
SUBSTITUTE SENATE BILL 6599

State of Washington 59th Legislature 2006 Regular Session

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Berkey, Weinstein, Poulsen and Deccio)

READ FIRST TIME 02/03/06.

1 AN ACT Relating to central Puget Sound regional transportation
2 governance and funding; amending RCW 36.120.020, 36.120.030,
3 36.120.040, 36.120.050, 36.120.070, 36.120.080, 36.120.110, 47.56.076,
4 81.112.030, 81.112.050, 81.100.060, 81.100.080, 29A.36.071, 36.73.015,
5 36.73.020, and 82.14.430; reenacting and amending RCW 43.79A.040,
6 43.84.092, and 43.84.092; adding new sections to chapter 36.120 RCW;
7 adding a new section to chapter 47.56 RCW; adding a new section to
8 chapter 81.112 RCW; providing an effective date; and providing an
9 expiration date.

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

11 **Sec. 1.** RCW 36.120.020 and 2002 c 56 s 102 are each amended to
12 read as follows:

13 The definitions in this section apply throughout this chapter
14 unless the context clearly requires otherwise.

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

17 (2) "Department" means the Washington state department of
18 transportation.

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

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

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

13 (6) "Regional transportation investment district planning
14 committee" or "planning committee" means the advisory committee created
15 under RCW 36.120.030 to create and propose to county legislative
16 authorities a regional transportation investment plan to develop,
17 finance, and construct transportation projects.

18 (7) "Regional transportation investment plan" or "plan" means a
19 plan (~~((to develop, construct, and finance a)),~~ developed jointly with
20 any regional transit authority existing within the district area, for
21 improving transportation system performance within the region through
22 investments in transportation (~~((project or))~~) projects. The plan must
23 be consistent with the regional transportation plan adopted by the
24 regional transportation planning organization of which the
25 participating counties are members.

26 (8) "Transportation project" means:

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

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

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

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

37 (i) Approaches to highways of statewide significance;

38 (ii) High-occupancy vehicle lanes;

1 (iii) Flyover ramps;
2 (iv) Park and ride lots;
3 (v) Bus pullouts;
4 (vi) Vans for vanpools;
5 (vii) Buses; and
6 (viii) Signalization, ramp metering, and other transportation
7 system management improvements.

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

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

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

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

24 (iv) In no case may the cumulative regional transportation
25 investment district contribution to all projects constructed under this
26 subsection (8)(c) exceed ten percent of the revenues generated by the
27 district;

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

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

33 (d) Operations, preservation, and maintenance are excluded from
34 this definition and may not be included in a regional transportation
35 investment plan. However, operations, preservation, and maintenance of
36 tolled facilities, where toll revenues have been pledged for the
37 payment of contracts, are expressly authorized and may be included in
38 a regional transportation investment plan.

1 (9) "Weighted vote" means a vote that reflects the population each
2 board or planning committee member represents relative to the
3 population represented by the total membership of the board or planning
4 committee. Population will be determined using the federal 2000 census
5 or subsequent federal census data.

6 **Sec. 2.** RCW 36.120.030 and 2002 c 56 s 103 are each amended to
7 read as follows:

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

10 (1) A county with a population over one million five hundred
11 thousand persons and any adjoining counties with a population over five
12 hundred thousand persons may ~~((create))~~ propose a regional
13 transportation investment district ~~((and shall convene))~~ by first
14 convening a regional transportation investment district planning
15 committee.

16 (2) The members of the legislative authorities participating in
17 planning under this chapter shall serve as the district planning
18 committee. Members of the planning committee receive no compensation,
19 but may be reimbursed for travel and incidental expenses as the
20 planning committee deems appropriate.

21 The secretary of transportation, or the appropriate regional
22 administrator of the department, as named by the secretary, shall serve
23 on the committee as a nonvoting member.

24 (3) A regional transportation investment district planning
25 committee may be entitled to state funding, as appropriated by the
26 legislature, for start-up funding to pay for salaries, expenses,
27 overhead, supplies, and similar expenses ordinarily and necessarily
28 incurred in selecting transportation projects and funding for those
29 transportation projects under this chapter. Upon creation of a
30 regional transportation investment district, the district shall within
31 one year reimburse the state for any sums advanced for these start-up
32 costs from the state.

