



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

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

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

15 (5) The development of transportation improvements will require  
16 both state, and regional and local efforts. This chapter is intended  
17 to enhance this partnership, and not to replace the need for resources  
18 to be provided by the state.

19 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this  
20 section apply throughout this chapter unless the context clearly  
21 requires otherwise.

22 (1) "High-priority project" means the restoration, reconstruction,  
23 or improvement of a transportation facility of regional significance  
24 that has failed or is an identified risk for failure in terms of its  
25 design life expectancy or other factors.

26 (2) "Lead agency" means a public agency designated by an authority  
27 to plan, design, build, and operate a project.

28 (3) "Transportation improvement projects" or "projects" means  
29 projects contained in the transportation plan of the state or a  
30 regional transportation planning organization. Projects may include  
31 investment in new or existing highways of statewide significance or  
32 principal arterials of regional significance and other transportation  
33 projects and programs of regional or statewide significance including  
34 transportation demand management. Projects may also include the  
35 operation, preservation, and maintenance of these facilities or  
36 programs.

1 (4) "Regional transportation improvement authority" or "authority"  
2 means a municipal corporation whose boundaries are coextensive, to the  
3 extent deemed appropriate, with the urban growth boundaries of two or  
4 more contiguous counties, or an authority whose boundaries are  
5 contiguous with the boundaries of a single county, and that has been  
6 created by county legislative authorities, or in the case of a single-  
7 county authority, a county legislative authority, and a vote of the  
8 people under this chapter to implement a regional transportation  
9 improvement plan.

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

15 (6) "Regional transportation improvement plan" or "plan" means a  
16 plan to develop, construct, and finance a transportation project or  
17 projects.

18 (7) "Regional transportation planning organization" means that  
19 organization as defined in chapter 47.80 RCW.

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

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

30 (a) Consider regional transportation needs, including high-priority  
31 transportation projects;

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

34 (c) Recommend the appropriate mix of transportation investment  
35 choices to address the mobility needs of the region;

36 (d) Address geographic equity and land use planning;

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

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

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

13 (a) The boundaries of the authority must be, to the extent deemed  
14 appropriate, the area within the urban growth boundaries within each  
15 county.

16 (b) The governing board consists of the members of the county  
17 legislative authorities whose districts are wholly or partially within  
18 the authority boundaries and the county executive of each county within  
19 the authority, with all members acting ex officio and independently.  
20 Councilmembers have weighted votes based on the population of their  
21 council districts within the authority boundaries relative to the total  
22 population of the authority. The executive of each county has a  
23 weighted vote equivalent to the vote of the councilmember from the same  
24 county of the executive, having the most heavily weighted vote. A  
25 representative from the city having the greatest population in each  
26 county and any other city within the authority that has a population  
27 greater than one hundred ten thousand persons are nonvoting members of  
28 the board. The secretary of transportation, or the appropriate  
29 regional administrator of the department, as named by the secretary,  
30 shall serve on the authority as a nonvoting member.

31 (2) A county with a population over one million five hundred  
32 thousand persons or a county having a population over five hundred  
33 thousand persons adjoining a county with a population over one million  
34 five hundred thousand persons, may create, by adoption of an ordinance  
35 of the county legislative authority, a regional transportation  
36 improvement authority.

1 (a) The boundaries of the authority must be contiguous with the  
2 boundaries of the county.

3 (b) The governing board consists of the members of the county  
4 legislative authority and the county executive, with all members acting  
5 ex officio and independently. The county executive has a vote equal to  
6 that of a councilmember. A representative from the city having the  
7 greatest population in the authority and any other city within the  
8 authority that has a population greater than one hundred ten thousand  
9 persons are nonvoting members of the board. The secretary of  
10 transportation, or the appropriate regional administrator of the  
11 department, as named by the secretary, shall serve on the authority as  
12 a nonvoting member.

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

16 (4) A regional transportation improvement authority may be entitled  
17 to state funding, as appropriated by the legislature, for start-up  
18 funding to pay for expenses incurred by the authority and through  
19 contracts with the regional transportation planning organization in  
20 selecting transportation projects under this chapter. Upon  
21 ratification of the creation of a regional transportation improvement  
22 authority, the authority shall within one year reimburse the state for  
23 any sums advanced for these start-up costs from the state.

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

28 (6) A regional transportation improvement authority may elect  
29 officers and provide for the adoption of rules and other operating  
30 procedures.

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

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

36 NEW SECTION. **Sec. 105.** AUTHORITY DUTIES. (1) A regional  
37 transportation improvement authority board shall adopt a regional

1 transportation improvement plan providing for the development,  
2 construction, and financing of transportation projects. The board  
3 shall use the prioritized list of projects provided to it by the  
4 regional transportation planning organization under section 103 of this  
5 act. It may change that priority list of projects for adoption in the  
6 plan by a vote of sixty percent of its weighted membership.

7 (2) The board may coordinate its activities with the regional  
8 transportation planning organization, which shall provide services,  
9 data, and personnel to assist in this planning as requested by the  
10 board. In addition, the board may coordinate with the department of  
11 transportation and affected cities, towns, and other local governments  
12 that engage in transportation planning.

13 (3) The board shall:

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

16 (b) Adopt a plan:

17 (i) Ratifying the creation of the regional transportation  
18 improvement authority;

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

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

25 (4) The authority shall consider the following criteria for  
26 selecting transportation improvement projects to improve transportation  
27 system performance:

28 (a) Reduced risk of transportation facility failure and improved  
29 safety;

30 (b) Improved travel time;

31 (c) Improved air quality;

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

33 (e) Improved freight mobility; and

34 (f) Cost-effectiveness of the investment.

35 (5) Before adopting the plan, the authority, with assistance from  
36 the department and other lead agencies, shall work with the lead agency  
37 to develop accurate cost estimates for transportation projects. This  
38 project costing methodology must be integrated with revenue forecasts

1 in developing the financial plan and must at a minimum include  
2 estimated project costs in current dollars as well as year of  
3 expenditure dollars, the range of project costs reflected by the level  
4 of project design, project contingencies, identification of mitigation  
5 costs, the range of revenue forecasts, and project and plan cash flow  
6 and bond analysis. The plan submitted to the voters must provide cost  
7 estimates for each project, including contingency costs. Plans  
8 submitted to the voters must provide that the maximum amount possible  
9 of the funds raised will be used to fund projects in the plan,  
10 including environmental improvements and mitigation, and that  
11 administrative costs be minimized. If actual revenue exceeds actual  
12 plan costs, the excess revenues must be used to retire any outstanding  
13 debt associated with the plan.

