities for administration  
12 and collection of any of the taxes or fees authorized in this section.

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

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

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

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

29 NEW SECTION. **Sec. 107.** REVENUE DISTRIBUTION. The revenues  
30 generated under section 106 of this act must be distributed in the  
31 following manner:

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

35 (2) Of the remaining amount:

36 (a) Seventy percent must be deposited in the regional  
37 transportation investment account. The department of transportation  
38 and the transportation improvement board must use the funds to

1 implement projects identified in the regional transportation investment  
2 plan;

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

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

14 NEW SECTION. **Sec. 108.** DESIGN-BUILD. A county may use the  
15 design-build procedure defined in RCW 47.20.780 for projects funded by  
16 it under this chapter. The requirements and limitations of RCW  
17 47.20.780 and 47.20.785 do not apply to the projects under this  
18 chapter.

19 NEW SECTION. **Sec. 109.** PERFORMANCE CRITERIA FOR REGIONAL PROJECT  
20 SELECTION. (1) The regional transportation planning organization shall  
21 consider the following criteria for selecting projects to improve  
22 corridor performance:

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

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

33 (3) The county shall monitor and audit the progress and execution  
34 of projects to protect the investment of the public and annually make  
35 public its findings.

36 (4) The department of transportation shall issue a report to assure  
37 accountability to the public for the timely construction of the

1 transportation improvement project or projects within cost projections.  
2 The report must be issued at least annually to the public and to the  
3 legislature. The department shall send copies of the report to  
4 newspapers of record in each county that has adopted a plan. In the  
5 report, the district shall indicate the status of project costs,  
6 project expenditures, revenues, and construction schedules on projects  
7 funded under this chapter. The report must also include the use of  
8 moneys distributed to cities and counties receiving revenues from taxes  
9 imposed under this chapter.

10 NEW SECTION. **Sec. 110.** WASHINGTON STATE DEPARTMENT OF  
11 TRANSPORTATION ROLE. (1) The department shall designate an office of  
12 dedicated staff and services to assist counties under this chapter.  
13 The primary responsibility of the dedicated staff is to coordinate the  
14 design, preliminary engineering, permitting, financing, and  
15 construction of projects under consideration by a county or counties.  
16 (2) All of the powers granted the department under Title 47 RCW  
17 relating to highway construction may, at the request of a member  
18 county, be used to implement a regional transportation investment plan  
19 and construct transportation projects.

20 NEW SECTION. **Sec. 111.** DISSOLUTION. The county legislative  
21 authority may terminate any taxes, fees, or tolls imposed under an  
22 approved plan if it finds that the financing or debt service on the  
23 project or series of projects constructed under this plan has been  
24 completed and paid.

25 **II. FINANCE**

26 NEW SECTION. **Sec. 201.** REGIONAL TRANSPORTATION INVESTMENT  
27 ACCOUNT. A regional transportation investment account is created in  
28 the custody of the state treasurer for each county funding projects  
29 under chapter 36.-- RCW (sections 101 through 111 of this act). All  
30 money deposited in a regional transportation investment account by each  
31 county will be used for design, right of way acquisition, capital  
32 acquisition, and construction, or for the payment of debt service  
33 associated with these activities, for county funded projects developed  
34 under chapter 36.-- RCW (sections 101 through 111 of this act). The  
35 account is subject to allotment procedures under chapter 43.88 RCW and

1 the department of transportation is the administering agency for the  
2 account. The county must approve the allotments before any  
3 expenditures may be made from the account. An appropriation is not  
4 required for expenditures from this account.

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

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

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

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

35 (4) Monthly, the state treasurer shall distribute the earnings  
36 credited to the treasury income account. The state treasurer shall  
37 credit the general fund with all the earnings credited to the treasury  
38 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 county  
8 criminal justice assistance account, the county sales and use tax  
9 equalization account, the data processing building construction  
10 account, the deferred compensation administrative account, the deferred  
11 compensation principal account, the department of retirement systems  
12 expense account, the drinking water assistance account, the drinking  
13 water assistance administrative account, the drinking water assistance  
14 repayment account, the Eastern Washington University capital projects  
15 account, the education construction fund, the emergency reserve fund,  
16 the federal forest revolving account, the health services account, the  
17 public health services account, the health system capacity account, the  
18 personal health services account, the state higher education  
19 construction account, the higher education construction account, the  
20 highway 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 oyster reserve land account, the perpetual  
29 surveillance and maintenance account, the public employees' retirement  
30 system plan 1 account, the public employees' retirement system combined  
31 plan 2 and plan 3 account, the public health supplemental account, the  
32 Puyallup tribal settlement account, the regional transportation  
33 investment account, the resource management cost account, the site  
34 closure account, the special wildlife account, the state employees'  
35 insurance account, the state employees' insurance reserve account, the  
36 state investment board expense account, the state investment board  
37 commingled trust fund accounts, the supplemental pension account, the  
38 teachers' retirement system plan 1 account, the teachers' retirement  
39 system combined plan 2 and plan 3 account, the tobacco prevention and

