
HOUSE BILL 3311

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

By Representatives Simpson, Pedersen, Sullivan, Kirby, Kenney, Williams, Conway, Eddy, Hasegawa, Cody, Nelson, Hudgins, Sells, Ericks, Wallace, Appleton, Rolfes, and Chase

1 AN ACT Relating to regional transportation governing authorities;
2 amending RCW 81.104.160, 82.80.010, 82.80.030, 81.100.030, 82.14.050,
3 82.80.080, 81.100.010, 81.100.080, 81.104.140, 29A.36.071, 47.56.075,
4 81.112.030, and 82.80.070; reenacting and amending RCW 81.100.060 and
5 43.79A.040; adding a new section to chapter 81.104 RCW; creating a new
6 section; and repealing RCW 29A.36.230, 36.120.010, 36.120.020,
7 36.120.030, 36.120.040, 36.120.045, 36.120.050, 36.120.060, 36.120.070,
8 36.120.080, 36.120.090, 36.120.100, 36.120.110, 36.120.120, 36.120.130,
9 36.120.140, 36.120.150, 36.120.160, 36.120.170, 36.120.180, 36.120.190,
10 36.120.200, 36.120.210, 36.120.900, 36.120.901, 47.56.076, 47.56.0761,
11 82.14.430, 82.32.470, 82.80.005, 82.80.100, 82.80.110, and 82.80.120.

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

13 NEW SECTION. **Sec. 1.** The legislature implemented a policy of
14 allowing regional entities to propose ballot measures to fund state
15 highways by creating the regional transportation investment district in
16 2001. After years of political wrangling and costly delay, a ballot
17 measure was proposed to the voters to fund state highways by regional
18 taxation in central Puget Sound in November 2007, and it was rejected.

1 The legislature acknowledges that it has historically been, and
2 should continue to be, the responsibility of the state to prioritize
3 and fund the costs of repairs, replacement, and construction of state
4 transportation facilities. Regional funding of state transportation
5 projects would result in diminished support for future proposals to
6 invest in statewide transportation infrastructure and would foster
7 division between regions of the state. Additionally, because state-
8 owned facilities in central Puget Sound are critical to the economic
9 future of the entire state, the legislature intends to reclaim the
10 responsibility of funding state transportation infrastructure.

11 The legislature recognizes that the regional transit authority
12 serving the central Puget Sound area has been effective in implementing
13 regional transportation projects that have significantly improved
14 mobility in the region. However, these services are already at
15 capacity, demonstrating that the funding sources currently available to
16 regional transit authorities are inadequate to address the existing
17 demand for regional rail and express bus services.

18 Additional funding sources are needed to provide additional or
19 expanded parking facilities to meet the demand for existing
20 transportation services. Expanded rail service and supporting parking
21 facilities will further reduce congestion during peak commuter times
22 and will benefit local business districts whose parking is negatively
23 impacted by overflow parking near rail stations and transit centers.

24 The legislature further finds that a fully completed light rail
25 line running through the state's largest city would serve substantially
26 more commuters from the northern and southern parts of the central
27 Puget Sound area and would reduce congestion along the most heavily
28 congested streets and highways in the state. Current funding will not
29 permit completion of the light rail system in the central Puget Sound
30 area as planned to help meet the transportation demands forecasted for
31 the region. Additional funding would afford voters the opportunity to
32 fund completion of the light rail system in areas with high ridership
33 and where light rail is the most efficient and environmentally sound
34 transportation alternative.

35 Therefore, the legislature declares that it is the policy of the
36 state to provide regional transit authorities and the voters in the
37 state's most populous region with funding sources required to address
38 urgently needed and underfunded regional transportation needs.

1 **Sec. 2.** RCW 81.104.160 and 2003 c 1 s 6 are each amended to read
2 as follows:

3 (1) A regional transit authority may submit an authorizing
4 proposition to the voters, and if approved, may levy and collect an
5 excise tax at a rate approved by the voters but not exceeding eighty
6 one-hundredths of one percent on the value, under chapter 82.44 RCW, of
7 every motor vehicle owned by a resident of the authority, solely for
8 the purpose of providing high capacity transportation service. In
9 determining the value of a vehicle for purposes of imposing a motor
10 vehicle excise tax, the regional transit authority shall comply with
11 RCW 82.44.035.

