
SUBSTITUTE HOUSE BILL 2855

State of Washington 61st Legislature 2010 Regular Session

By House Transportation (originally sponsored by Representatives Llias, Clibborn, White, Simpson, Williams, Nelson, Sells, Carlyle, Eddy, Dickerson, Upthegrove, Pedersen, Hunt, Chase, Morris, Darneille, Kenney, Cody, Moeller, and Maxwell)

READ FIRST TIME 02/09/10.

1 AN ACT Relating to providing financing options for the operations
2 and capital needs of transit agencies; amending RCW 36.57.040,
3 35.92.060, 36.57A.090, 82.80.005, and 82.80.140; adding a new section
4 to chapter 35.58 RCW; adding a new section to chapter 82.80 RCW; adding
5 a new section to chapter 46.68 RCW; creating new sections; and
6 providing expiration dates.

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

8 NEW SECTION. **Sec. 1.** The legislature recognizes that public
9 transportation provides many benefits to the citizens of the state and
10 the environment. For many, public transportation is the only
11 affordable way to get to a job, to connect with and participate in the
12 community, and to help reduce congestion on our roads. In these
13 challenging economic times, many transit agencies find themselves
14 struggling to meet the needs of the communities they serve. It is the
15 intent of the legislature to provide these transit agencies with a
16 temporary tool that can help address their revenue shortfalls during
17 this economic crisis, and to establish a statewide plan that will guide
18 future investments in public transportation.

1 **Sec. 2.** RCW 36.57.040 and 1982 c 10 s 6 are each amended to read
2 as follows:

3 Every county transportation authority created to perform the
4 function of public transportation pursuant to RCW 36.57.020 shall have
5 the following powers:

6 (1) To prepare, adopt, carry out, and amend a general comprehensive
7 plan for public transportation service.

8 (2) To acquire by purchase, condemnation, gift, or grant and to
9 lease, construct, add to, improve, replace, repair, maintain, operate,
10 and regulate the use of any transportation facilities and properties,
11 including terminal and parking facilities, together with all lands,
12 rights-of-way, property, equipment, and accessories necessary for such
13 systems and facilities.

14 (3) To fix rates, tolls, fares, and charges for the use of such
15 facilities and to establish various routes and classes of service.
16 Fares or charges may be adjusted or eliminated for any distinguishable
17 class of users including, but not limited to senior citizens,
18 (~~handicapped~~) persons with disabilities, and students.

19 (4)(a) To impose the following taxes, fees, and charges for public
20 transportation purposes under this chapter:

21 (i) A sales and use tax in accordance with RCW 82.14.045;

22 (ii) A vehicle fee in accordance with section 7 of this act; and

23 (iii) An excise tax in accordance with RCW 35.95.040.

24 (b) Subject to the requirements of chapter 81.104 RCW, to impose
25 additional taxes authorized under chapter 81.104 RCW solely for high
26 capacity transportation purposes;

27 (c) Except as provided in section 7(1) of this act, the taxes,
28 fees, and charges listed in (a) and (b) of this subsection may not be
29 imposed without approval of a majority of the voters within the
30 boundaries of the county transportation authority voting on a
31 proposition at a general or special election.

32 (5) If a county transit authority extends its transportation
33 function to any area in which service is already offered by any company
34 holding a certificate of public convenience and necessity from the
35 Washington utilities and transportation commission under RCW 81.68.040,
36 to acquire by purchase or condemnation at the fair market value, from
37 the person holding the existing certificate for providing the services,
38 that portion of the operating authority and equipment representing the

1 services within the area of public operation, or to contract with such
2 person or corporation to continue to operate such service or any part
3 thereof for time and upon such terms and conditions as provided by
4 contract.