1 control account, the tobacco settlement account, the transportation  
2 infrastructure account, the tuition recovery trust fund, the University  
3 of Washington bond retirement fund, the University of Washington  
4 building account, the volunteer fire fighters' and reserve officers'  
5 relief and pension principal fund, the volunteer fire fighters' and  
6 reserve officers' administrative fund, the Washington fruit express  
7 account, the Washington judicial retirement system account, the  
8 Washington law enforcement officers' and fire fighters' system plan 1  
9 retirement account, the Washington law enforcement officers' and fire  
10 fighters' system plan 2 retirement account, the Washington school  
11 employees' retirement system combined plan 2 and 3 account, the  
12 Washington state health insurance pool account, the Washington state  
13 patrol retirement account, the Washington State University building  
14 account, the Washington State University bond retirement fund, the  
15 water pollution control revolving fund, and the Western Washington  
16 University capital projects account. Earnings derived from investing  
17 balances of the agricultural permanent fund, the normal school  
18 permanent fund, the permanent common school fund, the scientific  
19 permanent fund, and the state university permanent fund shall be  
20 allocated to their respective beneficiary accounts. All earnings to be  
21 distributed under this subsection (4)(a) shall first be reduced by the  
22 allocation to the state treasurer's service fund pursuant to RCW  
23 43.08.190.

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

1 the transportation improvement board bond retirement account, and the  
2 urban arterial trust account.

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

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

8 HCT TAXES FOR REGIONAL TRANSIT. (1) Agencies authorized ((to  
9 provide high capacity transportation service, including transit  
10 agencies and regional transit authorities,)) under this section are  
11 hereby granted dedicated funding sources for ((such)) high capacity  
12 transportation systems. These dedicated funding sources, as set forth  
13 in RCW 81.104.150, 81.104.160, and 81.104.170, are authorized ((only))  
14 for:

15 (a) Transit agencies located in ((a) each county with a population  
16 of two hundred ten thousand or more and (b) each county with a  
17 population of from one hundred twenty five thousand to less than two  
18 hundred ten thousand except for those counties that do not border a  
19 county with a population as described under (a) of this subsection. In  
20 any county with a population of one million or more or in any county  
21 having a population of four hundred thousand or more bordering a county  
22 with a population of one million or more, these funding sources may be  
23 imposed only by a regional transit authority)) a county that neither  
24 participates in nor is eligible to participate in a regional transit  
25 authority;

26 (b) Regional transit authorities;

27 (c) Counties that dedicate the funds to developing capital  
28 facilities for high capacity transportation systems as part of a  
29 transportation investment plan and meet the following requirements:

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

32 (ii) Counties that do not participate in a regional transit  
33 authority must obtain the approval of the affected transit authority or  
34 authorities;

35 (iii) A county may only impose a tax authorized by this section to  
36 the extent that the maximum amount of taxes authorized under this  
37 chapter have not been imposed.

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

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

- 6 (a) Acceptability;
- 7 (b) Ease of administration;
- 8 (c) Equity;
- 9 (d) Implementation feasibility;
- 10 (e) Revenue reliability; and
- 11 (f) Revenue yield.

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

- 15 (a) Employer tax as provided in RCW 81.104.150;
- 16 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;

17 and

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

19 Revenues from these taxes may be used only to support those  
20 purposes prescribed in subsection (10) of this section. Before the  
21 date of an election authorizing an agency to impose any of the taxes  
22 enumerated in this section and authorized in RCW 81.104.150,  
23 81.104.160, and 81.104.170, the agency must comply with the process  
24 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No  
25 construction on exclusive right of way may occur before the  
26 requirements of RCW 81.104.100(3) are met.

27 (5) Authorization in subsection (4) of this section shall not  
28 adversely affect the funding authority of transit agencies not provided  
29 for in this chapter. Local option funds may be used to support  
30 implementation of interlocal agreements with respect to the  
31 establishment of regional high capacity transportation service. Except  
32 when a regional transit authority exists, local jurisdictions shall  
33 retain control over moneys generated within their boundaries, although  
34 funds may be commingled with those generated in other areas for  
35 planning, construction, and operation of high capacity transportation  
36 systems as set forth in the agreements.

