

SHB 2157 - H AMD 324  
By Representative Woods

ADOPTED AS AMENDED 03/14/2005

1 Strike everything after the enacting clause and insert the  
2 following:

3 "PART I

4 IMPLEMENTING REGIONAL TRANSPORTATION INVESTMENT PLANS

5 NEW SECTION. **Sec. 101.** FINDINGS. The legislature finds that:

6 (1) The capacity of many of Washington state's transportation  
7 facilities have failed to keep up with the state's growth, particularly  
8 in major urban regions;

9 (2) The state cannot by itself fund, in a timely way, many of the  
10 major capacity and other improvements required on highways of statewide  
11 significance in the state's largest urbanized area;

12 (3) Providing a transportation system that provides efficient  
13 mobility for persons and freight requires a shared partnership and  
14 responsibility between the state, local, and regional governments and  
15 the private sector;

16 (4) Timely and strategic construction and development of  
17 significant transportation improvement projects can best be achieved  
18 through enhanced funding options for the state and regional and county  
19 governments, using already existing tax authority together with  
20 innovative funding approaches to address critical transportation needs  
21 and to provide authority for the state, regions, and counties to  
22 address transportation projects of regional and statewide significance;

23 (5) Improved mobility also requires that we maximize the efficiency  
24 of the current transportation system and that expansion of our system  
25 be done in a strategic manner and as dictated by market forces and that  
26 a plan that provides flexibility for investments and operational  
27 enhancements financed largely without debt will best address these  
28 needs; and

1 (6) The development of transportation improvements will require  
2 both state, and regional and local efforts. This chapter is intended  
3 to enhance this partnership, and not to replace the need for resources  
4 to be provided by the state.

5 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this  
6 section apply throughout this chapter unless the context clearly  
7 requires otherwise.

8 (1) "Corridor equity" means the relative performance of  
9 transportation corridors within the regional transportation improvement  
10 authority's boundaries. For performance to be equitable, the  
11 performance of any corridor must be similar to other corridors within  
12 the authority, and cannot be disproportionately degraded by  
13 transportation improvement projects.

14 (2) "High-priority project" means the restoration, reconstruction,  
15 or improvement of a transportation facility of statewide or regional  
16 significance that has failed or is an identified risk for failure in  
17 terms of its design life expectancy or other factors.

18 (3) "Lead agency" means a public agency designated by an authority  
19 to plan, design, build, and operate a project.

20 (4) "Optimizing transportation system performance" or "optimizing  
21 performance" means the systematic management and improvement of  
22 transportation facilities, including service enhancements, the  
23 objective of which is meeting the diverse mobility needs of users of  
24 the transportation system.

25 (5) "Transportation improvement projects" or "projects" means  
26 projects contained in the transportation plan of the state or a  
27 regional transportation planning organization that are of statewide or  
28 regional significance. Projects may include investment in new or  
29 existing highways of statewide significance, principal arterials of  
30 regional significance, high-capacity transportation, public  
31 transportation, and other transportation projects and programs of  
32 regional or statewide significance including transportation demand  
33 management. Projects may also include the operation, preservation, and  
34 maintenance of these facilities or programs.

35 (6) "Regional transportation improvement authority" or "authority"  
36 means a municipal corporation whose boundaries are coextensive, to the  
37 extent deemed appropriate by the authority, with the urban growth

1 boundaries of two or more contiguous counties, or an authority whose  
2 boundaries are contiguous with the boundaries of a single county, and  
3 that has been created by county legislative authorities by adoption of  
4 ordinances, or in the case of a single-county authority, a county  
5 legislative authority and a vote of the people under this chapter to  
6 implement a transportation improvement plan.

7 (7) "Regional transportation improvement authority board" or  
8 "board" means the board created under section 104 of this act to adopt  
9 and propose to county legislative authorities a regional transportation  
10 improvement plan to develop, finance, and construct transportation  
11 projects.

12 (8) "Regional transportation improvement plan" or "plan" means a  
13 plan to develop, construct, and finance a transportation project or  
14 projects.

15 (9) "Regional transportation planning organization" means that  
16 organization as defined in chapter 47.80 RCW.

17 NEW SECTION. **Sec. 103.** RTPO PLANNING DUTIES. (1) A county or  
18 group of counties choosing to implement a plan under this chapter shall  
19 request that a regional transportation planning organization, of which  
20 it or they are a member, develop a recommended prioritized list of  
21 projects to be included in a regional transportation improvement plan.  
22 The organization must adopt the prioritized list of projects within  
23 ninety days of the request and submit it to the requesting county or  
24 counties.

25 (2) In developing a prioritized list of projects for the plan the  
26 organization shall:

27 (a) Consider regional transportation needs, including high-priority  
28 transportation projects;

29 (b) Provide for improvements in safety and mobility based on  
30 addressing transportation improvement projects;

31 (c) Recommend the appropriate mix of transportation investment  
32 choices to address the mobility needs of the region, based on the  
33 criteria set forth in section 105(4) of this act;

34 (d) Address geographic and corridor equity and land use planning;

35 (e) Coordinate its activities with the department of  
36 transportation, which shall provide services, data, and personnel to  
37 assist in this planning as desired by the organization; and

1 (f) Coordinate with local government entities within the boundaries  
2 of the requesting county or group of counties that engage in  
3 transportation planning and providing transportation services.

4 NEW SECTION. **Sec. 104.** AUTHORITY FORMATION. (1) A county with a  
5 population over one million five hundred thousand persons together with  
6 any adjoining counties with a population over five hundred thousand  
7 persons may create, by adoption of an ordinance of the county  
8 legislative authorities, a regional transportation improvement  
9 authority.

10 (a) The boundaries of the authority must be, to the extent deemed  
11 appropriate, the area within the urban growth areas within each county.

12 After voters within the authority boundaries have approved a plan  
13 under section 107 of this act, elections to add areas to the authority  
14 boundaries may be called by the resolution of the authority, after  
15 consultation with the regional transportation planning organization and  
16 affected transit agencies and with the concurrence of the legislative  
17 authority of the city or town if the area is incorporated or with the  
18 concurrence of the county legislative authority if the area is  
19 unincorporated. The election may include a single ballot measure  
20 providing annexation to the authority, approval of the plan, and  
21 approval of revenue sources necessary to finance the plan. This option  
22 for annexation applies to areas within the counties initially  
23 establishing an authority and also to areas within a county having a  
24 population over two hundred thirty thousand persons and whose  
25 boundaries abut three counties eligible to form an authority under this  
26 subsection.

27 (b) The governing board consists of the members of the county  
28 legislative authorities whose districts are wholly or partially within  
29 the authority boundaries and the county executive of each county within  
30 the authority, with all members acting ex officio and independently.  
31 Councilmembers have weighted votes based on the population of their  
32 council districts within the authority boundaries relative to the total  
33 population of the authority. The executive of each county has a  
34 weighted vote equivalent to the vote of the councilmember from the same  
35 county of the executive, having the most heavily weighted vote. A  
36 representative from the city having the greatest population in each  
37 county and any other city within the authority that has a population

1 greater than one hundred ten thousand persons are nonvoting members of  
2 the board. The executive of any county with a population over one  
3 million five hundred thousand persons shall also designate a city, with  
4 a population over fifty thousand persons, whose representative shall  
5 serve as a nonvoting member of the board and who shall represent the  
6 geographic diversity of the county. The secretary of transportation,  
7 or the appropriate regional administrator of the department, as named  
8 by the secretary, shall serve on the authority as a nonvoting member.

9 (2) A county with a population over one million five hundred  
10 thousand persons or a county having a population over five hundred  
11 thousand persons adjoining a county with a population over one million  
12 five hundred thousand persons, and a county having a population over  
13 two hundred thirty thousand persons and whose boundaries abut three  
14 counties eligible to form an authority under this chapter, may create,  
15 by adoption of an ordinance of the county legislative authority, a  
16 regional transportation improvement authority.

17 (a) The boundaries of the authority must be contiguous with the  
18 boundaries of the county.

19 (b) The governing board consists of the members of the county  
20 legislative authority with all members acting ex officio and  
21 independently. The secretary of transportation, or the appropriate  
22 regional administrator of the department, as named by the secretary,  
23 shall serve on the authority as a nonvoting member.

24 (3) The members of the authority under this chapter will receive no  
25 compensation for serving on the board, but may be reimbursed for travel  
26 and incidental expenses as the authority deems appropriate.

27 (4) A regional transportation improvement authority may be entitled  
28 to state funding, as appropriated by the legislature, for start-up  
29 funding to pay for expenses incurred by the authority and through  
30 contracts with the regional transportation planning organization in  
31 selecting transportation projects under this chapter. Upon voter  
32 approval of a regional transportation improvement authority plan and  
33 revenue sources under section 106 of this act, the authority shall  
34 within one year reimburse the state for any sums advanced for these  
35 start-up costs from the state.