5 ((+5+)) (6)(a) To contract with the United States or any agency
6 thereof, any state or agency thereof, any metropolitan municipal
7 corporation, any other county, city, special district, or governmental
8 agency and any private person, firm, or corporation for the purpose of
9 receiving gifts or grants or securing loans or advances for preliminary
10 planning and feasibility studies, or for the design, construction,
11 operation, or maintenance of transportation facilities and ambulance
12 services: PROVIDED, That before the authority enters into any such
13 contract for the provision of ambulance service, it shall submit to the
14 voters a proposition authorizing such contracting authority, and a
15 majority of those voting thereon shall have approved the proposition;
16 and

17 (b) To contract with any governmental agency or with any private
18 person, firm, or corporation for the use by either contracting party of
19 all or any part of the facilities, structures, lands, interests in
20 lands, air rights over lands, and rights-of-way of all kinds which are
21 owned, leased, or held by the other party and for the purpose of
22 planning, constructing, or operating any facility or performing any
23 service related to transportation which the county is authorized to
24 operate or perform, on such terms as may be agreed upon by the
25 contracting parties: PROVIDED, That before any contract for the lease
26 or operation of any transportation facilities shall be let to any
27 private person, firm, or corporation, competitive bids shall first be
28 called for and contracts awarded in accord with the procedures
29 established in accord with RCW 36.32.240, 36.32.250, and 36.32.270.

30 ((+6+)) (7) In addition to all other powers and duties, an
31 authority shall have the power to own, construct, purchase, lease, add
32 to, and maintain any real and personal property or property rights
33 necessary for the conduct of the affairs of the authority. An
34 authority may sell, lease, convey, or otherwise dispose of any
35 authority real or personal property no longer necessary for the conduct
36 of the affairs of the authority. An authority may enter into contracts
37 to carry out the provisions of this section.

1 **Sec. 3.** RCW 35.92.060 and 1995 c 42 s 1 are each amended to read
2 as follows:

3 (1) A city or town may also construct, condemn and purchase,
4 purchase, acquire, add to, alter, maintain, operate, or lease cable,
5 electric, and other railways, automobiles, motor cars, motor buses,
6 auto trucks, and any and all other forms or methods of transportation
7 of freight or passengers within the corporate limits of the city or
8 town, and a first-class city may also construct, purchase, acquire, add
9 to, alter, maintain, operate, or lease cable, electric, and other
10 railways beyond those corporate limits only within the boundaries of
11 the county in which the city is located and of any adjoining county,
12 for the transportation of freight and passengers above, upon, or
13 underneath the ground. It may also fix, alter, regulate, and control
14 the fares and rates to be charged therefor; and fares or rates may be
15 adjusted or eliminated for any distinguishable class of users
16 including, but not limited to, senior citizens, (~~handicapped~~) persons
17 with disabilities, and students. Without the payment of any license
18 fee or tax, or the filing of a bond with, or the securing of a permit
19 from, the state, or any department thereof, the city or town may engage
20 in, carry on, and operate the business of transporting and carrying
21 passengers or freight for hire by any method or combination of methods
22 that the legislative authority of any city or town may by ordinance
23 provide, with full authority to regulate and control the use and
24 operation of vehicles or other agencies of transportation used for such
25 business.

26 (2)(a) To carry out the purposes of subsection (1) of this section,
27 a city or town may, in addition to the general powers granted by this
28 chapter, impose the following taxes, fees, and charges:

29 (i) A sales and use tax in accordance with RCW 82.14.045;

30 (ii) A vehicle fee in accordance with section 7 of this act; and

31 (iii) An excise tax in accordance with RCW 35.95.040.

32 (b) Subject to the requirements of chapter 81.104 RCW, city-owned
33 transit systems may impose additional taxes authorized under chapter
34 81.104 RCW solely for high capacity transportation purposes;

35 (c) Except as provided in section 7(1) of this act, the taxes,
36 fees, and charges listed in (a) and (b) of this subsection may not be
37 imposed without approval of a majority of the voters within the

1 boundaries of the city or town voting on a proposition at a general or
2 special election.

3 **Sec. 4.** RCW 36.57A.090 and 1981 c 25 s 4 are each amended to read
4 as follows:

5 A public transportation benefit area authority shall have the
6 following powers in addition to the general powers granted by this
7 chapter:

8 (1) To prepare, adopt, and carry out a general comprehensive plan
9 for public transportation service which will best serve the residents
10 of the public transportation benefit area and to amend said plan from
11 time to time to meet changed conditions and requirements.

