
ENGROSSED SUBSTITUTE HOUSE BILL 3205

State of Washington

58th Legislature

2004 Regular Session

By House Committee on Transportation (originally sponsored by Representative Murray)

READ FIRST TIME 02/27/04.

1 AN ACT Relating to a homeland transportation security surcharge;
2 amending RCW 46.01.140 and 46.16.071; reenacting and amending RCW
3 43.84.092 and 43.84.092; adding a new section to chapter 46.68 RCW;
4 creating new sections; making appropriations; providing an effective
5 date; and providing an expiration date.

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

7 **Sec. 1.** RCW 46.01.140 and 2003 c 370 s 3 are each amended to read
8 as follows:

9 (1) The county auditor, if appointed by the director of licensing
10 shall carry out the provisions of this title relating to the licensing
11 of vehicles and the issuance of vehicle license number plates under the
12 direction and supervision of the director and may with the approval of
13 the director appoint assistants as special deputies and recommend
14 subagents to accept applications and collect fees for vehicle licenses
15 and transfers and to deliver vehicle license number plates.

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

18 (a) Upon authorization of the director, the auditor shall use an

1 open competitive process including, but not limited to, a written
2 business proposal and oral interview to determine the qualifications of
3 all interested applicants.

4 (b) A subagent may recommend a successor who is either the
5 subagent's sibling, spouse, or child, or a subagency employee, as long
6 as the recommended successor participates in the open, competitive
7 process used to select an applicant. In making successor
8 recommendation and appointment determinations, the following provisions
9 apply:

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

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

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

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

29 (3)(a) A county auditor who is appointed as an agent by the
30 department shall enter into a standard contract provided by the
31 director, developed with the advice of the title and registration
32 advisory committee.

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

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

1 (i) Describe the responsibilities, and where applicable, the
2 liability, of each party relating to the service expectations and
3 levels, equipment to be supplied by the department, and equipment
4 maintenance;

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

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

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

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

14 (d) The department shall develop procedures that will standardize
15 and prescribe allowable costs that may be assigned to vehicle licensing
16 and vessel registration and title activities performed by county
17 auditors.

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

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

24 (4)(a) At any time any application is made to the director, the
25 county auditor, or other agent pursuant to any law dealing with
26 licenses, registration, or the right to operate any vehicle or vessel
27 upon the public highways or waters of this state, excluding applicants
28 already paying such fee under RCW 46.16.070 or 46.16.085, the applicant
29 shall pay to the director, county auditor, or other agent a fee of
30 three dollars for each application in addition to any other fees
31 required by law.

32 (b) Counties that do not cover the expenses of vehicle licensing
33 and vessel registration and title activities may submit to the
34 department a request for cost-coverage moneys. The request must be
35 submitted on a form developed by the department. The department shall
36 develop procedures to verify whether a request is reasonable. Payment
37 shall be made on requests found to be allowable from the licensing
38 services account.

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

5 (d) The fees under (a) and (c) of this subsection, if paid to the
6 county auditor as agent of the director, or if paid to a subagent of
7 the county auditor, shall be paid to the county treasurer in the same
8 manner as other fees collected by the county auditor and credited to
9 the county current expense fund. If the fee is paid to another agent
10 of the director, the fee shall be used by the agent to defray his or
11 her expenses in handling the application.

12 (e) Applicants required to pay the three-dollar fee established
13 under (a) of this subsection, must pay an additional seventy-five
14 cents, which must be collected and remitted to the state treasurer and
15 distributed as follows:

16 (i) Fifty cents must be deposited into the department of licensing
17 services account of the motor vehicle fund and must be used for agent
18 and subagent support, which is to include but not be limited to the
19 replacement of department-owned equipment in the possession of agents
20 and subagents.

21 (ii) Twenty-five cents must be deposited into the license plate
22 technology account created under RCW 46.16.685.

23 (f) Except for applicants registering a new vehicle for the first
24 time in Washington, applicants required to pay the three-dollar fee
25 established under (a) of this subsection, must pay an additional fifty
26 cents, which must be collected and remitted to the state treasurer and
27 distributed to the homeland transportation security account created in
28 section 5 of this act.

29 (5) A subagent shall collect a service fee of (a) eight dollars and
30 fifty cents for changes in a certificate of ownership, with or without
31 registration renewal, or verification of record and preparation of an
32 affidavit of lost title other than at the time of the title application
33 or transfer and (b) three dollars and fifty cents for registration
34 renewal only, issuing a transit permit, or any other service under this
35 section.

36 (6) If the fee is collected by the state patrol as agent for the
37 director, the fee so collected shall be certified to the state
38 treasurer and deposited to the credit of the state patrol highway

1 account. If the fee is collected by the department of transportation
2 as agent for the director, the fee shall be certified to the state
3 treasurer and deposited to the credit of the motor vehicle fund. All
4 such fees collected by the director or branches of his office shall be
5 certified to the state treasurer and deposited to the credit of the
6 highway safety fund.