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

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

22 NEW SECTION. Sec. 3. A new section is added to chapter 81.104 RCW
23 to read as follows:

24 (1) A regional transit authority under chapter 81.112 RCW may fix
25 and impose an annual vehicle fee, not to exceed one hundred dollars per
26 vehicle registered within the boundaries of the authority, for each
27 vehicle subject to license tab fees under RCW 46.16.0621 and for each
28 vehicle subject to gross weight fees under RCW 46.16.070 with an
29 unladen weight of six thousand pounds or less. This fee is independent
30 of any annual vehicle fee imposed by other entities within the
31 authority's boundaries under RCW 82.80.140.

32 (2) The department of licensing shall administer and collect the
33 fee. The department shall deduct a percentage amount, as provided by
34 contract, not to exceed one percent of the fees collected, for
35 administration and collection expenses incurred by it. The department
36 shall remit remaining proceeds to the custody of the state treasurer.

1 The state treasurer shall distribute the proceeds to the district on a
2 monthly basis.

3 (3) The vehicle fee under this section may not be collected until
4 six months after approval under RCW 36.73.065.

5 (4) The vehicle fee under this section applies only when renewing
6 a vehicle registration, and is effective upon the registration renewal
7 date as provided by the department of licensing.

8 (5) The following vehicles are exempt from the vehicle fee under
9 this section:

10 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and
11 46.04.181;

12 (b) Off-road and nonhighway vehicles as defined in RCW 46.09.020;

13 (c) Vehicles registered under chapter 46.87 RCW and the
14 international registration plan; and

15 (d) Snowmobiles as defined in RCW 46.10.010.

16 **Sec. 4.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read
17 as follows:

18 (1) For purposes of this section:

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

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

24 (2) Subject to the conditions of this section, any county may levy,
25 by approval of its legislative body and a majority of the registered
26 voters of the county voting on the proposition at a general or special
27 election, additional excise taxes equal to ten percent of the statewide
28 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
29 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
30 fuel as defined in RCW 82.38.020 sold within the boundaries of the
31 county. Vehicles paying an annual license fee under RCW 82.38.075 are
32 exempt from the county fuel excise tax. An election held under this
33 section must be held not more than twelve months before the date on
34 which the proposed tax is to be levied. The ballot setting forth the
35 proposition shall state the tax rate that is proposed. The county's
36 authority to levy additional excise taxes under this section includes
37 the incorporated and unincorporated areas of the county. The

1 additional excise taxes are subject to the same exceptions and rights
2 of refund as applicable to other motor vehicle fuel and special fuel
3 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
4 tax shall not be levied less than one month from the date the election
5 results are certified by the county election officer. The commencement
6 date for the levy of any tax under this section shall be the first day
7 of January, April, July, or October.

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

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

14 (5) All administrative provisions in chapters 82.01, 82.03, and
15 82.32 RCW, insofar as they are applicable, apply to local option fuel
16 taxes imposed under this section.

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

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

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

34 ~~((9) A county may not levy the tax under this section if they are
35 levying the tax in RCW 82.80.110 or if they are a member of a regional
36 transportation investment district levying the tax in RCW 82.80.120.))~~

1 **Sec. 5.** RCW 82.80.030 and 2005 c 336 s 24 are each amended to read
2 as follows:

3 (1) Subject to the conditions of this section, the legislative
4 authority of a county(~~()~~) or city(~~(, or district)~~) may fix and impose
5 a parking tax on all persons engaged in a commercial parking business
6 within its respective jurisdiction. (~~((A city or county may impose the
7 tax only to the extent that it has not been imposed by the district,
8 and a district may impose the tax only to the extent that it has not
9 been imposed by a city or county.))~~) The jurisdiction of a county, for
10 purposes of this section, includes only the unincorporated area of the
11 county. The jurisdiction of a city (~~(, or district)~~) includes only the
12 area within its boundaries.

