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**SUBSTITUTE HOUSE BILL 3068**

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**State of Washington                      60th Legislature                      2008 Regular Session**

**By** House Transportation (originally sponsored by Representatives Clibborn, Fromhold, Moeller, Appleton, Roberts, and Wood)

READ FIRST TIME 02/12/08.

1            AN ACT Relating to high-capacity transportation service; amending  
2 RCW 81.104.015, 81.104.150, 81.104.160, 81.104.170, 81.104.180, and  
3 81.104.190; and adding new sections to chapter 81.104 RCW.

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

5            **Sec. 1.** RCW 81.104.015 and 1999 c 202 s 9 are each amended to read  
6 as follows:

7            Unless the context clearly requires otherwise, the definitions in  
8 this section apply throughout this chapter.

9            (1) "High-capacity transportation corridor area" means a quasi-  
10 municipal corporation and independent taxing authority within the  
11 meaning of Article VII, section 1 of the state Constitution, and a  
12 taxing district within the meaning of Article VII, section 2 of the  
13 state Constitution, created by a transit agency governing body.

14            (2) "High-capacity transportation system" means a system of public  
15 transportation services within an urbanized region operating  
16 principally on exclusive rights-of-way, and the supporting services and  
17 facilities necessary to implement such a system, including interim  
18 express services and high occupancy vehicle lanes, which taken as a  
19 whole, provides a substantially higher level of passenger capacity,

1 speed, and service frequency than traditional public transportation  
2 systems operating principally in general purpose roadways. For the  
3 purpose of a high-capacity transportation corridor area, "high-capacity  
4 transportation system" also includes passenger-only ferry service.

5 ((+2)) (3) "Rail fixed guideway system" means a light, heavy, or  
6 rapid rail system, monorail, inclined plane, funicular, trolley, or  
7 other fixed rail guideway component of a high-capacity transportation  
8 system that is not regulated by the Federal Railroad Administration, or  
9 its successor. "Rail fixed guideway system" does not mean elevators,  
10 moving sidewalks or stairs, and vehicles suspended from aerial cables,  
11 unless they are an integral component of a station served by a rail  
12 fixed guideway system.

13 ((+3)) (4) "Regional transit system" means a high-capacity  
14 transportation system under the jurisdiction of one or more transit  
15 agencies except where a regional transit authority created under  
16 chapter 81.112 RCW exists, in which case "regional transit system"  
17 means the high-capacity transportation system under the jurisdiction of  
18 a regional transit authority.

19 ((+4)) (5) "Transit agency" means city-owned transit systems,  
20 county transportation authorities, metropolitan municipal corporations,  
21 and public transportation benefit areas.

22 NEW SECTION. Sec. 2. A new section is added to chapter 81.104 RCW  
23 to read as follows:

24 (1) Except as provided in subsection (6) of this section, a  
25 governing body of a transit agency serving a population area of more  
26 than one hundred thousand persons may establish one or more high-  
27 capacity transportation corridor areas within all or a portion of the  
28 boundaries of the jurisdiction establishing the high-capacity  
29 transportation corridor area. A high-capacity transportation corridor  
30 area may include all or a portion of a city or town. The members of  
31 the transit agency governing body proposing to establish the high-  
32 capacity transportation corridor area, acting ex officio and  
33 independently, shall constitute the governing body of the high-capacity  
34 transportation corridor area.

35 (2) A high-capacity transportation corridor area may establish,  
36 finance, and provide high-capacity transportation service within the  
37 area in the same manner as authorized for transit agencies under this

1 chapter. However, the combined tax rates imposed by the jurisdiction  
2 establishing a high-capacity transportation corridor area, and the  
3 high-capacity transportation corridor area or areas within that  
4 jurisdiction, may not exceed the maximum rates authorized under RCW  
5 81.104.150, 81.104.160, and 81.104.170.

6 (3) A high-capacity transportation corridor area constitutes a body  
7 corporate and possesses all the usual powers of a corporation for  
8 public purposes as well as all other powers that may be conferred by  
9 statute including, but not limited to, the authority to hire employees,  
10 staff, and services, to enter into contracts, to acquire, hold, and  
11 dispose of real and personal property, and to sue and be sued. Public  
12 works contract limits applicable to the jurisdiction that established  
13 the high-capacity transportation corridor area apply to the area.

14 (4) A high-capacity transportation corridor area may exercise the  
15 power of eminent domain to obtain property for its authorized purposes  
16 in the same manner as authorized for the jurisdiction that established  
17 the area.

18 (5) A high-capacity transportation corridor area may be dissolved  
19 by a majority vote of the governing body when all obligations under any  
20 general obligation bonds issued by the high-capacity transportation  
21 corridor area have been discharged and any other contractual  
22 obligations of the high-capacity transportation corridor area have  
23 either been discharged or assumed by another governmental entity.

24 (6) This section does not apply to a transit agency within a county  
25 having a population of more than one million or a county that has a  
26 population of more than four hundred thousand and is adjacent by land  
27 to a county with a population of more than one million.

