
SUBSTITUTE HOUSE BILL 2871

State of Washington 59th Legislature 2006 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Murray, Dickerson, Appleton and Simpson)

READ FIRST TIME 02/08/06.

1 AN ACT Relating to regional transportation governance; amending RCW
2 36.120.020, 36.120.030, 36.120.040, 36.120.070, 29A.36.071, 36.120.080,
3 36.120.110, 81.112.030, 35.95A.030, 35.95A.110, 36.120.050, 81.100.080,
4 81.100.060, 82.14.430, and 47.56.076; reenacting and amending RCW
5 43.79A.040, 43.84.092, and 43.84.092; adding a new section to chapter
6 36.120 RCW; adding a new section to chapter 82.80 RCW; adding a new
7 section to chapter 47.56 RCW; adding a new section to chapter 47.01
8 RCW; adding a new chapter to Title 36 RCW; providing an effective date;
9 and providing an expiration date.

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

11 NEW SECTION. **Sec. 1.** The legislature finds that effective
12 transportation planning in urbanized regions requires stronger and
13 clearer lines of responsibility and accountability.

14 The legislature further finds that integrated, multimodal
15 transportation planning will help reduce transportation congestion and
16 improve safety, and that streamlined decision making will help reduce
17 political congestion.

18 The legislature further finds that coordinated planning of,
19 investment in, and operation of transportation systems will have

1 significant benefit to the citizens of Washington, and that it is the
2 will of the people to fund regional transportation solutions, including
3 improving transit service in urbanized areas and among existing,
4 fragmented transit agencies in the region. Although equity
5 considerations must be respected, transportation problems are broader
6 and deeper than the sum of geographic subareas.

7 It is therefore the policy of the state of Washington to create a
8 regional transportation commission to develop a proposal for a regional
9 transportation governing entity more directly accountable to the
10 public, and to develop a comprehensive regional transportation finance
11 plan for the citizens of the Puget Sound metropolitan region.

12 NEW SECTION. **Sec. 2.** (1) The regional transportation commission
13 is established.

14 (2) The commission shall consist of nine commissioners. Three of
15 the nine commissioners shall comprise the county executives of each of
16 those contiguous counties of the Puget Sound metropolitan region
17 comprising a county with a population over one million five hundred
18 thousand persons and the immediately adjacent counties each with a
19 population over five hundred thousand persons. The remaining six
20 commissioners shall be appointed by the governor by June 1, 2006.
21 Appointments of commissioners shall reflect geographical balance and
22 diversity of populations within the Puget Sound region and, to the
23 extent possible, include commissioners with special expertise in
24 relevant fields such as funding, planning, and construction of
25 transportation improvement projects and operation of transportation
26 systems. Vacancies for any appointed commission seat shall be filled
27 in the same manner as the original appointments were made.

28 (3) Each person appointed by the governor shall hold office until
29 the commission dissolves under section 6 of this act or until a
30 successor is appointed and qualified as set forth in subsection (4) of
31 this section, whichever is earlier.

32 (4) The term of office for a commissioner begins seven days
33 following appointment by the governor. A commissioner must be a
34 qualified elector under the state Constitution when his or her term of
35 office begins. A commission-elected officer may not be an elected
36 officer of the state or a city, county, or special district during his

1 or her term of office. As used in this chapter, special district does
2 not include school districts.

3 (5) The commission chair presides over the commission and sets the
4 commission agenda subject to general rules established by the
5 commission. Except as provided otherwise in this chapter, the
6 commission chair appoints all members of the committees, councils, and
7 boards created by the rules of the commission. The commission chair
8 shall be designated by the governor from among the six commissioners
9 appointed under subsection (2) of this section.

10 (6) Each member of the commission is eligible to receive
11 compensation in an amount not to exceed two hundred fifty dollars for
12 each day during which the member attends an official meeting of the
13 group or performs statutorily prescribed duties approved by the chair.
14 A person shall not receive compensation for a day of service under this
15 section if the person (a) occupies a position normally regarded as full
16 time in nature, in any agency of the federal government, Washington
17 state government, or Washington state local government, and (b)
18 receives any compensation from such government for working that day.
19 A commissioner may be compensated under this subsection only if the
20 compensation is necessarily incurred in the course of authorized
21 business, consistent with the responsibilities of the commission
22 established by this chapter.

23 (7) The commission may be entitled to state funding, as
24 appropriated by the legislature, to pay for expenses incurred by the
25 commission and the department of transportation and through contracts
26 in carrying out the duties authorized in this chapter.

27 NEW SECTION. **Sec. 3.** The commission has the following duties:

28 (1) Evaluate transportation governance in the central Puget Sound
29 area within the jurisdiction of the Puget Sound regional council. This
30 evaluation must include an assessment of the current roles of regional
31 transportation agencies, including regional transportation and
32 metropolitan planning organizations, the regional transit authority,
33 regional transportation improvement authorities, county and municipal
34 agencies operating transit services, and cities, counties, and other
35 public agencies providing transportation services or facilities. The
36 commission shall assess and develop recommendations for what steps
37 should be taken to:

1 (a) Consolidate governance among agencies, including changes in
2 institutional powers, structures, and relationships and governance
3 needed to improve accountability for transportation decisions, while
4 enhancing the regional focus for transportation decisions and
5 maintaining equity among citizens in the region;

6 (b) Improve coordination in the planning of transportation
7 investments and services;

8 (c) Improve investment strategies;

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

11 (e) Enhance efficiency and coordination in the delivery of services
12 provided;

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

15 (g) Improve coordination between regional investments and federal
16 funds, and state funding, including those administered by the
17 transportation improvement board, the county road administration board,
18 and the freight mobility strategic investment board;

19 (2) Develop a regional transportation governance proposal that
20 includes, at a minimum, the formation of a regional transportation
21 governing entity, of which all or a majority of its members must be
22 directly elected, the revenue sources that will be available to such
23 entity, and the scope of planning authority of such entity;

24 (3) Publicize the commission's proposal referenced in subsection
25 (2) of this section by November 15, 2006, and provide at least fifteen
26 days for public comment;

27 (4) Adopt the proposal referenced in subsection (2) of this section
28 and submit it to the legislature by January 1, 2007;

29 (5) Develop a comprehensive, integrated transportation finance plan
30 for the metropolitan Puget Sound region to be submitted to the affected
31 voters by the regional transportation governing entity;

32 (6) Conduct public meetings to assure active public participation
33 in the development of the proposal referenced in subsection (2) of this
34 section and the regional transportation finance plan referenced in
35 subsection (5) of this section.

36 NEW SECTION. **Sec. 4.** The department of transportation shall

1 provide staff support to the commission and, upon request of the
2 commission, contract with other parties for staff support to the
3 commission.

