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**SUBSTITUTE SENATE BILL 6061**

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**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** Senate Committee on Highways & Transportation (originally sponsored by Senators Horn, Haugen, Swecker, Spanel, Finkbeiner and Jacobsen)

READ FIRST TIME 04/07/03.

1 AN ACT Relating to transportation funding; amending RCW 46.16.070,  
2 46.68.035, 82.08.020, 82.12.020, 82.12.045, 82.08.064, 82.38.030,  
3 82.38.035, 82.38.047, 46.09.170, 46.10.170, and 79A.25.070; reenacting  
4 and amending RCW 82.36.025, 46.68.090, 46.68.110, and 43.84.092; adding  
5 a new section to chapter 46.68 RCW; adding new sections to chapter  
6 70.94 RCW; adding a new section to chapter 90.56 RCW; creating a new  
7 section; providing an effective date; providing an expiration date; and  
8 declaring an emergency.

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

10 **PART I - LICENSE FEES**

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

13 (1) In lieu of all other vehicle licensing fees, unless  
14 specifically exempt, and in addition to (~~the excise tax prescribed in~~  
15 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and  
16 stages in RCW 46.16.125, there shall be paid and collected annually for  
17 each truck, motor truck, truck tractor, road tractor, tractor, motor  
18 home, bus, auto stage, or for hire vehicle with seating capacity of

1 more than six, based upon the declared combined gross weight or  
 2 declared gross weight (~~(thereof pursuant to the provisions of)~~) under  
 3 chapter 46.44 RCW, the following licensing fees by such gross weight:

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DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs. ....	\$ 37.00 .....	\$ 37.00
6,000 lbs. ....	\$ 44.00 .....	\$ 44.00
8,000 lbs. ....	\$ 55.00 .....	\$ 55.00
10,000 lbs. ....	\$ 62.00 .....	\$ 62.00
<del>(12,000 lbs. ....</del>	<del>\$ 72.00 .....</del>	<del>\$ 72.00</del>
14,000 lbs. ....	\$ 82.00 .....	\$ 82.00
16,000 lbs. ....	\$ 92.00 .....	\$ 92.00
18,000 lbs. ....	\$ 137.00 .....	\$ 137.00
20,000 lbs. ....	\$ 152.00 .....	\$ 152.00
22,000 lbs. ....	\$ 164.00 .....	\$ 164.00
24,000 lbs. ....	\$ 177.00 .....	\$ 177.00
26,000 lbs. ....	\$ 187.00 .....	\$ 187.00
28,000 lbs. ....	\$ 220.00 .....	\$ 220.00
30,000 lbs. ....	\$ 253.00 .....	\$ 253.00
32,000 lbs. ....	\$ 304.00 .....	\$ 304.00
34,000 lbs. ....	\$ 323.00 .....	\$ 323.00
36,000 lbs. ....	\$ 350.00 .....	\$ 350.00
38,000 lbs. ....	\$ 384.00 .....	\$ 384.00
40,000 lbs. ....	\$ 439.00 .....	\$ 439.00
42,000 lbs. ....	\$ 456.00 .....	\$ 546.00
44,000 lbs. ....	\$ 466.00 .....	\$ 556.00
46,000 lbs. ....	\$ 501.00 .....	\$ 591.00
48,000 lbs. ....	\$ 522.00 .....	\$ 612.00
50,000 lbs. ....	\$ 566.00 .....	\$ 656.00
52,000 lbs. ....	\$ 595.00 .....	\$ 685.00
54,000 lbs. ....	\$ 642.00 .....	\$ 732.00
56,000 lbs. ....	\$ 677.00 .....	\$ 767.00
58,000 lbs. ....	\$ 704.00 .....	\$ 794.00
60,000 lbs. ....	\$ 750.00 .....	\$ 840.00
62,000 lbs. ....	\$ 804.00 .....	\$ 894.00
64,000 lbs. ....	\$ 822.00 .....	\$ 912.00
66,000 lbs. ....	\$ 915.00 .....	\$ 1,005.00
68,000 lbs. ....	\$ 954.00 .....	\$ 1,044.00
70,000 lbs. ....	\$ 1,027.00 .....	\$ 1,117.00
72,000 lbs. ....	\$ 1,098.00 .....	\$ 1,188.00
74,000 lbs. ....	\$ 1,193.00 .....	\$ 1,283.00

