

SHB 2231 - H AMD 343

By Representative Murray

ADOPTED 04/08/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I - INTENT

4 NEW SECTION. **Sec. 101.** The legislature finds that the state's
5 transportation system is in critical need of repair, restoration, and
6 enhancement. Bridges and major highway structures are at risk of
7 failure during a seismic episode; ferry vessels are aged and nearing
8 the end of their useful life; increased traffic congestion on state
9 highways and local roadways threatens the state's economic vitality and
10 quality of life; highways in some areas are experiencing high accident
11 rates; and the mobility of persons with special needs or who live in
12 rural areas has been greatly impaired by cuts in public transportation
13 services, thus threatening our citizens' ability to access health care,
14 job opportunities, and educational institutions. The revenues
15 generated by this act are dedicated to funds, accounts, and activities
16 that are critically necessary to improve the delivery of state
17 transportation projects and services.

18 **PART II - LICENSE FEES**

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

21 (1) In lieu of all other vehicle licensing fees, unless
22 specifically exempt, and in addition to (~~the excise tax prescribed in~~
23 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and
24 stages in RCW 46.16.125, there shall be paid and collected annually for
25 each truck, motor truck, truck tractor, road tractor, tractor, bus,
26 auto stage, or for hire vehicle with seating capacity of more than six,

1 based upon the declared combined gross weight or declared gross weight
 2 thereof pursuant to the provisions of chapter 46.44 RCW, the following
 3 licensing fees by such gross weight:

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

1	78,000 lbs.	\$	1,407.00	\$	1,497.00
2	80,000 lbs.	\$	1,518.00	\$	1,608.00
3	82,000 lbs.	\$	1,623.00	\$	1,713.00
4	84,000 lbs.	\$	1,728.00	\$	1,818.00
5	86,000 lbs.	\$	1,833.00	\$	1,923.00
6	88,000 lbs.	\$	1,938.00	\$	2,028.00
7	90,000 lbs.	\$	2,043.00	\$	2,133.00
8	92,000 lbs.	\$	2,148.00	\$	2,238.00
9	94,000 lbs.	\$	2,253.00	\$	2,343.00
10	96,000 lbs.	\$	2,358.00	\$	2,448.00
11	98,000 lbs.	\$	2,463.00	\$	2,553.00
12	100,000 lbs.	\$	2,568.00	\$	2,658.00
13	102,000 lbs.	\$	2,673.00	\$	2,763.00
14	104,000 lbs.	\$	2,778.00	\$	2,868.00
15	105,500 lbs.	\$	2,883.00	\$	2,973.00))
16	<u>12,000 lbs.</u>	\$	<u>79.00</u>	\$	<u>79.00</u>
17	<u>14,000 lbs.</u>	\$	<u>90.00</u>	\$	<u>90.00</u>
18	<u>16,000 lbs.</u>	\$	<u>102.00</u>	\$	<u>102.00</u>
19	<u>18,000 lbs.</u>	\$	<u>154.00</u>	\$	<u>154.00</u>
20	<u>20,000 lbs.</u>	\$	<u>171.00</u>	\$	<u>171.00</u>
21	<u>22,000 lbs.</u>	\$	<u>185.00</u>	\$	<u>185.00</u>
22	<u>24,000 lbs.</u>	\$	<u>200.00</u>	\$	<u>200.00</u>
23	<u>26,000 lbs.</u>	\$	<u>211.00</u>	\$	<u>211.00</u>
24	<u>28,000 lbs.</u>	\$	<u>249.00</u>	\$	<u>249.00</u>
25	<u>30,000 lbs.</u>	\$	<u>287.00</u>	\$	<u>287.00</u>
26	<u>32,000 lbs.</u>	\$	<u>346.00</u>	\$	<u>346.00</u>
27	<u>34,000 lbs.</u>	\$	<u>368.00</u>	\$	<u>368.00</u>
28	<u>36,000 lbs.</u>	\$	<u>399.00</u>	\$	<u>399.00</u>
29	<u>38,000 lbs.</u>	\$	<u>438.00</u>	\$	<u>438.00</u>
30	<u>40,000 lbs.</u>	\$	<u>501.00</u>	\$	<u>501.00</u>
31	<u>42,000 lbs.</u>	\$	<u>521.00</u>	\$	<u>611.00</u>
32	<u>44,000 lbs.</u>	\$	<u>532.00</u>	\$	<u>622.00</u>
33	<u>46,000 lbs.</u>	\$	<u>572.00</u>	\$	<u>662.00</u>
34	<u>48,000 lbs.</u>	\$	<u>596.00</u>	\$	<u>686.00</u>
35	<u>50,000 lbs.</u>	\$	<u>647.00</u>	\$	<u>737.00</u>
36	<u>52,000 lbs.</u>	\$	<u>680.00</u>	\$	<u>770.00</u>
37	<u>54,000 lbs.</u>	\$	<u>734.00</u>	\$	<u>824.00</u>
38	<u>56,000 lbs.</u>	\$	<u>775.00</u>	\$	<u>865.00</u>
39	<u>58,000 lbs.</u>	\$	<u>806.00</u>	\$	<u>896.00</u>
40	<u>60,000 lbs.</u>	\$	<u>859.00</u>	\$	<u>949.00</u>
41	<u>62,000 lbs.</u>	\$	<u>921.00</u>	\$	<u>1,011.00</u>
42	<u>64,000 lbs.</u>	\$	<u>941.00</u>	\$	<u>1,031.00</u>
43	<u>66,000 lbs.</u>	\$	<u>1,048.00</u>	\$	<u>1,138.00</u>
44	<u>68,000 lbs.</u>	\$	<u>1,093.00</u>	\$	<u>1,183.00</u>