4 NEW SECTION. **Sec. 5.** In addition to any other powers granted by
5 this act, the commission or its successor entity has the power to set
6 and impose any tax authorized by chapter 35.95A RCW with respect to a
7 city transportation authority, but only (1) for funding nonmonorail,
8 high capacity transportation projects or local public transportation
9 projects within the city transportation authority area as defined in
10 RCW 35.95A.010, and (2) after the retirement of the existing debt
11 incurred by the city transportation authority as of January 1, 2006,
12 and the funding of a contingency account sufficient in amount to
13 resolve existing and reasonably foreseeable legal claims against the
14 city transportation authority.

15 NEW SECTION. **Sec. 6.** Upon such time as the regional
16 transportation governing entity established by the legislature pursuant
17 to the commission's recommendations becomes fully operational: (1) All
18 of the powers, functions, and duties of the commission shall be
19 transferred to the regional transportation governing entity; (2) the
20 commission shall take such additional actions as needed to wind up its
21 affairs; and (3) the commission shall dissolve.

22 **Sec. 7.** RCW 36.120.020 and 2002 c 56 s 102 are each amended to
23 read as follows:

24 The definitions in this section apply throughout this chapter
25 unless the context clearly requires otherwise.

26 (1) "Board" means the governing body of a regional transportation
27 investment district.

28 (2) "Department" means the Washington state department of
29 transportation.

30 (3) "Highway of statewide significance" means an existing or
31 proposed state route or federal interstate designated as a highway of
32 statewide significance by the transportation commission, its successor
33 entity, or the legislature.

34 (4) "Lead agency" means a public agency that by law can plan,

1 design, and build a transportation project and has been so designated
2 by the district.

3 (5) "Regional transportation investment district" or "district"
4 means a municipal corporation (~~(whose boundaries are coextensive with~~
5 ~~two or more contiguous counties and~~)) that has been created by county
6 legislative authorities and a vote of the people under this chapter to
7 implement a regional transportation investment plan.

8 (6) "Regional transportation investment district planning
9 committee" or "planning committee" means the advisory committee created
10 under RCW 36.120.030 to create and propose to county legislative
11 authorities a regional transportation investment plan to develop,
12 finance, and construct transportation projects.

13 (7) "Regional transportation investment plan" or "plan" means a
14 plan to develop, construct, and finance a transportation project or
15 projects.

16 (8) "Transportation project" means:

17 (a) A capital improvement or improvements to a highway that has
18 been designated, in whole or in part, as a highway of statewide
19 significance, including an extension, that:

20 (i) Adds a lane or new lanes to an existing state or federal
21 highway; or

22 (ii) Repairs or replaces a lane or lanes damaged by an event
23 declared an emergency by the governor before January 1, 2002.

24 (b) A capital improvement or improvements to all or a portion of a
25 highway of statewide significance, including an extension, and may
26 include the following associated multimodal capital improvements:

27 (i) Approaches to highways of statewide significance;

28 (ii) High-occupancy vehicle lanes;

29 (iii) Flyover ramps;

30 (iv) Park and ride lots;

31 (v) Bus pullouts;

32 (vi) Vans for vanpools;

33 (vii) Buses; and

34 (viii) Signalization, ramp metering, and other transportation
35 system management improvements.

36 (c) A capital improvement or improvements to all or a portion of a
37 city street, county road, or existing highway or the creation of a new

1 highway that intersects with a highway of statewide significance, if
2 all of the following conditions are met:

3 (i) The project is included in a plan that makes highway
4 improvement projects that add capacity to a highway or highways of
5 statewide significance;

6 (ii) The secretary of transportation determines that the project
7 would better relieve traffic congestion than investing that same money
8 in adding capacity to a highway of statewide significance;

9 (iii) Matching money equal to (~~one-third~~) fifteen percent of the
10 total cost of the project is provided by local entities, including but
11 not limited to a metropolitan planning organization, county, city,
12 port, or private entity in which a county participating in a plan is
13 located. Local entities may use federal grants to meet this matching
14 requirement;

15 (iv) In no case may the cumulative regional transportation
16 investment district contribution to all projects constructed under this
17 subsection (8)(c) exceed ten percent of the revenues generated by the
18 district;

19 (v) In no case may the cumulative regional transportation
20 investment district contribution to all projects constructed under this
21 subsection (8)(c) exceed one billion dollars; and

22 (vi) The specific projects are included within the plan and
23 submitted as part of the plan to a vote of the people.

24 (d) Any project contained in the state transportation plan or a
25 regional transportation planning organization that is of statewide or
26 regional significance, including, without limitation, investment in new
27 or existing highways of statewide significance, principal arterials of
28 regional significance, high-capacity transportation, public
29 transportation, and other transportation projects of regional or
30 statewide significance, including transportation demand management.

31 (e) Operations, preservation, and maintenance (~~are excluded from~~
32 ~~this definition and~~) of any facility or program authorized by this
33 section may (~~not~~) be included in a regional transportation investment
34 plan.

35 (9) "Weighted vote" means a vote that reflects the population each
36 board or planning committee member represents relative to the
37 population represented by the total membership of the board or planning

1 committee. Population will be determined using the federal 2000 census
2 or subsequent federal census data.

3 **Sec. 8.** RCW 36.120.030 and 2002 c 56 s 103 are each amended to
4 read as follows:

5 Regional transportation investment district planning committees are
6 advisory entities that are created, convened, and empowered as follows:

7 (1) A county with a population over one million five hundred
8 thousand persons and any adjoining counties with a population over five
9 hundred thousand persons may create a regional transportation
10 investment district and shall convene a regional transportation
11 investment district planning committee.

12 (a) The boundaries of the district should include at least the
13 contiguous areas within the regional transit authority serving the
14 counties. A city must be entirely within or entirely outside district
15 boundaries. The boundaries must be proposed by the district and
16 approved by the county legislative authorities by ordinance before or
17 in conjunction with approval of a regional transportation investment
18 plan. Boundaries must follow contiguous parcels of land. However, any
19 portion of a county that is located on a peninsula may be exempt from
20 a regional transportation investment district in which more than one
21 county is included if (i) the portion of the county located on the
22 peninsula is connected to the other portion of the county by a bridge
23 improved under chapter 47.46 RCW, and (ii) the county has a national
24 park and a population of more than five hundred thousand persons, but
25 less than one million five hundred thousand persons.