13 (2) In lieu of the tax in subsection (1) of this section, a
14 city(~~()~~) or a county in its unincorporated area(~~(, or a district)~~) may
15 fix and impose a tax for the act or privilege of parking a motor
16 vehicle in a facility operated by a commercial parking business.

17 The city(~~()~~) or county(~~(, or district)~~) may provide that:

18 (a) The tax is paid by the operator or owner of the motor vehicle;

19 (b) The tax applies to all parking for which a fee is paid, whether
20 paid or leased, including parking supplied with a lease of
21 nonresidential space;

22 (c) The tax is collected by the operator of the facility and
23 remitted to the city(~~()~~) or county(~~(, or district)~~);

24 (d) The tax is a fee per vehicle or is measured by the parking
25 charge;

26 (e) The tax rate varies with zoning or location of the facility,
27 the duration of the parking, the time of entry or exit, the type or use
28 of the vehicle, or other reasonable factors; and

29 (f) Tax exempt carpools, vehicles with handicapped decals, or
30 government vehicles are exempt from the tax.

31 (3) "Commercial parking business" as used in this section, means
32 the ownership, lease, operation, or management of a commercial parking
33 lot in which fees are charged. "Commercial parking lot" means a
34 covered or uncovered area with stalls for the purpose of parking motor
35 vehicles.

36 (4) The rate of the tax under subsection (1) of this section may be
37 based either upon gross proceeds or the number of vehicle stalls

1 available for commercial parking use. The rates charged must be
2 uniform for the same class or type of commercial parking business.

3 (5) The county(~~(7)~~) or city(~~(, or district)~~) levying the tax
4 provided for in subsection (1) or (2) of this section may provide for
5 its payment on a monthly, quarterly, or annual basis. Each local
6 government may develop by ordinance or resolution rules for
7 administering the tax, including provisions for reporting by commercial
8 parking businesses, collection, and enforcement.

9 (6) The proceeds of the commercial parking tax fixed and imposed by
10 a city or county under subsection (1) or (2) of this section shall be
11 used for transportation purposes in accordance with RCW 82.80.070 or
12 for transportation improvements in accordance with chapter 36.73 RCW.
13 (~~The proceeds of the parking tax imposed by a district must be used as~~
14 ~~provided in chapter 36.120 RCW.~~)

15 **Sec. 6.** RCW 81.100.030 and 2002 c 56 s 410 are each amended to
16 read as follows:

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

34 Counties (~~or investment districts~~) may contract with the state
35 department of revenue or other appropriate entities for administration
36 and collection of the tax. Such contract shall provide for deduction
37 of an amount for administration and collection expenses.

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

5 (3) A county (~~(or investment district)~~) shall adopt rules that
6 exempt from all or a portion of the tax any employer that has entered
7 into an agreement with the county (~~(or investment district)~~) that is
8 designed to reduce the proportion of employees who drive in single-
9 occupant vehicles during peak commuting periods in proportion to the
10 degree that the agreement is designed to meet the goals for the
11 employer's location adopted under RCW 81.100.040.

12 The agreement shall include a list of specific actions that the
13 employer will undertake to be entitled to the exemption. Employers
14 having an exemption from all or part of the tax through this subsection
15 shall annually certify to the county (~~(or investment district)~~) that
16 the employer is fulfilling the terms of the agreement. The exemption
17 continues as long as the employer is in compliance with the agreement.

18 (~~(If the tax authorized in RCW 81.100.060 is also imposed, the
19 total proceeds from both tax sources each year shall not exceed the
20 maximum amount which could be collected under RCW 81.100.060.)~~)

21 **Sec. 7.** RCW 81.100.060 and 2006 c 318 s 2 and 2006 c 311 s 15 are
22 each reenacted and amended to read as follows:

23 (1) A county with a population of one million or more and a county
24 with a population of from two hundred ten thousand to less than one
25 million that is adjoining a county with a population of one million or
26 more, having within their boundaries existing or planned high-occupancy
27 vehicle lanes on the state highway system(~~(, or a regional
28 transportation investment district, but only to the extent that the
29 surcharge has not already been imposed by the county)~~), may, with voter
30 approval, impose a local surcharge of not more than three-tenths of one
31 percent in the case of a county(~~(, or eight tenths of one percent in
32 the case of a regional transportation investment district)~~), of the
33 value on vehicles registered to a person residing within the county
34 (~~(or investment district)~~) and not more than 13.64 percent on the state
35 sales and use taxes paid under the rate in RCW 82.08.020(2) on retail
36 car rentals within the county (~~(or investment district. A county may
37 impose the surcharge only to the extent that it has not been imposed by~~

