
SENATE BILL 5527

State of Washington

58th Legislature

2003 Regular Session

By Senators Horn and Haugen; by request of Governor Locke

Read first time 01/28/2003. Referred to Committee on Highways & Transportation.

1 AN ACT Relating to the creation of the local transportation grant
2 board; amending RCW 36.78.010, 36.78.070, 36.78.110, 36.79.010,
3 36.79.110, 43.99M.080, 46.68.120, 46.68.124, 47.06A.010, 47.26.044,
4 47.26.170, 47.26.185, 47.26.260, 47.26.270, 47.26.282, 47.26.320,
5 47.26.325, 47.26.426, 47.26.427, 47.26.440, 47.26.506, 47.26.507, and
6 82.44.150; reenacting and amending RCW 43.84.092 and 82.44.180; adding
7 a new chapter to Title 47 RCW; creating new sections; repealing RCW
8 36.78.030, 36.78.090, 36.78.100, 36.79.030, 36.79.040, 36.79.050,
9 36.79.060, 36.79.070, 36.79.080, 47.26.121, 47.26.130, 47.26.140,
10 47.26.150, 47.26.160, 47.26.167, 47.06A.001, 47.06A.030, 47.06A.040,
11 47.06A.070, and 47.06A.900; providing an effective date; and declaring
12 an emergency.

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

14 NEW SECTION. **Sec. 1.** The legislature finds that transportation is
15 of critical importance to the economic health of the state of
16 Washington, and to the quality of life of its citizens. Congestion on
17 state highways, county roads, and city streets has reached
18 unprecedented proportions in several parts of the state, some roads and

1 bridges are in poor condition and need improvement, and the revenues
2 that state and local governments have traditionally used to fund
3 projects are declining.

4 The legislature further finds that an integrated transportation
5 system is a necessity and recommends that streamlined operations and
6 agency efficiencies be accomplished whenever possible.

7 Therefore, it is the legislature's intent to create the local
8 transportation grant board. It is the legislature's further intent
9 that many of the functions and duties of the transportation improvement
10 board, the county road administration board, and the freight mobility
11 strategic investment board be consolidated into the local
12 transportation grant board. It is the legislature's intent that the
13 process for transitioning the three boards into the local
14 transportation grant board take advantage of the technical, electronic,
15 and process advancements of each board; ensure that projects, funding,
16 and programs currently in process are not adversely affected; and
17 identify and pursue innovations that may emerge through the transition
18 process.

19 NEW SECTION. **Sec. 2.** As used in this chapter, unless the context
20 indicates otherwise, "board" means the local transportation grant board
21 created in section 3 of this act.

22 NEW SECTION. **Sec. 3.** (1) The local transportation grant board is
23 created.

24 (2) The board is composed of fifteen members. The following
25 thirteen members are appointed by the governor for terms of four years,
26 except that six members initially are appointed for terms of two years:

27 (a) Two elected county officials, appointed from a list of at least
28 four persons nominated by the Washington state association of counties
29 or its successor;

30 (b) Two elected officials from cities and towns, appointed from a
31 list of at least four persons nominated jointly by the association of
32 Washington cities or its successor and city councils of any
33 jurisdiction not represented by the association of Washington cities;

34 (c) One member appointed as a representative of the trucking
35 industry from a list of two persons recommended by the Washington
36 trucking association or its successor;

1 (d) One member appointed as a representative of the railroads;

2 (e) Two members appointed as representatives of the ports,
3 appointed from a list of at least two persons nominated by the
4 Washington public ports association or its successor;

5 (f) Two engineers or planners employed by a city or town and
6 appointed from a list of at least four persons nominated by the
7 association of Washington cities;

8 (g) Two county engineers or planners employed by a county and
9 appointed from a list of at least four persons nominated by the
10 Washington state association of counties or its successor;

11 (h) One representative of the private sector who has some expertise
12 in transportation issues.

13 (3) The board must also include the following two representatives:

14 (a) One member representing the department of transportation; and

15 (b) One member appointed by the governor.

16 (4) In making appointments to the board, the governor shall ensure
17 that each geographic region of the state is represented.

18 (5) If a vacancy on the board occurs by death, resignation, or
19 otherwise, the governor shall fill the vacant position for the
20 unexpired term. Each vacancy in a position appointed from lists
21 provided by the associations under subsection (2) of this section must
22 be filled from a list of persons nominated by the appropriate
23 association or associations.

24 (6) The governor may not remove members from the board before the
25 expiration of their terms unless for cause based upon a determination
26 of incapacity, incompetence, neglect of duty, or malfeasance in office
27 by the Thurston county superior court, upon petition and show cause
28 proceedings brought for that purpose in that court and directed to the
29 board member in question.

30 (7) No member may be appointed for more than two consecutive four-
31 year terms.

32 NEW SECTION. **Sec. 4.** (1) The board shall meet at least once
33 quarterly and upon the call of its chair. It may adopt its own rules
34 and may establish its own procedures. It shall act collectively in
35 harmony with recorded resolutions or motions adopted by the majority
36 vote of at least nine members.

1 (2) The board shall elect one of its members as the chair for a
2 term of two years. The chair may vote on all matters before the board.

3 (3) Members of the board shall receive no compensation for their
4 service on the board, but shall be reimbursed for travel expenses
5 incurred while attending meetings of the board or while engaged on
6 other business of the board when authorized by the board in accordance
7 with RCW 43.03.050 and 43.03.060.

8 (4) The board shall keep proper records and is subject to audit by
9 the state auditor.

10 NEW SECTION. **Sec. 5.** The board shall appoint an executive
11 director who shall serve at its pleasure and whose salary shall be set
12 by the board. The executive director may employ additional staff as
13 needed to carry out the work of the board within appropriated funds.
14 All costs associated with staff, together with travel expenses in
15 accordance with RCW 43.03.050 and 43.03.060, shall be paid as
16 appropriated from the transportation improvement account, rural
17 arterial trust account, urban arterial trust account, county arterial
18 preservation account, and motor vehicle account.