26 (b) After voters within the district boundaries have approved a
27 plan under RCW 36.120.070, elections to add areas to the district
28 boundaries may be called by a resolution of the board, after
29 consultation with the regional transportation planning organization and
30 affected transit agencies and with the concurrence of the legislative
31 authority of the city or town if the area is incorporated or with the
32 concurrence of the county legislative authority if the area is
33 unincorporated. The election may include a single ballot measure
34 providing annexation to the district, approval of the plan, and
35 approval of revenue sources necessary to finance the plan. The
36 electorate are the voters voting within the proposed area to be
37 annexed. A simple majority of the persons voting on the single ballot

1 measure is required for approval of the measure. This option for
2 annexation applies to areas within the counties initially establishing
3 a district and also to areas within a county having a population over
4 two hundred thirty thousand persons and whose boundaries abut three
5 counties eligible to form a district under this subsection.

6 (2) The members of the legislative authorities participating in
7 planning under this chapter shall serve as the district planning
8 committee. Members of the planning committee receive no compensation,
9 but may be reimbursed for travel and incidental expenses as the
10 planning committee deems appropriate.

11 The secretary of transportation, or the appropriate regional
12 administrator of the department, as named by the secretary, shall serve
13 on the committee as a nonvoting member.

14 (3) A regional transportation investment district planning
15 committee may be entitled to state funding, as appropriated by the
16 legislature, for start-up funding to pay for salaries, expenses,
17 overhead, supplies, and similar expenses ordinarily and necessarily
18 incurred in selecting transportation projects and funding for those
19 transportation projects under this chapter. Upon creation of a
20 regional transportation investment district, the district shall within
21 one year reimburse the state for any sums advanced for these start-up
22 costs from the state.

23 (4) The planning committee shall conduct its affairs and formulate
24 a regional transportation investment plan as provided under RCW
25 36.120.040, except that it shall elect an executive board of seven
26 members to discharge the duties of the planning committee and formulate
27 a regional transportation investment plan, subject to the approval of
28 the full committee.

29 (5) At its first meeting, a regional transportation investment
30 district planning committee may elect officers and provide for the
31 adoption of rules and other operating procedures.

32 (6) Governance of and decisions by a regional transportation
33 investment district planning committee must be by a sixty-percent
34 weighted majority vote of the total membership.

35 (7) The planning committee may dissolve itself at any time by a
36 two-thirds weighted majority vote of the total membership of the
37 planning committee.

1 **Sec. 9.** RCW 36.120.040 and 2003 c 194 s 1 are each amended to read
2 as follows:

3 (1) A regional transportation investment district planning
4 committee shall adopt a regional transportation investment plan
5 providing for the development, construction, and financing of
6 transportation projects. The planning committee may consider the
7 following factors in formulating its plan:

8 (a) Land use planning criteria;

9 (b) The input of cities located within a participating county; and

10 (c) The input of regional transportation planning organizations
11 ~~((in))~~ of which a participating county is ~~((located))~~ a member. A
12 regional transportation planning organization in which a participating
13 county is located shall review its adopted regional transportation plan
14 and submit, for the planning committee's consideration, its list of
15 transportation improvement priorities.

16 (2) The planning committee may coordinate its activities with the
17 department, which shall provide services, data, and personnel to assist
18 in this planning as desired by the planning committee. In addition,
19 the planning committee may coordinate its activities with affected
20 cities, towns, and other local governments, including any regional
21 transit authority existing within the participating counties'
22 boundaries, that engage in transportation planning.

23 (3) The planning committee shall:

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

26 (b) Adopt a plan proposing the:

27 (i) Creation of a regional transportation investment district,
28 including district boundaries; and

29 (ii) Construction of transportation projects to improve mobility
30 within each county and within the region. Except for toll-related
31 facilities where toll revenues have been pledged for the payment of
32 contracts, and for transit facilities for the purpose of project
33 construction mitigation, operations, maintenance, and preservation of
34 facilities or systems may not be part of the plan;

35 (c) Recommend sources of revenue authorized by RCW 36.120.050 and
36 a financing plan to fund selected transportation projects. The overall
37 plan of the district must leverage the district's financial
38 contributions so that the federal, state, local, and other revenue

1 sources continue to fund major congestion relief and transportation
2 capacity improvement projects in each county and the district. A
3 combination of local, state, and federal revenues may be necessary to
4 pay for transportation projects, and the planning committee shall
5 consider all of these revenue sources in developing a plan.

6 (4) The plan must use tax revenues and related debt for projects
7 that generally benefit a participating county in proportion to the
8 general level of tax revenues generated within that participating
9 county. This equity principle applies to all modifications to the
10 plan, appropriation of contingency funds not identified within the
11 project estimate, and future phases of the plan. During implementation
12 of the plan, the board shall retain the flexibility to manage
13 distribution of revenues, debt, and project schedules so that the
14 district may effectively implement the plan. Nothing in this section
15 should be interpreted to prevent the district from pledging district-
16 wide tax revenues for payment of any contract or debt entered into
17 under RCW 36.120.130.

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

35 (6) If a county opts not to adopt the plan or participate in the
36 regional transportation investment district, but two or more contiguous
37 counties do choose to continue to participate, then the planning
38 committee may, within ninety days, redefine the regional transportation

1 investment plan and the ballot measure to be submitted to the people to
2 reflect elimination of the county, and submit the redefined plan to the
3 legislative authorities of the remaining counties for their decision as
4 to whether to continue to adopt the redefined plan and participate.
5 This action must be completed within sixty days after receipt of the
6 redefined plan.

7 (7) Once adopted by the planning committee, the plan must be
8 forwarded to the participating county legislative authorities to
9 initiate the election process under RCW 36.120.070. The planning
10 committee shall at the same time provide notice to each city and town
11 within the district, the governor, the chairs of the transportation
12 committees of the legislature, the secretary of transportation, and
13 each legislator whose legislative district is partially or wholly
14 within the boundaries of the district.

15 (8) If the ballot measure is not approved, the planning committee
16 may redefine the selected transportation projects, financing plan, and
17 the ballot measure. The county legislative authorities may approve the
18 new plan and ballot measure, and may then submit the revised
19 proposition to the voters at the next election or a special election.
20 If no ballot measure is approved by the voters by the third vote, the
21 planning committee is dissolved.

