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**HOUSE BILL 1300**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Clibborn and Fey; by request of Governor Inslee

AN ACT Relating to transportation revenue; amending RCW 46.25.060, 46.25.100, 46.17.050, 46.17.060, 46.12.650, 46.17.400, 46.37.420, 46.17.355, 46.68.035, 81.77.160, 46.17.323, 46.20.202, 46.17.015, 46.17.025, 46.18.277, 46.19.060, 46.20.293, 46.29.050, 46.68.020, 46.68.041, 46.68.390, 47.60.322, 82.08.809, 82.12.809, 36.73.015, 36.73.020, 36.73.065, 82.80.140, 82.14.045, 81.104.140, 81.104.160, 84.52.043, 84.52.043, 84.52.010, 84.52.010, and 84.04.120; reenacting and amending RCW 46.17.220, 46.16A.200, 46.52.130, 43.84.092, 43.84.092, and 81.104.170; adding a new section to chapter 46.16A RCW; adding new sections to chapter 46.68 RCW; adding a new section to chapter 46.18 RCW; adding a new section to chapter 46.04 RCW; adding a new section to chapter 46.17 RCW; adding new sections to chapter 47.01 RCW; adding new sections to chapter 82.32 RCW; adding new sections to chapter 36.57A RCW; adding a new section to chapter 82.14 RCW; adding a new section to chapter 82.80 RCW; adding a new section to chapter 81.104 RCW; adding a new section to chapter 84.52 RCW; adding a new section to chapter 47.29 RCW; adding a new section to chapter 43.135 RCW; creating new sections; repealing RCW 82.38.083; repealing 2012 c 74 ss 11 and 18 (uncodified); providing effective dates; providing a contingent effective date; providing expiration dates; providing a contingent expiration date; and declaring an emergency.

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

**I. TRANSPORTATION - RELATED FEES**

**Sec.**  RCW 46.25.060 and 2013 c 224 s 6 are each amended to read as follows:

(1)(a) No person may be issued a commercial driver's license unless that person:

(i) Is a resident of this state;

(ii) Has successfully completed a course of instruction in the operation of a commercial motor vehicle that has been approved by the director or has been certified by an employer as having the skills and training necessary to operate a commercial motor vehicle safely;

(iii) If he or she does not hold a valid commercial driver's license of the appropriate classification, has been issued a commercial learner's permit under RCW 46.25.052; and

(iv) Has passed a knowledge and skills examination for driving a commercial motor vehicle that complies with minimum federal standards established by federal regulation enumerated in 49 C.F.R. Part 383, subparts F, G, and H, in addition to other requirements imposed by state law or federal regulation. The department may not allow the person to take the skills examination during the first fourteen days after initial issuance of the person's commercial learner's permit. The examinations must be prescribed and conducted by the department.

(b) In addition to the fee charged for issuance or renewal of any license, the applicant shall pay a fee of no more than ((~~ten~~))thirty-five dollars for each classified knowledge examination, classified endorsement knowledge examination, or any combination of classified license and endorsement knowledge examinations. The applicant shall pay a fee of no more than ((~~one~~))two hundred fifty dollars for each classified skill examination or combination of classified skill examinations conducted by the department.

(c) The department may authorize a person, including an agency of this or another state, an employer, a private driver training facility, or other private institution, or a department, agency, or instrumentality of local government, to administer the skills examination specified by this section under the following conditions:

(i) The examination is the same which would otherwise be administered by the state;

(ii) The third party has entered into an agreement with the state that complies with the requirements of 49 C.F.R. Sec. 383.75; and

(iii) The director has adopted rules as to the third party testing program and the development and justification for fees charged by any third party.

(d) If the applicant's primary use of a commercial driver's license is for any of the following, then the applicant shall pay a fee of no more than ((~~seventy-five~~))two hundred twenty-five dollars for each classified skill examination or combination of classified skill examinations whether conducted by the department or a third-party tester:

(i) Public benefit not-for-profit corporations that are federally supported head start programs; or

(ii) Public benefit not-for-profit corporations that support early childhood education and assistance programs as described in RCW 43.215.405(2).

(2)(a) The department may waive the skills examination and the requirement for completion of a course of instruction in the operation of a commercial motor vehicle specified in this section for a commercial driver's license applicant who meets the requirements of 49 C.F.R. Sec. 383.77.

(b) An applicant who operates a commercial motor vehicle for agribusiness purposes is exempt from the course of instruction completion and employer skills and training certification requirements under this section. By January 1, 2010, the department shall submit recommendations regarding the continuance of this exemption to the transportation committees of the legislature. For purposes of this subsection (2)(b), "agribusiness" means a private carrier who in the normal course of business primarily transports:

(i) Farm machinery, farm equipment, implements of husbandry, farm supplies, and materials used in farming;

(ii) Agricultural inputs, such as seed, feed, fertilizer, and crop protection products;

(iii) Unprocessed agricultural commodities, as defined in RCW 17.21.020, where such commodities are produced by farmers, ranchers, vineyardists, or orchardists; or

(iv) Any combination of (b)(i) through (iii) of this subsection.

The department shall notify the transportation committees of the legislature if the federal government takes action affecting the exemption provided in this subsection (2)(b).

(3) A commercial driver's license or commercial learner's permit may not be issued to a person while the person is subject to a disqualification from driving a commercial motor vehicle, or while the person's driver's license is suspended, revoked, or canceled in any state, nor may a commercial driver's license be issued to a person who has a commercial driver's license issued by any other state unless the person first surrenders all such licenses, which must be returned to the issuing state for cancellation.

**Sec.**  RCW 46.25.100 and 2013 c 224 s 12 are each amended to read as follows:

When a person has been disqualified from operating a commercial motor vehicle, the person is not entitled to have the commercial driver's license or commercial learner's permit restored until after the expiration of the appropriate disqualification period required under RCW 46.25.090 or until the department has received a drug and alcohol assessment and evidence is presented of satisfactory participation in or completion of any required drug or alcohol treatment program for ending the disqualification under RCW 46.25.090(7). After expiration of the appropriate period and upon payment of a requalification fee of ((~~twenty~~))thirty-five dollars, or one hundred fifty dollars if the person has been disqualified under RCW 46.25.090(7), the person may apply for a new, duplicate, or renewal commercial driver's license or commercial learner's permit as provided by law. If the person has been disqualified for a period of one year or more, the person shall demonstrate that he or she meets the commercial driver's license or commercial learner's permit qualification standards specified in RCW 46.25.060.

**Sec.**  RCW 46.17.050 and 2014 c 59 s 3 are each amended to read as follows:

(1) Before accepting a report of sale filed under RCW 46.12.650(2), the department, county auditor or other agent or subagent appointed by the director shall require the applicant to pay:

((~~(1)~~))(a) The filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, and the license service fee under RCW 46.17.025 to the county auditor or other agent; and

((~~(2)~~))(b) The service fee under RCW 46.17.040(1)(b) to the subagent.

(2) The service fee collected under this section by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account created in RCW 47.60.322.

**Sec.**  RCW 46.17.060 and 2014 c 59 s 4 are each amended to read as follows:

(1) Before accepting a transitional ownership record filed under RCW 46.12.660, the department, county auditor or other agent or subagent appointed by the director shall require the applicant to pay:

((~~(1)~~))(a) The filing fee under RCW 46.17.005(1), the license plate technology fee under RCW 46.17.015, and the license service fee under RCW 46.17.025 to the county auditor or other agent; and

((~~(2)~~))(b) The service fee under RCW 46.17.040(1)(b) to the subagent.

(2) The service fee collected under this section by the department or county auditor or other agent appointed by the director must be credited to the capital vessel replacement account created in RCW 47.60.322.

**Sec.**  RCW 46.12.650 and 2010 c 161 s 309 are each amended to read as follows:

(1) **Releasing interest.** An owner releasing interest in a vehicle shall:

(a) Sign the release of interest section provided on the certificate of title or on a release of interest document or form approved by the department;

(b) Give the certificate of title or most recent evidence of ownership to the person gaining the interest in the vehicle;

(c) Give the person gaining interest in the vehicle an odometer disclosure statement if one is required; and

(d) Report the vehicle sold as provided in subsection (2) of this section.

(2) **Report of sale.** An owner shall notify the department, county auditor or other agent, or subagent appointed by the director in writing within ((~~five~~)) fifteen business days after a vehicle is or has been:

(a) Sold;

(b) Given as a gift to another person;

(c) Traded, either privately or to a dealership;

(d) Donated to charity;

(e) Turned over to an insurance company or wrecking yard; or

(f) Disposed of.

(3) **Report of sale properly filed.** A report of sale is properly filed if it is received by the department, county auditor or other agent, or subagent appointed by the director within ((~~five~~)) fifteen business days after the date of sale or transfer and it includes:

(a) The date of sale or transfer;

(b) The owner's name and address;

(c) The name and address of the person acquiring the vehicle;

(d) The vehicle identification number and license plate number;

(e) A date or stamp by the department showing it was received on or before the ((~~fifth~~)) fifteenth business day after the date of sale or transfer; and

(f) Payment of the fees required under RCW 46.17.050 ((~~if the report of sale is processed by a county auditor or other agent or subagent appointed by the director~~)).

(4) **Report of sale - administration.**(a) The department shall:

((~~(a)~~)) (i) Provide or approve reports of sale forms;

((~~(b)~~)) (ii) Provide a system enabling an owner to submit reports of sale electronically;

((~~(c)~~)) (iii) Immediately update the department's vehicle record when a report of sale has been filed;

((~~(d)~~)) (iv) Provide instructions on release of interest forms that allow the seller of a vehicle to release their interest in a vehicle at the same time a financial institution, as defined in RCW 30A.22.040, releases its lien on the vehicle; and

((~~(e)~~)) (v) Send a report to the department of revenue that lists vehicles for which a report of sale has been received but no transfer of ownership has taken place. The department shall send the report once each quarter.

(b) A report of sale that is received by the department, county auditor or other agent, or subagent appointed by the director after the fifteenth day becomes effective on the day it is received by the department, county auditor or other agent, or subagent appointed by the director.