12 (2) To acquire by purchase, condemnation, gift, or grant and to
13 lease, construct, add to, improve, replace, repair, maintain, operate,
14 and regulate the use of transportation facilities and properties within
15 or without the public transportation benefit area or the state,
16 including systems of surface, underground, or overhead railways,
17 tramways, buses, or any other means of local transportation except
18 taxis, and including escalators, moving sidewalks, or other people-
19 moving systems, passenger terminal and parking facilities and
20 properties, and such other facilities and properties as may be
21 necessary for passenger and vehicular access to and from such people-
22 moving systems, terminal and parking facilities and properties,
23 together with all lands, rights-of-way, property, equipment, and
24 accessories necessary for such systems and facilities. Public
25 transportation facilities and properties which are owned by any city
26 may be acquired or used by the public transportation benefit area
27 authority only with the consent of the city council of the city owning
28 such facilities. Cities are hereby authorized to convey or lease such
29 facilities to a public transportation benefit area authority or to
30 contract for their joint use on such terms as may be fixed by agreement
31 between the city council of such city and the public transportation
32 benefit area authority, without submitting the matter to the voters of
33 such city.

34 The facilities and properties of a public transportation benefit
35 area system whose vehicles will operate primarily within the rights-of-
36 way of public streets, roads, or highways, may be acquired, developed,

1 and operated without the corridor and design hearings which are
2 required by RCW 35.58.273, as now or hereafter amended, for mass
3 transit facilities operating on a separate right-of-way.

4 (3)(a) To impose the following taxes, fees, and charges for public
5 transportation purposes:

6 (i) A sales and use tax in accordance with RCW 82.14.045;

7 (ii) A vehicle fee in accordance with section 7 of this act; and

8 (iii) An excise tax in accordance with RCW 35.95.040.

9 (b) Subject to the requirements of chapter 81.104 RCW, to impose
10 additional taxes authorized under chapter 81.104 RCW solely for high
11 capacity transportation purposes;

12 (c) Except as provided in section 7(1) of this act, the taxes,
13 fees, and charges listed in (a) and (b) of this subsection may not be
14 imposed without approval of a majority of the voters within the
15 boundaries of the public transportation benefit area voting on a
16 proposition at a general or special election.

17 (4) To fix rates, tolls, fares, and charges for the use of such
18 facilities and to establish various routes and classes of service.
19 Fares or charges may be adjusted or eliminated for any distinguishable
20 class of users including, but not limited to, senior citizens,
21 ((handicapped)) persons with disabilities, and students.

22 In the event any person holding a certificate of public convenience
23 and necessity from the Washington utilities and transportation
24 commission under RCW 81.68.040 has operated under such certificate for
25 a continuous period of one year prior to the date of certification and
26 is offering service within the public transportation benefit area on
27 the date of the certification by the county canvassing board that a
28 majority of votes cast authorize a tax to be levied and collected by
29 the public transportation benefit area authority, such authority may by
30 purchase or condemnation acquire at the fair market value, from the
31 person holding the existing certificate for providing the services,
32 that portion of the operating authority and equipment representing the
33 services within the area of public operation. The person holding such
34 existing certificate may require the public transportation benefit area
35 authority to initiate such purchase of those assets of such person,
36 existing as of the date of the county canvassing board certification,
37 within sixty days after the date of such certification.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 35.58 RCW
2 to read as follows:

3 (1) In addition to any other authority provided by law, any
4 metropolitan municipal corporation authorized to perform the function
5 of public transportation may, to carry out the purposes of providing
6 public transportation, impose the following taxes, fees, and charges:

7 (a) A sales and use tax in accordance with RCW 82.14.045;

8 (b) A vehicle fee in accordance with section 7 of this act; and

9 (c) An excise tax in accordance with RCW 35.95.040.

10 (2) Subject to the requirements of chapter 81.104 RCW, a
11 metropolitan municipal corporation may elect to seek voter approval of
12 additional taxes authorized under chapter 81.104 RCW solely for high
13 capacity transportation purposes.

14 (3) Except as provided in section 7(1) of this act, the taxes,
15 fees, and charges listed in subsection (1) of this section may not be
16 imposed without approval of a majority of the voters within the
17 boundaries of the metropolitan municipal corporation voting on a
18 proposition at a general or special election.

