
HOUSE BILL 2660

State of Washington

62nd Legislature

2012 Regular Session

By Representatives Clibborn, Ryu, Moeller, Finn, Billig, Eddy, Fitzgibbon, and Moscoso; by request of Governor Gregoire

Read first time 01/23/12. Referred to Committee on Transportation.

1 AN ACT Relating to transportation revenue; amending RCW 46.17.355,
2 46.68.035, 46.17.365, 46.17.350, 46.68.415, 36.73.065, 46.37.420, and
3 82.08.036; reenacting and amending RCW 43.84.092; adding a new section
4 to chapter 46.08 RCW; adding new sections to chapter 46.68 RCW; adding
5 a new section to chapter 47.66 RCW; adding a new section to chapter
6 82.80 RCW; adding a new section to chapter 46.37 RCW; adding a new
7 section to chapter 46.17 RCW; creating new sections; prescribing
8 penalties; providing an effective date; and providing a contingent
9 expiration date.

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

11 NEW SECTION. **Sec. 1.** The legislature finds that the state's
12 transportation system is the backbone of Washington's economy and must
13 be well-coordinated and well-maintained to enable people and goods to
14 move safely and efficiently throughout the state.

15 The legislature further finds that the purchasing power of funds to
16 pay for operations and maintenance continues to decline while costs
17 have risen. Without additional funding: The state department of
18 transportation will not be able to preserve the state's highways and
19 bridges or maintain ferry service; counties will not have funding to

1 maintain county roads and fix unsound bridges; cities will not have
2 sufficient funds to maintain streets and bridges, and pavement
3 conditions will continue to decline; and public transit systems will be
4 forced to cut services even more at a time when demand for transit
5 services is increasing dramatically.

6 The legislature intends that the barrel fee in this act constitutes
7 a dedicated source of funds for operating and maintaining the state's
8 highway and ferry system. The legislature further intends that the
9 barrel fee constitutes state revenue intended to be used for highway
10 purposes, is levied only for highway purposes provided in Article II,
11 section 40 of the state Constitution, and is specifically placed in the
12 motor vehicle fund to be used for those highway purposes.

13 **Sec. 2.** RCW 46.17.355 and 2011 c 171 s 61 are each amended to read
14 as follows:

15 (1) In lieu of the vehicle license fee required under RCW 46.17.350
16 and before accepting an application for a vehicle registration for
17 motor vehicles described in RCW 46.16A.455, the department, county
18 auditor or other agent, or subagent appointed by the director shall
19 require the applicant, unless specifically exempt, to pay the following
20 license fee by weight:

21	WEIGHT	SCHEDULE A	SCHEDULE B
22	4,000 pounds	\$ ((38.00)) <u>53.00</u>	\$ ((38.00)) <u>53.00</u>
23	6,000 pounds	\$ ((48.00)) <u>63.00</u>	\$ ((48.00)) <u>63.00</u>
24	8,000 pounds	\$ ((58.00)) <u>67.00</u>	\$ ((58.00)) <u>67.00</u>
25	10,000 pounds	\$ ((60.00)) <u>69.00</u>	\$ ((60.00)) <u>69.00</u>
26	12,000 pounds	\$ ((77.00)) <u>89.00</u>	\$ ((77.00)) <u>89.00</u>
27	14,000 pounds	\$ ((88.00)) <u>101.00</u>	\$ ((88.00)) <u>101.00</u>
28	16,000 pounds	\$ ((100.00)) <u>115.00</u>	\$ ((100.00)) <u>115.00</u>
29	18,000 pounds	\$ ((152.00)) <u>175.00</u>	\$ ((152.00)) <u>175.00</u>
30	20,000 pounds	\$ ((169.00)) <u>194.00</u>	\$ ((169.00)) <u>194.00</u>
31	22,000 pounds	\$ ((183.00)) <u>210.00</u>	\$ ((183.00)) <u>210.00</u>
32	24,000 pounds	\$ ((198.00)) <u>228.00</u>	\$ ((198.00)) <u>228.00</u>
33	26,000 pounds	\$ ((209.00)) <u>240.00</u>	\$ ((209.00)) <u>240.00</u>
34	28,000 pounds	\$ ((247.00)) <u>284.00</u>	\$ ((247.00)) <u>284.00</u>