(5)(a) **Transferring ownership.** A person who has recently acquired a vehicle by purchase, exchange, gift, lease, inheritance, or legal action shall apply to the department, county auditor or other agent, or subagent appointed by the director for a new certificate of title within fifteen days of delivery of the vehicle. A secured party who has possession of the certificate of title shall either:

(i) Apply for a new certificate of title on behalf of the owner and pay the fee required under RCW 46.17.100; or

(ii) Provide all required documents to the owner, as long as the transfer was not a breach of its security agreement, to allow the owner to apply for a new certificate of title.

(b) Compliance with this subsection does not affect the rights of the secured party.

(6) **Certificate of title delivered to secured party.** The certificate of title must be kept by or delivered to the person who becomes the secured party when a security interest is reserved or created at the time of the transfer of ownership. The parties must comply with RCW 46.12.675.

(7) **Penalty for late transfer.** A person who has recently acquired a motor vehicle by purchase, exchange, gift, lease, inheritance, or legal action who does not apply for a new certificate of title within fifteen calendar days of delivery of the vehicle is charged a penalty, as described in RCW 46.17.140, when applying for a new certificate of title. It is a misdemeanor to fail or neglect to apply for a transfer of ownership within forty-five days after delivery of the vehicle. The misdemeanor is a single continuing offense for each day that passes regardless of the number of days that have elapsed following the forty- five day time period.

(8) **Penalty for late transfer - exceptions.** The penalty is not charged if the delay in application is due to at least one of the following:

(a) The department requests additional supporting documents;

(b) The department, county auditor or other agent, or subagent fails to perform or is neglectful;

(c) The owner is prevented from applying due to an illness or extended hospitalization;

(d) The legal owner fails or neglects to release interest;

(e) The owner did not know of the filing of a report of sale by the previous owner and signs an affidavit to the fact; or

(f) The department finds other conditions exist that adequately explain the delay.

(9) **Review and issue.** The department shall review applications for certificates of title and issue certificates of title when it has determined that all applicable provisions of law have been complied with.

(10) **Rules.** The department may adopt rules as necessary to implement this section.

NEW SECTION. **Sec.**  A new section is added to chapter 46.16A RCW to read as follows:

(1) The department, county auditor or other agent, or subagent appointed by the director must issue a studded tire permit authorizing the use of studded tires as provided under RCW 46.37.420 to a vehicle owner upon submittal of a proper application and payment of the studded tire permit fee under RCW 46.17.400(1)(g).

(2) Each studded tire permit is valid on a vehicle during the registration year as outlined in RCW 46.16A.020.

(3) The department must also issue an identifying marker that the vehicle owner must place on the vehicle license plate for the studded tire permit to be valid.

(4) Operating a vehicle on a public highway without a valid studded tire permit and properly affixing the identifying marker to the vehicle license plate is a traffic infraction; however, a vehicle owner or the owner's authorized representative has five days from the date of purchasing studded tires to apply for a studded tire permit. In addition to any other penalties imposed for a traffic infraction, an additional fifteen dollar penalty is assessed for a violation of this section. The additional fifteen dollar penalty imposed under this subsection must be forwarded to the state treasurer for deposit in the motor vehicle fund created under RCW 46.68.070.

(5) The vehicle owner is solely responsible for obtaining a studded tire permit under this section, and a tire dealer is not obligated to confirm, validate, document, disclose, enforce, report, or educate on the requirements of this section. This section does not create a right of action, whether civil or criminal, against any tire dealer.

(6) The department may adopt rules to implement this section.

**Sec.**  RCW 46.17.400 and 2011 c 171 s 62 are each amended to read as follows:

(1) Before accepting an application for one of the following permits, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay the following permit fee by permit type in addition to any other fee or tax required by law:

|  |  |  |  |
| --- | --- | --- | --- |
| PERMIT TYPE | FEE | AUTHORITY | DISTRIBUTION |
| (a) Dealer temporary | $15.00 | RCW 46.16A.300 | RCW 46.68.030 |
| (b) Department temporary | $.50 | RCW 46.16A.305 | RCW 46.68.450 |
| (c) Farm vehicle trip | $6.25 | RCW 46.16A.330 | RCW 46.68.035 |
| (d) Nonresident military | $10.00 | RCW 46.16A.340 | RCW 46.68.070 |
| (e) Nonresident temporary snowmobile | $5.00 | RCW 46.10.450 | RCW 46.68.350 |
| (f) Special fuel trip | $30.00 | RCW 82.38.100 | RCW 46.68.460 |
| (g) Studded tire | $15.00 | Section 106 of this act | Section 108 of this act |
| (h) Temporary ORV use | $7.00 | RCW 46.09.430 | RCW 46.68.045 |
| ((~~(h)~~)) (i) Vehicle trip | $25.00 | RCW 46.16A.320 | RCW 46.68.455 |

(2) Permit fees as provided in subsection (1) of this section are in addition to the filing fee required under RCW 46.17.005, except an additional filing fee may not be charged for:

(a) Dealer temporary permits;

(b) Special fuel trip permits; and

(c) Vehicle trip permits.

(3) Five dollars of the fifteen dollar dealer temporary permit fee provided in subsection (1)(a) of this section must be credited to the payment of vehicle license fees at the time application for registration is made. The remainder must be deposited to the state patrol highway account created in RCW 46.68.030.

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

The studded tire permit fee imposed under RCW 46.17.400(1)(g) for studded tire permits issued under section 106 of this act must be deposited into the motor vehicle fund created in RCW 46.68.070.

**Sec.**  RCW 46.37.420 and 2012 c 75 s 1 are each amended to read as follows:

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

(2) Except as provided in subsection (3) of this section, no tire on a vehicle moved on a highway may have on its periphery any block, flange, cleat, or spike or any other protuberance of any material other than rubber which projects beyond the tread of the traction surface of the tire((~~, except that~~)).

(3)(a) It is permissible to use: (i) Farm machinery equipped with pneumatic tires or solid rubber tracks having protuberances that will not injure the highway((~~,~~)); and ((~~except also that it is permissible to use~~)) (ii)(A) tire chains, (B) alternative traction devices, or (C) metal studs imbedded within the tire subject to studded tire permit requirements under section 106 of this act, of reasonable proportions and of a type conforming to rules adopted by the state patrol, upon any vehicle when required for safety because of snow, ice, or other conditions tending to cause a vehicle to skid.

(b) It is unlawful to use metal studs imbedded within the tire between April 1st and November 1st, except that a vehicle may be equipped year-round with tires that have retractable studs if: ((~~(a)~~)) (i) The studs retract pneumatically or mechanically to below the wear bar of the tire when not in use; and ((~~(b)~~)) (ii) the retractable studs are engaged only between November 1st and April 1st. Retractable studs may be made of metal or other material and are not subject to the lightweight stud weight requirements under RCW 46.04.272. The state department of transportation may, from time to time, determine additional periods in which the use of tires with metal studs imbedded therein is lawful.

((~~(3)~~)) (4) The state department of transportation and local authorities in their respective jurisdictions may issue special permits authorizing the operation upon a highway of traction engines or tractors having movable tracks with transverse corrugations upon the periphery of the movable tracks or farm tractors or other farm machinery, the operation of which upon a highway would otherwise be prohibited under this section.

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

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

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

|  |  |  |
| --- | --- | --- |
| WEIGHT | SCHEDULE A | SCHEDULE B |
| 4,000 pounds | ((~~$ 38.00~~)) $ 53.00 | ((~~$ 38.00~~)) $ 53.00 |
| 6,000 pounds | ((~~$ 48.00~~)) $ 73.00 | ((~~$ 48.00~~)) $ 73.00 |
| 8,000 pounds | ((~~$ 58.00~~)) $ 93.00 | ((~~$ 58.00~~)) $ 93.00 |
| 10,000 pounds | ((~~$ 60.00~~)) $ 95.00 | ((~~$ 60.00~~)) $ 95.00 |
| 12,000 pounds | ((~~$ 77.00~~))$ 112.00 | ((~~$ 77.00~~))$ 112.00 |
| 14,000 pounds | ((~~$ 88.00~~))$ 123.00 | ((~~$ 88.00~~))$ 123.00 |
| 16,000 pounds | ((~~$ 100.00~~))$ 135.00 | ((~~$ 100.00~~))$ 135.00 |
| 18,000 pounds | $ 152.00 | $ 152.00 |
| 20,000 pounds | $ 169.00 | $ 169.00 |
| 22,000 pounds | $ 183.00 | $ 183.00 |
| 24,000 pounds | $ 198.00 | $ 198.00 |
| 26,000 pounds | $ 209.00 | $ 209.00 |
| 28,000 pounds | $ 247.00 | $ 247.00 |
| 30,000 pounds | $ 285.00 | $ 285.00 |
| 32,000 pounds | $ 344.00 | $ 344.00 |
| 34,000 pounds | $ 366.00 | $ 366.00 |
| 36,000 pounds | $ 397.00 | $ 397.00 |
| 38,000 pounds | $ 436.00 | $ 436.00 |
| 40,000 pounds | $ 499.00 | $ 499.00 |
| 42,000 pounds | $ 519.00 | $ 609.00 |
| 44,000 pounds | $ 530.00 | $ 620.00 |
| 46,000 pounds | $ 570.00 | $ 660.00 |
| 48,000 pounds | $ 594.00 | $ 684.00 |
| 50,000 pounds | $ 645.00 | $ 735.00 |
| 52,000 pounds | $ 678.00 | $ 768.00 |
| 54,000 pounds | $ 732.00 | $ 822.00 |
| 56,000 pounds | $ 773.00 | $ 863.00 |
| 58,000 pounds | $ 804.00 | $ 894.00 |
| 60,000 pounds | $ 857.00 | $ 947.00 |
| 62,000 pounds | $ 919.00 | $ 1,009.00 |
| 64,000 pounds | $ 939.00 | $ 1,029.00 |
| 66,000 pounds | $ 1,046.00 | $ 1,136.00 |
| 68,000 pounds | $ 1,091.00 | $ 1,181.00 |
| 70,000 pounds | $ 1,175.00 | $ 1,265.00 |
| 72,000 pounds | $ 1,257.00 | $ 1,347.00 |
| 74,000 pounds | $ 1,366.00 | $ 1,456.00 |
| 76,000 pounds | $ 1,476.00 | $ 1,566.00 |
| 78,000 pounds | $ 1,612.00 | $ 1,702.00 |
| 80,000 pounds | $ 1,740.00 | $ 1,830.00 |
| 82,000 pounds | $ 1,861.00 | $ 1,951.00 |
| 84,000 pounds | $ 1,981.00 | $ 2,071.00 |
| 86,000 pounds | $ 2,102.00 | $ 2,192.00 |
| 88,000 pounds | $ 2,223.00 | $ 2,313.00 |
| 90,000 pounds | $ 2,344.00 | $ 2,434.00 |
| 92,000 pounds | $ 2,464.00 | $ 2,554.00 |
| 94,000 pounds | $ 2,585.00 | $ 2,675.00 |
| 96,000 pounds | $ 2,706.00 | $ 2,796.00 |
| 98,000 pounds | $ 2,827.00 | $ 2,917.00 |
| 100,000 pounds | $ 2,947.00 | $ 3,037.00 |
| 102,000 pounds | $ 3,068.00 | $ 3,158.00 |
| 104,000 pounds | $ 3,189.00 | $ 3,279.00 |
| 105,500 pounds | $ 3,310.00 | $ 3,400.00 |

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

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

(4) The license fees provided in subsection (1) of this section and the freight project fee provided in subsection (6) of this section are in addition to the filing fee required under RCW 46.17.005 and any other fee or tax required by law.