19 NEW SECTION. **Sec. 6.** The board shall oversee and approve funding
20 for improvements on state, city, and county arterials as specified by
21 law. The board shall also prioritize and select funding partnerships
22 for freight transportation projects and work to minimize the impact of
23 freight movement on local communities.

24 NEW SECTION. **Sec. 7.** The board shall:

- 25 (1) Adopt rules necessary to implement the board's responsibilities
26 relating to the allocation of funds; and
27 (2) Adopt reasonably uniform design standards for city and county
28 arterials.

29 **Sec. 8.** RCW 36.78.010 and 1965 ex.s. c 120 s 1 are each amended to
30 read as follows:

31 "Board" (~~shall~~) means the (~~county road administration~~) local
32 transportation grant board created (~~by~~) in section 3 of this
33 (~~chapter~~) act.

1 **Sec. 9.** RCW 36.78.070 and 1999 c 269 s 1 are each amended to read
2 as follows:

3 The (~~county road administration board~~) local transportation grant
4 board, with support from the highways and local programs division of
5 the department of transportation, shall:

6 (1) (~~Establish by rule, standards of good practice for the~~
7 ~~administration of county roads and the efficient movement of people and~~
8 ~~goods over county roads;~~

9 (2) ~~Establish reporting requirements for counties with respect to~~
10 ~~the standards of good practice adopted by the board;~~

11 (3) ~~Receive and review reports from counties and reports from its~~
12 ~~executive director to determine compliance with legislative directives~~
13 ~~and the standards of good practice adopted by the board;~~

14 (4) ~~Advise counties on issues relating to county roads and the safe~~
15 ~~and efficient movement of people and goods over county roads and))~~
16 Assist counties in developing uniform and efficient transportation-
17 related information technology resources;

18 (~~(+5)~~) (2) Report annually before the fifteenth day of January,
19 and throughout the year as appropriate, to the state department of
20 transportation and to the chairs of the legislative transportation
21 committee and the house and senate transportation committees, and to
22 other entities as appropriate on the activities of the local
23 transportation grant board, and on the general status of county ((road
24 ~~administration in each county, including one copy to the staff of each~~
25 ~~of the committees. The annual report shall contain recommendations for~~
26 ~~improving administration of the county road programs)) roads, city~~
27 streets, and other infrastructure essential for freight mobility, and
28 recommendations for improving such facilities and the programs and
29 services that support them;

30 (~~(+6)~~) (3) Within one year after the effective date of this
31 section, submit to the governor and the legislature an assessment of
32 the feasibility of developing a street log for cities and towns similar
33 to the county road log. The feasibility assessment should include an
34 estimate of the additional resources necessary to accomplish the
35 collection, organization, and management of data, and other
36 requirements necessary to accomplish this task;

37 (4) Administer the ((rural arterial program established by chapter

1 ~~36.79 RCW and the~~) program funded by the county arterial preservation
2 account established by RCW 46.68.090(~~(, as well as any other programs~~
3 ~~provided for in law)~~).

4 **Sec. 10.** RCW 36.78.110 and 1990 c 266 s 3 are each amended to read
5 as follows:

6 All expenses incurred by the board (~~including salaries of~~
7 ~~employees shall be paid upon voucher forms provided by the office of~~
8 ~~financial management or pursuant to a regular payroll signed by the~~
9 ~~chairman and the executive director of the board. All expenses of the~~
10 ~~board~~) in carrying out the provisions of this chapter shall be paid
11 out of that portion of the motor vehicle fund allocated to the counties
12 and withheld for use by the department of transportation and the
13 (~~county road administration~~) board under the provisions of RCW
14 46.68.120(1)(~~(, as now or hereafter amended)~~).

15 **Sec. 11.** RCW 36.79.010 and 1997 c 81 s 1 are each amended to read
16 as follows:

17 The definitions set forth in this section apply throughout this
18 chapter unless the context clearly requires otherwise.

19 (1) "Rural arterial program" means improvement projects on those
20 county roads in rural areas classified as rural arterials and
21 collectors in accordance with the federal functional classification
22 system and the construction of replacement bridges funded by the
23 federal bridge replacement program on access roads in rural areas.

24 (2) "Rural area" means every area of the state outside of areas
25 designated as urban areas by the state transportation commission with
26 the approval of the secretary of the United States department of
27 transportation in accordance with federal law.

28 (3) "Board" means the (~~county road administration~~) local
29 transportation grant board created (~~(by RCW 36.78.030)~~) in section 3 of
30 this act.

31 **Sec. 12.** RCW 36.79.110 and 1988 c 167 s 7 are each amended to read
32 as follows:

33 The (~~county road administration board and the transportation~~
34 ~~improvement~~) board shall (~~(jointly adopt rules to assure)~~) ensure
35 coordination of (~~(their respective)~~) programs especially with respect

1 to projects proposed by the group of incorporated cities outside the
2 boundaries of federally approved urban areas, and to encourage the
3 system development of county-city arterials in rural areas.

4 **Sec. 13.** RCW 43.84.092 and 2002 c 242 s 2, 2002 c 114 s 24, and
5 2002 c 56 s 402 are each reenacted and amended to read as follows:

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

9 (2) The treasury income account shall be utilized to pay or receive
10 funds associated with federal programs as required by the federal cash
11 management improvement act of 1990. The treasury income account is
12 subject in all respects to chapter 43.88 RCW, but no appropriation is
13 required for refunds or allocations of interest earnings required by
14 the cash management improvement act. Refunds of interest to the
15 federal treasury required under the cash management improvement act
16 fall under RCW 43.88.180 and shall not require appropriation. The
17 office of financial management shall determine the amounts due to or
18 from the federal government pursuant to the cash management improvement
19 act. The office of financial management may direct transfers of funds
20 between accounts as deemed necessary to implement the provisions of the
21 cash management improvement act, and this subsection. Refunds or
22 allocations shall occur prior to the distributions of earnings set
23 forth in subsection (4) of this section.