1	70,000 lbs.	\$	1,177.00	\$	1,267.00
2	72,000 lbs.	\$	1,259.00	\$	1,349.00
3	74,000 lbs.	\$	1,368.00	\$	1,458.00
4	76,000 lbs.	\$	1,478.00	\$	1,568.00
5	78,000 lbs.	\$	1,614.00	\$	1,704.00
6	80,000 lbs.	\$	1,742.00	\$	1,832.00
7	82,000 lbs.	\$	1,863.00	\$	1,953.00
8	84,000 lbs.	\$	1,983.00	\$	2,073.00
9	86,000 lbs.	\$	2,104.00	\$	2,194.00
10	88,000 lbs.	\$	2,225.00	\$	2,315.00
11	90,000 lbs.	\$	2,346.00	\$	2,436.00
12	92,000 lbs.	\$	2,466.00	\$	2,556.00
13	94,000 lbs.	\$	2,587.00	\$	2,677.00
14	96,000 lbs.	\$	2,708.00	\$	2,798.00
15	98,000 lbs.	\$	2,829.00	\$	2,919.00
16	100,000 lbs.	\$	2,949.00	\$	3,039.00
17	102,000 lbs.	\$	3,070.00	\$	3,160.00
18	104,000 lbs.	\$	3,191.00	\$	3,281.00
19	105,500 lbs.	\$	3,312.00	\$	3,402.00

20 Schedule A applies to vehicles either used exclusively for hauling
21 logs or that do not tow trailers. Schedule B applies to vehicles that
22 tow trailers and are not covered under Schedule A.

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

34 The following provisions apply when increasing gross or combined
35 gross weight for a vehicle licensed under this section:

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

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

5 (2) The proceeds from the fees collected under subsection (1) of
6 this section shall be distributed in accordance with RCW 46.68.035.

7 **Sec. 202.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each
8 amended to read as follows:

9 All proceeds from combined vehicle licensing fees received by the
10 director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall
11 be forwarded to the state treasurer to be distributed into accounts
12 according to the following method:

13 (1) The sum of two dollars for each vehicle shall be deposited into
14 the multimodal transportation account, except that for each vehicle
15 registered by a county auditor or agent to a county auditor pursuant to
16 RCW 46.01.140, the sum of two dollars shall be credited to the current
17 county expense fund.

18 (2) The remainder shall be distributed as follows:

19 (a) (~~(23.677)~~) 21.963 percent shall be deposited into the state
20 patrol highway account of the motor vehicle fund;

21 (b) (~~(1.521)~~) 1.411 percent shall be deposited into the Puget Sound
22 ferry operations account of the motor vehicle fund; and

23 (c) The remaining proceeds shall be deposited into the motor
24 vehicle fund.

25 NEW SECTION. **Sec. 203.** Revenues attributable to the increased
26 gross weight fees under section 201 of this act must be expended solely
27 on transportation projects that directly benefit the movement of
28 freight.

29 NEW SECTION. **Sec. 204.** The increased gross weight fees under
30 section 201 of this act apply to registrations that become payable
31 after July 1, 2003.

32 **PART III - VEHICLE TRANSFER TAX**

1 NEW SECTION. **Sec. 301.** A new section is added to chapter 82.44

2 RCW to read as follows:

3 (1) There is levied and there shall be collected a vehicle transfer
4 tax on motor vehicles for the privilege of using the transportation
5 system in this state. The tax authorized by this section shall be in
6 addition to any other taxes authorized by law and shall be imposed on
7 any retail sale, lease, or use of a motor vehicle upon which a state
8 tax is imposed under chapter 82.08 or 82.12 RCW. However, the tax
9 imposed by this section does not apply to the rental of a motor
10 vehicle. The rate of the tax shall equal forty-six one-hundredths of
11 one percent of the selling price when a state tax is imposed under
12 chapter 82.08 RCW, or forty-six one-hundredths of one percent of the
13 value of the article used when a state tax is imposed under chapter
14 82.12 RCW. The meaning ascribed to words and phrases in chapters
15 82.04, 82.08, and 82.12 RCW, insofar as applicable, have full force and
16 effect with respect to the tax imposed by this section.

17 (2) For the purposes of this section, "motor vehicle" has the
18 meaning provided in RCW 46.04.320, but does not include farm tractors
19 or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road
20 and nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as
21 defined in RCW 46.10.010.