(5) Except as provided otherwise in this section, the license fee based on declared gross weight as provided in subsection (1) of this section must be distributed under RCW 46.68.035.

(6) In addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of more than 10,000 pounds, unless specifically exempt, to pay a freight project fee equal to fifteen percent of the license fee provided in subsection (1) of this section, rounded to the nearest whole dollar, which must be deposited in the highway safety fund created in RCW 46.68.060.

(7)(a) Fifteen dollars of each license fee based on declared gross weight, as provided in subsection (1) of this section, paid by an applicant with a vehicle with a declared gross weight of 4,000 pounds or less must be deposited in the motor vehicle fund created in RCW 46.68.070.

(b) Twenty-five dollars of each license fee based on declared gross weight, as provided in subsection (1) of this section, paid by an applicant with a vehicle with a declared gross weight of 6,000 pounds or less, but more than 4,000 pounds, must be deposited in the motor vehicle fund created in RCW 46.68.070.

(c) Thirty-five dollars of each license fee based on declared gross weight, as provided in subsection (1) of this section, paid by an applicant with a vehicle with a declared gross weight of 16,000 pounds or less, but more than 6,000 pounds, must be deposited in the motor vehicle fund created in RCW 46.68.070.

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

Except as provided in RCW 46.17.355 (6) and (7), the director shall forward all proceeds from vehicle license fees received by the director for vehicles registered under RCW 46.17.350(1) (c) and (k), 46.17.355, and 46.17.400(1)(c) to the state treasurer to be distributed into accounts according to the following method:

(1) 22.36 percent must be deposited into the state patrol highway account of the motor vehicle fund;

(2) 1.375 percent must be deposited into the Puget Sound ferry operations account of the motor vehicle fund;

(3) 5.237 percent must be deposited into the transportation 2003 account (nickel account);

(4) 11.533 percent must be deposited into the transportation partnership account created in RCW 46.68.290; and

(5) The remaining proceeds must be deposited into the motor vehicle fund.

**Sec.**  RCW 81.77.160 and 1997 c 434 s 1 are each amended to read as follows:

(1) The commission, in fixing and altering collection rates charged by every solid waste collection company under this section, shall include in the base for the collection rates:

(a) All charges for the disposal of solid waste at the facility or facilities designated by a local jurisdiction under a local comprehensive solid waste management plan or ordinance; ((~~and~~))

(b) All known and measurable costs related to implementation of the approved county or city comprehensive solid waste management plan; and

(c) All taxes and fees imposed or increased under this act.

(2) If a solid waste collection company files a tariff to recover the costs specified under this section, and the commission suspends the tariff, the portion of the tariff covering costs specified in this section shall be placed in effect by the commission at the request of the company on an interim basis as of the originally filed effective date, subject to refund, pending the commission's final order. The commission may adopt rules to implement this section.

(3) This section applies to a solid waste collection company that has an affiliated interest under chapter 81.16 RCW with a facility, if the total cost of disposal, including waste transfer, transport, and disposal charges, at the facility is equal to or lower than any other reasonable and currently available option.

**Sec.**  RCW 46.17.323 and 2012 c 74 s 10 are each amended to read as follows:

(1) Before accepting an application for an annual vehicle registration renewal for ((~~an electric~~)) a vehicle that uses ((~~propulsion units powered solely by~~)) at least one method of propulsion that is capable of being reenergized by an external source of electricity, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a one hundred dollar fee in addition to any other fees and taxes required by law. The one hundred dollar fee is due only at the time of annual registration renewal.

(2) This section only applies to:

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

(b) An annual vehicle registration renewal that is due on or after ((~~February 1, 2013~~))July 1, 2016.

(3)((~~(a)~~)) The fee under this section is imposed to provide funds to mitigate the impact of vehicles on state roads and highways and for the purpose of evaluating the feasibility of transitioning from a revenue collection system based on fuel taxes to a road user assessment system, and is separate and distinct from other vehicle license fees. Proceeds from the fee must be ((~~used for highway purposes, and~~)) deposited into the transportation innovative partnership account created in RCW 47.29.230 for the purpose of creating and funding the Washington electric vehicle infrastructure bank as provided in section 601 of this act. Once the total number of electric vehicles subject to this fee has reached one-half of one percent of the state's total registered vehicle fleet, proceeds must be deposited in the motor vehicle fund created in RCW 46.68.070((~~, subject to (b) of this subsection.~~

~~(b) If in any year the amount of proceeds from the fee collected under this section exceeds one million dollars, the excess amount over one million dollars must be deposited as follows:~~

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

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

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

**Sec.**  RCW 46.20.202 and 2007 c 7 s 1 are each amended to read as follows:

(1) The department may enter into a memorandum of understanding with any federal agency for the purposes of facilitating the crossing of the border between the state of Washington and the Canadian province of British Columbia.

(2) The department may enter into an agreement with the Canadian province of British Columbia for the purposes of implementing a border- crossing initiative.

(3)(a) The department may issue an enhanced driver's license or identicard for the purposes of crossing the border between the state of Washington and the Canadian province of British Columbia to an applicant who provides the department with proof of: United States citizenship, identity, and state residency. The department shall continue to offer a standard driver's license and identicard. If the department chooses to issue an enhanced driver's license, the department must allow each applicant to choose between a standard driver's license or identicard, or an enhanced driver's license or identicard.

(b) The department shall implement a one-to-many biometric matching system for the enhanced driver's license or identicard. An applicant for an enhanced driver's license or identicard shall submit a biometric identifier as designated by the department. The biometric identifier must be used solely for the purpose of verifying the identity of the holders and for any purpose set out in RCW 46.20.037. Applicants are required to sign a declaration acknowledging their understanding of the one-to-many biometric match.

(c) The enhanced driver's license or identicard must include reasonable security measures to protect the privacy of Washington state residents, including reasonable safeguards to protect against unauthorized disclosure of data about Washington state residents. If the enhanced driver's license or identicard includes a radio frequency identification chip, or similar technology, the department shall ensure that the technology is encrypted or otherwise secure from unauthorized data access.

(d) The requirements of this subsection are in addition to the requirements otherwise imposed on applicants for a driver's license or identicard. The department shall adopt such rules as necessary to meet the requirements of this subsection. From time to time the department shall review technological innovations related to the security of identity cards and amend the rules related to enhanced driver's licenses and identicards as the director deems consistent with this section and appropriate to protect the privacy of Washington state residents.

(e) Notwithstanding RCW 46.20.118, the department may make images associated with enhanced drivers' licenses or identicards from the negative file available to United States customs and border agents for the purposes of verifying identity.

(4) ((~~The department may set a fee for the issuance of enhanced drivers' licenses and identicards under this section.~~)) (a) The fee for an enhanced driver's license or enhanced identicard is fifty-four dollars, which is in addition to the fees for any regular driver's license or identicard. If the enhanced driver's license or enhanced identicard is issued, renewed, or extended for a period other than six years, the fee for each class is nine dollars for each year that the enhanced driver's license or enhanced identicard is issued, renewed, or extended.

(b) Thirty-six dollars of each enhanced driver's license or identicard fee, or six dollars of the fee for each class for each year if the enhanced driver's license or enhanced identicard is issued, renewed, or extended for a period other than six years, must be deposited in the multimodal transportation account created in RCW 47.66.070.

**Sec.**  RCW 46.17.015 and 2010 c 161 s 502 are each amended to read as follows:

(1) A person who applies for a vehicle registration or for any other right to operate a vehicle on the highways of this state shall pay a ((~~twenty-five cent~~))one dollar license plate technology fee in addition to any other fees and taxes required by law. The license plate technology fee must be distributed under RCW 46.68.370.

(2) A vehicle registered under RCW 46.16A.455(1) or 46.17.330 is not subject to the license plate technology fee.

**Sec.**  RCW 46.17.025 and 2010 c 161 s 503 are each amended to read as follows:

(1) A person who applies for a vehicle registration or for any other right to operate a vehicle on the highways of this state shall pay a ((~~fifty cent~~))two dollar license service fee in addition to any other fees and taxes required by law. The license service fee must be distributed under RCW 46.68.220.

(2) A vehicle registered under RCW 46.16A.455(1) or 46.17.330 is not subject to the license service fee.

NEW SECTION. **Sec.**  A new section is added to chapter 46.18 RCW to read as follows:

(1) A registered owner may apply to the department, county auditor or other agent, or subagent appointed by the director for an intermittent-use trailer license plate for an intermittent-use trailer. The applicant for the intermittent-use trailer license plate must:

(a) Purchase a registration for the intermittent-use trailer as required under chapters 46.16A and 46.17 RCW; and

(b) Pay the special license plate fee established under RCW 46.17.220(1)(l).

(2) A person applying for an intermittent-use trailer license plate may:

(a) Receive an intermittent-use trailer license plate assigned by the department; or

(b) Provide an actual Washington state issued license plate designated for general use in the year of the intermittent-use trailer's manufacture.