36 (5) The board shall conduct its affairs and formulate, with  
37 assistance from the appropriate regional transportation planning

1 organization, a regional transportation improvement plan as provided  
2 under section 105 of this act.

3 (6) A regional transportation improvement authority may elect  
4 officers and provide for the adoption of rules and other operating  
5 procedures.

6 (7) Governance of and decisions by a regional transportation  
7 improvement authority must be by a sixty percent weighted majority vote  
8 of the board membership.

9 (8) The authority may dissolve itself at any time by a two-thirds  
10 weighted majority vote of the board membership.

11 NEW SECTION. **Sec. 105.** AUTHORITY DUTIES. (1) A regional  
12 transportation improvement authority board shall adopt a regional  
13 transportation improvement plan providing for the development,  
14 construction, and financing of transportation projects. The board  
15 shall use the prioritized list of projects provided to it by the  
16 regional transportation planning organization under section 103 of this  
17 act. In collaboration with the regional transportation planning  
18 organization, it may modify the list of projects to better meet the  
19 criteria defined in subsection (4) of this section.

20 (2) The board may coordinate its activities with the regional  
21 transportation planning organization, which shall provide services,  
22 data, and personnel to assist in this planning as requested by the  
23 board. In addition, the board may coordinate with the department of  
24 transportation and affected cities, towns, and other local governments  
25 that engage in transportation planning.

26 (3) The board shall:

27 (a) Conduct public meetings that are needed to assure active public  
28 participation in the development of the plan;

29 (b) Adopt a plan as described in subsection (1) of this section:

30 (i) Ratifying the creation of the regional transportation  
31 improvement authority;

32 (ii) Identifying transportation improvement projects to be funded;

33 (iii) Recommending sources of revenue authorized by section 106 of  
34 this act and a financing plan to fund the transportation projects in  
35 the plan. The overall plan of the authority must leverage the  
36 authority's financial contributions so that in combination with  
37 federal, state, local, and other revenue sources, the plan is funded.

1 The plan may include provisions for delaying the imposition of regional  
2 taxes and fees, or delay of projects identified in the plan, pending  
3 the financial participation of other parties or alternative financing  
4 techniques necessary to accomplish the plan. The plan must include  
5 provisions for adjusting the plan as needed to improve operations of  
6 the transportation network in the region.

7 (4) The authority shall develop a plan including policies for  
8 investment, operations, and the performance of the regional  
9 transportation network using the following criteria for selecting  
10 transportation improvement projects to improve transportation system  
11 performance:

12 (a) Reduced risk of transportation facility failure and improved  
13 safety;

14 (b) Improved travel time;

15 (c) Improved air quality;

16 (d) Increases in daily and peak period trip capacity;

17 (e) Improved modal connectivity;

18 (f) Improved freight mobility;

19 (g) Cost-effectiveness of the investment;

20 (h) Optimal performance of the system through time; and

21 (i) Other criteria, as adopted by the board with a sixty-percent  
22 majority of weighted votes.

23 (5) Before adopting the plan, the authority, with assistance from  
24 the department and other lead agencies, shall work with the lead agency  
25 to develop accurate cost estimates for transportation projects. This  
26 project costing methodology must be integrated with revenue forecasts  
27 in developing the financial plan and must at a minimum include  
28 estimated project costs in current dollars as well as year of  
29 expenditure dollars, the range of project costs reflected by the level  
30 of project design, project contingencies, identification of mitigation  
31 costs, the range of revenue forecasts, and project and plan cash flow  
32 and bond analysis. The plan must provide cost estimates for each  
33 project, including contingency costs. Plans must provide that the  
34 maximum amount possible of the funds raised will be used to fund  
35 projects in the plan, including environmental improvements and  
36 mitigation, and that administrative costs be minimized. If actual  
37 revenue exceeds actual plan costs, the excess revenues must be used to  
38 retire any outstanding debt associated with the plan.

1 (6) The authority shall transmit the plan to the county legislative  
2 authority or authorities, which shall act within ninety days to adopt  
3 or not adopt the plan. In the case of a multicounty authority, if a  
4 county by ordinance with its county legislative authority opts not to  
5 adopt the plan or participate in the regional transportation  
6 improvement authority, but one or more contiguous counties do choose to  
7 continue to participate, then the authority may, within ninety days,  
8 redefine the regional transportation improvement plan and the ballot  
9 measure to be submitted to the people to reflect elimination of the  
10 county, and submit the redefined plan to the legislative authorities of  
11 the remaining counties for their decision as to whether to continue to  
12 adopt the redefined plan and participate. This action must be  
13 completed within sixty days after receipt of the redefined plan.

14 (7) Once adopted, the plan must be forwarded to the participating  
15 county legislative authorities or authority to initiate, through  
16 adoption of an ordinance, the election process under section 107 of  
17 this act. The authority shall at the same time provide notice to each  
18 city and town within the authority, the governor, the chairs and  
19 ranking members of the transportation committees of the legislature,  
20 the secretary of transportation, and each legislator whose legislative  
21 district is partially or wholly within the boundaries of the authority.

22 (8) If the ballot measure is not approved, the board may redefine  
23 the selected transportation projects, financing plan, and the ballot  
24 measure as determined by the county legislative authority or  
25 authorities. The county legislative authorities or authority may  
26 approve the new plan and ballot measure, and may then submit the  
27 revised proposition to the voters at the next election or a special  
28 election.

29 NEW SECTION. **Sec. 106.** TAXES, FEES, AND TOLLS. (1) A regional  
30 transportation improvement authority planning committee may, as part of  
31 a regional transportation improvement plan, recommend the imposition of  
32 some or all of the following revenue sources, which a regional  
33 transportation improvement authority may impose as provided in this  
34 chapter:

35 (a) A regional sales and use tax, as specified in RCW 82.14.430, of  
36 up to 0.2 percent of the selling price, in the case of a sales tax, or  
37 value of the article used, in the case of a use tax, upon the

1 occurrence of any taxable event in the regional transportation  
2 improvement authority. This tax is intended to be temporary in nature  
3 to supplement authority revenues until implementation of some or all of  
4 the network value pricing system authorized in this section. This tax  
5 may not be imposed without an affirmative vote of the majority of the  
6 voters within the boundaries of the authority voting on a ballot  
7 proposition and may not authorize imposition of this tax for a period  
8 of longer than ten years. This tax may be extended for a period not  
9 exceeding ten years with an affirmative vote of the voters.

10 (b) A local option vehicle license fee, as specified under RCW  
11 82.80.100, of up to one hundred dollars per vehicle registered in the  
12 authority. As used in this subsection, "vehicle" means motor vehicle  
13 as defined in RCW 46.04.320. Certain classes of vehicles, as defined  
14 under chapter 46.04 RCW, may be exempted from this fee;

15 (c) A local motor vehicle excise tax under RCW 81.100.060; and

16 (d) A value pricing assessment of charges for users of  
17 transportation facilities as set forth in section 314 of this act and  
18 meeting the following conditions:

19 (i) With the approval of the transportation commission, or its  
20 successor, vehicle tolls may be imposed on a local or regional arterial  
21 or state or federal highway within the boundaries of the authority.

22 (ii) The plan must identify the facilities that may be tolled.

23 (iii) Unless otherwise specified by law or contract, the department  
24 shall administer the collection of vehicle tolls on designated  
25 facilities, and the state transportation commission, or its successor,  
26 shall be the tolling authority.

27 (2) Revenues from these taxes and fees may be used only to  
28 implement the plan as set forth in this chapter. Taxes, fees, and the  
29 authority to impose tolls may not be imposed without an affirmative  
30 vote of the majority of voters within the boundaries of the authority  
31 voting on a ballot proposition as set forth in section 107 of this act.  
32 An authority may contract with the state department of revenue or other  
33 appropriate entities for administration and collection of any of the  
34 taxes or fees authorized in this section. In authorizing these revenue  
35 sources, it is the intent of the legislature to provide a range of  
36 options that can be tailored to meet the transportation financing needs  
37 and to improve operating efficiency of transportation facilities.

1        NEW SECTION.    **Sec. 107.**    PLAN ADOPTION.    Two or more contiguous  
2 county legislative authorities under section 104(1) of this act and a  
3 county or county legislative authorities under section 104(2) of this  
4 act, upon receipt of the regional transportation improvement plan under  
5 section 105 of this act, may, by adoption of an ordinance, submit to  
6 the voters of the proposed authority a single ballot measure that  
7 approves the regional transportation improvement plan, and approves the  
8 revenue sources necessary to finance the plan. The authority may draft  
9 the ballot measure on behalf of the county legislative authorities, and  
10 the county legislative authorities may give notice as required by law  
11 for ballot measures, and perform other duties as required to submit the  
12 measure to the voters of the proposed authority for their approval or  
13 rejection. The electorate will be the voters voting within the  
14 boundaries of the authority within the participating counties, or in  
15 the case of a single county, within the boundary of the county. A  
16 simple majority of the total persons voting on the single ballot  
17 measure is required for approval of the measure.