1	76,000 lbs. ....	\$	1,289.00 .....	\$	1,379.00
2	78,000 lbs. ....	\$	1,407.00 .....	\$	1,497.00
3	80,000 lbs. ....	\$	1,518.00 .....	\$	1,608.00
4	82,000 lbs. ....	\$	1,623.00 .....	\$	1,713.00
5	84,000 lbs. ....	\$	1,728.00 .....	\$	1,818.00
6	86,000 lbs. ....	\$	1,833.00 .....	\$	1,923.00
7	88,000 lbs. ....	\$	1,938.00 .....	\$	2,028.00
8	90,000 lbs. ....	\$	2,043.00 .....	\$	2,133.00
9	92,000 lbs. ....	\$	2,148.00 .....	\$	2,238.00
10	94,000 lbs. ....	\$	2,253.00 .....	\$	2,343.00
11	96,000 lbs. ....	\$	2,358.00 .....	\$	2,448.00
12	98,000 lbs. ....	\$	2,463.00 .....	\$	2,553.00
13	100,000 lbs. ....	\$	2,568.00 .....	\$	2,658.00
14	102,000 lbs. ....	\$	2,673.00 .....	\$	2,763.00
15	104,000 lbs. ....	\$	2,778.00 .....	\$	2,868.00
16	105,500 lbs. ....	\$	2,883.00 .....	\$	2,973.00))
17	<u>12,000 lbs. ....</u>	\$	<u>79.00 .....</u>	\$	<u>79.00</u>
18	<u>14,000 lbs. ....</u>	\$	<u>90.00 .....</u>	\$	<u>90.00</u>
19	<u>16,000 lbs. ....</u>	\$	<u>102.00 .....</u>	\$	<u>102.00</u>
20	<u>18,000 lbs. ....</u>	\$	<u>154.00 .....</u>	\$	<u>154.00</u>
21	<u>20,000 lbs. ....</u>	\$	<u>171.00 .....</u>	\$	<u>171.00</u>
22	<u>22,000 lbs. ....</u>	\$	<u>185.00 .....</u>	\$	<u>185.00</u>
23	<u>24,000 lbs. ....</u>	\$	<u>200.00 .....</u>	\$	<u>200.00</u>
24	<u>26,000 lbs. ....</u>	\$	<u>211.00 .....</u>	\$	<u>211.00</u>
25	<u>28,000 lbs. ....</u>	\$	<u>249.00 .....</u>	\$	<u>249.00</u>
26	<u>30,000 lbs. ....</u>	\$	<u>287.00 .....</u>	\$	<u>287.00</u>
27	<u>32,000 lbs. ....</u>	\$	<u>346.00 .....</u>	\$	<u>346.00</u>
28	<u>34,000 lbs. ....</u>	\$	<u>368.00 .....</u>	\$	<u>368.00</u>
29	<u>36,000 lbs. ....</u>	\$	<u>399.00 .....</u>	\$	<u>399.00</u>
30	<u>38,000 lbs. ....</u>	\$	<u>438.00 .....</u>	\$	<u>438.00</u>
31	<u>40,000 lbs. ....</u>	\$	<u>501.00 .....</u>	\$	<u>501.00</u>
32	<u>42,000 lbs. ....</u>	\$	<u>521.00 .....</u>	\$	<u>611.00</u>
33	<u>44,000 lbs. ....</u>	\$	<u>532.00 .....</u>	\$	<u>622.00</u>
34	<u>46,000 lbs. ....</u>	\$	<u>572.00 .....</u>	\$	<u>662.00</u>
35	<u>48,000 lbs. ....</u>	\$	<u>596.00 .....</u>	\$	<u>686.00</u>
36	<u>50,000 lbs. ....</u>	\$	<u>647.00 .....</u>	\$	<u>737.00</u>
37	<u>52,000 lbs. ....</u>	\$	<u>680.00 .....</u>	\$	<u>770.00</u>
38	<u>54,000 lbs. ....</u>	\$	<u>734.00 .....</u>	\$	<u>824.00</u>
39	<u>56,000 lbs. ....</u>	\$	<u>775.00 .....</u>	\$	<u>865.00</u>
40	<u>58,000 lbs. ....</u>	\$	<u>806.00 .....</u>	\$	<u>896.00</u>
41	<u>60,000 lbs. ....</u>	\$	<u>859.00 .....</u>	\$	<u>949.00</u>
42	<u>62,000 lbs. ....</u>	\$	<u>921.00 .....</u>	\$	<u>1,011.00</u>
43	<u>64,000 lbs. ....</u>	\$	<u>941.00 .....</u>	\$	<u>1,031.00</u>
44	<u>66,000 lbs. ....</u>	\$	<u>1,048.00 .....</u>	\$	<u>1,138.00</u>

