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HOUSE BILL 2955

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State of Washington                      59th Legislature                      2006 Regular Session

By Representatives Upthegrove, Clibborn, B. Sullivan, Jarrett, Sells, Lovick and Shabro

Read first time 01/17/2006. Referred to Committee on Transportation.

1            AN ACT Relating to regional transportation planning; amending RCW  
2 36.120.020, 36.120.030, 36.120.040, 36.120.050, 36.120.070, 36.120.080,  
3 36.120.110, 81.112.030, 81.100.080, 29A.36.071, 81.100.060, 82.14.430,  
4 and 81.104.170; reenacting and amending RCW 43.79A.040, 43.84.092, and  
5 43.84.092; adding new sections to chapter 36.120 RCW; adding a new  
6 section to chapter 81.112 RCW; adding a new section to chapter 43.09  
7 RCW; creating a new section; providing an effective date; and providing  
8 an expiration date.

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

10            NEW SECTION.    **Sec. 1.** FINDINGS.    The legislature finds that  
11 effective transportation planning in urbanized regions involves an  
12 integrated, multimodal approach that will help reduce transportation  
13 congestion and improve safety.

14            The legislature further finds that coordinated planning of and  
15 investment in transportation systems will significantly benefit the  
16 citizens of Washington.    Although equity considerations must be  
17 respected, transportation problems are broader and deeper than the sum  
18 of geographic subareas.

1 It is therefore the policy of the state of Washington to require  
2 regional transportation leadership entities to develop and implement a  
3 comprehensive regional transportation plan, and to require the creation  
4 of a governance commission to develop a regional transportation  
5 governance proposal, for consideration by the citizens of the central  
6 Puget Sound metropolitan region.

7 **Sec. 2.** RCW 36.120.020 and 2002 c 56 s 102 are each amended to  
8 read as follows:

9 The definitions in this section apply throughout this chapter  
10 unless the context clearly requires otherwise.

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

13 (2) "Department" means the Washington state department of  
14 transportation.

15 (3) "Highway of statewide significance" means an existing or  
16 proposed state route or federal interstate designated as a highway of  
17 statewide significance by the transportation commission, its successor  
18 entity, or the legislature.

19 (4) "Lead agency" means a public agency that by law can plan,  
20 design, and build a transportation project and has been so designated  
21 by the district.

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

27 (6) "Regional transportation investment district planning  
28 committee" or "planning committee" means the advisory committee created  
29 under RCW 36.120.030 to create and propose to county legislative  
30 authorities a regional transportation investment plan to develop,  
31 finance, and construct transportation projects.

32 (7) "Regional transportation investment plan" or "plan" means a  
33 plan (~~((to develop, construct, and finance a)),~~ developed jointly with  
34 any regional transit authority existing either partially or entirely  
35 within the district area, for improving transportation system  
36 performance within the region through investments in transportation

1 ((~~project or~~)) projects. The plan must be consistent with the regional  
2 transportation plan adopted by the regional transportation planning  
3 organization of which the participating counties are a member.

4 (8) "Transportation project" means:

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

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

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

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

15 (i) Approaches to highways of statewide significance;

16 (ii) High-occupancy vehicle lanes;

17 (iii) Flyover ramps;

18 (iv) Park and ride lots;

19 (v) Bus pullouts;

20 (vi) Vans for vanpools;

21 (vii) Buses; and

22 (viii) Signalization, ramp metering, and other transportation  
23 system management improvements.

24 (c) A capital improvement or improvements to all or a portion of a  
25 city street, county road, or existing highway or the creation of a new  
26 highway that intersects with a highway of statewide significance, if  
27 all of the following conditions are met:

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

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

34 (iii) Matching money equal to ((~~one-third~~)) fifteen percent of the  
35 total cost of the project is provided by local entities, including but  
36 not limited to a metropolitan planning organization, county, city,  
37 port, or private entity in which a county participating in a plan is

1 located. Local entities may use federal grants to meet this matching  
2 requirement;

3 (iv) In no case may the cumulative regional transportation  
4 investment district contribution to all projects constructed under this  
5 subsection (8)(c) exceed ten percent of the revenues generated by the  
6 district;

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

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

12 (d) Any project contained in the regional transportation plan  
13 adopted by the regional transportation planning organization serving  
14 the district.

15 (e) Operations, preservation, and maintenance are excluded from  
16 this definition and may not be included in a regional transportation  
17 investment plan. However, operations, preservation, and maintenance of  
18 toll-related facilities where toll revenues have been pledged for the  
19 payment of contracts is expressly authorized and may be included in a  
20 regional transportation investment plan.

