

ESHB 2231 - S AMD 399

By Senators Horn, Haugen

ADOPTED 04/17/2003

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

3 "PART I - LICENSE FEES

4 **Sec. 101.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to
5 read as follows:

6 (1) In lieu of all other vehicle licensing fees, unless
7 specifically exempt, and in addition to (~~the excise tax prescribed in~~
8 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and
9 stages in RCW 46.16.125, there shall be paid and collected annually for
10 each truck, motor truck, truck tractor, road tractor, tractor, motor
11 home, bus, auto stage, or for hire vehicle with seating capacity of
12 more than six, based upon the declared combined gross weight or
13 declared gross weight (~~thereof pursuant to the provisions of~~)) under
14 chapter 46.44 RCW, the following licensing fees by such gross weight:

15
16

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs.	\$ 37.00	\$ 37.00
6,000 lbs.	\$ 44.00	\$ 44.00
8,000 lbs.	\$ 55.00	\$ 55.00
10,000 lbs.	\$ 62.00	\$ 62.00
12,000 lbs.	\$ 72.00	\$ 72.00
14,000 lbs.	\$ 82.00	\$ 82.00
16,000 lbs.	\$ 92.00	\$ 92.00
18,000 lbs.	\$ 137.00	\$ 137.00
20,000 lbs.	\$ 152.00	\$ 152.00
22,000 lbs.	\$ 164.00	\$ 164.00
24,000 lbs.	\$ 177.00	\$ 177.00
26,000 lbs.	\$ 187.00	\$ 187.00
28,000 lbs.	\$ 220.00	\$ 220.00

1	30,000 lbs.	\$	253.00	\$	253.00
2	32,000 lbs.	\$	304.00	\$	304.00
3	34,000 lbs.	\$	323.00	\$	323.00
4	36,000 lbs.	\$	350.00	\$	350.00
5	38,000 lbs.	\$	384.00	\$	384.00
6	40,000 lbs.	\$	439.00	\$	439.00
7	42,000 lbs.	\$	456.00	\$	546.00
8	44,000 lbs.	\$	466.00	\$	556.00
9	46,000 lbs.	\$	501.00	\$	591.00
10	48,000 lbs.	\$	522.00	\$	612.00
11	50,000 lbs.	\$	566.00	\$	656.00
12	52,000 lbs.	\$	595.00	\$	685.00
13	54,000 lbs.	\$	642.00	\$	732.00
14	56,000 lbs.	\$	677.00	\$	767.00
15	58,000 lbs.	\$	704.00	\$	794.00
16	60,000 lbs.	\$	750.00	\$	840.00
17	62,000 lbs.	\$	804.00	\$	894.00
18	64,000 lbs.	\$	822.00	\$	912.00
19	66,000 lbs.	\$	915.00	\$	1,005.00
20	68,000 lbs.	\$	954.00	\$	1,044.00
21	70,000 lbs.	\$	1,027.00	\$	1,117.00
22	72,000 lbs.	\$	1,098.00	\$	1,188.00
23	74,000 lbs.	\$	1,193.00	\$	1,283.00
24	76,000 lbs.	\$	1,289.00	\$	1,379.00
25	78,000 lbs.	\$	1,407.00	\$	1,497.00
26	80,000 lbs.	\$	1,518.00	\$	1,608.00
27	82,000 lbs.	\$	1,623.00	\$	1,713.00
28	84,000 lbs.	\$	1,728.00	\$	1,818.00
29	86,000 lbs.	\$	1,833.00	\$	1,923.00
30	88,000 lbs.	\$	1,938.00	\$	2,028.00
31	90,000 lbs.	\$	2,043.00	\$	2,133.00
32	92,000 lbs.	\$	2,148.00	\$	2,238.00
33	94,000 lbs.	\$	2,253.00	\$	2,343.00
34	96,000 lbs.	\$	2,358.00	\$	2,448.00
35	98,000 lbs.	\$	2,463.00	\$	2,553.00
36	100,000 lbs.	\$	2,568.00	\$	2,658.00
37	102,000 lbs.	\$	2,673.00	\$	2,763.00
38	104,000 lbs.	\$	2,778.00	\$	2,868.00
39	105,500 lbs.	\$	2,883.00	\$	2,973.00))
40	<u>12,000 lbs.</u>	<u>\$</u>	<u>79.00</u>	<u>\$</u>	<u>79.00</u>
41	<u>14,000 lbs.</u>	<u>\$</u>	<u>90.00</u>	<u>\$</u>	<u>90.00</u>
42	<u>16,000 lbs.</u>	<u>\$</u>	<u>102.00</u>	<u>\$</u>	<u>102.00</u>
43	<u>18,000 lbs.</u>	<u>\$</u>	<u>154.00</u>	<u>\$</u>	<u>154.00</u>
44	<u>20,000 lbs.</u>	<u>\$</u>	<u>171.00</u>	<u>\$</u>	<u>171.00</u>