1	68,000 lbs. ....	\$	1,093.00 .....	\$	1,183.00
2	70,000 lbs. ....	\$	1,177.00 .....	\$	1,267.00
3	72,000 lbs. ....	\$	1,259.00 .....	\$	1,349.00
4	74,000 lbs. ....	\$	1,368.00 .....	\$	1,458.00
5	76,000 lbs. ....	\$	1,478.00 .....	\$	1,568.00
6	78,000 lbs. ....	\$	1,614.00 .....	\$	1,704.00
7	80,000 lbs. ....	\$	1,742.00 .....	\$	1,832.00
8	82,000 lbs. ....	\$	1,863.00 .....	\$	1,953.00
9	84,000 lbs. ....	\$	1,983.00 .....	\$	2,073.00
10	86,000 lbs. ....	\$	2,104.00 .....	\$	2,194.00
11	88,000 lbs. ....	\$	2,225.00 .....	\$	2,315.00
12	90,000 lbs. ....	\$	2,346.00 .....	\$	2,436.00
13	92,000 lbs. ....	\$	2,466.00 .....	\$	2,556.00
14	94,000 lbs. ....	\$	2,587.00 .....	\$	2,677.00
15	96,000 lbs. ....	\$	2,708.00 .....	\$	2,798.00
16	98,000 lbs. ....	\$	2,829.00 .....	\$	2,919.00
17	100,000 lbs. ....	\$	2,949.00 .....	\$	3,039.00
18	102,000 lbs. ....	\$	3,070.00 .....	\$	3,160.00
19	104,000 lbs. ....	\$	3,191.00 .....	\$	3,281.00
20	105,500 lbs. ....	\$	3,312.00 .....	\$	3,402.00

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

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

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

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

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

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

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

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

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

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

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

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

23 (c) 11.771 percent shall be deposited into the transportation 2003  
24 account; and

25 (d) The remaining proceeds shall be deposited into the motor  
26 vehicle fund.

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

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

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

33 (2) There is levied and there shall be collected an additional tax  
34 on each retail car rental, regardless of whether the vehicle is  
35 licensed in this state, equal to five and nine-tenths percent of the

1 selling price. The revenue collected under this subsection shall be  
2 deposited in the multimodal transportation account created in RCW  
3 47.66.070.

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

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

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

17 ~~((+4))~~ (6) The rates provided in this section apply to taxes  
18 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

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

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

31 (2) This tax shall apply to the use of every service defined as a  
32 retail sale in RCW 82.04.050 (2)(a) or (3)(a) and the use of every  
33 article of tangible personal property, including property acquired at  
34 a casual or isolated sale, and including byproducts used by the  
35 manufacturer thereof, except as hereinafter provided, irrespective of  
36 whether the article or similar articles are manufactured or are  
37 available for purchase within this state.

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

8 (4) Except as provided in this section, payment by one purchaser or  
9 user of tangible personal property or service of the tax imposed by  
10 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any  
11 other purchaser or user of the same property or service from the taxes  
12 imposed by such chapters. If the sale to, or the use by, the present  
13 user or his or her bailor or donor has already been subjected to the  
14 tax under chapter 82.08 RCW or this chapter and the tax has been paid  
15 by the present user or by his or her bailor or donor; or in respect to  
16 the use of property acquired by bailment and the tax has once been paid  
17 based on reasonable rental as determined by RCW 82.12.060 measured by  
18 the value of the article at time of first use multiplied by the tax  
19 rate imposed by chapter 82.08 RCW or this chapter as of the time of  
20 first use; or in respect to the use of any article of tangible personal  
21 property acquired by bailment, if the property was acquired by a  
22 previous bailee from the same bailor for use in the same general  
23 activity and the original bailment was prior to June 9, 1961, the tax  
24 imposed by this chapter does not apply.

