
ENGROSSED SUBSTITUTE SENATE BILL 5247

State of Washington

58th Legislature

2003 Regular Session

By Senate Committee on Highways & Transportation (originally sponsored by Senators Horn, Haugen, Esser, Jacobsen, Kastama, Prentice, Oke, Swecker and Schmidt)

READ FIRST TIME 02/07/03.

1 AN ACT Relating to alternative local option fuel taxes; amending
2 RCW 82.80.010, 36.120.050, 82.36.440, and 82.38.280; and adding new
3 sections to chapter 82.80 RCW.

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

5 **Sec. 1.** RCW 82.80.010 and 1998 c 176 s 86 are each amended to read
6 as follows:

7 (1) For purposes of this section:

8 (a) "Distributor" means every person who imports, refines,
9 manufactures, produces, or compounds motor vehicle fuel and special
10 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
11 or distributes the fuel into a county;

12 (b) "Person" has the same meaning as in RCW 82.04.030.

13 (2) Subject to the conditions of this section, any county may levy,
14 by approval of its legislative body and a majority of the registered
15 voters of the county voting on the proposition at a general or special
16 election, additional excise taxes equal to ten percent of the statewide
17 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
18 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
19 fuel as defined in RCW 82.38.020 sold within the boundaries of the

1 county. Vehicles paying an annual license fee under RCW 82.38.075 are
2 exempt from the county fuel excise tax. An election held under this
3 section must be held not more than twelve months before the date on
4 which the proposed tax is to be levied. The ballot setting forth the
5 proposition shall state the tax rate that is proposed. The county's
6 authority to levy additional excise taxes under this section includes
7 the incorporated and unincorporated areas of the county. The
8 additional excise taxes are subject to the same exceptions and rights
9 of refund as applicable to other motor vehicle fuel and special fuel
10 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
11 tax shall not be levied less than one month from the date the election
12 results are certified by the county election officer. The commencement
13 date for the levy of any tax under this section shall be the first day
14 of January, April, July, or October.

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

19 (3) The local option motor vehicle fuel tax on each gallon of motor
20 vehicle fuel and on each gallon of special fuel is imposed upon the
21 distributor of the fuel.

22 (4) A taxable event for the purposes of this section occurs upon
23 the first distribution of the fuel within the boundaries of a county to
24 a retail outlet, bulk fuel user, or ultimate user of the fuel.

25 (5) All administrative provisions in chapters 82.01, 82.03, and
26 82.32 RCW, insofar as they are applicable, apply to local option fuel
27 taxes imposed under this section.

28 (6) Before the effective date of the imposition of the fuel taxes
29 under this section, a county shall contract with the department of
30 revenue for the administration and collection of the taxes. The
31 contract must provide that a percentage amount, not to exceed one
32 percent of the taxes imposed under this section, will be deposited into
33 the local tax administration account created in the custody of the
34 state treasurer. The department of revenue may spend money from this
35 account, upon appropriation, for the administration of the local taxes
36 imposed under this section.

37 (7) The state treasurer shall distribute monthly to the levying
38 county and cities contained therein the proceeds of the additional

1 excise taxes collected under this section, after the deductions for
2 payments and expenditures as provided in RCW 46.68.090(1) (a) and
3 ~~((+2))~~ (b) and under the conditions and limitations provided in RCW
4 82.80.080.

5 ~~((+4))~~ (8) The proceeds of the additional excise taxes levied
6 under this section shall be used strictly for transportation purposes
7 in accordance with RCW 82.80.070.

8 ~~((+5) The department of licensing shall administer and collect the
9 county fuel taxes. The department shall deduct a percentage amount, as
10 provided by contract, for administrative, collection, refund, and audit
11 expenses incurred. The remaining proceeds shall be remitted to the
12 custody of the state treasurer for monthly distribution under RCW
13 82.80.080.))~~

14 (9) A county may not levy the tax under this section if they are
15 levying the tax in section 2 of this act or if they are a member of a
16 regional transportation investment district levying the tax in section
17 3 of this act.

18 NEW SECTION. Sec. 2. A new section is added to chapter 82.80 RCW
19 to read as follows:

- 20 (1) For purposes of this section:
- 21 (a) "Distributor" means every person who imports, refines,
22 manufactures, produces, or compounds motor vehicle fuel and special
23 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
24 or distributes the fuel into a county;
- 25 (b) "Person" has the same meaning as in RCW 82.04.030.