1 ~~the district~~)). No surcharge may be imposed on vehicles licensed under
2 RCW 46.16.070 except vehicles with an unladen weight of six thousand
3 pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

4 (2) Counties ((~~or investment districts~~)) imposing a surcharge under
5 this section shall contract, before the effective date of the
6 resolution or ordinance imposing a surcharge, administration and
7 collection to the state department of licensing, and department of
8 revenue, as appropriate, which shall deduct a percentage amount, as
9 provided by contract, not to exceed two percent of the taxes, for
10 administration and collection expenses incurred by the department.

11 (3) All administrative provisions in chapters 82.03, 82.08, 82.12,
12 and 82.32 RCW shall, insofar as they are applicable to state sales and
13 use taxes, be applicable to surcharges imposed under this section.

14 (4) If a surcharge, authorized under this section, is first imposed
15 before June 7, 2006, all administrative provisions in chapters 82.03,
16 82.32, and 82.44 RCW shall, insofar as they are applicable to motor
17 vehicle excise taxes, be applicable to such surcharges ((~~imposed under~~
18 this section)). ((~~All administrative provisions in chapters 82.03,~~
19 ~~82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to~~
20 ~~state sales and use taxes, be applicable to surcharges imposed under~~
21 ~~this section. A surcharge imposed under this section, or a change to~~
22 ~~the~~))

23 (5) If a surcharge, authorized under this section, is first imposed
24 on or after June 7, 2006:

25 (a) Motor vehicles subject to such surcharge shall be administered
26 in accordance with chapter 318, Laws of 2006; and

27 (b) The surcharge or a change to the surcharge shall take effect no
28 sooner than seventy-five days after the department of licensing or the
29 department of revenue receives notice of the surcharge or change to the
30 surcharge, and shall take effect only on the first day of January,
31 April, July, or October. Unless waived by the department of licensing
32 or the department of revenue, notice includes providing the appropriate
33 department with digital mapping and legal descriptions of areas in
34 which the ((~~tax~~)) surcharge will be collected.

35 ((~~If the tax authorized in RCW 81.100.030 is also imposed, the~~
36 ~~total proceeds from tax sources imposed under this section and RCW~~
37 ~~81.100.030 each year shall not exceed the maximum amount which could be~~
38 ~~collected under this section.~~))

1 **Sec. 8.** RCW 82.14.050 and 2005 c 336 s 20 are each amended to read
2 as follows:

3 The counties, cities, and transportation authorities under RCW
4 82.14.045, public facilities districts under chapters 36.100 and 35.57
5 RCW, public transportation benefit areas under RCW 82.14.440,
6 (~~regional transportation investment districts,~~) and transportation
7 benefit districts under chapter 36.73 RCW shall contract, prior to the
8 effective date of a resolution or ordinance imposing a sales and use
9 tax, the administration and collection to the state department of
10 revenue, which shall deduct a percentage amount, as provided by
11 contract, not to exceed two percent of the taxes collected for
12 administration and collection expenses incurred by the department. The
13 remainder of any portion of any tax authorized by this chapter that is
14 collected by the department of revenue shall be deposited by the state
15 department of revenue in the local sales and use tax account hereby
16 created in the state treasury. Moneys in the local sales and use tax
17 account may be spent only for distribution to counties, cities,
18 transportation authorities, public facilities districts, public
19 transportation benefit areas, (~~regional transportation investment~~
20 ~~districts,~~) and transportation benefit districts imposing a sales and
21 use tax. All administrative provisions in chapters 82.03, 82.08,
22 82.12, and 82.32 RCW, as they now exist or may hereafter be amended,
23 shall, insofar as they are applicable to state sales and use taxes, be
24 applicable to taxes imposed pursuant to this chapter. Counties,
25 cities, transportation authorities, and public facilities districts(~~(~~
26 ~~and regional transportation investment districts)~~) may not conduct
27 independent sales or use tax audits of sellers registered under the
28 streamlined sales tax agreement. Except as provided in RCW 43.08.190,
29 all earnings of investments of balances in the local sales and use tax
30 account shall be credited to the local sales and use tax account and
31 distributed to the counties, cities, transportation authorities, public
32 facilities districts, public transportation benefit areas, (~~regional~~
33 ~~transportation investment districts,~~) and transportation benefit
34 districts monthly.