25 (5) The tax shall be levied and collected in an amount equal to the  
26 value of the article used or value of the service used by the taxpayer  
27 multiplied by the rates in effect for the retail sales tax under RCW  
28 82.08.020.

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

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

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

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

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

7 (d) Where the applicant presents satisfactory evidence showing that  
8 the retail sales tax or the use tax has been paid by (~~him~~) the  
9 applicant on the vehicle in question.

10 (2) The term "motor vehicle," as used in this section means and  
11 includes all motor vehicles, trailers and semitrailers used, or of a  
12 type designed primarily to be used, upon the public streets and  
13 highways, for the convenience or pleasure of the owner, or for the  
14 conveyance, for hire or otherwise, of persons or property, including  
15 fixed loads, facilities for human habitation, and vehicles carrying  
16 exempt licenses.

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

22 (4) Each county auditor who acts as agent of the department of  
23 revenue shall at the time of remitting license fee receipts on motor  
24 vehicles subject to the provisions of this section pay over and account  
25 to the state treasurer for all use tax revenue collected under this  
26 section, after first deducting as (~~his~~) a collection fee the sum of  
27 two dollars for each motor vehicle upon which the tax has been  
28 collected. All revenue received by the state treasurer under this  
29 section shall be credited to the general fund. The auditor's  
30 collection fee shall be deposited in the county current expense fund.  
31 A duplicate of the county auditor's transmittal report to the state  
32 treasurer shall be forwarded forthwith to the department of revenue.

33 (5) Any applicant who has paid use tax to a county auditor under  
34 this section may apply to the department of revenue for refund thereof  
35 if he or she has reason to believe that such tax was not legally due  
36 and owing. No refund shall be allowed unless application therefor is  
37 received by the department of revenue within the statutory period for  
38 assessment of taxes, penalties, or interest prescribed by RCW



1 82.32.050(3). Upon receipt of an application for refund the department  
2 of revenue shall consider the same and issue its order either granting  
3 or denying it and if refund is denied the taxpayer shall have the right  
4 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

5 (6) The provisions of this section shall be construed as cumulative  
6 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,  
7 for the collection of the tax imposed by this chapter. The department  
8 of revenue shall have power to promulgate such rules as may be  
9 necessary to administer the provisions of this section. Any duties  
10 required by this section to be performed by the county auditor may be  
11 performed by the director of licensing but no collection fee shall be  
12 deductible by said director in remitting use tax revenue to the state  
13 treasurer.

14 (7) The use tax revenue collected on the rate provided in RCW  
15 82.08.020(3) shall be deposited in the multimodal transportation  
16 account under RCW 47.66.070.

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

19 (1) A sales and use tax rate change under this chapter or chapter  
20 82.12 RCW shall be imposed (~~((+1))~~) (a) no sooner than seventy-five days  
21 after its enactment into law and (~~((+2))~~) (b) only on the first day of  
22 January, April, July, or October.

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

### 25 PART III - MOTOR AND SPECIAL FUEL TAXES

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

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

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

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

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

8       (2) Beginning July 1, 2003, an additional and cumulative tax rate  
9 of five cents per gallon of special fuel, or each one hundred cubic  
10 feet of compressed natural gas, measured at standard pressure and  
11 temperature shall be imposed on special fuel users. This subsection  
12 (2) expires when the bonds issued for transportation 2003 projects are  
13 retired.

14       (3) (~~The tax~~) Taxes are imposed (~~by subsection (1) of this~~  
15 ~~section is imposed~~) when:

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

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

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

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

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

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

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

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

1 (e) Blended special fuel is removed or sold in this state by the  
2 blender of the fuel. The number of gallons of blended special fuel  
3 subject to tax is the difference between the total number of gallons of  
4 blended special fuel removed or sold and the number of gallons of  
5 previously taxed special fuel used to produce the blended special fuel;

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

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

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

13 (i) Special fuel is sold by a licensed special fuel supplier to a  
14 special fuel distributor, special fuel importer, or special fuel  
15 blender and the special fuel is not removed from the bulk transfer-  
16 terminal system.