(3) Intermittent-use trailer license plates:

(a) Are not required to be renewed; and

(b) Must be displayed on the rear of the intermittent-use trailer.

(4) If the owner of an intermittent-use trailer obtains an intermittent-use trailer license plate and then sells, transfers, or otherwise conveys the intermittent-use trailer to another individual or entity, the intermittent-use trailer license plate must be removed prior to the sale, transfer, or conveyance and the new owner of the intermittent-use trailer must obtain a new registration and appropriate license plate.

(5) Any person who knowingly provides a false or facsimile license plate under subsection (2)(b) of this section is subject to a traffic infraction and fine in an amount equal to the monetary penalty for a violation of RCW 46.16A.200(7)(b). Additionally, the person must pay for the cost of an intermittent-use trailer license plate as listed under RCW 46.17.220(1)(l), unless already paid.

(6) A person that is determined to be in violation of this section is subject to a traffic infraction of a maximum fine of one hundred fifty dollars including all other applicable assessments and fees.

NEW SECTION. **Sec.**  A new section is added to chapter 46.04 RCW to read as follows:

"Intermittent-use trailer" means a trailer in good working order that is used only for participation in club activities, exhibitions, tours, and parades, and for occasional pleasure use. For purposes of this section, "occasional pleasure use" means use of an intermittent trailer that is not general or daily, but seasonal or sporadic and not more than once per week on average.

**Sec.**  RCW 46.17.220 and 2014 c 77 s 2 and 2014 c 6 s 2 are each reenacted and amended to read as follows:

(1) In addition to all fees and taxes required to be paid upon application for a vehicle registration in chapter 46.16A RCW, the holder of a special license plate shall pay the appropriate special license plate fee as listed in this section.

|  |  |  |  |
| --- | --- | --- | --- |
| PLATE TYPE | INITIAL FEE | RENEWAL FEE | DISTRIBUTED UNDER |
| (a) 4-H | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| (b) Amateur radio license | $ 5.00 | N/A | RCW 46.68.070 |
| (c) Armed forces | $ 40.00 | $ 30.00 | RCW 46.68.425 |
| (d) Baseball stadium | $ 40.00 | $ 30.00 | Subsection (2) of this section |
| (e) Breast cancer awareness | $ 40.00 | $ 30.00 | RCW 46.68.425 |
| (f) Collector vehicle | $ 35.00 | N/A | RCW 46.68.030 |
| (g) Collegiate | $ 40.00 | $ 30.00 | RCW 46.68.430 |
| (h) Endangered wildlife | $ 40.00 | $ 30.00 | RCW 46.68.425 |
| (i) Gonzaga University alumni association | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| (j) Helping kids speak | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| (k) Horseless carriage | $ 35.00 | N/A | RCW 46.68.030 |
| (l) Intermittent-use trailer | $ 187.50 | N/A | RCW 46.68.030 |
| (m) Keep kids safe | $ 45.00 | $ 30.00 | RCW 46.68.425 |
| ((~~(m)~~))(n) Law enforcement memorial | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(n)~~))(o) Military affiliate radio system | $ 5.00 | N/A | RCW 46.68.070 |
| ((~~(o)~~))(p) Music matters | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(p)~~))(q) Professional firefighters and paramedics | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(q)~~))(r) Ride share | $ 25.00 | N/A | RCW 46.68.030 |
| ((~~(r)~~))(s) Seattle Seahawks | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(s)~~))(t) Seattle Sounders  FC | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(t)~~))(u) Seattle University | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(u)~~))(v) Share the road | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(v)~~))(w) Ski & ride Washington | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(w)~~))(x) Square dancer | $ 40.00 | N/A | RCW 46.68.070 |
| ((~~(x)~~))(y) State flower | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(y)~~))(z) Volunteer firefighters | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(z)~~))(aa) Washington lighthouses | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(aa)~~))(bb) Washington state parks | $ 40.00 | $ 30.00 | RCW 46.68.425 |
| ((~~(bb)~~))(cc) Washington's national parks | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(cc)~~))(dd) Washington's wildlife collection | $ 40.00 | $ 30.00 | RCW 46.68.425 |
| ((~~(dd)~~))(ee) We love our pets | $ 40.00 | $ 30.00 | RCW 46.68.420 |
| ((~~(ee)~~))(ff) Wild on Washington | $ 40.00 | $ 30.00 | RCW 46.68.425 |

(2) After deducting administration and collection expenses for the sale of baseball stadium license plates, the remaining proceeds must be distributed to a county for the purpose of paying the principal and interest payments on bonds issued by the county to construct a baseball stadium, as defined in RCW 82.14.0485, including reasonably necessary preconstruction costs, while the taxes are being collected under RCW 82.14.360. After this date, the state treasurer shall credit the funds to the state general fund.

**Sec.**  RCW 46.16A.200 and 2014 c 181 s 2 and 2014 c 80 s 1 are each reenacted and amended to read as follows:

(1) **Design.** All license plates may be obtained by the director from the metal working plant of a state correctional facility or from any source in accordance with existing state of Washington purchasing procedures. License plates:

(a) May vary in background, color, and design;

(b) Must be legible and clearly identifiable as a Washington state license plate;

(c) Must designate the name of the state of Washington without abbreviation;

(d) Must be treated with fully reflectorized materials designed to increase visibility and legibility at night;

(e) Must be of a size and color and show the registration period as determined by the director; and

(f) Before July 1, 2010, may display a symbol or artwork approved by the former special license plate review board and the legislature. Beginning July 1, 2010, special license plate series approved by the department and enacted into law by the legislature may display a symbol or artwork approved by the department.

(2) **Exceptions to reflectorized materials.** License plates issued before January 1, 1968, are not required to be treated with reflectorized materials.

(3) **Dealer license plates.** License plates issued to a dealer must contain an indication that the license plates have been issued to a vehicle dealer.

(4)(a) **Furnished.** The director shall furnish to all persons making satisfactory application for a vehicle registration:

(i) Two identical license plates each containing the license plate number; or

(ii) One license plate if the vehicle is a trailer, semitrailer, intermittent-use trailer, camper, moped, collector vehicle, horseless carriage, or motorcycle.

(b) The director may adopt types of license plates to be used as long as the license plates are legible.

(5)(a) **Display.** License plates must be:

(i) Attached conspicuously at the front and rear of each vehicle if two license plates have been issued;

(ii) Attached to the rear of the vehicle if one license plate has been issued;

(iii) Kept clean and be able to be plainly seen and read at all times; and

(iv) Attached in a horizontal position at a distance of not more than four feet from the ground.

(b) The Washington state patrol may grant exceptions to this subsection if the body construction of the vehicle makes compliance with this section impossible.

(6) **Change of license classification.** A person who has altered a vehicle that makes the current license plate or plates invalid for the vehicle's use shall:

(a) Surrender the current license plate or plates to the department, county auditor or other agent, or subagent appointed by the director;

(b) Apply for a new license plate or plates; and

(c) Pay a change of classification fee required under RCW 46.17.310.

(7) **Unlawful acts.** It is unlawful to:

(a) Display a license plate or plates on the front or rear of any vehicle that were not issued by the director for the vehicle;

(b) Display a license plate or plates on any vehicle that have been changed, altered, or disfigured, or have become illegible;

(c) Use holders, frames, or other materials that change, alter, or make a license plate or plates illegible. License plate frames may be used on license plates only if the frames do not obscure license tabs or identifying letters or numbers on the plates and the license plates can be plainly seen and read at all times;

(d) Operate a vehicle unless a valid license plate or plates are attached as required under this section;

(e) Transfer a license plate or plates issued under this chapter between two or more vehicles without first making application to transfer the license plates. A violation of this subsection (7)(e) is a traffic infraction subject to a fine not to exceed five hundred dollars. Any law enforcement agency that determines that a license plate or plates have been transferred between two or more vehicles shall confiscate the license plate or plates and return them to the department for nullification along with full details of the reasons for confiscation. Each vehicle identified in the transfer will be issued a new license plate or plates upon application by the owner or owners and the payment of full fees and taxes; or

(f) Fail, neglect, or refuse to endorse the registration certificate, except as authorized under this section.

(8) **Transfer.** (a) Standard issue license plates must be replaced when ownership of the vehicle changes, pursuant to subsection (9)(a)(i) of this section, but the registered owner may retain the license plates and transfer them to a replacement vehicle of the same use. In addition to all other taxes and fees due upon change in ownership, a registered owner wishing to keep standard issue license plates shall pay the license plate transfer fee required under RCW 46.17.200(1)(c) when applying for license plate transfer.

(b) Special license plates and personalized license plates may be treated in the same manner as described in (a) of this subsection unless otherwise limited by law.

(c) License plates issued to the state or any county, city, town, school district, or other political subdivision entitled to exemption as provided by law may be treated in the same manner as described in (a) of this subsection.

(d) License plate replacement is not required when a change in vehicle ownership is the result of one or more of the following circumstances:

(i) When adding a lien holder to the certificate of title or removing a lien holder from the certificate of title;

(ii) When a vehicle is transferred from one spouse or registered domestic partner to another;

(iii) When removing a deceased spouse or registered domestic partner from the certificate of title;

(iv) When a vehicle is transferred by gift or inheritance to one or more members of the registered owner's immediate family;

(v) When a vehicle is transferred into or out of a trust in which the registered owner or one or more immediate family members of the registered owner is the beneficiary;

(vi) When a leaseholder buys out the leased vehicle; or

(vii) When a person changes his or her name.

(9) **Replacement.** (a) Except as provided in subsection (8)(a) of this section, an owner or the owner's authorized representative must apply for a replacement license plate or plates: (i) When taking ownership of the vehicle; (ii) if the current license plate or plates assigned to the vehicle have been lost, defaced, or destroyed; or (iii) if one or both plates have become so illegible or are in such a condition as to be difficult to distinguish. An owner or the owner's authorized representative may apply for a replacement license plate or plates at any time the owner chooses. The department shall offer to owners the option of retaining the current license plate number when obtaining replacement license plates for the fee required in RCW 46.17.200(1)(b).

(b) The application for a replacement license plate or plates must:

(i) Be on a form furnished or approved by the director; and

(ii) Be accompanied by the fee required under RCW 46.17.200(1)(a).