35 **Sec. 9.** RCW 82.80.080 and 2002 c 56 s 414 are each amended to read
36 as follows:

37 (1) The state treasurer shall distribute revenues, less authorized

1 deductions, generated by the local option taxes authorized in RCW
2 82.80.010 (~~and 82.80.020~~), levied by counties to the levying
3 counties, and cities contained in those counties, based on the relative
4 per capita population. County population for purposes of this section
5 is equal to one and one-half of the unincorporated population of the
6 county. In calculating the distributions, the state treasurer shall
7 use the population estimates prepared by the state office of financial
8 management and shall further calculate the distribution based on
9 information supplied by the departments of licensing and revenue, as
10 appropriate.

11 (2) The state treasurer shall distribute revenues, less authorized
12 deductions, generated by the local option taxes authorized in RCW
13 82.80.010 (~~and 82.80.020~~) levied by qualifying cities and towns to
14 the levying cities and towns.

15 (~~(3) The state treasurer shall distribute to the district
16 revenues, less authorized deductions, generated by the local option
17 taxes under RCW 82.80.010 or fees under RCW 82.80.100 levied by a
18 district.~~)

19 **Sec. 10.** RCW 81.100.010 and 2002 c 56 s 409 are each amended to
20 read as follows:

21 The need for mobility, growing travel demand, and increasing
22 traffic congestion in urban areas necessitate accelerated development
23 and increased utilization of the high-occupancy vehicle system. RCW
24 81.100.030 and 81.100.060 provide taxing authority that counties (~~or
25 regional transportation investment districts~~) can use in the near term
26 to accelerate development and increase utilization of the
27 high-occupancy vehicle system by supplementing available federal,
28 state, and local funds.

29 **Sec. 11.** RCW 81.100.080 and 2006 c 311 s 14 are each amended to
30 read as follows:

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

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

12 (2) (~~Notwithstanding the limitations in this chapter, a regional~~
13 ~~transportation investment district may use funds collected under RCW~~
14 ~~81.100.030 or 81.100.060 and any investment earnings accruing thereon~~
15 ~~for projects contained in a plan developed under chapter 36.120 RCW.~~
16 ~~These expenditures shall not be limited to high occupancy vehicle~~
17 ~~systems.~~

18 (3)) Priorities for construction of high occupancy vehicle lanes
19 and related facilities shall be as follows:

20 (a)(i) To accelerate construction of high occupancy vehicle lanes
21 on the interstate highway system, as well as related facilities;

22 (ii) To finance or accelerate construction of high occupancy
23 vehicle lanes on the noninterstate state highway system, as well as
24 related facilities.

25 (b) To finance construction of high occupancy vehicle lanes on
26 local arterials, as well as related facilities.

27 ((4)) (3) Moneys received by a county under this chapter shall be
28 used in addition to, and not as a substitute for, moneys currently used
29 by the county for the purposes specified in this section.

30 ((5)) (4) Counties (~~and investment districts~~) may contract with
31 cities or the state department of transportation for construction of
32 high occupancy vehicle lanes and related facilities, and may issue
33 general obligation bonds to fund such construction and use funds
34 received under this chapter to pay the principal and interest on such
35 bonds.