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

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

31 (1) All moneys that have accrued or may accrue to the motor vehicle  
32 fund from the motor vehicle fuel tax and special fuel tax shall be  
33 first expended for purposes enumerated in (a) and (b) of this  
34 subsection. The remaining net tax amount shall be distributed monthly  
35 by the state treasurer in ~~((the proportions set forth in (c) through~~  
36 ~~(+1))~~ accordance with subsections (2), (3), and (4) of this  
37 ~~((subsection))~~ section.

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

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

8 ((+e)) (2) All of the remaining net tax amount collected under RCW  
9 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)  
10 through (j) of this section.

11 (a) For distribution to the motor vehicle fund an amount equal to  
12 44.387 percent to be expended for highway purposes of the state as  
13 defined in RCW 46.68.130;

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

19 The following criteria, listed in order of priority, shall be used  
20 in determining which special category C projects have the highest  
21 priority:

22 (i) Accident experience;

23 (ii) Fatal accident experience;

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

26 (iv) Continuity of development of the highway transportation  
27 network.

28 Moneys deposited in the special category C account in the motor  
29 vehicle fund may be used for payment of debt service on bonds the  
30 proceeds of which are used to finance special category C projects under  
31 this subsection ((+1)(d)) (2)(b);

32 ((+e)) (c) For distribution to the Puget Sound ferry operations  
33 account in the motor vehicle fund an amount equal to 2.3283 percent;

34 ((+f)) (d) For distribution to the Puget Sound capital  
35 construction account in the motor vehicle fund an amount equal to  
36 2.3726 percent;

37 ((+g)) (e) For distribution to the urban arterial trust account in  
38 the motor vehicle fund an amount equal to 7.5597 percent;

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

4       ~~((i))~~ (g) For distribution to the cities and towns from the motor  
5 vehicle fund an amount equal to 10.6961 percent in accordance with RCW  
6 46.68.110;

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

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

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

29       ~~((2))~~ (3) One hundred percent of the net tax amount collected  
30 under RCW 82.36.025(2) and 82.38.030(2) shall be distributed to the  
31 transportation 2003 account.

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

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

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

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

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

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

31       (4) After making the deductions under subsections (1) through (3)  
32 of this section and RCW 35.76.050, 31.86 percent of the fuel tax  
33 distributed to the cities and towns in RCW 46.68.090(~~((1)(i))~~) (2)(g)  
34 shall be allocated to the incorporated cities and towns in the manner  
35 set forth in subsection (5) of this section and subject to deductions  
36 in subsections (1), (2), and (3) of this section, subject to RCW  
37 35.76.050, to be used exclusively for: The construction, improvement,  
38 chip sealing, seal-coating, and repair for arterial highways and city

1 streets as those terms are defined in RCW 46.04.030 and 46.04.120; the  
2 maintenance of arterial highways and city streets for those cities with  
3 a population of less than fifteen thousand; or the payment of any  
4 municipal indebtedness which may be incurred in the construction,  
5 improvement, chip sealing, seal-coating, and repair of arterial  
6 highways and city streets; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

37       ~~((+b+))~~ (ii) Three and one-half percent shall be credited to the  
38 ORV and nonhighway vehicle account and administered by the department



1 of fish and wildlife solely for the acquisition, planning, development,  
2 maintenance, and management of nonhighway roads and recreation  
3 facilities;

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

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

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

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

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

26 (2) On a yearly basis an agency may not, except as provided in RCW  
27 46.09.110, expend more than ten percent of the funds it receives under  
28 this chapter for general administration expenses incurred in carrying  
29 out this chapter.

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

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

1 ~~effect January 1, 1990))~~ of: (1) Nineteen cents per gallon of motor  
2 vehicle fuel from July 1, 2003, through June 30, 2005; (2) twenty cents  
3 per gallon of motor vehicle fuel from July 1, 2005, through June 30,  
4 2007; (3) twenty-one cents per gallon of motor vehicle fuel from July  
5 1, 2007, through June 30, 2009; (4) twenty-two cents per gallon of  
6 motor vehicle fuel from July 1, 2009, through June 30, 2011; and (5)  
7 twenty-three cents per gallon of motor vehicle fuel beginning July 1,  
8 2011, and thereafter.