21 (9) "Weighted vote" means a vote that reflects the population each  
22 board or planning committee member represents relative to the  
23 population represented by the total membership of the board or planning  
24 committee. Population will be determined using the federal 2000 census  
25 or subsequent federal census data.

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

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

30 (1) A county with a population over one million five hundred  
31 thousand persons and any adjoining counties with a population over five  
32 hundred thousand persons may ~~((create))~~ propose a regional  
33 transportation investment district ~~((and shall convene))~~ by first  
34 convening a regional transportation investment district planning  
35 committee.

36 (2) The members of the legislative authorities participating in  
37 planning under this chapter shall serve as the district planning

1 committee. Members of the planning committee receive no compensation,  
2 but may be reimbursed for travel and incidental expenses as the  
3 planning committee deems appropriate.

4 The secretary of transportation, or the appropriate regional  
5 administrator of the department, as named by the secretary, shall serve  
6 on the committee as a nonvoting member.

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

16 (4) The planning committee shall conduct its affairs and formulate  
17 a regional transportation investment plan as provided under RCW  
18 36.120.040, except that it shall elect an executive board of seven  
19 members to discharge the duties of the planning committee and formulate  
20 a regional transportation investment plan, subject to the approval of  
21 the full committee.

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

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

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

31 **Sec. 4.** RCW 36.120.040 and 2003 c 194 s 1 are each amended to read  
32 as follows:

33 (1) A regional transportation investment district planning  
34 committee shall, in consultation with any regional transit authority  
35 existing within the participating counties' boundaries, adopt a  
36 regional transportation investment plan providing for the development,

1 construction, and financing of transportation projects. The planning  
2 committee may consider the following factors in formulating its plan:

3 (a) Land use planning criteria;

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

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

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

19 (3) The planning committee shall:

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

22 (b) Adopt a plan proposing the:

23 (i) Creation of a regional transportation investment district,  
24 including district boundaries; and

25 (ii) Construction of transportation projects to improve mobility  
26 within each county and within the region. Except for toll-related  
27 facilities where toll revenues have been pledged for the payment of  
28 contracts, operations, maintenance, and preservation of facilities or  
29 systems may not be part of the plan; and

30 (c) Recommend sources of revenue authorized by RCW 36.120.050 and  
31 a financing plan to fund selected transportation projects. The overall  
32 plan of the district must leverage the district's financial  
33 contributions so that the federal, state, local, and other revenue  
34 sources continue to fund major congestion relief and transportation  
35 capacity improvement projects in each county and the district. A  
36 combination of local, state, and federal revenues may be necessary to  
37 pay for transportation projects, and the planning committee shall  
38 consider all of these revenue sources in developing a plan.

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

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

31 (6) If a county opts not to adopt the plan or participate in the  
32 regional transportation investment district, but two or more contiguous  
33 counties do choose to continue to participate, then the planning  
34 committee may, within ninety days, redefine the regional transportation  
35 investment plan and the ballot measure to be submitted to the people to  
36 reflect elimination of the county, and submit the redefined plan to the  
37 legislative authorities of the remaining counties for their decision as

1 to whether to continue to adopt the redefined plan and participate.  
2 This action must be completed within sixty days after receipt of the  
3 redefined plan.

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

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

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

21 (1) The boundaries of a district shall include at least the  
22 contiguous areas within a regional transit authority serving the  
23 counties and shall reflect existing or proposed transportation  
24 corridors. A city shall be entirely within or entirely outside  
25 authority boundaries. The boundaries shall be proposed by the planning  
26 committee and approved by the county legislative authorities by  
27 ordinance, before or in conjunction with, approval of a plan. However,  
28 any portion of a county that is located on a peninsula may be exempt  
29 from a district in which more than one county is included if the  
30 portion of the county located on the peninsula is connected to the  
31 other portion of the county by a bridge improved under chapter 47.46  
32 RCW, and the county has a national park and a population of more than  
33 five hundred thousand persons, but less than one million five hundred  
34 thousand persons.