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

32 (4) Monthly, the state treasurer shall distribute the earnings
33 credited to the treasury income account. The state treasurer shall
34 credit the general fund with all the earnings credited to the treasury
35 income account except:

36 (a) The following accounts and funds shall receive their
37 proportionate share of earnings based upon each account's and fund's

1 average daily balance for the period: The capitol building
2 construction account, the Cedar River channel construction and
3 operation account, the Central Washington University capital projects
4 account, the charitable, educational, penal and reformatory
5 institutions account, the common school construction fund, the county
6 criminal justice assistance account, the county sales and use tax
7 equalization account, the data processing building construction
8 account, the deferred compensation administrative account, the deferred
9 compensation principal account, the department of retirement systems
10 expense account, the drinking water assistance account, the drinking
11 water assistance administrative account, the drinking water assistance
12 repayment account, the Eastern Washington University capital projects
13 account, the education construction fund, the emergency reserve fund,
14 the federal forest revolving account, the health services account, the
15 public health services account, the health system capacity account, the
16 personal health services account, the state higher education
17 construction account, the higher education construction account, the
18 highway infrastructure account, the industrial insurance premium refund
19 account, the judges' retirement account, the judicial retirement
20 administrative account, the judicial retirement principal account, the
21 local leasehold excise tax account, the local real estate excise tax
22 account, the local sales and use tax account, the medical aid account,
23 the mobile home park relocation fund, the multimodal transportation
24 account, the municipal criminal justice assistance account, the
25 municipal sales and use tax equalization account, the natural resources
26 deposit account, the oyster reserve land account, the perpetual
27 surveillance and maintenance account, the public employees' retirement
28 system plan 1 account, the public employees' retirement system combined
29 plan 2 and plan 3 account, the public facilities construction loan
30 revolving account beginning July 1, 2004, the public health
31 supplemental account, the Puyallup tribal settlement account, the
32 regional transportation investment district account, the resource
33 management cost account, the site closure account, the special wildlife
34 account, the state employees' insurance account, the state employees'
35 insurance reserve account, the state investment board expense account,
36 the state investment board commingled trust fund accounts, the
37 supplemental pension account, the Tacoma Narrows toll bridge account,
38 the teachers' retirement system plan 1 account, the teachers'

1 retirement system combined plan 2 and plan 3 account, the tobacco
2 prevention and control account, the tobacco settlement account, the
3 transportation infrastructure account, the tuition recovery trust fund,
4 the University of Washington bond retirement fund, the University of
5 Washington building account, the volunteer fire fighters' and reserve
6 officers' relief and pension principal fund, the volunteer fire
7 fighters' and reserve officers' administrative fund, the Washington
8 fruit express account, the Washington judicial retirement system
9 account, the Washington law enforcement officers' and fire fighters'
10 system plan 1 retirement account, the Washington law enforcement
11 officers' and fire fighters' system plan 2 retirement account, the
12 Washington school employees' retirement system combined plan 2 and 3
13 account, the Washington state health insurance pool account, the
14 Washington state patrol retirement account, the Washington State
15 University building account, the Washington State University bond
16 retirement fund, the water pollution control revolving fund, and the
17 Western Washington University capital projects account. Earnings
18 derived from investing balances of the agricultural permanent fund, the
19 normal school permanent fund, the permanent common school fund, the
20 scientific permanent fund, and the state university permanent fund
21 shall be allocated to their respective beneficiary accounts. All
22 earnings to be distributed under this subsection (4)(a) shall first be
23 reduced by the allocation to the state treasurer's service fund
24 pursuant to RCW 43.08.190.

25 (b) The following accounts and funds shall receive eighty percent
26 of their proportionate share of earnings based upon each account's or
27 fund's average daily balance for the period: The aeronautics account,
28 the aircraft search and rescue account, the county arterial
29 preservation account, the department of licensing services account, the
30 essential rail assistance account, the ferry bond retirement fund, the
31 grade crossing protective fund, the high capacity transportation
32 account, the highway bond retirement fund, the highway safety account,
33 the motor vehicle fund, the motorcycle safety education account, the
34 pilotage account, (~~the public transportation systems account,~~) the
35 Puget Sound capital construction account, the Puget Sound ferry
36 operations account, the recreational vehicle account, the rural
37 arterial trust account, the safety and education account, the special
38 category C account, the state patrol highway account, the

1 transportation equipment fund, the transportation fund, the
2 transportation improvement account, the local transportation
3 (~~improvement~~) grant board bond retirement account, and the urban
4 arterial trust account.

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

8 **Sec. 14.** RCW 43.99M.080 and 1997 c 456 s 37 are each amended to
9 read as follows:

10 The local transportation (~~improvement~~) grant board bond
11 retirement account is created in the state treasury. This account
12 shall be exclusively devoted to the payment of principal and interest
13 on and retirement of the bonds authorized by the legislature.