1	<u>22,000 lbs.</u>	\$	<u>185.00</u>	\$	<u>185.00</u>
2	<u>24,000 lbs.</u>	\$	<u>200.00</u>	\$	<u>200.00</u>
3	<u>26,000 lbs.</u>	\$	<u>211.00</u>	\$	<u>211.00</u>
4	<u>28,000 lbs.</u>	\$	<u>249.00</u>	\$	<u>249.00</u>
5	<u>30,000 lbs.</u>	\$	<u>287.00</u>	\$	<u>287.00</u>
6	<u>32,000 lbs.</u>	\$	<u>346.00</u>	\$	<u>346.00</u>
7	<u>34,000 lbs.</u>	\$	<u>368.00</u>	\$	<u>368.00</u>
8	<u>36,000 lbs.</u>	\$	<u>399.00</u>	\$	<u>399.00</u>
9	<u>38,000 lbs.</u>	\$	<u>438.00</u>	\$	<u>438.00</u>
10	<u>40,000 lbs.</u>	\$	<u>501.00</u>	\$	<u>501.00</u>
11	<u>42,000 lbs.</u>	\$	<u>521.00</u>	\$	<u>611.00</u>
12	<u>44,000 lbs.</u>	\$	<u>532.00</u>	\$	<u>622.00</u>
13	<u>46,000 lbs.</u>	\$	<u>572.00</u>	\$	<u>662.00</u>
14	<u>48,000 lbs.</u>	\$	<u>596.00</u>	\$	<u>686.00</u>
15	<u>50,000 lbs.</u>	\$	<u>647.00</u>	\$	<u>737.00</u>
16	<u>52,000 lbs.</u>	\$	<u>680.00</u>	\$	<u>770.00</u>
17	<u>54,000 lbs.</u>	\$	<u>734.00</u>	\$	<u>824.00</u>
18	<u>56,000 lbs.</u>	\$	<u>775.00</u>	\$	<u>865.00</u>
19	<u>58,000 lbs.</u>	\$	<u>806.00</u>	\$	<u>896.00</u>
20	<u>60,000 lbs.</u>	\$	<u>859.00</u>	\$	<u>949.00</u>
21	<u>62,000 lbs.</u>	\$	<u>921.00</u>	\$	<u>1,011.00</u>
22	<u>64,000 lbs.</u>	\$	<u>941.00</u>	\$	<u>1,031.00</u>
23	<u>66,000 lbs.</u>	\$	<u>1,048.00</u>	\$	<u>1,138.00</u>
24	<u>68,000 lbs.</u>	\$	<u>1,093.00</u>	\$	<u>1,183.00</u>
25	<u>70,000 lbs.</u>	\$	<u>1,177.00</u>	\$	<u>1,267.00</u>
26	<u>72,000 lbs.</u>	\$	<u>1,259.00</u>	\$	<u>1,349.00</u>
27	<u>74,000 lbs.</u>	\$	<u>1,368.00</u>	\$	<u>1,458.00</u>
28	<u>76,000 lbs.</u>	\$	<u>1,478.00</u>	\$	<u>1,568.00</u>
29	<u>78,000 lbs.</u>	\$	<u>1,614.00</u>	\$	<u>1,704.00</u>
30	<u>80,000 lbs.</u>	\$	<u>1,742.00</u>	\$	<u>1,832.00</u>
31	<u>82,000 lbs.</u>	\$	<u>1,863.00</u>	\$	<u>1,953.00</u>
32	<u>84,000 lbs.</u>	\$	<u>1,983.00</u>	\$	<u>2,073.00</u>
33	<u>86,000 lbs.</u>	\$	<u>2,104.00</u>	\$	<u>2,194.00</u>
34	<u>88,000 lbs.</u>	\$	<u>2,225.00</u>	\$	<u>2,315.00</u>
35	<u>90,000 lbs.</u>	\$	<u>2,346.00</u>	\$	<u>2,436.00</u>
36	<u>92,000 lbs.</u>	\$	<u>2,466.00</u>	\$	<u>2,556.00</u>
37	<u>94,000 lbs.</u>	\$	<u>2,587.00</u>	\$	<u>2,677.00</u>
38	<u>96,000 lbs.</u>	\$	<u>2,708.00</u>	\$	<u>2,798.00</u>
39	<u>98,000 lbs.</u>	\$	<u>2,829.00</u>	\$	<u>2,919.00</u>
40	<u>100,000 lbs.</u>	\$	<u>2,949.00</u>	\$	<u>3,039.00</u>
41	<u>102,000 lbs.</u>	\$	<u>3,070.00</u>	\$	<u>3,160.00</u>
42	<u>104,000 lbs.</u>	\$	<u>3,191.00</u>	\$	<u>3,281.00</u>
43	<u>105,500 lbs.</u>	\$	<u>3,312.00</u>	\$	<u>3,402.00</u>