33 (4) The planning committee shall conduct its affairs and formulate
34 a regional transportation investment plan as provided under RCW
35 36.120.040, except that it shall elect an executive board of seven
36 members to discharge the duties of the planning committee and formulate

1 a regional transportation investment plan, subject to the approval of
2 the full committee.

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

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

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

12 **Sec. 3.** RCW 36.120.040 and 2003 c 194 s 1 are each amended to read
13 as follows:

14 (1) A regional transportation investment district planning
15 committee shall, in consultation with any regional transit authority
16 existing within the participating counties' boundaries, adopt a
17 regional transportation investment plan providing for the development,
18 construction, and financing of transportation projects. The planning
19 committee may consider the following factors in formulating its plan:

- 20 (a) Land use planning criteria;
- 21 (b) The input of cities located within a participating county; and
- 22 (c) The input of regional transportation planning organizations in
23 which a participating county is ~~((located))~~ a member. A regional
24 transportation planning organization ~~((in))~~ of which a participating
25 county is ~~((located))~~ a member shall review its adopted regional
26 transportation plan and submit, for the planning committee's
27 consideration, its list of transportation improvement priorities.

28 (2) The planning committee ~~((may))~~ shall coordinate its activities
29 with the department, which shall provide services, data, and personnel
30 to assist in this planning as desired by the planning committee. In
31 addition, the planning committee ~~((may))~~ shall coordinate its
32 activities with affected cities, towns, and other local governments,
33 including any regional transit authority existing within the
34 participating counties' boundaries, that engage in transportation
35 planning.

36 (3) The planning committee shall:

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

3 (b) Adopt a plan proposing the:

4 (i) Creation of a regional transportation investment district; and

5 (ii) Construction of transportation projects to improve mobility
6 within each county and within the region. Operations, maintenance, and
7 preservation of facilities or systems may not be part of the plan,
8 except for the limited purposes provided under RCW 36.120.020(8)(d);
9 and

10 (c) Recommend sources of revenue authorized by RCW 36.120.050 and
11 a financing plan to fund selected transportation projects. The overall
12 plan of the district must leverage the district's financial
13 contributions so that the federal, state, local, and other revenue
14 sources continue to fund major congestion relief and transportation
15 capacity improvement projects in each county and the district. A
16 combination of local, state, and federal revenues may be necessary to
17 pay for transportation projects, and the planning committee shall
18 consider all of these revenue sources in developing a plan.

19 (4) The plan must use tax revenues and related debt for projects
20 that generally benefit a participating county in proportion to the
21 general level of tax revenues generated within that participating
22 county. This equity principle applies to all modifications to the
23 plan, appropriation of contingency funds not identified within the
24 project estimate, and future phases of the plan. During implementation
25 of the plan, the board shall retain the flexibility to manage
26 distribution of revenues, debt, and project schedules so that the
27 district may effectively implement the plan. Nothing in this section
28 should be interpreted to prevent the district from pledging district-
29 wide tax revenues for payment of any contract or debt entered into
30 under RCW 36.120.130.

31 (5) Before adopting the plan, the planning committee, with
32 assistance from the department, shall work with the lead agency, and if
33 applicable, any regional transit authority existing within the
34 participating counties' boundaries, to develop accurate cost forecasts
35 for transportation projects. This project costing methodology must be
36 integrated with revenue forecasts in developing the plan and must at a
37 minimum include estimated project costs in constant dollars as well as
38 year of expenditure dollars, the range of project costs reflected by

1 the level of project design, project contingencies, identification of
2 mitigation costs, the range of revenue forecasts, and project and plan
3 cash flow and bond analysis. The plan submitted to the voters must
4 provide cost estimates for each project, including reasonable
5 contingency costs. Plans submitted to the voters must provide that the
6 maximum amount possible of the funds raised will be used to fund
7 projects in the plan, including environmental improvements and
8 mitigation, and that administrative costs be minimized. If actual
9 revenue exceeds actual plan costs, the excess revenues must be used to
10 retire any outstanding debt associated with the plan.