14 (6) The authority shall transmit the plan to the county legislative  
15 authority or authorities to adopt the plan. In the case of a  
16 multicounty authority, if a county by ordinance with its county  
17 legislative authority opts not to adopt the plan or participate in the  
18 regional transportation improvement authority, but one or more  
19 contiguous counties do choose to continue to participate, then the  
20 authority may, within ninety days, redefine the regional transportation  
21 improvement plan and the ballot measure to be submitted to the people  
22 to reflect elimination of the county, and submit the redefined plan to  
23 the legislative authorities of the remaining counties for their  
24 decision as to whether to continue to adopt the redefined plan and  
25 participate. This action must be completed within sixty days after  
26 receipt of the redefined plan.

27 (7) Once adopted, the plan must be forwarded to the participating  
28 county legislative authorities or authority to initiate, through  
29 adoption of an ordinance, the election process under section 107 of  
30 this act. The authority shall at the same time provide notice to each  
31 city and town within the authority, the governor, the chairs of the  
32 transportation committees of the legislature, the secretary of  
33 transportation, and each legislator whose legislative district is  
34 partially or wholly within the boundaries of the authority.

35 (8) If the ballot measure is not approved, the board may redefine  
36 the selected transportation projects, financing plan, and the ballot  
37 measure. The county legislative authorities or authority may approve

1 the new plan and ballot measure, and may then submit the revised  
2 proposition to the voters at the next election or a special election.

3 NEW SECTION. **Sec. 106.** TAXES, FEES, AND TOLLS. (1) A regional  
4 transportation improvement authority planning committee may, as part of  
5 a regional transportation improvement plan, recommend the imposition of  
6 some or all of the following revenue sources, which a regional  
7 transportation improvement authority may impose upon approval of the  
8 voters as provided in this chapter:

9 (a) A regional sales and use tax, as specified in RCW 82.14.430, of  
10 up to 0.2 percent of the selling price, in the case of a sales tax, or  
11 value of the article used, in the case of a use tax, upon the  
12 occurrence of any taxable event in the regional transportation  
13 improvement authority. The imposition of this tax is limited as  
14 follows:

- 15 (i) 0.1 percent only for high-priority projects;
- 16 (ii) 0.1 percent only for public transportation purposes, commute  
17 trip reduction programs, or high-priority projects, or a combination  
18 thereof;

19 (b) A local option vehicle license fee, as specified under RCW  
20 82.80.100, of up to one hundred dollars per vehicle registered in the  
21 authority. As used in this subsection, "vehicle" means motor vehicle  
22 as defined in RCW 46.04.320. Certain classes of vehicles, as defined  
23 under chapter 46.04 RCW, may be exempted from this fee;

- 24 (c) A parking tax under RCW 82.80.030;
- 25 (d) A local motor vehicle excise tax under RCW 81.100.060;
- 26 (e) A local option fuel tax under RCW 82.80.120;
- 27 (f) A mileage charge under section 315 of this act;
- 28 (g) An employer excise tax under RCW 81.100.030; and

29 (h) With the approval of the transportation commission, or its  
30 successor, vehicle tolls on a local or regional arterial or state or  
31 federal highway within the boundaries of the authority. The plan must  
32 identify the facilities to be tolled and the purpose of the toll.  
33 Unless otherwise specified by law or contract, the department shall  
34 administer the collection of vehicle tolls on designated facilities,  
35 and the state transportation commission, or its successor, shall be the  
36 tolling authority.

1 (2) Taxes, fees, and tolls may not be imposed without an  
2 affirmative vote of the majority of the voters within the boundaries of  
3 the authority voting on a ballot proposition as set forth in RCW  
4 36.120.070. Revenues from these taxes and fees may be used only to  
5 implement the plan as set forth in this chapter. An authority may  
6 contract with the state department of revenue or other appropriate  
7 entities for administration and collection of any of the taxes or fees  
8 authorized in this section. In authorizing these revenue sources, it  
9 is the intent of the legislature to provide a range of options that can  
10 be tailored to meet the transportation needs identified by local  
11 elected officials, with voter approval.

12 (3) Existing statewide motor vehicle fuel and special fuel taxes,  
13 at the distribution rates in effect on January 1, 2005, are not  
14 intended to be altered by this chapter.

15 NEW SECTION. **Sec. 107.** SUBMISSION OF PLAN TO THE VOTERS. Two or  
16 more contiguous county legislative authorities under section 104(1) of  
17 this act and a county or county legislative authorities under section  
18 104(2) of this act, upon receipt of the regional transportation  
19 improvement plan under section 105 of this act, may submit to the  
20 voters of the proposed authority a single ballot measure that ratifies  
21 formation of the authority, approves the regional transportation  
22 improvement plan, and approves the revenue sources necessary to finance  
23 the plan. The authority may draft the ballot measure on behalf of the  
24 county legislative authorities, and the county legislative authorities  
25 may give notice as required by law for ballot measures, and perform  
26 other duties as required to submit the measure to the voters of the  
27 proposed authority for their approval or rejection. The electorate  
28 will be the voters voting within the boundaries of the urban growth  
29 areas of the participating counties, or in the case of a single county,  
30 within the boundary of the county. A simple majority of the total  
31 persons voting on the single ballot measure is required for approval of  
32 the measure.

33 NEW SECTION. **Sec. 108.** FORMATION--CERTIFICATION. If the voters  
34 approve the plan, including ratification of creation of a regional  
35 transportation improvement authority and imposition of taxes and fees,  
36 the authority will be declared fully operative. The county election

1 officials of participating counties shall, within fifteen days of the  
2 final certification of the election results, publish a notice in a  
3 newspaper or newspapers of general circulation in the authority  
4 declaring the authority formed, and mail copies of the notice to the  
5 governor, the secretary of transportation, and the executive director  
6 of the regional transportation planning organization in which any part  
7 of the authority is located. A party challenging the procedure or the  
8 formation of a voter-approved authority must file the challenge in  
9 writing by serving the prosecuting attorney of the participating  
10 counties and the attorney general within thirty days after the final  
11 certification of the election. Failure to challenge within that time  
12 forever bars further challenge of the authority's valid formation.