1 Schedule A applies to vehicles either used exclusively for hauling
2 logs or that do not tow trailers. Schedule B applies to vehicles that
3 tow trailers and are not covered under Schedule A.

4 Every truck, motor truck, truck tractor, and tractor exceeding
5 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,
6 or 46.88 RCW shall be licensed for not less than one hundred fifty
7 percent of its empty weight unless the amount would be in excess of the
8 legal limits prescribed for such a vehicle in RCW 46.44.041 or
9 46.44.042, in which event the vehicle shall be licensed for the maximum
10 weight authorized for such a vehicle or unless the vehicle is used only
11 for the purpose of transporting any well drilling machine, air
12 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,
13 tool house, bunk house, or similar machine or structure attached to or
14 made a part of such vehicle.

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

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

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

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

27 **Sec. 102.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each
28 amended to read as follows:

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

33 (1) The sum of two dollars for each vehicle shall be deposited into
34 the multimodal transportation account, except that for each vehicle
35 registered by a county auditor or agent to a county auditor pursuant to

1 RCW 46.01.140, the sum of two dollars shall be credited to the current
2 county expense fund.

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

4 (a) (~~(23.677)~~) 21.434 percent shall be deposited into the state
5 patrol highway account of the motor vehicle fund;

6 (b) (~~(1.521)~~) 1.368 percent shall be deposited into the Puget Sound
7 ferry operations account of the motor vehicle fund; (~~and~~)

8 (c) 11.771 percent shall be deposited into the transportation 2003
9 account; and

10 (d) The remaining proceeds shall be deposited into the motor
11 vehicle fund.

12 **PART II - SALES AND USE TAX**

13 **Sec. 201.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each
14 amended to read as follows:

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

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

24 (3) Beginning July 1, 2003, there is levied and collected an
25 additional tax of three-tenths of one percent of the selling price on
26 each retail sale of a motor vehicle in this state, other than retail
27 car rentals taxed under subsection (2) of this section. The revenue
28 collected under this subsection shall be deposited in the multimodal
29 transportation account created in RCW 47.66.070.

30 (4) For purposes of subsection (3) of this section, "motor vehicle"
31 has the meaning provided in RCW 46.04.320, but does not include farm
32 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,
33 off-road and nonhighway vehicles as defined in RCW 46.09.020, and
34 snowmobiles as defined in RCW 46.10.010.

1 (5) The taxes imposed under this chapter shall apply to successive
2 retail sales of the same property.

3 ~~((4))~~ (6) The rates provided in this section apply to taxes
4 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

5 **Sec. 202.** RCW 82.12.020 and 2003 c 5 (EHB 1977) s 2 are each
6 amended to read as follows:

7 (1) There is hereby levied and there shall be collected from every
8 person in this state a tax or excise for the privilege of using within
9 this state as a consumer: (a) Any article of tangible personal
10 property purchased at retail, or acquired by lease, gift, repossession,
11 or bailment, or extracted or produced or manufactured by the person so
12 using the same, or otherwise furnished to a person engaged in any
13 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned
14 software, regardless of the method of delivery, but excluding canned
15 software that is either provided free of charge or is provided for
16 temporary use in viewing information, or both.

17 (2) This tax shall apply to the use of every service defined as a
18 retail sale in RCW 82.04.050 (2)(a) or (3)(a) and the use of every
19 article of tangible personal property, including property acquired at
20 a casual or isolated sale, and including byproducts used by the
21 manufacturer thereof, except as hereinafter provided, irrespective of
22 whether the article or similar articles are manufactured or are
23 available for purchase within this state.