22 (3) The tax imposed in this section shall be collected and remitted
23 in the same manner as excise taxes collected under chapters 82.08 and
24 82.12 RCW. The department of revenue shall collect and administer the
25 tax imposed by this section. All administrative provisions in chapters
26 82.08, 82.12, and 82.32 RCW, insofar as they are applicable, apply to
27 the tax imposed under this section. The department of revenue has the
28 power to adopt rules as may be necessary to administer the provisions
29 of this section. In the collection of tax imposed by this section, the
30 department of revenue may designate the county auditors of the several
31 counties of the state as its collecting agents. The county auditors
32 shall collect and remit the tax imposed by this section in the same
33 manner as the tax collected under RCW 82.12.045. No additional
34 collection fee shall be deductible by a county auditor remitting the
35 tax collected under this section. Any duties required by this section
36 to be performed by the county auditor may be performed by the director

1 of licensing but no collection fee shall be deductible by said director
2 in remitting the tax revenue to the state treasurer.

3 (4) The revenue collected under this section shall be deposited
4 into the multimodal transportation account created under RCW 47.66.070.

5 **PART IV - MOTOR AND SPECIAL FUEL TAXES**

6 **Sec. 401.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are
7 each reenacted and amended to read as follows:

8 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon
9 ((shall apply)) applies to the sale, distribution, or use of motor
10 vehicle fuel.

11 (2)(a) Beginning July 1, 2003, an additional and cumulative motor
12 fuel tax rate of one cent per gallon applies to the sale, distribution,
13 or use of motor vehicle fuel.

14 (b) Beginning July 1, 2004, an additional and cumulative motor fuel
15 tax rate of one cent per gallon applies to the sale, distribution, or
16 use of motor vehicle fuel.

17 (c) Beginning July 1, 2005, an additional and cumulative motor fuel
18 tax rate of one cent per gallon applies to the sale, distribution, or
19 use of motor vehicle fuel.

20 (d) Beginning July 1, 2006, an additional and cumulative motor fuel
21 tax rate of one cent per gallon applies to the sale, distribution, or
22 use of motor vehicle fuel.

23 **Sec. 402.** RCW 82.38.030 and 2002 c 183 s 2 are each amended to
24 read as follows:

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

30 (2)(a) Beginning July 1, 2003, an additional and cumulative tax
31 rate of one cent per gallon of special fuel, or each one hundred cubic
32 feet of compressed natural gas, measured at standard pressure and
33 temperature shall be imposed on special fuel users.

1 (b) Beginning July 1, 2004, an additional and cumulative tax rate
2 of one cent per gallon of special fuel, or each one hundred cubic feet
3 of compressed natural gas, measured at standard pressure and
4 temperature shall be imposed on special fuel users.

5 (c) Beginning July 1, 2005, an additional and cumulative tax rate
6 of one cent per gallon of special fuel, or each one hundred cubic feet
7 of compressed natural gas, measured at standard pressure and
8 temperature shall be imposed on special fuel users.

9 (d) Beginning July 1, 2006, an additional and cumulative tax rate
10 of one cent per gallon of special fuel, or each one hundred cubic feet
11 of compressed natural gas, measured at standard pressure and
12 temperature shall be imposed on special fuel users.

13 (3) The tax is imposed (~~by subsection (1) of this section is~~
14 imposed)) when:

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

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

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

24 (ii) The removal is at the refinery rack unless the removal is to
25 a licensed exporter for direct delivery to a destination outside of the
26 state, or the removal is to a special fuel distributor for direct
27 delivery to an international fuel tax agreement licensee under RCW
28 82.38.320;

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

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

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

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

1 (e) Blended special fuel is removed or sold in this state by the
2 blender of the fuel. The number of gallons of blended special fuel
3 subject to tax is the difference between the total number of gallons of
4 blended special fuel removed or sold and the number of gallons of
5 previously taxed special fuel used to produce the blended special fuel;

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

9 (g) Dyed special fuel is held for sale, sold, used, or is intended
10 to be used in violation of this chapter;

11 (h) Special fuel purchased by an international fuel tax agreement
12 licensee under RCW 82.38.320 is used on a highway; and

13 (i) Special fuel is sold by a licensed special fuel supplier to a
14 special fuel distributor, special fuel importer, or special fuel
15 blender and the special fuel is not removed from the bulk transfer-
16 terminal system.

17 ~~((3))~~ (4) The tax imposed by this chapter, if required to be
18 collected by the licensee, is held in trust by the licensee until paid
19 to the department, and a licensee who appropriates or converts the tax
20 collected to his or her own use or to any use other than the payment of
21 the tax to the extent that the money required to be collected is not
22 available for payment on the due date as prescribed in this chapter is
23 guilty of a felony, or gross misdemeanor in accordance with the theft
24 and anticipatory provisions of Title 9A RCW. A person, partnership,
25 corporation, or corporate officer who fails to collect the tax imposed
26 by this section, or who has collected the tax and fails to pay it to
27 the department in the manner prescribed by this chapter, is personally
28 liable to the state for the amount of the tax.