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

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

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

- 24 (a) Impose taxes and fees authorized by authority voters;  
25 (b) Enter into agreements with state, local, and regional agencies  
26 and departments as necessary to accomplish authority purposes and  
27 protect the authority's investment in transportation projects;  
28 (c) Accept and expend gifts, grants, or other contributions of  
29 funds that will support the purposes and programs of the authority;  
30 (d) Monitor and audit the progress and execution of transportation  
31 projects to protect the investment of the public and annually make  
32 public its findings;  
33 (e) Pay for services and enter into leases and contracts, including  
34 professional service contracts;  
35 (f) Contract with an existing agency or hire a limited staff to

1 administer and provide oversight of contracts to implement the plan;  
2 and

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

5 (2) It is the intent of the legislature that existing staff  
6 resources of lead agencies be used in implementing this chapter. An  
7 authority may coordinate its activities with the department, which  
8 shall provide services, data, and personnel to assist as desired by the  
9 regional transportation improvement authority. Lead agencies for  
10 transportation projects that are not state facilities shall also  
11 provide staff support for the board.

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

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

16 (5) It is the intent of the legislature that administrative and  
17 overhead costs of a regional transportation improvement authority be  
18 minimized.

19 (6) Lead agencies implementing authority projects may use the  
20 design-build procedure for transportation projects developed by it. As  
21 used in this section, "design-build procedure" means a method of  
22 contracting under which the authority contracts with another party for  
23 that party to both design and build the structures, facilities, and  
24 other items specified in the contract. The requirements and  
25 limitations of RCW 47.20.780 and 47.20.785 do not apply to the  
26 transportation projects under this chapter.

27 NEW SECTION. **Sec. 111.** TREASURER. The regional transportation  
28 improvement authority, by resolution, shall designate a person having  
29 experience in financial or fiscal matters as treasurer of the  
30 authority. The authority may designate the treasurer of a county  
31 within which the authority is located to act as its treasurer. Such a  
32 treasurer has all of the powers, responsibilities, and duties the  
33 county treasurer has related to investing surplus funds. The authority  
34 shall require a bond with a surety company authorized to do business in  
35 this state in an amount and under the terms and conditions the  
36 authority, by resolution, from time to time finds will protect the

1 authority against loss. The authority shall pay the premium on the  
2 bond.

3 In addition to the account established in section 301 of this act,  
4 the treasurer may establish a special account, into which may be paid  
5 authority funds. The treasurer may disburse authority funds only on  
6 warrants issued by the authority upon orders or vouchers approved by  
7 the authority.

8 If the treasurer of the authority is the treasurer of a county, all  
9 authority funds must be deposited with a county depository under the  
10 same restrictions, contracts, and security as provided for county  
11 depositories. If the treasurer of the authority is some other person,  
12 all funds must be deposited in a bank or banks authorized to do  
13 business in this state qualified for insured deposits under any federal  
14 deposit insurance act as the authority, by resolution, designates.

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

18 NEW SECTION. **Sec. 112.** INDEBTEDNESS--BONDS--LIMITATION. (1)(a)  
19 Notwithstanding RCW 39.36.020(1), the authority may at any time  
20 contract indebtedness or borrow money for authority purposes and may  
21 issue general obligation bonds or other evidences of indebtedness,  
22 secured by the pledge of one or more of the taxes, tolls, charges, or  
23 fees authorized to be imposed by the authority, in an amount not  
24 exceeding, together with any existing indebtedness of the authority not  
25 authorized by the voters, one and one-half percent of the value of the  
26 taxable property within the boundaries of the authority.

27 (b) With the approval of three-fifths of the voters voting at an  
28 election, an authority may contract indebtedness or borrow money for  
29 authority purposes and may issue general obligation bonds or other  
30 evidences of indebtedness as long as the total indebtedness of the  
31 authority does not exceed five percent of the value of the taxable  
32 property within the authority, including indebtedness authorized under  
33 (a) of this subsection. The bonds must be issued and sold in  
34 accordance with chapter 39.46 RCW.

35 (2) The authority may at any time issue revenue bonds or other  
36 evidences of indebtedness, secured by the pledge of one or more of the  
37 revenues authorized to be collected by the authority, to provide funds

1 to carry out its authorized functions without submitting the matter to  
2 the voters of the authority. These obligations must be issued and sold  
3 in accordance with chapter 39.46 RCW.

4 (3) The authority may enter into agreements with the lead agencies  
5 or the state of Washington, when authorized by the plan, to pledge  
6 taxes or other revenues of the authority for the purpose of paying in  
7 part or whole principal and interest on bonds issued by the lead agency  
8 or the state of Washington. The agreements pledging revenues and taxes  
9 are binding for their terms, and no tax pledged by an agreement may be  
10 eliminated or modified if it would impair the pledge made in any  
11 agreement. The term of the bonds may not exceed thirty years.

12 (4) Once construction of projects in the plan has been completed,  
13 revenues collected by the authority may only be used for the following  
14 purposes: (a) Payment of principal and interest on outstanding  
15 indebtedness of the authority; (b) to make payments required under a  
16 pledging agreement; and (c) to make payments for maintenance and  
17 operations of toll facilities as may be required by toll bond  
18 covenants.

19 NEW SECTION. **Sec. 113.** TRANSPORTATION PROJECT OR PLAN  
20 MODIFICATION--ACCOUNTABILITY. (1) The board may modify the plan to  
21 change transportation projects or revenue sources if:

22 (a) For an authority containing two or more counties, two or more  
23 participating counties adopt a resolution to modify the plan and the  
24 counties submit to the voters in the authority a ballot measure that  
25 redefines the scope of the plan, its projects, its schedule, its costs,  
26 or the revenue sources.

27 If the voters fail to approve the redefined plan, the authority  
28 shall continue to work on and complete the plan, and the projects in  
29 it, that was originally approved by the voters. If the voters approve  
30 the redefined plan, the authority shall work on and complete the  
31 projects under the redefined plan.

32 (b) For authorities including only one county, the board adopts a  
33 resolution to modify the plan and the county or counties submit to the  
34 voters in the authority a ballot measure that redefines the scope of  
35 the plan, its projects, its schedule, its costs, or the revenue  
36 sources.

1 (2) The board may modify the plan to change the list of  
2 transportation projects within a participating county if:

- 3 (a) A majority of the board approves the change;
- 4 (b) The modifications are limited to projects within the county;
- 5 (c) The county submits to the voters in the county a ballot measure  
6 that redefines:

- 7 (i) Projects;
- 8 (ii) Scopes of projects; or
- 9 (iii) Costs; and
- 10 (iv) The financial plan for the county;
- 11 (d) The proposed modifications maintain the equity of the plan and  
12 do not increase the total level of plan expenditure for the county.