19 **Sec. 6.** RCW 82.80.005 and 2002 c 56 s 415 are each amended to read
20 as follows:

21 (~~For the purposes of this chapter,~~) The definitions in this
22 section apply throughout this chapter unless the context clearly
23 requires otherwise.

24 (1) "District" means a regional transportation investment district
25 created under chapter 36.120 RCW.

26 (2) "Public transportation system" or "transportation system" means
27 any metropolitan municipal corporation that may perform the function of
28 metropolitan public transportation pursuant to chapter 35.58 RCW; any
29 county performing the public transportation function as authorized in
30 RCW 36.57.100 and 36.57.110 or that has established a county
31 transportation authority pursuant to chapter 36.57 RCW; any public
32 transportation benefit area established pursuant to chapter 36.57A RCW;
33 and any city that is not located within the boundaries of a
34 metropolitan municipal corporation, county transportation authority, or
35 public transportation benefit area, and that owns, operates, or
36 contracts for the services of a publicly owned or operated system of
37 transportation. However, "public transportation system" or

1 "transportation system" means, in respect to any county performing the
2 public transportation function pursuant to RCW 36.57.100 and 36.57.110,
3 only that portion of the unincorporated area lying wholly within such
4 unincorporated transportation benefit area.

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

7 (1) Except as provided in subsection (2) of this section, the
8 governing body of a public transportation system may impose by majority
9 vote an annual vehicle fee of up to twenty dollars per vehicle
10 registered in the boundaries of the transportation system for each
11 vehicle subject to license tab fees under RCW 46.16.0621 and for each
12 vehicle subject to gross weight fees under RCW 46.16.070 with an
13 unladen weight of six thousand pounds or less.

14 (2) The governing body of a public transportation system may not
15 impose a vehicle fee authorized under subsection (1) of this section:

16 (a) For a passenger-only ferry transportation improvement, unless
17 the vehicle fee is first approved by a majority of the voters within
18 the jurisdiction of the public transportation system; or

19 (b) If, combined with vehicle license fees initially imposed within
20 its boundaries under RCW 82.80.140(2)(a) after September 1, 2010, the
21 combined fees exceed twenty dollars. If such combined fees exceed
22 twenty dollars, a credit must be provided so that the combined fees
23 imposed do not exceed twenty dollars.

24 (3) The governing body of a public transportation system may seek
25 voter approval of up to thirty dollars of an annual vehicle fee
26 described in subsection (1) of this section if the public
27 transportation system has within its boundaries some or all of a county
28 with a population of more than one million, more than five hundred
29 thousand that adjoins a county with a population of more than one
30 million, or more than two hundred thousand that adjoins a county with
31 a population of more than five hundred thousand.

32 (4) A single vehicle may not be subject to an annual vehicle fee
33 authorized under this section or subject to combined vehicle fees
34 authorized under this section and RCW 82.80.140 that exceed one hundred
35 dollars. If the governing body of a transportation benefit district or
36 transportation system imposes or obtains voter approval for increased
37 fees under this section or RCW 82.80.140 that, if combined with the

1 vehicle fees previously imposed by another transportation benefit
2 district or transportation system within its boundaries, exceed one
3 hundred dollars, the transportation benefit district or transportation
4 system shall provide a credit for the previously imposed fees so that
5 the combined vehicle fee does not exceed one hundred dollars.

6 (5) A public transportation system shall contract with the
7 department of licensing as provided under section 9 of this act for
8 collection of the vehicle fee.

9 (6) A vehicle fee imposed under this section may not be assessed
10 until six months after approval.

11 (7) A vehicle fee imposed under this section applies only for
12 vehicle registration renewals and is effective upon the registration
13 renewal date as provided by the department of licensing.

14 (8) The following vehicles are exempt from the vehicle fee imposed
15 under this section:

16 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and
17 46.04.181;

18 (b) Off-road vehicles and nonhighway vehicles as defined in RCW
19 46.09.020;

20 (c) Vehicles registered under chapter 46.87 RCW and the
21 international registration plan; and

22 (d) Snowmobiles as defined in RCW 46.10.010.