1	30,000 pounds	\$ ((285.00)) <u>328.00</u>	\$ ((285.00)) <u>328.00</u>
2	32,000 pounds	\$ ((344.00)) <u>396.00</u>	\$ ((344.00)) <u>396.00</u>
3	34,000 pounds	\$ ((366.00)) <u>421.00</u>	\$ ((366.00)) <u>421.00</u>
4	36,000 pounds	\$ ((397.00)) <u>457.00</u>	\$ ((397.00)) <u>457.00</u>
5	38,000 pounds	\$ ((436.00)) <u>501.00</u>	\$ ((436.00)) <u>501.00</u>
6	40,000 pounds	\$ ((499.00)) <u>574.00</u>	\$ ((499.00)) <u>574.00</u>
7	42,000 pounds	\$ ((519.00)) <u>597.00</u>	\$ ((609.00)) <u>700.00</u>
8	44,000 pounds	\$ ((530.00)) <u>610.00</u>	\$ ((620.00)) <u>713.00</u>
9	46,000 pounds	\$ ((570.00)) <u>656.00</u>	\$ ((660.00)) <u>759.00</u>
10	48,000 pounds	\$ ((594.00)) <u>683.00</u>	\$ ((684.00)) <u>787.00</u>
11	50,000 pounds	\$ ((645.00)) <u>742.00</u>	\$ ((735.00)) <u>845.00</u>
12	52,000 pounds	\$ ((678.00)) <u>780.00</u>	\$ ((768.00)) <u>883.00</u>
13	54,000 pounds	\$ ((732.00)) <u>842.00</u>	\$ ((822.00)) <u>945.00</u>
14	56,000 pounds	\$ ((773.00)) <u>889.00</u>	\$ ((863.00)) <u>992.00</u>
15	58,000 pounds	\$ ((804.00)) <u>925.00</u>	\$ ((894.00)) <u>1,028.00</u>
16	60,000 pounds	\$ ((857.00)) <u>986.00</u>	\$ ((947.00)) <u>1,089.00</u>
17	62,000 pounds	\$ ((919.00)) <u>1,057.00</u>	\$ ((1,009.00)) <u>1,160.00</u>
18	64,000 pounds	\$ ((939.00)) <u>1,080.00</u>	\$ ((1,029.00)) <u>1,183.00</u>
19	66,000 pounds	\$ ((1,046.00)) <u>1,203.00</u>	\$ ((1,136.00)) <u>1,306.00</u>
20	68,000 pounds	\$ ((1,091.00)) <u>1,255.00</u>	\$ ((1,181.00)) <u>1,358.00</u>
21	70,000 pounds	\$ ((1,175.00)) <u>1,351.00</u>	\$ ((1,265.00)) <u>1,455.00</u>
22	72,000 pounds	\$ ((1,257.00)) <u>1,446.00</u>	\$ ((1,347.00)) <u>1,549.00</u>
23	74,000 pounds	\$ ((1,366.00)) <u>1,571.00</u>	\$ ((1,456.00)) <u>1,674.00</u>
24	76,000 pounds	\$ ((1,476.00)) <u>1,697.00</u>	\$ ((1,566.00)) <u>1,801.00</u>
25	78,000 pounds	\$ ((1,612.00)) <u>1,854.00</u>	\$ ((1,702.00)) <u>1,957.00</u>
26	80,000 pounds	\$ ((1,740.00)) <u>2,001.00</u>	\$ ((1,830.00)) <u>2,105.00</u>
27	82,000 pounds	\$ ((1,861.00)) <u>2,140.00</u>	\$ ((1,951.00)) <u>2,244.00</u>
28	84,000 pounds	\$ ((1,981.00)) <u>2,278.00</u>	\$ ((2,071.00)) <u>2,382.00</u>
29	86,000 pounds	\$ ((2,102.00)) <u>2,417.00</u>	\$ ((2,192.00)) <u>2,521.00</u>
30	88,000 pounds	\$ ((2,223.00)) <u>2,556.00</u>	\$ ((2,313.00)) <u>2,660.00</u>
31	90,000 pounds	\$ ((2,344.00)) <u>2,696.00</u>	\$ ((2,434.00)) <u>2,799.00</u>
32	92,000 pounds	\$ ((2,464.00)) <u>2,834.00</u>	\$ ((2,554.00)) <u>2,937.00</u>
33	94,000 pounds	\$ ((2,585.00)) <u>2,973.00</u>	\$ ((2,675.00)) <u>3,076.00</u>
34	96,000 pounds	\$ ((2,706.00)) <u>3,112.00</u>	\$ ((2,796.00)) <u>3,215.00</u>
35	98,000 pounds	\$ ((2,827.00)) <u>3,251.00</u>	\$ ((2,917.00)) <u>3,355.00</u>
36	100,000 pounds	\$ ((2,947.00)) <u>3,389.00</u>	\$ ((3,037.00)) <u>3,493.00</u>
37	102,000 pounds	\$ ((3,068.00)) <u>3,528.00</u>	\$ ((3,158.00)) <u>3,632.00</u>

1	104,000 pounds	\$ ((3,189.00)) <u>3,667.00</u>	\$ ((3,279.00)) <u>3,771.00</u>
2	105,500 pounds	\$ ((3,310.00)) <u>3,807.00</u>	\$ ((3,400.00)) <u>3,910.00</u>

3 (2) Schedule A applies to vehicles either used exclusively for
4 hauling logs or that do not tow trailers. Schedule B applies to
5 vehicles that tow trailers and are not covered under Schedule A.

6 (3) If the resultant gross weight is not listed in the table
7 provided in subsection (1) of this section, it must be increased to the
8 next higher weight.

9 (4) The license fees provided in subsection (1) of this section are
10 in addition to the filing fee required under RCW 46.17.005 and any
11 other fee or tax required by law.

12 (5) The license fee based on declared gross weight as provided in
13 subsection (1) of this section must be distributed under RCW 46.68.035.