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

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

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

15 (9) For any election in which voter approval is sought for a high  
16 capacity transportation system plan and financing plan pursuant to RCW  
17 81.104.040, a local voter's pamphlet shall be produced as provided in  
18 chapter 29.81A RCW.

19 (10) Agencies providing high capacity transportation service shall  
20 retain responsibility for revenue encumbrance, disbursement, and  
21 bonding. Funds may be used for any purpose relating to planning,  
22 construction, and operation of high capacity transportation systems and  
23 commuter rail systems, personal rapid transit, busways, bus sets, and  
24 entrained and linked buses.

25 (11) Eligible transit agencies or counties may choose to implement  
26 high capacity transportation service as a joint effort across their  
27 respective jurisdictions. Eligible entities may coordinate efforts to  
28 implement some or all of the dedicated funding sources set forth in RCW  
29 81.104.150, 81.104.160, and 81.104.170 to accomplish this goal.  
30 Entities electing to coordinate efforts shall enter into interlocal  
31 agreements specifying the terms of the coordination. The respective  
32 county legislative authorities may choose to set forth a common ballot  
33 measure and vote to authorize the dedicated funding sources. Eligible  
34 entities include:

35 (a) Transit agencies located in a county that is neither  
36 participating in, nor is eligible to participate in, a regional transit  
37 authority; and

38 (b) Counties implementing a transportation investment plan as  
39 defined in section 102 of this act.

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

3       HCT--MVET.     (1) Cities that operate transit systems, county  
4 transportation authorities, metropolitan municipal corporations, public  
5 transportation benefit areas, ~~((and))~~ regional transit authorities, and  
6 counties, as part of a regional transportation plan, may submit an  
7 authorizing proposition to the voters, and if approved, may levy and  
8 collect ~~((an))~~ a motor vehicle excise tax, at a rate approved by the  
9 voters, but not exceeding eighty one-hundredths of one percent ~~((on))~~  
10 of the value~~((, under chapter 82.44 RCW,))~~ of every motor vehicle owned  
11 by a resident of the taxing district, solely for the purpose of  
12 providing high capacity transportation service, and for counties, as  
13 part of a regional transportation plan, solely for the purpose of  
14 providing high capacity transportation capital facilities or  
15 improvements. In any county imposing a motor vehicle excise tax  
16 surcharge pursuant to RCW 81.100.060, the maximum tax rate under this  
17 section shall be reduced to a rate equal to eighty one-hundredths of  
18 one percent on the value less the equivalent motor vehicle excise tax  
19 rate of the surcharge imposed pursuant to RCW 81.100.060. This rate  
20 shall not apply to vehicles licensed under RCW 46.16.070 except  
21 vehicles with an unladen weight of six thousand pounds or less, RCW  
22 46.16.079, 46.16.085, or 46.16.090.

23       (2) An agency imposing a tax under subsection (1) of this section  
24 may also impose a sales and use tax solely for the purpose of providing  
25 high capacity transportation service, in addition to the tax authorized  
26 by RCW 82.14.030, upon retail car rentals within the agency's  
27 jurisdiction that are taxable by the state under chapters 82.08 and  
28 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The rate  
29 of tax imposed under this subsection shall bear the same ratio to the  
30 2.172 percent rate authorized that the rate imposed under subsection  
31 (1) of this section bears to the rate authorized under subsection (1)  
32 of this section. The base of the tax shall be the selling price in the  
33 case of a sales tax or the rental value of the vehicle used in the case  
34 of a use tax. The revenue collected under this subsection shall be  
35 used in the same manner as excise taxes under subsection (1) of this  
36 section.

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

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

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

13       (2) The tax authorized pursuant to this section shall be in  
14 addition to the tax authorized by RCW 82.14.030 and shall be collected  
15 from those persons who are taxable by the state pursuant to chapters  
16 82.08 and 82.12 RCW upon the occurrence of any taxable event within the  
17 taxing district. The maximum rate of such tax shall be approved by the  
18 voters and shall not exceed one percent of the selling price (in the  
19 case of a sales tax) or value of the article used (in the case of a use  
20 tax). The maximum rate of such tax that may be imposed shall not  
21 exceed nine-tenths of one percent in any county that imposes a tax  
22 under RCW 82.14.340, or within a regional transit authority if any  
23 county within the authority imposes a tax under RCW 82.14.340. The  
24 total cumulative rate that may be imposed under this subsection (2) may  
25 not exceed the maximum rate authorized under this subsection. The  
26 exemptions in RCW 82.08.820 and 82.12.820 are for the state portion of  
27 the sales and use tax and do not extend to the tax authorized in this  
28 section.

