
SENATE BILL 5414

State of Washington **60th Legislature** **2007 Regular Session**

By Senators Kastama, Regala, Franklin, Eide and Keiser

Read first time 01/18/2007. Referred to Committee on Transportation.

1 AN ACT Relating to authorizing local option motor vehicle fuel
2 taxes for completing funding of certain projects in the south central
3 Puget Sound region; amending RCW 82.80.010, 82.80.110, and 82.80.120;
4 and adding a new section to chapter 82.80 RCW.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.80 RCW
7 to read as follows:

8 (1) For purposes of this section:

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

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

14 (2) For purposes of providing additional funding sufficient to
15 complete the highway construction projects identified in subsection (8)
16 of this section, and subject to the conditions of this section,
17 counties eligible under subsection (10) of this section may jointly
18 levy additional excise taxes equal to fifteen percent of the statewide
19 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor

1 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
2 fuel as defined in RCW 82.38.020 sold within the boundaries of the
3 counties. The additional excise taxes are subject to the approval of
4 each respective county's legislative body and a majority of the
5 registered voters of each respective county voting on the proposition
6 at a general or special election. An election held under this section
7 must be held not more than twelve months before the date on which the
8 proposed taxes are to be levied. The ballot setting forth the
9 proposition must state that the revenues from the taxes will be used to
10 provide additional funding sufficient to complete the identified
11 highway construction projects. The counties' authority to levy
12 additional excise taxes under this section includes the incorporated
13 and unincorporated areas of the counties. Vehicles paying an annual
14 license fee under RCW 82.38.075 are exempt from the excise taxes
15 authorized under this section. The additional excise taxes are subject
16 to the same exceptions and rights of refund as applicable to other
17 motor vehicle fuel and special fuel excise taxes levied under chapters
18 82.36 and 82.38 RCW. The proposed taxes may not be levied less than
19 one month from the date the election results are certified by the
20 county election officers. The commencement date for the levy of any
21 taxes under this section will be the first day of January, April, July,
22 or October.

23 (3) The local option motor vehicle fuel taxes authorized under this
24 section on each gallon of motor vehicle fuel and on each gallon of
25 special fuel are imposed upon the distributor of the fuel.

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

29 (5) All administrative provisions in chapters 82.01, 82.03, and
30 82.32 RCW, insofar as they are applicable, apply to local option fuel
31 taxes imposed under this section.

32 (6) Before the effective date of the imposition of the fuel taxes
33 under this section, eligible counties shall contract with the
34 department of revenue for the administration and collection of the
35 taxes. The contract must provide that a percentage amount, not to
36 exceed one percent of the taxes imposed under this section, will be
37 deposited into the local tax administration account created in the

1 custody of the state treasurer. The department of revenue may spend
2 money from this account, upon appropriation, for the administration of
3 the local taxes imposed under this section.

4 (7) The state treasurer shall distribute the proceeds monthly to
5 the counties levying the taxes under this section, after the deductions
6 for payments and expenditures as provided in RCW 46.68.090(1) (a) and
7 (b).

8 (8) The proceeds of the additional taxes levied by eligible
9 counties under this section may only be used to provide additional
10 funding sufficient to complete the following highway construction
11 projects and only for those areas that are considered "highway
12 purposes" as that term is construed in Article II, section 40 of the
13 state Constitution:

14 (a) Phases I and II of the state route number 167 project;

15 (b) The Federal Way Triangle Project (Interstate 5, state route
16 number 18, and state route number 161);

17 (c) Extending state route number 509 west of SeaTac to Interstate
18 5;

19 (d) State route number 516 (Kent-Kangley) improvements including
20 widening from Wax Road to Maple Valley; and

21 (e) The state route number 704 project (Cross Base Highway).

22 (9) A county may not levy the tax under this section if they are a
23 member of a regional transportation investment district that is levying
24 the tax in RCW 82.80.120 or the county is levying the tax in RCW
25 82.80.010 or 82.80.110. Additionally, a tax may only be levied under
26 this section if levied jointly by the eligible counties described under
27 subsection (10) of this section.