22 **Sec. 10.** RCW 36.120.070 and 2002 c 56 s 107 are each amended to
23 read as follows:

24 Beginning no sooner than the 2007 general election, two or more
25 contiguous county legislative authorities, upon receipt of the regional
26 transportation investment plan under RCW 36.120.040, may ((certify the
27 plan to the ballot, including identification of the tax options))
28 submit to the voters of the proposed district a single ballot measure
29 that approves formation of the district, approves the regional
30 transportation investment plan, and approves the revenue sources
31 necessary to ((fund)) finance the plan. ((County legislative
32 authorities)) For a county to participate in the plan, the county
33 legislative authorities shall, within ninety days after receiving the
34 plan, adopt an ordinance indicating the county's participation. The
35 planning committee may draft ((a ballot title,)) the ballot measure on
36 behalf of the county legislative authorities, and the county
37 legislative authorities may give notice as required by law for ballot

1 measures, and perform other duties as required to (~~put the plan~~
2 ~~before~~) submit the measure to the voters of the proposed district for
3 their approval or rejection (~~as a single ballot measure that both~~
4 ~~approves formation of the district and approves the plan~~). Counties
5 may negotiate interlocal agreements necessary to implement the plan.
6 The electorate will be the voters voting within the boundaries of the
7 (~~participating counties~~) proposed district. A simple majority of the
8 total persons voting on the single ballot measure (~~to approve the~~
9 ~~plan, establish the district, and approve the taxes and fees~~) is
10 required for approval.

11 **Sec. 11.** RCW 29A.36.071 and 2004 c 271 s 169 are each amended to
12 read as follows:

13 (1) Except as provided to the contrary in RCW 82.14.036, 82.46.021,
14 or 82.80.090, the ballot title of any referendum filed on an enactment
15 or portion of an enactment of a local government and any other question
16 submitted to the voters of a local government consists of three
17 elements: (a) An identification of the enacting legislative body and
18 a statement of the subject matter; (b) a concise description of the
19 measure; and (c) a question. The ballot title must conform with the
20 requirements and be displayed substantially as provided under RCW
21 29A.72.050, except that the concise description must not exceed
22 seventy-five words; however, a concise description submitted on behalf
23 of a regional transportation investment district may exceed seventy-
24 five words. If the local governmental unit is a city or a town, the
25 concise statement shall be prepared by the city or town attorney. If
26 the local governmental unit is a county, the concise statement shall be
27 prepared by the prosecuting attorney of the county. If the unit is a
28 unit of local government other than a city, town, or county, the
29 concise statement shall be prepared by the prosecuting attorney of the
30 county within which the majority area of the unit is located.

31 (2) A referendum measure on the enactment of a unit of local
32 government shall be advertised in the manner provided for nominees for
33 elective office.

34 (3) Subsection (1) of this section does not apply if another
35 provision of law specifies the ballot title for a specific type of
36 ballot question or proposition.

1 **Sec. 12.** RCW 36.120.080 and 2002 c 56 s 108 are each amended to
2 read as follows:

3 If the voters approve the plan, including creation of a regional
4 transportation investment district and imposition of taxes and fees,
5 the district will be declared formed. The county election officials of
6 participating counties shall, within fifteen days of the final
7 certification of the election results, publish a notice in a newspaper
8 or newspapers of general circulation in the district declaring the
9 district formed, and mail copies of the notice to the governor, the
10 secretary of transportation, the executive director of the regional
11 transit authority in which any part of the district is located, and the
12 executive director of the regional transportation planning organization
13 in which any part of the district is located. A party challenging the
14 procedure or the formation of a voter-approved district must file the
15 challenge in writing by serving the prosecuting attorney of the
16 participating counties and the attorney general within thirty days
17 after the final certification of the election. Failure to challenge
18 within that time forever bars further challenge of the district's valid
19 formation.

20 **Sec. 13.** RCW 36.120.110 and 2002 c 56 s 111 are each amended to
21 read as follows:

22 (1) The governing board of the district is responsible for the
23 execution of the voter-approved plan. The board shall:

24 (a) Impose taxes and fees authorized by district voters;

25 (b) Enter into agreements with state, local, and regional agencies
26 and departments as necessary to accomplish district purposes and
27 protect the district's investment in transportation projects;

28 (c) Accept gifts, grants, or other contributions of funds that will
29 support the purposes and programs of the district;

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) Hire no more than ten employees, including a director or
36 executive officer, a treasurer or financial officer, a project manager
37 or engineer, a project permit coordinator, and clerical staff; and

1 (g) Coordinate its activities with affected cities, towns, and
2 other local governments, including any regional transit authority
3 existing either partially or entirely within the district area, that
4 engage in transportation planning; and

5 (h) Exercise other powers and duties as may be reasonable to carry
6 out the purposes of the district.

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

14 (3) A district may not acquire, hold, or dispose of real property.

15 (4) Except as provided in section 7(8)(e) of this act, a district
16 may not own, operate, or maintain an ongoing facility, road, or
17 transportation system.

18 (5) A district may accept and expend or use gifts, grants, or
19 donations.

20 (6) It is the intent of the legislature that administrative and
21 overhead costs of a regional transportation investment district be
22 minimized. For transportation projects costing up to fifty million
23 dollars, administrative and overhead costs may not exceed three percent
24 of the total construction and design project costs per year. For
25 transportation projects costing more than fifty million dollars,
26 administrative and overhead costs may not exceed three percent of the
27 first fifty million dollars in costs, plus an additional one-tenth of
28 one percent of each additional dollar above fifty million. These
29 limitations apply only to the district, and do not limit the
30 administration or expenditures of the department.

31 (7) A district may use the design-build procedure for
32 transportation projects developed by it. As used in this section
33 "design-build procedure" means a method of contracting under which the
34 district contracts with another party for that party to both design and
35 build the structures, facilities, and other items specified in the
36 contract. The requirements and limitations of RCW 47.20.780 and
37 47.20.785 do not apply to the transportation projects under this
38 chapter.

1 **Sec. 14.** RCW 81.112.030 and 1994 c 44 s 1 are each amended to read
2 as follows:

3 Two or more contiguous counties each having a population of four
4 hundred thousand persons or more may establish a regional transit
5 authority to develop and operate a high capacity transportation system
6 as defined in chapter 81.104 RCW.

7 The authority shall be formed in the following manner:

8 (1) The joint regional policy committee created pursuant to RCW
9 81.104.040 shall adopt a system and financing plan, including the
10 definition of the service area. This action shall be completed by
11 September 1, 1992, contingent upon satisfactory completion of the
12 planning process defined in RCW 81.104.100. The final system plan
13 shall be adopted no later than June 30, 1993. In addition to the
14 requirements of RCW 81.104.100, the plan for the proposed system shall
15 provide explicitly for a minimum portion of new tax revenues to be
16 allocated to local transit agencies for interim express services. Upon
17 adoption the joint regional policy committee shall immediately transmit
18 the plan to the county legislative authorities within the adopted
19 service area.

20 (2) The legislative authorities of the counties within the service
21 area shall decide by resolution whether to participate in the
22 authority. This action shall be completed within forty-five days
23 following receipt of the adopted plan or by August 13, 1993, whichever
24 comes first.