14 **Sec. 15.** RCW 46.68.120 and 1991 sp.s. c 15 s 47 are each amended
15 to read as follows:

16 Funds to be paid to the counties of the state shall be subject to
17 deduction and distribution as follows:

18 (1) One and one-half percent of such funds shall be deducted
19 monthly as such funds accrue and set aside for the use of the
20 (~~department of transportation and the county road administration~~)
21 local transportation grant board for the administrative costs of the
22 board, and for the department of transportation for the supervision of
23 work and expenditures of such counties on the county roads thereof,
24 including the supervision and administration of federal-aid programs
25 for which the department of transportation has responsibility:
26 PROVIDED, That any funds so retained and not expended shall be credited
27 in the succeeding biennium to the counties in proportion to deductions
28 herein made;

29 (2) All sums required to be repaid to counties composed entirely of
30 islands shall be deducted;

31 (3) Thirty-three one-hundredths of one percent of such funds shall
32 be deducted monthly, as such funds accrue, and set aside for the use of
33 the department of transportation for the purpose of funding the
34 counties' share of the costs of highway jurisdiction studies and other
35 studies. Any funds so retained and not expended shall be credited in

1 the succeeding biennium to the counties in proportion to the deductions
2 made;

3 (4) The balance of such funds remaining to the credit of counties
4 after such deductions shall be paid to the several counties monthly, as
5 such funds accrue, in accordance with RCW 46.68.122 and 46.68.124.

6 **Sec. 16.** RCW 46.68.124 and 2001 c 212 s 28 are each amended to
7 read as follows:

8 (1) The equivalent population for each county shall be computed as
9 the sum of the population residing in the county's unincorporated area
10 plus twenty-five percent of the population residing in the county's
11 incorporated area. Population figures required for the computations in
12 this subsection shall be certified by the director of the office of
13 financial management on or before July 1st of each odd-numbered year.

14 (2) The total annual road cost for each county shall be computed as
15 the sum of one twenty-fifth of the total estimated county road
16 replacement cost, plus the total estimated annual maintenance cost.
17 Appropriate costs for bridges and ferries shall be included. The
18 (~~county road administration~~) local transportation grant board shall
19 be responsible for establishing a uniform system of roadway categories
20 for both maintenance and construction and also for establishing a
21 single statewide cost per mile rate for each roadway category. The
22 total annual cost for each county will be based on the established
23 statewide cost per mile and associated mileage for each category. The
24 mileage to be used for these computations shall be as shown in the
25 county road log as maintained by the (~~county road administration~~)
26 local transportation grant board as of July 1, 1985, and each two years
27 thereafter. Each county shall be responsible for submitting changes,
28 corrections, and deletions as regards the county road log to the
29 (~~county road administration~~) local transportation grant board. Such
30 changes, corrections, and deletions shall be subject to verification
31 and approval by the (~~county road administration~~) local transportation
32 grant board prior to inclusion in the county road log.

33 (3) The money need factor for each county shall be the county's
34 total annual road cost less the following four amounts:

35 (a) One-half the sum of the actual county road tax levied upon the
36 valuation of all taxable property within the county road districts
37 pursuant to RCW 36.82.040, including any amount of such tax diverted

1 under chapter 39.89 RCW, for the two calendar years next preceding the
2 year of computation of the allocation amounts as certified by the
3 department of revenue;

4 (b) One-half the sum of all funds received by the county road fund
5 from the federal forest reserve fund pursuant to RCW 28A.520.010 and
6 28A.520.020 during the two calendar years next preceding the year of
7 computation of the allocation amounts as certified by the state
8 treasurer;

9 (c) One-half the sum of timber excise taxes received by the county
10 road fund pursuant to chapter 84.33 RCW in the two calendar years next
11 preceding the year of computation of the allocation amounts as
12 certified by the state treasurer;

13 (d) One-half the sum of motor vehicle license fees and motor
14 vehicle and special fuel taxes refunded to the county, pursuant to RCW
15 46.68.080 during the two calendar years next preceding the year of
16 computation of the allocation amounts as certified by the state
17 treasurer.

18 (4) The state treasurer and the department of revenue shall furnish
19 to the ((~~county road administration~~)) local transportation grant board
20 the information required by subsection (3) of this section on or before
21 July 1st of each odd-numbered year.

22 (5) The ((~~county road administration~~)) local transportation grant
23 board, shall compute and provide to the counties the allocation factors
24 of the several counties on or before September 1st of each year based
25 solely upon the sources of information herein before required:
26 PROVIDED, That the allocation factor shall be held to a level not more
27 than five percent above or five percent below the allocation factor in
28 use during the previous calendar year. Upon computation of the actual
29 allocation factors of the several counties, the ((~~county road~~
30 ~~administration~~)) local transportation grant board shall provide such
31 factors to the state treasurer to be used in the computation of the
32 counties' fuel tax allocation for the succeeding calendar year. The
33 state treasurer shall adjust the fuel tax allocation of each county on
34 January 1st of every year based solely upon the information provided by
35 the ((~~county road administration~~)) local transportation grant board.

36 **Sec. 17.** RCW 47.06A.010 and 1998 c 175 s 2 are each amended to
37 read as follows:

1 Unless the context clearly requires otherwise, the definitions in
2 this section apply throughout this chapter.

3 (1) "Board" means the (~~freight mobility strategic investment~~)
4 local transportation grant board created in (~~RCW 47.06A.030~~) section
5 3 of this act.

6 (2) "Department" means the department of transportation.

7 (3) "Freight mobility" means the safe, reliable, and efficient
8 movement of goods within and through the state to ensure the state's
9 economic vitality.

10 (4) "Local governments" means cities, towns, counties, special
11 purpose districts, port districts, and any other municipal corporations
12 or quasi-municipal corporations in the state excluding school
13 districts.

14 (5) "Public entity" means a state agency, city, town, county, port
15 district, or municipal or regional planning organization.