35 (2) After voters within the district boundaries have approved a  
36 plan under RCW 36.120.070, elections to add areas to the district  
37 boundaries may be called by a resolution of the board, after

1 consultation with the appropriate regional transportation planning  
2 organization and affected transit agencies and with the concurrence of  
3 the legislative authority of the city or town if the area is  
4 incorporated or with the concurrence of the county legislative  
5 authority if the area is unincorporated. The election may include a  
6 single ballot measure providing annexation to the district, approval of  
7 the plan, and approval of revenue sources necessary to finance the  
8 plan. The electorate will be the voters voting within the proposed  
9 area to be annexed. A simple majority of the persons voting on the  
10 single ballot measure is required for approval of the measure. This  
11 option for annexation applies to areas within the counties that  
12 initially establish a district and to areas within a county having a  
13 population over two hundred thirty thousand persons and whose  
14 boundaries abut three counties eligible to form a district under this  
15 chapter.

16 **Sec. 6.** RCW 36.120.050 and 2003 c 350 s 4 are each amended to read  
17 as follows:

18 (1) A regional transportation investment district planning  
19 committee may, as part of a regional transportation investment plan,  
20 recommend the imposition of some or all of the following revenue  
21 sources, which a regional transportation investment district may impose  
22 upon approval of the voters as provided in this chapter:

23 (a) A regional sales and use tax, as specified in RCW 82.14.430, of  
24 up to ((0.5)) 0.2 percent of the selling price, in the case of a sales  
25 tax, or value of the article used, in the case of a use tax, upon the  
26 occurrence of any taxable event in the regional transportation  
27 investment district;

28 (b) A local option vehicle license fee, as specified under RCW  
29 82.80.100, of up to one hundred dollars per vehicle registered in the  
30 district. As used in this subsection, "vehicle" means motor vehicle as  
31 defined in RCW 46.04.320. Certain classes of vehicles, as defined  
32 under chapter 46.04 RCW, may be exempted from this fee;

33 (c) A parking tax under RCW 82.80.030;

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

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

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

1 (g) Vehicle tolls on new or reconstructed facilities. Unless  
2 otherwise specified by law or contract, the department shall administer  
3 the collection of vehicle tolls on designated facilities, and the state  
4 transportation commission, or its successor, shall be the tolling  
5 authority.

6 (2) Taxes, fees, and tolls may not be imposed without an  
7 affirmative vote of the majority of the voters within the boundaries of  
8 the district voting on a ballot proposition as set forth in RCW  
9 36.120.070. Revenues from these taxes and fees may be used only to  
10 implement the plan as set forth in this chapter. A district may  
11 contract with the state department of revenue or other appropriate  
12 entities for administration and collection of any of the taxes or fees  
13 authorized in this section.

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

17 **Sec. 7.** RCW 36.120.070 and 2002 c 56 s 107 are each amended to  
18 read as follows:

19 (1) For consideration at the 2007 general election, each of the  
20 county legislative authorities of counties eligible to create a  
21 district under this chapter shall submit to the voters of the proposed  
22 district the regional transportation investment plan, including the  
23 projects and revenue sources, adopted by the planning committee. In  
24 conjunction with RCW 81.112.030(10), the plan must be submitted to the  
25 voters as a common ballot measure along with a proposition to support  
26 additional implementation phases of a regional transit authority's  
27 system and financing plan. The counties shall follow the ballot  
28 measure and election procedures provided in subsection (2) of this  
29 section. In addition to submitting a regional transportation  
30 investment plan to the voters at the 2007 general election, the county  
31 legislative authorities shall submit a regional transportation  
32 governance proposal to the voters under the provisions of subsection  
33 (3) of this section. However, the county legislative authorities shall  
34 not submit to the voters a regional transportation investment plan, nor  
35 a regional transportation governance proposal, prior to the 2007  
36 general election.

1       (2) Two or more contiguous county legislative authorities, upon  
2 receipt of the regional transportation investment plan under RCW  
3 36.120.040, may ~~((certify the plan to the ballot, including~~  
4 ~~identification of the tax options))~~ submit to the voters of the  
5 proposed district a single ballot measure that approves formation of  
6 the district, approves the regional transportation investment plan, and  
7 approves the revenue sources necessary to ((fund)) finance the plan.  
8 ~~((County legislative authorities))~~ The planning committee may draft ((a  
9 ~~ballot title,))~~ the ballot measure on behalf of the county legislative  
10 authorities, and the county legislative authorities may give notice as  
11 required by law for ballot measures, and perform other duties as  
12 required to ((put the plan before)) submit the measure to the voters of  
13 the proposed district for their approval or rejection ((as a single  
14 ~~ballot measure that both approves formation of the district and~~  
15 ~~approves the plan)).~~ Counties may negotiate interlocal agreements  
16 necessary to implement the plan. The electorate will be the voters  
17 voting within the boundaries of the ~~((participating counties))~~ proposed  
18 district. A simple majority of the total persons voting on the single  
19 ballot measure ~~((to approve the plan, establish the district, and~~  
20 ~~approve the taxes and fees))~~ is required for approval. However, the  
21 ballot measure may not be considered approved unless voters also  
22 approve the proposition to support additional implementation phases of  
23 a regional transit authority's system and financing plan that is  
24 submitted as a common ballot measure under subsection (1) of this  
25 section.