11 (6) If a county opts not to adopt the plan or participate in the
12 regional transportation investment district, but two or more contiguous
13 counties do choose to continue to participate, then the planning
14 committee may, within ninety days, redefine the regional transportation
15 investment plan and the ballot measure to be submitted to the people to
16 reflect elimination of the county, and submit the redefined plan to the
17 legislative authorities of the remaining counties for their decision as
18 to whether to continue to adopt the redefined plan and participate.
19 This action must be completed within sixty days after receipt of the
20 redefined plan.

21 (7) Once adopted by the planning committee, the plan must be
22 forwarded to the participating county legislative authorities to
23 initiate the election process under RCW 36.120.070. The planning
24 committee shall at the same time provide notice to each city and town
25 within the district, the governor, the chairs of the transportation
26 committees of the legislature, the secretary of transportation, and
27 each legislator whose legislative district is partially or wholly
28 within the boundaries of the district.

29 (8) If the ballot measure is not approved, the planning committee
30 may redefine the selected transportation projects, financing plan, and
31 the ballot measure. The county legislative authorities may approve the
32 new plan and ballot measure, and may then submit the revised
33 proposition to the voters at the next election or a special election.
34 If no ballot measure is approved by the voters by the third vote, the
35 planning committee is dissolved.

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

1 (1) The boundaries of a regional transportation investment district
2 must be coextensive with the boundaries of a regional transit authority
3 serving the counties.

4 (2) After voters within the district boundaries have approved a
5 plan under RCW 36.120.070, elections to add areas to the district
6 boundaries may be called by a resolution of the board, after
7 consultation with the appropriate regional transportation planning
8 organization and affected transit agencies, and with the concurrence of
9 the legislative authority of the city or town if the area is
10 incorporated, or with the concurrence of the county legislative
11 authority if the area is unincorporated. The election shall include a
12 single ballot measure providing annexation to the district, approval of
13 the plan, and approval of revenue sources necessary to finance the
14 plan. The electorate will be the voters voting within the proposed
15 area to be annexed. A simple majority of the persons voting on the
16 single ballot measure is required for approval of the measure.
17 However, the district boundaries must continue to be coextensive with
18 the boundaries of a regional transit authority serving the counties.

19 **Sec. 5.** RCW 36.120.050 and 2003 c 350 s 4 are each amended to read
20 as follows:

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

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

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

36 (c) A parking tax under RCW 82.80.030;

1 (d) A local motor vehicle excise tax under RCW 81.100.060 (~~and~~
2 ~~chapter 81.104 RCW~~);

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

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

5 (g) System-wide or corridor specific vehicle tolls on new or
6 reconstructed facilities. Unless otherwise specified by law or
7 contract, the department shall administer the collection of vehicle
8 tolls on designated facilities, and the state transportation
9 commission, or its successor, shall be the tolling authority.

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

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

21 **Sec. 6.** RCW 36.120.070 and 2002 c 56 s 107 are each amended to
22 read as follows:

23 (1) Two or more contiguous county legislative authorities, upon
24 receipt of the regional transportation investment plan under RCW
25 36.120.040, may (~~certify the plan to the ballot, including~~
26 ~~identification of the tax options~~) submit to the voters of the
27 proposed district a single ballot measure that approves formation of
28 the district, approves the regional transportation investment plan, and
29 approves the revenue sources necessary to (~~fund~~) finance the plan.
30 (~~County legislative authorities~~) The planning committee may draft (~~a~~
31 ballot title,) the ballot measure on behalf of the county legislative
32 authorities, and the county legislative authorities may give notice as
33 required by law for ballot measures, and perform other duties as
34 required to (~~put the plan before~~) submit the measure to the voters of
35 the proposed district for their approval or rejection (~~as a single~~
36 ballot measure that both approves formation of the district and
37 approves the plan)). Counties may negotiate interlocal agreements

1 necessary to implement the plan. The electorate will be the voters
2 voting within the boundaries of the (~~participating counties~~) proposed
3 district. A simple majority of the total persons voting on the single
4 ballot measure (~~to approve the plan, establish the district, and~~
5 ~~approve the taxes and fees~~) is required for initial approval.