13 If the voters fail to approve the modified plan, the authority  
14 shall continue to work on and complete the plan, and the projects in  
15 it, that was originally approved by the voters. If the voters approve  
16 the redefined plan, the authority shall work on and complete the  
17 projects under the redefined plan.

18 (3) To assure accountability to the public for the timely  
19 construction of the transportation improvement project or projects  
20 within cost projections, the authority shall issue a report, at least  
21 annually, to the public and copies of the report to newspapers of  
22 record in the authority. In the report, the authority shall indicate  
23 the status of transportation project costs, transportation project  
24 expenditures, revenues, and construction schedules. The report may  
25 also include progress towards meeting the performance criteria provided  
26 under this chapter.

27 NEW SECTION. **Sec. 114.** OWNERSHIP OF IMPROVEMENTS. Any  
28 improvement to a facility constructed, improved, or operated under this  
29 chapter becomes and remains the property of the lead agency unless  
30 otherwise provided for.

31 NEW SECTION. **Sec. 115.** DISSOLUTION OF AUTHORITY. Within thirty  
32 days of the completion of the construction of the transportation  
33 project or series of projects forming the regional transportation  
34 improvement plan, the authority shall reduce day-to-day operations and  
35 exist solely as a limited entity that oversees the collection of  
36 revenue and the payment of debt service or financing still in effect,

1 if any and the payment of ongoing operations of facilities as set forth  
2 in the plan. The authority shall accordingly adjust downward its  
3 employees, administration, and overhead expenses. Any taxes, fees, or  
4 tolls imposed under an approved plan provided for capital improvements  
5 terminate when the financing or debt service on the transportation  
6 project or series of transportation projects constructed is completed  
7 and paid. At least one year before the time that capital debt service  
8 on transportation projects is completed, the authority shall develop a  
9 plan, including a finance plan, for ongoing project operation, and the  
10 plan must be submitted by member counties to the voters in the  
11 authority. If there is no debt outstanding and there is no ongoing  
12 project operation, then the authority shall dissolve within thirty days  
13 from completion of construction of the transportation project or series  
14 of transportation projects forming the regional transportation  
15 improvement plan. Notice of dissolution must be published in  
16 newspapers of general circulation within the authority at least three  
17 times in a period of thirty days. Creditors must file claims for  
18 payment of claims due within thirty days of the last published notice  
19 or the claim is extinguished.

20 NEW SECTION. **Sec. 116.** WASHINGTON STATE DEPARTMENT OF  
21 TRANSPORTATION ROLE. (1) The department shall provide staff and  
22 services to assist authorities under this chapter. The primary  
23 responsibility of the dedicated staff is to coordinate the design,  
24 preliminary engineering, permitting, financing, and construction of  
25 projects in which the state has a role and are under consideration by  
26 an authority.

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

31 NEW SECTION. **Sec. 117.** A new section is added to chapter 47.80  
32 RCW to read as follows:

33 RTPO SUPPORT FOR REGIONAL TRANSPORTATION IMPROVEMENT PLAN. At the  
34 request of a county or a group of counties, a regional transportation  
35 planning organization shall develop and provide a prioritized list of  
36 projects for inclusion in a regional transportation improvement plan,

1 as provided for in section 103 of this act and provide other services  
2 for a regional transportation improvement authority as provided for in  
3 chapter 36.-- RCW (sections 101 through 116 of this act).

4 **PART II**

5 **JOINT BALLOT WITH RTA**

6 NEW SECTION. **Sec. 201.** JOINT BALLOT MEASURE. At the option of  
7 the regional transportation improvement authority board, and with the  
8 explicit approval of the regional transit authority, the participating  
9 counties or, in the case of a single-county authority, the county may  
10 choose to impose any remaining high-capacity transportation taxes under  
11 chapter 81.104 RCW that have not otherwise been used by a regional  
12 transit authority and submit to the voters a common ballot measure that  
13 creates the authority, approves the regional transportation improvement  
14 plan, implements the taxes, and implements any remaining high-capacity  
15 transportation taxes within the boundaries of the regional  
16 transportation improvement authority. Collection and expenditures of  
17 any high-capacity transportation taxes implemented under this section  
18 must be determined by agreement between the participating counties or  
19 authority and the regional transit authority electing to submit high-  
20 capacity transportation taxes to the voters under a common ballot  
21 measure as provided in this section. If the measure fails, all such  
22 unused high-capacity transportation taxes revert back to and remain  
23 with the regional transit authority.

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

26 (1) Agencies authorized to provide high capacity transportation  
27 service, including transit agencies and regional transit authorities,  
28 and regional transportation (~~(investment—districts)~~) improvement  
29 authorities acting with the agreement of an agency, are hereby granted  
30 dedicated funding sources for such systems. These dedicated funding  
31 sources, as set forth in RCW 81.104.150, 81.104.160, and 81.104.170,  
32 are authorized only for agencies located in (a) each county with a  
33 population of two hundred ten thousand or more and (b) each county with  
34 a population of from one hundred twenty-five thousand to less than two  
35 hundred ten thousand except for those counties that do not border a

1 county with a population as described under (a) of this subsection. In  
2 any county with a population of one million or more or in any county  
3 having a population of four hundred thousand or more bordering a county  
4 with a population of one million or more, these funding sources may be  
5 imposed only by a regional transit authority or a regional  
6 transportation (~~investment district~~) improvement authority. Regional  
7 transportation (~~investment districts~~) improvement authorities may,  
8 with the approval of the regional transit authority wholly or partly  
9 within its boundaries, impose the taxes authorized under this chapter,  
10 but only upon approval of the voters and to the extent that the maximum  
11 amount of taxes authorized under this chapter have not been imposed.

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

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

- 17 (a) Acceptability;
- 18 (b) Ease of administration;
- 19 (c) Equity;
- 20 (d) Implementation feasibility;
- 21 (e) Revenue reliability; and
- 22 (f) Revenue yield.

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

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

28 (~~(b) ((Special motor vehicle excise tax as provided in RCW  
29 81.104.160; and~~

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

31 Revenues from these taxes may be used only to support those  
32 purposes prescribed in subsection (10) of this section. Before the  
33 date of an election authorizing an agency to impose any of the taxes  
34 enumerated in this section and authorized in RCW 81.104.150,  
35 81.104.160, and 81.104.170, the agency must comply with the process  
36 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No  
37 construction on exclusive right of way may occur before the  
38 requirements of RCW 81.104.100(3) are met.