23 (9) The authority to impose a vehicle fee authorized in this
24 section expires with registrations that expire no later than December
25 31, 2014.

26 (10) This section expires June 30, 2015.

27 **Sec. 8.** RCW 82.80.140 and 2007 c 329 s 2 are each amended to read
28 as follows:

29 (1) Subject to the provisions of RCW 36.73.065, a transportation
30 benefit district under chapter 36.73 RCW may fix and impose an annual
31 vehicle fee, not to exceed one hundred dollars per vehicle registered
32 in the district, for each vehicle subject to license tab fees under RCW
33 46.16.0621 and for each vehicle subject to gross weight fees under RCW
34 46.16.070 with an unladen weight of six thousand pounds or less.

35 (2)(a) A district that includes all the territory within the
36 boundaries of the jurisdiction, or jurisdictions, establishing the
37 district may impose by a majority vote of the governing board of the

1 district up to twenty dollars of the vehicle fee authorized in
2 subsection (1) of this section. If the district is countywide, the
3 revenues of the fee shall be distributed to each city within the county
4 by interlocal agreement. The interlocal agreement is effective when
5 approved by the county and sixty percent of the cities representing
6 seventy-five percent of the population of the cities within the county
7 in which the countywide fee is collected.

8 (b) A district may not impose a fee under this subsection (2):

9 (i) For a passenger-only ferry transportation improvement unless
10 the vehicle fee is first approved by a majority of the voters within
11 the jurisdiction of the district; or

12 (ii) That, if combined with the fees (~~previously~~) imposed after
13 July 1, 2010, by another district within its boundaries under RCW
14 36.73.065(4)(a)(i) or by the governing body of a public transportation
15 system within the district's boundaries under section 7 of this act,
16 exceeds twenty dollars.

17 (c) If a district imposes or increases a fee under this subsection
18 (2) that, if combined with the fees (~~previously~~) imposed after July
19 1, 2010, by another district within its boundaries or by the governing
20 body of a public transportation system within the district's boundaries
21 under section 7 of this act, exceeds twenty dollars, the district shall
22 provide a credit for the previously imposed fees so that the combined
23 vehicle fee does not exceed twenty dollars.

24 ~~(3) ((The department of licensing shall administer and collect the~~
25 ~~fee. The department shall deduct a percentage amount, as provided by~~
26 ~~contract, not to exceed one percent of the fees collected, for~~
27 ~~administration and collection expenses incurred by it. The department~~
28 ~~shall remit remaining proceeds to the custody of the state treasurer.~~
29 ~~The state treasurer shall distribute the proceeds to the district on a~~
30 ~~monthly basis.~~

31 ~~(4))~~ A single vehicle may not be subject to an annual vehicle fee
32 under this section or section 7 of this act, including combined vehicle
33 fees imposed under this section and section 7 of this act, that exceeds
34 one hundred dollars. If a transportation benefit district or
35 transportation system imposes or obtains voter approval for increased
36 fees under this section or section 7 of this act that, if combined with
37 the vehicle fees previously imposed or authorized by another
38 transportation benefit district or transportation system within its

1 boundaries, exceeds one hundred dollars, the transportation benefit
2 district or transportation system shall provide a credit for the
3 previously imposed fees so that the combined vehicle fee does not
4 exceed one hundred dollars.

5 (4) A transportation benefit district shall contract with the
6 department of licensing as provided under section 9 of this act for
7 collection of the vehicle fee.

8 (5) No fee under this section may be ((collected)) assessed until
9 six months after approval under RCW 36.73.065.

10 ((+5)) (6) The vehicle fee under this section applies only when
11 renewing a vehicle registration, and is effective upon the registration
12 renewal date as provided by the department of licensing.

13 ((+6)) (7) The following vehicles are exempt from the fee under
14 this section:

15 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and
16 46.04.181;

17 (b) Off-road vehicles and nonhighway vehicles as defined in RCW
18 46.09.020;

19 (c) Vehicles registered under chapter 46.87 RCW and the
20 international registration plan; and

21 (d) Snowmobiles as defined in RCW 46.10.010.