6 (2) In conjunction with RCW 81.112.030(10), the plan must be
7 submitted to the voters as a common ballot measure along with a
8 proposition to support additional implementation phases of a regional
9 transit authority's system and financing plan. The counties shall
10 follow the ballot measure and election procedures provided in
11 subsection (1) of this section. However, the plan shall not be
12 considered approved unless voters also approve the proposition to
13 support additional implementation phases of a regional transit
14 authority's system and financing plan.

15 (3) In addition to submitting a regional transportation investment
16 plan to the voters, the county legislative authorities shall submit to
17 the voters for consideration at the 2007 general election a regional
18 transportation governance proposal to restructure the transportation
19 funding and operating system within the central Puget Sound region such
20 that a single point of accountability is established for this purpose.
21 The electorate must be the voters voting within the boundaries of the
22 participating counties. Before a regional transportation governance
23 proposal may be submitted to the voters under this subsection, the
24 proposal must first be adopted by a regional transportation governance
25 commission established under section 7 of this act, and then submitted
26 to the legislature and the governor for consideration during the 2007
27 regular legislative session in order that appropriate enabling
28 legislation, if necessary, may be enacted.

29 NEW SECTION. Sec. 7. A new section is added to chapter 36.120 RCW
30 to read as follows:

31 (1) The governor shall appoint a central Puget Sound regional
32 transportation governance commission of seven voting members, one of
33 whom must be appointed chair of the commission. In addition, the
34 secretary of transportation or the secretary's designee shall serve as
35 a nonvoting member. Appointees must be citizen members who do not hold
36 public office. Appointees must include experts from the private and
37 public sectors, including academia, with demonstrated expertise in

1 innovation, structural reorganization, and public or private agency
2 decision making, and must also include experts in fields such as
3 municipal law, public administration, intergovernmental relationships,
4 and transportation planning, construction, operations, and risk
5 management.

6 (2) The commission shall evaluate transportation governance in the
7 central Puget Sound region. This evaluation must include an assessment
8 of the current roles of regional transportation agencies including
9 regional transportation planning organizations, metropolitan planning
10 organizations, regional transit authorities, regional transportation
11 investment districts, county and municipal agencies operating transit
12 services, cities and counties, and other public agencies providing
13 transportation services or facilities. The commission shall adopt a
14 regional transportation governance proposal to be submitted to voters
15 within the region that:

16 (a) Consolidates governance among agencies into a single point of
17 accountability for a transportation funding and operating system within
18 the central Puget Sound region, including changes in institutional
19 powers, structures, and relationships and governance needed to improve
20 accountability for transportation decisions, while enhancing the
21 regional focus for transportation decisions and maintaining equity
22 among citizens in the region;

23 (b) Improves coordination in the planning of transportation
24 investments and services;

25 (c) Improves investment strategies;

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

28 (e) Enhances efficiency and coordination in the delivery of
29 services provided;

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

32 (g) Improves coordination between regional investments and federal
33 funds, and state funding including those administered by the
34 transportation improvement board, the county road administration board,
35 and the freight mobility strategic investment board.

36 (3) Each voting member of the commission must be reimbursed for
37 actual necessary traveling and other expenses in going to, attending,

1 and returning from meetings of the commission or that are incurred in
2 the discharge of duties requested by the chair in the same manner as
3 RCW 43.03.220.

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

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

8 (6) The department of transportation and the regional
9 transportation planning organization serving the central Puget Sound
10 region shall provide staff support to the commission and, upon request
11 of the commission, contract with other parties for staff support to the
12 commission.

13 **Sec. 8.** RCW 36.120.080 and 2002 c 56 s 108 are each amended to
14 read as follows:

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

32 **Sec. 9.** RCW 36.120.110 and 2002 c 56 s 111 are each amended to
33 read as follows:

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

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

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

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

6 (d) Monitor and audit the progress and execution of transportation
7 projects to protect the investment of the public and annually make
8 public its findings;

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

11 (f) Hire no more than ten employees, including a director or
12 executive officer, a treasurer or financial officer, a project manager
13 or engineer, a project permit coordinator, and clerical staff; ((and))

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

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

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

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

28 (4) A district may not own(~~, operate, or maintain~~) or operate an
29 ongoing facility, road, or transportation system.