28 (10) Counties eligible to jointly impose taxes under this section
29 include a county with a population greater than one million five
30 hundred thousand persons and an adjoining county with a population
31 greater than seven hundred fifty thousand persons, as determined by the
32 office of financial management's population estimates.

33 **Sec. 2.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read
34 as follows:

35 (1) For purposes of this section:

36 (a) "Distributor" means every person who imports, refines,

1 manufactures, produces, or compounds motor vehicle fuel and special
2 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
3 or distributes the fuel into a county;

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

5 (2) Subject to the conditions of this section, any county may levy,
6 by approval of its legislative body and a majority of the registered
7 voters of the county voting on the proposition at a general or special
8 election, additional excise taxes equal to ten percent of the statewide
9 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
10 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
11 fuel as defined in RCW 82.38.020 sold within the boundaries of the
12 county. Vehicles paying an annual license fee under RCW 82.38.075 are
13 exempt from the county fuel excise tax. An election held under this
14 section must be held not more than twelve months before the date on
15 which the proposed tax is to be levied. The ballot setting forth the
16 proposition shall state the tax rate that is proposed. The county's
17 authority to levy additional excise taxes under this section includes
18 the incorporated and unincorporated areas of the county. The
19 additional excise taxes are subject to the same exceptions and rights
20 of refund as applicable to other motor vehicle fuel and special fuel
21 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
22 tax shall not be levied less than one month from the date the election
23 results are certified by the county election officer. The commencement
24 date for the levy of any tax under this section shall be the first day
25 of January, April, July, or October.

26 (3) The local option motor vehicle fuel tax on each gallon of motor
27 vehicle fuel and on each gallon of special fuel is imposed upon the
28 distributor of the fuel.

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

32 (5) All administrative provisions in chapters 82.01, 82.03, and
33 82.32 RCW, insofar as they are applicable, apply to local option fuel
34 taxes imposed under this section.

35 (6) Before the effective date of the imposition of the fuel taxes
36 under this section, a county shall contract with the department of
37 revenue for the administration and collection of the taxes. The
38 contract must provide that a percentage amount, not to exceed one

1 percent of the taxes imposed under this section, will be deposited into
2 the local tax administration account created in the custody of the
3 state treasurer. The department of revenue may spend money from this
4 account, upon appropriation, for the administration of the local taxes
5 imposed under this section.

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

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

14 (9) A county may not levy the tax under this section if they are
15 levying the tax in RCW 82.80.110 or if they are a member of a regional
16 transportation investment district levying the tax in RCW 82.80.120, or
17 if they are levying the tax in section 1 of this act.

18 **Sec. 3.** RCW 82.80.110 and 2003 c 350 s 2 are each amended to read
19 as follows:

20 (1) For purposes of this section:

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

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

26 (2) For purposes of dedication to a regional transportation
27 investment district plan under chapter 36.120 RCW, subject to the
28 conditions of this section, a county may levy additional excise taxes
29 equal to ten percent of the statewide motor vehicle fuel tax rate under
30 RCW 82.36.025 on each gallon of motor vehicle fuel as defined in RCW
31 82.36.010 and on each gallon of special fuel as defined in RCW
32 82.38.020 sold within the boundaries of the county. The additional
33 excise tax is subject to the approval of the county's legislative body
34 and a majority of the registered voters of the county voting on the
35 proposition at a general or special election. An election held under
36 this section must be held not more than twelve months before the date
37 on which the proposed tax is to be levied. The ballot setting forth

1 the proposition must state that the revenues from the tax will be used
2 for a regional transportation investment district plan. The county's
3 authority to levy additional excise taxes under this section includes
4 the incorporated and unincorporated areas of the county. Vehicles
5 paying an annual license fee under RCW 82.38.075 are exempt from the
6 county fuel excise tax. The additional excise taxes are subject to the
7 same exceptions and rights of refund as applicable to other motor
8 vehicle fuel and special fuel excise taxes levied under chapters 82.36
9 and 82.38 RCW. The proposed tax may not be levied less than one month
10 from the date the election results are certified by the county election
11 officer. The commencement date for the levy of any tax under this
12 section will be the first day of January, April, July, or October.