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

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

29 **PART IV - ACCOUNT CREATION**

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

32 (1) The transportation 2003 account is hereby created in the motor  
33 vehicle fund. Money in the account may be spent only after  
34 appropriation. Expenditures from the account must be used only for  
35 projects or improvements identified as transportation 2003 projects or

1 improvements in the omnibus transportation budget and to pay the  
2 principal and interest on the bonds authorized for transportation 2003  
3 projects or improvements. Upon completion of the projects or  
4 improvements identified as transportation 2003 projects or  
5 improvements, moneys deposited in this account must only be used to pay  
6 the principal and interest on the bonds authorized for transportation  
7 2003 projects or improvements, and any funds in the account in excess  
8 of the amount necessary to make the principal and interest payments may  
9 be used for maintenance on the completed projects or improvements.

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

11 **Sec. 402.** RCW 43.84.092 and 2002 c 242 s 2, 2002 c 114 s 24, and  
12 2002 c 56 s 402 are each reenacted and amended to read as follows:

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

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

31 (3) Except for the provisions of RCW 43.84.160, the treasury income  
32 account may be utilized for the payment of purchased banking services  
33 on behalf of treasury funds including, but not limited to, depository,  
34 safekeeping, and disbursement functions for the state treasury and  
35 affected state agencies. The treasury income account is subject in all  
36 respects to chapter 43.88 RCW, but no appropriation is required for

1 payments to financial institutions. Payments shall occur prior to  
2 distribution of earnings set forth in subsection (4) of this section.

3 (4) Monthly, the state treasurer shall distribute the earnings  
4 credited to the treasury income account. The state treasurer shall  
5 credit the general fund with all the earnings credited to the treasury  
6 income account except:

7 (a) The following accounts and funds shall receive their  
8 proportionate share of earnings based upon each account's and fund's  
9 average daily balance for the period: The capitol building  
10 construction account, the Cedar River channel construction and  
11 operation account, the Central Washington University capital projects  
12 account, the charitable, educational, penal and reformatory  
13 institutions account, the common school construction fund, the county  
14 criminal justice assistance account, the county sales and use tax  
15 equalization account, the data processing building construction  
16 account, the deferred compensation administrative account, the deferred  
17 compensation principal account, the department of retirement systems  
18 expense account, the drinking water assistance account, the drinking  
19 water assistance administrative account, the drinking water assistance  
20 repayment account, the Eastern Washington University capital projects  
21 account, the education construction fund, the emergency reserve fund,  
22 the federal forest revolving account, the health services account, the  
23 public health services account, the health system capacity account, the  
24 personal health services account, the state higher education  
25 construction account, the higher education construction account, the  
26 highway infrastructure account, the industrial insurance premium refund  
27 account, the judges' retirement account, the judicial retirement  
28 administrative account, the judicial retirement principal account, the  
29 local leasehold excise tax account, the local real estate excise tax  
30 account, the local sales and use tax account, the medical aid account,  
31 the mobile home park relocation fund, the multimodal transportation  
32 account, the municipal criminal justice assistance account, the  
33 municipal sales and use tax equalization account, the natural resources  
34 deposit account, the oyster reserve land account, the perpetual  
35 surveillance and maintenance account, the public employees' retirement  
36 system plan 1 account, the public employees' retirement system combined  
37 plan 2 and plan 3 account, the public facilities construction loan  
38 revolving account beginning July 1, 2004, the public health

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

33 (b) The following accounts and funds shall receive eighty percent  
34 of their proportionate share of earnings based upon each account's or  
35 fund's average daily balance for the period: The aeronautics account,  
36 the aircraft search and rescue account, the county arterial  
37 preservation account, the department of licensing services account, the  
38 essential rail assistance account, the ferry bond retirement fund, the

1 grade crossing protective fund, the high capacity transportation  
2 account, the highway bond retirement fund, the highway safety account,  
3 the motor vehicle fund, the motorcycle safety education account, the  
4 pilotage account, the public transportation systems account, the Puget  
5 Sound capital construction account, the Puget Sound ferry operations  
6 account, the recreational vehicle account, the rural arterial trust  
7 account, the safety and education account, the special category C  
8 account, the state patrol highway account, the transportation 2003  
9 account, the transportation equipment fund, the transportation fund,  
10 the transportation improvement account, the transportation improvement  
11 board bond retirement account, and the urban arterial trust account.