14 **Sec. 3.** RCW 46.68.035 and 2010 c 161 s 804 are each amended to
15 read as follows:

16 (1) The director shall forward all proceeds from vehicle license
17 fees received by the director for vehicles registered under RCW
18 46.17.350(1)(c) ~~((and--(k)))~~, 46.17.355, and 46.17.400(1)(c) to the
19 state treasurer to be distributed into accounts according to the
20 following method:

21 ~~((1--22.36))~~ (a) 18.57 percent must be deposited into the state
22 patrol highway account of the motor vehicle fund;

23 ~~((2--1.375))~~ (b) 1.143 percent must be deposited into the Puget
24 Sound ferry operations account of the motor vehicle fund;

25 ~~((3--5.237))~~ (c) 4.352 percent must be deposited into the
26 transportation 2003 account (nickel account);

27 ~~((4--11.533))~~ (d) 9.583 percent must be deposited into the
28 transportation partnership account created in RCW 46.68.290; and

29 ~~((5--))~~ (e) The remaining ((proceeds)) 66.344 percent must be
30 deposited into the motor vehicle fund, in which a minimum of thirty
31 million dollars annually must be dedicated to pavement preservation.

32 (2) The director shall forward all proceeds from the vehicle
33 license fees received by the director for vehicles registered under RCW
34 46.17.350(1)(k) to the state treasurer to be distributed into accounts
35 according to the following method:

- 1 (a) 22.36 percent must be deposited into the state patrol highway
- 2 account of the motor vehicle fund;
- 3 (b) 1.375 percent must be deposited into the Puget Sound ferry
- 4 operations account of the motor vehicle fund;
- 5 (c) 5.237 percent must be deposited into the transportation 2003
- 6 account (nickel account);
- 7 (d) 11.533 percent must be deposited into the transportation
- 8 partnership account created in RCW 46.68.290; and
- 9 (e) The remaining proceeds must be deposited in the motor vehicle
- 10 fund.

11 **Sec. 4.** RCW 46.17.365 and 2010 c 161 s 533 are each amended to
 12 read as follows:

13 (1) A person applying for a motor vehicle registration and paying
 14 the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e),
 15 (h), (j), (n), and (o) shall pay a motor vehicle weight fee in addition
 16 to all other fees and taxes required by law. The motor vehicle weight
 17 fee:

18 (a) Must be based on the motor vehicle scale weight((+)) as
 19 follows:

	<u>WEIGHT</u>	<u>FEE</u>
20	<u>4,000 pounds</u>	<u>\$25.00</u>
21	<u>6,000 pounds</u>	<u>\$35.00</u>
22	<u>8,000 pounds</u>	<u>\$45.00</u>
23	<u>10,000 pounds</u>	<u>\$47.00</u>
24	<u>12,000 pounds</u>	<u>\$64.00</u>
25	<u>14,000 pounds</u>	<u>\$75.00</u>
26	<u>16,000 pounds and over</u>	<u>\$87.00</u>

28 ~~((b) Is the difference determined by subtracting the vehicle~~
 29 ~~license fee required in RCW 46.17.350 from the license fee in Schedule~~
 30 ~~B of RCW 46.17.355, plus two dollars)); and~~

31 ~~((e))~~ (b) Must be distributed under RCW 46.68.415.

32 (2) A person applying for a motor home vehicle registration shall,
 33 in lieu of the motor vehicle weight fee required in subsection (1) of

1 this section, pay a motor home vehicle weight fee of seventy-five
2 dollars in addition to all other fees and taxes required by law. The
3 motor home vehicle weight fee must be distributed under RCW 46.68.415.

4 (3) The department shall:

5 (a) Rely on motor vehicle empty scale weights provided by vehicle
6 manufacturers, or other sources defined by the department, to determine
7 the weight of each motor vehicle; and

8 (b) Adopt rules for determining weight for vehicles without
9 manufacturer empty scale weights.

10 **Sec. 5.** RCW 46.17.350 and 2010 c 161 s 531 are each amended to
11 read as follows:

12 (1) Before accepting an application for a vehicle registration, the
13 department, county auditor or other agent, or subagent appointed by the
14 director shall require the applicant, unless specifically exempt, to
15 pay the following vehicle license fee by vehicle type:

16	VEHICLE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
17	(a) Auto stage, six seats or less	\$ 30.00	\$ 30.00	RCW 46.68.030
18	(b) Camper	\$ 4.90	\$ 3.50	RCW 46.68.030
19	(c) Commercial trailer	\$ 34.00	\$ 30.00	RCW 46.68.035(1)
20	(d) For hire vehicle, six seats	\$ 30.00	\$ 30.00	RCW 46.68.030
21	or less			
22	(e) Mobile home (if registered)	\$ 30.00	\$ 30.00	RCW 46.68.030
23	(f) Moped	\$ 30.00	\$ 30.00	RCW 46.68.030
24	(g) Motor home	\$ 30.00	\$ 30.00	RCW 46.68.030
25	(h) Motorcycle	\$ 30.00	\$ 30.00	RCW 46.68.030
26	(i) Off-road vehicle	\$ 18.00	\$ 18.00	RCW 46.68.045
27	(j) Passenger car	\$ 30.00	\$ 30.00	RCW 46.68.030
28	(k) Private use single-axle	\$ 15.00	\$ 15.00	RCW 46.68.035(2)
29	trailer			
30	(l) Snowmobile	\$ 30.00	\$ 30.00	RCW 46.68.350
31	(m) Snowmobile, vintage	\$ 12.00	\$ 12.00	RCW 46.68.350
32	(n) Sport utility vehicle	\$ 30.00	\$ 30.00	RCW 46.68.030
33	(o) Tow truck	\$ 30.00	\$ 30.00	RCW 46.68.030
34	(p) Trailer, over 2000 pounds	\$ 30.00	\$ 30.00	RCW 46.68.030
35	(q) Travel trailer	\$ 30.00	\$ 30.00	RCW 46.68.030

1 (2) The vehicle license fee required in subsection (1) of this
2 section is in addition to the filing fee required under RCW 46.17.005,
3 and any other fee or tax required by law.