25 (3) Each county that chooses to participate in the authority shall
26 appoint its board members as set forth in RCW 81.112.040 and shall
27 submit its list of members to the secretary of the Washington state
28 department of transportation. These actions must be completed within
29 thirty days following each county's decision to participate in the
30 authority.

31 (4) The secretary shall call the first meeting of the authority, to
32 be held within thirty days following receipt of the appointments. At
33 its first meeting, the authority shall elect officers and provide for
34 the adoption of rules and other operating procedures.

35 (5) The authority is formally constituted at its first meeting and
36 the board shall begin taking steps toward implementation of the system
37 and financing plan adopted by the joint regional policy committee. If
38 the joint regional policy committee fails to adopt a plan by June 30,

1 1993, the authority shall proceed to do so based on the work completed
2 by that date by the joint regional policy committee. Upon formation of
3 the authority, the joint regional policy committee shall cease to
4 exist. The authority may make minor modifications to the plan as
5 deemed necessary and shall at a minimum review local transit agencies'
6 plans to ensure feeder service/high capacity transit service
7 integration, ensure fare integration, and ensure avoidance of parallel
8 competitive services. The authority shall also conduct a minimum
9 thirty-day public comment period.

10 (6) If the authority determines that major modifications to the
11 plan are necessary before the initial ballot proposition is submitted
12 to the voters, the authority may make those modifications with a
13 favorable vote of two-thirds of the entire membership. Any such
14 modification shall be subject to the review process set forth in RCW
15 81.104.110. The modified plan shall be transmitted to the legislative
16 authorities of the participating counties. The legislative authorities
17 shall have forty-five days following receipt to act by motion or
18 ordinance to confirm or rescind their continued participation in the
19 authority.

20 (7) If any county opts to not participate in the authority, but two
21 or more contiguous counties do choose to continue to participate, the
22 authority's board shall be revised accordingly. The authority shall,
23 within forty-five days, redefine the system and financing plan to
24 reflect elimination of one or more counties, and submit the redefined
25 plan to the legislative authorities of the remaining counties for their
26 decision as to whether to continue to participate. This action shall
27 be completed within forty-five days following receipt of the redefined
28 plan.

29 (8) The authority shall place on the ballot within two years of the
30 authority's formation, a single ballot proposition to authorize the
31 imposition of taxes to support the implementation of an appropriate
32 phase of the plan within its service area. In addition to the system
33 plan requirements contained in RCW 81.104.100(2)(d), the system plan
34 approved by the authority's board before the submittal of a proposition
35 to the voters shall contain an equity element which:

36 (a) Identifies revenues anticipated to be generated by corridor and
37 by county within the authority's boundaries;

1 (b) Identifies the phasing of construction and operation of high
2 capacity system facilities, services, and benefits in each corridor.
3 Phasing decisions should give priority to jurisdictions which have
4 adopted transit-supportive land use plans; and

5 (c) Identifies the degree to which revenues generated within each
6 county will benefit the residents of that county, and identifies when
7 such benefits will accrue.

8 A simple majority of those voting within the boundaries of the
9 authority is required for approval. If the vote is affirmative, the
10 authority shall begin implementation of the projects identified in the
11 proposition. However, the authority may not submit any authorizing
12 proposition for voter-approved taxes prior to July 1, 1993; nor may the
13 authority issue bonds or form any local improvement district prior to
14 July 1, 1993.

15 (9) If the vote on a proposition fails, the board may redefine the
16 proposition, make changes to the authority boundaries, and make
17 corresponding changes to the composition of the board. If the
18 composition of the board is changed, the participating counties shall
19 revise the membership of the board accordingly. The board may then
20 submit the revised proposition or a different proposition to the
21 voters. No single proposition may be submitted to the voters more than
22 twice.

23 (10) Beginning no sooner than the 2007 general election, the
24 authority may place additional propositions on the ballot to impose
25 taxes to support additional phases of plan implementation. In
26 conjunction with RCW 36.120.070, the proposition may be submitted to
27 the voters as a common ballot measure along with a proposed regional
28 transportation investment plan.

29 (11) If the authority is unable to achieve a positive vote on a
30 proposition within two years from the date of the first election on a
31 proposition, the board may, by resolution, reconstitute the authority
32 as a single-county body. With a two-thirds vote of the entire
33 membership of the voting members, the board may also dissolve the
34 authority.

35 **Sec. 15.** RCW 35.95A.030 and 2002 c 248 s 3 are each amended to
36 read as follows:

1 (1) A city that undertakes to propose creation of an authority must
2 propose the authority by ordinance of the city legislative body. The
3 ordinance must:

4 (a) Propose the authority area and the size and method of selection
5 of the governing body of the authority, which governing body may be
6 appointed or elected, provided that officers or employees of any single
7 city government body may not compose a majority of the members of the
8 authority's governing body;

9 (b) Propose whether all or a specified portion of the public
10 monorail transportation function will be exercised by the authority;

11 (c) Propose an initial array of taxes to be voted upon by the
12 electors within the proposed authority area; and

13 (d) Provide for an interim governing body of the authority which
14 will govern the authority upon voter approval of formation of the
15 authority, until a permanent governing body is selected, but in no
16 event longer than fourteen months.

17 (2) An authority may also be proposed to be created by a petition
18 setting forth the matters described in subsection (1) of this section,
19 and signed by one percent of the qualified electors of the proposed
20 authority area.

21 (3) Upon approval by the qualified electors of the formation of the
22 city transportation authority and any proposed taxes, either by
23 ordinance or by petition as provided in this chapter, the governing
24 body of an authority, or interim governing body, as applicable, will
25 adopt bylaws determining, among other things, the authority's officers
26 and the method of their selection, and other matters the governing body
27 deems appropriate.

28 (4) The governing body of an authority located wholly within the
29 boundaries of a regional transit authority, as defined in RCW
30 81.112.020, has no power to set or impose any tax otherwise authorized
31 by this chapter, except as necessary to retire the existing debt
32 incurred by the city transportation authority as of January 1, 2006,
33 and to fund a contingency account sufficient in amount to resolve
34 existing and reasonably foreseeable legal claims against the city
35 transportation authority.

36 **Sec. 16.** RCW 35.95A.110 and 2002 c 248 s 12 are each amended to
37 read as follows:

1 (1) All taxes and fees levied and collected by ((an)) a city
2 transportation authority must be used solely for the purpose of paying
3 all or any part of the cost of acquiring, designing, constructing,
4 equipping, maintaining, or operating public monorail transportation
5 facilities or contracting for the services thereof, or to pay or secure
6 the payment of all or part of the principal of or interest on any
7 general obligation bonds or revenue bonds issued for authority
8 purposes. Until expended, money accumulated in the funds and accounts
9 of an authority may be invested in the manner authorized by the
10 governing body of the authority, consistent with state law.