18        NEW SECTION.    **Sec. 108.**    FORMATION--CERTIFICATION.    If the voters  
19 approve the plan, including imposition of taxes and fees, the authority  
20 will be declared fully operative. The county election officials of  
21 participating counties shall, within fifteen days of the final  
22 certification of the election results, publish a notice in a newspaper  
23 or newspapers of general circulation in the authority declaring the  
24 authority formed, and mail copies of the notice to the governor, the  
25 secretary of transportation, and the executive director of the regional  
26 transportation planning organization in which any part of the authority  
27 is located. A party challenging the procedure or the formation of a  
28 voter-approved authority must file the challenge in writing by serving  
29 the prosecuting attorney of the participating counties and the attorney  
30 general within thirty days after the final certification of the  
31 election. Failure to challenge within that time forever bars further  
32 challenge of the authority's valid formation.

33        NEW SECTION.    **Sec. 109.**    GOVERNING BOARD--ORGANIZATION.    The board  
34 shall adopt rules for the conduct of business. The board shall adopt  
35 bylaws to govern authority affairs, which may include:

- 36        (1) The time and place of regular meetings;

- 1 (2) Rules for calling special meetings;
- 2 (3) The method of keeping records of proceedings and official acts;
- 3 (4) Procedures for the safekeeping and disbursement of funds; and
- 4 (5) Any other provisions the board finds necessary to include.

5 NEW SECTION. **Sec. 110.** GOVERNING BOARD--POWERS AND DUTIES--  
6 INTENT. (1) The governing board of the authority is responsible for  
7 the execution of the voter-approved plan. The board shall:

8 (a) Impose taxes and fees authorized by authority voters;

9 (b) Enter into agreements with state, local, and regional agencies  
10 and departments as necessary to accomplish authority purposes and  
11 protect the authority's investment in transportation projects;

12 (c) Accept and expend gifts, grants, or other contributions of  
13 funds that will support the purposes and programs of the authority;

14 (d) Monitor and audit the progress and execution of transportation  
15 projects to protect the investment of the public and annually make  
16 public its findings;

17 (e) Pay for services and enter into leases and contracts, including  
18 professional service contracts;

19 (f) Contract with an existing agency or hire a limited staff to  
20 administer and provide oversight of contracts to implement the plan;  
21 and

22 (g) Exercise other powers and duties as may be reasonable to carry  
23 out the purposes of the authority.

24 (2) It is the intent of the legislature that existing staff  
25 resources of lead agencies be used in implementing this chapter. An  
26 authority may, and in the case of user charges shall, coordinate its  
27 activities with the department, which shall provide services, data, and  
28 personnel to assist as desired by the regional transportation  
29 improvement authority. Lead agencies for transportation projects that  
30 are not state facilities shall also provide staff support for the  
31 board.

32 (3) An authority may not acquire, hold, or dispose of real  
33 property.

34 (4) An authority may not own, operate, or maintain an ongoing  
35 facility, road, or transportation system.

36 (5) It is the intent of the legislature that administrative and

1 overhead costs of a regional transportation improvement authority be  
2 minimized.

3 (6) Lead agencies implementing authority projects may use the  
4 design-build procedure for transportation projects developed by it. As  
5 used in this section, "design-build procedure" means a method of  
6 contracting under which the authority contracts with another party for  
7 that party to both design and build the structures, facilities, and  
8 other items specified in the contract. The requirements and  
9 limitations of RCW 47.20.780 and 47.20.785 do not apply to the  
10 transportation projects under this chapter.

11 NEW SECTION. **Sec. 111.** TREASURER. The regional transportation  
12 improvement authority, by resolution, shall designate a person having  
13 experience in financial or fiscal matters as treasurer of the  
14 authority. The authority may designate the treasurer of a county  
15 within which the authority is located to act as its treasurer. Such a  
16 treasurer has all of the powers, responsibilities, and duties the  
17 county treasurer has related to investing surplus funds. The authority  
18 shall require a bond with a surety company authorized to do business in  
19 this state in an amount and under the terms and conditions the  
20 authority, by resolution, from time to time finds will protect the  
21 authority against loss. The authority shall pay the premium on the  
22 bond.

23 In addition to the account established in section 301 of this act,  
24 the treasurer may establish a special account, into which may be paid  
25 authority funds. The treasurer may disburse authority funds only on  
26 warrants issued by the authority upon orders or vouchers approved by  
27 the authority.

28 If the treasurer of the authority is the treasurer of a county, all  
29 authority funds must be deposited with a county depository under the  
30 same restrictions, contracts, and security as provided for county  
31 depositories. If the treasurer of the authority is some other person,  
32 all funds must be deposited in a bank or banks authorized to do  
33 business in this state qualified for insured deposits under any federal  
34 deposit insurance act as the authority, by resolution, designates.

35 The authority may provide and require a reasonable bond of any  
36 other person handling moneys or securities of the authority, but the  
37 authority shall pay the premium on the bond.

1           NEW SECTION.   **Sec. 112.**   INDEBTEDNESS--BONDS--LIMITATION.   (1)(a)

2   Notwithstanding RCW 39.36.020(1), the authority may at any time  
3   contract indebtedness or borrow money for authority purposes and may  
4   issue general obligation bonds or other evidences of indebtedness,  
5   secured by the pledge of one or more of the taxes, tolls, charges, or  
6   fees authorized to be imposed by the authority, in an amount not  
7   exceeding, together with any existing indebtedness of the authority not  
8   authorized by the voters, one and one-half percent of the value of the  
9   taxable property within the boundaries of the authority.

10           (b) With the approval of three-fifths of the voters voting at an  
11   election, an authority may contract indebtedness or borrow money for  
12   authority purposes and may issue general obligation bonds or other  
13   evidences of indebtedness as long as the total indebtedness of the  
14   authority does not exceed five percent of the value of the taxable  
15   property within the authority, including indebtedness authorized under  
16   (a) of this subsection.   The bonds must be issued and sold in  
17   accordance with chapter 39.46 RCW.

18           (2) The authority may at any time issue revenue bonds or other  
19   evidences of indebtedness, secured by the pledge of one or more of the  
20   revenues authorized to be collected by the authority, to provide funds  
21   to carry out its authorized functions without submitting the matter to  
22   the voters of the authority.   These obligations must be issued and sold  
23   in accordance with chapter 39.46 RCW.

24           (3) The authority may enter into agreements with the lead agencies  
25   or the state of Washington, when authorized by the plan, to pledge  
26   taxes or other revenues of the authority for the purpose of paying in  
27   part or whole principal and interest on bonds issued by the lead agency  
28   or the state of Washington.   The agreements pledging revenues and taxes  
29   are binding for their terms, and no tax pledged by an agreement may be  
30   eliminated or modified if it would impair the pledge made in any  
31   agreement.   The term of the bonds may not exceed twenty-five years.

32           (4) It is the intent of the legislature that the transportation  
33   plan developed by the authority minimize its reliance on bonds and that  
34   the authority rely to the extent possible on revenues and charges  
35   generated by the network.   The issuance of bonds is authorized to  
36   address critical transportation expenditures and to better manage the  
37   revenues and expenditure commitments of the authority.

1 (5) Once construction of capital projects in the plan has been  
2 completed, revenues collected by the authority may only be used for the  
3 following purposes: (a) Payment of principal and interest on  
4 outstanding indebtedness of the authority; (b) to make payments  
5 required under a pledging agreement; (c) to make payments for  
6 maintenance and operations of toll facilities as may be required by  
7 toll bond covenants; and (d) to continue other programs as defined in  
8 the plan.

9 NEW SECTION. **Sec. 113.** TRANSPORTATION PROJECT OR PLAN  
10 MODIFICATION. (1) The board may modify the plan to change  
11 transportation projects or revenue sources in the following manner:

12 (a) The board adopts a resolution to modify the plan or to newly  
13 impose or increase the rate of the motor vehicle excise tax, vehicle  
14 license fee, or a sales and use tax authorized under RCW 82.14.430, and  
15 the counties submit the issue to the voters in the authority, in the  
16 same manner provided for in section 107 of this act; or

17 (b) The board, with a majority of the weighted votes of the board,  
18 redefines the scope of the plan, its projects, its schedule, or its  
19 costs.

20 (2) The board shall continually assess the plan to identify  
21 investment and operational changes to improve system performance and  
22 annually update the plan.

23 NEW SECTION. **Sec. 114.** TRANSPORTATION PLAN ACCOUNTABILITY. (1)  
24 The board shall develop a material change policy to address major plan  
25 changes that affect project delivery or the ability to finance the  
26 plan. The policy must at least address material changes to cost,  
27 scope, and schedule, the level of change that will require board  
28 involvement, and how the board will address those changes as provided  
29 for in this chapter, including when section 113 of this act will be  
30 invoked.