36 **Sec. 12.** RCW 81.104.140 and 2002 c 56 s 202 are each amended to
37 read as follows:

1 (1) Agencies authorized to provide high capacity transportation
2 service, including transit agencies and regional transit authorities,
3 (~~and regional transportation investment districts acting with the~~
4 ~~agreement of an agency,~~) are hereby granted dedicated funding sources
5 for such systems. These dedicated funding sources, as set forth in RCW
6 81.104.150, 81.104.160, and 81.104.170, are authorized only for
7 agencies located in (a) each county with a population of two hundred
8 ten thousand or more and (b) each county with a population of from one
9 hundred twenty-five thousand to less than two hundred ten thousand
10 except for those counties that do not border a county with a population
11 as described under (a) of this subsection. In any county with a
12 population of one million or more or in any county having a population
13 of four hundred thousand or more bordering a county with a population
14 of one million or more, these funding sources may be imposed only by a
15 regional transit authority (~~or a regional transportation investment~~
16 ~~district. Regional transportation investment districts may, with the~~
17 ~~approval of the regional transit authority within its boundaries,~~
18 ~~impose the taxes authorized under this chapter, but only upon approval~~
19 ~~of the voters and to the extent that the maximum amount of taxes~~
20 ~~authorized under this chapter have not been imposed)).~~

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

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

- 26 (a) Acceptability;
- 27 (b) Ease of administration;
- 28 (c) Equity;
- 29 (d) Implementation feasibility;
- 30 (e) Revenue reliability; and
- 31 (f) Revenue yield.

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

35 (a) Employer tax as provided in RCW 81.104.150(~~(, other than by~~
36 ~~regional transportation investment districts))~~);

37 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;

38 and

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

2 Revenues from these taxes may be used only to support those
3 purposes prescribed in subsection (10) of this section. Before the
4 date of an election authorizing an agency to impose any of the taxes
5 enumerated in this section and authorized in RCW 81.104.150,
6 81.104.160, and 81.104.170, the agency must comply with the process
7 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No
8 construction on exclusive right-of-way may occur before the
9 requirements of RCW 81.104.100(3) are met.

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

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

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

29 (8) Agencies shall provide to the registered voters in the area a
30 document describing the systems plan and the financing plan set forth
31 in RCW 81.104.100. It shall also describe the relationship of the
32 system to regional issues such as development density at station
33 locations and activity centers, and the interrelationship of the system
34 to adopted land use and transportation demand management goals within
35 the region. This document shall be provided to the voters at least
36 twenty days prior to the date of the election.

37 (9) For any election in which voter approval is sought for a high

1 capacity transportation system plan and financing plan pursuant to RCW
2 81.104.040, a local voter's pamphlet shall be produced as provided in
3 chapter ((29.81A)) 29A.32 RCW.

4 (10) Agencies providing high capacity transportation service shall
5 retain responsibility for revenue encumbrance, disbursement, and
6 bonding. Funds may be used for any purpose relating to planning,
7 construction, and operation of high capacity transportation systems and
8 commuter rail systems, personal rapid transit, busways, bus sets, and
9 entrained and linked buses.

10 **Sec. 13.** RCW 29A.36.071 and 2006 c 311 s 9 are each amended to
11 read as follows:

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

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

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

1 **Sec. 14.** RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and
2 2007 c 214 s 14 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

28 **Sec. 15.** RCW 47.56.075 and 2002 c 56 s 404 are each amended to
29 read as follows:

30 The department shall approve for construction only such toll roads
31 as the legislature specifically authorizes or such toll facilities as
32 are specifically sponsored by a (~~regional transportation investment~~
33 ~~district,~~) city, town, or county.

34 **Sec. 16.** RCW 81.112.030 and 2007 c 509 s 3 are each amended to
35 read as follows:

36 Two or more contiguous counties each having a population of four

1 hundred thousand persons or more may establish a regional transit
2 authority to develop and operate a high capacity transportation system
3 as defined in chapter 81.104 RCW.

4 The authority shall be formed in the following manner:

5 (1) The joint regional policy committee created pursuant to RCW
6 81.104.040 shall adopt a system and financing plan, including the
7 definition of the service area. This action shall be completed by
8 September 1, 1992, contingent upon satisfactory completion of the
9 planning process defined in RCW 81.104.100. The final system plan
10 shall be adopted no later than June 30, 1993. In addition to the
11 requirements of RCW 81.104.100, the plan for the proposed system shall
12 provide explicitly for a minimum portion of new tax revenues to be
13 allocated to local transit agencies for interim express services. Upon
14 adoption the joint regional policy committee shall immediately transmit
15 the plan to the county legislative authorities within the adopted
16 service area.