4 **Sec. 6.** RCW 46.68.415 and 2010 c 161 s 813 are each amended to
5 read as follows:

6 (1) The motor vehicle weight fee imposed under RCW 46.17.365(1)
7 must be deposited (~~every July 1st~~) as follows:

8 (a) On July 1st of each year, three million dollars to the freight
9 mobility multimodal account created in RCW 46.68.310;

10 (b) 16.09 percent to the state patrol highway account created in
11 RCW 46.68.030;

12 (c) 12.07 percent to the transit service mitigation account created
13 in section 9 of this act;

14 (d) 12.47 percent to the county arterial preservation account
15 created in RCW 46.68.090;

16 (e) 9.98 percent to the transportation improvement account created
17 in RCW 47.26.084;

18 (f) 2.49 percent to the small city pavement and sidewalk account
19 created in RCW 47.26.340; and

20 ~~((b))~~ (g) The remainder to the multimodal transportation account
21 created in RCW 47.66.070.

22 (2) The motor vehicle weight fee:

23 (a) Must be used for transportation purposes;

24 (b) May not be used for the general support of state government;
25 and

26 (c) Is imposed to provide funds to mitigate the impact of vehicle
27 loads on the state roads and highways and is separate and distinct from
28 other vehicle license fees. Proceeds from the fee may be used for
29 transportation purposes, or for facilities and activities that reduce
30 the number of vehicles or load weights on the state roads and highways,
31 including passenger rail service.

32 (3) The motor home vehicle weight fee imposed under RCW
33 46.17.365(2) must be deposited in the multimodal transportation account
34 created in RCW 47.66.070.

1 NEW SECTION. **Sec. 7.** A new section is added to chapter 46.08 RCW
2 to read as follows:

3 (1) A fee is imposed on every person who refines petroleum products
4 in this state. The amount of the fee is one dollar and fifty cents per
5 barrel on each barrel of petroleum product handled in this state to be
6 used for transportation purposes, including exports of petroleum
7 products to be used for transportation purposes.

8 (2) The department must collect the fee imposed under this section.
9 Chapter 82.32 RCW applies to the administration, collection, and
10 enforcement of the fee imposed under this section.

11 (3) The fee collected under this section must be deposited in the
12 state transportation operations and maintenance account created in
13 section 8 of this act.

14 (4) The barrel fee imposed in subsection (1) of this section:

15 (a) May be used only for maintaining and operating the state
16 transportation system, which includes twenty-five million dollars
17 annually for storm water retrofit projects;

18 (b) May not be used for the general support of state government;

19 (c) Constitutes state revenue intended to be used for highway
20 purposes under Article II, section 40 of the state Constitution; and

21 (d) Is imposed to mitigate the impact of the transportation of oil
22 on state roads and highways and the use of petroleum product for
23 transportation purposes on public roads or on Puget Sound.

24 (5) Any person having paid the fee imposed under this section who
25 uses petroleum product for a purpose other than a transportation
26 purpose may claim a refund or credit against the fee paid respective to
27 petroleum product used for nontransportation purposes. The refund or
28 credit allowed under this section must be claimed on such forms and is
29 subject to such requirements as the department may prescribe by rule.

30 (6) For purposes of this section:

31 (a) "Barrel" means a unit of measurement of volume equal to forty-
32 two United States gallons of crude oil or petroleum product.

33 (b) "Department" means the department of revenue.

34 (c) "Person" has the meaning as provided in RCW 82.04.030.

35 (d) "Petroleum product" means any liquid hydrocarbons at
36 atmospheric temperature and pressure that are the product of
37 fractionation, distillation, or other refining or processing of crude

1 oil, and that are used as, useable as, or may be refined as fuel, or
2 fuel blendstock, including gasoline, diesel fuel, aviation fuel,
3 asphalt and road oil, lubricants, and heavy fuel oil.

4 (e) "Used for transportation purposes" means petroleum products
5 used as:

- 6 (i) A source of fuel to propel motor vehicles on public roads;
- 7 (ii) A source of fuel to propel watercraft on the waters of the
8 state;
- 9 (iii) A source of fuel to propel aircraft;
- 10 (iv) A source of fuel for the delivery of petroleum product; and
- 11 (v) An ingredient or component of substances used to operate,
12 build, repair, improve, or maintain public roads.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 46.68 RCW
14 to read as follows:

15 The state transportation operations and maintenance account is
16 created in the motor vehicle fund established in RCW 46.68.070. All
17 revenues received by the department for the barrel fee created in
18 section 7 of this act and revenues received from the fee imposed under
19 RCW 46.37.420(3) must be deposited into the account. Moneys in the
20 account may only be spent after appropriation. Consistent with Article
21 II, section 40 of the state Constitution, expenditures from the account
22 may be used only for the operations and maintenance of state roads and
23 highways and state ferries.