16 (6) "Strategic freight corridor" means a transportation corridor of
17 great economic importance within an integrated freight system that:

18 (a) Serves international and domestic interstate and intrastate
19 trade;

20 (b) Enhances the state's competitive position through regional and
21 global gateways;

22 (c) Carries freight tonnages of at least:

23 (i) Four million gross tons annually on state highways, city
24 streets, and county roads;

25 (ii) Five million gross tons annually on railroads; or

26 (iii) Two and one-half million net tons on waterways; and

27 (d) Has been designated a strategic corridor by the board under RCW
28 47.06A.020(3). However, new alignments to, realignments of, and new
29 links to strategic corridors that enhance freight movement may qualify,
30 even though no tonnage data exists for facilities to be built in the
31 future.

32 **Sec. 18.** RCW 47.26.044 and 1994 c 179 s 6 are each amended to read
33 as follows:

34 (~~The term~~) "Board" as used in this chapter means the local
35 transportation (~~improvement~~) grant board.

1 **Sec. 19.** RCW 47.26.170 and 1994 c 179 s 16 are each amended to
2 read as follows:

3 Each county having within its boundaries an urban area and cities
4 and towns shall prepare and submit to the ((~~transportation~~
5 ~~improvement~~)) board arterial inventory data required to determine the
6 long-range arterial construction needs. The counties, cities, and
7 towns shall revise the arterial inventory data every four years to show
8 the current arterial construction needs through the advanced planning
9 period, and as revised shall submit them to the ((~~transportation~~
10 ~~improvement~~)) board during the first week of January every four years
11 beginning in 1996. The inventory data shall be prepared pursuant to
12 guidelines established by the ((~~transportation-improvement~~)) board. As
13 information is updated, it shall be made available to the ((~~commission~~
14 ~~and the legislative~~)) transportation committees of the house of
15 representatives and the senate.

16 **Sec. 20.** RCW 47.26.185 and 1994 c 179 s 17 are each amended to
17 read as follows:

18 The ((~~transportation—improvement~~)) board may adopt rules
19 establishing qualifications for cities and counties administering and
20 supervising the design and construction of projects financed in part
21 from funds administered by the board. The rules establishing
22 qualification shall take into account the resources and population of
23 the city or county, its permanent engineering staff, its design and
24 construction supervision experience, and other factors the board deems
25 appropriate. Any city or county failing to meet the qualifications
26 established by the board for administering and supervising a project
27 shall contract with a qualified city or county or the department for
28 the administration and supervision of the design and construction of
29 any approved project as a condition for receiving funds for the
30 project.

31 **Sec. 21.** RCW 47.26.260 and 1994 c 179 s 19 are each amended to
32 read as follows:

33 The ((~~transportation—improvement~~)) board shall adopt rules
34 providing for the approval of payments of funds in the accounts to a
35 county, city, town, or transportation benefit district for costs of
36 predesign, design, engineering, and costs of construction of an

1 approved project from time to time as work progresses. These payments
2 shall at no time exceed the account share of the costs incurred to the
3 date of the voucher covering such payment.

4 **Sec. 22.** RCW 47.26.270 and 1994 c 179 s 20 are each amended to
5 read as follows:

6 Counties, cities, towns, and transportation benefit districts
7 receiving funds from the board shall provide such matching funds as
8 established by rules adopted by the (~~transportation improvement~~)
9 board. When determining matching requirements, the board shall
10 consider (1) financial resources available to counties and cities to
11 meet arterial needs, (2) the amounts and percentages of funds available
12 for road or street construction traditionally expended by counties and
13 cities on arterials, (3) in the case of counties, the relative needs of
14 arterials lying outside urban areas, and (4) the requirements necessary
15 to avoid diversion of funds traditionally expended for arterial
16 construction to other street or road purposes or to nonhighway
17 purposes.

18 **Sec. 23.** RCW 47.26.282 and 2002 c 189 s 5 are each amended to read
19 as follows:

20 In any project funded by the (~~transportation improvement~~) board,
21 except for projects in cities having a population of less than five
22 thousand persons, and in addition to any other items required to be
23 considered by statute, the board also shall consider the land use
24 implications of the project, such as whether the programs and projects:

- 25 (1) Support development in and revitalization of existing
26 downtowns;
- 27 (2) Implement local comprehensive plans for rural and urban
28 residential and nonresidential densities;
- 29 (3) Have land use planning and regulations encouraging compact
30 development for rural and urban residential and nonresidential
31 densities; and
- 32 (4) Promote the use of multimodal transportation.

33 **Sec. 24.** RCW 47.26.320 and 2001 c 201 s 1 are each amended to read
34 as follows:

35 The term "advance right-of-way acquisition" as used in this chapter

1 means the acquisition of property and property rights, together with
2 the engineering costs necessary for the advance right-of-way
3 acquisition. Property or property rights purchased must be for
4 projects approved by the (~~transportation improvement~~) board (~~or the~~
5 ~~county road administration board~~) as part of a city or county six-year
6 plan or program.

7 **Sec. 25.** RCW 47.26.325 and 2001 c 201 s 2 are each amended to read
8 as follows:

9 The city and county advance right-of-way revolving fund is created
10 in the custody of the treasurer. The (~~transportation improvement~~)
11 board is the administrator of the fund and may deposit directly and
12 spend without appropriation.

13 The (~~transportation improvement~~) board (~~and the county road~~
14 ~~administration board~~), in consultation with the association of
15 Washington cities and the Washington association of counties, shall
16 adopt reasonable rules and develop policies to implement this program.