29 **Sec. 403.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are
30 each reenacted and amended to read as follows:

31 (1) All moneys that have accrued or may accrue to the motor vehicle
32 fund from the motor vehicle fuel tax and special fuel tax shall be
33 first expended for purposes enumerated in (a) and (b) of this
34 subsection. The remaining net tax amount shall be distributed monthly
35 by the state treasurer in ~~((the proportions set forth in (c) through~~

1 ~~(1))~~ accordance with subsections (2), (3), and (4) of this
2 ~~((subsection))~~ section.

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

5 (b) For payment of amounts to be expended pursuant to
6 appropriations for the administrative expenses of the offices of state
7 treasurer, state auditor, and the department of licensing of the state
8 of Washington in the administration of the motor vehicle fuel tax and
9 the special fuel tax, which sums shall be distributed monthly~~((÷))~~.

10 ~~((e))~~ (2) All of the remaining net tax amount collected under RCW
11 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)
12 through (j) of this section.

13 (a) For distribution to the motor vehicle fund an amount equal to
14 44.387 percent to be expended for highway purposes of the state as
15 defined in RCW 46.68.130;

16 ~~((d))~~ (b) For distribution to the special category C account,
17 hereby created in the motor vehicle fund, an amount equal to 3.2609
18 percent to be expended for special category C projects. Special
19 category C projects are category C projects that, due to high cost
20 only, will require bond financing to complete construction.

21 The following criteria, listed in order of priority, shall be used
22 in determining which special category C projects have the highest
23 priority:

- 24 (i) Accident experience;
- 25 (ii) Fatal accident experience;
- 26 (iii) Capacity to move people and goods safely and at reasonable
27 speeds without undue congestion; and
- 28 (iv) Continuity of development of the highway transportation
29 network.

30 Moneys deposited in the special category C account in the motor
31 vehicle fund may be used for payment of debt service on bonds the
32 proceeds of which are used to finance special category C projects under
33 this subsection ~~((1)(d))~~ (2)(b);

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

36 ~~((f))~~ (d) For distribution to the Puget Sound capital

1 construction account in the motor vehicle fund an amount equal to
2 2.3726 percent;

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

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

8 ~~((i))~~ (g) For distribution to the cities and towns from the motor
9 vehicle fund an amount equal to 10.6961 percent in accordance with RCW
10 46.68.110;

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

20 ~~((k))~~ (i) For distribution to the county arterial preservation
21 account, hereby created in the motor vehicle fund an amount equal to
22 1.9565 percent. These funds shall be distributed by the county road
23 administration board to counties in proportions corresponding to the
24 number of paved arterial lane miles in the unincorporated area of each
25 county and shall be used for improvements to sustain the structural,
26 safety, and operational integrity of county arterials. The county road
27 administration board shall adopt reasonable rules and develop policies
28 to implement this program and to assure that a pavement management
29 system is used;

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

33 ~~((2))~~ (3) One hundred percent of the net tax amount collected
34 under RCW 82.36.025(2) and 82.38.030(2) shall be distributed to the
35 motor vehicle account.

36 (4) Nothing in this section or in RCW 46.68.130 may be construed so
37 as to violate any terms or conditions contained in any highway

1 construction bond issues now or hereafter authorized by statute and
2 whose payment is by such statute pledged to be paid from any excise
3 taxes on motor vehicle fuel and special fuels.

4 **Sec. 404.** RCW 46.68.110 and 1999 c 269 s 3 and 1999 c 94 s 9 are
5 each reenacted and amended to read as follows:

6 Funds credited to the incorporated cities and towns of the state as
7 set forth in RCW 46.68.090(~~((1)(i))~~) (2)(g) shall be subject to
8 deduction and distribution as follows:

9 (1) One and one-half percent of such sums distributed under RCW
10 46.68.090(2)(g) shall be deducted monthly as such sums are credited and
11 set aside for the use of the department of transportation for the
12 supervision of work and expenditures of such incorporated cities and
13 towns on the city and town streets thereof, including the supervision
14 and administration of federal-aid programs for which the department of
15 transportation has responsibility: PROVIDED, That any moneys so
16 retained and not expended shall be credited in the succeeding biennium
17 to the incorporated cities and towns in proportion to deductions herein
18 made;

19 (2) Thirty-three one-hundredths of one percent of such funds
20 distributed under RCW 46.68.090(2)(g) shall be deducted monthly, as
21 such funds accrue, and set aside for the use of the department of
22 transportation for the purpose of funding the cities' share of the
23 costs of highway jurisdiction studies and other studies. Any funds so
24 retained and not expended shall be credited in the succeeding biennium
25 to the cities in proportion to the deductions made;