11 If any of the revenue from any tax or fee authorized to be levied
12 by an authority has been pledged by the authority to secure the payment
13 of any bonds as herein authorized, then as long as that pledge is in
14 effect the legislature will not withdraw from the authority the
15 authorization to levy and collect the tax or fee.

16 (2) All taxes and fees authorized by this chapter, which are levied
17 and collected by a regional transportation commission or its successor
18 under section 5 of this act, must be used for funding nonmonorail, high
19 capacity transportation projects or local public transportation
20 projects within the city transportation authority area as defined in
21 RCW 35.95A.010.

22 **Sec. 17.** RCW 36.120.050 and 2003 c 350 s 4 are each amended to
23 read as follows:

24 (1) A regional transportation investment district planning
25 committee may, as part of a regional transportation investment plan,
26 recommend the imposition of some or all of the following revenue
27 sources, which a regional transportation investment district may impose
28 upon approval of the voters as provided in this chapter:

29 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
30 up to ((0.5)) 0.1 percent of the selling price, in the case of a sales
31 tax, or value of the article used, in the case of a use tax, upon the
32 occurrence of any taxable event in the regional transportation
33 investment district;

34 (b) A local option vehicle license fee, as specified under RCW
35 82.80.100, of up to one hundred dollars per vehicle registered in the
36 district. As used in this subsection, "vehicle" means motor vehicle as

1 defined in RCW 46.04.320. Certain classes of vehicles, as defined
2 under chapter 46.04 RCW, may be exempted from this fee;

3 (c) A parking tax under RCW 82.80.030;

4 (d) A local motor vehicle excise tax under RCW 81.100.060 and
5 chapter 81.104 RCW;

6 (e) A local option fuel tax under RCW 82.80.120;

7 (f) An employer excise tax under RCW 81.100.030; and

8 (g) Vehicle tolls on new or reconstructed (~~(facilities-)~~) local or
9 regional arterials or state or federal highways within the boundaries
10 of the district, if the following conditions are met:

11 (i) Any such toll must be approved by the transportation commission
12 or its successor;

13 (ii) The regional transportation investment plan must identify the
14 facilities that may be tolled; and

15 (iii) Unless otherwise specified by law, the department shall
16 administer the collection of vehicle tolls on designated facilities,
17 and the state transportation commission, or its successor, shall be the
18 tolling authority.

19 (2) Taxes, fees, and tolls may not be imposed without an
20 affirmative vote of the majority of the voters within the boundaries of
21 the district voting on a ballot proposition as set forth in RCW
22 36.120.070. Revenues from these taxes and fees may be used only to
23 implement the plan as set forth in this chapter. A district may
24 contract with the state department of revenue or other appropriate
25 entities for administration and collection of any of the taxes or fees
26 authorized in this section.

27 (3) Existing statewide motor vehicle fuel and special fuel taxes,
28 at the distribution rates in effect on January 1, 2001, are not
29 intended to be altered by this chapter.

30 **Sec. 18.** 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 investment district in a manner consistent with
35 the regional transportation plan only for costs of collection, costs of
36 preparing, adopting, and enforcing agreements under RCW 81.100.030(3),
37 for construction of high occupancy vehicle lanes and related

1 facilities, mitigation of environmental concerns that result from
2 construction or use of high occupancy vehicle lanes and related
3 facilities, by an investment district for projects contained in a plan
4 developed under chapter 36.120 RCW, payment of principal and interest
5 on bonds issued for the purposes of this section, for high occupancy
6 vehicle programs as defined in RCW 81.100.020(5), and for commuter rail
7 projects in accordance with RCW 81.104.120. Except for funds raised by
8 an investment district, no funds collected under RCW 81.100.030 or
9 81.100.060 after June 30, 2000, may be pledged for the payment or
10 security of the principal or interest on any bonds issued for the
11 purposes of this section. Not more than ten percent of the funds may
12 be used for transit agency high occupancy vehicle programs.

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

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

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

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

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

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

31 **Sec. 19.** RCW 81.100.060 and 2002 c 56 s 411 are each amended to
32 read as follows:

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

1 investment district ((for capital improvements)), but only to the
2 extent that the surcharge has not already been imposed by the county,
3 may, with voter approval, impose a local surcharge of not more than
4 three-tenths of one percent in the case of a county, or six-tenths of
5 one percent in the case of a regional transportation investment
6 district, of the value on vehicles registered to a person residing
7 within the county or investment district and not more than 13.64
8 percent on the state sales and use taxes paid under the rate in RCW
9 82.08.020(2) on retail car rentals within the county or investment
10 district. A county may impose the surcharge only to the extent that it
11 has not been imposed by the district. No surcharge may be imposed on
12 vehicles licensed under RCW 46.16.070 except vehicles with an unladen
13 weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or
14 46.16.090.

15 Counties or investment districts imposing a tax under this section
16 shall contract, before the effective date of the resolution or
17 ordinance imposing a surcharge, administration and collection to the
18 state department of licensing, and department of revenue, as
19 appropriate, which shall deduct ((an)) a percentage amount, as provided
20 by contract, not to exceed two percent of the taxes, for administration
21 and collection expenses incurred by the department. All administrative
22 provisions in chapters 82.03, 82.32, and 82.44 RCW shall, insofar as
23 they are applicable to motor vehicle excise taxes, be applicable to
24 surcharges imposed under this section. A local sales and use tax
25 change shall take effect no sooner than seventy-five days after the
26 department of revenue receives notice of the change and only on the
27 first day of January, April, July, or October. Notice includes
28 providing the department of revenue with the digital mapping and legal
29 descriptions of areas in which the tax will be collected. All
30 administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32
31 RCW shall, insofar as they are applicable to state sales and use taxes,
32 be applicable to surcharges imposed under this section.

33 If the tax authorized in RCW 81.100.030 is also imposed, the total
34 proceeds from tax sources imposed under this section and RCW 81.100.030
35 each year shall not exceed the maximum amount which could be collected
36 under this section.

1 **Sec. 20.** RCW 82.14.430 and 2002 c 56 s 405 are each amended to
2 read as follows:

3 (1) If approved by the majority of the voters within its boundaries
4 voting on the ballot proposition, a regional transportation investment
5 district may impose a sales and use tax of up to (~~(0.5)~~) 0.1 percent of
6 the selling price or value of the article used in the case of a use
7 tax. The tax authorized by this section is in addition to the tax
8 authorized by RCW 82.14.030 and must be collected from those persons
9 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
10 the occurrence of any taxable event within the taxing district. Motor
11 vehicles are exempt from the sales and use tax imposed under this
12 subsection.