17 **Sec. 26.** RCW 47.26.426 and 1999 c 268 s 1 are each amended to read
18 as follows:

19 At least one year (~~prior to~~) before the date any interest is due
20 and payable on such first authorization bonds, series II bonds, and
21 series III bonds or before the maturity date of any such bonds, the
22 state finance committee shall estimate, subject to the provisions of
23 RCW 47.26.425, 47.26.4252, and 47.26.4254 the percentage of the
24 receipts in money of the motor vehicle fund, resulting from collection
25 of excise taxes on motor vehicle and special fuels, for each month of
26 the year which shall be required to meet interest or bond payments
27 hereunder when due, and shall notify the state treasurer of such
28 estimated requirement. The state treasurer, subject to RCW 47.26.425,
29 47.26.4252, and 47.26.4254, shall thereafter from time to time each
30 month as such funds are paid into the motor vehicle fund, transfer such
31 percentage of the monthly receipts from excise taxes on motor vehicle
32 and special fuels of the motor vehicle fund to the local transportation
33 (~~improvement~~) grant board bond retirement account, maintained in the
34 office of the state treasurer, which fund shall be available for
35 payment of interest or bonds when due. If in any month it shall appear
36 that the estimated percentage of money so made is insufficient to meet

1 the requirements for interest or bond retirement, the treasurer shall
2 notify the state finance committee forthwith and such committee shall
3 adjust its estimates so that all requirements for interest and
4 principal of all bonds issued shall be fully met at all times.

5 **Sec. 27.** RCW 47.26.427 and 1999 c 268 s 2 are each amended to read
6 as follows:

7 Whenever the percentage of the motor vehicle fund arising from
8 excise taxes on motor vehicle and special fuels payable into the local
9 transportation (~~(improvement)~~) grant board bond retirement account,
10 shall prove more than is required for the payment of interest on bonds
11 when due, or current retirement of bonds, any excess may, in the
12 discretion of the state finance committee, be available for the prior
13 redemption of any bonds or remain available in the (~~(fund-[account])~~)
14 account to reduce the requirements upon the fuel excise tax portion of
15 the motor vehicle fund at the next interest or bond payment period.

16 **Sec. 28.** RCW 47.26.440 and 1994 c 179 s 25 are each amended to
17 read as follows:

18 Not later than November 1st of each even-numbered year the
19 (~~(transportation-improvement)~~) board shall prepare and present to the
20 commission for comment and recommendation an adopted budget for
21 expenditures from funds administered by the board during the ensuing
22 biennium. The budget shall contain an estimate of the revenues to be
23 credited to the several accounts and the amount, if any, of bond
24 proceeds which the board determines should be made available through
25 the sale of bonds in the ensuing biennium.

26 **Sec. 29.** RCW 47.26.506 and 1997 c 456 s 24 are each amended to
27 read as follows:

28 At least one year prior to the date any interest is due and payable
29 on such bonds or before the maturity date of any such bonds, the state
30 finance committee shall estimate, subject to the provisions of RCW
31 47.26.505 the percentage of the receipts in money of the motor vehicle
32 fund, resulting from collection of excise taxes on motor vehicle and
33 special fuels, for each month of the year which shall be required to
34 meet interest or bond payments under RCW 47.26.500 through 47.26.507
35 when due, and shall notify the state treasurer of such estimated

1 requirement. The state treasurer, subject to RCW 47.26.505, shall
2 thereafter from time to time each month as such funds are paid into the
3 motor vehicle fund, transfer such percentage of the monthly receipts
4 from excise taxes on motor vehicle and special fuels of the motor
5 vehicle fund to the local transportation (~~(improvement)~~) grant board
6 bond retirement account, maintained in the office of the state
7 treasurer, which account shall be available for payment of principal
8 and interest or bonds when due. If in any month it shall appear that
9 the estimated percentage of money so made is insufficient to meet the
10 requirements for interest or bond retirement, the treasurer shall
11 notify the state finance committee forthwith and such committee shall
12 adjust its estimates so that all requirements for interest and
13 principal of all bonds issued shall be fully met at all times.

14 **Sec. 30.** RCW 47.26.507 and 1999 c 268 s 3 are each amended to read
15 as follows:

16 Whenever the percentage of the motor vehicle fund arising from
17 excise taxes on motor vehicle and special fuels payable into the local
18 transportation (~~(improvement)~~) grant board bond retirement account,
19 shall prove more than is required for the payment of interest on bonds
20 when due, or current retirement of bonds, any excess may, in the
21 discretion of the state finance committee, be available for the prior
22 redemption of any bonds or remain available in the (~~(fund-[account])~~)
23 account to reduce the requirements upon the fuel excise tax portion of
24 the motor vehicle fund at the next interest or bond payment period.

25 **Sec. 31.** RCW 82.44.150 and 1999 c 94 s 30 are each amended to read
26 as follows:

27 (1) The director of licensing shall, on the twenty-fifth day of
28 February, May, August, and November of each year, advise the state
29 treasurer of the total amount of motor vehicle excise taxes imposed by
30 RCW 82.44.020(1) remitted to the department during the preceding
31 calendar quarter ending on the last day of March, June, September, and
32 December, respectively, except for those payable under RCW 82.44.030,
33 from motor vehicle owners residing within each municipality which has
34 levied a tax under RCW 35.58.273, which amount of excise taxes shall be
35 determined by the director as follows:

1 The total amount of motor vehicle excise taxes remitted to the
2 department, except those payable under RCW 82.44.020(2) and 82.44.030,
3 from each county shall be multiplied by a fraction, the numerator of
4 which is the population of the municipality residing in such county,
5 and the denominator of which is the total population of the county in
6 which such municipality or portion thereof is located. The product of
7 this computation shall be the amount of excise taxes from motor vehicle
8 owners residing within such municipality or portion thereof. Where the
9 municipality levying a tax under RCW 35.58.273 is located in more than
10 one county, the above computation shall be made by county, and the
11 combined products shall provide the total amount of motor vehicle
12 excise taxes from motor vehicle owners residing in the municipality as
13 a whole. Population figures required for these computations shall be
14 supplied to the director by the office of financial management, who
15 shall adjust the fraction annually.