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

32 (6) It is the intent of the legislature that administrative and
33 overhead costs of a regional transportation investment district be
34 minimized. For transportation projects costing up to fifty million
35 dollars, administrative and overhead costs may not exceed three percent
36 of the total construction and design project costs per year. For
37 transportation projects costing more than fifty million dollars,
38 administrative and overhead costs may not exceed three percent of the

1 first fifty million dollars in costs, plus an additional one-tenth of
2 one percent of each additional dollar above fifty million. These
3 limitations apply only to the district, and do not limit the
4 administration or expenditures of the department.

5 (7) A district may use the design-build procedure for
6 transportation projects developed by it. As used in this section
7 "design-build procedure" means a method of contracting under which the
8 district contracts with another party for that party to both design and
9 build the structures, facilities, and other items specified in the
10 contract. The requirements and limitations of RCW 47.20.780 and
11 47.20.785 do not apply to the transportation projects under this
12 chapter.

13 **Sec. 10.** RCW 47.56.076 and 2005 c 335 s 3 are each amended to read
14 as follows:

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

29 NEW SECTION. **Sec. 11.** A new section is added to chapter 47.56 RCW
30 to read as follows:

31 Notwithstanding any provision to the contrary in this chapter, a
32 regional transportation investment district, pursuant to the authority
33 provided under RCW 36.120.050 and 47.56.076, may impose vehicle tolls
34 on either Lake Washington bridge upon approval of a majority of the
35 voters voting on a regional transportation investment plan ballot
36 measure within its boundaries.

1 **Sec. 12.** 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) The authority may place additional propositions on the ballot
24 to impose taxes to support additional phases of plan implementation.
25 A simple majority of the total persons voting on the proposition is
26 required for initial approval. However, in conjunction with RCW
27 36.120.070(1), the proposition must be submitted to the voters as a
28 common ballot measure along with a proposed regional transportation
29 investment plan, and the proposition shall not be considered approved
30 unless voters also approve the regional transportation investment plan.
31 Additional phases of plan implementation must be developed jointly with
32 any regional transportation investment district existing within the
33 authority area for improving transportation system performance within
34 the region through investments in transportation projects and service
35 delivery. The additional phases of plan implementation must be
36 consistent with the regional transportation plan adopted by the
37 regional transportation planning organization serving the authority
38 area.

1 (11) If the authority is unable to achieve a positive vote on a
2 proposition within two years from the date of the first election on a
3 proposition, the board may, by resolution, reconstitute the authority
4 as a single-county body. With a two-thirds vote of the entire
5 membership of the voting members, the board may also dissolve the
6 authority.

7 **Sec. 13.** RCW 81.112.050 and 1998 c 192 s 1 are each amended to
8 read as follows:

9 (1) At the time of formation, the area to be included within the
10 boundary of the authority shall be that area set forth in the system
11 plan adopted by the joint regional policy committee. Prior to
12 submitting the system and financing plan to the voters, the authority
13 may make adjustments to the boundaries as deemed appropriate but must
14 assure that, to the extent possible, the boundaries: (a) Include the
15 largest-population urban growth area designated by each county under
16 chapter 36.70A RCW; and (b) follow election precinct boundaries. If a
17 portion of any city is determined to be within the service area, the
18 entire city must be included within the boundaries of the authority.

19 (2) After voters within the authority boundaries have approved the
20 system and financing plan, elections to add areas contiguous to the
21 authority boundaries may be called by resolution of the regional
22 transit authority, after consultation with affected transit agencies
23 and with the concurrence of the legislative authority of the city or
24 town if the area is incorporated, or with the concurrence of the county
25 legislative authority if the area is unincorporated. Only those areas
26 that would benefit from the services provided by the authority may be
27 included and services or projects proposed for the area must be
28 consistent with the regional transportation plan. The election may
29 include a single ballot proposition providing for annexation to the
30 authority boundaries and imposition of the taxes at rates already
31 imposed within the authority boundaries, and may be submitted as part
32 of the common ballot measure under RCW 81.112.030(10) and
33 36.120.070(2).

