



1 thereof pursuant to the provisions of chapter 46.44 RCW, the following  
2 licensing fees by such gross weight:

	DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
3			
4			
5	4,000 lbs. ....	\$ 37.00 .....	\$ 37.00
6	6,000 lbs. ....	\$ 44.00 .....	\$ 44.00
7	8,000 lbs. ....	\$ 55.00 .....	\$ 55.00
8	10,000 lbs. ....	\$ 62.00 .....	\$ 62.00
9	((12,000 lbs. ....	\$ 72.00 .....	\$ 72.00
10	14,000 lbs. ....	\$ 82.00 .....	\$ 82.00
11	16,000 lbs. ....	\$ 92.00 .....	\$ 92.00
12	18,000 lbs. ....	\$ 137.00 .....	\$ 137.00
13	20,000 lbs. ....	\$ 152.00 .....	\$ 152.00
14	22,000 lbs. ....	\$ 164.00 .....	\$ 164.00
15	24,000 lbs. ....	\$ 177.00 .....	\$ 177.00
16	26,000 lbs. ....	\$ 187.00 .....	\$ 187.00
17	28,000 lbs. ....	\$ 220.00 .....	\$ 220.00
18	30,000 lbs. ....	\$ 253.00 .....	\$ 253.00
19	32,000 lbs. ....	\$ 304.00 .....	\$ 304.00
20	34,000 lbs. ....	\$ 323.00 .....	\$ 323.00
21	36,000 lbs. ....	\$ 350.00 .....	\$ 350.00
22	38,000 lbs. ....	\$ 384.00 .....	\$ 384.00
23	40,000 lbs. ....	\$ 439.00 .....	\$ 439.00
24	42,000 lbs. ....	\$ 456.00 .....	\$ 546.00
25	44,000 lbs. ....	\$ 466.00 .....	\$ 556.00
26	46,000 lbs. ....	\$ 501.00 .....	\$ 591.00
27	48,000 lbs. ....	\$ 522.00 .....	\$ 612.00
28	50,000 lbs. ....	\$ 566.00 .....	\$ 656.00
29	52,000 lbs. ....	\$ 595.00 .....	\$ 685.00
30	54,000 lbs. ....	\$ 642.00 .....	\$ 732.00
31	56,000 lbs. ....	\$ 677.00 .....	\$ 767.00
32	58,000 lbs. ....	\$ 704.00 .....	\$ 794.00
33	60,000 lbs. ....	\$ 750.00 .....	\$ 840.00
34	62,000 lbs. ....	\$ 804.00 .....	\$ 894.00
35	64,000 lbs. ....	\$ 822.00 .....	\$ 912.00
36	66,000 lbs. ....	\$ 915.00 .....	\$ 1,005.00
37	68,000 lbs. ....	\$ 954.00 .....	\$ 1,044.00
38	70,000 lbs. ....	\$ 1,027.00 .....	\$ 1,117.00
39	72,000 lbs. ....	\$ 1,098.00 .....	\$ 1,188.00
40	74,000 lbs. ....	\$ 1,193.00 .....	\$ 1,283.00
41	76,000 lbs. ....	\$ 1,289.00 .....	\$ 1,379.00
42	78,000 lbs. ....	\$ 1,407.00 .....	\$ 1,497.00

