

1 facilities have failed to keep up with the state's growth, particularly
2 in major urban regions;

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

6 (3) Providing a transportation system that provides efficient
7 mobility for persons and freight requires a shared partnership and
8 responsibility between the state, local, and regional governments and
9 the private sector;

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

17 (5) Improved mobility also requires that we maximize the efficiency
18 of the current transportation system and that expansion of our system
19 be done in a strategic manner and as dictated by market forces and that
20 a plan that provides flexibility for investments and operational
21 enhancements financed largely without debt will best address these
22 needs; and

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

27 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this
28 section apply throughout this chapter unless the context clearly
29 requires otherwise.

30 (1) "Corridor equity" means the relative performance of
31 transportation corridors within the regional transportation improvement
32 authority's boundaries. For performance to be equitable, the
33 performance of any corridor must be similar to other corridors within
34 the authority, and cannot be disproportionately degraded by
35 transportation improvement projects.

36 (2) "High-priority project" means the restoration, reconstruction,

1 or improvement of a transportation facility of statewide or regional
2 significance that has failed or is an identified risk for failure in
3 terms of its design life expectancy or other factors.

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

6 (4) "Optimizing transportation system performance" or "optimizing
7 performance" means the systematic management and improvement of
8 transportation facilities, including service enhancements, the
9 objective of which is meeting the diverse mobility needs of users of
10 the transportation system.

11 (5) "Transportation improvement projects" or "projects" means
12 projects contained in the transportation plan of the state or a
13 regional transportation planning organization that are of statewide or
14 regional significance. Projects may include investment in new or
15 existing highways of statewide significance, principal arterials of
16 regional significance, high-capacity transportation, public
17 transportation, and other transportation projects and programs of
18 regional or statewide significance including transportation demand
19 management. Projects may also include the operation, preservation, and
20 maintenance of these facilities or programs.

21 (6) "Regional transportation improvement authority" or "authority"
22 means a municipal corporation whose boundaries are coextensive, to the
23 extent deemed appropriate by the authority, with the urban growth
24 boundaries of two or more contiguous counties, or an authority whose
25 boundaries are contiguous with the boundaries of a single county, and
26 that has been created by county legislative authorities by adoption of
27 ordinances, or in the case of a single-county authority, a county
28 legislative authority and a vote of the people under this chapter to
29 implement a transportation improvement plan.

30 (7) "Regional transportation improvement authority board" or
31 "board" means the board created under section 104 of this act to adopt
32 and propose to county legislative authorities a regional transportation
33 improvement plan to develop, finance, and construct transportation
34 projects.

35 (8) "Regional transportation improvement plan" or "plan" means a
36 plan to develop, construct, and finance a transportation project or
37 projects.

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

3 NEW SECTION. **Sec. 103.** RTPO PLANNING DUTIES. (1) A county or
4 group of counties choosing to implement a plan under this chapter shall
5 request that a regional transportation planning organization, of which
6 it or they are a member, develop a recommended prioritized list of
7 projects to be included in a regional transportation improvement plan.
8 The organization must adopt the prioritized list of projects within
9 ninety days of the request and submit it to the requesting county or
10 counties.

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

13 (a) Consider regional transportation needs, including high-priority
14 transportation projects;

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

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

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

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

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

27 NEW SECTION. **Sec. 104.** AUTHORITY FORMATION. (1) A county with a
28 population over one million five hundred thousand persons together with
29 any adjoining counties with a population over five hundred thousand
30 persons may create, by adoption of an ordinance of the county
31 legislative authorities, a regional transportation improvement
32 authority.

33 (a) The boundaries of the authority must be, to the extent deemed
34 appropriate, the area within the urban growth areas within each county.
35 However, any portion of a county that is located on a peninsula may not
36 be part of a regional transportation improvement authority plan in

1 which more than one county is included, until a plan has been approved
2 under section 107 of this act, if the portion of the county located on
3 the peninsula is connected to the other portion of the county by a
4 bridge improved under the Public-Private Transportation Initiatives
5 Act, chapter 47.46 RCW, and the county has a national park and a
6 population of more than five hundred thousand persons, but less than
7 one million five hundred thousand persons.