1 (5) Authorization in subsection (4) of this section shall not  
2 adversely affect the funding authority of transit agencies not provided  
3 for in this chapter. Local option funds may be used to support  
4 implementation of interlocal agreements with respect to the  
5 establishment of regional high capacity transportation service. Except  
6 when a regional transit authority exists, local jurisdictions shall  
7 retain control over moneys generated within their boundaries, although  
8 funds may be commingled with those generated in other areas for  
9 planning, construction, and operation of high capacity transportation  
10 systems as set forth in the agreements.

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

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

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

28 (9) For any election in which voter approval is sought for a high  
29 capacity transportation system plan and financing plan pursuant to RCW  
30 81.104.040, a local voter's pamphlet shall be produced as provided in  
31 chapter (~~(29-81A)~~) 29A.32 RCW.

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

1 **PART III**

2 **FINANCE**

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

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

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

1 provide for exemptions from the tax to such educational, cultural,  
2 health, charitable, or religious organizations as it deems appropriate.

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

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

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

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

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

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

32 A county with a population of one million or more and a county with  
33 a population of from two hundred ten thousand to less than one million  
34 that is adjoining a county with a population of one million or more,  
35 having within their boundaries existing or planned high-occupancy  
36 vehicle lanes on the state highway system, or a regional transportation  
37 (~~investment district for capital improvements~~) improvement authority,

1 but only to the extent that the surcharge has not already been imposed  
2 by the county, may, with voter approval, impose a local surcharge of  
3 not more than three-tenths of one percent of the value on vehicles  
4 registered to a person residing within the county and not more than  
5 13.64 percent on the state sales and use taxes paid under the rate in  
6 RCW 82.08.020(2) on retail car rentals within the county or  
7 (~~investment district~~) improvement authority. A county may impose the  
8 surcharge only to the extent that it has not been imposed by the  
9 (~~district~~) improvement authority. No surcharge may be imposed on  
10 vehicles licensed under RCW 46.16.070 except vehicles with an unladen  
11 weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or  
12 46.16.090.

13 Counties or (~~investment districts~~) improvement authorities  
14 imposing a tax under this section shall contract, before the effective  
15 date of the resolution or ordinance imposing a surcharge,  
16 administration and collection to the state department of licensing, and  
17 department of revenue, as appropriate, which shall deduct an amount, as  
18 provided by contract, for administration and collection expenses  
19 incurred by the department. All administrative provisions in chapters  
20 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to  
21 motor vehicle excise taxes, be applicable to surcharges imposed under  
22 this section. All administrative provisions in chapters 82.03, 82.08,  
23 82.12, and 82.32 RCW shall, insofar as they are applicable to state  
24 sales and use taxes, be applicable to surcharges imposed under this  
25 section.

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

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

32 Funds collected under RCW 81.100.030 or 81.100.060 and any  
33 investment earnings accruing thereon shall be used by the county or the  
34 regional transportation improvement authority in a manner consistent  
35 with the regional transportation plan only for costs of collection,  
36 costs of preparing, adopting, and enforcing agreements under RCW  
37 81.100.030(3), for construction of high occupancy vehicle lanes and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (e) The value of a motor vehicle must be determined under RCW  
31 82.12.010.

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

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

1 For the purposes of this chapter, "~~((district))~~ authority" means a  
2 regional transportation ~~((investment district))~~ improvement authority  
3 created ~~((under chapter 36.120 RCW))~~ in chapter 36.-- RCW (sections 101  
4 through 116 of this act).

5 NEW SECTION. Sec. 307. A new section is added to chapter 82.80  
6 RCW to read as follows:

7 A regional transportation improvement authority may, with voter  
8 approval and as part of a regional transportation improvement plan,  
9 impose a local option surcharge of not more than six-tenths of one  
10 percent of the value on vehicles registered to a person residing within  
11 the authority. If a tax is being imposed under RCW 81.100.060, the tax  
12 surcharge under this section may not exceed three-tenths of one  
13 percent. The proceeds collected under this section must be used for  
14 transportation improvement projects as defined in section 102 of this  
15 act. No surcharge may be imposed on new vehicles, except that the  
16 surcharge applies to the initial registration of a vehicle previously  
17 licensed in another jurisdiction.

18 An authority imposing a tax under this section shall contract,  
19 before the effective date of the resolution or ordinance imposing a  
20 surcharge, administration and collection to the state department of  
21 licensing, and department of revenue, as appropriate, which shall  
22 deduct an amount, as provided by contract, for administration and  
23 collection expenses incurred by the department. All administrative  
24 provisions in chapters 82.03, 82.32, and 82.44 RCW, insofar as they are  
25 applicable to motor vehicle excise taxes, are applicable to surcharges  
26 imposed under this section.

27 **Sec. 308.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to  
28 read as follows:

- 29 (1) For purposes of this section:
  - 30 (a) "Distributor" means every person who imports, refines,  
31 manufactures, produces, or compounds motor vehicle fuel and special  
32 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells  
33 or distributes the fuel into a county;
  - 34 (b) "Person" has the same meaning as in RCW 82.04.030.
- 35 (2) Subject to the conditions of this section, any county may levy,  
36 by approval of its legislative body and a majority of the registered

1 voters of the county voting on the proposition at a general or special  
2 election, additional excise taxes equal to ten percent of the statewide  
3 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor  
4 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special  
5 fuel as defined in RCW 82.38.020 sold within the boundaries of the  
6 county. Vehicles paying an annual license fee under RCW 82.38.075 are  
7 exempt from the county fuel excise tax. An election held under this  
8 section must be held not more than twelve months before the date on  
9 which the proposed tax is to be levied. The ballot setting forth the  
10 proposition shall state the tax rate that is proposed. The county's  
11 authority to levy additional excise taxes under this section includes  
12 the incorporated and unincorporated areas of the county. The  
13 additional excise taxes are subject to the same exceptions and rights  
14 of refund as applicable to other motor vehicle fuel and special fuel  
15 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed  
16 tax shall not be levied less than one month from the date the election  
17 results are certified by the county election officer. The commencement  
18 date for the levy of any tax under this section shall be the first day  
19 of January, April, July, or October.

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

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

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

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

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

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

9 (9) A county may not levy the tax under this section if they are  
10 levying the tax in RCW 82.80.110 or if they are a member of a regional  
11 transportation ((investment district)) improvement authority levying  
12 the tax in RCW 82.80.120.