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

31       SALES AND USE TAX. (1) If approved by the majority of the voters  
32 within its boundaries voting on the ballot proposition, a county, as  
33 part of a regional transportation plan, may impose a sales and use tax  
34 of up to 0.5 percent of the selling price or value of the article used  
35 in the case of a use tax.

36       (2) The tax authorized by this section is in addition to all other  
37 taxes imposed under this chapter and must be collected from those  
38 persons who are taxable by the state under chapters 82.08 and 82.12 RCW

1 upon the occurrence of any taxable event within the boundaries of the  
2 region.

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

5 PROJECT SALES AND USE TAX CREDIT SHIFT. Any transfer or credit  
6 from the general fund of sales and use tax paid on a transportation  
7 project being constructed by a county under a regional transportation  
8 investment plan shall not require a corresponding lowering of the state  
9 expenditure limit to reflect this shift for purposes of RCW  
10 43.135.035(4).

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

13 TRANSIT SALES TAX. (1) The legislative body of any city pursuant  
14 to RCW 35.92.060, of any county which has created an unincorporated  
15 transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of  
16 any public transportation benefit area pursuant to RCW 36.57A.080 and  
17 36.57A.090, of any county transportation authority established pursuant  
18 to chapter 36.57 RCW, and of any metropolitan municipal corporation  
19 within a county with a population of one million or more pursuant to  
20 chapter 35.58 RCW, and the legislative body of a county as part of a  
21 regional transportation investment plan for the purposes of  
22 implementing the plan and with the permission of each municipality  
23 operating a public transportation system within the county, may, by  
24 resolution or ordinance for the sole purpose of providing funds for the  
25 operation, maintenance, or capital needs of public transportation  
26 systems or public transportation limited to persons with special needs  
27 under RCW 36.57.130 and 36.57A.180, and in lieu of the excise taxes  
28 authorized by RCW 35.95.040, submit an authorizing proposition to the  
29 voters or include such authorization in a proposition to perform the  
30 function of public transportation or public transportation limited to  
31 persons with special needs under RCW 36.57.130 and 36.57A.180, and if  
32 approved by a majority of persons voting thereon, fix and impose a  
33 sales and use tax in accordance with the terms of this chapter:  
34 PROVIDED, That no such legislative body shall impose such a sales and  
35 use tax without submitting such an authorizing proposition to the  
36 voters and obtaining the approval of a majority of persons voting  
37 thereon: PROVIDED FURTHER, That where such a proposition is submitted

1 by a county on behalf of an unincorporated transportation benefit area,  
2 it shall be voted upon by the voters residing within the boundaries of  
3 such unincorporated transportation benefit area and, if approved, the  
4 sales and use tax shall be imposed only within such area.  
5 Notwithstanding any provisions of this section to the contrary, any  
6 county in which a county public transportation plan has been adopted  
7 pursuant to RCW 36.57.070 and the voters of such county have authorized  
8 the imposition of a sales and use tax pursuant to the provisions of  
9 section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975,  
10 shall be authorized to fix and impose a sales and use tax as provided  
11 in this section at not to exceed the rate so authorized without  
12 additional approval of the voters of such county as otherwise required  
13 by this section.

14 The tax authorized pursuant to this section shall be in addition to  
15 the tax authorized by RCW 82.14.030 and shall be collected from those  
16 persons who are taxable by the state pursuant to chapters 82.08 and  
17 82.12 RCW upon the occurrence of any taxable event within such city,  
18 public transportation benefit area, county, or metropolitan municipal  
19 corporation as the case may be. The rate of such tax shall be one-  
20 tenth, two-tenths, three-tenths, four-tenths, five-tenths, six-tenths,  
21 seven-tenths, eight-tenths, or nine-tenths of one percent of the  
22 selling price (in the case of a sales tax) or value of the article used  
23 (in the case of a use tax). The rate of such tax shall not exceed the  
24 rate authorized by the voters unless such increase shall be similarly  
25 approved.

26 (2)(a) In the event a metropolitan municipal corporation shall  
27 impose a sales and use tax pursuant to this chapter no city, county  
28 which has created an unincorporated transportation benefit area, public  
29 transportation benefit area authority, or county transportation  
30 authority wholly within such metropolitan municipal corporation shall  
31 be empowered to levy and/or collect taxes pursuant to RCW 35.58.273,  
32 35.95.040, and/or 82.14.045, but nothing herein shall prevent such city  
33 or county from imposing sales and use taxes pursuant to any other  
34 authorization.