1	80,000 lbs. ....	\$	1,518.00 .....	\$	1,608.00
2	82,000 lbs. ....	\$	1,623.00 .....	\$	1,713.00
3	84,000 lbs. ....	\$	1,728.00 .....	\$	1,818.00
4	86,000 lbs. ....	\$	1,833.00 .....	\$	1,923.00
5	88,000 lbs. ....	\$	1,938.00 .....	\$	2,028.00
6	90,000 lbs. ....	\$	2,043.00 .....	\$	2,133.00
7	92,000 lbs. ....	\$	2,148.00 .....	\$	2,238.00
8	94,000 lbs. ....	\$	2,253.00 .....	\$	2,343.00
9	96,000 lbs. ....	\$	2,358.00 .....	\$	2,448.00
10	98,000 lbs. ....	\$	2,463.00 .....	\$	2,553.00
11	100,000 lbs. ....	\$	2,568.00 .....	\$	2,658.00
12	102,000 lbs. ....	\$	2,673.00 .....	\$	2,763.00
13	104,000 lbs. ....	\$	2,778.00 .....	\$	2,868.00
14	105,500 lbs. ....	\$	2,883.00 .....	\$	2,973.00))
15	<u>12,000 lbs. ....</u>	\$	<u>79.00 .....</u>	\$	<u>79.00</u>
16	<u>14,000 lbs. ....</u>	\$	<u>90.00 .....</u>	\$	<u>90.00</u>
17	<u>16,000 lbs. ....</u>	\$	<u>102.00 .....</u>	\$	<u>102.00</u>
18	<u>18,000 lbs. ....</u>	\$	<u>154.00 .....</u>	\$	<u>154.00</u>
19	<u>20,000 lbs. ....</u>	\$	<u>171.00 .....</u>	\$	<u>171.00</u>
20	<u>22,000 lbs. ....</u>	\$	<u>185.00 .....</u>	\$	<u>185.00</u>
21	<u>24,000 lbs. ....</u>	\$	<u>200.00 .....</u>	\$	<u>200.00</u>
22	<u>26,000 lbs. ....</u>	\$	<u>211.00 .....</u>	\$	<u>211.00</u>
23	<u>28,000 lbs. ....</u>	\$	<u>249.00 .....</u>	\$	<u>249.00</u>
24	<u>30,000 lbs. ....</u>	\$	<u>287.00 .....</u>	\$	<u>287.00</u>
25	<u>32,000 lbs. ....</u>	\$	<u>346.00 .....</u>	\$	<u>346.00</u>
26	<u>34,000 lbs. ....</u>	\$	<u>368.00 .....</u>	\$	<u>368.00</u>
27	<u>36,000 lbs. ....</u>	\$	<u>399.00 .....</u>	\$	<u>399.00</u>
28	<u>38,000 lbs. ....</u>	\$	<u>438.00 .....</u>	\$	<u>438.00</u>
29	<u>40,000 lbs. ....</u>	\$	<u>501.00 .....</u>	\$	<u>501.00</u>
30	<u>42,000 lbs. ....</u>	\$	<u>521.00 .....</u>	\$	<u>611.00</u>
31	<u>44,000 lbs. ....</u>	\$	<u>532.00 .....</u>	\$	<u>622.00</u>
32	<u>46,000 lbs. ....</u>	\$	<u>572.00 .....</u>	\$	<u>662.00</u>
33	<u>48,000 lbs. ....</u>	\$	<u>596.00 .....</u>	\$	<u>686.00</u>
34	<u>50,000 lbs. ....</u>	\$	<u>647.00 .....</u>	\$	<u>737.00</u>
35	<u>52,000 lbs. ....</u>	\$	<u>680.00 .....</u>	\$	<u>770.00</u>
36	<u>54,000 lbs. ....</u>	\$	<u>734.00 .....</u>	\$	<u>824.00</u>
37	<u>56,000 lbs. ....</u>	\$	<u>775.00 .....</u>	\$	<u>865.00</u>
38	<u>58,000 lbs. ....</u>	\$	<u>806.00 .....</u>	\$	<u>896.00</u>
39	<u>60,000 lbs. ....</u>	\$	<u>859.00 .....</u>	\$	<u>949.00</u>
40	<u>62,000 lbs. ....</u>	\$	<u>921.00 .....</u>	\$	<u>1,011.00</u>
41	<u>64,000 lbs. ....</u>	\$	<u>941.00 .....</u>	\$	<u>1,031.00</u>
42	<u>66,000 lbs. ....</u>	\$	<u>1,048.00 .....</u>	\$	<u>1,138.00</u>
43	<u>68,000 lbs. ....</u>	\$	<u>1,093.00 .....</u>	\$	<u>1,183.00</u>
44	<u>70,000 lbs. ....</u>	\$	<u>1,177.00 .....</u>	\$	<u>1,267.00</u>

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

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

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

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

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

39           (b) Upon surrender of the current certificate of registration or  
40 cab card, the new licensing fees due shall be reduced by the amount of

1 the licensing fees previously paid for the same period for which new  
2 fees are being charged.