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

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

30 (2) The local option transportation revenues shall be expended for  
31 transportation uses consistent with the adopted transportation and land  
32 use plans of the jurisdiction expending the funds and consistent with  
33 any applicable and adopted regional transportation plan for  
34 metropolitan planning areas.

35 (3) Each local government with a population greater than eight  
36 thousand that levies or expends local option transportation funds, is

1 also required to develop and adopt a specific transportation program  
2 that contains the following elements:

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

6 (b) The program shall be based on an adopted transportation plan  
7 for the geographic areas covered and shall identify the proposed  
8 operation and construction of transportation improvements and services  
9 in the designated plan area intended to be funded in whole or in part  
10 by local option transportation revenues and shall identify the annual  
11 costs applicable to the program.

12 (c) The program shall indicate how the local transportation plan is  
13 coordinated with applicable transportation plans for the region and for  
14 adjacent jurisdictions.

15 (d) The program shall include at least a six-year funding plan,  
16 updated annually, identifying the specific public and private sources  
17 and amounts of revenue necessary to fund the program. The program  
18 shall include a proposed schedule for construction of projects and  
19 expenditure of revenues. The funding plan shall consider the  
20 additional local tax revenue estimated to be generated by new  
21 development within the plan area if all or a portion of the additional  
22 revenue is proposed to be earmarked as future appropriations for  
23 transportation improvements in the program.

24 (4) Local governments with a population greater than eight thousand  
25 exercising the authority for local option transportation funds shall  
26 periodically review and update their transportation program to ensure  
27 that it is consistent with applicable local and regional transportation  
28 and land use plans and within the means of estimated public and private  
29 revenue available.

30 (5) In the case of expenditure for new or expanded transportation  
31 facilities, improvements, and services, priorities in the use of local  
32 option transportation revenues shall be identified in the  
33 transportation program and expenditures shall be made based upon the  
34 following criteria, which are stated in descending order of weight to  
35 be attributed:

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

37 (b) Second, it is necessitated by existing or reasonably  
38 foreseeable congestion;

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

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

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

8 (6) It is the intent of the legislature that as a condition of  
9 levying, receiving, and expending local option transportation revenues,  
10 no local government agency use the revenues to replace, divert, or loan  
11 any revenues currently being used for transportation purposes to  
12 nontransportation purposes. (~~The association of Washington cities and  
13 the Washington state association of counties, in consultation with the  
14 legislative transportation committee, shall study the issue of  
15 nondiversion and make recommendations to the legislative transportation  
16 committee for language implementing the intent of this section by  
17 December 1, 1990.~~)

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

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

26 (9) Subsections (1) through (8) of this section do not apply to a  
27 regional transportation (~~investment district~~) improvement authority  
28 imposing a tax or fee under the local option authority of this chapter.  
29 Proceeds collected under the exercise of local option authority under  
30 this chapter by (~~a district~~) an authority must be used in accordance  
31 with chapter 36.120 RCW.

32 **Sec. 310.** RCW 82.80.100 and 2002 c 56 s 408 are each amended to  
33 read as follows:

34 (1) Upon approval of a majority of the voters within its boundaries  
35 voting on the ballot proposition, a regional transportation  
36 (~~investment district~~) improvement authority may set and impose an  
37 annual local option vehicle license fee, or a schedule of fees based

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

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

17 (3) A regional transportation (~~investment district~~) improvement  
18 authority imposing the local option vehicle license fee or initiating  
19 an exemption process shall enter into a contract with the department of  
20 licensing. The contract must contain provisions that fully recover the  
21 costs to the department of licensing for collection and administration  
22 of the fee.

23 (4) A regional transportation (~~investment district~~) improvement  
24 authority imposing the local option fee shall delay the effective date  
25 of the local option vehicle license fee imposed by this section at  
26 least six months from the date of the final certification of the  
27 approval election to allow the department of licensing to implement the  
28 administration and collection of or exemption from the fee.

29 **Sec. 311.** RCW 82.80.110 and 2003 c 350 s 2 are each amended to  
30 read as follows:

31 (1) For purposes of this section:

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

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

1 (2) For purposes of dedication to a regional transportation  
2 (~~investment district~~) improvement authority plan under chapter 36.120  
3 RCW, subject to the conditions of this section, a county may levy  
4 additional excise taxes equal to ten percent of the statewide motor  
5 vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor  
6 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special  
7 fuel as defined in RCW 82.38.020 sold within the boundaries of the  
8 county. The additional excise tax is subject to the approval of the  
9 county's legislative body and a majority of the registered voters of  
10 the county voting on the proposition at a general or special election.  
11 An election held under this section must be held not more than twelve  
12 months before the date on which the proposed tax is to be levied. The  
13 ballot setting forth the proposition must state that the revenues from  
14 the tax will be used for a regional transportation (~~investment~~  
15 ~~district~~) improvement authority plan. The county's authority to levy  
16 additional excise taxes under this section includes the incorporated  
17 and unincorporated areas of the county. Vehicles paying an annual  
18 license fee under RCW 82.38.075 are exempt from the county fuel excise  
19 tax. The additional excise taxes are subject to the same exceptions  
20 and rights of refund as applicable to other motor vehicle fuel and  
21 special fuel excise taxes levied under chapters 82.36 and 82.38 RCW.  
22 The proposed tax may not be levied less than one month from the date  
23 the election results are certified by the county election officer. The  
24 commencement date for the levy of any tax under this section will be  
25 the first day of January, April, July, or October.

26 (3) The local option motor vehicle fuel tax on each gallon of motor  
27 vehicle fuel and on each gallon of special fuel is imposed upon the  
28 distributor of the fuel.

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

32 (5) All administrative provisions in chapters 82.01, 82.03, and  
33 82.32 RCW, insofar as they are applicable, apply to local option fuel  
34 taxes imposed under this section.

35 (6) Before the effective date of the imposition of the fuel taxes  
36 under this section, a county shall contract with the department of  
37 revenue for the administration and collection of the taxes. The  
38 contract must provide that a percentage amount, not to exceed one

1 percent of the taxes imposed under this section, will be deposited into  
2 the local tax administration account created in the custody of the  
3 state treasurer. The department of revenue may spend money from this  
4 account, upon appropriation, for the administration of the local taxes  
5 imposed under this section.

6 (7) The state treasurer shall distribute monthly to the county  
7 levying the tax as part of a regional transportation investment plan,  
8 after the deductions for payments and expenditures as provided in RCW  
9 46.68.090(1) (a) and (b).