35 (b) In the event a county transportation authority shall impose a  
36 sales and use tax pursuant to this section, no city, county which has  
37 created an unincorporated transportation benefit area, public  
38 transportation benefit area, or metropolitan municipal corporation,  
39 located within the territory of the authority, shall be empowered to

1 levy or collect taxes pursuant to RCW 35.58.273, 35.95.040, or  
2 82.14.045.

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

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

12 (3) Any local sales and use tax revenue collected pursuant to this  
13 section by any city or by any county for transportation purposes  
14 pursuant to RCW 36.57.100 and 36.57.110 shall not be counted as locally  
15 generated tax revenues for the purposes of apportionment and  
16 distribution, in the manner prescribed by chapter 82.44 RCW, of the  
17 proceeds of the motor vehicle excise tax authorized pursuant to RCW  
18 35.58.273, except that the local sales and use tax revenue collected  
19 under this section by a city with a population greater than sixty  
20 thousand that as of January 1, 1998, owns and operates a municipal  
21 public transportation system shall be counted as locally generated tax  
22 revenues for the purposes of apportionment and distribution, in the  
23 manner prescribed by chapter 82.44 RCW, of the proceeds of the motor  
24 vehicle excise tax authorized under RCW 35.58.273 as follows:

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

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

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

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

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

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

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

26       CREDIT ON SALES TAX ON PROJECTS. (1) The tax imposed and collected  
27 under chapters 82.08 and 82.12 RCW, less any credits allowed under  
28 chapter 82.14 RCW, on initial construction for a project to be  
29 constructed under chapter 36.-- RCW (sections 101 through 111 of this  
30 act), must be transferred to the project or identified as a credit on  
31 the project to defray costs or pay debt service on that project. In  
32 the case of a toll project, this transfer or credit must be used to  
33 lower the overall cost of the project and thereby the corresponding  
34 tolls.

35       (2) This transaction is exempt from the requirements in RCW  
36 43.135.035(4).

37       (3) Government entities constructing projects under chapter 36.--  
38 RCW (sections 101 through 111 of this act) shall report to the

1 department the amount of state sales or use tax covered under this  
2 section.

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

5 LOCAL OPTION VEHICLE LICENSE FEE. (1) Upon approval of a majority  
6 of the voters within its boundaries voting on the ballot proposition,  
7 a county, as part of a regional transportation plan, may set and impose  
8 an annual local option vehicle license fee of a uniform amount of up to  
9 one hundred dollars per motor vehicle registered within the boundaries  
10 of the region on every motor vehicle, as defined in RCW 46.04.320.  
11 Vehicles registered under chapter 46.87 RCW and the international  
12 registration plan are exempt from the annual local option vehicle  
13 license fee set forth in this section. The department of licensing  
14 shall administer and collect this fee on behalf of counties and remit  
15 this fee to the county to implement the regional transportation plan.

16 (2) The local option vehicle license fee applies only when  
17 establishing or renewing a vehicle registration. This fee is effective  
18 with the registration expiration date as provided by the department of  
19 licensing.

20 (3) A county imposing the local option vehicle license fee or  
21 initiating an exemption process shall enter into a contract with the  
22 department of licensing. The contract must contain provisions that  
23 fully recover the costs to the department of licensing for collection  
24 and administration of the fee.

25 (4) A county imposing the local option fee shall delay the  
26 effective date of the local option vehicle license fee imposed by this  
27 section at least six months from the date of the final certification of  
28 the approval election to allow the department of licensing to implement  
29 the administration and collection of or exemption from the fee.

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

32 AUTHORIZATION FOR DISTRICT TO IMPOSE TOLLS. Upon approval of a  
33 majority of the voters within its boundaries voting on the ballot  
34 proposition, and only for the purposes authorized in section 106(1)(i)  
35 of this act, a county may impose vehicle tolls on state routes where  
36 improvements financed in whole or in part by a county under a regional  
37 transportation investment plan add additional lanes to a highway of

1 statewide significance. The department shall administer the collection  
2 of vehicle tolls on designated facilities unless otherwise specified in  
3 law, and the state transportation commission, or its successor, shall  
4 be the tolling authority.