31 (2) To assure accountability to the public for the timely  
32 accomplishment of the transportation improvement project or projects  
33 within scope and cost projections, the authority shall issue a report,  
34 at least annually, to the public and copies of the report to newspapers  
35 of record in the authority. In the report, the authority shall  
36 indicate the status of transportation project costs, transportation

1 project expenditures, revenues, and construction schedules. The report  
2 must also include an explanation of the material change policy and  
3 actions taken thereon and may also include progress towards meeting the  
4 performance criteria provided under this chapter.

5 NEW SECTION. **Sec. 115.** OWNERSHIP OF IMPROVEMENTS. Any  
6 improvement to a facility constructed, improved, or operated under this  
7 chapter becomes and remains the property of the lead agency unless  
8 otherwise provided for.

9 NEW SECTION. **Sec. 116.** DISSOLUTION OF AUTHORITY. Within thirty  
10 days of the completion of the construction of the transportation  
11 project or series of projects forming the regional transportation  
12 improvement plan, the authority shall reduce day-to-day operations and  
13 exist solely as a limited entity that oversees the collection of  
14 revenue and the payment of debt service or financing still in effect,  
15 if any and the payment of ongoing operations of facilities as set forth  
16 in the plan. At least one year before the time that capital debt  
17 service on transportation projects is completed, the authority shall  
18 develop a plan, including a finance plan, for ongoing project  
19 operation, and the plan must be submitted by member counties to the  
20 voters in the authority. If there is no debt outstanding and there is  
21 no ongoing project operation, then the authority shall dissolve within  
22 thirty days from completion of construction of the transportation  
23 project or series of transportation projects forming the regional  
24 transportation improvement plan. Notice of dissolution must be  
25 published in newspapers of general circulation within the authority at  
26 least three times in a period of thirty days. Creditors must file  
27 claims for payment of claims due within thirty days of the last  
28 published notice or the claim is extinguished.

29 NEW SECTION. **Sec. 117.** WASHINGTON STATE DEPARTMENT OF  
30 TRANSPORTATION ROLE. (1) The department shall provide staff and  
31 services to assist authorities under this chapter. The primary  
32 responsibility of the dedicated staff is to coordinate the design,  
33 preliminary engineering, permitting, financing, and construction of  
34 projects in which the state has a role and are under consideration by  
35 an authority or are contained in the authority's plan.

1 (2) All of the powers granted the department under Title 47 RCW  
2 relating to highway construction may, at the request of an authority  
3 participating in a plan, be used to implement a regional transportation  
4 improvement plan and construct transportation projects.

5 NEW SECTION. **Sec. 118.** TOLLING FEASIBILITY STUDY REQUIRED. The  
6 transportation commission, with the technical assistance of the  
7 department of transportation, shall conduct a study of the state  
8 highway system and other transportation facilities in King, Pierce, and  
9 Snohomish counties to determine the feasibility of value pricing on a  
10 facility, or network of facilities. The purpose of the study is to  
11 determine potential for such an approach as a means to generate needed  
12 revenues for needed transportation facilities, maximize the efficient  
13 operation of facilities and the transportation network, and provide  
14 economic indicators for future system investments. The study must take  
15 into account congestion levels, facility and corridor capacity, time of  
16 use, economic considerations, and other factors deemed appropriate.  
17 The study must recommend any additional laws, rules, procedures,  
18 resources, studies, reports, or support infrastructure necessary or  
19 desirable before proceeding with the review, evaluation, or  
20 implementation of any toll projects or a system-wide value pricing  
21 transportation structure.

22 The transportation commission shall complete an initial draft of  
23 the study and report back to the legislature by January 15, 2006. The  
24 final study must be completed by June 30, 2006, and study  
25 recommendations must include proposed legislation needed for  
26 implementation of system-wide value pricing.

27 NEW SECTION. **Sec. 119.** A new section is added to chapter 47.80  
28 RCW to read as follows:

29 RTPO SUPPORT FOR REGIONAL TRANSPORTATION IMPROVEMENT PLAN. At the  
30 request of a county or a group of counties, a regional transportation  
31 planning organization shall develop and provide a prioritized list of  
32 projects for inclusion in a regional transportation improvement plan,  
33 as provided for in section 103 of this act and provide other services  
34 for a regional transportation improvement authority as provided for in  
35 chapter 36.-- RCW (sections 101 through 117 of this act).



1 imposed only by a regional transit authority or a regional  
2 transportation (~~investment district~~) improvement authority. Regional  
3 transportation (~~investment districts~~) improvement authorities may,  
4 with the approval of the regional transit authority wholly or partly  
5 within its boundaries, impose the taxes authorized under this chapter,  
6 but only upon approval of the voters and to the extent that the maximum  
7 amount of taxes authorized under this chapter have not been imposed.

8 (2) Agencies planning to construct and operate a high capacity  
9 transportation system should also seek other funds, including federal,  
10 state, local, and private sector assistance.

11 (3) Funding sources should satisfy each of the following criteria  
12 to the greatest extent possible:

- 13 (a) Acceptability;
- 14 (b) Ease of administration;
- 15 (c) Equity;
- 16 (d) Implementation feasibility;
- 17 (e) Revenue reliability; and
- 18 (f) Revenue yield.

19 (4) Agencies participating in regional high capacity transportation  
20 system development are authorized to levy and collect the following  
21 voter-approved local option funding sources:

22 (a) Employer tax as provided in RCW 81.104.150, other than by  
23 regional transportation investment districts; and

24 (~~(b) ((Special motor vehicle excise tax as provided in RCW  
25 81.104.160; and~~

26 ~~(c))~~) Sales and use tax as provided in RCW 81.104.170.

27 Revenues from these taxes may be used only to support those  
28 purposes prescribed in subsection (10) of this section. Before the  
29 date of an election authorizing an agency to impose any of the taxes  
30 enumerated in this section and authorized in RCW 81.104.150,  
31 81.104.160, and 81.104.170, the agency must comply with the process  
32 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No  
33 construction on exclusive right of way may occur before the  
34 requirements of RCW 81.104.100(3) are met.

35 (5) Authorization in subsection (4) of this section shall not  
36 adversely affect the funding authority of transit agencies not provided  
37 for in this chapter. Local option funds may be used to support  
38 implementation of interlocal agreements with respect to the

1 establishment of regional high capacity transportation service. Except  
2 when a regional transit authority exists, local jurisdictions shall  
3 retain control over moneys generated within their boundaries, although  
4 funds may be commingled with those generated in other areas for  
5 planning, construction, and operation of high capacity transportation  
6 systems as set forth in the agreements.

7 (6) Agencies planning to construct and operate high capacity  
8 transportation systems may contract with the state for collection and  
9 transference of voter-approved local option revenue.

10 (7) Dedicated high capacity transportation funding sources  
11 authorized in RCW 81.104.150, 81.104.160, and 81.104.170 shall be  
12 subject to voter approval by a simple majority. A single ballot  
13 proposition may seek approval for one or more of the authorized taxing  
14 sources. The ballot title shall reference the document identified in  
15 subsection (8) of this section.

16 (8) Agencies shall provide to the registered voters in the area a  
17 document describing the systems plan and the financing plan set forth  
18 in RCW 81.104.100. It shall also describe the relationship of the  
19 system to regional issues such as development density at station  
20 locations and activity centers, and the interrelationship of the system  
21 to adopted land use and transportation demand management goals within  
22 the region. This document shall be provided to the voters at least  
23 twenty days prior to the date of the election.

24 (9) For any election in which voter approval is sought for a high  
25 capacity transportation system plan and financing plan pursuant to RCW  
26 81.104.040, a local voter's pamphlet shall be produced as provided in  
27 chapter ((~~29.81A~~)) 29A.32 RCW.

28 (10) Agencies providing high capacity transportation service shall  
29 retain responsibility for revenue encumbrance, disbursement, and  
30 bonding. Funds may be used for any purpose relating to planning,  
31 construction, and operation of high capacity transportation systems and  
32 commuter rail systems, personal rapid transit, busways, bus sets, and  
33 entrained and linked buses.

34 **PART III**  
35 **FINANCE**

1        NEW SECTION.    **Sec. 301.**    REGIONAL    TRANSPORTATION    IMPROVEMENT  
2    AUTHORITY ACCOUNT.    The regional transportation improvement authority  
3    account is created in the custody of the state treasurer.    The purpose  
4    of this account is to act as an account into which may be deposited  
5    state money, if any, that may only be used in conjunction with an  
6    authority's money to fund transportation projects.    Additionally, an  
7    authority may deposit funds into this account for disbursement, as  
8    appropriate, on transportation projects.    Nothing in this section  
9    requires any state matching money.    All money deposited in the regional  
10    transportation improvement authority account will be used for design,  
11    right of way acquisition, capital acquisition, construction, and  
12    operation, or for the payment of debt service associated with these  
13    activities, for regionally funded transportation projects developed  
14    under this chapter.    Only an authority, or the authority's designee,  
15    may authorize expenditures from the account.    The account is subject to  
16    allotment procedures under chapter 43.88 RCW.    An appropriation is not  
17    required for expenditures from this account.