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

23 (b) The governing board consists of the members of the county
24 legislative authorities whose districts are wholly or partially within
25 the authority boundaries and the county executive of each county within
26 the authority, with all members acting ex officio and independently.
27 Councilmembers have weighted votes based on the population of their
28 council districts within the authority boundaries relative to the total
29 population of the authority. The executive of each county has a
30 weighted vote equivalent to the vote of the councilmember from the same
31 county of the executive, having the most heavily weighted vote. A
32 representative from the city having the greatest population in each
33 county and any other city within the authority that has a population
34 greater than one hundred ten thousand persons are nonvoting members of
35 the board. The executive of any county with a population over one
36 million five hundred thousand persons shall also designate a city, with
37 a population over fifty thousand persons, whose representative shall
38 serve as a nonvoting member of the board and who shall represent the

1 geographic diversity of the county. The secretary of transportation,
2 or the appropriate regional administrator of the department, as named
3 by the secretary, shall serve on the authority as a nonvoting member.

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

12 (a) The boundaries of the authority must be contiguous with the
13 boundaries of the county.

14 (b) The governing board consists of the members of the county
15 legislative authority with all members acting ex officio and
16 independently. The secretary of transportation, or the appropriate
17 regional administrator of the department, as named by the secretary,
18 shall serve on the authority as a nonvoting member.

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

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

31 (5) The board shall conduct its affairs and formulate, with
32 assistance from the appropriate regional transportation planning
33 organization, a regional transportation improvement plan as provided
34 under section 105 of this act.

35 (6) A regional transportation improvement authority may elect
36 officers and provide for the adoption of rules and other operating
37 procedures.

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

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

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

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

21 (3) The board shall:

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

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

25 (i) Ratifying the creation of the regional transportation
26 improvement authority;

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

28 (iii) Recommending sources of revenue authorized by section 106 of
29 this act and a financing plan to fund the transportation projects in
30 the plan. The overall plan of the authority must leverage the
31 authority's financial contributions so that in combination with
32 federal, state, local, and other revenue sources, the plan is funded.
33 The plan may include provisions for delaying the imposition of regional
34 taxes and fees, or delay of projects identified in the plan, pending
35 the financial participation of other parties or alternative financing
36 techniques necessary to accomplish the plan. The plan must include

1 provisions for adjusting the plan as needed to improve operations of
2 the transportation network in the region.

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

- 8 (a) Reduced risk of transportation facility failure and improved
9 safety;
- 10 (b) Improved travel time;
- 11 (c) Improved air quality;
- 12 (d) Increases in daily and peak period trip capacity;
- 13 (e) Improved modal connectivity;
- 14 (f) Improved freight mobility;
- 15 (g) Cost-effectiveness of the investment;
- 16 (h) Optimal performance of the system through time; and
- 17 (i) Other criteria, as adopted by the board with a sixty-percent
18 majority of weighted votes.

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

35 (6) The authority shall transmit the plan to the county legislative
36 authority or authorities, which shall act within ninety days to adopt
37 or not adopt the plan. In the case of a multicounty authority, if a
38 county by ordinance with its county legislative authority opts not to

1 adopt the plan or participate in the regional transportation
2 improvement authority, but one or more contiguous counties do choose to
3 continue to participate, then the authority may, within ninety days,
4 redefine the regional transportation improvement plan and the ballot
5 measure to be submitted to the people to reflect elimination of the
6 county, and submit the redefined plan to the legislative authorities of
7 the remaining counties for their decision as to whether to continue to
8 adopt the redefined plan and participate. This action must be
9 completed within sixty days after receipt of the redefined plan.