26 (3) One percent of such funds distributed under RCW 46.68.090(2)(g)
27 shall be deducted monthly, as such funds accrue, to be deposited in the
28 urban arterial trust account, to implement the city hardship assistance
29 program, as provided in RCW 47.26.164. However, any moneys so retained
30 and not required to carry out the program as of July 1st of each odd-
31 numbered year thereafter, shall be provided within sixty days to the
32 treasurer and distributed in the manner prescribed in subsection (5) of
33 this section;

34 (4) After making the deductions under subsections (1) through (3)
35 of this section and RCW 35.76.050, 31.86 percent of the fuel tax
36 distributed to the cities and towns in RCW 46.68.090(~~((1)(i))~~) (2)(g)

1 shall be allocated to the incorporated cities and towns in the manner
2 set forth in subsection (5) of this section and subject to deductions
3 in subsections (1), (2), and (3) of this section, subject to RCW
4 35.76.050, to be used exclusively for: The construction, improvement,
5 chip sealing, seal-coating, and repair for arterial highways and city
6 streets as those terms are defined in RCW 46.04.030 and 46.04.120; the
7 maintenance of arterial highways and city streets for those cities with
8 a population of less than fifteen thousand; or the payment of any
9 municipal indebtedness which may be incurred in the construction,
10 improvement, chip sealing, seal-coating, and repair of arterial
11 highways and city streets; and

12 (5) The balance remaining to the credit of incorporated cities and
13 towns after such deduction shall be apportioned monthly as such funds
14 accrue among the several cities and towns within the state ratably on
15 the basis of the population last determined by the office of financial
16 management.

17 **Sec. 405.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to
18 read as follows:

19 (1) A licensed supplier shall remit tax on special fuel to the
20 department as provided in RCW 82.38.030(~~((2)(a))~~) (3)(a). On a two-
21 party exchange, or buy-sell agreement between two licensed suppliers,
22 the receiving exchange partner or buyer shall remit the tax.

23 (2) A refiner shall remit tax to the department on special fuel
24 removed from a refinery as provided in RCW 82.38.030(~~((2)(b))~~) (3)(b).

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

27 (4) A blender shall remit tax to the department on the removal or
28 sale of blended special fuel as provided in RCW 82.38.030(~~((2)(d))~~)
29 (3)(d).

30 (5) A dyed special fuel user shall remit tax to the department on
31 the use of dyed special fuel as provided in RCW 82.38.030(~~((2)(e))~~)
32 (3)(e).

33 **Sec. 406.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to
34 read as follows:

35 A terminal operator is jointly and severally liable for remitting

1 the tax imposed under RCW 82.38.030(~~(+1)~~) if, in connection with the
2 removal of special fuel that is not dyed or marked in accordance with
3 internal revenue service requirements, the terminal operator provides
4 a person with a bill of lading, shipping paper, or similar document
5 indicating that the special fuel is dyed or marked in accordance with
6 internal revenue service requirements.

7 **Sec. 407.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to
8 read as follows:

9 (1) From time to time, but at least once each year, the state
10 treasurer shall refund from the motor vehicle fund one percent of the
11 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
12 based on the tax rate (~~(in effect January 1, 1990)~~) of twenty cents per
13 gallon of motor vehicle fuel, less proper deductions for refunds and
14 costs of collection as provided in RCW 46.68.090. The treasurer shall
15 place these funds in the general fund as follows:

16 (a) Forty percent shall be credited to the ORV and nonhighway
17 vehicle account and administered by the department of natural resources
18 solely for planning, maintenance, and management of ORV recreation
19 facilities, nonhighway roads, and nonhighway road recreation
20 facilities. The funds under this subsection shall be expended in
21 accordance with the following limitations:

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

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

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

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

30 (v) Ten percent shall be transferred to the interagency committee
31 for outdoor recreation for grants to law enforcement agencies in those
32 counties where the department of natural resources maintains ORV
33 facilities. This amount is in addition to those distributions made by
34 the interagency committee for outdoor recreation under (d)(i) of this
35 subsection;

1 (b) Three and one-half percent shall be credited to the ORV and
2 nonhighway vehicle account and administered by the department of fish
3 and wildlife solely for the acquisition, planning, development,
4 maintenance, and management of nonhighway roads and recreation
5 facilities;

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

9 (d) Fifty-four and one-half percent, together with the funds
10 received by the interagency committee for outdoor recreation under RCW
11 46.09.110, shall be credited to the nonhighway and off-road vehicle
12 activities program account to be administered by the committee for
13 planning, acquisition, development, maintenance, and management of ORV
14 recreation facilities and nonhighway road recreation facilities; ORV
15 user education and information; and ORV law enforcement programs. The
16 funds under this subsection shall be expended in accordance with the
17 following limitations:

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

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

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

26 (2) On a yearly basis an agency may not, except as provided in RCW
27 46.09.110, expend more than ten percent of the funds it receives under
28 this chapter for general administration expenses incurred in carrying
29 out this chapter.