28 **Sec. 3.** RCW 81.104.150 and 1992 c 101 s 26 are each amended to  
29 read as follows:

30 Cities that operate transit systems, county transportation  
31 authorities, metropolitan municipal corporations, public transportation  
32 benefit areas, high-capacity transportation corridor areas, and  
33 regional transit authorities may submit an authorizing proposition to  
34 the voters and if approved may impose an excise tax of up to two  
35 dollars per month per employee on all employers located within the  
36 (~~agency's~~) applicable jurisdiction, measured by the number of  
37 full-time equivalent employees, solely for the purpose of providing

1 high capacity transportation service. The rate of tax shall be  
2 approved by the voters. This tax may not be imposed by: (1) A transit  
3 agency or high-capacity transportation corridor area when the county  
4 within which it is located is imposing an excise tax pursuant to RCW  
5 81.100.030; or (2) a regional transit authority when any county within  
6 the authority's boundaries is imposing an excise tax pursuant to RCW  
7 81.100.030. The agency or high-capacity transportation corridor area  
8 imposing the tax authorized in this section may provide for exemptions  
9 from the tax to such educational, cultural, health, charitable, or  
10 religious organizations as it deems appropriate.

11 **Sec. 4.** RCW 81.104.160 and 2003 c 1 s 6 are each amended to read  
12 as follows:

13 An agency and high-capacity transportation corridor area may impose  
14 a sales and use tax solely for the purpose of providing high capacity  
15 transportation service, in addition to the tax authorized by RCW  
16 82.14.030, upon retail car rentals within the (~~agency's~~) applicable  
17 jurisdiction that are taxable by the state under chapters 82.08 and  
18 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The base  
19 of the tax shall be the selling price in the case of a sales tax or the  
20 rental value of the vehicle used in the case of a use tax.

21 Any motor vehicle excise tax previously imposed under the  
22 provisions of RCW 81.104.160(1) shall be repealed, terminated and  
23 expire on December 5, 2002.

24 **Sec. 5.** RCW 81.104.170 and 1997 c 450 s 5 are each amended to read  
25 as follows:

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

34 The tax authorized pursuant to this section shall be in addition to  
35 the tax authorized by RCW 82.14.030 and shall be collected from those  
36 persons who are taxable by the state pursuant to chapters 82.08 and

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

11 **Sec. 6.** RCW 81.104.180 and 1992 c 101 s 29 are each amended to  
12 read as follows:

13 Cities that operate transit systems, county transportation  
14 authorities, metropolitan municipal corporations, public transportation  
15 benefit areas, high-capacity transportation corridor areas, and  
16 regional transit authorities are authorized to pledge revenues from the  
17 employer tax authorized by RCW 81.104.150, the (~~special motor vehicle~~  
18 ~~excise tax~~) taxes authorized by RCW 81.104.160, and the sales and use  
19 tax authorized by RCW 81.104.170, to retire bonds issued solely for the  
20 purpose of providing high capacity transportation service.

21 **Sec. 7.** RCW 81.104.190 and 1992 c 101 s 30 are each amended to  
22 read as follows:

23 Cities that operate transit systems, county transportation  
24 authorities, metropolitan municipal corporations, public transportation  
25 benefit areas, high-capacity transportation corridor areas, and  
26 regional transit systems may contract with the state department of  
27 revenue or other appropriate entities for administration and collection  
28 of any tax authorized by RCW 81.104.150, 81.104.160, and 81.104.170.

29 NEW SECTION. **Sec. 8.** A new section is added to chapter 81.104 RCW  
30 to read as follows:

31 (1) To carry out the purposes of this chapter, a high-capacity  
32 transportation corridor area may issue general obligation bonds, not to  
33 exceed an amount, together with any other outstanding nonvoter-approved  
34 general obligation indebtedness, equal to one and one-half percent of  
35 the value of the taxable property within the area, as the term "value

1 of the taxable property" is defined in RCW 39.36.015. A high-capacity  
2 transportation corridor area may also issue general obligation bonds  
3 for capital purposes only, together with any outstanding general  
4 obligation indebtedness, not to exceed an amount equal to five percent  
5 of the value of the taxable property within the area, as the term  
6 "value of the taxable property" is defined in RCW 39.36.015, when  
7 authorized by the voters of the area pursuant to Article VIII, section  
8 6 of the state Constitution.

9 (2) General obligation bonds with a maturity in excess of forty  
10 years shall not be issued. The governing body of the high-capacity  
11 transportation corridor area shall by resolution determine for each  
12 general obligation bond issue the amount, date, terms, conditions,  
13 denominations, maximum fixed or variable interest rate or rates,  
14 maturity or maturities, redemption rights, registration privileges,  
15 manner of execution, manner of sale, callable provisions, if any,  
16 covenants, and form, including registration as to principal and  
17 interest, registration as to principal only, or bearer. Registration  
18 may include, but not be limited to: (a) A book entry system of  
19 recording the ownership of a bond whether or not physical bonds are  
20 issued; or (b) recording the ownership of a bond together with the  
21 requirement that the transfer of ownership may only be effected by the  
22 surrender of the old bond and either the reissuance of the old bond or  
23 the issuance of a new bond to the new owner. Facsimile signatures may  
24 be used on the bonds and any coupons. Refunding general obligation  
25 bonds may be issued in the same manner as general obligation bonds are  
26 issued.

27 (3) Whenever general obligation bonds are issued to fund specific  
28 projects or enterprises that generate revenues, charges, user fees, or  
29 special assessments, the high-capacity transportation corridor area may  
30 specifically pledge all or a portion of the revenues, charges, user  
31 fees, or special assessments to refund the general obligation bonds.  
32 The high-capacity transportation corridor area may also pledge any  
33 other revenues that may be available to the area.

34 (4) In addition to general obligation bonds, a high-capacity  
35 transportation corridor area may issue revenue bonds to be issued and  
36 sold in accordance with chapter 39.46 RCW.

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