26       (3) In addition to submitting a regional transportation investment  
27 plan to the voters, the county legislative authorities shall submit to  
28 the voters for consideration at the 2007 general election a regional  
29 transportation governance proposal to restructure the transportation  
30 funding and operating system within the central Puget Sound region,  
31 such that a single point of accountability is established for this  
32 purpose. The electorate must be the voters voting within the  
33 boundaries of the participating counties. Before a regional  
34 transportation governance proposal may be submitted to the voters under  
35 this subsection, the proposal must first be adopted by a regional  
36 transportation governance commission established under section 8 of  
37 this act, and then submitted to the legislature and the governor for

1 consideration during the 2007 regular legislative session so that  
2 appropriate enabling legislation, if necessary, may be enacted.

3 NEW SECTION. **Sec. 8.** A new section is added to chapter 36.120 RCW  
4 to read as follows:

5 (1) The governor shall appoint a central Puget Sound regional  
6 transportation governance commission of seven voting members, one of  
7 whom must be appointed chair of the commission. In addition, the  
8 secretary of transportation or the secretary's designee shall serve as  
9 a nonvoting member. Appointees shall be citizen members who do not  
10 hold public office. Appointees shall include experts from the private  
11 and public sectors, including academia, with demonstrated expertise in  
12 innovation, structural reorganization, and public or private agency  
13 decision making and shall also include experts in fields such as  
14 municipal law, public administration, intergovernmental relationships,  
15 and transportation planning, construction, operations, and risk  
16 management.

17 (2) The commission shall evaluate transportation governance in the  
18 central Puget Sound region. This evaluation shall include an  
19 assessment of the current roles of regional transportation agencies,  
20 including regional transportation planning organizations, metropolitan  
21 planning organizations, regional transit authorities, regional  
22 transportation investment districts, county and municipal agencies  
23 operating transit services, and cities and counties and other public  
24 agencies providing transportation services or facilities. The  
25 commission shall adopt a regional transportation governance proposal to  
26 be submitted to voters within the region that:

27 (a) Consolidates governance among agencies into a single point of  
28 accountability for a transportation funding and operating system within  
29 the central Puget Sound region, including changes in institutional  
30 powers, structures, and relationships and governance needed to improve  
31 accountability for transportation decisions, while enhancing the  
32 regional focus for transportation decisions and maintaining equity  
33 among citizens in the region;

34 (b) Improves coordination in the planning of transportation  
35 investments and services;

36 (c) Improves investment strategies;

1 (d) Coordinates transportation planning and investments with  
2 adopted land use policies within the region;

3 (e) Enhances efficiency and coordination in the delivery of  
4 services provided;

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

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

11 (3) Each voting member of the commission shall be reimbursed for  
12 actual necessary traveling and other expenses in going to, attending,  
13 and returning from meetings of the commission or that are incurred in  
14 the discharge of duties requested by the chair in the same manner as  
15 RCW 43.03.220.

16 (4) The commission shall submit its proposal to the legislature by  
17 December 1, 2006.

18 (5) The commission shall conduct public meetings to assure active  
19 public participation in the development of the proposal.

20 (6) The department and the regional transportation planning  
21 organization serving the central Puget Sound region shall provide staff  
22 support to the commission and, upon request of the commission, contract  
23 with other parties for staff support to the commission.

24 (7)(a) The commission shall appoint an authority policy advisory  
25 committee to be made up of local elected officials, officials of  
26 agencies that administer or operate major modes or systems of  
27 transportation, and other persons as determined by the commission.

28 (b) After appointment, a vote of both a majority of the committee  
29 and a majority of all commissioners may change the composition of the  
30 committee at any time.

31 (c) The committee shall adopt bylaws governing the conduct and  
32 recording of its meetings and the terms of its members.

33 (d) The committee shall provide a forum for representatives from  
34 local and state units of government to assess transportation policies  
35 and programs throughout the region, evaluate transportation needs, and  
36 to make recommendations to the commission.

37 (e) In addition to the other duties assigned to it in this chapter,  
38 the committee shall perform any other duties the commission prescribes.