26 (2) For purposes of dedication to a regional transportation
27 investment district plan under chapter 36.120 RCW, subject to the
28 conditions of this section, a county may levy additional excise taxes
29 equal to ten percent of the statewide motor vehicle fuel tax rate under
30 RCW 82.36.025 on each gallon of motor vehicle fuel as defined in RCW
31 82.36.010 and on each gallon of special fuel as defined in RCW
32 82.38.020 sold within the boundaries of the county. The additional
33 excise tax is subject to the approval of the county's legislative body
34 and a majority of the registered voters of the county voting on the
35 proposition at a general or special election. An election held under
36 this section must be held not more than twelve months before the date
37 on which the proposed tax is to be levied. The ballot setting forth

1 the proposition must state that the revenues from the tax will be used
2 for a regional transportation investment district plan. The county's
3 authority to levy additional excise taxes under this section includes
4 the incorporated and unincorporated areas of the county. Vehicles
5 paying an annual license fee under RCW 82.38.075 are exempt from the
6 county fuel excise tax. The additional excise taxes are subject to the
7 same exceptions and rights of refund as applicable to other motor
8 vehicle fuel and special fuel excise taxes levied under chapters 82.36
9 and 82.38 RCW. The proposed tax may not be levied less than one month
10 from the date the election results are certified by the county election
11 officer. The commencement date for the levy of any tax under this
12 section will be the first day of January, April, July, or October.

13 (3) The local option motor vehicle fuel tax on each gallon of motor
14 vehicle fuel and on each gallon of special fuel is imposed upon the
15 distributor of the fuel.

16 (4) A taxable event for the purposes of this section occurs upon
17 the first distribution of the fuel within the boundaries of a county to
18 a retail outlet, bulk fuel user, or ultimate user of the fuel.

19 (5) All administrative provisions in chapters 82.01, 82.03, and
20 82.32 RCW, insofar as they are applicable, apply to local option fuel
21 taxes imposed under this section.

22 (6) Before the effective date of the imposition of the fuel taxes
23 under this section, a county shall contract with the department of
24 revenue for the administration and collection of the taxes. The
25 contract must provide that a percentage amount, not to exceed one
26 percent of the taxes imposed under this section, will be deposited into
27 the local tax administration account created in the custody of the
28 state treasurer. The department of revenue may spend money from this
29 account, upon appropriation, for the administration of the local taxes
30 imposed under this section.

31 (7) The state treasurer shall distribute monthly to the county
32 levying the tax as part of a regional transportation investment plan,
33 after the deductions for payments and expenditures as provided in RCW
34 46.68.090(1) (a) and (b).

35 (8) The proceeds of the additional taxes levied by a county in this
36 section, to be used as a part of a regional transportation investment
37 plan, must be used in accordance with chapter 36.120 RCW, but only for

1 those areas that are considered "highway purposes" as that term is
2 construed in Article II, section 40 of the state Constitution.

3 (9) A county may not levy the tax under this section if they are a
4 member of a regional transportation investment district that is levying
5 the tax in section 3 of this act or the county is levying the tax in
6 RCW 82.80.010.

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

9 (1) For purposes of this section:

10 (a) "Distributor" means every person who imports, refines,
11 manufactures, produces, or compounds motor vehicle fuel and special
12 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
13 or distributes the fuel into a county;

14 (b) "Person" has the same meaning as in RCW 82.04.030;

15 (c) "District" means a regional transportation investment district
16 under chapter 36.120 RCW.

17 (2) A regional transportation investment district under chapter
18 36.120 RCW, subject to the conditions of this section, may levy
19 additional excise taxes equal to ten percent of the statewide motor
20 vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
21 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
22 fuel as defined in RCW 82.38.020 sold within the boundaries of the
23 district. The additional excise tax is subject to the approval of a
24 majority of the voters within the district boundaries. Vehicles paying
25 an annual license fee under RCW 82.38.075 are exempt from the
26 district's fuel excise tax. The additional excise taxes are subject to
27 the same exceptions and rights of refund as applicable to other motor
28 vehicle fuel and special fuel excise taxes levied under chapters 82.36
29 and 82.38 RCW. The proposed tax may not be levied less than one month
30 from the date the election results are certified. The commencement
31 date for the levy of any tax under this section will be the first day
32 of January, April, July, or October.

33 (3) The local option motor vehicle fuel tax on each gallon of motor
34 vehicle fuel and on each gallon of special fuel is imposed upon the
35 distributor of the fuel.