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

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

14 **Sec. 2.** RCW 46.16.071 and 1996 c 315 s 4 are each amended to read
15 as follows:

16 (1) In addition to the fees set forth in RCW 46.16.070, there shall
17 be paid and collected annually upon registration, a fee of one dollar
18 for each truck, motor truck, truck tractor, road tractor, tractor, bus,
19 auto stage, or for hire vehicle with seating capacity of more than six,
20 notwithstanding the provisions of RCW 46.16.070.

21 (2) In addition to the fees set forth in RCW 46.16.085, there shall
22 be paid and collected annually upon registration, a fee of one dollar
23 for each trailer, semitrailer, and pole trailer, notwithstanding the
24 provisions of RCW 46.16.085.

25 (3) The proceeds from the fees collected under subsections (1) and
26 (2) of this section shall be deposited into the highway safety fund,
27 except that for each vehicle registered by a county auditor or agent to
28 a county auditor under RCW 46.01.140, the proceeds shall be credited to
29 the current county expense fund.

30 (4)(a) In addition to the fees set forth in RCW 46.16.070, there
31 shall be paid and collected annually upon registration, excluding new
32 vehicles that are registered for the first time in Washington, a fee of
33 fifty cents for each truck, motor truck, truck tractor, road tractor,
34 tractor, bus, auto stage, or for hire vehicle with seating capacity of
35 more than six, notwithstanding the provisions of RCW 46.16.070.

36 (b) The additional fee under (a) of this subsection shall be

1 deposited into the homeland transportation security account, created in
2 section 5 of this act, to be used solely for homeland transportation
3 security funding.

4 NEW SECTION. **Sec. 3.** (1) The appropriations in this subsection
5 shall be used for homeland security for transportation Washington state
6 and to ensure compliance with coast guard maritime security level 2
7 regulations. The appropriations in this subsection take effect July 1,
8 2004, and expire June 30, 2005.

9 **For the Department of Transportation--Program X**

10 Homeland Transportation Security Account--
11 State Appropriation \$1,246,000

12 **For the Department of Transportation--Program C**

13 Homeland Transportation Security Account--
14 State Appropriation \$655,000

15 **For the Washington State Patrol--Field Operations**

16 Homeland Transportation Security Account--
17 State Appropriation \$2,642,000

18 **For the Department of Transportation--Program M**

19 Homeland Transportation Security Account--State
20 Appropriation \$145,000
21 Total Appropriation \$4,688,000

22 (2) The Washington state patrol will reassign twelve existing
23 vessel and terminal security positions to K-9 positions. When a
24 maritime security level 2 is announced the Washington state patrol will
25 transfer twelve existing highway troopers to the vessel and terminal
26 security program until the maritime security level 2 is returned to
27 level 1. \$281,000 of the \$2,419,000 homeland transportation security
28 account--state appropriation is to be used solely for the state match
29 for MCSAP new entrants program and northern border program. \$223,000
30 of the \$2,642,000 of the Washington state patrol field operations
31 homeland transportation security account appropriation is to be used
32 solely for identity theft detectives to work with the department of
33 licensing in investigating and enforcing the laws regarding identity
34 theft within the issuance and renewals of driver licenses.

35 (3) The department of transportation is provided \$1,901,000 for
36 ferry security and safety management systems.

1 (4) \$145,000 for the department of transportation--program M is to
2 be used solely for phase 1 of the vulnerability survey of
3 transportation assets and emergency training.

4 NEW SECTION. **Sec. 4. FOR THE STATE TREASURER--TRANSFERS**

5 Motor Vehicle Account--State Appropriation: For
6 transfer to the Homeland Transportation Security
7 Account \$2,000,000

8 NEW SECTION. **Sec. 5.** A new section is added to chapter 46.68 RCW
9 to read as follows:

10 The homeland transportation security account is created in the
11 state treasury. All receipts from RCW 46.01.140(4)(f) and 46.16.071
12 must be deposited into the account. Money in the account may be spent
13 only after appropriation. Expenditures from the account may be used
14 only for homeland transportation security funding.

15 **Sec. 6.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and
16 2003 c 48 s 2 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.

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

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

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

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

1 earnings to be distributed under this subsection (4)(a) shall first be
2 reduced by the allocation to the state treasurer's service fund
3 pursuant to RCW 43.08.190.