22 NEW SECTION. Sec. 9. A new section is added to chapter 46.68 RCW
23 to read as follows:

24 Whenever the department enters into a contract with a public
25 transportation system as defined in RCW 82.80.005 or a transportation
26 benefit district as provided in chapter 36.73 RCW for the collection of
27 vehicle fees under section 7 of this act or RCW 82.80.140:

28 (1) The contract must require that the public transportation system
29 or transportation benefit district provide any information specified by
30 the department to identify the vehicle owners who owe the vehicle fees,
31 and must specify that it is the responsibility of the public
32 transportation system or transportation benefit district to ensure that
33 the vehicle fees are appropriately applied;

34 (2) The department is not responsible for the collection of any
35 vehicle fees until a date agreed to by both parties as specified in the
36 contract;

1 (3) The department shall deduct a percentage amount, as provided in
2 the contract, necessary to reimburse the department for the costs
3 incurred for collection of the vehicle fees; and

4 (4) The department shall remit remaining proceeds to the custody of
5 the state treasurer. The state treasurer shall distribute the proceeds
6 to the public transportation system or transportation benefit district
7 on a monthly basis.

8 NEW SECTION. **Sec. 10.** (1)(a) The joint transportation committee
9 shall convene an advisory panel on public transit system funding to:
10 Provide the legislature, public transit providers, and agencies having
11 public transportation duties with a forum to discuss operating and
12 capital needs of public transit agencies; identify funding options; and
13 develop a blueprint for public transit services that will serve to
14 guide investments in public transit and to establish a plan to improve
15 service, public access to public transit, and connectivity between
16 public transit providers across jurisdictional boundaries.

17 (b) The cochairs of the joint transportation committee shall
18 appoint and convene the advisory panel to be comprised of members as
19 provided in this subsection:

20 (i) One member from each of the two largest caucuses of the senate.

21 (ii) One member from each of the two largest caucuses of the house
22 of representatives.

23 (iii) One representative of the department of transportation's
24 public transportation division.

25 (iv) Two representatives of users of public transportation systems,
26 one of which must represent persons with special needs.

27 (v) Three representatives from transit agencies from a list
28 recommended by the Washington state transit association.

29 (vi) Two representatives from regional transportation planning
30 organizations, one representing eastern Washington and one representing
31 western Washington.

32 (vii) Three representatives of employers at or owners of major work
33 sites in Washington.

34 (viii) The chief executive officer, or the chief executive
35 officer's designee, of a regional transit authority.

36 (ix) Two representatives of organizations that address primarily
37 environmental issues.

1 (2) The blueprint for statewide public transit developed by the
2 advisory panel must be consistent with the state's transportation
3 system policy goals provided in RCW 47.04.280 and the statewide
4 transportation plan provided in RCW 47.01.071(4). The blueprint must,
5 at a minimum: Identify operating and capital needs of public transit
6 agencies; identify funding options; make recommendations regarding how
7 state transportation investments can improve access to public transit;
8 develop a plan for public transit services that will serve to guide
9 investments in public transit; and establish a plan to improve service,
10 public access to public transit, and connectivity between public
11 transit providers across jurisdictional boundaries.

12 (3) The advisory panel may, when appropriate, consult with
13 individuals from the public and private sectors.

14 (4) Nonlegislative members must seek reimbursement for travel and
15 other membership expenses through their respective agencies or
16 organizations.

17 (5) Panel expenditures are subject to approval by the joint
18 transportation committee.

19 (6) Staff support for the panel must be provided for by the joint
20 transportation committee and the Washington state transit association.

21 (7) The panel shall submit an interim progress report to the
22 transportation committees of the legislature by December 1, 2010. A
23 final report must be submitted by December 1, 2011, which must contain,
24 at a minimum, a blueprint for statewide public transportation services
25 and corresponding funding and investment recommendations.

26 (8) This section expires June 30, 2012.

27 NEW SECTION. **Sec. 11.** If specific funding for the purposes of
28 section 10 of this act, referencing section 10 of this act by bill or
29 chapter number and section number, is not provided by June 30, 2010, in
30 the omnibus transportation appropriations act, section 10 of this act
31 is null and void.

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