10 (8) The proceeds of the additional taxes levied by a county in this  
11 section, to be used as a part of a regional transportation investment  
12 plan, must be used in accordance with chapter 36.120 RCW, but only for  
13 those areas that are considered "highway purposes" as that term is  
14 construed in Article II, section 40 of the state Constitution.

15 (9) A county may not levy the tax under this section if they are a  
16 member of a regional transportation (~~(investment district))~~ improvement  
17 authority that is levying the tax in RCW 82.80.120 or the county is  
18 levying the tax in RCW 82.80.010.

19 **Sec. 312.** RCW 82.80.120 and 2003 c 350 s 3 are each amended to  
20 read as follows:

21 (1) For purposes of this section:

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

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

27 (c) "~~(District))~~ Authority" means a regional transportation  
28 (~~(investment district))~~ improvement authority under chapter 36.120 RCW.

29 (2) A regional transportation (~~(investment district))~~ improvement  
30 authority under chapter 36.120 RCW, subject to the conditions of this  
31 section, may levy additional excise taxes equal to ten percent of the  
32 statewide motor vehicle fuel tax rate under RCW 82.36.025 on each  
33 gallon of motor vehicle fuel as defined in RCW 82.36.010 and on each  
34 gallon of special fuel as defined in RCW 82.38.020 sold within the  
35 boundaries of the (~~(district))~~ authority. The additional excise tax is  
36 subject to the approval of a majority of the voters within the  
37 (~~(district))~~ authority boundaries. Vehicles paying an annual license

1 fee under RCW 82.38.075 are exempt from the ((~~district's~~)) authority's  
2 fuel excise tax. The additional excise taxes are subject to the same  
3 exceptions and rights of refund as applicable to other motor vehicle  
4 fuel and special fuel excise taxes levied under chapters 82.36 and  
5 82.38 RCW. The proposed tax may not be levied less than one month from  
6 the date the election results are certified. The commencement date for  
7 the levy of any tax under this section will be the first day of  
8 January, April, July, or October.

9 (3) The local option motor vehicle fuel tax on each gallon of motor  
10 vehicle fuel and on each gallon of special fuel is imposed upon the  
11 distributor of the fuel.

12 (4) A taxable event for the purposes of this section occurs upon  
13 the first distribution of the fuel within the boundaries of the  
14 ((~~district~~)) authority to a retail outlet, bulk fuel user, or ultimate  
15 user of the fuel.

16 (5) All administrative provisions in chapters 82.01, 82.03, and  
17 82.32 RCW, insofar as they are applicable, apply to local option fuel  
18 taxes imposed under this section.

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

28 (7) The state treasurer shall distribute monthly to the  
29 ((~~district~~)) authority levying the tax as part of the regional  
30 transportation ((~~investment district~~)) improvement authority plan,  
31 after the deductions for payments and expenditures as provided in RCW  
32 46.68.090(1) (a) and (b).

33 (8) The proceeds of the additional taxes levied by ((~~a district~~))  
34 an authority in this section, to be used as a part of a regional  
35 transportation ((~~investment district~~)) improvement authority plan, must  
36 be used in accordance with chapter 36.120 RCW, but only for those areas  
37 that are considered "highway purposes" as that term is construed in  
38 Article II, section 40 of the state Constitution.

1 (9) (~~A district~~) An authority may not levy the tax in this  
2 section if a member county is levying the tax in RCW 82.80.010 or  
3 82.80.110.

4 **Sec. 313.** RCW 47.56.075 and 2002 c 56 s 404 are each amended to  
5 read as follows:

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

10 NEW SECTION. **Sec. 314.** A new section is added to chapter 36.--  
11 RCW (sections 101 through 116 of this act) to read as follows:

12 Notwithstanding any provision to the contrary in this chapter, a  
13 regional transportation improvement authority may impose vehicle tolls  
14 on local and regional arterials with the approval of the transportation  
15 commission, or its successor, and upon approval of a majority of the  
16 voters voting on a regional transportation improvement plan ballot  
17 measure within its boundaries as authorized in this chapter. These  
18 tolls may be imposed to generate revenue to fund the regional  
19 transportation improvement plan.

20 NEW SECTION. **Sec. 315.** A new section is added to chapter 82.80  
21 RCW to read as follows:

22 (1) The board of a regional transportation improvement authority  
23 may impose a charge based upon vehicle miles traveled. This charge may  
24 be, but is not limited to, a charge upon the vehicle miles traveled  
25 within the authority by a vehicle, upon vehicle miles traveled within  
26 certain corridors in the authority, or upon total vehicle miles  
27 traveled by a vehicle registered to a person whose legal residence is  
28 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, or exempt or maximum 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 of a majority of the voters within the authority boundaries voting  
4 on formation of the authority. The mileage charge must be part of the  
5 improvement plan of the authority.

6 **Sec. 316.** RCW 47.56.076 and 2002 c 56 s 403 are each amended to  
7 read as follows:

8 With the approval of the transportation commission, or its  
9 successor, and upon approval of a majority of the voters within its  
10 boundaries voting on the ballot proposition, and only for the purposes  
11 authorized in RCW 36.120.050(1)((+f+)) (g), a regional transportation  
12 ((investment district)) improvement authority may impose vehicle tolls  
13 on a state ((routes where improvements financed in whole or in part by  
14 a regional transportation investment district add additional lanes to,  
15 or reconstruct lanes on, a highway of statewide significance)) or  
16 federal highway within the boundaries of the authority. The department  
17 shall administer the collection of vehicle tolls on designated  
18 facilities unless otherwise specified in law or by contract, and the  
19 state transportation commission, or its successor, shall ~~((be the~~  
20 ~~tolling authority))~~ set and impose the tolls in amounts sufficient to  
21 implement the regional transportation improvement plan.

22 NEW SECTION. **Sec. 317.** A new section is added to chapter 47.56  
23 RCW to read as follows:

24 Notwithstanding any provision to the contrary in this chapter, a  
25 regional transportation improvement authority may impose vehicle tolls  
26 on either Lake Washington bridge upon approval of a majority of the  
27 voters voting on a regional transportation investment plan ballot  
28 measure within its boundaries as authorized in chapter 36.120 RCW and  
29 RCW 47.56.076.