18        **Sec. 302.**    RCW 81.100.030 and 2002 c 56 s 410 are each amended to  
19    read as follows:

20        EMPLOYER TAX.    (1) A county with a population of one million or  
21    more, or a county with a population of from two hundred ten thousand to  
22    less than one million that is adjoining a county with a population of  
23    one million or more, and having within its boundaries existing or  
24    planned high-occupancy vehicle lanes on the state highway system, (~~or~~  
25    ~~a regional transportation investment district for capital~~  
26    ~~improvements,~~) but only to the extent that the tax has not already  
27    been imposed by the county, may, with voter approval impose an excise  
28    tax of up to two dollars per employee per month on all employers or any  
29    class or classes of employers, public and private, including the state  
30    located in the agency's jurisdiction, measured by the number of full-  
31    time equivalent employees.    In no event may the total taxes imposed  
32    under this section exceed two dollars per employee per month for any  
33    single employer.    The county (~~or investment district~~) imposing the  
34    tax authorized in this section may provide for exemptions from the tax  
35    to such educational, cultural, health, charitable, or religious  
36    organizations as it deems appropriate.

1 Counties (~~(or investment districts)~~) may contract with the state  
2 department of revenue or other appropriate entities for administration  
3 and collection of the tax. Such contract shall provide for deduction  
4 of an amount for administration and collection expenses.

5 (2) The tax shall not apply to employment of a person when the  
6 employer has paid for at least half of the cost of a transit pass  
7 issued by a transit agency for that employee, valid for the period for  
8 which the tax would otherwise be owed.

9 (3) A county (~~(or investment district)~~) shall adopt rules that  
10 exempt from all or a portion of the tax any employer that has entered  
11 into an agreement with the county (~~(or investment district)~~) that is  
12 designed to reduce the proportion of employees who drive in single-  
13 occupant vehicles during peak commuting periods in proportion to the  
14 degree that the agreement is designed to meet the goals for the  
15 employer's location adopted under RCW 81.100.040.

16 The agreement shall include a list of specific actions that the  
17 employer will undertake to be entitled to the exemption. Employers  
18 having an exemption from all or part of the tax through this subsection  
19 shall annually certify to the county (~~(or investment district)~~) that  
20 the employer is fulfilling the terms of the agreement. The exemption  
21 continues as long as the employer is in compliance with the agreement.

22 If the tax authorized in RCW 81.100.060 is also imposed, the total  
23 proceeds from both tax sources each year shall not exceed the maximum  
24 amount which could be collected under RCW 81.100.060.

25 **Sec. 303.** RCW 81.100.060 and 2002 c 56 s 411 are each amended to  
26 read as follows:

27 MVET--COUNTY HOV AND IMPROVEMENT AUTHORITIES. A county with a  
28 population of one million or more and a county with a population of  
29 from two hundred ten thousand to less than one million that is  
30 adjoining a county with a population of one million or more, having  
31 within their boundaries existing or planned high-occupancy vehicle  
32 lanes on the state highway system, or a regional transportation  
33 (~~(investment district for capital improvements)~~) improvement authority,  
34 but only to the extent that the surcharge has not already been imposed  
35 by the county, may, with voter approval, impose a local surcharge of  
36 not more than three-tenths of one percent in the case of a county, or  
37 six-tenths of one percent in the case of an authority of the value on

1 vehicles registered to a person residing within the county or  
2 improvement authority and not more than 13.64 percent on the state  
3 sales and use taxes paid under the rate in RCW 82.08.020(2) on retail  
4 car rentals within the county or (~~investment district~~) improvement  
5 authority. A county may impose the surcharge only to the extent that  
6 it has not been imposed by the (~~district~~) improvement authority. No  
7 surcharge may be imposed on vehicles licensed under RCW 46.16.070  
8 except vehicles with an unladen weight of six thousand pounds or less,  
9 RCW 46.16.079, 46.16.085, or 46.16.090.

10 Counties or (~~investment districts~~) improvement authorities  
11 imposing a tax under this section shall contract, before the effective  
12 date of the resolution or ordinance imposing a surcharge,  
13 administration and collection to the state department of licensing, and  
14 department of revenue, as appropriate, which shall deduct an amount, as  
15 provided by contract, for administration and collection expenses  
16 incurred by the department. All administrative provisions in chapters  
17 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to  
18 motor vehicle excise taxes, be applicable to surcharges imposed under  
19 this section. All administrative provisions in chapters 82.03, 82.08,  
20 82.12, and 82.32 RCW shall, insofar as they are applicable to state  
21 sales and use taxes, be applicable to surcharges imposed under this  
22 section. In administering this section, the department of licensing  
23 and the department of revenue shall collaborate to develop a schedule  
24 for determining the value of vehicles subject to the tax that reflects  
25 the market value of the vehicle. The valuation process must provide  
26 for a process for appealing the identified value of the vehicle.

27 If the tax authorized in RCW 81.100.030 is also imposed, the total  
28 proceeds from tax sources imposed under this section and RCW 81.100.030  
29 each year shall not exceed the maximum amount which could be collected  
30 under this section.

31 **Sec. 304.** RCW 81.100.080 and 1990 c 43 s 19 are each amended to  
32 read as follows:

33 MVET--USES. Funds collected under RCW 81.100.030 or 81.100.060 and  
34 any investment earnings accruing thereon shall be used by the county or  
35 the regional transportation improvement authority in a manner  
36 consistent with the regional transportation plan only for costs of  
37 collection, costs of preparing, adopting, and enforcing agreements

1 under RCW 81.100.030(3), for construction of high occupancy vehicle  
2 lanes and related facilities, mitigation of environmental concerns that  
3 result from construction or use of high occupancy vehicle lanes and  
4 related facilities, by an improvement authority for projects contained  
5 in a plan developed under chapter 36.-- RCW (sections 101 through 117  
6 of this act), payment of principal and interest on bonds issued for the  
7 purposes of this section, for high occupancy vehicle programs as  
8 defined in RCW 81.100.020(5), and for commuter rail projects in  
9 accordance with RCW 81.104.120. Except for funds raised by a regional  
10 transportation improvement authority, no funds collected under RCW  
11 81.100.030 or 81.100.060 after June 30, 2000, may be pledged for the  
12 payment or security of the principal or interest on any bonds issued  
13 for the purposes of this section. Not more than ten percent of the  
14 funds may be used for transit agency high occupancy vehicle programs.

15 Priorities for construction of high occupancy vehicle lanes and  
16 related facilities shall be as follows:

17 (1)(a) To accelerate construction of high occupancy vehicle lanes  
18 on the interstate highway system, as well as related facilities;

19 (b) To finance or accelerate construction of high occupancy vehicle  
20 lanes on the noninterstate state highway system, as well as related  
21 facilities.

22 (2) To finance construction of high occupancy vehicle lanes on  
23 local arterials, as well as related facilities.

24 Moneys received by ~~((an agency))~~ a county under this chapter shall  
25 be used in addition to, and not as a substitute for, moneys currently  
26 used by the agency for the purposes specified in this section.

27 Counties and regional transportation improvement authorities may  
28 contract with cities or the state department of transportation for  
29 construction of high occupancy vehicle lanes and related facilities,  
30 and may issue general obligation bonds to fund such construction and  
31 use funds received under this chapter to pay the principal and interest  
32 on such bonds.

33 **Sec. 305.** RCW 82.14.430 and 2002 c 56 s 405 are each amended to  
34 read as follows:

35 SALES TAX. (1) If approved by the majority of the voters within  
36 its boundaries voting on the ballot proposition, a regional  
37 transportation ~~((investment district))~~ improvement authority may impose

1 a sales and use tax of up to ((0.5)) 0.2 percent of the selling price  
2 or value of the article used in the case of a use tax. The tax  
3 authorized by this section is in addition to the tax authorized by RCW  
4 82.14.030 and must be collected from those persons who are taxable by  
5 the state under chapters 82.08 and 82.12 RCW upon the occurrence of any  
6 taxable event within the taxing district. Motor vehicles are exempt  
7 from the sales and use tax imposed under this subsection.

8 (2) If approved by the majority of the voters within its boundaries  
9 voting on the ballot proposition, a regional transportation  
10 ((~~investment district~~)) improvement authority may impose a tax on the  
11 use of a motor vehicle within a regional transportation ((~~investment~~  
12 ~~district~~)) improvement authority. The tax applies to those persons who  
13 reside within the regional transportation ((~~investment district~~))  
14 improvement authority. The rate of the tax may not exceed ((0.5)) 0.2  
15 percent of the value of the motor vehicle. The tax authorized by this  
16 subsection is in addition to the tax authorized under RCW 82.14.030 and  
17 must be imposed and collected at the time a taxable event under RCW  
18 82.08.020(1) or 82.12.020 takes place. All revenue received under this  
19 subsection must be deposited in the local sales and use tax account and  
20 distributed to the regional transportation ((~~investment district~~))  
21 improvement authority according to RCW 82.14.050. The following  
22 provisions apply to the use tax in this subsection:

23 (a) Where persons are taxable under chapter 82.08 RCW, the seller  
24 shall collect the use tax from the buyer using the collection  
25 provisions of RCW 82.08.050.