13 (2) If approved by the majority of the voters within its boundaries
14 voting on the ballot proposition, a regional transportation investment
15 district may impose a tax on the use of a motor vehicle within a
16 regional transportation investment district. The tax applies to those
17 persons who reside within the regional transportation investment
18 district. The rate of the tax may not exceed (~~(0.5)~~) 0.1 percent of
19 the value of the motor vehicle. The tax authorized by this subsection
20 is in addition to the tax authorized under RCW 82.14.030 and must be
21 imposed and collected at the time a taxable event under RCW
22 82.08.020(1) or 82.12.020 takes place. All revenue received under this
23 subsection must be deposited in the local sales and use tax account and
24 distributed to the regional transportation investment district
25 according to RCW 82.14.050. The following provisions apply to the use
26 tax in this subsection:

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

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

32 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but
33 does not include farm tractors or farm vehicles as defined in RCW
34 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
35 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

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

37 (e) The value of a motor vehicle must be determined under RCW
38 82.12.010.

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

5 NEW SECTION. **Sec. 21.** A new section is added to chapter 36.120
6 RCW to read as follows:

7 A regional transportation investment district may adopt system-wide
8 pricing policies and an implementation plan for the regional
9 transportation system within its boundaries. "System-wide pricing"
10 includes the tolling authority provided in RCW 36.120.050, network
11 value-pricing authority provided in section 22 of this act, the
12 authority to set regional transit fares as provided in RCW
13 81.112.080(4), and other system pricing tools as determined by the
14 authority. System-wide pricing charges authorized by this act may be
15 imposed to improve performance of the regional transportation system,
16 improve integration of transportation modes, finance transportation
17 improvements, and measure needed investments. Pricing charges may vary
18 for type of vehicle, time of day, traffic conditions, and other
19 factors.

20 NEW SECTION. **Sec. 22.** A new section is added to chapter 82.80 RCW
21 to read as follows:

22 (1) A regional transportation investment district may impose a
23 network value-pricing charge based upon vehicle travel. This charge
24 may be, but is not limited to, a charge upon the vehicle miles traveled
25 within the district or authority by a vehicle, or upon vehicle miles
26 traveled within certain corridors in the district, or upon total
27 vehicle miles traveled by a vehicle registered to a person whose legal
28 residence is within the district. Network value-pricing charges
29 imposed may vary by type of vehicle, time of day, traffic conditions,
30 and other factors.

31 (2) Charges imposed may be collected either periodically in a
32 manner prescribed by the district governing board or annually by the
33 department of licensing upon renewal of the vehicle license. The
34 district governing board may identify categories of miles driven that
35 are subject to or exempt from the charge including, but not limited to,

1 travel outside the district, travel in specified corridors, time of
2 travel, or exempt or maximum mileage charges.

3 (3) The mileage charge under this section is subject to the
4 approval of the transportation commission or its statutory successor.

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

14 **Sec. 23.** RCW 47.56.076 and 2005 c 335 s 3 are each amended to read
15 as follows:

16 Upon approval of a majority of the voters within its boundaries
17 voting on the ballot proposition, and ~~((only for the purposes~~
18 ~~authorized in RCW 36.120.050(1)(g))~~) with the approval of the state
19 transportation commission or its successor, a regional transportation
20 investment district may authorize and set vehicle tolls on a state
21 ~~((routes where improvements financed in whole or in part by a regional~~
22 ~~transportation investment district add additional lanes to, or~~
23 ~~reconstruct lanes on, a highway of statewide significance))~~ or federal
24 highway within the boundaries of the district. The department shall
25 administer the collection of vehicle tolls authorized on designated
26 facilities unless otherwise specified in law or by contract, and the
27 ~~((state transportation))~~ commission~~((r))~~ or its successor~~((r))~~ shall
28 ~~((be the tolling authority))~~ set and impose the tolls in amounts
29 sufficient to implement the regional transportation investment plan
30 under RCW 36.120.020.

31 NEW SECTION. **Sec. 24.** A new section is added to chapter 47.56 RCW
32 to read as follows:

33 Notwithstanding any provision to the contrary in this chapter, a
34 regional transportation investment district may impose vehicle tolls on
35 either Lake Washington bridge within its boundaries and to implement a

1 regional transportation investment plan as authorized in chapter 36.120
2 RCW and RCW 47.56.076.

3 **Sec. 25.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005
4 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as
5 follows:

6 (1) Money in the treasurer's trust fund may be deposited, invested,
7 and reinvested by the state treasurer in accordance with RCW 43.84.080
8 in the same manner and to the same extent as if the money were in the
9 state treasury.

10 (2) All income received from investment of the treasurer's trust
11 fund shall be set aside in an account in the treasury trust fund to be
12 known as the investment income account.

13 (3) The investment income account may be utilized for the payment
14 of purchased banking services on behalf of treasurer's trust funds
15 including, but not limited to, depository, safekeeping, and
16 disbursement functions for the state treasurer or affected state
17 agencies. The investment income account is subject in all respects to
18 chapter 43.88 RCW, but no appropriation is required for payments to
19 financial institutions. Payments shall occur prior to distribution of
20 earnings set forth in subsection (4) of this section.

21 (4)(a) Monthly, the state treasurer shall distribute the earnings
22 credited to the investment income account to the state general fund
23 except under (b) and (c) of this subsection.

24 (b) The following accounts and funds shall receive their
25 proportionate share of earnings based upon each account's or fund's
26 average daily balance for the period: The Washington promise
27 scholarship account, the college savings program account, the
28 Washington advanced college tuition payment program account, the
29 agricultural local fund, the American Indian scholarship endowment
30 fund, the foster care scholarship endowment fund, the foster care
31 endowed scholarship trust fund, the students with dependents grant
32 account, the basic health plan self-insurance reserve account, the
33 contract harvesting revolving account, the Washington state combined
34 fund drive account, the commemorative works account, the Washington
35 international exchange scholarship endowment fund, the developmental
36 disabilities endowment trust fund, the energy account, the fair fund,
37 the fruit and vegetable inspection account, the future teachers

1 conditional scholarship account, the game farm alternative account, the
2 grain inspection revolving fund, the juvenile accountability incentive
3 account, the law enforcement officers' and fire fighters' plan 2
4 expense fund, the local tourism promotion account, the produce railcar
5 pool account, the regional transportation investment district account,
6 the rural rehabilitation account, the stadium and exhibition center
7 account, the youth athletic facility account, the self-insurance
8 revolving fund, the sulfur dioxide abatement account, the children's
9 trust fund, the Washington horse racing commission Washington bred
10 owners' bonus fund account, the Washington horse racing commission
11 class C purse fund account, the individual development account program
12 account, the Washington horse racing commission operating account
13 (earnings from the Washington horse racing commission operating account
14 must be credited to the Washington horse racing commission class C
15 purse fund account), and the life sciences discovery fund. However,
16 the earnings to be distributed shall first be reduced by the allocation
17 to the state treasurer's service fund pursuant to RCW 43.08.190.