30 **PART IV**  
31 **NEW GOVERNANCE DEVELOPMENT**

32 NEW SECTION. **Sec. 401.** LEGISLATIVE INTENT. The legislature finds  
33 that increased demands on transportation resources require increased  
34 efficiency and effectiveness in decision making within urbanized

1 regions. Legislative enactments, public votes on local and state  
2 initiatives and referenda, and the number of agencies involved in  
3 transportation planning and delivery of services has significantly  
4 added to the complexity of transportation programs.

5 The legislature further finds that coordinated planning, investment  
6 in, and operation of transportation systems by the state and local  
7 governments can help ensure an efficient, effective transportation  
8 system that addresses community needs. Such coordination can also  
9 enhance local and state objectives for effective regional  
10 transportation strategies and effective coordination between land use  
11 and transportation.

12 The legislature finds that addressing this need for better  
13 accountability and coordination requires a comprehensive regional  
14 examination of alternative methods for consolidating and coordinating  
15 transportation efforts, and improving accountability. This examination  
16 is best accomplished by an independent body of experts in governmental  
17 organization and transportation issues. It further finds that the  
18 results of this process will guide the legislature and the public in  
19 shaping changes to ensure public confidence in public institutions and  
20 tax expenditures.

21 NEW SECTION. **Sec. 402.** ESTABLISHMENT OF COMMISSION. (1) The  
22 county executives of all counties having a population of over five  
23 hundred thousand persons, that adjoin other counties having a  
24 population of over five hundred thousand persons, shall jointly appoint  
25 a regional transportation governance commission. The county commission  
26 of any other county within the regional transportation planning  
27 organization in which the counties are located shall also appoint a  
28 member to the governance commission. The governor shall appoint a  
29 voting member of the commission, who shall be chair. In addition, the  
30 secretary of transportation or the secretary's designee shall serve as  
31 a nonvoting member. Appointees must be citizen members, who do not  
32 hold public office. Appointees must be expert in fields such as  
33 municipal law, public administration, intergovernmental relationships,  
34 transportation planning and finance, and transportation project  
35 development.

36 (2) The commission shall evaluate transportation governance in the  
37 central Puget Sound area under the jurisdiction of the Puget Sound

1 regional council. This evaluation must include an assessment of the  
2 current roles of regional transportation agencies including regional  
3 transportation and municipal planning organizations, the regional  
4 transit authority, regional transportation improvement authorities,  
5 county and municipal agencies operating transit services, and cities  
6 and counties and other public agencies providing transportation  
7 services or facilities. The commission shall assess and develop  
8 recommendations for what steps should be taken to:

9 (a) Consolidate governance among agencies including changes in  
10 institutional powers, structures, and relationships and governance  
11 needed to improve accountability for transportation decisions, while  
12 enhancing the regional focus for transportation decisions and  
13 maintaining equity among citizens in the region;

14 (b) Improve coordination in the planning of transportation  
15 investments and services;

16 (c) Improve investment strategies;

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

19 (e) Enhance efficiency and coordination in the delivery of services  
20 provided;

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

23 (g) Improve coordination between regional investments and federal  
24 funds, and state funding including those administered by the  
25 transportation improvement board, the county road administration board,  
26 and the freight mobility strategic investment board.

27 (3) The commission shall conduct public meetings to assure active  
28 public participation in the development of the recommendations.

29 (4) The commission shall make public its preliminary findings and  
30 recommendations by November 15, 2005, and shall provide at least  
31 fifteen days for public comment. The commission shall then adopt its  
32 findings and recommendations and submit them to the legislature by  
33 January 1, 2006.

34 NEW SECTION. **Sec. 403.** The department of transportation shall  
35 provide staff support to the commission and, upon request of the  
36 commission, contract with other parties for staff support to the  
37 commission.

PART V

REPEAL OF REGIONAL TRANSPORTATION INVESTMENT DISTRICT PROVISIONS

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

- (1) RCW 36.120.010 (Findings) and 2002 c 56 s 101;
- (2) RCW 36.120.020 (Definitions) and 2002 c 56 s 102;
- (3) RCW 36.120.030 (Planning committee formation) and 2002 c 56 s 103;
- (4) RCW 36.120.040 (Planning committee duties) and 2003 c 194 s 1 & 2002 c 56 s 104;
- (5) RCW 36.120.050 (Taxes, fees, and tolls) and 2003 c 350 s 4 & 2002 c 56 s 105;
- (6) RCW 36.120.060 (Project selection--Performance criteria) and 2002 c 56 s 106;
- (7) RCW 36.120.070 (Submission of plan to the voters) and 2002 c 56 s 107;
- (8) RCW 36.120.080 (Formation--Certification) and 2002 c 56 s 108;
- (9) RCW 36.120.090 (Governing board--Composition) and 2002 c 56 s 109;
- (10) RCW 36.120.100 (Governing board--Organization) and 2002 c 56 s 110;
- (11) RCW 36.120.110 (Governing board--Powers and duties--Intent) and 2002 c 56 s 111;
- (12) RCW 36.120.120 (Treasurer) and 2002 c 56 s 112;
- (13) RCW 36.120.130 (Indebtedness--Bonds--Limitation) and 2003 c 372 s 1 & 2002 c 56 s 113;
- (14) RCW 36.120.140 (Transportation project or plan modification--Accountability) and 2003 c 194 s 2 & 2002 c 56 s 114;
- (15) RCW 36.120.150 (Department of transportation--Role) and 2002 c 56 s 115;
- (16) RCW 36.120.160 (Ownership of improvements) and 2002 c 56 s 116;
- (17) RCW 36.120.170 (Dissolution of district) and 2002 c 56 s 117;
- (18) RCW 36.120.180 (Findings--Regional models--Grants) and 2002 c 56 s 118;
- (19) RCW 36.120.190 (Joint ballot measure) and 2002 c 56 s 201;
- (20) RCW 36.120.200 (Regional transportation investment district account) and 2002 c 56 s 401;

1 (21) RCW 36.120.900 (Captions and subheadings not law--2002 c 56)  
2 and 2002 c 56 s 501; and  
3 (22) RCW 36.120.901 (Severability--2002 c 56) and 2002 c 56 s 503.

4 **PART VI**  
5 **MISCELLANEOUS PROVISIONS**

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

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

12 NEW SECTION. **Sec. 603.** CODIFICATION. Sections 101 through 116  
13 and 314 of this act constitute a new chapter in Title 36 RCW.

14 NEW SECTION. **Sec. 604.** SEVERABILITY. If any provision of this  
15 act or its application to any person or circumstance is held invalid,  
16 the remainder of the act or the application of the provision to other  
17 persons or circumstances is not affected.

--- END ---