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

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

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

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

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

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

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

21 (c) The remaining proceeds shall be deposited into the motor  
22 vehicle fund.

23 NEW SECTION. **Sec. 103.** Revenues attributable to the increased  
24 gross weight fees under section 101 of this act must be expended solely  
25 on transportation projects that directly benefit the movement of  
26 freight.

27 **PART II - VEHICLE TRANSFER TAX**

28 NEW SECTION. **Sec. 201.** A new section is added to chapter 82.44  
29 RCW to read as follows:

30 (1) There is levied and there shall be collected a vehicle transfer  
31 tax on motor vehicles for the privilege of using the transportation  
32 system in this state. The tax authorized by this section shall be in  
33 addition to any other taxes authorized by law and shall be imposed on  
34 any retail sale, lease, or use of a motor vehicle upon which a state

1 tax is imposed under chapter 82.08 or 82.12 RCW. However, the tax  
2 imposed by this section does not apply to the rental of a motor  
3 vehicle. The rate of the tax shall equal six-tenths of one percent of  
4 the selling price when a state tax is imposed under chapter 82.08 RCW,  
5 or six-tenths of one percent of the value of the article used when a  
6 state tax is imposed under chapter 82.12 RCW. The meaning ascribed to  
7 words and phrases in chapters 82.04, 82.08, and 82.12 RCW, insofar as  
8 applicable, have full force and effect with respect to the tax imposed  
9 by this section.

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

15 (3) The tax imposed in this section shall be collected and remitted  
16 in the same manner as excise taxes collected under chapters 82.08 and  
17 82.12 RCW. The department of revenue shall collect and administer the  
18 tax imposed by this section. All administrative provisions in chapters  
19 82.08, 82.12, and 82.32 RCW, insofar as they are applicable, apply to  
20 the tax imposed under this section. The department of revenue has the  
21 power to adopt rules as may be necessary to administer the provisions  
22 of this section. In the collection of tax imposed by this section, the  
23 department of revenue may designate the county auditors of the several  
24 counties of the state as its collecting agents. The county auditors  
25 shall collect and remit the tax imposed by this section in the same  
26 manner as the tax collected under RCW 82.12.045. No additional  
27 collection fee shall be deductible by a county auditor remitting the  
28 tax collected under this section. Any duties required by this section  
29 to be performed by the county auditor may be performed by the director  
30 of licensing but no collection fee shall be deductible by said director  
31 in remitting the tax revenue to the state treasurer.

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

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

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

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

4        (2) Beginning July 1, 2003, an additional and cumulative motor fuel  
5        tax rate of three cents per gallon applies to the sale, distribution,  
6        or use of motor vehicle fuel.

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

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

14       (2) Beginning July 1, 2003, an additional and cumulative tax rate  
15       of three cents per gallon of special fuel, or each one hundred cubic  
16       feet of compressed natural gas, measured at standard pressure and  
17       temperature shall be imposed on special fuel users.