30 **Sec. 408.** RCW 46.10.170 and 1994 c 262 s 4 are each amended to
31 read as follows:

32 From time to time, but at least once each four years, the
33 department shall determine the amount of moneys paid to it as motor
34 vehicle fuel tax that is tax on snowmobile fuel. Such determination
35 shall use one hundred thirty-five gallons as the average yearly fuel

1 usage per snowmobile, the number of registered snowmobiles during the
2 calendar year under determination, and the fuel tax rate (~~in effect~~
3 ~~January 1, 1990~~) of twenty cents per gallon of motor vehicle fuel.

4 **Sec. 409.** RCW 79A.25.070 and 2000 c 11 s 73 are each amended to
5 read as follows:

6 Upon expiration of the time limited by RCW 82.36.330 for claiming
7 of refunds of tax on marine fuel, the state of Washington shall succeed
8 to the right to such refunds. The director of licensing, after taking
9 into account past and anticipated claims for refunds from and deposits
10 to the marine fuel tax refund account and the costs of carrying out the
11 provisions of RCW 79A.25.030, shall request the state treasurer to
12 transfer monthly from the marine fuel tax refund account an amount
13 equal to the proportion of the moneys in the account representing the
14 motor vehicle fuel tax rate (~~under RCW 82.36.025 in effect on January~~
15 ~~1, 1990~~) of twenty cents per gallon of motor vehicle fuel, to the
16 recreation resource account and the remainder to the motor vehicle
17 fund.

18 **PART V - CLEAN AIR FEE**

19 NEW SECTION. **Sec. 501.** A new section is added to chapter 70.94
20 RCW to read as follows:

21 In addition to other fees and taxes required under this chapter,
22 registered owners of motor vehicles as defined in RCW 46.04.320 shall
23 annually, upon renewal, pay a clean air fee of two dollars. The
24 proceeds of this clean air fee must be deposited in a segregated
25 subaccount of the air pollution control account created in RCW
26 70.94.015.

27 NEW SECTION. **Sec. 502.** A new section is added to chapter 70.94
28 RCW to read as follows:

29 (1) Money from the clean air fee under section 501 of this act may
30 be used for any purpose under this chapter, including but not limited
31 to the following:

32 (a) Retrofitting motor vehicles, including school buses and transit
33 fleets, with exhaust emission control devices;

1 (b) Reducing air contaminant emissions and cleaning up air
2 pollution;

3 (c) Reducing and eliminating toxic air contaminants;

4 (d) Providing funding for the differential costs of cleaner and
5 alternative fuels and vehicles that reduce air emissions and allow
6 advanced exhaust emission control devices to be used, including
7 ultralow sulfur diesel fuel, biodiesel, and natural gas;

8 (e) Providing funding for infrastructure necessary to allow fleets
9 to use alternative, cleaner fuels; and

10 (f) Administrative and operating costs of air pollution control
11 authorities and, where there is no air pollution control agency, the
12 department, to develop and oversee the air pollution cleanup programs
13 identified in this section.

14 (2) Money from the clean air fee under section 501 of this act is
15 subject to distribution as follows:

16 (a) Eighty percent of the money must be distributed to the air
17 pollution control authorities created under this chapter. The money
18 must be distributed in direct proportion with the amount of fees
19 imposed under section 501 of this act that are collected within the
20 boundaries of each authority. However, an amount in direct proportion
21 with those fees collected in counties for which no air pollution
22 control authority exists must be distributed to the department.

23 (b) Twenty percent of the money from the fee under section 501 of
24 this act must be distributed to the department and used by the
25 department for the following purposes:

26 (i) Retrofitting motor vehicles, including school buses and transit
27 fleets, with exhaust emission control devices;

28 (ii) Reducing air contaminant emissions and cleaning up air
29 pollution;

30 (iii) Reducing and eliminating toxic air contaminants;

31 (iv) Providing funding for the differential costs of cleaner and
32 alternative fuels and vehicles that reduce air emissions and allow
33 advanced exhaust emission control devices to be used, including
34 ultralow sulfur diesel fuel, biodiesel, and natural gas;

35 (v) Providing funding for infrastructure necessary to allow fleets
36 to use alternative, cleaner fuels; and

1 (vi) Administrative and operating costs of air pollution control
2 authorities and, where there is no air pollution control agency, the
3 department, to develop and oversee the air pollution cleanup programs
4 identified in this section.

5 (3) Money in the air pollution control account may be spent by the
6 department only after appropriation.

7 **PART VI - SPECIAL LICENSE PLATES AND FUNDING**

8 **Sec. 601.** RCW 46.16.233 and 2000 c 37 s 1 are each amended to read
9 as follows:

10 (1) Except for those license plates issued under RCW 46.16.305(1)
11 before January 1, 1987, under RCW 46.16.305(3), and to commercial
12 vehicles with a gross weight in excess of twenty-six thousand pounds,
13 effective with vehicle registrations due or to become due on January 1,
14 2001, the appearance of the background of all vehicle license plates
15 may vary in color and design, but must be ((issued on a standard
16 background)) legible and clearly identifiable as a Washington state
17 license plate, as designated by the department.