24 NEW SECTION. **Sec. 9.** A new section is added to chapter 46.68 RCW
25 to read as follows:

26 The transit service mitigation account is created in the state
27 treasury. All revenues received under RCW 46.68.415(1)(c) must be
28 deposited in the account. Moneys in the account may be spent only
29 after appropriation. Expenditures from the account may be used only
30 for the grants provided under section 11 of this act.

31 **Sec. 10.** RCW 43.84.092 and 2011 1st sp.s. c 16 s 6, 2011 1st sp.s.
32 c 7 s 22, 2011 c 369 s 6, 2011 c 339 s 1, 2011 c 311 s 9, 2011 c 272 s
33 3, 2011 c 120 s 3, and 2011 c 83 s 7 are each reenacted and amended to
34 read as follows:

1 (1) All earnings of investments of surplus balances in the state
2 treasury shall be deposited to the treasury income account, which
3 account is hereby established in the state treasury.

4 (2) The treasury income account shall be utilized to pay or receive
5 funds associated with federal programs as required by the federal cash
6 management improvement act of 1990. The treasury income account is
7 subject in all respects to chapter 43.88 RCW, but no appropriation is
8 required for refunds or allocations of interest earnings required by
9 the cash management improvement act. Refunds of interest to the
10 federal treasury required under the cash management improvement act
11 fall under RCW 43.88.180 and shall not require appropriation. The
12 office of financial management shall determine the amounts due to or
13 from the federal government pursuant to the cash management improvement
14 act. The office of financial management may direct transfers of funds
15 between accounts as deemed necessary to implement the provisions of the
16 cash management improvement act, and this subsection. Refunds or
17 allocations shall occur prior to the distributions of earnings set
18 forth in subsection (4) of this section.

19 (3) Except for the provisions of RCW 43.84.160, the treasury income
20 account may be utilized for the payment of purchased banking services
21 on behalf of treasury funds including, but not limited to, depository,
22 safekeeping, and disbursement functions for the state treasury and
23 affected state agencies. The treasury income account is subject in all
24 respects to chapter 43.88 RCW, but no appropriation is required for
25 payments to financial institutions. Payments shall occur prior to
26 distribution of earnings set forth in subsection (4) of this section.

27 (4) Monthly, the state treasurer shall distribute the earnings
28 credited to the treasury income account. The state treasurer shall
29 credit the general fund with all the earnings credited to the treasury
30 income account except:

31 (a) The following accounts and funds shall receive their
32 proportionate share of earnings based upon each account's and fund's
33 average daily balance for the period: The aeronautics account, the
34 aircraft search and rescue account, the budget stabilization account,
35 the capital vessel replacement account, the capitol building
36 construction account, the Cedar River channel construction and
37 operation account, the Central Washington University capital projects
38 account, the charitable, educational, penal and reformatory

1 institutions account, the cleanup settlement account, the Columbia
2 river basin water supply development account, the Columbia river basin
3 taxable bond water supply development account, the Columbia river basin
4 water supply revenue recovery account, the common school construction
5 fund, the county arterial preservation account, the county criminal
6 justice assistance account, the county sales and use tax equalization
7 account, the deferred compensation administrative account, the deferred
8 compensation principal account, the department of licensing services
9 account, the department of retirement systems expense account, the
10 developmental disabilities community trust account, the drinking water
11 assistance account, the drinking water assistance administrative
12 account, the drinking water assistance repayment account, the Eastern
13 Washington University capital projects account, the Interstate 405
14 express toll lanes operations account, the education construction fund,
15 the education legacy trust account, the election account, the energy
16 freedom account, the energy recovery act account, the essential rail
17 assistance account, The Evergreen State College capital projects
18 account, the federal forest revolving account, the ferry bond
19 retirement fund, the freight congestion relief account, the freight
20 mobility investment account, the freight mobility multimodal account,
21 the grade crossing protective fund, the public health services account,
22 the health system capacity account, the high capacity transportation
23 account, the state higher education construction account, the higher
24 education construction account, the highway bond retirement fund, the
25 highway infrastructure account, the highway safety account, the high
26 occupancy toll lanes operations account, the hospital safety net
27 assessment fund, the industrial insurance premium refund account, the
28 judges' retirement account, the judicial retirement administrative
29 account, the judicial retirement principal account, the local leasehold
30 excise tax account, the local real estate excise tax account, the local
31 sales and use tax account, the marine resources stewardship trust
32 account, the medical aid account, the mobile home park relocation fund,
33 the motor vehicle fund, the motorcycle safety education account, the
34 multiagency permitting team account, the multimodal transportation
35 account, the municipal criminal justice assistance account, the
36 municipal sales and use tax equalization account, the natural resources
37 deposit account, the oyster reserve land account, the pension funding
38 stabilization account, the perpetual surveillance and maintenance