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

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

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

31 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
32 up to 0.2 percent of the selling price, in the case of a sales tax, or
33 value of the article used, in the case of a use tax, upon the
34 occurrence of any taxable event in the regional transportation
35 improvement authority. This tax is intended to be temporary in nature
36 to supplement authority revenues until implementation of some or all of
37 the network value pricing system authorized in this section. This tax

1 may not be imposed without an affirmative vote of the majority of the
2 voters within the boundaries of the authority voting on a ballot
3 proposition and may not authorize imposition of this tax for a period
4 of longer than ten years. This tax may be extended for a period not
5 exceeding ten years with an affirmative vote of the voters.

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

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

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

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

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

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

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

34 NEW SECTION. **Sec. 107.** PLAN ADOPTION. Two or more contiguous
35 county legislative authorities under section 104(1) of this act and a
36 county or county legislative authorities under section 104(2) of this
37 act, upon receipt of the regional transportation improvement plan under

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

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

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

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

1 NEW SECTION. **Sec. 110.** GOVERNING BOARD--POWERS AND DUTIES--

2 INTENT. (1) The governing board of the authority is responsible for
3 the execution of the voter-approved plan. The board shall:

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

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

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

10 (d) Monitor and audit the progress and execution of transportation
11 projects to protect the investment of the public and annually make
12 public its findings;

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

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

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

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

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

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

32 (5) It is the intent of the legislature that administrative and
33 overhead costs of a regional transportation improvement authority be
34 minimized.

35 (6) Lead agencies implementing authority projects may use the
36 design-build procedure for transportation projects developed by it. As
37 used in this section, "design-build procedure" means a method of
38 contracting under which the authority contracts with another party for

1 that party to both design and build the structures, facilities, and
2 other items specified in the contract. The requirements and
3 limitations of RCW 47.20.780 and 47.20.785 do not apply to the
4 transportation projects under this chapter.

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

17 In addition to the account established in section 301 of this act,
18 the treasurer may establish a special account, into which may be paid
19 authority funds. The treasurer may disburse authority funds only on
20 warrants issued by the authority upon orders or vouchers approved by
21 the authority.

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

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

32 NEW SECTION. **Sec. 112.** INDEBTEDNESS--BONDS--LIMITATION. (1)(a)
33 Notwithstanding RCW 39.36.020(1), the authority may at any time
34 contract indebtedness or borrow money for authority purposes and may
35 issue general obligation bonds or other evidences of indebtedness,
36 secured by the pledge of one or more of the taxes, tolls, charges, or

1 fees authorized to be imposed by the authority, in an amount not
2 exceeding, together with any existing indebtedness of the authority not
3 authorized by the voters, one and one-half percent of the value of the
4 taxable property within the boundaries of the authority.

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

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

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

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

33 (5) Once construction of capital projects in the plan has been
34 completed, revenues collected by the authority may only be used for the
35 following purposes: (a) Payment of principal and interest on
36 outstanding indebtedness of the authority; (b) to make payments
37 required under a pledging agreement; (c) to make payments for

1 maintenance and operations of toll facilities as may be required by
2 toll bond covenants; and (d) to continue other programs as defined in
3 the plan.

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

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

12 (b) The board, with a majority of the weighted votes of the board,
13 redefines the scope of the plan, its projects, its schedule, or its
14 costs.

15 (2) The board shall continually assess the plan to identify
16 investment and operational changes to improve system performance and
17 annually update the plan.

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

26 (2) To assure accountability to the public for the timely
27 accomplishment of the transportation improvement project or projects
28 within scope and cost projections, the authority shall issue a report,
29 at least annually, to the public and copies of the report to newspapers
30 of record in the authority. In the report, the authority shall
31 indicate the status of transportation project costs, transportation
32 project expenditures, revenues, and construction schedules. The report
33 must also include an explanation of the material change policy and
34 actions taken thereon and may also include progress towards meeting the
35 performance criteria provided under this chapter.