1       **Sec. 9.** 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. 10.** 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) A district may not own((~~r~~)) or operate((~~r~~~~-or~~~~-maintain~~)) an  
16 ongoing facility, road, or transportation system.

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

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

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

1       **Sec. 11.** 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. However,  
26 for consideration at the 2007 general election, the authority shall  
27 submit to the voters within the authority boundaries a proposition on  
28 the ballot to support an additional phase of any existing system and  
29 financing plan. In conjunction with RCW 36.120.070(1), the proposition  
30 shall be submitted to the voters as a common ballot measure along with  
31 a proposed regional transportation investment plan, and the proposition  
32 may not be considered approved unless voters also approve the regional  
33 transportation investment plan. Additional phases of plan  
34 implementation shall be developed jointly with any regional  
35 transportation investment district existing either partially or  
36 entirely within the authority area for improving transportation system  
37 performance within the region through investments in transportation  
38 projects and service delivery. The additional phases of plan

1 implementation shall be consistent with the regional transportation  
2 plan adopted by the regional transportation planning organization  
3 serving the authority area.

4 (11) Any additional proposition submitted to the voters at or after  
5 the 2007 general election shall contain an equity element under which  
6 projects shall generally provide network benefits to a participating  
7 county or subarea in proportion to the general level of tax revenues  
8 generated within that participating county or subarea. To satisfy the  
9 requirements of this subsection, any such proposition must consider the  
10 travel patterns of people within the subareas, to ensure that there is  
11 equity in mobility improvements among the routes and destinations  
12 utilized by subarea residents, whether or not such routes or  
13 destinations fall completely within a physical subarea boundary.

14 (12) If the authority is unable to achieve a positive vote on a  
15 proposition within two years from the date of the first election on a  
16 proposition, the board may, by resolution, reconstitute the authority  
17 as a single-county body. With a two-thirds vote of the entire  
18 membership of the voting members, the board may also dissolve the  
19 authority.

20 NEW SECTION. Sec. 12. A new section is added to chapter 81.112  
21 RCW to read as follows:

22 A regional transit authority shall coordinate its activities with  
23 affected cities, towns, and other local governments, including any  
24 regional transportation investment district, or its planning committee,  
25 existing either partially or entirely within the authority area, that  
26 engage in transportation planning.

27 **Sec. 13.** RCW 81.100.080 and 1990 c 43 s 19 are each amended to  
28 read as follows:

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

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

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

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

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

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

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

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

29 **Sec. 14.** RCW 29A.36.071 and 2004 c 271 s 169 are each amended to  
30 read as follows:

31 (1) Except as provided to the contrary in RCW 82.14.036, 82.46.021,  
32 or 82.80.090, the ballot title of any referendum filed on an enactment  
33 or portion of an enactment of a local government and any other question  
34 submitted to the voters of a local government consists of three  
35 elements: (a) An identification of the enacting legislative body and  
36 a statement of the subject matter; (b) a concise description of the  
37 measure; and (c) a question. The ballot title must conform with the

1 requirements and be displayed substantially as provided under RCW  
2 29A.72.050, except that the concise description must not exceed  
3 seventy-five words; however, a concise description submitted on behalf  
4 of a regional transportation investment district may exceed seventy-  
5 five words. If the local governmental unit is a city or a town, the  
6 concise statement shall be prepared by the city or town attorney. If  
7 the local governmental unit is a county, the concise statement shall be  
8 prepared by the prosecuting attorney of the county. If the unit is a  
9 unit of local government other than a city, town, or county, the  
10 concise statement shall be prepared by the prosecuting attorney of the  
11 county within which the majority area of the unit is located.

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

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

18 **Sec. 15.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005  
19 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as  
20 follows:

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

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

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

36 (4)(a) Monthly, the state treasurer shall distribute the earnings

1 credited to the investment income account to the state general fund  
2 except under (b) and (c) of this subsection.