36 (4) A taxable event for the purposes of this section occurs upon

1 the first distribution of the fuel within the boundaries of the
2 district to a retail outlet, bulk fuel user, or ultimate user of the
3 fuel.

4 (5) All administrative provisions in chapters 82.01, 82.03, and
5 82.32 RCW, insofar as they are applicable, apply to local option fuel
6 taxes imposed under this section.

7 (6) Before the effective date of the imposition of the fuel taxes
8 under this section, a district shall contract with the department of
9 revenue for the administration and collection of the taxes. The
10 contract must provide that a percentage amount, not to exceed one
11 percent of the taxes imposed under this section, will be deposited into
12 the local tax administration account created in the custody of the
13 state treasurer. The department of revenue may spend money from this
14 account, upon appropriation, for the administration of the local taxes
15 imposed under this section.

16 (7) The state treasurer shall distribute monthly to the district
17 levying the tax as part of the regional transportation investment
18 district plan, after the deductions for payments and expenditures as
19 provided in RCW 46.68.090(1) (a) and (b).

20 (8) The proceeds of the additional taxes levied by a district in
21 this section, to be used as a part of a regional transportation
22 investment district plan, must be used in accordance with chapter
23 36.120 RCW, but only for those areas that are considered "highway
24 purposes" as that term is construed in Article II, section 40 of the
25 state Constitution.

26 (9) A district may not levy the tax in this section if a member
27 county is levying the tax in RCW 82.80.010 or section 2 of this act.

28 **Sec. 4.** RCW 36.120.050 and 2002 c 56 s 105 are each amended to
29 read as follows:

30 (1) A regional transportation investment district planning
31 committee may, as part of a regional transportation investment plan,
32 recommend the imposition of some or all of the following revenue
33 sources, which a regional transportation investment district may impose
34 upon approval of the voters as provided in this chapter:

35 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
36 up to 0.5 percent of the selling price, in the case of a sales tax, or

1 value of the article used, in the case of a use tax, upon the
2 occurrence of any taxable event in the regional transportation
3 investment district;

4 (b) A local option vehicle license fee, as specified under RCW
5 82.80.100, of up to one hundred dollars per vehicle registered in the
6 district. As used in this subsection, "vehicle" means motor vehicle as
7 defined in RCW 46.04.320. Certain classes of vehicles, as defined
8 under chapter 46.04 RCW, may be exempted from this fee;

9 (c) A parking tax under RCW 82.80.030;

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

12 (e) A local option fuel tax under section 3 of this act;

13 (f) An employer excise tax under RCW 81.100.030; and

14 ~~((+f))~~ (g) Vehicle tolls on new or reconstructed facilities.
15 Unless otherwise specified by law, the department shall administer the
16 collection of vehicle tolls on designated facilities, and the state
17 transportation commission, or its successor, shall be the tolling
18 authority.

19 (2) Taxes, fees, and tolls may not be imposed without an
20 affirmative vote of the majority of the voters within the boundaries of
21 the district voting on a ballot proposition as set forth in RCW
22 36.120.070. Revenues from these taxes and fees may be used only to
23 implement the plan as set forth in this chapter. A district may
24 contract with the state department of revenue or other appropriate
25 entities for administration and collection of any of the taxes or fees
26 authorized in this section.

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

30 **Sec. 5.** RCW 82.36.440 and 1991 c 173 s 4 are each amended to read
31 as follows:

32 The tax levied in this chapter is in lieu of any excise, privilege,
33 or occupational tax upon the business of manufacturing, selling, or
34 distributing motor vehicle fuel, and no city, town, county, township or
35 other subdivision or municipal corporation of the state shall levy or
36 collect any excise tax upon or measured by the sale, receipt,

1 distribution, or use of motor vehicle fuel, except as provided in
2 chapter 82.80 RCW ((~~82.80.010~~)) and RCW 82.47.020.

3 **Sec. 6.** RCW 82.38.280 and 1991 c 173 s 5 are each amended to read
4 as follows:

5 The tax levied in this chapter is in lieu of any excise, privilege,
6 or occupational tax upon the business of manufacturing, selling, or
7 distributing special fuel, and no city, town, county, township or other
8 subdivision or municipal corporation of the state shall levy or collect
9 any excise tax upon or measured by the sale, receipt, distribution, or
10 use of special fuel, except as provided in chapter 82.80 RCW
11 ((~~82.80.010~~)) and RCW 82.47.020.

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