16 (2) On the first day of the months of January, April, July, and
17 October of each year, the state treasurer based upon information
18 provided by the department shall, from motor vehicle excise taxes
19 deposited in the transportation fund under RCW 82.44.110, ~~((make the~~
20 ~~following deposits:~~

21 ~~(a))~~ deposit to the high capacity transportation account created
22 in RCW 47.78.010, a sum equal to four and five-tenths percent of the
23 special excise tax levied under RCW 35.58.273 by those municipalities
24 authorized to levy a special excise tax within each county that has a
25 population of one hundred seventy-five thousand or more and has an
26 interstate highway within its borders; except that in a case of a
27 municipality located in a county that has a population of one hundred
28 seventy-five thousand or more that does not have an interstate highway
29 located within its borders, that sum shall be deposited in the
30 passenger ferry account((+

31 ~~(b) To the public transportation systems account created in RCW~~
32 ~~82.44.180, for revenues distributed after June 30, 1999, within a~~
33 ~~county with a population of one million or more and a county with a~~
34 ~~population of from two hundred thousand to less than one million~~
35 ~~bordering a county with a population of one million or more with which~~
36 ~~it shares a border of more than five miles, a sum equal to 6.8688~~
37 ~~percent of the special excise tax distributed under RCW 35.58.273; and~~

1 ~~(c) To the public transportation systems account created in RCW~~
2 ~~82.44.180, for revenues distributed after June 30, 1999, within~~
3 ~~counties not described in (b) of this subsection, a sum equal to 1.0534~~
4 ~~percent of the special excise tax levied and collected under RCW~~
5 ~~35.58.273)).~~

6 (3) On the first day of the months of January, April, July, and
7 October of each year, the state treasurer, based upon information
8 provided by the department, shall remit motor vehicle excise tax
9 revenues imposed and collected under RCW 35.58.273 as follows:

10 (a) The amount required to be remitted by the state treasurer to
11 the treasurer of any municipality levying the tax shall not exceed in
12 any calendar year the amount of locally-generated tax revenues,
13 excluding (i) the excise tax imposed under RCW 35.58.273 for the
14 purposes of this section, which shall have been budgeted by the
15 municipality to be collected in such calendar year for any public
16 transportation purposes including but not limited to operating costs,
17 capital costs, and debt service on general obligation or revenue bonds
18 issued for these purposes; and (ii) the sales and use tax equalization
19 distributions provided under RCW 82.14.046; and

20 (b) In no event may the amount remitted in a single calendar
21 quarter exceed the amount collected on behalf of the municipality under
22 RCW 35.58.273 during the calendar quarter next preceding the
23 immediately preceding quarter, excluding the sales and use tax
24 equalization distributions provided under RCW 82.14.046.

25 (4) At the close of each calendar year accounting period, but not
26 later than April 1, each municipality that has received motor vehicle
27 excise taxes under subsection (3) of this section shall transmit to the
28 director of licensing and the state auditor a written report showing by
29 source the previous year's budgeted tax revenues for public
30 transportation purposes as compared to actual collections. Any
31 municipality that has not submitted the report by April 1 shall cease
32 to be eligible to receive motor vehicle excise taxes under subsection
33 (3) of this section until the report is received by the director of
34 licensing. If a municipality has received more or less money under
35 subsection (3) of this section for the period covered by the report
36 than it is entitled to receive by reason of its locally-generated
37 collected tax revenues, the director of licensing shall, during the
38 next ensuing quarter that the municipality is eligible to receive motor

1 vehicle excise tax funds, increase or decrease the amount to be
2 remitted in an amount equal to the difference between the locally-
3 generated budgeted tax revenues and the locally-generated collected tax
4 revenues. In no event may the amount remitted for a calendar year
5 exceed the amount collected on behalf of the municipality under RCW
6 35.58.273 during that same calendar year excluding the sales and use
7 tax equalization distributions provided under RCW 82.14.046. At the
8 time of the next fiscal audit of each municipality, the state auditor
9 shall verify the accuracy of the report submitted and notify the
10 director of licensing of any discrepancies.

11 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
12 required to be remitted under this section and RCW 82.14.046 shall be
13 remitted without legislative appropriation.

14 (6) Any municipality levying and collecting a tax under RCW
15 35.58.273 which does not have an operating, public transit system or a
16 contract for public transportation services in effect within one year
17 from the initial effective date of the tax shall return to the state
18 treasurer all motor vehicle excise taxes received under subsection (3)
19 of this section.

20 **Sec. 32.** RCW 82.44.180 and 1999 c 402 s 5 and 1999 c 94 s 31 are
21 each reenacted and amended to read as follows:

22 ~~((1))~~ The transportation fund is created in the state treasury.
23 Revenues under RCW 82.44.110 and 82.50.510 shall be deposited into the
24 fund as provided in those sections.

25 Moneys in the fund may be spent only after appropriation.
26 Expenditures from the fund may be used only for transportation purposes
27 and activities and operations of the Washington state patrol not
28 directly related to the policing of public highways and that are not
29 authorized under Article II, section 40 of the state Constitution.