(c) When a vehicle is sold to a vehicle dealer for resale, the application for a replacement plate or plates need not be made until the vehicle is sold by the vehicle dealer.

(d) The department shall not require the payment of any fee to replace a license plate or plates for vehicles owned, rented, or leased by foreign countries or international bodies to which the United States government is a signatory by treaty.

(10) **Replacement—Exceptions.** The following license plates are not required to be replaced as required in subsection (9) of this section:

(a) Horseless carriage license plates issued under RCW 46.18.255 before January 1, 1987;

(b) Medal of Honor license plates issued under RCW 46.18.230;

(c) License plates for commercial motor vehicles with a gross weight greater than twenty-six thousand pounds.

(11) **Rules.** The department may adopt rules to implement this section.

(12) **Tabs or emblems.** The director may issue tabs or emblems to be attached to license plates or elsewhere on the vehicle to signify initial registration and renewals. Renewals become effective when tabs or emblems have been issued and properly displayed.

**Sec.**  RCW 46.18.277 and 2014 c 181 s 3 are each amended to read as follows:

(1) A registered owner may purchase personalized license plates with a special license plate background for any vehicle required to display one or two vehicle license plates, excluding:

(a) Amateur radio license plates;

(b) Collector vehicle license plates;

(c) Disabled American veteran license plates;

(d) Former prisoner of war license plates;

(e) Horseless carriage license plates;

(f) Intermittent-use trailer license plates;

(g) Medal of Honor license plates;

((~~(g)~~))(h) Military affiliate radio system license plates;

((~~(h)~~))(i) Pearl Harbor survivor license plates;

((~~(i)~~))(j) Restored license plates; and

((~~(j)~~))(k) Vehicles registered under chapter 46.87 RCW.

(2) Personalized special license plates issued under this section must:

(a) Consist of numbers or letters or any combination of numbers or letters;

(b) Not exceed seven characters; and

(c) Not contain less than one character.

(3) The department may not issue or may refuse to issue personalized special license plates that:

(a) Duplicate or conflict with existing or projected vehicle license plate series or other numbering systems for records kept by the department; or

(b) May carry connotations offensive to good taste and decency or which would be misleading.

(4) Personalized special license plates must be issued only to the registered owner of the vehicle on which they are to be displayed. The registered owner must:

(a) Pay both the personalized license plate fee required under RCW 46.17.210 and the special license plate fee required under the applicable special license plate provision, in addition to any other fee or taxes due. License plate fees must be distributed as provided in chapter 46.68 RCW;

(b) Renew personalized special license plates annually, regardless of whether or not the vehicle on which the personalized special license plates are displayed will be driven on the public highways;

(c) Surrender personalized special license plates that have not been renewed to the department. The failure to surrender expired personalized special license plates is a traffic infraction; and

(d) Immediately report to the department when personalized special license plates have been transferred to another vehicle or another owner.

(5) The department may establish rules as necessary to carry out this section including, but not limited to, identifying the maximum number of positions on personalized special license plates for motorcycles.

**Sec.**  RCW 46.19.060 and 2012 c 71 s 1 are each amended to read as follows:

(1) An additional fee may not be charged for special license plates for persons with disabilities except for any other fees and taxes required to be paid upon registration of a motor vehicle.

(2) A registered owner who qualifies for special parking privileges as described in RCW 46.19.010 may apply to the department for special license plates for persons with disabilities or special license plates with a special year tab for persons with disabilities. Special license plates with a special year tab for persons with disabilities are available on any special license plate created under chapter 46.18 RCW, except ((~~the~~)) collector vehicle license plates, horseless carriage license plates, intermittent-use trailer license plates, and ride share ((~~special~~)) license plates.

(3) A registered owner who chooses to purchase special license plates as described in subsection (2) of this section shall pay the applicable special license plate fee, in addition to any other fees or taxes required for registering a motor vehicle.

(4) Special license plates for persons with disabilities or special license plates with a special year tab for persons with disabilities must be renewed in the same manner and at the time required for the renewal of standard motor vehicle license plates under chapter 46.16A RCW.

(5) Special license plates for persons with disabilities or special license plates with a special year tab for persons with disabilities may be transferred from one motor vehicle to another motor vehicle owned by the person with the parking privilege upon application to the department, county auditor or other agent, or subagent appointed by the director.

(6) Special license plates for persons with disabilities or special license plates with a special year tab for persons with disabilities must be removed from the motor vehicle when the person with disabilities transfers or assigns his or her interest in the motor vehicle.

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

Before accepting an application for a vehicle registration, the department, county auditor or other agent, or subagent appointed by the director must require the applicant, unless specifically exempt, to pay an annual congestion reduction charge of twenty dollars for each vehicle subject to vehicle license fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), (n), (o), (p), or (q) and for each vehicle subject to gross weight license fees under RCW 46.17.355 with an unladen weight of six thousand pounds or less. The congestion reduction charge must be deposited into the motor vehicle fund created in RCW 46.68.070.

NEW SECTION. **Sec.**  2012 c 74 s 11 (uncodified) is repealed.

**II. DISTRIBUTION OF REVENUES**

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

SUSTAINABILITY ACCOUNT DISTRIBUTIONS. (1) Beginning July 2016, by the last day of July of each year, the state treasurer shall transfer from the sustainability account to the bicycle and pedestrian grant program account twelve million five hundred thousand dollars.

(2) Beginning July 2016, by the last day of July of each year, the state treasurer shall transfer from the sustainability account to the complete streets grant program account nine million seven hundred fifty thousand dollars.

(3) Beginning July 2016, by the last day of July of each year, the state treasurer shall transfer from the sustainability account to the multimodal transportation account six million dollars for the purpose of enhancing commute trip reduction efforts.

(4) Beginning July 1, 2016, and each biennium thereafter, the state treasurer shall transfer from the sustainability account to the Tacoma Narrows toll bridge account, state route number 520 corridor account, high occupancy toll lanes operations account, and Interstate 405 express toll lanes operations account an amount up to two million eighty-three thousand dollars or the amount necessary to compensate each account its equivalent value of the exemptions provided to electric vehicle cars by each facility.

(5) Beginning July 1, 2016, and each biennium thereafter, the state treasurer shall transfer from the sustainability account to the Puget Sound ferry operations account an amount up to two million eighty-three thousand dollars or the amount necessary to compensate the Puget Sound ferry operations account for the equivalent value of the exemptions provided to electric vehicle car and driver fares aboard Washington state ferries during the prior fiscal year.

(6) Beginning July 1, 2016, and each year thereafter, the state treasurer shall transfer from the sustainability account to the local green initiatives account three million seven hundred fifty thousand dollars.

(7) Beginning September 2017, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the sustainability account to the Puget Sound capital construction account thirteen million six hundred twenty-five thousand dollars.

(8) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the sustainability account to the Puget Sound ferry operations account two million seven hundred fifty thousand dollars.

(9) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the sustainability account to the state patrol highway account two million two hundred fifty thousand dollars. Beginning September 2017, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the sustainability account to the state patrol highway account one million one hundred twenty-five thousand dollars.

(10) Beginning July 2016, by the last day of July of each year, the state treasurer shall transfer six million six hundred sixty-seven thousand dollars from the sustainability account to the safe routes to school grant program account.

(11) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the sustainability account to the transportation improvement account four hundred twenty thousand dollars.

(12) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the sustainability account to the freight mobility multimodal account one million eight hundred thousand dollars.

(13) Beginning July 2016, by the last day of July of each year, the state treasurer shall transfer from the sustainability account to the essential rail assistance account one million two hundred thousand dollars.

(14) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the sustainability account to the regional mobility grant program account six million two hundred fifty thousand dollars.

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

MULTIMODAL TRANSPORTATION ACCOUNT. (1)(a) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer three million three hundred seventy-five thousand dollars from the multimodal transportation account to the public transportation grant program account for transit operations. Distributions must be based on the following conditions and limitations:

(i) One-third must be distributed based on vehicle miles of service provided;

(ii) One-third must be distributed based on the number of vehicle hours of service provided; and

(iii) One-third must be distributed based on the number of passenger trips.

(b) For purposes of this subsection, "vehicle miles of service," "vehicle hours of service," and "passenger trips" are transit service metrics as reported by the public transportation grant program of the department of transportation in the annual report required in RCW 35.58.2796 for calendar year 2011.

(2) Beginning June 2016, by the last day of June of each year, the state treasurer shall transfer twenty-five million dollars from the multimodal transportation account to the public transportation grant program account for transit capital investments.

**Sec.**  RCW 46.20.293 and 2012 c 74 s 4 are each amended to read as follows:

The department is authorized to provide juvenile courts with the department's record of traffic charges compiled under RCW 46.52.101 and 13.50.200, against any minor upon the request of any state juvenile court or duly authorized officer of any juvenile court of this state. Further, the department is authorized to provide any juvenile court with any requested service which the department can reasonably perform which is not inconsistent with its legal authority which substantially aids juvenile courts in handling traffic cases and which promotes highway safety.

The department is authorized to furnish to the parent, parents, or guardian of any person under eighteen years of age who is not emancipated from such parent, parents, or guardian, the department records of traffic charges compiled against the person and shall collect for the copy a fee of thirteen dollars, ((~~fifty~~)) thirty-eight and one-half percent of which must be deposited in the highway safety fund and ((~~fifty~~)) sixty-one and one-half percent of which must be deposited according to RCW 46.68.038.

**Sec.**  RCW 46.29.050 and 2012 c 74 s 5 are each amended to read as follows:

(1) The department shall upon request furnish any person or his or her attorney a certified abstract of his or her driving record, which abstract shall include enumeration of any motor vehicle accidents in which such person has been involved. Such abstract shall (a) indicate the total number of vehicles involved, whether the vehicles were legally parked or moving, and whether the vehicles were occupied at the time of the accident; and (b) contain reference to any convictions of the person for violation of the motor vehicle laws as reported to the department, reference to any findings that the person has committed a traffic infraction which have been reported to the department, and a record of any vehicles registered in the name of the person. The department shall collect for each abstract the sum of thirteen dollars, ((~~fifty~~)) thirty-eight and one-half percent of which shall be deposited in the highway safety fund and ((~~fifty~~)) sixty-one and one-half percent of which must be deposited according to RCW 46.68.038.