24 (3) The provisions of this chapter do not apply in respect to the
25 use of any article of tangible personal property or service taxable
26 under RCW 82.04.050(2)(a) or (3)(a) purchased at retail or acquired by
27 lease, gift, or bailment if the sale to, or the use by, the present
28 user or his bailor or donor has already been subjected to the tax under
29 chapter 82.08 RCW or this chapter and the tax has been paid by the
30 present user or by his bailor or donor.

31 (4) Except as provided in this section, payment by one purchaser or
32 user of tangible personal property or service of the tax imposed by
33 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any
34 other purchaser or user of the same property or service from the taxes
35 imposed by such chapters. If the sale to, or the use by, the present
36 user or his or her bailor or donor has already been subjected to the

1 tax under chapter 82.08 RCW or this chapter and the tax has been paid
2 by the present user or by his or her bailor or donor; or in respect to
3 the use of property acquired by bailment and the tax has once been paid
4 based on reasonable rental as determined by RCW 82.12.060 measured by
5 the value of the article at time of first use multiplied by the tax
6 rate imposed by chapter 82.08 RCW or this chapter as of the time of
7 first use; or in respect to the use of any article of tangible personal
8 property acquired by bailment, if the property was acquired by a
9 previous bailee from the same bailor for use in the same general
10 activity and the original bailment was prior to June 9, 1961, the tax
11 imposed by this chapter does not apply.

12 (5) The tax shall be levied and collected in an amount equal to the
13 value of the article used or value of the service used by the taxpayer
14 multiplied by the rates in effect for the retail sales tax under RCW
15 82.08.020.

16 **Sec. 203.** RCW 82.12.045 and 1996 c 149 s 19 are each amended to
17 read as follows:

18 (1) In the collection of the use tax on motor vehicles, the
19 department of revenue may designate the county auditors of the several
20 counties of the state as its collecting agents. Upon such designation,
21 it shall be the duty of each county auditor to collect the tax at the
22 time an applicant applies for the registration of, and transfer of
23 title to, the motor vehicle, except in the following instances:

24 (a) Where the applicant exhibits a dealer's report of sale showing
25 that the retail sales tax has been collected by the dealer;

26 (b) Where the application is for the renewal of registration;

27 (c) Where the applicant presents a written statement signed by the
28 department of revenue, or its duly authorized agent showing that no use
29 tax is legally due; or

30 (d) Where the applicant presents satisfactory evidence showing that
31 the retail sales tax or the use tax has been paid by ((him)) the
32 applicant on the vehicle in question.

33 (2) The term "motor vehicle," as used in this section means and
34 includes all motor vehicles, trailers and semitrailers used, or of a
35 type designed primarily to be used, upon the public streets and
36 highways, for the convenience or pleasure of the owner, or for the

1 conveyance, for hire or otherwise, of persons or property, including
2 fixed loads, facilities for human habitation, and vehicles carrying
3 exempt licenses.

4 (3) It shall be the duty of every applicant for registration and
5 transfer of certificate of title who is subject to payment of tax under
6 this section to declare upon (~~(his)~~) the application the value of the
7 vehicle for which application is made, which shall consist of the
8 consideration paid or contracted to be paid therefor.

9 (4) Each county auditor who acts as agent of the department of
10 revenue shall at the time of remitting license fee receipts on motor
11 vehicles subject to the provisions of this section pay over and account
12 to the state treasurer for all use tax revenue collected under this
13 section, after first deducting as (~~(his)~~) a collection fee the sum of
14 two dollars for each motor vehicle upon which the tax has been
15 collected. All revenue received by the state treasurer under this
16 section shall be credited to the general fund. The auditor's
17 collection fee shall be deposited in the county current expense fund.
18 A duplicate of the county auditor's transmittal report to the state
19 treasurer shall be forwarded forthwith to the department of revenue.

20 (5) Any applicant who has paid use tax to a county auditor under
21 this section may apply to the department of revenue for refund thereof
22 if he or she has reason to believe that such tax was not legally due
23 and owing. No refund shall be allowed unless application therefor is
24 received by the department of revenue within the statutory period for
25 assessment of taxes, penalties, or interest prescribed by RCW
26 82.32.050(3). Upon receipt of an application for refund the department
27 of revenue shall consider the same and issue its order either granting
28 or denying it and if refund is denied the taxpayer shall have the right
29 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

30 (6) The provisions of this section shall be construed as cumulative
31 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,
32 for the collection of the tax imposed by this chapter. The department
33 of revenue shall have power to promulgate such rules as may be
34 necessary to administer the provisions of this section. Any duties
35 required by this section to be performed by the county auditor may be
36 performed by the director of licensing but no collection fee shall be

1 deductible by said director in remitting use tax revenue to the state
2 treasurer.