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

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

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

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

1 explicit approval of the regional transit authority, the participating
2 counties or, in the case of a single-county authority, the county may
3 choose to impose any remaining high-capacity transportation taxes under
4 chapter 81.104 RCW that have not otherwise been used by a regional
5 transit authority and submit to the voters a common ballot measure that
6 creates the authority, approves the regional transportation improvement
7 plan, implements the taxes, and implements any remaining high-capacity
8 transportation taxes within the boundaries of the regional
9 transportation improvement authority. Collection and expenditures of
10 any high-capacity transportation taxes implemented under this section
11 must be determined by agreement between the participating authority or
12 authorities and the regional transit authority electing to submit high-
13 capacity transportation taxes to the voters under a common ballot
14 measure as provided in this section. If the measure fails, all such
15 unused high-capacity transportation taxes revert back to and remain
16 with the regional transit authority.

17 **Sec. 202.** RCW 81.104.140 and 2002 c 56 s 202 are each amended to
18 read as follows:

19 (1) Agencies authorized to provide high capacity transportation
20 service, including transit agencies and regional transit authorities,
21 and regional transportation (~~(investment districts)~~) improvement
22 authorities acting with the agreement of an agency, are hereby granted
23 dedicated funding sources for such systems. These dedicated funding
24 sources, as set forth in RCW 81.104.150, 81.104.160, and 81.104.170,
25 are authorized only for agencies located in (a) each county with a
26 population of two hundred ten thousand or more and (b) each county with
27 a population of from one hundred twenty-five thousand to less than two
28 hundred ten thousand except for those counties that do not border a
29 county with a population as described under (a) of this subsection. In
30 any county with a population of one million or more or in any county
31 having a population of four hundred thousand or more bordering a county
32 with a population of one million or more, these funding sources may be
33 imposed only by a regional transit authority or a regional
34 transportation (~~(investment district)~~) improvement authority. Regional
35 transportation (~~(investment districts)~~) improvement authorities may,
36 with the approval of the regional transit authority wholly or partly

1 within its boundaries, impose the taxes authorized under this chapter,
2 but only upon approval of the voters and to the extent that the maximum
3 amount of taxes authorized under this chapter have not been imposed.

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

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

- 9 (a) Acceptability;
- 10 (b) Ease of administration;
- 11 (c) Equity;
- 12 (d) Implementation feasibility;
- 13 (e) Revenue reliability; and
- 14 (f) Revenue yield.

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

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

20 (b) (~~Special motor vehicle excise tax as provided in RCW~~
21 ~~81.104.160; and~~

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

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

31 (5) Authorization in subsection (4) of this section shall not
32 adversely affect the funding authority of transit agencies not provided
33 for in this chapter. Local option funds may be used to support
34 implementation of interlocal agreements with respect to the
35 establishment of regional high capacity transportation service. Except
36 when a regional transit authority exists, local jurisdictions shall
37 retain control over moneys generated within their boundaries, although

1 funds may be commingled with those generated in other areas for
2 planning, construction, and operation of high capacity transportation
3 systems as set forth in the agreements.

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

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

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

21 (9) For any election in which voter approval is sought for a high
22 capacity transportation system plan and financing plan pursuant to RCW
23 81.104.040, a local voter's pamphlet shall be produced as provided in
24 chapter ((29.81A)) 29A.32 RCW.

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

31 **PART III**
32 **FINANCE**

33 NEW SECTION. **Sec. 301.** REGIONAL TRANSPORTATION IMPROVEMENT
34 AUTHORITY ACCOUNT. The regional transportation improvement authority
35 account is created in the custody of the state treasurer. The purpose
36 of this account is to act as an account into which may be deposited

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

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

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

33 Counties (~~or investment districts~~) may contract with the state
34 department of revenue or other appropriate entities for administration
35 and collection of the tax. Such contract shall provide for deduction
36 of an amount for administration and collection expenses.