34 (3) Upon receipt of a resolution requesting exclusion from the
35 boundaries of the authority from a city whose municipal boundaries
36 cross the boundaries of an authority and thereby result in only a
37 portion of the city being subject to local option taxes imposed by the

1 authority under chapters 81.104 and 81.112 RCW in order to implement a
2 high-capacity transit plan, and where the vote to approve the city's
3 incorporation occurred simultaneously with an election approving the
4 local option taxes, then upon a two-thirds majority vote of the
5 governing board of the authority, the governing board shall redraw the
6 boundaries of the authority to exclude that portion of the city that is
7 located within the authority's boundaries, and the excluded area is no
8 longer subject to local option taxes imposed by the authority. This
9 subsection expires December 31, 1998.

10 NEW SECTION. **Sec. 14.** A new section is added to chapter 81.112
11 RCW to read as follows:

12 A regional transit authority shall coordinate its activities with
13 affected cities, towns, and other local governments, including any
14 regional transportation investment district, or its planning committee,
15 existing either partially or entirely within the authority area, that
16 engage in transportation planning.

17 **Sec. 15.** 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 district and not more than 13.64 percent on the
31 state sales and use taxes paid under the rate in RCW 82.08.020(2) on
32 retail car rentals within the county or investment district. A county
33 may impose the surcharge only to the extent that it has not been
34 imposed by the district. No surcharge may be imposed on vehicles
35 licensed under RCW 46.16.070 except vehicles with an unladen weight of
36 six thousand pounds or less, RCW 46.16.079, 46.16.085, or 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.

13 If the tax authorized in RCW 81.100.030 is also imposed, the total
14 proceeds from tax sources imposed under this section and RCW 81.100.030
15 each year shall not exceed the maximum amount which could be collected
16 under this section.

17 **Sec. 16.** RCW 81.100.080 and 1990 c 43 s 19 are each amended to
18 read as follows:

19 Funds collected under RCW 81.100.030 or 81.100.060 and any
20 investment earnings accruing thereon shall be used by the county or the
21 regional transportation investment district in a manner consistent with
22 the regional transportation plan only for costs of collection, costs of
23 preparing, adopting, and enforcing agreements under RCW 81.100.030(3),
24 for construction of high occupancy vehicle lanes and related
25 facilities, mitigation of environmental concerns that result from
26 construction or use of high occupancy vehicle lanes and related
27 facilities, by an investment district for projects contained in a plan
28 developed under chapter 36.120 RCW, payment of principal and interest
29 on bonds issued for the purposes of this section, for high occupancy
30 vehicle programs as defined in RCW 81.100.020(5), and for commuter rail
31 projects in accordance with RCW 81.104.120. Except for funds raised by
32 a regional transportation investment district, no funds collected under
33 RCW 81.100.030 or 81.100.060 after June 30, 2000, may be pledged for
34 the payment or security of the principal or interest on any bonds
35 issued for the purposes of this section. Not more than ten percent of
36 the funds may be used for transit agency high occupancy vehicle
37 programs.

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

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

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

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

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

14 Counties and regional transportation investment districts may
15 contract with cities or the state department of transportation for
16 construction of high occupancy vehicle lanes and related facilities,
17 and may issue general obligation bonds to fund such construction and
18 use funds received under this chapter to pay the principal and interest
19 on such bonds.

20 **Sec. 17.** RCW 29A.36.071 and 2004 c 271 s 169 are each amended to
21 read as follows:

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

1 unit of local government other than a city, town, or county, the
2 concise statement shall be prepared by the prosecuting attorney of the
3 county within which the majority area of the unit is located.

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

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

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

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

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

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

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

31 (b) The following accounts and funds shall receive their
32 proportionate share of earnings based upon each account's or fund's
33 average daily balance for the period: The Washington promise
34 scholarship account, the college savings program account, the
35 Washington advanced college tuition payment program account, the
36 agricultural local fund, the American Indian scholarship endowment
37 fund, the foster care scholarship endowment fund, the foster care