1 account, the public employees' retirement system plan 1 account, the
2 public employees' retirement system combined plan 2 and plan 3 account,
3 the public facilities construction loan revolving account beginning
4 July 1, 2004, the public health supplemental account, the public
5 transportation systems account, the public works assistance account,
6 the Puget Sound capital construction account, the Puget Sound ferry
7 operations account, the Puyallup tribal settlement account, the real
8 estate appraiser commission account, the recreational vehicle account,
9 the regional mobility grant program account, the resource management
10 cost account, the rural arterial trust account, the rural mobility
11 grant program account, the rural Washington loan fund, the site closure
12 account, the skilled nursing facility safety net trust fund, the small
13 city pavement and sidewalk account, the special category C account, the
14 special wildlife account, the state employees' insurance account, the
15 state employees' insurance reserve account, the state investment board
16 expense account, the state investment board commingled trust fund
17 accounts, the state patrol highway account, the state route number 520
18 civil penalties account, the state route number 520 corridor account,
19 the state transportation operations and maintenance account, the state
20 wildlife account, the supplemental pension account, the Tacoma Narrows
21 toll bridge account, the teachers' retirement system plan 1 account,
22 the teachers' retirement system combined plan 2 and plan 3 account, the
23 tobacco prevention and control account, the tobacco settlement account,
24 the transit service mitigation account, the transportation 2003 account
25 (nickel account), the transportation equipment fund, the transportation
26 fund, the transportation improvement account, the transportation
27 improvement board bond retirement account, the transportation
28 infrastructure account, the transportation partnership account, the
29 traumatic brain injury account, the tuition recovery trust fund, the
30 University of Washington bond retirement fund, the University of
31 Washington building account, the volunteer firefighters' and reserve
32 officers' relief and pension principal fund, the volunteer
33 firefighters' and reserve officers' administrative fund, the Washington
34 judicial retirement system account, the Washington law enforcement
35 officers' and firefighters' system plan 1 retirement account, the
36 Washington law enforcement officers' and firefighters' system plan 2
37 retirement account, the Washington public safety employees' plan 2
38 retirement account, the Washington school employees' retirement system

1 combined plan 2 and 3 account, the Washington state economic
2 development commission account, the Washington state health insurance
3 pool account, the Washington state patrol retirement account, the
4 Washington State University building account, the Washington State
5 University bond retirement fund, the water pollution control revolving
6 fund, and the Western Washington University capital projects account.
7 Earnings derived from investing balances of the agricultural permanent
8 fund, the normal school permanent fund, the permanent common school
9 fund, the scientific permanent fund, and the state university permanent
10 fund shall be allocated to their respective beneficiary accounts.

11 (b) Any state agency that has independent authority over accounts
12 or funds not statutorily required to be held in the state treasury that
13 deposits funds into a fund or account in the state treasury pursuant to
14 an agreement with the office of the state treasurer shall receive its
15 proportionate share of earnings based upon each account's or fund's
16 average daily balance for the period.

17 (5) In conformance with Article II, section 37 of the state
18 Constitution, no treasury accounts or funds shall be allocated earnings
19 without the specific affirmative directive of this section.

20 NEW SECTION. **Sec. 11.** A new section is added to chapter 47.66 RCW
21 to read as follows:

22 (1) The department shall establish a transit service mitigation
23 grant program. The purpose of the grant program is to provide grants
24 to public transit agencies to preserve transit service necessary to
25 provide passengers access to jobs, schools, and other destinations.
26 The grants must be based on factors that ensure mobility and
27 connectivity, including the number of passengers served, miles driven,
28 and hours operated. The department shall submit a prioritized list of
29 all projects requesting funding to the legislature by December 1st of
30 each year, beginning in 2012.

31 (2) The department may establish an advisory committee to carry out
32 the mandates of this section.

33 (3) The department must report annually to the transportation
34 committees of the legislature on the status of any grant projects
35 funded by the program created under this section.

1 **Sec. 12.** RCW 36.73.065 and 2007 c 329 s 1 are each amended to read
2 as follows:

3 (1) Except as provided in subsection (4) of this section, taxes,
4 fees, charges, and tolls may not be imposed by a district without
5 approval of a majority of the voters in the district voting on a
6 proposition at a general or special election. The proposition must
7 include a specific description of the transportation improvement or
8 improvements proposed by the district and the proposed taxes, fees,
9 charges, and the range of tolls imposed by the district to raise
10 revenue to fund the improvement or improvements.

11 (2) Voter approval under this section shall be accorded substantial
12 weight regarding the validity of a transportation improvement as
13 defined in RCW 36.73.015.

14 (3) A district may not increase any taxes, fees, charges, or range
15 of tolls imposed under this chapter once the taxes, fees, charges, or
16 tolls take effect, unless authorized by the district voters pursuant to
17 RCW 36.73.160.

18 (4)(a) A district that includes all the territory within the
19 boundaries of the jurisdiction, or jurisdictions, establishing the
20 district may impose by a majority vote of the governing board of the
21 district the following fees and charges:

22 (i) Up to twenty dollars of the vehicle fee authorized in RCW
23 82.80.140; or

24 (ii) A fee or charge in accordance with RCW 36.73.120.

25 (b) A district that includes all the territory within the
26 boundaries of the jurisdiction, or jurisdictions, establishing the
27 district may impose by a two-thirds majority vote of the governing
28 board of the district up to forty dollars of the vehicle fee authorized
29 in RCW 82.80.140.

30 (c) The vehicle fee authorized in (a) of this subsection may only
31 be imposed for a passenger-only ferry transportation improvement if the
32 vehicle fee is first approved by a majority of the voters within the
33 jurisdiction of the district.