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

15 **PART V - CLEAN AIR FEE**

16 NEW SECTION. **Sec. 501.** A new section is added to chapter 70.94  
17 RCW to read as follows:

18 In addition to other fees and taxes required under this chapter,  
19 registered owners of motor vehicles as defined in RCW 46.04.320 shall  
20 annually, upon renewal, pay a clean air fee of two dollars. Eighty-  
21 seven and one-half percent of the proceeds from the clean air fee must  
22 be deposited in a segregated subaccount of the air pollution control  
23 account created in RCW 70.94.015, and twelve and one-half percent of  
24 the proceeds from the clean air fee must be deposited in the vessel  
25 response account in section 503 of this act.

26 NEW SECTION. **Sec. 502.** A new section is added to chapter 70.94  
27 RCW to read as follows:

28 (1) Money from the clean air fee under section 501 of this act that  
29 is deposited in the segregated subaccount of the air pollution control  
30 account created in RCW 70.94.015 may be used for the purposes of this  
31 chapter, including the following:

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

34 (b) Reducing vehicle air contaminant emissions and cleaning up air  
35 pollution;

1 (c) Reducing and monitoring toxic air contaminants;

2 (d) Providing funding for fueling infrastructure necessary to allow  
3 school bus fleets to use alternative, cleaner fuels.

4 (2) Money from the clean air fee under section 501 of this act  
5 deposited in the segregated subaccount of the air pollution control  
6 account created in RCW 70.94.015 is subject to distribution as follows:

7 (a) Eighty-five percent of the money must be distributed to the air  
8 pollution control authorities created under this chapter. The money  
9 must be distributed in direct proportion with the amount of fees  
10 imposed under section 501 of this act that are collected within the  
11 boundaries of each authority. However, an amount in direct proportion  
12 with those fees collected in counties for which no air pollution  
13 control authority exists must be distributed to the department.

14 (b) Fifteen percent of the money from the fee under section 501 of  
15 this act must be distributed to the department and used by the  
16 department for the following purposes:

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

19 (ii) Reducing vehicle air contaminant emissions and cleaning up air  
20 pollution;

21 (iii) Reducing and monitoring toxic air contaminants;

22 (iv) Providing funding for fueling infrastructure necessary to  
23 allow school bus fleets to use alternative, cleaner fuels.

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

26 NEW SECTION. **Sec. 503.** A new section is added to chapter 90.56  
27 RCW to read as follows:

28 The vessel response account is created in the state treasury.  
29 Receipts from the clean air fee in section 501 of this act shall be  
30 deposited into the account. Moneys in the account may be spent only  
31 after appropriation. Expenditures from the account may be used by the  
32 department of ecology for a dedicated rescue tug, deployed at the  
33 entrance of the Strait of Juan de Fuca, whose primary mission is to  
34 arrest the drift of disabled vessels to prevent a pollution event. The  
35 tug may be also equipped and available to provide other emergency  
36 services and assistance including intervention support for the

1 coordinated vessel traffic service, assisting search and rescue  
2 efforts, marine fire fighting, and early oil spill response.

3 NEW SECTION. **Sec. 504.** Section 501 of this act expires July 1,  
4 2030.

5 **PART VI - MISCELLANEOUS**

6 NEW SECTION. **Sec. 601.** Part headings used in this act are not any  
7 part of the law.

8 NEW SECTION. **Sec. 602.** If any provision of this act or its  
9 application to any person or circumstance is held invalid, the  
10 remainder of the act or the application of the provision to other  
11 persons or circumstances is not affected.

12 NEW SECTION. **Sec. 603.** This act is necessary for the immediate  
13 preservation of the public peace, health, or safety, or support of the  
14 state government and its existing public institutions, and takes effect  
15 July 1, 2003.

--- END ---