26 (b) Where persons are taxable under chapter 82.12 RCW, the use tax  
27 must be collected using the provisions of RCW 82.12.045.

28 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but  
29 does not include farm tractors or farm vehicles as defined in RCW  
30 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in  
31 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

32 (d) "Person" has the meaning given in RCW 82.04.030.

33 (e) The value of a motor vehicle must be determined under RCW  
34 82.12.010.

35 (f) Except as specifically stated in this subsection (2), chapters  
36 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax  
37 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW  
38 applies fully to the use tax.

1       **Sec. 306.** RCW 82.80.005 and 2002 c 56 s 415 are each amended to  
2 read as follows:

3       "AUTHORITY" DEFINED. For the purposes of this chapter,  
4 "~~((district))~~ authority" means a regional transportation ~~((investment~~  
5 ~~district))~~ improvement authority created ~~((under chapter 36.120 RCW))~~  
6 in chapter 36.-- RCW (sections 101 through 117 of this act).

7       **Sec. 307.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to  
8 read as follows:

9       FUEL TAX--COUNTY. (1) For purposes of this section:

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

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

15       (2) Subject to the conditions of this section, any county may levy,  
16 by approval of its legislative body and a majority of the registered  
17 voters of the county voting on the proposition at a general or special  
18 election, additional excise taxes equal to ten percent of the statewide  
19 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor  
20 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special  
21 fuel as defined in RCW 82.38.020 sold within the boundaries of the  
22 county. Vehicles paying an annual license fee under RCW 82.38.075 are  
23 exempt from the county fuel excise tax. An election held under this  
24 section must be held not more than twelve months before the date on  
25 which the proposed tax is to be levied. The ballot setting forth the  
26 proposition shall state the tax rate that is proposed. The county's  
27 authority to levy additional excise taxes under this section includes  
28 the incorporated and unincorporated areas of the county. The  
29 additional excise taxes are subject to the same exceptions and rights  
30 of refund as applicable to other motor vehicle fuel and special fuel  
31 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed  
32 tax shall not be levied less than one month from the date the election  
33 results are certified by the county election officer. The commencement  
34 date for the levy of any tax under this section shall be the first day  
35 of January, April, July, or October.

36       (3) The local option motor vehicle fuel tax on each gallon of motor

1 vehicle fuel and on each gallon of special fuel is imposed upon the  
2 distributor of the fuel.

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

6 (5) All administrative provisions in chapters 82.01, 82.03, and  
7 82.32 RCW, insofar as they are applicable, apply to local option fuel  
8 taxes imposed under this section.

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

18 (7) The state treasurer shall distribute monthly to the levying  
19 county and cities contained therein the proceeds of the additional  
20 excise taxes collected under this section, after the deductions for  
21 payments and expenditures as provided in RCW 46.68.090(1) (a) and (b)  
22 and under the conditions and limitations provided in RCW 82.80.080.

23 (8) The proceeds of the additional excise taxes levied under this  
24 section shall be used strictly for transportation purposes in  
25 accordance with RCW 82.80.070.

26 ~~((9) A county may not levy the tax under this section if they are  
27 levying the tax in RCW 82.80.110 or if they are a member of a regional  
28 transportation investment district levying the tax in RCW 82.80.120.))~~

29 **Sec. 308.** RCW 82.80.030 and 2002 c 56 s 412 are each amended to  
30 read as follows:

31 COMMERCIAL PARKING TAX. (1) Subject to the conditions of this  
32 section, the legislative authority of a county~~((7))~~ or city~~((7~~~~or~~  
33 ~~district))~~) may fix and impose a parking tax on all persons engaged in  
34 a commercial parking business within its respective jurisdiction. ~~((A  
35 city or county may impose the tax only to the extent that it has not  
36 been imposed by the district, and a district may impose the tax only to  
37 the extent that it has not been imposed by a city or county.))~~ The

1 jurisdiction of a county, for purposes of this section, includes only  
2 the unincorporated area of the county. The jurisdiction of a city (~~or~~  
3 ~~district~~) includes only the area within its boundaries.

4 (2) In lieu of the tax in subsection (1) of this section, a city,  
5 or a county in its unincorporated area, (~~or a district~~) may fix and  
6 impose a tax for the act or privilege of parking a motor vehicle in a  
7 facility operated by a commercial parking business.

8 The city(~~( )~~) or county(~~( ) or district~~) may provide that:

9 (a) The tax is paid by the operator or owner of the motor vehicle;

10 (b) The tax applies to all parking for which a fee is paid, whether  
11 paid or leased, including parking supplied with a lease of  
12 nonresidential space;

13 (c) The tax is collected by the operator of the facility and  
14 remitted to the city(~~( )~~) or county(~~( ) or district~~);

15 (d) The tax is a fee per vehicle or is measured by the parking  
16 charge;

17 (e) The tax rate varies with zoning or location of the facility,  
18 the duration of the parking, the time of entry or exit, the type or use  
19 of the vehicle, or other reasonable factors; and

20 (f) Tax exempt carpools, vehicles with handicapped decals, or  
21 government vehicles are exempt from the tax.

22 (3) "Commercial parking business" as used in this section, means  
23 the ownership, lease, operation, or management of a commercial parking  
24 lot in which fees are charged. "Commercial parking lot" means a  
25 covered or uncovered area with stalls for the purpose of parking motor  
26 vehicles.

27 (4) The rate of the tax under subsection (1) of this section may be  
28 based either upon gross proceeds or the number of vehicle stalls  
29 available for commercial parking use. The rates charged must be  
30 uniform for the same class or type of commercial parking business.

31 (5) The county(~~( )~~) or city(~~( ) or district~~) levying the tax  
32 provided for in subsection (1) or (2) of this section may provide for  
33 its payment on a monthly, quarterly, or annual basis. Each local  
34 government may develop by ordinance or resolution rules for  
35 administering the tax, including provisions for reporting by commercial  
36 parking businesses, collection, and enforcement.

37 (6) The proceeds of the commercial parking tax fixed and imposed by  
38 a city or county under subsection (1) or (2) of this section shall be

1 used strictly for transportation purposes in accordance with RCW  
2 82.80.070. (~~The proceeds of the parking tax imposed by a district~~  
3 ~~must be used as provided in chapter 36.120 RCW.~~)

4 **Sec. 309.** RCW 82.80.070 and 2002 c 56 s 413 are each amended to  
5 read as follows:

6 LOCAL OPTION TAXES--USES. (1) The proceeds collected pursuant to  
7 the exercise of the local option authority of RCW 82.80.010, 82.80.020,  
8 82.80.030, and 82.80.050 (hereafter called "local option transportation  
9 revenues") shall be used for transportation purposes only, including  
10 but not limited to the following: The operation and preservation of  
11 roads, streets, and other transportation improvements; new  
12 construction, reconstruction, and expansion of city streets, county  
13 roads, and state highways and other transportation improvements;  
14 development and implementation of public transportation and high-  
15 capacity transit improvements and programs; and planning, design, and  
16 acquisition of right of way and sites for such transportation purposes.  
17 The proceeds collected from excise taxes on the sale, distribution, or  
18 use of motor vehicle fuel and special fuel under RCW 82.80.010 shall be  
19 used exclusively for "highway purposes" as that term is construed in  
20 Article II, section 40 of the state Constitution.

21 (2) The local option transportation revenues shall be expended for  
22 transportation uses consistent with the adopted transportation and land  
23 use plans of the jurisdiction expending the funds and consistent with  
24 any applicable and adopted regional transportation plan for  
25 metropolitan planning areas.

26 (3) Each local government with a population greater than eight  
27 thousand that levies or expends local option transportation funds, is  
28 also required to develop and adopt a specific transportation program  
29 that contains the following elements:

30 (a) The program shall identify the geographic boundaries of the  
31 entire area or areas within which local option transportation revenues  
32 will be levied and expended.

33 (b) The program shall be based on an adopted transportation plan  
34 for the geographic areas covered and shall identify the proposed  
35 operation and construction of transportation improvements and services  
36 in the designated plan area intended to be funded in whole or in part

1 by local option transportation revenues and shall identify the annual  
2 costs applicable to the program.

3 (c) The program shall indicate how the local transportation plan is  
4 coordinated with applicable transportation plans for the region and for  
5 adjacent jurisdictions.

6 (d) The program shall include at least a six-year funding plan,  
7 updated annually, identifying the specific public and private sources  
8 and amounts of revenue necessary to fund the program. The program  
9 shall include a proposed schedule for construction of projects and  
10 expenditure of revenues. The funding plan shall consider the  
11 additional local tax revenue estimated to be generated by new  
12 development within the plan area if all or a portion of the additional  
13 revenue is proposed to be earmarked as future appropriations for  
14 transportation improvements in the program.