(2) The department shall upon request furnish any person who may have been injured in person or property by any motor vehicle, with an abstract of all information of record in the department pertaining to the evidence of the ability of any driver or owner of any motor vehicle to respond in damages. The department shall collect for each abstract the sum of thirteen dollars, ((~~fifty~~)) thirty-eight and one-half percent of which shall be deposited in the highway safety fund and ((~~fifty~~)) sixty-one and one-half percent of which must be deposited according to RCW 46.68.038.

**Sec.**  RCW 46.52.130 and 2012 c 74 s 6 and 2012 c 73 s 1 are each reenacted and amended to read as follows:

Upon a proper request, the department may furnish an abstract of a person's driving record as permitted under this section.

(1) **Contents of abstract of driving record.** An abstract of a person's driving record, whenever possible, must include:

(a) An enumeration of motor vehicle accidents in which the person was driving, including:

(i) The total number of vehicles involved;

(ii) Whether the vehicles were legally parked or moving;

(iii) Whether the vehicles were occupied at the time of the accident; and

(iv) Whether the accident resulted in a fatality;

(b) Any reported convictions, forfeitures of bail, or findings that an infraction was committed based upon a violation of any motor vehicle law;

(c) The status of the person's driving privilege in this state; and

(d) Any reports of failure to appear in response to a traffic citation or failure to respond to a notice of infraction served upon the named individual by an arresting officer.

(2) **Release of abstract of driving record.** An abstract of a person's driving record may be furnished to the following persons or entities:

(a) **Named individuals.** (i) An abstract of the full driving record maintained by the department may be furnished to the individual named in the abstract.

(ii) Nothing in this section prevents a court from providing a copy of the driver's abstract to the individual named in the abstract, provided that the named individual has a pending or open infraction or criminal case in that court. A pending case includes criminal cases that have not reached a disposition by plea, stipulation, trial, or amended charge. An open infraction or criminal case includes cases on probation, payment agreement or subject to, or in collections. Courts may charge a reasonable fee for the production and copying of the abstract for the individual.

(b) **Employers or prospective employers.** (i)(A) An abstract of the full driving record maintained by the department may be furnished to an employer or prospective employer or an agent acting on behalf of an employer or prospective employer of the named individual for purposes related to driving by the individual as a condition of employment or otherwise at the direction of the employer.

(B) Release of an abstract of the driving record of an employee or prospective employee requires a statement signed by: (I) The employee or prospective employee that authorizes the release of the record; and (II) the employer attesting that the information is necessary for employment purposes related to driving by the individual as a condition of employment or otherwise at the direction of the employer. If the employer or prospective employer authorizes an agent to obtain this information on their behalf, this must be noted in the statement.

(C) Upon request of the person named in the abstract provided under this subsection, and upon that same person furnishing copies of court records ruling that the person was not at fault in a motor vehicle accident, the department must indicate on any abstract provided under this subsection that the person was not at fault in the motor vehicle accident.

(ii) In addition to the methods described in (b)(i) of this subsection, the director may enter into a contractual agreement with an employer or its agent for the purpose of reviewing the driving records of existing employees for changes to the record during specified periods of time. The department shall establish a fee for this service, which must be deposited in the highway safety fund. The fee for this service must be set at a level that will not result in a net revenue loss to the state. Any information provided under this subsection must be treated in the same manner and is subject to the same restrictions as driving record abstracts.

(c) **Volunteer organizations.** (i) An abstract of the full driving record maintained by the department may be furnished to a volunteer organization or an agent for a volunteer organization for which the named individual has submitted an application for a position that would require driving by the individual at the direction of the volunteer organization.

(ii) Release of an abstract of the driving record of a prospective volunteer requires a statement signed by: (A) The prospective volunteer that authorizes the release of the record; and (B) the volunteer organization attesting that the information is necessary for purposes related to driving by the individual at the direction of the volunteer organization. If the volunteer organization authorizes an agent to obtain this information on their behalf, this must be noted in the statement.

(d) **Transit authorities.** An abstract of the full driving record maintained by the department may be furnished to an employee or agent of a transit authority checking prospective volunteer vanpool drivers for insurance and risk management needs.

(e) **Insurance carriers.** (i) An abstract of the driving record maintained by the department covering the period of not more than the last three years may be furnished to an insurance company or its agent:

(A) That has motor vehicle or life insurance in effect covering the named individual;

(B) To which the named individual has applied; or

(C) That has insurance in effect covering the employer or a prospective employer of the named individual.

(ii) The abstract provided to the insurance company must:

(A) Not contain any information related to actions committed by law enforcement officers or firefighters, as both terms are defined in RCW 41.26.030, or by Washington state patrol officers, while driving official vehicles in the performance of their occupational duty. This does not apply to any situation where the vehicle was used in the commission of a misdemeanor or felony;

(B) Include convictions under RCW 46.61.5249 and 46.61.525, except that the abstract must report the convictions only as negligent driving without reference to whether they are for first or second degree negligent driving; and

(C) Exclude any deferred prosecution under RCW 10.05.060, except that if a person is removed from a deferred prosecution under RCW 10.05.090, the abstract must show the deferred prosecution as well as the removal.

(iii) Any policy of insurance may not be canceled, nonrenewed, denied, or have the rate increased on the basis of information regarding an accident included in the abstract of a driving record, unless the policyholder was determined to be at fault.

(iv) Any insurance company or its agent, for underwriting purposes relating to the operation of commercial motor vehicles, may not use any information contained in the abstract relative to any person's operation of motor vehicles while not engaged in such employment. Any insurance company or its agent, for underwriting purposes relating to the operation of noncommercial motor vehicles, may not use any information contained in the abstract relative to any person's operation of commercial motor vehicles.

(v) The director may enter into a contractual agreement with an insurance company or its agent for the limited purpose of reviewing the driving records of existing policyholders for changes to the record during specified periods of time. The department shall establish a fee for this service, which must be deposited in the highway safety fund. The fee for this service must be set at a level that will not result in a net revenue loss to the state. Any information provided under this subsection must be treated in the same manner and is subject to the same restrictions as driving record abstracts.

(f) **Alcohol/drug assessment or treatment agencies.** An abstract of the driving record maintained by the department covering the period of not more than the last five years may be furnished to an alcohol/drug assessment or treatment agency approved by the department of social and health services to which the named individual has applied or been assigned for evaluation or treatment, for purposes of assisting employees in making a determination as to what level of treatment, if any, is appropriate, except that the abstract must:

(i) Also include records of alcohol-related offenses, as defined in RCW 46.01.260(2), covering a period of not more than the last ten years; and

(ii) Indicate whether an alcohol-related offense was originally charged as a violation of either RCW 46.61.502 or 46.61.504.

(g) **City attorneys and county prosecuting attorneys.** An abstract of the full driving record maintained by the department, including whether a recorded violation is an alcohol-related offense, as defined in RCW 46.01.260(2), that was originally charged as a violation of either RCW 46.61.502 or 46.61.504, may be furnished to city attorneys or county prosecuting attorneys. City attorneys and county prosecuting attorneys may provide the driving record to alcohol/drug assessment or treatment agencies approved by the department of social and health services to which the named individual has applied or been assigned for evaluation or treatment.

(h) **State colleges, universities, or agencies, or units of local government.** An abstract of the full driving record maintained by the department may be furnished to (i) state colleges, universities, or agencies for employment and risk management purposes or (ii) units of local government authorized to self-insure under RCW 48.62.031 for employment and risk management purposes.

(i) **Superintendent of public instruction.** An abstract of the full driving record maintained by the department may be furnished to the superintendent of public instruction for review of public school bus driver records. The superintendent or superintendent's designee may discuss information on the driving record with an authorized representative of the employing school district for employment and risk management purposes.

(3) **Release to third parties prohibited.** Any person or entity receiving an abstract of a person's driving record under subsection (2)(b) through (i) of this section shall use the abstract exclusively for his, her, or its own purposes or as otherwise expressly permitted under this section, and shall not divulge any information contained in the abstract to a third party.

(4) **Fee.** The director shall collect a thirteen dollar fee for each abstract of a person's driving record furnished by the department. ((~~Fifty~~)) Thirty-eight and one-half percent of the fee must be deposited in the highway safety fund, and ((~~fifty~~)) sixty-one and one-half percent of the fee must be deposited according to RCW 46.68.038.

(5) **Violation.** (a) Any negligent violation of this section is a gross misdemeanor.

(b) Any intentional violation of this section is a class C felony.

**Sec.**  RCW 46.68.020 and 2011 c 171 s 84 are each amended to read as follows:

The director shall forward all fees for certificates of title or other moneys accruing under chapters 46.12 and 46.17 RCW to the state treasurer, together with a proper identifying detailed report. The state treasurer shall credit these moneys as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| FEE | REQUIRED IN | ESTABLISHED IN | DISTRIBUTION |
| ORV certificate of title fee | RCW 46.09.320 | RCW 46.17.100 | RCW 47.66.070 |
| Original certificate of title | RCW 46.12.530 | RCW 46.17.100 | RCW 47.66.070 |
| Penalty for late transfer | RCW 46.12.650 | RCW 46.17.140 | RCW 47.66.070 |
| Motor change | RCW 46.12.590 | RCW 46.17.100 | RCW ((~~46.68.280~~)) 47.66.070 |
| Transfer certificate of title | RCW 46.12.650 | RCW 46.17.100 | RCW ((~~46.68.280~~)) 47.66.070 |
| Security interest changes | RCW 46.12.675 | RCW 46.17.100 | RCW ((~~46.68.280~~)) 47.66.070 |
| Duplicate certificate of title | RCW 46.12.580 | RCW 46.17.100 | RCW ((~~46.68.280~~)) 47.66.070 |
| Stolen vehicle check | RCW 46.12.570 | RCW 46.17.120 | RCW 46.68.070 |
| Vehicle identification number assignment | RCW 46.12.560 | RCW 46.17.135 | RCW 46.68.070 |

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

LOCAL OPTIONS. (1) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer two million dollars from the multimodal transportation account to cities ratably on the basis of population last determined by the office of financial management, for a biennial total of sixteen million dollars.

(2) Beginning September 2016, by the last day of September, December, March, and June of each year, the state treasurer shall transfer two million dollars from the multimodal transportation account to counties based upon the criteria set forth under RCW 46.68.124, for a biennial total of sixteen million dollars.