3 (7) The use tax revenue collected on the rate provided in RCW
4 82.08.020(3) shall be deposited in the multimodal transportation
5 account under RCW 47.66.070.

6 **Sec. 204.** RCW 82.08.064 and 2000 c 104 s 3 are each amended to
7 read as follows:

8 (1) A sales and use tax rate change under this chapter or chapter
9 82.12 RCW shall be imposed ((+1)) (a) no sooner than seventy-five days
10 after its enactment into law and ((+2)) (b) only on the first day of
11 January, April, July, or October.

12 (2) Subsection (1) of this section does not apply to the tax rate
13 change in section 201 of this act.

14 **PART III - MOTOR AND SPECIAL FUEL TAXES**

15 **Sec. 301.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are
16 each reenacted and amended to read as follows:

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

20 (2) Beginning July 1, 2003, an additional and cumulative motor fuel
21 tax rate of five cents per gallon applies to the sale, distribution, or
22 use of motor vehicle fuel. This subsection (2) expires when the bonds
23 issued for transportation 2003 projects are retired.

24 **Sec. 302.** RCW 82.38.030 and 2002 c 183 s 2 are each amended to
25 read as follows:

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

31 (2) Beginning July 1, 2003, an additional and cumulative tax rate
32 of five cents per gallon of special fuel, or each one hundred cubic
33 feet of compressed natural gas, measured at standard pressure and

1 temperature shall be imposed on special fuel users. This subsection
2 (2) expires when the bonds issued for transportation 2003 projects are
3 retired.

4 (3) ((The tax)) Taxes are imposed ((by subsection (1) of this
5 section is imposed)) when:

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

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

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

15 (ii) The removal is at the refinery rack unless the removal is to
16 a licensed exporter for direct delivery to a destination outside of the
17 state, or the removal is to a special fuel distributor for direct
18 delivery to an international fuel tax agreement licensee under RCW
19 82.38.320;

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

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

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

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

28 (e) Blended special fuel is removed or sold in this state by the
29 blender of the fuel. The number of gallons of blended special fuel
30 subject to tax is the difference between the total number of gallons of
31 blended special fuel removed or sold and the number of gallons of
32 previously taxed special fuel used to produce the blended special fuel;

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

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

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

3 (i) Special fuel is sold by a licensed special fuel supplier to a
4 special fuel distributor, special fuel importer, or special fuel
5 blender and the special fuel is not removed from the bulk transfer-
6 terminal system.

7 ~~((3))~~ (4) The tax imposed by this chapter, if required to be
8 collected by the licensee, is held in trust by the licensee until paid
9 to the department, and a licensee who appropriates or converts the tax
10 collected to his or her own use or to any use other than the payment of
11 the tax to the extent that the money required to be collected is not
12 available for payment on the due date as prescribed in this chapter is
13 guilty of a felony, or gross misdemeanor in accordance with the theft
14 and anticipatory provisions of Title 9A RCW. A person, partnership,
15 corporation, or corporate officer who fails to collect the tax imposed
16 by this section, or who has collected the tax and fails to pay it to
17 the department in the manner prescribed by this chapter, is personally
18 liable to the state for the amount of the tax.

19 **Sec. 303.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are
20 each reenacted and amended to read as follows:

21 (1) All moneys that have accrued or may accrue to the motor vehicle
22 fund from the motor vehicle fuel tax and special fuel tax shall be
23 first expended for purposes enumerated in (a) and (b) of this
24 subsection. The remaining net tax amount shall be distributed monthly
25 by the state treasurer in ~~((the proportions set forth in (c) through~~
26 ~~(1))~~ accordance with subsections (2), (3), and (4) of this
27 ~~((subsection))~~ section.

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

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

35 ~~((e))~~ (2) All of the remaining net tax amount collected under RCW

1 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)
2 through (j) of this section.

3 (a) For distribution to the motor vehicle fund an amount equal to
4 44.387 percent to be expended for highway purposes of the state as
5 defined in RCW 46.68.130;

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

11 The following criteria, listed in order of priority, shall be used
12 in determining which special category C projects have the highest
13 priority:

14 (i) Accident experience;

15 (ii) Fatal accident experience;

16 (iii) Capacity to move people and goods safely and at reasonable
17 speeds without undue congestion; and

18 (iv) Continuity of development of the highway transportation
19 network.