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

7 HIGH-OCCUPANCY VEHICLE EMPLOYER TAX. (1) A county with a  
8 population of one million or more, or a county with a population of  
9 from two hundred ten thousand to less than one million that is  
10 adjoining a county with a population of one million or more, and having  
11 within its boundaries existing or planned high\_occupancy vehicle lanes  
12 on the state highway system, or those same counties, as part of a  
13 regional transportation plan, may, with voter approval impose an excise  
14 tax of up to two dollars per employee per month on all employers or any  
15 class or classes of employers, public and private, including the state  
16 located in the agency's jurisdiction, measured by the number of full-  
17 time equivalent employees. In no event may the total taxes imposed  
18 under this section exceed two dollars per employee per month for any  
19 single employer. The county imposing the tax authorized in this  
20 section may provide for exemptions from the tax to such educational,  
21 cultural, health, charitable, or religious organizations as it deems  
22 appropriate.

23 Counties may contract with the state department of revenue or other  
24 appropriate entities for administration and collection of the tax.  
25 Such contract shall provide for deduction of an amount for  
26 administration and collection expenses.

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

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

37 The agreement shall include a list of specific actions that the  
38 employer will undertake to be entitled to the exemption. Employers

1 having an exemption from all or part of the tax through this subsection  
2 shall annually certify to the county that the employer is fulfilling  
3 the terms of the agreement. The exemption continues as long as the  
4 employer is in compliance with the agreement.

5 If the tax authorized in RCW 81.100.060 is also imposed (~~by the~~  
6 ~~county~~)), the total proceeds from both tax sources each year shall not  
7 exceed the maximum amount which could be collected under RCW  
8 81.100.060.

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

11 HIGH-OCCUPANCY VEHICLE MOTOR VEHICLE EXCISE TAX. A county with a  
12 population of one million or more and a county with a population of  
13 from two hundred ten thousand to less than one million that is  
14 adjoining a county with a population of one million or more, having  
15 within their boundaries existing or planned high-occupancy vehicle  
16 lanes on the state highway system, and those same counties, as part of  
17 a regional transportation plan, may, with voter approval, impose a  
18 local surcharge of not more than (~~13.64 percent on the state motor~~  
19 ~~vehicle excise tax paid under RCW 82.44.020(1)~~) three-tenths of one  
20 percent of the value on vehicles registered to a person residing within  
21 the county and not more than 13.64 percent on the state sales and use  
22 taxes paid under the rate in RCW 82.08.020(2) on retail car rentals  
23 within the county. No surcharge may be imposed on vehicles licensed  
24 under RCW 46.16.070 except vehicles with an unladen weight of six  
25 thousand pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

26 Counties imposing a tax under this section shall contract, before  
27 the effective date of the resolution or ordinance imposing a surcharge,  
28 administration and collection to the state department of licensing, and  
29 department of revenue, as appropriate, which shall deduct an amount, as  
30 provided by contract, for administration and collection expenses  
31 incurred by the department. All administrative provisions in chapters  
32 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to  
33 (~~state~~) motor vehicle excise taxes, be applicable to surcharges  
34 imposed under this section. All administrative provisions in chapters  
35 82.03, 82.08, 82.12, and 82.32 RCW shall, insofar as they are  
36 applicable to state sales and use taxes, be applicable to surcharges  
37 imposed under this section.

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

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

7 LOCAL OPTION FUEL TAX. (1) Subject to the conditions of this  
8 section, any county may levy, by approval of its legislative body and  
9 a majority of the registered voters of the county voting on the  
10 proposition at a general or special election, additional excise taxes  
11 equal to ten percent of the statewide motor vehicle fuel tax rate under  
12 RCW 82.36.025 on each gallon of motor vehicle fuel as defined in RCW  
13 82.36.010 and on each gallon of special fuel as defined in RCW  
14 82.38.020 sold within the boundaries of the county. Vehicles paying an  
15 annual license fee under RCW 82.38.075 are exempt from the county fuel  
16 excise tax. An election held under this section must be held not more  
17 than twelve months before the date on which the proposed tax is to be  
18 levied. The ballot setting forth the proposition shall state the tax  
19 rate that is proposed. The county's authority to levy additional  
20 excise taxes under this section includes the incorporated and  
21 unincorporated areas of the county. The additional excise taxes are  
22 subject to the same exceptions and rights of refund as applicable to  
23 other motor vehicle fuel and special fuel excise taxes levied under  
24 chapters 82.36 and 82.38 RCW. The proposed tax shall not be levied  
25 less than one month from the date the election results are certified by  
26 the county election officer. The commencement date for the levy of any  
27 tax under this section shall be the first day of January, April, July,  
28 or October.

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

33 (3) The state treasurer shall distribute monthly to the levying  
34 county and cities contained therein the proceeds of the additional  
35 excise taxes collected under this section, or to the county levying the  
36 tax as part of a regional transportation plan after the deductions for  
37 payments and expenditures as provided in RCW 46.68.090(1) (~~and (2)~~)  
38 and under the conditions and limitations provided in RCW 82.80.080.