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

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

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

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

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

23 MVET--COUNTY HOV AND IMPROVEMENT AUTHORITIES. A county with a
24 population of one million or more and a county with a population of
25 from two hundred ten thousand to less than one million that is
26 adjoining a county with a population of one million or more, having
27 within their boundaries existing or planned high-occupancy vehicle
28 lanes on the state highway system, or a regional transportation
29 (~~(investment district for capital improvements)~~) improvement authority,
30 but only to the extent that the surcharge has not already been imposed
31 by the county, may, with voter approval, impose a local surcharge of
32 not more than three-tenths of one percent in the case of a county, or
33 six-tenths of one percent in the case of an authority of the value on
34 vehicles registered to a person residing within the county or
35 improvement authority and not more than 13.64 percent on the state
36 sales and use taxes paid under the rate in RCW 82.08.020(2) on retail
37 car rentals within the county or (~~(investment district)~~) improvement

1 authority. A county may impose the surcharge only to the extent that
2 it has not been imposed by the (~~(district)~~) improvement authority. No
3 surcharge may be imposed on vehicles licensed under RCW 46.16.070
4 except vehicles with an unladen weight of six thousand pounds or less,
5 RCW 46.16.079, 46.16.085, or 46.16.090.

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

23 If the tax authorized in RCW 81.100.030 is also imposed, the total
24 proceeds from tax sources imposed under this section and RCW 81.100.030
25 each year shall not exceed the maximum amount which could be collected
26 under this section.

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

29 MVET--USES. Funds collected under RCW 81.100.030 or 81.100.060 and
30 any investment earnings accruing thereon shall be used by the county or
31 the regional transportation improvement authority in a manner
32 consistent with the regional transportation plan only for costs of
33 collection, costs of preparing, adopting, and enforcing agreements
34 under RCW 81.100.030(3), for construction of high occupancy vehicle
35 lanes and related facilities, mitigation of environmental concerns that
36 result from construction or use of high occupancy vehicle lanes and
37 related facilities, by an improvement authority for projects contained

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

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

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

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

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

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

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

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

31 SALES TAX. (1) If approved by the majority of the voters within
32 its boundaries voting on the ballot proposition, a regional
33 transportation ~~((investment district))~~ improvement authority may impose
34 a sales and use tax of up to ~~((0.5))~~ 0.2 percent of the selling price
35 or value of the article used in the case of a use tax. The tax
36 authorized by this section is in addition to the tax authorized by RCW
37 82.14.030 and must be collected from those persons who are taxable by

1 the state under chapters 82.08 and 82.12 RCW upon the occurrence of any
2 taxable event within the taxing district. Motor vehicles are exempt
3 from the sales and use tax imposed under this subsection.

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

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

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

24 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but
25 does not include farm tractors or farm vehicles as defined in RCW
26 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
27 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

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

29 (e) The value of a motor vehicle must be determined under RCW
30 82.12.010.

31 (f) Except as specifically stated in this subsection (2), chapters
32 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax
33 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW
34 applies fully to the use tax.

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

37 "AUTHORITY" DEFINED. For the purposes of this chapter,

1 "~~((district))~~ authority" means a regional transportation ~~((investment~~
2 ~~district))~~ improvement authority created ~~((under chapter 36.120 RCW))~~
3 in chapter 36.-- RCW (sections 101 through 117 of this act).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (6) The proceeds of the commercial parking tax fixed and imposed by
35 a city or county under subsection (1) or (2) of this section shall be
36 used strictly for transportation purposes in accordance with RCW
37 82.80.070. (~~The proceeds of the parking tax imposed by a district
38 must be used as provided in chapter 36.120 RCW.~~)

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

3 LOCAL OPTION TAXES--USES. (1) The proceeds collected pursuant to
4 the exercise of the local option authority of RCW 82.80.010, 82.80.020,
5 82.80.030, and 82.80.050 (hereafter called "local option transportation
6 revenues") shall be used for transportation purposes only, including
7 but not limited to the following: The operation and preservation of
8 roads, streets, and other transportation improvements; new
9 construction, reconstruction, and expansion of city streets, county
10 roads, and state highways and other transportation improvements;
11 development and implementation of public transportation and high-
12 capacity transit improvements and programs; and planning, design, and
13 acquisition of right of way and sites for such transportation purposes.
14 The proceeds collected from excise taxes on the sale, distribution, or
15 use of motor vehicle fuel and special fuel under RCW 82.80.010 shall be
16 used exclusively for "highway purposes" as that term is construed in
17 Article II, section 40 of the state Constitution.