34 ((+e)) (d)(i) A district solely comprised of a city or cities
35 shall not impose the fees or charges identified in (a) of this
36 subsection within one hundred eighty days after July 22, 2007, unless
37 the county in which the city or cities reside, by resolution, declares

1 that it will not impose the fees or charges identified in (a) of this
2 subsection within the one hundred eighty-day period; or

3 (ii) A district solely comprised of a city or cities identified in
4 RCW 36.73.020(6)(b) shall not impose the fees or charges until after
5 May 22, 2008, unless the county in which the city or cities reside, by
6 resolution, declares that it will not impose the fees or charges
7 identified in (a) of this subsection through May 22, 2008.

8 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
9 reached, a district that includes only the unincorporated territory of
10 a county may impose by a majority vote of the governing body of the
11 district up to twenty dollars of the vehicle fee authorized in RCW
12 82.80.140.

13 NEW SECTION. **Sec. 13.** A new section is added to chapter 82.80 RCW
14 to read as follows:

15 (1) A county may impose a local surcharge of not more than one
16 percent of the value on vehicles registered to a person residing within
17 the county. No surcharge may be imposed on vehicles licensed under RCW
18 46.17.355, except vehicles with an unladen weight of six thousand
19 pounds or less, RCW 46.16A.425, 46.17.335, or 46.17.350(1)(c).

20 (2) Counties imposing a tax under this section shall contract,
21 before the effective date of the resolution or ordinance imposing a
22 surcharge, administration and collection to the department of
23 licensing, as appropriate, which shall deduct an amount, as provided by
24 contract, for administration and collection expenses incurred by the
25 department.

26 (3) Counties imposing a tax under this section must use the funds
27 for transportation projects, which may include investment in new or
28 existing highways of statewide significance, principal arterials of
29 regional significance, high capacity transportation, public
30 transportation, and other transportation projects and programs of
31 regional or statewide significance, including transportation demand
32 management. Projects may also include the operation, preservation, and
33 maintenance of these facilities or programs.

34 (4) Counties imposing a tax under this section must negotiate an
35 interlocal agreement with cities and the transit agency within the
36 county to distribute a portion of the revenues to the cities and
37 transit agency. The interlocal agreement must require that the county

1 distribute a maximum of twenty dollars per vehicle in each city to the
2 cities within the county for the cities to use on local road operations
3 and maintenance needs. The interlocal agreement must be effective
4 prior to the imposition of the tax. The interlocal agreement is
5 effective when approved by the county and sixty percent of the cities
6 representing seventy-five percent of the population of the cities
7 within the county in which the countywide fee is collected.

8 **Sec. 14.** RCW 46.37.420 and 2007 c 140 s 2 are each amended to read
9 as follows:

10 (1) It is unlawful to operate a vehicle upon the public highways of
11 this state unless it is completely equipped with pneumatic rubber tires
12 except vehicles equipped with temporary-use spare tires that meet
13 federal standards that are installed and used in accordance with the
14 manufacturer's instructions.

15 (2) No tire on a vehicle moved on a highway may have on its
16 periphery any block, flange, cleat, or spike or any other protuberance
17 of any material other than rubber which projects beyond the tread of
18 the traction surface of the tire, except that it is permissible to use
19 farm machinery equipped with pneumatic tires or solid rubber tracks
20 having protuberances that will not injure the highway, and except also
21 that it is permissible to use tire chains or metal studs imbedded
22 within the tire of reasonable proportions and of a type conforming to
23 rules adopted by the state patrol, upon any vehicle when required for
24 safety because of snow, ice, or other conditions tending to cause a
25 vehicle to skid. It is unlawful to use metal studs imbedded within the
26 tire between April 1st and November 1st, except that a vehicle may be
27 equipped year-round with tires that have retractable studs if: (a) The
28 studs retract pneumatically or mechanically to below the wear bar of
29 the tire when not in use; and (b) the retractable studs are engaged
30 only between November 1st and April 1st. Retractable studs may be made
31 of metal or other material and are not subject to the lightweight stud
32 weight requirements under RCW 46.04.272. The state department of
33 transportation may, from time to time, determine additional periods in
34 which the use of tires with metal studs imbedded therein is lawful.

35 (3)(a) In addition to the fee required under RCW 70.95.510, there
36 is a five dollar fee on the sale of each new tire sold that contains
37 studs or is pinned for studs. The fee imposed under this subsection

1 must be paid by the buyer to the seller, and each seller shall collect
2 from the buyer the full amount of the fee. The fee collected from the
3 buyer by the seller must be paid to the department of revenue in
4 accordance with RCW 82.32.045. The fee collected must be deposited in
5 the state transportation operations and maintenance account created
6 under section 8 of this act.

7 (b) The department of revenue must collect on the business excise
8 tax return from the businesses selling new tires that contain studs or
9 are pinned for studs at retail the number of tires sold and the fee
10 imposed under this subsection. The department of revenue must
11 incorporate into the agency's audit cycle a reconciliation of the
12 number of tires sold and the amount of revenue collected by the
13 businesses selling new tires that contain studs or are pinned for
14 studs.

15 (c) All other applicable provisions of chapter 82.32 RCW have full
16 force and application with respect to the fee imposed under this
17 subsection.

18 (d) The department of revenue must administer this subsection.

19 (e) For the purposes of this subsection, "a new tire that contains
20 studs" means a tire that is manufactured for vehicle purposes and
21 contains metal studs imbedded by the tire manufacturer or retailer, and
22 does not include bicycle tires or retreaded vehicle tires.