18 (2) Additionally, to ensure maximum legibility and reflectivity,
19 the department shall periodically provide for the replacement of
20 license plates, except for commercial vehicles with a gross weight in
21 excess of twenty-six thousand pounds. Frequency of replacement shall
22 be established in accordance with empirical studies documenting the
23 longevity of the reflective materials used to make license plates.

24 (3) In providing for the periodic replacement of license plates,
25 the department shall offer the vehicle's owner the option of retaining
26 the current license plate number. The department shall charge a
27 retention fee of twenty dollars if this option is exercised. Revenue
28 generated from the retention fee must be deposited into the multimodal
29 transportation account.

30 **Sec. 602.** RCW 46.01.140 and 2001 c 331 s 1 are each amended to
31 read as follows:

32 (1) The county auditor, if appointed by the director of licensing
33 shall carry out the provisions of this title relating to the licensing
34 of vehicles and the issuance of vehicle license number plates under the

1 direction and supervision of the director and may with the approval of
2 the director appoint assistants as special deputies and recommend
3 subagents to accept applications and collect fees for vehicle licenses
4 and transfers and to deliver vehicle license number plates.

5 (2) A county auditor appointed by the director may request that the
6 director appoint subagencies within the county.

7 (a) Upon authorization of the director, the auditor shall use an
8 open competitive process including, but not limited to, a written
9 business proposal and oral interview to determine the qualifications of
10 all interested applicants.

11 (b) A subagent may recommend a successor who is either the
12 subagent's sibling, spouse, or child, or a subagency employee, as long
13 as the recommended successor participates in the open, competitive
14 process used to select an applicant. In making successor
15 recommendation and appointment determinations, the following provisions
16 apply:

17 (i) If a subagency is held by a partnership or corporate entity,
18 the nomination must be submitted on behalf of, and agreed to by, all
19 partners or corporate officers.

20 (ii) No subagent may receive any direct or indirect compensation or
21 remuneration from any party or entity in recognition of a successor
22 nomination. A subagent may not receive any financial benefit from the
23 transfer or termination of an appointment.

24 (iii) (a) and (b) of this subsection are intended to assist in the
25 efficient transfer of appointments in order to minimize public
26 inconvenience. They do not create a proprietary or property interest
27 in the appointment.

28 (c) The auditor shall submit all proposals to the director, and
29 shall recommend the appointment of one or more subagents who have
30 applied through the open competitive process. The auditor shall
31 include in his or her recommendation to the director, not only the name
32 of the successor who is a relative or employee, if applicable and if
33 otherwise qualified, but also the name of one other applicant who is
34 qualified and was chosen through the open competitive process. The
35 director has final appointment authority.

36 (3)(a) A county auditor who is appointed as an agent by the

1 department shall enter into a standard contract provided by the
2 director, developed with the advice of the title and registration
3 advisory committee.

4 (b) A subagent appointed under subsection (2) of this section shall
5 enter into a standard contract with the county auditor, developed with
6 the advice of the title and registration advisory committee. The
7 director shall provide the standard contract to county auditors.

8 (c) The contracts provided for in (a) and (b) of this subsection
9 must contain at a minimum provisions that:

10 (i) Describe the responsibilities, and where applicable, the
11 liability, of each party relating to the service expectations and
12 levels, equipment to be supplied by the department, and equipment
13 maintenance;

14 (ii) Require the specific type of insurance or bonds so that the
15 state is protected against any loss of collected motor vehicle tax
16 revenues or loss of equipment;

17 (iii) Specify the amount of training that will be provided by the
18 state, the county auditor, or subagents;

19 (iv) Describe allowable costs that may be charged to vehicle
20 licensing activities as provided for in (d) of this subsection;

21 (v) Describe the causes and procedures for termination of the
22 contract, which may include mediation and binding arbitration.

23 (d) The department shall develop procedures that will standardize
24 and prescribe allowable costs that may be assigned to vehicle licensing
25 and vessel registration and title activities performed by county
26 auditors.

27 (e) The contracts may include any provision that the director deems
28 necessary to ensure acceptable service and the full collection of
29 vehicle and vessel tax revenues.

30 (f) The director may waive any provisions of the contract deemed
31 necessary in order to ensure that readily accessible service is
32 provided to the citizens of the state.

33 (4)(a) At any time any application is made to the director, the
34 county auditor, or other agent pursuant to any law dealing with
35 licenses, registration, or the right to operate any vehicle or vessel
36 upon the public highways or waters of this state, excluding applicants
37 already paying such fee under RCW 46.16.070 or 46.16.085, the applicant

1 shall pay to the director, county auditor, or other agent a fee of
2 three dollars for each application in addition to any other fees
3 required by law.

4 (b) Counties that do not cover the expenses of vehicle licensing
5 and vessel registration and title activities may submit to the
6 department a request for cost-coverage moneys. The request must be
7 submitted on a form developed by the department. The department shall
8 develop procedures to verify whether a request is reasonable. Payment
9 shall be made on requests found to be allowable from the licensing
10 services account.