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

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

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

30 (b) The program shall be based on an adopted transportation plan
31 for the geographic areas covered and shall identify the proposed
32 operation and construction of transportation improvements and services
33 in the designated plan area intended to be funded in whole or in part
34 by local option transportation revenues and shall identify the annual
35 costs applicable to the program.

36 (c) The program shall indicate how the local transportation plan is
37 coordinated with applicable transportation plans for the region and for
38 adjacent jurisdictions.

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

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

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

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

23 (b) Second, it is necessitated by existing or reasonably
24 foreseeable congestion;

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

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

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

32 (6) It is the intent of the legislature that as a condition of
33 levying, receiving, and expending local option transportation revenues,
34 no local government agency use the revenues to replace, divert, or loan
35 any revenues currently being used for transportation purposes to
36 nontransportation purposes. (~~The association of Washington cities and
37 the Washington state association of counties, in consultation with the
38 legislative transportation committee, shall study the issue of~~

1 ~~nondiversion and make recommendations to the legislative transportation~~
2 ~~committee for language implementing the intent of this section by~~
3 ~~December 1, 1990.)~~)

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

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

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

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

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

30 (2) The state treasurer shall distribute revenues, less authorized
31 deductions, generated by the local option taxes authorized in RCW
32 82.80.010 and 82.80.020 levied by qualifying cities and towns to the
33 levying cities and towns.

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

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

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

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

23 ~~(3)~~) A regional transportation (~~investment district~~) improvement
24 authority imposing the local option vehicle license fee or initiating
25 an exemption process shall enter into a contract with the department of
26 licensing. The contract must contain provisions that fully recover the
27 costs to the department of licensing for collection and administration
28 of the fee.

29 ~~((4))~~ (3) A regional transportation (~~investment district~~)
30 improvement authority imposing the local option fee shall delay the
31 effective date of the local option vehicle license fee imposed by this
32 section at least six months from the date of the final certification of
33 the approval election to allow the department of licensing to implement
34 the administration and collection of or exemption from the fee.

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

37 DOT TOLL ROAD AUTHORITY TO RTIA. The department shall approve for

1 construction only such toll roads as the legislature specifically
2 authorizes or such toll facilities as are specifically sponsored by a
3 regional transportation (~~investment district~~) improvement authority,
4 city, town, or county.

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

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

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

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

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

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

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

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

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

31 NEW SECTION. **Sec. 316.** A new section is added to chapter 47.56
32 RCW to read as follows:

33 I-90/SR 520 TOLLING. Notwithstanding any provision to the contrary
34 in this chapter, a regional transportation improvement authority may
35 impose vehicle tolls on either Lake Washington bridge upon approval of
36 a majority of the voters voting on a regional transportation

1 improvement plan ballot measure within its boundaries and to implement
2 an improvement plan as authorized in chapter 36.-- RCW (sections 101
3 through 117 of this act) and RCW 47.56.076.

4 **PART IV**

5 **NEW GOVERNANCE DEVELOPMENT**

6 NEW SECTION. **Sec. 401.** LEGISLATIVE INTENT. The legislature finds
7 that increased demands on transportation resources require increased
8 efficiency and effectiveness in decision making within urbanized
9 regions. Legislative enactments, public votes on local and state
10 initiatives and referenda, and the number of agencies involved in
11 transportation planning and delivery of services has significantly
12 added to the complexity of transportation programs.

