

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5540**

61st Legislature  
2009 Regular Session

Passed by the Senate April 20, 2009  
YEAS 29 NAYS 19

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**President of the Senate**

Passed by the House April 17, 2009  
YEAS 52 NAYS 45

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**Speaker of the House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5540** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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SENATE BILL 5540

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AS AMENDED BY THE HOUSE

Passed Legislature - 2009 Regular Session

State of Washington                      61st Legislature                      2009 Regular Session

By Senators Pridemore, Hargrove, Marr, Shin, and Haugen

Read first time 01/26/09. Referred to Committee on Transportation.

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

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

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

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

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

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

1 whole, provides a substantially higher level of passenger capacity,  
2 speed, and service frequency than traditional public transportation  
3 systems operating principally in general purpose roadways.

4 ((+2)) (3) "Rail fixed guideway system" means a light, heavy, or  
5 rapid rail system, monorail, inclined plane, funicular, trolley, or  
6 other fixed rail guideway component of a high capacity transportation  
7 system that is not regulated by the Federal Railroad Administration, or  
8 its successor. "Rail fixed guideway system" does not mean elevators,  
9 moving sidewalks or stairs, and vehicles suspended from aerial cables,  
10 unless they are an integral component of a station served by a rail  
11 fixed guideway system.

12 ((+3)) (4) "Regional transit system" means a high capacity  
13 transportation system under the jurisdiction of one or more transit  
14 agencies except where a regional transit authority created under  
15 chapter 81.112 RCW exists, in which case "regional transit system"  
16 means the high capacity transportation system under the jurisdiction of  
17 a regional transit authority.

18 ((+4)) (5) "Transit agency" means city-owned transit systems,  
19 county transportation authorities, metropolitan municipal corporations,  
20 and public transportation benefit areas.

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

23 (1) A governing body of a transit agency in a county that has a  
24 population of more than four hundred thousand and that adjoins a state  
25 boundary may establish one or more high capacity transportation  
26 corridor areas within all or a portion of the boundaries of the transit  
27 agency establishing the high capacity transportation corridor area. A  
28 high capacity transportation corridor area may include all or a portion  
29 of a city or town as long as all or a portion of the city or town  
30 boundaries are within the boundaries of the establishing transit  
31 agency. The members of the transit agency governing body proposing to  
32 establish the high capacity transportation corridor area, acting ex  
33 officio and independently, shall constitute the governing body of the  
34 high capacity transportation corridor area.

35 (2) A high capacity transportation corridor area may establish,  
36 finance, and provide a high capacity transportation system within its

1 boundaries in the same manner as authorized for transit agencies under  
2 this chapter, subject to the following restrictions:

3 (a) Any combined tax rates imposed under this chapter within the  
4 boundaries of the transit agency establishing a high capacity  
5 transportation corridor area or areas may not exceed the maximum rates  
6 authorized under RCW 81.104.150, 81.104.160, and 81.104.170;

7 (b) If a majority of the voters within the boundaries of a high  
8 capacity transportation corridor area approve a proposition imposing  
9 any high capacity transportation taxes, the governing body of the high  
10 capacity transportation corridor area may not seek subsequent voter  
11 approval of any additional high capacity transportation taxes,  
12 notwithstanding any remaining authorized taxing capacity; and

13 (c) The governing body of a high capacity transportation corridor  
14 area may not submit any authorizing proposition for voter-approved  
15 taxes prior to July 1, 2012.

16 (3) A high capacity transportation corridor area constitutes a body  
17 corporate and possesses all the usual powers of a corporation for  
18 public purposes as well as all other powers that may be conferred by  
19 statute including, but not limited to, the authority to hire employees,  
20 staff, and services, to enter into contracts, to acquire, hold, and  
21 dispose of real and personal property, and to sue and be sued. Public  
22 works contract limits applicable to the transit agency that established  
23 the high capacity transportation corridor area apply to the area.

24 (4) A high capacity transportation corridor area may exercise the  
25 power of eminent domain to obtain property for its authorized purposes  
26 in the same manner as authorized for the transit agency that  
27 established the area.

28 (5) A high capacity transportation corridor area may be dissolved  
29 by a majority vote of the governing body when all obligations under any  
30 general obligation bonds issued by the high capacity transportation  
31 corridor area have been discharged and any other contractual  
32 obligations of the high capacity transportation corridor area have  
33 either been discharged or assumed by another governmental entity.