11 (c) Applicants for certificates of ownership, including applicants
12 paying fees under RCW 46.16.070 or 46.16.085, shall pay to the
13 director, county auditor, or other agent a fee of four dollars in
14 addition to any other fees required by law.

15 (d) The fees under (a) and (c) of this subsection, if paid to the
16 county auditor as agent of the director, or if paid to a subagent of
17 the county auditor, shall be paid to the county treasurer in the same
18 manner as other fees collected by the county auditor and credited to
19 the county current expense fund. If the fee is paid to another agent
20 of the director, the fee shall be used by the agent to defray his or
21 her expenses in handling the application.

22 (e) Applicants required to pay the three-dollar fee established
23 under (a) of this subsection, must pay an additional ~~((fifty))~~ seventy-
24 five cents on registrations that are due or are to become due November
25 1, 2003, which must be collected and remitted to the state treasurer
26 ~~((for deposit))~~ and distributed as follows:

27 (i) Fifty cents must be deposited into the department of licensing
28 services account of the motor vehicle fund ~~((Revenue deposited into~~
29 ~~this account))~~ and must be used for agent and subagent support, which
30 is to include but not be limited to the replacement of department-owned
31 equipment in the possession of agents and subagents.

32 (ii) Twenty-five cents must be deposited into the license plate
33 technology account created under section 603 of this act.

34 (5) A subagent shall collect a service fee of (a) eight dollars and
35 fifty cents for changes in a certificate of ownership, with or without
36 registration renewal, or verification of record and preparation of an
37 affidavit of lost title other than at the time of the title application

1 or transfer and (b) three dollars and fifty cents for registration
2 renewal only, issuing a transit permit, or any other service under this
3 section.

4 (6) If the fee is collected by the state patrol as agent for the
5 director, the fee so collected shall be certified to the state
6 treasurer and deposited to the credit of the state patrol highway
7 account. If the fee is collected by the department of transportation
8 as agent for the director, the fee shall be certified to the state
9 treasurer and deposited to the credit of the motor vehicle fund. All
10 such fees collected by the director or branches of his office shall be
11 certified to the state treasurer and deposited to the credit of the
12 highway safety fund.

13 (7) Any county revenues that exceed the cost of providing vehicle
14 licensing and vessel registration and title activities in a county,
15 calculated in accordance with the procedures in subsection (3)(d) of
16 this section, shall be expended as determined by the county legislative
17 authority during the process established by law for adoption of county
18 budgets.

19 (8) The director may adopt rules to implement this section.

20 NEW SECTION. **Sec. 603.** A new section is added to chapter 46.16
21 RCW to read as follows:

22 The license plate technology account is created in the state
23 treasury. All receipts collected under RCW 46.01.140(4)(e)(ii) must be
24 deposited into this account. Expenditures from this account must
25 support current and future license plate technology and systems
26 integration upgrades. Money in the account may be spent only after
27 appropriation.

28 NEW SECTION. **Sec. 604.** A new section is added to chapter 46.16
29 RCW to read as follows:

30 The department shall offer license plate design services to
31 organizations that are sponsoring a new special license plate series or
32 are seeking to redesign the appearance of an existing special license
33 plate series that they sponsored. In providing this service, the
34 department must work with the requesting organization in determining
35 the specific qualities of the new plate design and must provide full

1 design services to the organization. The department shall collect from
2 the requesting organization a fee of one thousand five hundred dollars
3 for providing license plate design services. This fee includes one
4 original license plate design and up to five additional renditions of
5 the original design. If the organization requests the department to
6 provide further renditions in addition to the five renditions provided
7 under the original fee, the department shall collect an additional fee
8 of five hundred dollars per rendition. All revenue collected under
9 this section must be deposited into the multimodal transportation
10 account.

11 **PART VII - MISCELLANEOUS**

12 NEW SECTION. **Sec. 701.** Part headings used in this act are not any
13 part of the law.

14 NEW SECTION. **Sec. 702.** Section 501 of this act expires June 30,
15 2030.

16 NEW SECTION. **Sec. 703.** (1) Except for sections 601 through 604 of
17 this act, this act is necessary for the immediate preservation of the
18 public peace, health, or safety, or support of the state government and
19 its existing public institutions, and takes effect July 1, 2003.

20 (2) Sections 601 through 604 of this act take effect January 1,
21 2004."

SHB 2231 - H AMD 343
By Representative Murray

ADOPTED 04/08/2003

22 On page 1, line 1 of the title, after "financing;" strike the
23 remainder of the title and insert "amending RCW 46.16.070, 46.68.035,
24 82.38.030, 82.38.035, 82.38.047, 46.09.170, 46.10.170, 79A.25.070,
25 46.16.233, and 46.01.140; reenacting and amending RCW 82.36.025,
26 46.68.090, and 46.68.110; adding a new section to chapter 82.44 RCW;

1 adding new sections to chapter 70.94 RCW; adding new sections to
2 chapter 46.16 RCW; creating new sections; providing effective dates;
3 providing expiration dates; and declaring an emergency."

--- END ---