3 (b) The following accounts and funds shall receive their  
4 proportionate share of earnings based upon each account's or fund's  
5 average daily balance for the period: The Washington promise  
6 scholarship account, the college savings program account, the  
7 Washington advanced college tuition payment program account, the  
8 agricultural local fund, the American Indian scholarship endowment  
9 fund, the foster care scholarship endowment fund, the foster care  
10 endowed scholarship trust fund, the students with dependents grant  
11 account, the basic health plan self-insurance reserve account, the  
12 contract harvesting revolving account, the Washington state combined  
13 fund drive account, the commemorative works account, the Washington  
14 international exchange scholarship endowment fund, the developmental  
15 disabilities endowment trust fund, the energy account, the fair fund,  
16 the fruit and vegetable inspection account, the future teachers  
17 conditional scholarship account, the game farm alternative account, the  
18 grain inspection revolving fund, the juvenile accountability incentive  
19 account, the law enforcement officers' and fire fighters' plan 2  
20 expense fund, the local tourism promotion account, the produce railcar  
21 pool account, the regional transportation investment district account,  
22 the rural rehabilitation account, the stadium and exhibition center  
23 account, the youth athletic facility account, the self-insurance  
24 revolving fund, the sulfur dioxide abatement account, the children's  
25 trust fund, the Washington horse racing commission Washington bred  
26 owners' bonus fund account, the Washington horse racing commission  
27 class C purse fund account, the individual development account program  
28 account, the Washington horse racing commission operating account  
29 (earnings from the Washington horse racing commission operating account  
30 must be credited to the Washington horse racing commission class C  
31 purse fund account), and the life sciences discovery fund. However,  
32 the earnings to be distributed shall first be reduced by the allocation  
33 to the state treasurer's service fund pursuant to RCW 43.08.190.

34 (c) The following accounts and funds shall receive eighty percent  
35 of their proportionate share of earnings based upon each account's or  
36 fund's average daily balance for the period: The advanced right of way  
37 revolving fund, the advanced environmental mitigation revolving  
38 account, the city and county advance right-of-way revolving fund, the

1 federal narcotics asset forfeitures account, the high occupancy vehicle  
2 account, the local rail service assistance account, and the  
3 miscellaneous transportation programs account.

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

7 **Sec. 16.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005  
8 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are  
9 each reenacted and amended to read as follows:

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

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

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

36 (4) Monthly, the state treasurer shall distribute the earnings

1 credited to the treasury income account. The state treasurer shall  
2 credit the general fund with all the earnings credited to the treasury  
3 income account except:

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

1 construction loan revolving account beginning July 1, 2004, the public  
2 health supplemental account, the Puyallup tribal settlement account,  
3 the real estate appraiser commission account, (~~the regional~~  
4 ~~transportation investment district account,~~) the resource management  
5 cost account, the rural Washington loan fund, the site closure account,  
6 the small city pavement and sidewalk account, the special wildlife  
7 account, the state employees' insurance account, the state employees'  
8 insurance reserve account, the state investment board expense account,  
9 the state investment board commingled trust fund accounts, the  
10 supplemental pension account, the Tacoma Narrows toll bridge account,  
11 the teachers' retirement system plan 1 account, the teachers'  
12 retirement system combined plan 2 and plan 3 account, the tobacco  
13 prevention and control account, the tobacco settlement account, the  
14 transportation infrastructure account, the transportation partnership  
15 account, the tuition recovery trust fund, the University of Washington  
16 bond retirement fund, the University of Washington building account,  
17 the volunteer fire fighters' and reserve officers' relief and pension  
18 principal fund, the volunteer fire fighters' and reserve officers'  
19 administrative fund, the Washington fruit express account, the  
20 Washington judicial retirement system account, the Washington law  
21 enforcement officers' and fire fighters' system plan 1 retirement  
22 account, the Washington law enforcement officers' and fire fighters'  
23 system plan 2 retirement account, the Washington school employees'  
24 retirement system combined plan 2 and 3 account, the Washington state  
25 health insurance pool account, the Washington state patrol retirement  
26 account, the Washington State University building account, the  
27 Washington State University bond retirement fund, the water pollution  
28 control revolving fund, and the Western Washington University capital  
29 projects account. Earnings derived from investing balances of the  
30 agricultural permanent fund, the normal school permanent fund, the  
31 permanent common school fund, the scientific permanent fund, and the  
32 state university permanent fund shall be allocated to their respective  
33 beneficiary accounts. All earnings to be distributed under this  
34 subsection (4)(a) shall first be reduced by the allocation to the state  
35 treasurer's service fund pursuant to RCW 43.08.190.

36 (b) The following accounts and funds shall receive eighty percent  
37 of their proportionate share of earnings based upon each account's or  
38 fund's average daily balance for the period: The aeronautics account,

1 the aircraft search and rescue account, the county arterial  
2 preservation account, the department of licensing services account, the  
3 essential rail assistance account, the ferry bond retirement fund, the  
4 grade crossing protective fund, the high capacity transportation  
5 account, the highway bond retirement fund, the highway safety account,  
6 the motor vehicle fund, the motorcycle safety education account, the  
7 pilotage account, the public transportation systems account, the Puget  
8 Sound capital construction account, the Puget Sound ferry operations  
9 account, the recreational vehicle account, the rural arterial trust  
10 account, the safety and education account, the special category C  
11 account, the state patrol highway account, the transportation 2003  
12 account (nickel account), the transportation equipment fund, the  
13 transportation fund, the transportation improvement account, the  
14 transportation improvement board bond retirement account, and the urban  
15 arterial trust account.