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

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

25 **Sec. 7.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
26 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
27 follows:

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

31 (2) The treasury income account shall be utilized to pay or receive
32 funds associated with federal programs as required by the federal cash
33 management improvement act of 1990. The treasury income account is
34 subject in all respects to chapter 43.88 RCW, but no appropriation is
35 required for refunds or allocations of interest earnings required by
36 the cash management improvement act. Refunds of interest to the
37 federal treasury required under the cash management improvement act

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

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

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18 credited to the treasury income account. The state treasurer shall
19 credit the general fund with all the earnings credited to the treasury
20 income account except:

21 (a) The following accounts and funds shall receive their
22 proportionate share of earnings based upon each account's and fund's
23 average daily balance for the period: The capitol building
24 construction account, the Cedar River channel construction and
25 operation account, the Central Washington University capital projects
26 account, the charitable, educational, penal and reformatory
27 institutions account, the common school construction fund, the county
28 criminal justice assistance account, the county sales and use tax
29 equalization account, the data processing building construction
30 account, the deferred compensation administrative account, the deferred
31 compensation principal account, the department of retirement systems
32 expense account, the drinking water assistance account, the drinking
33 water assistance administrative account, the drinking water assistance
34 repayment account, the Eastern Washington University capital projects
35 account, the education construction fund, the election account, the
36 emergency reserve fund, The Evergreen State College capital projects
37 account, the federal forest revolving account, the health services
38 account, the public health services account, the health system capacity

1 account, the personal health services account, the state higher
2 education construction account, the higher education construction
3 account, the highway infrastructure account, the homeland
4 transportation security account, the industrial insurance premium
5 refund account, the judges' retirement account, the judicial retirement
6 administrative account, the judicial retirement principal account, the
7 local leasehold excise tax account, the local real estate excise tax
8 account, the local sales and use tax account, the medical aid account,
9 the mobile home park relocation fund, the multimodal transportation
10 account, the municipal criminal justice assistance account, the
11 municipal sales and use tax equalization account, the natural resources
12 deposit account, the oyster reserve land account, the perpetual
13 surveillance and maintenance account, the public employees' retirement
14 system plan 1 account, the public employees' retirement system combined
15 plan 2 and plan 3 account, the public facilities construction loan
16 revolving account beginning July 1, 2004, the public health
17 supplemental account, the public works assistance account, the Puyallup
18 tribal settlement account, the regional transportation investment
19 district account, the resource management cost account, the site
20 closure account, the special wildlife account, the state employees'
21 insurance account, the state employees' insurance reserve account, the
22 state investment board expense account, the state investment board
23 commingled trust fund accounts, the supplemental pension account, the
24 Tacoma Narrows toll bridge account, the teachers' retirement system
25 plan 1 account, the teachers' retirement system combined plan 2 and
26 plan 3 account, the tobacco prevention and control account, the tobacco
27 settlement account, the transportation infrastructure account, the
28 tuition recovery trust fund, the University of Washington bond
29 retirement fund, the University of Washington building account, the
30 volunteer fire fighters' and reserve officers' relief and pension
31 principal fund, the volunteer fire fighters' and reserve officers'
32 administrative fund, the Washington fruit express account, the
33 Washington judicial retirement system account, the Washington law
34 enforcement officers' and fire fighters' system plan 1 retirement
35 account, the Washington law enforcement officers' and fire fighters'
36 system plan 2 retirement account, the Washington school employees'
37 retirement system combined plan 2 and 3 account, the Washington state
38 health insurance pool account, the Washington state patrol retirement

1 account, the Washington State University building account, the
2 Washington State University bond retirement fund, the water pollution
3 control revolving fund, and the Western Washington University capital
4 projects account. Earnings derived from investing balances of the
5 agricultural permanent fund, the normal school permanent fund, the
6 permanent common school fund, the scientific permanent fund, and the
7 state university permanent fund shall be allocated to their respective
8 beneficiary accounts. All earnings to be distributed under this
9 subsection (4)(a) shall first be reduced by the allocation to the state
10 treasurer's service fund pursuant to RCW 43.08.190.

11 (b) The following accounts and funds shall receive eighty percent
12 of their proportionate share of earnings based upon each account's or
13 fund's average daily balance for the period: The aeronautics account,
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15 preservation account, the department of licensing services account, the
16 essential rail assistance account, the ferry bond retirement fund, the
17 grade crossing protective fund, the high capacity transportation
18 account, the highway bond retirement fund, the highway safety account,
19 the motor vehicle fund, the motorcycle safety education account, the
20 pilotage account, the public transportation systems account, the Puget
21 Sound capital construction account, the Puget Sound ferry operations
22 account, the recreational vehicle account, the rural arterial trust
23 account, the safety and education account, the special category C
24 account, the state patrol highway account, the transportation 2003
25 account (nickel account), the transportation equipment fund, the
26 transportation fund, the transportation improvement account, the
27 transportation improvement board bond retirement account, and the urban
28 arterial trust account.

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

32 NEW SECTION. **Sec. 8.** Section 6 of this act expires July 1, 2005.

33 NEW SECTION. **Sec. 9.** Section 7 of this act takes effect July 1,
34 2005.

1 NEW SECTION. **Sec. 10.** Sections 1 and 2 of this act apply to
2 registrations that are due or become due on or after September 1, 2004.

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