
SUBSTITUTE HOUSE BILL 1898

State of Washington

63rd Legislature

2013 Regular Session

By House Transportation (originally sponsored by Representatives Fey, Sawyer, Fitzgibbon, Jinkins, Farrell, Ryu, Pollet, and Morrell)

READ FIRST TIME 03/01/13.

1 AN ACT Relating to the funding of enhanced public transportation
2 zones for public transportation systems; amending RCW 82.14.045; and
3 adding a new section to chapter 82.14 RCW.

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

5 **Sec. 1.** RCW 82.14.045 and 2008 c 86 s 102 are each amended to read
6 as follows:

7 (1) The legislative body of any city pursuant to RCW 35.92.060, of
8 any county which has created an unincorporated transportation benefit
9 area pursuant to RCW 36.57.100 and 36.57.110, of any public
10 transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090,
11 of any county transportation authority established pursuant to chapter
12 36.57 RCW, (~~and~~) of any metropolitan municipal corporation within a
13 county with a population of one million or more pursuant to chapter
14 35.58 RCW, and of any enhanced public transportation zone pursuant to
15 section 2 of this act, may, by resolution or ordinance for the sole
16 purpose of providing funds for the operation, maintenance, or capital
17 needs of public transportation systems or public transportation limited
18 to persons with special needs under RCW 36.57.130 and 36.57A.180, and
19 in lieu of the excise taxes authorized by RCW 35.95.040, submit an

1 authorizing proposition to the voters or include such authorization in
2 a proposition to perform the function of public transportation or
3 public transportation limited to persons with special needs under RCW
4 36.57.130 and 36.57A.180, and if approved by a majority of persons
5 voting thereon, impose a sales and use tax in accordance with the terms
6 of this chapter. Where an authorizing proposition is submitted by a
7 county on behalf of an unincorporated transportation benefit area, it
8 shall be voted upon by the voters residing within the boundaries of
9 such unincorporated transportation benefit area and, if approved, the
10 sales and use tax shall be imposed only within such area.
11 Notwithstanding any provisions of this section to the contrary, any
12 county in which a county public transportation plan has been adopted
13 pursuant to RCW 36.57.070 and the voters of such county have authorized
14 the imposition of a sales and use tax pursuant to the provisions of
15 section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975,
16 shall be authorized to fix and impose a sales and use tax as provided
17 in this section at not to exceed the rate so authorized without
18 additional approval of the voters of such county as otherwise required
19 by this section.

20 The tax authorized by this section shall be in addition to the tax
21 authorized by RCW 82.14.030 and shall be collected from those persons
22 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
23 the occurrence of any taxable event within such city, public
24 transportation benefit area, county, ~~((or))~~ metropolitan municipal
25 corporation, or enhanced public transportation zone as the case may be.
26 The rate of such tax shall be one-tenth, two-tenths, three-tenths,
27 four-tenths, five-tenths, six-tenths, seven-tenths, eight-tenths, or
28 nine-tenths of one percent of the selling price (in the case of a sales
29 tax) or value of the article used (in the case of a use tax). The rate
30 of such tax shall not exceed the rate authorized by the voters unless
31 such increase shall be similarly approved.

32 (2)(a) In the event a metropolitan municipal corporation imposes a
33 sales and use tax pursuant to this chapter no city, county which has
34 created an unincorporated transportation benefit area, public
35 transportation benefit area authority, or county transportation
36 authority wholly within such metropolitan municipal corporation shall
37 be empowered to impose and/or collect taxes under RCW 35.95.040 or this

1 section, but nothing herein shall prevent such city or county from
2 imposing sales and use taxes pursuant to any other authorization.

3 (b) In the event a county transportation authority imposes a sales
4 and use tax under this section, no city, county which has created an
5 unincorporated transportation benefit area, public transportation
6 benefit area, or metropolitan municipal corporation, located within the
7 territory of the authority, shall be empowered to impose or collect
8 taxes under RCW 35.95.040 or this section.

9 (c) In the event a public transportation benefit area imposes a
10 sales and use tax under this section, no city, county which has created
11 an unincorporated transportation benefit area, or metropolitan
12 municipal corporation, located wholly or partly within the territory of
13 the public transportation benefit area, shall be empowered to impose or
14 collect taxes under RCW 35.95.040 or this section.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.14 RCW
16 to read as follows:

17 (1)(a) The tax authorized under RCW 82.14.045 may also be imposed
18 by the legislative body of an enhanced public transportation zone
19 established under subsection (2) of this section if approved by the
20 voters in the enhanced public transportation zone in the manner
21 provided for in this section. The establishing transit agency must
22 consult with the department on sales tax collection methods when
23 establishing the boundaries of the enhanced public transportation zone.