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

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

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

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

29       (ii) The removal is at the refinery rack unless the removal is to  
30       a licensed exporter for direct delivery to a destination outside of the  
31       state, or the removal is to a special fuel distributor for direct  
32       delivery to an international fuel tax agreement licensee under RCW  
33       82.38.320;

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

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

- 1 (ii) The entry is not by bulk transfer;
- 2 (d) Special fuel is sold or removed in this state to an unlicensed  
3 entity unless there was a prior taxable removal, entry, or sale of the  
4 special fuel;
- 5 (e) Blended special fuel is removed or sold in this state by the  
6 blender of the fuel. The number of gallons of blended special fuel  
7 subject to tax is the difference between the total number of gallons of  
8 blended special fuel removed or sold and the number of gallons of  
9 previously taxed special fuel used to produce the blended special fuel;
- 10 (f) Dyed special fuel is used on a highway, as authorized by the  
11 internal revenue code, unless the use is exempt from the special fuel  
12 tax;
- 13 (g) Dyed special fuel is held for sale, sold, used, or is intended  
14 to be used in violation of this chapter;
- 15 (h) Special fuel purchased by an international fuel tax agreement  
16 licensee under RCW 82.38.320 is used on a highway; and
- 17 (i) Special fuel is sold by a licensed special fuel supplier to a  
18 special fuel distributor, special fuel importer, or special fuel  
19 blender and the special fuel is not removed from the bulk transfer-  
20 terminal system.
- 21 ~~((3))~~ (4) The tax imposed by this chapter, if required to be  
22 collected by the licensee, is held in trust by the licensee until paid  
23 to the department, and a licensee who appropriates or converts the tax  
24 collected to his or her own use or to any use other than the payment of  
25 the tax to the extent that the money required to be collected is not  
26 available for payment on the due date as prescribed in this chapter is  
27 guilty of a felony, or gross misdemeanor in accordance with the theft  
28 and anticipatory provisions of Title 9A RCW. A person, partnership,  
29 corporation, or corporate officer who fails to collect the tax imposed  
30 by this section, or who has collected the tax and fails to pay it to  
31 the department in the manner prescribed by this chapter, is personally  
32 liable to the state for the amount of the tax.

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

35 (1) All moneys that have accrued or may accrue to the motor vehicle  
36 fund from the motor vehicle fuel tax and special fuel tax shall be  
37 first expended for purposes enumerated in (a) and (b) of this



1 subsection. The remaining net tax amount shall be distributed monthly  
2 by the state treasurer in ~~((the proportions set forth in (c) through~~  
3 ~~(1))~~ accordance with subsections (2), (3), and (4) of this  
4 ~~((subsection))~~ section.

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

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

12 ~~((c))~~ (2) All of the remaining net tax amount collected under RCW  
13 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)  
14 through (j) of this section.

15 (a) For distribution to the motor vehicle fund an amount equal to  
16 44.387 percent to be expended for highway purposes of the state as  
17 defined in RCW 46.68.130;

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

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

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

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

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

1       ~~((f))~~ (d) For distribution to the Puget Sound capital  
2 construction account in the motor vehicle fund an amount equal to  
3 2.3726 percent;

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

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

9       ~~((i))~~ (g) For distribution to the cities and towns from the motor  
10 vehicle fund an amount equal to 10.6961 percent in accordance with RCW  
11 46.68.110;

12       ~~((j))~~ (h) For distribution to the counties from the motor vehicle  
13 fund an amount equal to 19.2287 percent: (i) Out of which there shall  
14 be distributed from time to time, as directed by the department of  
15 transportation, those sums as may be necessary to carry out the  
16 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to  
17 the county road administration board to implement the provisions of RCW  
18 47.56.725(4), with the balance of such county share to be distributed  
19 monthly as the same accrues for distribution in accordance with RCW  
20 46.68.120;

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

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

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

37       (4) Nothing in this section or in RCW 46.68.130 may be construed so  
38 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. 304.** 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)  
37 shall be allocated to the incorporated cities and towns in the manner

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

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

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

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

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

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

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

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

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

34 A terminal operator is jointly and severally liable for remitting  
35 the tax imposed under RCW 82.38.030(~~((1))~~) if, in connection with the  
36 removal of special fuel that is not dyed or marked in accordance with

1 internal revenue service requirements, the terminal operator provides  
2 a person with a bill of lading, shipping paper, or similar document  
3 indicating that the special fuel is dyed or marked in accordance with  
4 internal revenue service requirements.