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

36 Cities that operate transit systems, county transportation  
37 authorities, metropolitan municipal corporations, public transportation

1 benefit areas, high capacity transportation corridor areas, and  
2 regional transit authorities may submit an authorizing proposition to  
3 the voters and if approved may impose an excise tax of up to two  
4 dollars per month per employee on all employers located within the  
5 (~~agency's~~) applicable jurisdiction, measured by the number of  
6 full-time equivalent employees, solely for the purpose of providing  
7 high capacity transportation service. The rate of tax shall be  
8 approved by the voters. This tax may not be imposed by: (1) A transit  
9 agency or high capacity transportation corridor area when the county  
10 within which it is located is imposing an excise tax pursuant to RCW  
11 81.100.030; or (2) a regional transit authority when any county within  
12 the authority's boundaries is imposing an excise tax pursuant to RCW  
13 81.100.030. The agency or high capacity transportation corridor area  
14 imposing the tax authorized in this section may provide for exemptions  
15 from the tax to such educational, cultural, health, charitable, or  
16 religious organizations as it deems appropriate.

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

19 An agency and high capacity transportation corridor area may impose  
20 a sales and use tax solely for the purpose of providing high capacity  
21 transportation service, in addition to the tax authorized by RCW  
22 82.14.030, upon retail car rentals within the (~~agency's~~) applicable  
23 jurisdiction that are taxable by the state under chapters 82.08 and  
24 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The base  
25 of the tax shall be the selling price in the case of a sales tax or the  
26 rental value of the vehicle used in the case of a use tax.

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

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

32 Cities that operate transit systems, county transportation  
33 authorities, metropolitan municipal corporations, public transportation  
34 benefit areas, high capacity transportation corridor areas, and  
35 regional transit authorities may submit an authorizing proposition to  
36 the voters and if approved by a majority of persons voting, fix and

1 impose a sales and use tax in accordance with the terms of this  
2 chapter, solely for the purpose of providing high capacity  
3 transportation service.

4 The tax authorized pursuant to this section shall be in addition to  
5 the tax authorized by RCW 82.14.030 and shall be collected from those  
6 persons who are taxable by the state pursuant to chapters 82.08 and  
7 82.12 RCW upon the occurrence of any taxable event within the taxing  
8 district. The maximum rate of such tax shall be approved by the voters  
9 and shall not exceed one percent of the selling price (in the case of  
10 a sales tax) or value of the article used (in the case of a use tax).  
11 The maximum rate of such tax that may be imposed shall not exceed  
12 nine-tenths of one percent in any county that imposes a tax under RCW  
13 82.14.340, or within a regional transit authority if any county within  
14 the authority imposes a tax under RCW 82.14.340. The exemptions in RCW  
15 82.08.820 and 82.12.820 are for the state portion of the sales and use  
16 tax and do not extend to the tax authorized in this section.

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

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

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

29 Cities that operate transit systems, county transportation  
30 authorities, metropolitan municipal corporations, public transportation  
31 benefit areas, high capacity transportation corridor areas, and  
32 regional transit systems may contract with the state department of  
33 revenue or other appropriate entities for administration and collection  
34 of any tax authorized by RCW 81.104.150, 81.104.160, and 81.104.170.

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

3        (1) To carry out the purposes of this chapter, a high capacity  
4 transportation corridor area may issue general obligation bonds, not to  
5 exceed an amount, together with any other outstanding nonvoter-approved  
6 general obligation indebtedness, equal to one and one-half percent of  
7 the value of the taxable property within the area, as the term "value  
8 of the taxable property" is defined in RCW 39.36.015. A high capacity  
9 transportation corridor area may also issue general obligation bonds  
10 for capital purposes only, together with any outstanding general  
11 obligation indebtedness, not to exceed an amount equal to five percent  
12 of the value of the taxable property within the area, as the term  
13 "value of the taxable property" is defined in RCW 39.36.015, when  
14 authorized by the voters of the area pursuant to Article VIII, section  
15 6 of the state Constitution.

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

34        (3) Whenever general obligation bonds are issued to fund specific  
35 projects or enterprises that generate revenues, charges, user fees, or  
36 special assessments, the high capacity transportation corridor area may  
37 specifically pledge all or a portion of the revenues, charges, user

1 fees, or special assessments to refund the general obligation bonds.  
2 The high capacity transportation corridor area may also pledge any  
3 other revenues that may be available to the area.

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

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