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

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

26 ~~((f))~~ (d) For distribution to the Puget Sound capital
27 construction account in the motor vehicle fund an amount equal to
28 2.3726 percent;

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

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

34 ~~((i))~~ (g) For distribution to the cities and towns from the motor
35 vehicle fund an amount equal to 10.6961 percent in accordance with RCW
36 46.68.110;

1 ~~((+j))~~ (h) For distribution to the counties from the motor vehicle
2 fund an amount equal to 19.2287 percent: (i) Out of which there shall
3 be distributed from time to time, as directed by the department of
4 transportation, those sums as may be necessary to carry out the
5 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
6 the county road administration board to implement the provisions of RCW
7 47.56.725(4), with the balance of such county share to be distributed
8 monthly as the same accrues for distribution in accordance with RCW
9 46.68.120;

10 ~~((+k))~~ (i) For distribution to the county arterial preservation
11 account, hereby created in the motor vehicle fund an amount equal to
12 1.9565 percent. These funds shall be distributed by the county road
13 administration board to counties in proportions corresponding to the
14 number of paved arterial lane miles in the unincorporated area of each
15 county and shall be used for improvements to sustain the structural,
16 safety, and operational integrity of county arterials. The county road
17 administration board shall adopt reasonable rules and develop policies
18 to implement this program and to assure that a pavement management
19 system is used;

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

23 ~~((+2))~~ (3) One hundred percent of the net tax amount collected
24 under RCW 82.36.025(2) and 82.38.030(2) shall be distributed to the
25 transportation 2003 account.

26 (4) Nothing in this section or in RCW 46.68.130 may be construed so
27 as to violate any terms or conditions contained in any highway
28 construction bond issues now or hereafter authorized by statute and
29 whose payment is by such statute pledged to be paid from any excise
30 taxes on motor vehicle fuel and special fuels.

31 **Sec. 304.** RCW 46.68.110 and 1999 c 269 s 3 and 1999 c 94 s 9 are
32 each reenacted and amended to read as follows:

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

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

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

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

26 (4) After making the deductions under subsections (1) through (3)
27 of this section and RCW 35.76.050, 31.86 percent of the fuel tax
28 distributed to the cities and towns in RCW 46.68.090(~~((+1)+(i))~~) (2)(g)
29 shall be allocated to the incorporated cities and towns in the manner
30 set forth in subsection (5) of this section and subject to deductions
31 in subsections (1), (2), and (3) of this section, subject to RCW
32 35.76.050, to be used exclusively for: The construction, improvement,
33 chip sealing, seal-coating, and repair for arterial highways and city
34 streets as those terms are defined in RCW 46.04.030 and 46.04.120; the
35 maintenance of arterial highways and city streets for those cities with
36 a population of less than fifteen thousand; or the payment of any

1 municipal indebtedness which may be incurred in the construction,
2 improvement, chip sealing, seal-coating, and repair of arterial
3 highways and city streets; and

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

9 **Sec. 305.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to
10 read as follows:

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

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

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

19 (4) A blender shall remit tax to the department on the removal or
20 sale of blended special fuel as provided in RCW 82.38.030(~~((2)(e))~~)
21 (3)(e).

22 (5) A dyed special fuel user shall remit tax to the department on
23 the use of dyed special fuel as provided in RCW 82.38.030(~~((2)(f))~~)
24 (3)(f).

25 **Sec. 306.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to
26 read as follows:

27 A terminal operator is jointly and severally liable for remitting
28 the tax imposed under RCW 82.38.030(~~((1))~~) if, in connection with the
29 removal of special fuel that is not dyed or marked in accordance with
30 internal revenue service requirements, the terminal operator provides
31 a person with a bill of lading, shipping paper, or similar document
32 indicating that the special fuel is dyed or marked in accordance with
33 internal revenue service requirements.