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

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

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

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

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

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

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

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

34 (b) Three and one-half percent shall be credited to the ORV and  
35 nonhighway vehicle account and administered by the department of fish  
36 and wildlife solely for the acquisition, planning, development,

1 maintenance, and management of nonhighway roads and recreation  
2 facilities;

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

6 (d) Fifty-four and one-half percent, together with the funds  
7 received by the interagency committee for outdoor recreation under RCW  
8 46.09.110, shall be credited to the nonhighway and off-road vehicle  
9 activities program account to be administered by the committee for  
10 planning, acquisition, development, maintenance, and management of ORV  
11 recreation facilities and nonhighway road recreation facilities; ORV  
12 user education and information; and ORV law enforcement programs. The  
13 funds under this subsection shall be expended in accordance with the  
14 following limitations:

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

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

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

23 (2) On a yearly basis an agency may not, except as provided in RCW  
24 46.09.110, expend more than ten percent of the funds it receives under  
25 this chapter for general administration expenses incurred in carrying  
26 out this chapter.

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

29 From time to time, but at least once each four years, the  
30 department shall determine the amount of moneys paid to it as motor  
31 vehicle fuel tax that is tax on snowmobile fuel. Such determination  
32 shall use one hundred thirty-five gallons as the average yearly fuel  
33 usage per snowmobile, the number of registered snowmobiles during the  
34 calendar year under determination, and the fuel tax rate (~~in effect~~  
35 ~~January 1, 1990~~) of twenty cents per gallon of motor vehicle fuel.

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

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

15 **PART IV - CLEAN AIR FEE**

16 NEW SECTION. **Sec. 401.** A new section is added to chapter 70.94  
17 RCW to read as follows:

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

24 NEW SECTION. **Sec. 402.** A new section is added to chapter 70.94  
25 RCW to read as follows:

26 (1) Money from the clean air fee under section 401 of this act may  
27 be used for any purpose under this chapter, including but not limited  
28 to the following:

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

31 (b) Reducing air contaminant emissions and cleaning up air  
32 pollution;

33 (c) Reducing and eliminating toxic air contaminants;

34 (d) Providing funding for the differential costs of cleaner and

1 alternative fuels and vehicles that reduce air emissions and allow  
2 advanced exhaust emission control devices to be used, including  
3 ultralow sulfur diesel fuel, biodiesel, and natural gas;

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

6 (f) Administrative and operating costs of air pollution control  
7 authorities and, where there is no air pollution control agency, the  
8 department, to develop and oversee the air pollution cleanup programs  
9 identified in this section.

10 (2) Money from the clean air fee under section 401 of this act is  
11 subject to distribution as follows:

12 (a) Eighty percent of the money must be distributed to the air  
13 pollution control authorities created under this chapter. The money  
14 must be distributed in direct proportion with the amount of fees  
15 imposed under section 401 of this act that are collected within the  
16 boundaries of each authority. However, an amount in direct proportion  
17 with those fees collected in counties for which no air pollution  
18 control authority exists must be distributed to the department.

19 (b) Twenty percent of the money from the fee under section 401 of  
20 this act must be distributed to the department and used by the  
21 department for the following purposes:

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

24 (ii) Reducing air contaminant emissions and cleaning up air  
25 pollution;

26 (iii) Reducing and eliminating toxic air contaminants;

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

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

33 (vi) Administrative and operating costs of air pollution control  
34 authorities and, where there is no air pollution control agency, the  
35 department, to develop and oversee the air pollution cleanup programs  
36 identified in this section.

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



1 **PART V - MISCELLANEOUS**

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

4 NEW SECTION. **Sec. 502.** (1) 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 (2) This act is necessary for the immediate preservation of the  
19 public peace, health, or safety, or support of the state government and  
20 its existing public institutions, and takes effect July 1, 2003.

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