13 The legislature further finds that coordinated planning, investment
14 in, and operation of transportation systems by the state and local
15 governments can help ensure an efficient, effective transportation
16 system that addresses community needs. Such coordination can also
17 enhance local and state objectives for effective regional
18 transportation strategies and effective coordination between land use
19 and transportation.

20 The legislature finds that addressing this need for better
21 accountability and coordination requires a comprehensive regional
22 examination of alternative methods for consolidating and coordinating
23 transportation efforts, and improving accountability. This examination
24 is best accomplished by an independent body of experts in governmental
25 organization and transportation issues. It further finds that the
26 results of this process will guide the legislature and the public in
27 shaping changes to ensure public confidence in public institutions and
28 tax expenditures.

29 NEW SECTION. **Sec. 402.** ESTABLISHMENT OF COMMISSION. (1) The
30 county executives of all counties having a population of over five
31 hundred thousand persons, that adjoin other counties having a
32 population of over five hundred thousand persons, shall jointly appoint
33 a regional transportation governance commission. The county commission
34 of any other county within the regional transportation planning
35 organization in which the counties are located shall also appoint a

1 member to the governance commission. The governor shall appoint a
2 voting member of the commission, who shall be chair, and shall appoint
3 additional members so that the governor's appointments constitute at
4 least one-third of the voting membership of the commission. In
5 addition, the secretary of transportation or the secretary's designee
6 shall serve as a nonvoting member. Appointees must be citizen members,
7 who do not hold public office. Appointees must include experts from
8 the private and public sectors, including academia, with demonstrated
9 expertise in innovation, structural reorganization, and private or
10 public agency decision making and must also include experts in fields
11 such as municipal law, public administration, intergovernmental
12 relationships, and transportation planning, construction, operations,
13 and risk management. The commission may not exceed eighteen voting
14 members.

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

25 (a) Consolidate governance among agencies including changes in
26 institutional powers, structures, and relationships and governance
27 needed to improve accountability for transportation decisions, while
28 enhancing the regional focus for transportation decisions and
29 maintaining equity among citizens in the region;

30 (b) Improve coordination in the planning of transportation
31 investments and services;

32 (c) Improve investment strategies;

33 (d) Coordinate transportation planning and investments with adopted
34 land use policies within the region;

35 (e) Enhance efficiency and coordination in the delivery of services
36 provided;

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

1 (g) Improve coordination between regional investments and federal
2 funds, and state funding including those administered by the
3 transportation improvement board, the county road administration board,
4 and the freight mobility strategic investment board.

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

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

12 NEW SECTION. **Sec. 403.** COMMISSION STAFF SUPPORT. The department
13 of transportation shall provide staff support to the commission and,
14 upon request of the commission, contract with other parties for staff
15 support to the commission.

16 **PART V**

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

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

- 20 (1) RCW 36.120.010 (Findings) and 2002 c 56 s 101;
21 (2) RCW 36.120.020 (Definitions) and 2002 c 56 s 102;
22 (3) RCW 36.120.030 (Planning committee formation) and 2002 c 56 s
23 103;
24 (4) RCW 36.120.040 (Planning committee duties) and 2003 c 194 s 1
25 & 2002 c 56 s 104;
26 (5) RCW 36.120.050 (Taxes, fees, and tolls) and 2003 c 350 s 4 &
27 2002 c 56 s 105;
28 (6) RCW 36.120.060 (Project selection--Performance criteria) and
29 2002 c 56 s 106;
30 (7) RCW 36.120.070 (Submission of plan to the voters) and 2002 c 56
31 s 107;
32 (8) RCW 36.120.080 (Formation--Certification) and 2002 c 56 s 108;
33 (9) RCW 36.120.090 (Governing board--Composition) and 2002 c 56 s
34 109;

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

28 **PART VI**

29 **MISCELLANEOUS PROVISIONS**

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

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

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

3 NEW SECTION. **Sec. 604.** SEVERABILITY. If any provision of this
4 act or its application to any person or circumstance is held invalid,
5 the remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

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