1 endowed scholarship trust fund, the students with dependents grant
2 account, the basic health plan self-insurance reserve account, the
3 contract harvesting revolving account, the Washington state combined
4 fund drive account, the commemorative works account, the Washington
5 international exchange scholarship endowment fund, the developmental
6 disabilities endowment trust fund, the energy account, the fair fund,
7 the fruit and vegetable inspection account, the future teachers
8 conditional scholarship account, the game farm alternative account, the
9 grain inspection revolving fund, the juvenile accountability incentive
10 account, the law enforcement officers' and fire fighters' plan 2
11 expense fund, the local tourism promotion account, the produce railcar
12 pool account, the regional transportation investment district account,
13 the rural rehabilitation account, the stadium and exhibition center
14 account, the youth athletic facility account, the self-insurance
15 revolving fund, the sulfur dioxide abatement account, the children's
16 trust fund, the Washington horse racing commission Washington bred
17 owners' bonus fund account, the Washington horse racing commission
18 class C purse fund account, the individual development account program
19 account, the Washington horse racing commission operating account
20 (earnings from the Washington horse racing commission operating account
21 must be credited to the Washington horse racing commission class C
22 purse fund account), and the life sciences discovery fund. However,
23 the earnings to be distributed shall first be reduced by the allocation
24 to the state treasurer's service fund pursuant to RCW 43.08.190.

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

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

36 **Sec. 19.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005

1 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are
2 each reenacted and amended to read as follows:

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

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

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

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

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The capitol building
36 construction account, the Cedar River channel construction and
37 operation account, the Central Washington University capital projects
38 account, the charitable, educational, penal and reformatory

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

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

27 (b) The following accounts and funds shall receive eighty percent
28 of their proportionate share of earnings based upon each account's or
29 fund's average daily balance for the period: The aeronautics account,
30 the aircraft search and rescue account, the county arterial
31 preservation account, the department of licensing services account, the
32 essential rail assistance account, the ferry bond retirement fund, the
33 grade crossing protective fund, the high capacity transportation
34 account, the highway bond retirement fund, the highway safety account,
35 the motor vehicle fund, the motorcycle safety education account, the
36 pilotage account, the public transportation systems account, the Puget
37 Sound capital construction account, the Puget Sound ferry operations
38 account, the recreational vehicle account, the rural arterial trust

1 account, the safety and education account, the special category C
2 account, the state patrol highway account, the transportation 2003
3 account (nickel account), the transportation equipment fund, the
4 transportation fund, the transportation improvement account, the
5 transportation improvement board bond retirement account, and the urban
6 arterial trust account.

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

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

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

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

31 (3) Except for the provisions of RCW 43.84.160, the treasury income
32 account may be utilized for the payment of purchased banking services
33 on behalf of treasury funds including, but not limited to, depository,
34 safekeeping, and disbursement functions for the state treasury and
35 affected state agencies. The treasury income account is subject in all
36 respects to chapter 43.88 RCW, but no appropriation is required for

1 payments to financial institutions. Payments shall occur prior to
2 distribution of earnings set forth in subsection (4) of this section.

3 (4) Monthly, the state treasurer shall distribute the earnings
4 credited to the treasury income account. The state treasurer shall
5 credit the general fund with all the earnings credited to the treasury
6 income account except:

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

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

1 earnings to be distributed under this subsection (4)(a) shall first be
2 reduced by the allocation to the state treasurer's service fund
3 pursuant to RCW 43.08.190.

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

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

25 **Sec. 21.** RCW 36.73.015 and 2005 c 336 s 1 are each amended to read
26 as follows:

27 The definitions in this section apply throughout this chapter
28 unless the context clearly requires otherwise.

29 (1) "District" means a transportation benefit district created
30 under this chapter.

31 (2) "City" means a city or town.

32 (3) "Transportation improvement" means a project contained in the
33 transportation plan of the state or a regional transportation planning
34 organization (~~that is of statewide or regional significance~~). A
35 project may include investment in new or existing highways of statewide
36 significance, principal arterials of regional significance, high-
37 capacity transportation, public transportation, and other

1 transportation projects and programs of regional or statewide
2 significance including transportation demand management. Projects may
3 also include the operation, preservation, and maintenance of these
4 facilities or programs. (~~Not more than forty percent of the revenues
5 generated by a district may be expended on city streets, county roads,
6 existing highways other than highways of statewide significance, and
7 the creation of a new highway that intersects with a highway of
8 statewide significance.~~)