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

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

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

32 (5) The authority is formally constituted at its first meeting and
33 the board shall begin taking steps toward implementation of the system
34 and financing plan adopted by the joint regional policy committee. If
35 the joint regional policy committee fails to adopt a plan by June 30,
36 1993, the authority shall proceed to do so based on the work completed
37 by that date by the joint regional policy committee. Upon formation of
38 the authority, the joint regional policy committee shall cease to

1 exist. The authority may make minor modifications to the plan as
2 deemed necessary and shall at a minimum review local transit agencies'
3 plans to ensure feeder service/high capacity transit service
4 integration, ensure fare integration, and ensure avoidance of parallel
5 competitive services. The authority shall also conduct a minimum
6 thirty-day public comment period.

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

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

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

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

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

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

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

11 (9) If the vote on a proposition fails, the board may redefine the
12 proposition, make changes to the authority boundaries, and make
13 corresponding changes to the composition of the board. If the
14 composition of the board is changed, the participating counties shall
15 revise the membership of the board accordingly. The board may then
16 submit the revised proposition or a different proposition to the
17 voters. No single proposition may be submitted to the voters more than
18 twice. Beginning no sooner than the 2007 general election, the
19 authority may place additional propositions on the ballot to impose
20 taxes to support additional phases of plan implementation.

21 ~~(10) ((At the 2007 general election, the authority shall submit a
22 proposition to support a system and financing plan or additional
23 implementation phases of the authority's system and financing plan as
24 part of a single ballot proposition that includes a plan to support a
25 regional transportation investment plan developed under chapter 36.120
26 RCW. The authority's plan shall not be considered approved unless both
27 a majority of the persons voting on the proposition residing within the
28 authority vote in favor of the proposition and a majority of the
29 persons voting on the proposition residing within the proposed regional
30 transportation investment district vote in favor of the proposition.~~

31 ~~(11) Additional phases of plan implementation may include a
32 transportation subarea equity element which (a) identifies the combined
33 authority and regional transportation investment district revenues
34 anticipated to be generated by corridor and by county within the
35 authority's boundaries, and (b) identifies the degree to which the
36 combined authority and regional transportation investment district
37 revenues generated within each county will benefit the residents of
38 that county, and identifies when such benefits will accrue. For~~

1 ~~purposes of the transportation subarea equity principle established~~
2 ~~under this subsection, the authority may use the five subareas within~~
3 ~~the authority's boundaries as identified in the authority's system plan~~
4 ~~adopted in May 1996.~~

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

11 **Sec. 17.** RCW 82.80.070 and 2005 c 319 s 139 are each amended to
12 read as follows:

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

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

33 (3) Each local government with a population greater than eight
34 thousand that levies or expends local option transportation funds, is
35 also required to develop and adopt a specific transportation program
36 that contains the following elements:

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

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

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

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

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

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

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

35 (b) Second, it is necessitated by existing or reasonably
36 foreseeable congestion;

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

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

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

7 (6) It is the intent of the legislature that as a condition of
8 levying, receiving, and expending local option transportation revenues,
9 no local government agency use the revenues to replace, divert, or loan
10 any revenues currently being used for transportation purposes to
11 nontransportation purposes.

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

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

20 ~~((9) Subsections (1) through (8) of this section do not apply to
21 a regional transportation investment district imposing a tax or fee
22 under the local option authority of this chapter. Proceeds collected
23 under the exercise of local option authority under this chapter by a
24 district must be used in accordance with chapter 36.120 RCW.))~~

25 NEW SECTION. **Sec. 18.** The following acts or parts of acts are
26 each repealed:

27 (1) RCW 29A.36.230 (Regional transportation investment district and
28 regional transit authority single ballot) and 2007 c 509 s 4;

29 (2) RCW 36.120.010 (Findings) and 2002 c 56 s 101;

30 (3) RCW 36.120.020 (Definitions) and 2006 c 334 s 13, 2006 c 311 s
31 4, & 2002 c 56 s 102;