**DISTRIBUTION OF DRIVER'S LICENSE FEES**

**Sec.**  RCW 46.68.041 and 2004 c 95 s 15 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the department ((~~shall~~)) must forward all funds accruing under ((~~the provisions of~~)) chapter 46.20 RCW together with a proper identifying, detailed report to the state treasurer who ((~~shall~~)) must deposit such moneys to the credit of the highway safety fund.

(2)(a) Sixty-three percent of each fee collected by the department under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b) ((~~shall~~)) must be deposited in the impaired driving safety account.

(b)(i) Twenty-four dollars of each driver's license issuance fee paid under RCW 46.20.161 must be deposited in the Puget Sound ferry operations account.

(ii) If the driver's license issuance fee paid under RCW 46.20.161 is for a driver's license with a term of less than six years, theamount to be deposited in the Puget Sound ferry operations account is four dollars multiplied by the number of years in the term of the driver's license.

(c)(i)(A) Six dollars of each driver's license renewal fee paid under RCW 46.20.181(2) is for the sole use of the department of transportation for local programs.

(B)(I) Twenty-five percent of moneys received under this subsection (2)(c)(i) must be deposited in the freight mobility multimodal account for the freight mobility strategic investment board to meet urgent freight corridor improvement and preservation needs.

(II) Seventy-five percent of moneys received under this subsection (2)(c)(i) must be deposited in the safe routes to school grant program account created in section 303 of this act for safe routes to school grant program projects.

(ii) Twelve dollars of each driver's license renewal fee paid under RCW 46.20.181(2) must be deposited in the Puget Sound ferry operations account.

(iii) Three dollars of each driver's license renewal fee paid under RCW 46.20.181(2) must be deposited in the county arterial preservation account for the county road administration board for the county arterial preservation program.

(iv) Three dollars of each driver's license renewal fee paid under RCW 46.20.181(2) must be deposited into the state patrol highway account.

(d) Thirty dollars of each identicard fee paid under RCW 46.20.117 must be deposited in the transportation improvement account for the transportation improvement board.

(e)(i) Two dollars and fifty cents of each driver's instruction permit fee paid under RCW 46.20.055 must be deposited in the state patrol highway account.

(ii) Two dollars and fifty cents of each driver's instruction permit fee paid under RCW 46.20.055 must be deposited in the small city pavement and sidewalk account for the transportation improvement board small city pavement and sidewalk program.

(f) Fifteen dollars of each driver's licensing examination fee paid under RCW 46.20.120(2) must be deposited in the state patrol highway account.

(g) Five dollars of each duplicate or replacement fee paid under RCW 46.20.200 must be deposited in the state patrol highway account.

(h) One hundred seventy-five dollars of each hearing request feepaid under RCW 46.20.308 must be deposited in the state patrol highway account.

**III. ACCOUNTS**

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

The sustainability account is created in the multimodal transportation account. Expenditures from the account may be used only for transportation purposes.

NEW SECTION. **Sec.**  A new section is added to chapter 47.01 RCW to read as follows:

The bicycle and pedestrian grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for bicycle and pedestrian grants.

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

The safe routes to school grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for safe routes to school grants.

NEW SECTION. **Sec.**  A new section is added to chapter 47.01 RCW to read as follows:

(1) The local green initiatives account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes set forth in subsection (2) of this section.

(2) The department must establish a green initiatives grant program to assist cities, counties, tribes, transit, and nonprofit transportation providers to enhance their energy efficient efforts including, but not limited to, such things as conversion to electric vehicle fleets, establishment of electric vehicle charging stations, practical design training, conversion to LED lights, energy efficient research, establishing green building codes, and other energy efficient uses.

**Sec.**  RCW 46.68.390 and 2012 c 74 s 9 are each amended to read as follows:

(1) The public transportation grant program account is created in the state treasury. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for grants to aid transit authorities with operations and capital investments.

(2) The department of transportation shall create a new transit capital grant program for the purpose of assisting local governments achieve transit capital investment goals. Project awards must be made no later than October of each year.

(3) For purposes of this section, "transit authorities" has the same meaning as defined in RCW 9.91.025(2)(c).

**Sec.**  RCW 47.60.322 and 2014 c 59 s 1 are each amended to read as follows:

(1) The capital vessel replacement account is created in the motor vehicle fund. All revenues generated from the vessel replacement surcharge under RCW 47.60.315(7) and service fees collected by the department of licensing or county auditor or other agent appointed by the director under RCW 46.17.040 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the construction or purchase of ferry vessels or terminals, and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels or terminals. ((~~However, expenditures from the account must first be used to support the construction or purchase, including any applicable financing costs, of a ferry vessel with a carrying capacity of at least one hundred forty-four cars.~~))

(2) The state treasurer may not transfer any moneys from the capital vessel replacement account except to the transportation 2003 account (nickel account) and transportation partnership account for debt service on bonds issued for the construction of 144-car class ferry vessels or terminals.

**Sec.**  RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and 2014 c 32 s 6 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the bicycle and pedestrian grant program account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the complete streets grant program account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local green initiatives account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation grant program account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the safe routes to school grant program account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the sustainability account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

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

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

**Sec.**  RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and 2014 c 32 s 7 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the bicycle and pedestrian grant program account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the community forest trust account, the complete streets grant program account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local green initiatives account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation grant program account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the safe routes to school grant program account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the sustainability account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

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

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

NEW SECTION. **Sec.**  2012 c 74 s 18 (uncodified) is repealed.

**IV. TAX EXEMPTION/REVENUE SHIFT**

NEW SECTION. **Sec.**  (1) The legislature finds that the higher cost of alternative fuel vehicles incentivize consumers to purchase comparable models of conventional fuel vehicles. The legislature further finds the federal government provides federal tax credits and, under current law, Washington provides a retail sales and use tax exemption on the purchase of new and qualifying used alternative fuel vehicles to incentivize consumers to purchase alternative fuel vehicles. The legislature further finds incentivizing consumers to purchase alternative fuel vehicles is an important step to reduce vehicle greenhouse gas emissions.

(2)(a) This subsection is the tax preference performance statement for the alternative fuel vehicle tax exemptions provided in RCW 82.08.809 and 82.12.809. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes the tax preference as one intended to induce certain designated behavior by taxpayers and to improve industry competitiveness indicated in RCW 82.32.808(2) (a) and (b).

(c) It is the legislature's specific public policy objective to provide a sales and use tax exemption to increase sales of alternative fuel vehicles to fifty thousand by the year 2020 and reduce the difference of average cost between comparable models of alternative fuel vehicles and conventional fuel vehicles.

(d) To measure the effectiveness of the exemption provided in this act in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee must, at minimum, evaluate the following:

(i) Changes in number of alternative fuel vehicles registered in Washington;

(ii) Changes in the cost of alternative fuel vehicles;

(iii) Changes in the difference of average cost between comparable models of alternative fuel vehicles and conventional fuel vehicles.

(e)(i) The department of licensing and department of revenue must provide data needed for the joint legislative audit and review committee analysis in (d) of this subsection.

(ii) In addition to the data source described under (e)(i) of this subsection, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under (d) of this subsection.

**Sec.**  RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each amended to read as follows:

(1)(a) The tax levied by RCW 82.08.020 does not apply to sales of new passenger cars, light duty trucks, and medium duty passenger vehicles, which are exclusively powered by a clean alternative fuel.

(b) The tax levied by RCW 82.08.020 does not apply to sales of qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles, which were modified after their initial purchase, with an EPA certified conversion to be exclusively powered by a clean alternative fuel. "Qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles" means vehicles that:

(i) Are part of a fleet of at least five vehicles, all owned by the same person;

(ii) Have an odometer reading of less than thirty thousand miles;

(iii) Are less than two years past their original date of manufacture; and

(iv) Are being sold for the first time after modification.

(2) The seller must keep records necessary for the department to verify eligibility under this section.

(3) For sellers who electronically file their taxes, the department must provide a separate tax reporting line for exemption amounts claimed under this section.

(4) As used in this section, "clean alternative fuel" means natural gas, propane, hydrogen, or electricity, when used as a fuel in a motor vehicle that meets the California motor vehicle emission standards in Title 13 of the California code of regulations, effective January 1, 2005, and the rules of the Washington state department of ecology.

((~~(4)~~)) (5) This section expires July 1, ((~~2015~~)) 2025.

**Sec.**  RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each amended to read as follows:

(1)(a) Until July 1, ((~~2015~~)) 2025, the provisions of this chapter do not apply in respect to the ((~~use of~~))first sixty thousand dollars of the purchase price for new passenger cars, light duty trucks, and medium duty passenger vehicles, which are exclusively powered by a clean alternative fuel.

(b) Until July 1, ((~~2015~~)) 2025, the provisions of this chapter do not apply to the ((~~use of~~))first sixty thousand dollars of the purchase price for qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles, which were modified after their initial purchase with an EPA certified conversion to be exclusively powered by a clean alternative fuel. As used in this subsection, "qualifying used passenger cars, light duty trucks, and medium duty passenger vehicles" has the same meaning as provided in RCW 82.08.809.

(2) "Clean alternative fuel" has the same meaning as provided in RCW 82.08.809.

(3) A taxpayer is not liable for the tax imposed in RCW 82.12.020 on the use, on or after July 1, ((~~2015~~)) 2025, of a passenger car, light duty truck, or medium duty passenger vehicle exclusively powered by a clean alternative fuel, if the taxpayer used such vehicle in this state before July 1, ((~~2015~~)) 2025, and the use was exempt under this section from the tax imposed in RCW 82.12.020.

NEW SECTION. **Sec.**  A new section is added to chapter 82.32 RCW to read as follows:

Beginning in the calendar quarter immediately following the effective date of this section, and every quarter thereafter, the department of revenue must (1) submit a report to the departments of transportation and licensing summarizing the value of the exemptions granted under RCW 82.08.809 and 82.12.809 to eligible vehicles powered by a clean alternative fuel during the previous calendar quarter and (2) advise the state treasurer to transfer an equivalent amount in the months of October, January, April, and July from the multimodal transportation account to the state general fund for fiscal year 2016 and from the sustainability account to the state general fund until July 2025.