1 **Sec. 307.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to
2 read as follows:

3 (1) From time to time, but at least once each year, the state
4 treasurer shall refund from the motor vehicle fund one percent of the
5 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
6 based on ~~((the))~~ a tax rate ~~((in effect January 1, 1990))~~ of: (a)
7 Nineteen cents per gallon of motor vehicle fuel from July 1, 2003,
8 through June 30, 2005; (b) twenty cents per gallon of motor vehicle
9 fuel from July 1, 2005, through June 30, 2007; (c) twenty-one cents per
10 gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009;
11 (d) twenty-two cents per gallon of motor vehicle fuel from July 1,
12 2009, through June 30, 2011; and (e) twenty-three cents per gallon of
13 motor vehicle fuel beginning July 1, 2011, and thereafter, less proper
14 deductions for refunds and costs of collection as provided in RCW
15 46.68.090. The treasurer shall place these funds in the general fund
16 as follows:

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

23 ~~((+i+))~~ (A) Not more than five percent may be expended for
24 information programs under this chapter;

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

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

29 ~~((+iv+))~~ (D) Not more than fifty percent may be expended for
30 nonhighway road recreation facilities;

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

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

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

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

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

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

26 ~~((iii))~~ (C) Not more than twenty percent may be expended for
27 nonhighway road recreation facilities.

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

32 **Sec. 308.** RCW 46.10.170 and 1994 c 262 s 4 are each amended to
33 read as follows:

34 From time to time, but at least once each four years, the
35 department shall determine the amount of moneys paid to it as motor
36 vehicle fuel tax that is tax on snowmobile fuel. Such determination

1 shall use one hundred thirty-five gallons as the average yearly fuel
2 usage per snowmobile, the number of registered snowmobiles during the
3 calendar year under determination, and ((the)) a fuel tax rate ((in
4 effect January 1, 1990)) of: (1) Nineteen cents per gallon of motor
5 vehicle fuel from July 1, 2003, through June 30, 2005; (2) twenty cents
6 per gallon of motor vehicle fuel from July 1, 2005, through June 30,
7 2007; (3) twenty-one cents per gallon of motor vehicle fuel from July
8 1, 2007, through June 30, 2009; (4) twenty-two cents per gallon of
9 motor vehicle fuel from July 1, 2009, through June 30, 2011; and (5)
10 twenty-three cents per gallon of motor vehicle fuel beginning July 1,
11 2011, and thereafter.

12 **Sec. 309.** RCW 79A.25.070 and 2000 c 11 s 73 are each amended to
13 read as follows:

14 Upon expiration of the time limited by RCW 82.36.330 for claiming
15 of refunds of tax on marine fuel, the state of Washington shall succeed
16 to the right to such refunds. The director of licensing, after taking
17 into account past and anticipated claims for refunds from and deposits
18 to the marine fuel tax refund account and the costs of carrying out the
19 provisions of RCW 79A.25.030, shall request the state treasurer to
20 transfer monthly from the marine fuel tax refund account an amount
21 equal to the proportion of the moneys in the account representing
22 ((the)) a motor vehicle fuel tax rate ((under RCW 82.36.025 in effect
23 on January 1, 1990)) of: (1) Nineteen cents per gallon of motor
24 vehicle fuel from July 1, 2003, through June 30, 2005; (2) twenty cents
25 per gallon of motor vehicle fuel from July 1, 2005, through June 30,
26 2007; (3) twenty-one cents per gallon of motor vehicle fuel from July
27 1, 2007, through June 30, 2009; (4) twenty-two cents per gallon of
28 motor vehicle fuel from July 1, 2009, through June 30, 2011; and (5)
29 twenty-three cents per gallon of motor vehicle fuel beginning July 1,
30 2011, and thereafter, to the recreation resource account and the
31 remainder to the motor vehicle fund.

32 **PART IV - ACCOUNT CREATION**

33 NEW SECTION. **Sec. 401.** A new section is added to chapter 46.68
34 RCW to read as follows:

1 (1) The transportation 2003 account is hereby created in the motor
2 vehicle fund. Money in the account may be spent only after
3 appropriation. Expenditures from the account must be used only for
4 projects or improvements identified as transportation 2003 projects or
5 improvements in the omnibus transportation budget and to pay the
6 principal and interest on the bonds authorized for transportation 2003
7 projects or improvements. Upon completion of the projects or
8 improvements identified as transportation 2003 projects or
9 improvements, moneys deposited in this account must only be used to pay
10 the principal and interest on the bonds authorized for transportation
11 2003 projects or improvements, and any funds in the account in excess
12 of the amount necessary to make the principal and interest payments may
13 be used for maintenance on the completed projects or improvements.

14 (2) The "nickel account" means the transportation 2003 account.