1 (4) The proceeds of the additional excise taxes levied under this  
2 section shall be used strictly for transportation purposes in  
3 accordance with RCW 82.80.070. The proceeds of the additional taxes  
4 levied by a county, as part of a regional transportation plan, shall be  
5 used as provided in chapter 36.-- RCW (sections 101 through 111 of this  
6 act).

7 (5) The department of licensing shall administer and collect the  
8 county fuel taxes. The department shall deduct a percentage amount, as  
9 provided by contract, for administrative, collection, refund, and audit  
10 expenses incurred. The remaining proceeds shall be remitted to the  
11 custody of the state treasurer for monthly distribution under RCW  
12 82.80.080.

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

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

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

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

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

37 (5) The legislative authority of a county or qualifying city or  
38 town may develop and initiate an exemption process of the fifteen

1 dollar fee for the registered owners of vehicles residing within the  
2 boundaries of the county or qualifying city or town: (a) Who are  
3 sixty-one years old or older at the time payment of the fee is due and  
4 whose household income for the previous calendar year is less than an  
5 amount prescribed by the county or qualifying city or town legislative  
6 authority; or (b) who have a physical disability.

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

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

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

26 (b) The city or town may not impose a fee that, if combined with  
27 the county fee, exceeds fifteen dollars. If a county imposes or  
28 increases a fee under this section that, if combined with the fee  
29 imposed by a city or town, exceeds fifteen dollars, the city or town  
30 fee shall be reduced or eliminated as needed so that in no city or town  
31 does the combined fee exceed fifteen dollars. All revenues from  
32 county-imposed fees shall be distributed as called for in RCW  
33 82.80.080.

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

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

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

6 PARKING TAX. (1) Subject to the conditions of this section, the  
7 legislative authority of a county or city may fix and impose a parking  
8 tax on all persons engaged in a commercial parking business within its  
9 respective jurisdiction. The jurisdiction of a county, for purposes of  
10 this section, includes only the unincorporated area of the county. The  
11 jurisdiction of a city includes only the area within its  
12 (~~incorporated~~) boundaries.

13 (2) In lieu of the tax in subsection (1) of this section, a city or  
14 a county in its unincorporated area may fix and impose a tax for the  
15 act or privilege of parking a motor vehicle in a facility operated by  
16 a commercial parking business.

17 The city or county may provide that:

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

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

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

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

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

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

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

36 (4) The rate of the tax under subsection (1) of this section may be  
37 based either upon gross proceeds or the number of vehicle stalls

1 available for commercial parking use. The rates charged must be  
2 uniform for the same class or type of commercial parking business.

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

9 (6) The proceeds of the commercial parking tax fixed and imposed by  
10 a city or county, not part of a regional transportation plan, under  
11 subsection (1) or (2) of this section shall be used strictly for  
12 transportation purposes in accordance with RCW 82.80.070. The proceeds  
13 of the parking tax imposed by a county, as part of a regional  
14 transportation plan, shall be used as provided in chapter 36.-- RCW  
15 (sections 101 through 111 of this act).

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

18 REQUIRES THAT LOCAL OPTION TAXES IMPOSED BY DISTRICT BE USED FOR  
19 DISTRICT PROJECTS. (1) The proceeds collected pursuant to the exercise  
20 of the local option authority of RCW 82.80.010, 82.80.020, 82.80.030,  
21 and 82.80.050 and sections 206, 211, and 212 of this act, (hereafter  
22 called "local option transportation revenues") shall be used for  
23 transportation purposes only, including but not limited to the  
24 following: The operation and preservation of roads, streets, and other  
25 transportation improvements; new construction, reconstruction, and  
26 expansion of city streets, county roads, and state highways and other  
27 transportation improvements; development and implementation of public  
28 transportation and high-capacity transit improvements and programs; and  
29 planning, design, and acquisition of right of way and sites for such  
30 transportation purposes. The proceeds collected from excise taxes on  
31 the sale, distribution, or use of motor vehicle fuel and special fuel  
32 under RCW 82.80.010 shall be used exclusively for "highway purposes" as  
33 that term is construed in Article II, section 40 of the state  
34 Constitution.

35 (2) The local option transportation revenues shall be expended for  
36 transportation uses consistent with the adopted transportation and land  
37 use plans of the jurisdiction expending the funds and consistent with

1 any applicable and adopted regional transportation plan for  
2 metropolitan planning areas.