18 (c) The following accounts and funds shall receive eighty percent
19 of their proportionate share of earnings based upon each account's or
20 fund's average daily balance for the period: The advanced right of way
21 revolving fund, the advanced environmental mitigation revolving
22 account, the city and county advance right-of-way revolving fund, the
23 federal narcotics asset forfeitures account, the high occupancy vehicle
24 account, the local rail service assistance account, and the
25 miscellaneous transportation programs account.

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

29 **Sec. 26.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005
30 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are
31 each reenacted and amended to read as follows:

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

35 (2) The treasury income account shall be utilized to pay or receive
36 funds associated with federal programs as required by the federal cash
37 management improvement act of 1990. The treasury income account is

1 subject in all respects to chapter 43.88 RCW, but no appropriation is
2 required for refunds or allocations of interest earnings required by
3 the cash management improvement act. Refunds of interest to the
4 federal treasury required under the cash management improvement act
5 fall under RCW 43.88.180 and shall not require appropriation. The
6 office of financial management shall determine the amounts due to or
7 from the federal government pursuant to the cash management improvement
8 act. The office of financial management may direct transfers of funds
9 between accounts as deemed necessary to implement the provisions of the
10 cash management improvement act, and this subsection. Refunds or
11 allocations shall occur prior to the distributions of earnings set
12 forth in subsection (4) of this section.

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

21 (4) Monthly, the state treasurer shall distribute the earnings
22 credited to the treasury income account. The state treasurer shall
23 credit the general fund with all the earnings credited to the treasury
24 income account except:

25 (a) The following accounts and funds shall receive their
26 proportionate share of earnings based upon each account's and fund's
27 average daily balance for the period: The capitol building
28 construction account, the Cedar River channel construction and
29 operation account, the Central Washington University capital projects
30 account, the charitable, educational, penal and reformatory
31 institutions account, the common school construction fund, the county
32 criminal justice assistance account, the county sales and use tax
33 equalization account, the data processing building construction
34 account, the deferred compensation administrative account, the deferred
35 compensation principal account, the department of retirement systems
36 expense account, the developmental disabilities community trust
37 account, the drinking water assistance account, the drinking water
38 assistance administrative account, the drinking water assistance

1 repayment account, the Eastern Washington University capital projects
2 account, the education construction fund, the education legacy trust
3 account, the election account, the emergency reserve fund, The
4 Evergreen State College capital projects account, the federal forest
5 revolving account, the freight mobility investment account, the health
6 services account, the public health services account, the health system
7 capacity account, the personal health services account, the state
8 higher education construction account, the higher education
9 construction account, the highway infrastructure account, the high-
10 occupancy toll lanes operations account, the industrial insurance
11 premium refund account, the judges' retirement account, the judicial
12 retirement administrative account, the judicial retirement principal
13 account, the local leasehold excise tax account, the local real estate
14 excise tax account, the local sales and use tax account, the medical
15 aid account, the mobile home park relocation fund, the multimodal
16 transportation account, the municipal criminal justice assistance
17 account, the municipal sales and use tax equalization account, the
18 natural resources deposit account, the oyster reserve land account, the
19 perpetual surveillance and maintenance account, the public employees'
20 retirement system plan 1 account, the public employees' retirement
21 system combined plan 2 and plan 3 account, the public facilities
22 construction loan revolving account beginning July 1, 2004, the public
23 health supplemental account, the Puyallup tribal settlement account,
24 the real estate appraiser commission account, (~~the regional~~
25 ~~transportation investment district account,~~) the resource management
26 cost account, the rural Washington loan fund, the site closure account,
27 the small city pavement and sidewalk account, the special wildlife
28 account, the state employees' insurance account, the state employees'
29 insurance reserve account, the state investment board expense account,
30 the state investment board commingled trust fund accounts, the
31 supplemental pension account, the Tacoma Narrows toll bridge account,
32 the teachers' retirement system plan 1 account, the teachers'
33 retirement system combined plan 2 and plan 3 account, the tobacco
34 prevention and control account, the tobacco settlement account, the
35 transportation infrastructure account, the transportation partnership
36 account, the tuition recovery trust fund, the University of Washington
37 bond retirement fund, the University of Washington building account,
38 the volunteer fire fighters' and reserve officers' relief and pension

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

19 (b) The following accounts and funds shall receive eighty percent
20 of their proportionate share of earnings based upon each account's or
21 fund's average daily balance for the period: The aeronautics account,
22 the aircraft search and rescue account, the county arterial
23 preservation account, the department of licensing services account, the
24 essential rail assistance account, the ferry bond retirement fund, the
25 grade crossing protective fund, the high capacity transportation
26 account, the highway bond retirement fund, the highway safety account,
27 the motor vehicle fund, the motorcycle safety education account, the
28 pilotage account, the public transportation systems account, the Puget
29 Sound capital construction account, the Puget Sound ferry operations
30 account, the recreational vehicle account, the rural arterial trust
31 account, the safety and education account, the special category C
32 account, the state patrol highway account, the transportation 2003
33 account (nickel account), the transportation equipment fund, the
34 transportation fund, the transportation improvement account, the
35 transportation improvement board bond retirement account, and the urban
36 arterial trust account.

37 (5) In conformance with Article II, section 37 of the state

1 Constitution, no treasury accounts or funds shall be allocated earnings
2 without the specific affirmative directive of this section.

3 **Sec. 27.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005
4 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are
5 each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

16 NEW SECTION. **Sec. 28.** A new section is added to chapter 47.01 RCW
17 to read as follows:

18 The department shall not commence construction on any part of the
19 state route number 520 bridge project until agreements have been
20 reached with the incorporated towns or cities that represent the
21 communities affected by the state route number 520 project. The
22 agreements must provide reasonable assurance that no further
23 degradation will occur to the citizens' current use and enjoyment of
24 their properties as a result of repairs and improvements made to the
25 state route number 520 bridge and its connecting roadways. Such
26 assurances may be achieved through engineering design choices,
27 mitigation measures, or a combination of both.

28 NEW SECTION. **Sec. 29.** Sections 1 through 6 of this act constitute
29 a new chapter in Title 36 RCW.

30 NEW SECTION. **Sec. 30.** Section 26 of this act expires July 1,
31 2006.

32 NEW SECTION. **Sec. 31.** Section 27 of this act takes effect July 1,

1 2006.

--- END ---