32 (4) RCW 36.120.030 (Planning committee--Formation) and 2006 c 311
33 s 5 & 2002 c 56 s 103;

34 (5) RCW 36.120.040 (Planning committee--Duties) and 2006 c 311 s 6,
35 2003 c 194 s 1, & 2002 c 56 s 104;

36 (6) RCW 36.120.045 (Planning committee--State route No. 520
37 improvements) and 2006 c 311 s 7;

1 (7) RCW 36.120.050 (Planning committee--Taxes, fees, and tolls) and
2 2006 c 311 s 13, 2003 c 350 s 4, & 2002 c 56 s 105;
3 (8) RCW 36.120.060 (Project selection--Performance criteria) and
4 2002 c 56 s 106;
5 (9) RCW 36.120.070 (Submission of ballot propositions to the
6 voters) and 2007 c 509 s 2, 2006 c 311 s 8, & 2002 c 56 s 107;
7 (10) RCW 36.120.080 (Formation--Certification) and 2006 c 311 s 10
8 & 2002 c 56 s 108;
9 (11) RCW 36.120.090 (Governing board--Composition) and 2002 c 56 s
10 109;
11 (12) RCW 36.120.100 (Governing board--Organization) and 2002 c 56
12 s 110;
13 (13) RCW 36.120.110 (Governing board--Powers and duties--Intent)
14 and 2006 c 311 s 11 & 2002 c 56 s 111;
15 (14) RCW 36.120.120 (Treasurer) and 2002 c 56 s 112;
16 (15) RCW 36.120.130 (Indebtedness--Bonds--Limitation) and 2003 c
17 372 s 1 & 2002 c 56 s 113;
18 (16) RCW 36.120.140 (Transportation project or plan modification--
19 Accountability) and 2003 c 194 s 2 & 2002 c 56 s 114;
20 (17) RCW 36.120.150 (Department of transportation--Role) and 2002
21 c 56 s 115;
22 (18) RCW 36.120.160 (Ownership of improvements) and 2002 c 56 s
23 116;
24 (19) RCW 36.120.170 (Dissolution of district) and 2002 c 56 s 117;
25 (20) RCW 36.120.180 (Findings--Regional models--Grants) and 2002 c
26 56 s 118;
27 (21) RCW 36.120.190 (Joint ballot measure) and 2002 c 56 s 201;
28 (22) RCW 36.120.200 (Regional transportation investment district
29 account) and 2002 c 56 s 401;
30 (23) RCW 36.120.210 (Advisory ballot for Alaskan Way viaduct
31 improvements--Preferred alternative for Alaskan Way viaduct and Seattle
32 Seawall improvements) and 2006 c 311 s 29;
33 (24) RCW 36.120.900 (Captions and subheadings not law--2002 c 56)
34 and 2002 c 56 s 501;
35 (25) RCW 36.120.901 (Severability--2002 c 56) and 2002 c 56 s 503;
36 (26) RCW 47.56.076 (Regional transportation investment district--
37 Tolls) and 2006 c 311 s 19, 2005 c 335 s 3, & 2002 c 56 s 403;

1 (27) RCW 47.56.0761 (Regional transportation investment district--
2 Tolls on Lake Washington bridges) and 2006 c 311 s 20;
3 (28) RCW 82.14.430 (Sales and use tax for regional transportation
4 investment district) and 2006 c 311 s 17 & 2002 c 56 s 405;
5 (29) RCW 82.32.470 (Transfer of sales and use tax on toll projects)
6 and 2002 c 56 s 407;
7 (30) RCW 82.80.005 ("District" defined) and 2002 c 56 s 415;
8 (31) RCW 82.80.100 (Regional transportation investment district--
9 Local option vehicle license fee) and 2002 c 56 s 408;
10 (32) RCW 82.80.110 (Motor vehicle and special fuel tax--Dedication
11 by county to regional transportation investment district plan) and 2003
12 c 350 s 2; and
13 (33) RCW 82.80.120 (Motor vehicle and special fuel tax--Regional
14 transportation investment district) and 2006 c 311 s 18 & 2003 c 350 s
15 3.

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