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

19 **Sec. 17.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005  
20 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are  
21 each reenacted and amended to read as follows:

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

25 (2) The treasury income account shall be utilized to pay or receive  
26 funds associated with federal programs as required by the federal cash  
27 management improvement act of 1990. The treasury income account is  
28 subject in all respects to chapter 43.88 RCW, but no appropriation is  
29 required for refunds or allocations of interest earnings required by  
30 the cash management improvement act. Refunds of interest to the  
31 federal treasury required under the cash management improvement act  
32 fall under RCW 43.88.180 and shall not require appropriation. The  
33 office of financial management shall determine the amounts due to or  
34 from the federal government pursuant to the cash management improvement  
35 act. The office of financial management may direct transfers of funds  
36 between accounts as deemed necessary to implement the provisions of the

1 cash management improvement act, and this subsection. Refunds or  
2 allocations shall occur prior to the distributions of earnings set  
3 forth in subsection (4) of this section.

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

12 (4) Monthly, the state treasurer shall distribute the earnings  
13 credited to the treasury income account. The state treasurer shall  
14 credit the general fund with all the earnings credited to the treasury  
15 income account except:

16 (a) The following accounts and funds shall receive their  
17 proportionate share of earnings based upon each account's and fund's  
18 average daily balance for the period: The capitol building  
19 construction account, the Cedar River channel construction and  
20 operation account, the Central Washington University capital projects  
21 account, the charitable, educational, penal and reformatory  
22 institutions account, the common school construction fund, the county  
23 criminal justice assistance account, the county sales and use tax  
24 equalization account, the data processing building construction  
25 account, the deferred compensation administrative account, the deferred  
26 compensation principal account, the department of retirement systems  
27 expense account, the developmental disabilities community trust  
28 account, the drinking water assistance account, the drinking water  
29 assistance administrative account, the drinking water assistance  
30 repayment account, the Eastern Washington University capital projects  
31 account, the education construction fund, the education legacy trust  
32 account, the election account, the emergency reserve fund, The  
33 Evergreen State College capital projects account, the federal forest  
34 revolving account, the freight mobility investment account, the health  
35 services account, the public health services account, the health system  
36 capacity account, the personal health services account, the state  
37 higher education construction account, the higher education  
38 construction account, the highway infrastructure account, the high-

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

1 Washington state patrol retirement account, the Washington State  
2 University building account, the Washington State University bond  
3 retirement fund, the water pollution control revolving fund, and the  
4 Western Washington University capital projects account. Earnings  
5 derived from investing balances of the agricultural permanent fund, the  
6 normal school permanent fund, the permanent common school fund, the  
7 scientific permanent fund, and the state university permanent fund  
8 shall be allocated to their respective beneficiary accounts. All  
9 earnings to be distributed under this subsection (4)(a) shall first be  
10 reduced by the allocation to the state treasurer's service fund  
11 pursuant to RCW 43.08.190.

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

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

33 NEW SECTION. **Sec. 18.** A new section is added to chapter 43.09 RCW  
34 to read as follows:

35 (1) Every four years, the state auditor shall conduct a financial  
36 and performance audit and evaluation of the central Puget Sound  
37 regional transportation governance commission established under section

1 8 of this act, including the commission's financial transactions,  
2 personnel, equipment, facilities, and all other aspects of the  
3 commission's operations.

4 (2) Every four years, the state auditor shall conduct a financial  
5 and performance audit and evaluation of the regional transportation  
6 investment district under chapter 36.120 RCW, including the district's  
7 financial transactions, personnel, equipment, facilities, and all other  
8 aspects of the district's operations.

9 (3) Every four years, the state auditor shall conduct a financial  
10 and performance audit and evaluation of the regional transit authority  
11 established under chapter 81.112 RCW. The audit shall review, but not  
12 be limited to, vehicle dispatch operating technology and management  
13 systems, fleet maintenance and operations, route mapping, and  
14 scheduling operating systems and financial and administrative  
15 practices. A benchmarking performance audit shall be completed no  
16 later than ninety days after the effective date of this section.