23 (4) The state department of transportation and local authorities in
24 their respective jurisdictions may issue special permits authorizing
25 the operation upon a highway of traction engines or tractors having
26 movable tracks with transverse corrugations upon the periphery of the
27 movable tracks or farm tractors or other farm machinery, the operation
28 of which upon a highway would otherwise be prohibited under this
29 section.

30 ((+4)) (5) Tires with metal studs imbedded therein may be used
31 between November 1st and April 1st upon school buses and fire
32 department vehicles, any law or regulation to the contrary
33 notwithstanding.

34 NEW SECTION. Sec. 15. A new section is added to chapter 46.37 RCW
35 to read as follows:

36 (1) The fee imposed under RCW 46.37.420(3), to be collected by the
37 seller, must be held in trust by the seller until paid to the

1 department of revenue, and any seller who appropriates or converts the
2 fee collected to his or her own use, or to any use other than the
3 payment of the fee, to the extent that the money required to be
4 collected is not available for payment on the due date is guilty of a
5 gross misdemeanor.

6 (2) If any seller fails to collect the fee imposed under RCW
7 46.37.420(3) or, having collected the fee, fails to pay the fee to the
8 department of revenue by the date due, whether such failure is the
9 result of the seller's own acts or the result of acts or conditions
10 beyond the seller's control, the seller is personally liable to the
11 state for the amount of the fee.

12 (3) The amount of the fee imposed under RCW 46.37.420(3), until
13 paid by the buyer to the seller or to the department of revenue,
14 constitutes a debt from the buyer to the seller. Any seller who fails
15 or refuses to collect the fee as required with the intent to violate
16 RCW 46.37.420(3) or to gain some advantage or benefit, either direct or
17 indirect, and any buyer who refuses to pay the fee due under RCW
18 46.37.420(3), is guilty of a misdemeanor.

19 **Sec. 16.** RCW 82.08.036 and 1989 c 431 s 45 are each amended to
20 read as follows:

21 The tax levied by RCW 82.08.020 (~~shall~~) does not apply to
22 consideration: (1) Received as core deposits or credits in a retail or
23 wholesale sale; (~~or~~) (2) received or collected upon the sale of a new
24 replacement vehicle tire as a fee imposed under RCW 70.95.510; or (3)
25 received or collected upon the sale of a new studded tire or tire
26 pinned for studs as a fee imposed under RCW 46.37.420(3). For purposes
27 of this section, the term "core deposits or credits" means the amount
28 representing the value of returnable products such as batteries,
29 starters, brakes, and other products with returnable value added for
30 the purpose of recycling or remanufacturing.

31 NEW SECTION. **Sec. 17.** A new section is added to chapter 46.17 RCW
32 to read as follows:

33 (1) Before accepting an application for an annual vehicle
34 registration renewal for an electric vehicle that uses propulsion units
35 powered to a significant extent by electricity, the department, county
36 auditor or other agent, or subagent appointed by the director must

1 require the applicant to pay a one hundred dollar roadway impact fee in
2 addition to any other fees and taxes required by law. The one hundred
3 dollar fee is due at the time of annual vehicle registration renewal.

4 (2) This section only applies to:

5 (a) A vehicle that is designed to have the capability to drive at
6 a speed of more than thirty-five miles per hour; and

7 (b) An annual vehicle registration renewal that is due on or after
8 March 1, 2013.

9 (3)(a) The roadway impact fee under this section is imposed to
10 provide funds to mitigate the impact of vehicles on state roads and
11 highways, and is separate and distinct from other vehicle license fees.
12 Proceeds from the fee must be deposited in the motor vehicle fund
13 created in RCW 46.68.070, subject to (b) of this subsection. One
14 million five hundred thousand dollars of the revenue generated by the
15 fee must be used by the department of transportation to conduct a pilot
16 project to test the administrative and technical feasibility of a
17 mileage-based user fee system for electric vehicles, to conclude by
18 July 1, 2015. The department shall collaborate with the department of
19 licensing, department of revenue, office of financial management, and
20 the transportation committees of the legislature on the research and
21 development of the pilot project, and with the Oregon department of
22 transportation on technical and implementation aspects of a mileage-
23 based user fee system. The department of transportation must issue a
24 final report on the feasibility of a mileage-based user fee system and
25 any authorization necessary to apply such a system to electric vehicles
26 by July 1, 2015.

27 (b) If after July 1, 2013, the amount of proceeds from the fee
28 collected under this section exceeds one million dollars, the excess
29 amount over one million dollars must be deposited as follows:

30 (i) Seventy percent to the motor vehicle fund created in RCW
31 46.68.070;

32 (ii) Fifteen percent to the transportation improvement account
33 created in RCW 47.26.084; and

34 (iii) Fifteen percent to the rural arterial trust account created
35 in RCW 36.79.020.

36 NEW SECTION. **Sec. 18.** Section 17 of this act expires on the

1 effective date of legislation enacted by the legislature that imposes
2 a vehicle miles traveled fee or tax.

3 NEW SECTION. **Sec. 19.** The department of licensing must provide
4 written notice of the expiration date of section 17 of this act to
5 affected parties, the chief clerk of the house of representatives, the
6 secretary of the senate, the office of the code reviser, and others as
7 deemed appropriate by the department.

8 NEW SECTION. **Sec. 20.** This act takes effect October 1, 2012.

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