30 ~~((2) There is hereby created the public transportation systems~~
31 ~~account within the transportation fund. Moneys deposited into the~~
32 ~~account under RCW 82.44.150(2) (b) and (c) shall be appropriated to the~~
33 ~~transportation improvement board and allocated by the transportation~~
34 ~~improvement board to public transportation projects submitted by the~~
35 ~~public transportation systems as defined by chapters 36.56, 36.57, and~~
36 ~~36.57A RCW and RCW 35.84.060 and 81.112.030, and the Washington state~~
37 ~~ferry system, solely for:~~

- 1 ~~(a) Planning;~~
2 ~~(b) Development of capital projects;~~
3 ~~(c) Development of high capacity transportation systems as defined~~
4 ~~in RCW 81.104.015;~~
5 ~~(d) Development of high occupancy vehicle lanes and related~~
6 ~~facilities as defined in RCW 81.100.020;~~
7 ~~(e) Other public transportation system related roadway projects on~~
8 ~~state highways, county roads, or city streets;~~
9 ~~(f) Public transportation system contributions required to fund~~
10 ~~projects under federal programs and those approved by the~~
11 ~~transportation improvement board from other fund sources; and~~
12 ~~(g) Reimbursement to the general fund of tax credits authorized~~
13 ~~under RCW 82.04.4453 and 82.16.048, subject to appropriation.))~~

14 NEW SECTION. **Sec. 33.** The executive directors of the
15 transportation improvement board, the freight mobility strategic
16 investment board, and the county road administration board; the chairs
17 of the transportation improvement board, the county road administration
18 board, and the freight mobility strategic investment board; or their
19 designees, shall develop an interim plan and time schedule to implement
20 the provisions of this act. The plan shall include steps to ensure
21 that the new local transportation grant board takes advantage of the
22 technical, electronic, and process advancements of each board; ensures
23 that projects, funding, and programs currently in process are not
24 adversely affected through the transition; identifies and pursues
25 innovations that may emerge through the transition process; and uses
26 other items essential to the transition process.

27 NEW SECTION. **Sec. 34.** On or before July 1, 2004, the local
28 transportation grant board shall submit a report to the legislature and
29 governor on issues related to the consolidation under this act,
30 including any recommendations regarding implementation of this act.

31 NEW SECTION. **Sec. 35.** The following acts or parts of acts are
32 each repealed:

- 33 (1) RCW 36.78.030 (Board created--Number--Appointment--Terms--
34 Vacancies) and 1971 ex.s. c 85 s 5 & 1965 ex.s. c 120 s 3;

1 (2) RCW 36.78.090 (Certificates of good practice--Withholding of
2 motor vehicle tax distribution) and 1984 c 7 s 33, 1977 ex.s. c 257 s
3 1, & 1965 ex.s. c 120 s 9;

4 (3) RCW 36.78.100 (Conditional certificates) and 1977 ex.s. c 257
5 s 2 & 1965 ex.s. c 120 s 10;

6 (4) RCW 36.79.030 (Apportionment of rural arterial trust account
7 funds--Regions established) and 1983 1st ex.s. c 49 s 3;

8 (5) RCW 36.79.040 (Apportionment of rural arterial trust account
9 funds--Apportionment formula) and 1997 c 81 s 3 & 1983 1st ex.s. c 49
10 s 4;

11 (6) RCW 36.79.050 (Apportionment of rural arterial trust account
12 funds--Establishment of apportionment percentages) and 1997 c 81 s 4,
13 1988 c 26 s 3, & 1983 1st ex.s. c 49 s 5;

14 (7) RCW 36.79.060 (Powers and duties of board) and 1998 c 245 s 31,
15 1997 c 81 s 5, 1988 c 26 s 4, & 1983 1st ex.s. c 49 s 6;

16 (8) RCW 36.79.070 (Board may contract with department of
17 transportation for staff services and facilities) and 1983 1st ex.s. c
18 49 s 7;

19 (9) RCW 36.79.080 (Six-year program for rural arterial
20 improvements--Selection of priority improvement projects) and 1983 1st
21 ex.s. c 49 s 8;

22 (10) RCW 47.26.121 (Transportation improvement board--Membership--
23 Chair--Expenses) and 1996 c 49 s 1, 1995 c 269 s 2603, 1994 c 179 s 13,
24 & 1993 c 172 s 1;

25 (11) RCW 47.26.130 (Transportation improvement board--Travel
26 expenses) and 1988 c 167 s 15, 1975-'76 2nd ex.s. c 34 s 139, 1975 1st
27 ex.s. c 1 s 2, 1969 ex.s. c 171 s 2, & 1967 ex.s. c 83 s 19;

28 (12) RCW 47.26.140 (Transportation improvement board--Executive
29 director, staff--Finances) and 1999 c 94 s 19, 1996 c 49 s 2, 1995 c
30 269 s 2605, 1994 c 179 s 14, 1988 c 167 s 16, 1977 ex.s. c 151 s 58,
31 1975-'76 2nd ex.s. c 34 s 140, 1969 ex.s. c 171 s 3, & 1967 ex.s. c 83
32 s 20;

33 (13) RCW 47.26.150 (Transportation improvement board--Meetings) and
34 1988 c 167 s 17;

35 (14) RCW 47.26.160 (Transportation improvement board--Powers and
36 duties) and 1995 c 269 s 2607, 1994 c 179 s 15, 1988 c 167 s 18, 1987
37 c 505 s 51, 1984 c 7 s 155, 1977 ex.s. c 235 s 17, 1971 ex.s. c 291 s
38 1, & 1967 ex.s. c 83 s 22;

- 1 (15) RCW 47.26.167 (Jurisdictional transfers) and 1991 c 342 s 62;
- 2 (16) RCW 47.06A.001 (Findings) and 1998 c 175 s 1;
- 3 (17) RCW 47.06A.030 (Board--Creation--Membership) and 1999 c 216 s
- 4 2 & 1998 c 175 s 4;
- 5 (18) RCW 47.06A.040 (Board--Administration and staffing) and 1999
- 6 c 216 s 3 & 1998 c 175 s 5;
- 7 (19) RCW 47.06A.070 (Records) and 1998 c 175 s 8; and
- 8 (20) RCW 47.06A.900 (Severability--1998 c 175) and 1998 c 175 s 15.

9 NEW SECTION. **Sec. 36.** Sections 1 through 7 of this act constitute
10 a new chapter in Title 47 RCW.

11 NEW SECTION. **Sec. 37.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and takes effect
14 July 1, 2003, except for sections 1 through 7 and 33 of this act which
15 take effect immediately.

--- END ---