13 (3) The local option motor vehicle fuel tax on each gallon of motor
14 vehicle fuel and on each gallon of special fuel is imposed upon the
15 distributor of the fuel.

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

19 (5) All administrative provisions in chapters 82.01, 82.03, and
20 82.32 RCW, insofar as they are applicable, apply to local option fuel
21 taxes imposed under this section.

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

31 (7) The state treasurer shall distribute monthly to the county
32 levying the tax as part of a regional transportation investment plan,
33 after the deductions for payments and expenditures as provided in RCW
34 46.68.090(1) (a) and (b).

35 (8) The proceeds of the additional taxes levied by a county in this
36 section, to be used as a part of a regional transportation investment
37 plan, must be used in accordance with chapter 36.120 RCW, but only for

1 those areas that are considered "highway purposes" as that term is
2 construed in Article II, section 40 of the state Constitution.

3 (9) A county may not levy the tax under this section if they are a
4 member of a regional transportation investment district that is levying
5 the tax in RCW 82.80.120 (~~(e)~~), if the county is levying the tax in
6 RCW 82.80.010, or if the county is levying the tax in section 1 of this
7 act.

8 **Sec. 4.** RCW 82.80.120 and 2006 c 311 s 18 are each amended to read
9 as follows:

10 (1) For purposes of this section:

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

15 (b) "Person" has the same meaning as in RCW 82.04.030;

16 (c) "District" means a regional transportation investment district
17 under chapter 36.120 RCW.

18 (2) A regional transportation investment district under chapter
19 36.120 RCW, subject to the conditions of this section, may levy
20 additional excise taxes equal to ten percent of the statewide motor
21 vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
22 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
23 fuel as defined in RCW 82.38.020 sold within the boundaries of the
24 district. The additional excise tax is subject to the approval of a
25 majority of the voters within the district boundaries. Vehicles paying
26 an annual license fee under RCW 82.38.075 are exempt from the
27 district's fuel excise tax. The additional excise taxes are subject to
28 the same exceptions and rights of refund as applicable to other motor
29 vehicle fuel and special fuel excise taxes levied under chapters 82.36
30 and 82.38 RCW. The proposed tax may not be levied less than one month
31 from the date the election results are certified. The commencement
32 date for the levy of any tax under this section will be the first day
33 of January, April, July, or October.

34 (3) The local option motor vehicle fuel tax on each gallon of motor
35 vehicle fuel and on each gallon of special fuel is imposed upon the
36 distributor of the fuel.

1 (4) A taxable event for the purposes of this section occurs upon
2 the first distribution of the fuel within the boundaries of the
3 district to a retail outlet, bulk fuel user, or ultimate user of the
4 fuel.

5 (5) All administrative provisions in chapters 82.01, 82.03, and
6 82.32 RCW, insofar as they are applicable, apply to local option fuel
7 taxes imposed under this section.

8 (6) Before the effective date of the imposition of the fuel taxes
9 under this section, a district shall contract with the department of
10 licensing for the administration and collection of the taxes. The
11 contract must provide that a percentage amount, not to exceed one
12 percent of the taxes imposed under this section, will be deposited into
13 the local tax administration account created in the custody of the
14 state treasurer. The department of licensing may spend money from this
15 account, upon appropriation, for the administration of the local taxes
16 imposed under this section.

17 (7) The state treasurer shall distribute monthly to the district
18 levying the tax as part of the regional transportation investment
19 district plan, after the deductions for payments and expenditures as
20 provided in RCW 46.68.090(1) (a) and (b).

21 (8) The proceeds of the additional taxes levied by a district in
22 this section, to be used as a part of a regional transportation
23 investment district plan, must be used in accordance with chapter
24 36.120 RCW, but only for those areas that are considered "highway
25 purposes" as that term is construed in Article II, section 40 of the
26 state Constitution.

27 (9) A district may only levy the tax under this section if the
28 district is comprised of boundaries identical to the boundaries of a
29 county or counties. A district may not levy the tax in this section if
30 a member county is levying the tax in RCW 82.80.010 or 82.80.110, or is
31 levying the tax in section 1 of this act.

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