15 (4) Local governments with a population greater than eight thousand  
16 exercising the authority for local option transportation funds shall  
17 periodically review and update their transportation program to ensure  
18 that it is consistent with applicable local and regional transportation  
19 and land use plans and within the means of estimated public and private  
20 revenue available.

21 (5) In the case of expenditure for new or expanded transportation  
22 facilities, improvements, and services, priorities in the use of local  
23 option transportation revenues shall be identified in the  
24 transportation program and expenditures shall be made based upon the  
25 following criteria, which are stated in descending order of weight to  
26 be attributed:

27 (a) First, the project serves a multijurisdictional function;

28 (b) Second, it is necessitated by existing or reasonably  
29 foreseeable congestion;

30 (c) Third, it has the greatest person-carrying capacity;

31 (d) Fourth, it is partially funded by other government funds, such  
32 as from the state transportation improvement board, or by private  
33 sector contributions, such as those from the local transportation act,  
34 chapter 39.92 RCW; and

35 (e) Fifth, it meets such other criteria as the local government  
36 determines is appropriate.

37 (6) It is the intent of the legislature that as a condition of  
38 levying, receiving, and expending local option transportation revenues,

1 no local government agency use the revenues to replace, divert, or loan  
2 any revenues currently being used for transportation purposes to  
3 nontransportation purposes. (~~The association of Washington cities and  
4 the Washington state association of counties, in consultation with the  
5 legislative transportation committee, shall study the issue of  
6 nondiversion and make recommendations to the legislative transportation  
7 committee for language implementing the intent of this section by  
8 December 1, 1990.~~)

9 (7) Local governments are encouraged to enter into interlocal  
10 agreements to jointly develop and adopt with other local governments  
11 the transportation programs required by this section for the purpose of  
12 accomplishing regional transportation planning and development.

13 (8) Local governments may use all or a part of the local option  
14 transportation revenues for the amortization of local government  
15 general obligation and revenue bonds issued for transportation purposes  
16 consistent with the requirements of this section.

17 (~~(9) Subsections (1) through (8) of this section do not apply to  
18 a regional transportation investment district imposing a tax or fee  
19 under the local option authority of this chapter. Proceeds collected  
20 under the exercise of local option authority under this chapter by a  
21 district must be used in accordance with chapter 36.120 RCW.~~)

22 **Sec. 310.** RCW 82.80.080 and 2002 c 56 s 414 are each amended to  
23 read as follows:

24 DISTRIBUTION OF TAXES. (1) The state treasurer shall distribute  
25 revenues, less authorized deductions, generated by the local option  
26 taxes authorized in RCW 82.80.010 and 82.80.020, levied by counties to  
27 the levying counties, and cities contained in those counties, based on  
28 the relative per capita population. County population for purposes of  
29 this section is equal to one and one-half of the unincorporated  
30 population of the county. In calculating the distributions, the state  
31 treasurer shall use the population estimates prepared by the state  
32 office of financial management and shall further calculate the  
33 distribution based on information supplied by the departments of  
34 licensing and revenue, as appropriate.

35 (2) The state treasurer shall distribute revenues, less authorized  
36 deductions, generated by the local option taxes authorized in RCW

1 82.80.010 and 82.80.020 levied by qualifying cities and towns to the  
2 levying cities and towns.

3 (3) The state treasurer shall distribute to the district revenues,  
4 less authorized deductions, generated by the local option taxes under  
5 RCW 82.80.010 or fees under RCW 82.80.100 levied by (~~(a district)~~) an  
6 authority.

7 **Sec. 311.** RCW 82.80.100 and 2002 c 56 s 408 are each amended to  
8 read as follows:

9 VEHICLE FEE. (1) Upon approval of a majority of the voters within  
10 its boundaries voting on the ballot proposition, a regional  
11 transportation (~~(investment district)~~) improvement authority may set  
12 and impose an annual local option vehicle license fee, or a schedule of  
13 fees based upon the age of the vehicle, of up to one hundred dollars  
14 per motor vehicle registered within the boundaries of the region on  
15 every motor vehicle. As used in this section "motor vehicle" has the  
16 meaning provided in RCW 46.04.320, but does not include farm tractors  
17 or farm vehicles as defined in RCW 46.04.180 and 46.04.181, off-road  
18 and nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as  
19 defined in RCW 46.10.010. Vehicles registered under chapter 46.87 RCW  
20 and the international registration plan are exempt from the annual  
21 local option vehicle license fee set forth in this section. The  
22 department of licensing shall administer and collect this fee on behalf  
23 of regional transportation (~~(investment districts)~~) improvement  
24 authorities and remit this fee to the custody of the state treasurer  
25 for monthly distribution under RCW 82.80.080.

26 (~~(2) ((The local option vehicle license fee applies only when~~  
27 ~~renewing a vehicle registration, and is effective upon the registration~~  
28 ~~renewal date as provided by the department of licensing.~~

29 (~~3~~)) A regional transportation (~~(investment district)~~) improvement  
30 authority imposing the local option vehicle license fee or initiating  
31 an exemption process shall enter into a contract with the department of  
32 licensing. The contract must contain provisions that fully recover the  
33 costs to the department of licensing for collection and administration  
34 of the fee.

35 (~~(4)~~) (3) A regional transportation (~~(investment district)~~)  
36 improvement authority imposing the local option fee shall delay the  
37 effective date of the local option vehicle license fee imposed by this

1 section at least six months from the date of the final certification of  
2 the approval election to allow the department of licensing to implement  
3 the administration and collection of or exemption from the fee.

4 **Sec. 312.** RCW 47.56.075 and 2002 c 56 s 404 are each amended to  
5 read as follows:

6 DOT TOLL ROAD AUTHORITY TO RTIA. The department shall approve for  
7 construction only such toll roads as the legislature specifically  
8 authorizes or such toll facilities as are specifically sponsored by a  
9 regional transportation (~~(investment district)~~) improvement authority,  
10 city, town, or county.

11 NEW SECTION. **Sec. 313.** A new section is added to chapter 36.--  
12 RCW (sections 101 through 117 of this act) to read as follows:

13 TOLL AUTHORITY. Notwithstanding any provision to the contrary in  
14 this chapter, the department of transportation, on behalf of a regional  
15 transportation improvement authority, may impose vehicle tolls on local  
16 and regional arterials with the approval of the transportation  
17 commission, or its successor, and upon approval of a majority of the  
18 voters voting on a regional transportation improvement plan ballot  
19 measure within its boundaries as authorized in this chapter. These  
20 tolls, or value-priced charges, may be imposed to implement the  
21 regional transportation improvement plan including improving  
22 performance of the regional transportation network, financing  
23 transportation improvements, and measuring needed investments. Tolls  
24 imposed may vary for type of vehicle, for time of day, for traffic  
25 conditions, and for other factors.

26 NEW SECTION. **Sec. 314.** A new section is added to chapter 82.80  
27 RCW to read as follows:

28 VEHICLE MILES TRAVELED. (1) The board of a regional transportation  
29 improvement authority may impose a value-pricing charge based upon  
30 vehicle miles traveled. This charge may be, but is not limited to, a  
31 charge upon the vehicle miles traveled within the authority by a  
32 vehicle, or upon vehicle miles traveled within certain corridors in the  
33 authority, or upon total vehicle miles traveled by a vehicle registered  
34 to a person whose legal residence is within the authority.

1 (2) Charges imposed may be collected either periodically in a  
2 manner prescribed by the authority or annually by the department of  
3 licensing upon renewal of the vehicle license. The authority may  
4 identify categories of miles driven that are subject to or exempt from  
5 the charge, including but not limited to, travel outside the authority,  
6 travel in specified corridors, time of travel, or exempt or maximum  
7 mileage charges.

8 (3) The mileage charge under this section is subject to the  
9 approval of the transportation commission or its statutory successor,  
10 and the authority to impose a charge is subject to voter approval as  
11 set forth in section 107 of this act.

12 (4) An authority imposing a mileage charge collected annually by  
13 the department of licensing upon renewal of the vehicle license shall  
14 enter into a contract with the department of licensing. The contract  
15 must contain provisions that fully recover the costs to the department  
16 of licensing for collection and administration of the charge. The  
17 authority imposing this charge or initiating an exemption process shall  
18 provide at least six months' notice to the department of licensing  
19 before the implementation of any changes in registration amounts or  
20 exemptions.

21 **Sec. 315.** RCW 47.56.076 and 2002 c 56 s 403 are each amended to  
22 read as follows:

23 COMMISSION--TOLLING. Upon approval of a majority of the voters  
24 within its boundaries voting on the ballot proposition, and (~~only for~~  
25 ~~the purposes authorized in RCW 36.120.050(1)(f))~~ with the approval of  
26 the transportation commission, or its successor, a regional  
27 transportation (~~investment district~~) improvement authority may  
28 (~~impose~~) authorize vehicle tolls on a state (~~routes where~~  
29 ~~improvements financed in whole or in part by a regional transportation~~  
30 ~~investment district add additional lanes to, or reconstruct lanes on,~~  
31 ~~a highway of statewide significance~~) or federal highway within the  
32 boundaries of the authority. The department shall administer the  
33 collection of vehicle tolls authorized on designated facilities unless  
34 otherwise specified in law or by contract, and the state transportation  
35 commission, or its successor, shall (~~be the tolling authority~~) set  
36 and impose the tolls, based on value-pricing, in amounts sufficient to  
37 implement the regional transportation improvement plan.