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

19 A county with a population of one million or more and a county with  
20 a population of from two hundred ten thousand to less than one million  
21 that is adjoining a county with a population of one million or more,  
22 having within their boundaries existing or planned high-occupancy  
23 vehicle lanes on the state highway system, or a regional transportation  
24 investment district (~~for capital improvements~~), but only to the  
25 extent that the surcharge has not already been imposed by the county,  
26 may, with voter approval, impose a local surcharge of not more than  
27 three-tenths of one percent in the case of a county, or eight-tenths of  
28 one percent in the case of a regional transportation investment  
29 district, of the value on vehicles registered to a person residing  
30 within the county or investment district and not more than 13.64  
31 percent on the state sales and use taxes paid under the rate in RCW  
32 82.08.020(2) on retail car rentals within the county or investment  
33 district. A county may impose the surcharge only to the extent that it  
34 has not been imposed by the district. No surcharge may be imposed on  
35 vehicles licensed under RCW 46.16.070 except vehicles with an unladen  
36 weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or  
37 46.16.090.

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

18 If the tax authorized in RCW 81.100.030 is also imposed, the total  
19 proceeds from tax sources imposed under this section and RCW 81.100.030  
20 each year shall not exceed the maximum amount which could be collected  
21 under this section.

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

24 (1) If approved by the majority of the voters within its boundaries  
25 voting on the ballot proposition, a regional transportation investment  
26 district may impose a sales and use tax of up to ~~((0.5))~~ 0.2 percent of  
27 the selling price or value of the article used in the case of a use  
28 tax. The tax authorized by this section is in addition to the tax  
29 authorized by RCW 82.14.030 and must be collected from those persons  
30 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
31 the occurrence of any taxable event within the taxing district. Motor  
32 vehicles are exempt from the sales and use tax imposed under this  
33 subsection.

34 (2) If approved by the majority of the voters within its boundaries  
35 voting on the ballot proposition, a regional transportation investment  
36 district may impose a tax on the use of a motor vehicle within a  
37 regional transportation investment district. The tax applies to those

1 persons who reside within the regional transportation investment  
2 district. The rate of the tax may not exceed (~~(0.5)~~) 0.2 percent of  
3 the value of the motor vehicle. The tax authorized by this subsection  
4 is in addition to the tax authorized under RCW 82.14.030 and must be  
5 imposed and collected at the time a taxable event under RCW  
6 82.08.020(1) or 82.12.020 takes place. All revenue received under this  
7 subsection must be deposited in the local sales and use tax account and  
8 distributed to the regional transportation investment district  
9 according to RCW 82.14.050. The following provisions apply to the use  
10 tax in this subsection:

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

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

16 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but  
17 does not include farm tractors or farm vehicles as defined in RCW  
18 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in  
19 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

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

21 (e) The value of a motor vehicle must be determined under RCW  
22 82.12.010.

23 (f) Except as specifically stated in this subsection (2), chapters  
24 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax  
25 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW  
26 applies fully to the use tax.

27 **Sec. 21.** RCW 81.104.170 and 1997 c 450 s 5 are each amended to  
28 read as follows:

29 Cities that operate transit systems, county transportation  
30 authorities, metropolitan municipal corporations, public transportation  
31 benefit areas, and regional transit authorities may submit an  
32 authorizing proposition to the voters and if approved by a majority of  
33 persons voting, fix and impose a sales and use tax in accordance with  
34 the terms of this chapter, solely for the purpose of providing high  
35 capacity transportation service.

36 The tax authorized pursuant to this section shall be in addition to  
37 the tax authorized by RCW 82.14.030 and shall be collected from those

1 persons who are taxable by the state pursuant to chapters 82.08 and  
2 82.12 RCW upon the occurrence of any taxable event within the taxing  
3 district. The maximum rate of such tax shall be approved by the voters  
4 and shall not exceed one-tenth of one percent of the selling price (in  
5 the case of a sales tax) or value of the article used (in the case of  
6 a use tax). (~~The maximum rate of such tax that may be imposed shall~~  
7 ~~not exceed nine tenths of one percent in any county that imposes a tax~~  
8 ~~under RCW 82.14.340, or within a regional transit authority if any~~  
9 ~~county within the authority imposes a tax under RCW 82.14.340.)) The  
10 exemptions in RCW 82.08.820 and 82.12.820 are for the state portion of  
11 the sales and use tax and do not extend to the tax authorized in this  
12 section.~~

13 NEW SECTION. **Sec. 22.** Section 16 of this act expires July 1,  
14 2006.

15 NEW SECTION. **Sec. 23.** Section 17 of this act takes effect July 1,  
16 2006.

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