15 **Sec. 402.** RCW 43.84.092 and 2002 c 242 s 2, 2002 c 114 s 24, and
16 2002 c 56 s 402 are each reenacted and amended to read as follows:

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

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

35 (3) Except for the provisions of RCW 43.84.160, the treasury income
36 account may be utilized for the payment of purchased banking services

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

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

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

1 deposit account, the oyster reserve land account, the perpetual
2 surveillance and maintenance account, the public employees' retirement
3 system plan 1 account, the public employees' retirement system combined
4 plan 2 and plan 3 account, the public facilities construction loan
5 revolving account beginning July 1, 2004, the public health
6 supplemental account, the Puyallup tribal settlement account, the
7 regional transportation investment district account, the resource
8 management cost account, the site closure account, the special wildlife
9 account, the state employees' insurance account, the state employees'
10 insurance reserve account, the state investment board expense account,
11 the state investment board commingled trust fund accounts, the
12 supplemental pension account, the Tacoma Narrows toll bridge account,
13 the teachers' retirement system plan 1 account, the teachers'
14 retirement system combined plan 2 and plan 3 account, the tobacco
15 prevention and control account, the tobacco settlement account, the
16 transportation infrastructure account, the tuition recovery trust fund,
17 the University of Washington bond retirement fund, the University of
18 Washington building account, the volunteer fire fighters' and reserve
19 officers' relief and pension principal fund, the volunteer fire
20 fighters' and reserve officers' administrative fund, the Washington
21 fruit express account, the Washington judicial retirement system
22 account, the Washington law enforcement officers' and fire fighters'
23 system plan 1 retirement account, the Washington law enforcement
24 officers' and fire fighters' system plan 2 retirement account, the
25 Washington school employees' retirement system combined plan 2 and 3
26 account, the Washington state health insurance pool account, the
27 Washington state patrol retirement account, the Washington State
28 University building account, the Washington State University bond
29 retirement fund, the water pollution control revolving fund, and the
30 Western Washington University capital projects account. Earnings
31 derived from investing balances of the agricultural permanent fund, the
32 normal school permanent fund, the permanent common school fund, the
33 scientific permanent fund, and the state university permanent fund
34 shall be allocated to their respective beneficiary accounts. All
35 earnings to be distributed under this subsection (4)(a) shall first be
36 reduced by the allocation to the state treasurer's service fund
37 pursuant to RCW 43.08.190.

1 (b) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The aeronautics account,
4 the aircraft search and rescue account, the county arterial
5 preservation account, the department of licensing services account, the
6 essential rail assistance account, the ferry bond retirement fund, the
7 grade crossing protective fund, the high capacity transportation
8 account, the highway bond retirement fund, the highway safety account,
9 the motor vehicle fund, the motorcycle safety education account, the
10 pilotage account, the public transportation systems account, the Puget
11 Sound capital construction account, the Puget Sound ferry operations
12 account, the recreational vehicle account, the rural arterial trust
13 account, the safety and education account, the special category C
14 account, the state patrol highway account, the transportation 2003
15 account, the transportation equipment fund, the transportation fund,
16 the transportation improvement account, the transportation improvement
17 board bond retirement account, and the urban arterial trust account.

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

21 **PART V - MISCELLANEOUS**

22 NEW SECTION. **Sec. 501.** Part headings used in this act are not any
23 part of the law.

24 NEW SECTION. **Sec. 502.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the
26 remainder of the act or the application of the provision to other
27 persons or circumstances is not affected.

28 NEW SECTION. **Sec. 503.** This act is necessary for the immediate
29 preservation of the public peace, health, or safety, or support of the
30 state government and its existing public institutions, and sections 201
31 through 402 of this act take effect July 1, 2003, and sections 101 and
32 102 of this act take effect August 1, 2003.

1 NEW SECTION. **Sec. 504.** Section 101 of this act is effective with
2 registrations that are due or will become due August 1, 2003, and
3 thereafter."

ESHB 2231 - S AMD 399
By Senators Horn, Haugen

ADOPTED 04/17/2003

4 On page 1, line 1 of the title, after "financing;" strike the
5 remainder of the title and insert "amending RCW 46.16.070, 46.68.035,
6 82.08.020, 82.12.020, 82.12.045, 82.08.064, 82.38.030, 82.38.035,
7 82.38.047, 46.09.170, 46.10.170, and 79A.25.070; reenacting and
8 amending RCW 82.36.025, 46.68.090, 46.68.110, and 43.84.092; adding a
9 new section to chapter 46.68 RCW; creating new sections; providing
10 effective dates; and declaring an emergency."

--- END ---