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

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

10 (b) The program shall be based on an adopted transportation plan  
11 for the geographic areas covered and shall identify the proposed  
12 operation and construction of transportation improvements and services  
13 in the designated plan area intended to be funded in whole or in part  
14 by local option transportation revenues and shall identify the annual  
15 costs applicable to the program.

16 (c) The program shall indicate how the local transportation plan is  
17 coordinated with applicable transportation plans for the region and for  
18 adjacent jurisdictions.

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

28 (4) Local governments with a population greater than eight thousand  
29 exercising the authority for local option transportation funds shall  
30 periodically review and update their transportation program to ensure  
31 that it is consistent with applicable local and regional transportation  
32 and land use plans and within the means of estimated public and private  
33 revenue available.

34 (5) In the case of expenditure for new or expanded transportation  
35 facilities, improvements, and services, priorities in the use of local  
36 option transportation revenues shall be identified in the  
37 transportation program and expenditures shall be made based upon the  
38 following criteria, which are stated in descending order of weight to  
39 be attributed:

1 (a) First, the project serves a multijurisdictional function;  
2 (b) Second, it is necessitated by existing or reasonably  
3 foreseeable congestion;  
4 (c) Third, it has the greatest person-carrying capacity;  
5 (d) Fourth, it is partially funded by other government funds, such  
6 as from the state transportation improvement board, or by private  
7 sector contributions, such as those from the local transportation act,  
8 chapter 39.92 RCW; and  
9 (e) Fifth, it meets such other criteria as the local government  
10 determines is appropriate.

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

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

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

29 (9) Proceeds collected under the exercise of local option authority  
30 under this chapter by a county, as part of a regional transportation  
31 plan, must be used in accordance with chapter 36.-- RCW (sections 101  
32 through 111 of this act).

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

35 LOCAL OPTION TAX REVENUE DISTRIBUTION. (1) The state treasurer  
36 shall distribute revenues, less authorized deductions, generated by the  
37 local option taxes authorized in RCW 82.80.010 and 82.80.020, levied by  
38 counties to the levying counties, and cities contained in those

1 counties, based on the relative per capita population. County  
2 population for purposes of this section is equal to one and one-half of  
3 the unincorporated population of the county. In calculating the  
4 distributions, the state treasurer shall use the population estimates  
5 prepared by the state office of financial management and shall further  
6 calculate the distribution based on information supplied by the  
7 departments of licensing and revenue, as appropriate.

8 (2) The state treasurer shall distribute revenues, less authorized  
9 deductions, generated by the local option taxes authorized in RCW  
10 82.80.010 and 82.80.020 levied by qualifying cities and towns to the  
11 levying cities and towns.

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

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

18 EXCEPTION FOR COUNTY TOLL FACILITIES. (1) Except as provided in  
19 section 222 of this act, the department of transportation shall have  
20 full charge of the construction of all toll bridges and other toll  
21 facilities including the Washington state ferries, and the operation  
22 and maintenance thereof. The transportation commission shall determine  
23 and establish the tolls and charges thereon, and shall perform all  
24 duties and exercise all powers relating to the financing, refinancing,  
25 and fiscal management of all toll bridges and other toll facilities  
26 including the Washington state ferries, and bonded indebtedness in the  
27 manner provided by law. The department shall have full charge of  
28 design of all toll facilities. Except as provided in this section, the  
29 department shall proceed with the construction of such toll bridges and  
30 other facilities and the approaches thereto by contract in the manner  
31 of state highway construction immediately upon there being made  
32 available funds for such work and shall prosecute such work to  
33 completion as rapidly as practicable. The department is authorized to  
34 negotiate contracts for any amount without bid under (a) and (b) of  
35 this subsection:

36 (a) Emergency contracts, in order to make repairs to ferries or  
37 ferry terminal facilities or removal of such facilities whenever  
38 continued use of ferries or ferry terminal facilities constitutes a

1 real or immediate danger to the traveling public or precludes prudent  
2 use of such ferries or facilities; and

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

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

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

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

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

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

1 (iii) Whether the proposer can perform the contract within the time  
2 specified;

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

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

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

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

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

26 (d) If the department is procuring large equipment or systems  
27 (e.g., electrical, propulsion) needed for the support, maintenance, and  
28 use of a ferry operated by Washington state ferries, the department  
29 shall proceed with a formal request for proposal solicitation under  
30 this subsection (2) without a determination of necessity by the  
31 secretary.

32 NEW SECTION. **Sec. 221.** DESIGNATION OF STATE ROUTE NUMBER 509.  
33 The legislature designates that portion of state route number 509 that  
34 runs or will run from state route number 518 in the north to the  
35 intersection with interstate 5 in the south as a state highway of  
36 statewide significance.