9 **Sec. 22.** RCW 36.73.020 and 2005 c 336 s 3 are each amended to read
10 as follows:

11 (1) The legislative authority of a county or city may establish a
12 transportation benefit district within the county or city area or
13 within the area specified in subsection (2) of this section, for the
14 purpose of acquiring, constructing, improving, providing, and funding
15 a transportation improvement within the district that is consistent
16 with any existing state, regional, and local transportation plans and
17 necessitated by existing or reasonably foreseeable congestion levels.
18 The transportation improvements shall be owned by the county of
19 jurisdiction if located in an unincorporated area, by the city of
20 jurisdiction if located in an incorporated area, or by the state in
21 cases where the transportation improvement is or becomes a state
22 highway. However, if deemed appropriate by the governing body of the
23 transportation benefit district, a transportation improvement may be
24 owned by a participating port district or transit district, unless
25 otherwise prohibited by law. Transportation improvements shall be
26 administered and maintained as other public streets, roads, highways,
27 and transportation improvements. To the extent practicable, the
28 district shall consider the following criteria when selecting
29 transportation improvements:

- 30 (a) Reduced risk of transportation facility failure and improved
31 safety;
- 32 (b) Improved travel time;
- 33 (c) Improved air quality;
- 34 (d) Increases in daily and peak period trip capacity;
- 35 (e) Improved modal connectivity;
- 36 (f) Improved freight mobility;
- 37 (g) Cost-effectiveness of the investment;

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

2 (i) Other criteria, as adopted by the governing body.

3 ~~((Subject to subsection (6) of this section,))~~ The district may
4 include area within more than one county, city, port district, county
5 transportation authority, or public transportation benefit area, if the
6 legislative authority of each participating jurisdiction has agreed to
7 the inclusion as provided in an interlocal agreement adopted pursuant
8 to chapter 39.34 RCW. ~~((However, the boundaries of the district shall
9 include all territory within the boundaries of the participating
10 jurisdictions comprising the district))~~ The boundaries of the district
11 may be less than jurisdiction wide.

12 (3) The members of the legislative authority proposing to establish
13 the district, acting ex officio and independently, shall constitute the
14 governing body of the district: PROVIDED, That where a district
15 includes area within more than one jurisdiction under subsection (2) of
16 this section, the district shall be governed under an interlocal
17 agreement adopted pursuant to chapter 39.34 RCW. However, the
18 governing body shall be composed of at least five members including at
19 least one elected official from the legislative authority of each
20 participating jurisdiction.

21 (4) The treasurer of the jurisdiction proposing to establish the
22 district shall act as the ex officio treasurer of the district, unless
23 an interlocal agreement states otherwise.

24 (5) The electors of the district shall all be registered voters
25 residing within the district.

26 ~~((6) The authority under this section, regarding the establishment
27 of or the participation in a district, shall not apply to:~~

28 ~~(a) Counties with a population greater than one million five
29 hundred thousand persons and any adjoining counties with a population
30 greater than five hundred thousand persons;~~

31 ~~(b) Cities with any area within the counties under (a) of this
32 subsection; and~~

33 ~~(c) Other jurisdictions with any area within the counties under (a)
34 of this subsection.))~~

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

37 (1) If approved by the majority of the voters within its boundaries

1 voting on the ballot proposition, a regional transportation investment
2 district may impose a sales and use tax of up to 0.5 percent of the
3 selling price or value of the article used in the case of a use tax.
4 The tax authorized by this section is in addition to the tax authorized
5 by RCW 82.14.030 and must be collected from those persons who are
6 taxable by the state under chapters 82.08 and 82.12 RCW upon the
7 occurrence of any taxable event within the taxing district. Motor
8 vehicles are exempt from the sales and use tax imposed under this
9 subsection. Proceeds from the taxes under this section must be used
10 for projects in a regional transportation investment plan adopted under
11 chapter 36.120 RCW, which may include passenger-only ferry service.

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

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

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

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

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

36 (e) The value of a motor vehicle must be determined under RCW
37 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. 24.** Section 19 of this act expires July 1,
6 2006.

7 NEW SECTION. **Sec. 25.** Section 20 of this act takes effect July 1,
8 2006.

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