24 (b) A tax imposed under (a) of this subsection, when combined with
25 the rate of tax imposed by the establishing transit agency under RCW
26 82.14.045, may not exceed the maximum rate allowed under RCW 82.14.045,
27 and expires either (i) five years after imposition, unless reauthorized
28 by the voters in the enhanced public transportation zone in the manner
29 provided for in this section, or (ii) upon failure of a
30 reauthorization. Prior to reauthorization, the enhanced public
31 transportation zone boundaries must be readjusted, if necessary, to
32 meet the provisions under subsection (2)(c) of this section. A tax
33 imposed under (a) of this subsection must be imposed only in the
34 territory of the enhanced public transportation zone. The revenue from
35 the tax imposed under (a) of this subsection must be expended only for
36 public transportation service within the enhanced public transportation

1 zone and must not supplant existing revenues allocated to the enhanced
2 public transportation zone.

3 (c) Six months prior to the voter authorization or reauthorization
4 of the tax authorized under (a) of this subsection, the establishing
5 transit agency must determine a baseline level of fixed-route public
6 transportation service. This baseline level of service must be
7 publicly posted on the web site of the establishing transit agency.
8 Upon the collection of the tax imposed under (a) of this subsection,
9 fixed-route public transportation service within the enhanced public
10 transportation zone must increase proportionally to additional revenue
11 generated within the enhanced public transportation zone. Service
12 hours within the enhanced public transportation zone must increase from
13 the baseline level in accordance with the establishing transit agency's
14 most recent cost of fixed-route public transportation per service hour,
15 as approved by the national transit database. A report on the increase
16 in public transportation service must be publicly posted annually on
17 the establishing transit agency's web site.

18 (2)(a) The legislative body of a transit agency may establish an
19 enhanced public transportation zone within a portion of the boundaries
20 of the transit agency establishing the enhanced public transportation
21 zone. An enhanced public transportation zone may include all or a
22 portion of any county, city, or town as long as all or a portion of the
23 county, city, or town is within the territory of the establishing
24 transit agency. However, the legislative body of a city, town, or
25 county may pass a resolution removing all or a portion of its
26 jurisdiction from the enhanced public transportation zone, prior to
27 creation of the zone, or at the time of reauthorization of the zone.
28 The boundaries of any enhanced public transportation zone must follow
29 election precinct lines as far as practicable. When creating the zone
30 boundaries, the establishing transit agency must attempt to include a
31 significant amount of the population that the establishing transit
32 agency designated as low income or minority for purposes of Title VI of
33 the federal civil rights act of 1964. An enhanced public
34 transportation zone may not include more than forty-nine percent of the
35 population of the establishing transit agency.

36 (b) The members of the legislative body of the transit agency
37 proposing to establish the enhanced public transportation zone, acting

1 ex officio and independently, constitutes the legislative body of the
2 enhanced public transportation zone.

3 (c) An enhanced public transportation zone may establish, finance,
4 and provide a public transportation system within its boundaries in the
5 same manner as authorized for the transit agency establishing the
6 enhanced public transportation zone. However, the establishing transit
7 agency must adopt a resolution or ordinance finding that the enhanced
8 public transportation zone warrants consistent and sustainable
9 transportation service levels of passenger capacity, speed, and service
10 frequency to serve persons within the enhanced public transportation
11 zone that would otherwise be substantially disadvantaged if the
12 enhanced public transportation zone were not created.

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

22 (e) An enhanced public transportation zone may be dissolved by a
23 majority vote of its legislative body when all contractual obligations
24 of the enhanced public transportation zone have either been discharged
25 or assumed by another governmental entity.

26 (3) For the purposes of this section:

27 (a) "Enhanced public transportation zone" means a quasi-municipal
28 corporation and independent taxing authority within the meaning of
29 Article VII, section 1 of the state Constitution, and a taxing district
30 within the meaning of Article VII, section 2 of the state Constitution,
31 created by the legislative body of a transit agency.

32 (b) "Transit agency" means a city-owned transit system, an
33 unincorporated transportation benefit area, a county transportation
34 authority, a metropolitan municipal corporation within a county with a
35 population of one million or more, and a public transportation benefit
36 area.

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