1           NEW SECTION.   **Sec. 402.**   ESTABLISHMENT OF COMMISSION.   (1) The  
2 county executives of all counties having a population of over five  
3 hundred thousand persons, that adjoin other counties having a  
4 population of over five hundred thousand persons, shall jointly appoint  
5 a regional transportation governance commission. The county commission  
6 of any other county within the regional transportation planning  
7 organization in which the counties are located shall also appoint a  
8 member to the governance commission. The governor shall appoint a  
9 voting member of the commission, who shall be chair, and shall appoint  
10 additional members so that the governor's appointments constitute at  
11 least one-third of the voting membership of the commission. In  
12 addition, the secretary of transportation or the secretary's designee  
13 shall serve as a nonvoting member. Appointees must be citizen members,  
14 who do not hold public office. Appointees must include experts from  
15 the private and public sectors, including academia, with demonstrated  
16 expertise in innovation, structural reorganization, and private or  
17 public agency decision making and must also include experts in fields  
18 such as municipal law, public administration, intergovernmental  
19 relationships, and transportation planning, construction, operations,  
20 and risk management. The commission may not exceed eighteen voting  
21 members.

22           (2) The commission shall evaluate transportation governance in the  
23 central Puget Sound area under the jurisdiction of the Puget Sound  
24 regional council. This evaluation must include an assessment of the  
25 current roles of regional transportation agencies including regional  
26 transportation and metropolitan planning organizations, the regional  
27 transit authority, regional transportation improvement authorities,  
28 county and municipal agencies operating transit services, and cities  
29 and counties and other public agencies providing transportation  
30 services or facilities. The commission shall assess and develop  
31 recommendations for what steps should be taken to:

32           (a) Consolidate governance among agencies including changes in  
33 institutional powers, structures, and relationships and governance  
34 needed to improve accountability for transportation decisions, while  
35 enhancing the regional focus for transportation decisions and  
36 maintaining equity among citizens in the region;

37           (b) Improve coordination in the planning of transportation  
38 investments and services;

1 (c) Improve investment strategies;  
2 (d) Coordinate transportation planning and investments with adopted  
3 land use policies within the region;

4 (e) Enhance efficiency and coordination in the delivery of services  
5 provided;

6 (f) Adjust boundaries for agencies or functions within the region  
7 to address existing and future transportation and land use issues; and

8 (g) Improve coordination between regional investments and federal  
9 funds, and state funding including those administered by the  
10 transportation improvement board, the county road administration board,  
11 and the freight mobility strategic investment board.

12 (3) The commission shall make public its preliminary findings and  
13 recommendations by November 15, 2005, and shall provide at least  
14 fifteen days for public comment. The commission shall then adopt its  
15 findings and recommendations and submit them to the legislature by  
16 January 1, 2006.

17 (4) The commission shall conduct public meetings to assure active  
18 public participation in the development of the recommendations.

19 NEW SECTION. **Sec. 403.** COMMISSION STAFF SUPPORT. The department  
20 of transportation shall provide staff support to the commission and,  
21 upon request of the commission, contract with other parties for staff  
22 support to the commission.

23 **PART V**

24 **REPEAL OF REGIONAL TRANSPORTATION INVESTMENT DISTRICT PROVISIONS**

25 NEW SECTION. **Sec. 501.** The following acts or parts of acts are  
26 each repealed:

27 (1) RCW 36.120.010 (Findings) and 2002 c 56 s 101;

28 (2) RCW 36.120.020 (Definitions) and 2002 c 56 s 102;

29 (3) RCW 36.120.030 (Planning committee formation) and 2002 c 56 s  
30 103;

31 (4) RCW 36.120.040 (Planning committee duties) and 2003 c 194 s 1  
32 & 2002 c 56 s 104;

33 (5) RCW 36.120.050 (Taxes, fees, and tolls) and 2003 c 350 s 4 &  
34 2002 c 56 s 105;

1 (6) RCW 36.120.060 (Project selection--Performance criteria) and  
2 2002 c 56 s 106;  
3 (7) RCW 36.120.070 (Submission of plan to the voters) and 2002 c 56  
4 s 107;  
5 (8) RCW 36.120.080 (Formation--Certification) and 2002 c 56 s 108;  
6 (9) RCW 36.120.090 (Governing board--Composition) and 2002 c 56 s  
7 109;  
8 (10) RCW 36.120.100 (Governing board--Organization) and 2002 c 56  
9 s 110;  
10 (11) RCW 36.120.110 (Governing board--Powers and duties--Intent)  
11 and 2002 c 56 s 111;  
12 (12) RCW 36.120.120 (Treasurer) and 2002 c 56 s 112;  
13 (13) RCW 36.120.130 (Indebtedness--Bonds--Limitation) and 2003 c  
14 372 s 1 & 2002 c 56 s 113;  
15 (14) RCW 36.120.140 (Transportation project or plan modification--  
16 Accountability) and 2003 c 194 s 2 & 2002 c 56 s 114;  
17 (15) RCW 36.120.150 (Department of transportation--Role) and 2002  
18 c 56 s 115;  
19 (16) RCW 36.120.160 (Ownership of improvements) and 2002 c 56 s  
20 116;  
21 (17) RCW 36.120.170 (Dissolution of district) and 2002 c 56 s 117;  
22 (18) RCW 36.120.180 (Findings--Regional models--Grants) and 2002 c  
23 56 s 118;  
24 (19) RCW 36.120.190 (Joint ballot measure) and 2002 c 56 s 201;  
25 (20) RCW 36.120.200 (Regional transportation investment district  
26 account) and 2002 c 56 s 401;  
27 (21) RCW 36.120.900 (Captions and subheadings not law--2002 c 56)  
28 and 2002 c 56 s 501;  
29 (22) RCW 36.120.901 (Severability--2002 c 56) and 2002 c 56 s 503;  
30 (23) RCW 82.80.110 (Motor vehicle and special fuel tax--Dedication  
31 by county to regional transportation investment district plan) and 2003  
32 c 350 s 2; and  
33 (24) RCW 82.80.120 (Motor vehicle and special fuel tax--Regional  
34 transportation investment district) and 2003 c 350 s 3.

35  
36

**PART VI**  
**MISCELLANEOUS PROVISIONS**

1        NEW SECTION.    **Sec. 601.**    CAPTIONS.    Captions and part headings used  
2    in this act are not part of the law.

3        NEW SECTION.    **Sec. 602.**    STATEWIDE MOTOR FUEL TAXES HELD HARMLESS.  
4    Existing statewide motor vehicle fuel and special fuel taxes, at the  
5    distribution rates in RCW 46.68.090, are not intended to be altered by  
6    this act.

7        NEW SECTION.    **Sec. 603.**    CODIFICATION.    Sections 101 through 117  
8    and 315 of this act constitute a new chapter in Title 36 RCW.

9        NEW SECTION.    **Sec. 604.**    SEVERABILITY.    If any provision of this  
10   act or its application to any person or circumstance is held invalid,  
11   the remainder of the act or the application of the provision to other  
12   persons or circumstances is not affected."

13        Correct the title.

EFFECT:    ON SHB 2157

GOVERNANCE:

- Removes county executives as voting members of a single county RTIA; and removes city representatives as nonvoting members.

VALUE PRICING AND FINANCE:

- Adds as a goal for the Regional Transportation Improvement Authority to transition to a performance-based value-priced transportation strategy to fund the system, to maximize the operating efficiency of the system, and to provide indicators for system investments.

- Modifies tolling and vehicle miles traveled charges provisions to recognize and permit value-pricing approach.

- Directs the Transportation Commission to evaluate a value-priced approach to financing and managing the transportation network in the central Puget Sound and report back to the Legislature with preliminary results in January 2006, and final legislative recommendations in June 2007.

- Directs RTIA to update plan on an annual basis.

OTHER FINANCING CHANGES:

- Removes the local option fuel tax, parking tax, and employer tax as tax options for the RTIA and changes the vehicle mile tax to a value-priced user charge.

- Requires revote on sales tax after ten years.

- Removes the limit on use of the sales tax for high-priority projects, transit, and TDM purposes.

- Reduces allowable bond term from thirty to twenty-five years and adds intent language that bond use is to be minimized and used to address critical expenditures and to better manage cash flow.

OTHER CHANGES:

- Adds optimal performance of the transportation system as a criteria for improvement plan development.

- Adds definitions for corridor equity and optimizing system performance.

--- END ---