NEW SECTION. **Sec.**  A new section is added to chapter 82.32 RCW to read as follows:

(1) The state sales and use taxes imposed on the department of transportation for state transportation projects must be transferred from the state general fund to the motor vehicle fund created in RCW 46.68.070.

(2) For purposes of this section, "state transportation project" means a capital improvement, preservation, or construction project, authorized by the legislature and specifically referenced in a line-item project appropriation for the department of transportation, when the primary purpose of the project is to preserve or facilitate the safe and efficient transport of people or goods.

(3) Quarterly, beginning in the calendar quarter immediately following the calendar quarter that this section is enacted into law, the department of transportation must submit a report to the department of revenue detailing the amount of state sales and use tax paid during the previous calendar quarter on state transportation projects meeting the requirements in subsections (2) and (4) of this section. The quarterly reports: Must contain such other information as required by the department of revenue to administer this section; are due by the tenth day of March, June, September, and December; and must be provided in a form and manner acceptable to the department of revenue. The department of revenue must notify the state treasurer of the amount of the transfer by the last working day of each calendar quarter.

(4) The transfer required under this section applies to state transportation projects when construction improvements or preservation is initiated on or after the effective date of this section, and the project is funded with new transportation revenues adopted on or after the effective date of this section.

(5) For purposes of this section, "state sales and use tax" means the taxes imposed under RCW 82.08.020 and 82.12.020, not reduced by any sales or use taxes imposed under the authority of chapter 82.14 RCW that are deducted from or credited against the taxes imposed under RCW 82.08.020 and 82.12.020.

**V. LOCAL REVENUE OPTIONS**

**Sec.**  RCW 36.73.015 and 2012 c 152 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "City" means a city or town.

(2) "District" means a transportation benefit district created under this chapter.

(3) "Low-income" means household income that is at or below forty-five percent of the median household income, adjusted for household size, for the district in which the fees, taxes, or tolls were imposed.

(4) "Rebate program" means an optional program established by a transportation benefit district that includes a city with a population of five hundred thousand persons or more for the purpose of providing rebates to low-income individuals for fees, taxes, and/or tolls imposed by such transportation benefit district for: (a) Vehicle fees imposed under RCW 36.73.040(3)(b); (b) sales and use taxes imposed under RCW 36.73.040(3)(a); and/or (c) tolls imposed under RCW 36.73.040(3)(d).

(5) "Supplemental transportation improvement" or "supplemental improvement" means any project, work, or undertaking to provide public transportation service, in addition to a district's existing or planned voter-approved transportation improvements, proposed by a participating city member of the district under RCW 36.73.180.

(6) "Transportation improvement" means a project contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction as identified in RCW 36.73.020(2). A project may include, but is not limited to, investment in new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of local, regional, or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.

**Sec.**  RCW 36.73.020 and 2010 c 250 s 1 are each amended to read as follows:

(1) The legislative authority of a county or city may establish a transportation benefit district within the county or city area or within the area specified in subsection (2) of this section, for the purpose of acquiring, constructing, improving, providing, and funding a transportation improvement within the district that is consistent with any existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels. The transportation improvements shall be owned by the county of jurisdiction if located in an unincorporated area, by the city of jurisdiction if located in an incorporated area, or by the state in cases where the transportation improvement is or becomes a state highway. However, if deemed appropriate by the governing body of the transportation benefit district, a transportation improvement may be owned by a participating port district or transit district, unless otherwise prohibited by law. Transportation improvements shall be administered and maintained as other public streets, roads, highways, and transportation improvements. To the extent practicable, the district shall consider the following criteria when selecting transportation improvements:

(a) Reduced risk of transportation facility failure and improved safety;

(b) Improved travel time;

(c) Improved air quality;

(d) Increases in daily and peak period trip capacity;

(e) Improved modal connectivity;

(f) Improved freight mobility;

(g) Cost-effectiveness of the investment;

(h) Optimal performance of the system through time;

(i) Improved accessibility for, or other benefits to, persons with special transportation needs as defined in RCW 47.06B.012; and

(j) Other criteria, as adopted by the governing body.

(2) Subject to subsection (6) of this section, the district may include area within more than one county, city, port district, county transportation authority, reservation of a federally recognized tribe, or public transportation benefit area, if the legislative authority of each participating jurisdiction has agreed to the inclusion as provided in an interlocal agreement adopted pursuant to chapter 39.34 RCW. However, the boundaries of the district need not include all territory within the boundaries of the participating jurisdictions comprising the district.

(3) The members of the legislative authority proposing to establish the district, acting ex officio and independently, shall constitute the governing body of the district: PROVIDED, That where a district includes area within more than one jurisdiction under subsection (2) of this section, the district shall be governed under an interlocal agreement adopted pursuant to chapter 39.34 RCW, with the governing body being composed of (a) at least five members including at least one elected official from the legislative authority of each participating jurisdiction or (b) the governing body of the metropolitan planning organization serving the district, but only if the district boundaries are identical to the boundaries of the metropolitan planning organization serving the district.

(4) The treasurer of the jurisdiction proposing to establish the district shall act as the ex officio treasurer of the district, unless an interlocal agreement states otherwise.

(5) The electors of the district shall all be registered voters residing within the district.

(6) Prior to December 1, 2007, the authority under this section, regarding the establishment of or the participation in a district, shall not apply to:

(a) Counties with a population greater than one million five hundred thousand persons and any adjoining counties with a population greater than five hundred thousand persons;

(b) Cities with any area within the counties under (a) of this subsection; and

(c) Other jurisdictions with any area within the counties under (a) of this subsection.

**Sec.**  RCW 36.73.065 and 2012 c 152 s 3 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, taxes, fees, charges, and tolls may not be imposed by a district without approval of a majority of the voters in the district voting on a proposition at a general or special election. The proposition must include a specific description of: (a) The transportation improvement or improvements proposed by the district; (b) any rebate program proposed to be established under RCW 36.73.067; and (c) the proposed taxes, fees, charges, and the range of tolls imposed by the district to raise revenue to fund the improvement or improvements or rebate program, as applicable.

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

(3) A district may not increase any taxes, fees, charges, or range of tolls imposed or change a rebate program under this chapter once the taxes, fees, charges, tolls, or rebate program takes effect, unless authorized by the district voters pursuant to RCW 36.73.160 or up to forty dollars of the vehicle fee authorized in RCW 82.80.140 by the governing board of the district.

(4)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district, but not including territory in which a fee is currently being collected under RCW 82.80.140, may impose by a majority vote of the governing board of the district the following fees and charges:

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

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

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

(c)(i) A district solely comprised of a city or cities ((~~shall~~)) may not impose the fees or charges identified in (a) of this subsection within one hundred eighty days after July 22, 2007, unless the county in which the city or cities reside, by resolution, declares that it will not impose the fees or charges identified in (a) of this subsection within the one hundred eighty-day period; or

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

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

**Sec.**  RCW 82.80.140 and 2010 c 161 s 917 are each amended to read as follows:

(1) Subject to the provisions of RCW 36.73.065, a transportation benefit district under chapter 36.73 RCW may fix and impose an annual vehicle fee, not to exceed one hundred dollars per vehicle registered in the district, for each vehicle subject to vehicle license fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q) and for each vehicle subject to gross weight license fees under RCW 46.17.355 with a scale weight of six thousand pounds or less.

(2)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district, but not including territory in which a fee is currently beingcollected under this section, may impose by a majority vote of the governing board of the district up to ((~~twenty~~)) forty dollars of the vehicle fee authorized in subsection (1) of this section.

(i) If the district is countywide, the revenues of the fee ((~~shall~~)) must be distributed to each city within the ((~~county~~)) district by interlocal agreement that must be effective prior to imposition of the fee. The interlocal agreement is effective when approved by the ((~~county~~)) district and sixty percent of the cities representing seventy-five percent of the population of the cities within the ((~~county~~)) district in which the countywide fee is collected.

(ii) If the district is less than countywide, the revenues of the fee must be distributed to each city within the district by interlocal agreement that must be effective prior to imposition of the fee.

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

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

(ii) That, if combined with the fees previously imposed by another district within its boundaries under RCW 36.73.065(4)(a)(i), exceeds ((~~twenty~~)) forty dollars.

If a district imposes or increases a fee under this subsection (2) that, if combined with the fees previously imposed by another district within its boundaries, exceeds ((~~twenty~~)) forty dollars, the district shall provide a credit for the previously imposed fees so that the combined vehicle fee does not exceed ((~~twenty~~)) forty dollars.

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

(4) No fee under this section may be collected until six months after approval under RCW 36.73.065.

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

(6) The following vehicles are exempt from the fee under this section:

(a) Campers, as defined in RCW 46.04.085;

(b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and 46.04.181;

(c) Mopeds, as defined in RCW 46.04.304;

(d) Off-road and nonhighway vehicles, as defined in RCW 46.04.365;

(e) Private use single-axle trailer, as defined in RCW 46.04.422;

(f) Snowmobiles, as defined in RCW 46.04.546; and

(g) Vehicles registered under chapter 46.87 RCW and the international registration plan.

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

(1) The legislative body of any city pursuant to RCW 35.92.060, of any county which has created an unincorporated transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of any public transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090, of any county transportation authority established pursuant to chapter 36.57 RCW, and of any metropolitan municipal corporation within a county with a population of one million or more pursuant to chapter 35.58 RCW, may, by resolution or ordinance for the sole purpose of providing funds for the operation, maintenance, or capital needs of public transportation systems or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized by RCW 35.95.040, submit an authorizing proposition to the voters or include such authorization in a proposition to perform the function of public transportation or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and if approved by a majority of persons voting thereon, impose a sales and use tax in accordance with the terms of this chapter. Where an authorizing proposition is submitted by a county on behalf of an unincorporated transportation benefit area, it ((~~shall~~))must be voted upon by the voters residing within the boundaries of such unincorporated transportation benefit area and, if approved, the sales and use tax ((~~shall~~))may be imposed only within such area. Notwithstanding any provisions of this section to the contrary, any county in which a county public transportation plan has been adopted pursuant to RCW 36.57.070 and the voters of such county have authorized the imposition of a sales and use tax pursuant to the provisions of section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, ((~~shall be~~))is authorized to fix and impose a sales and use tax as provided in this section at not to exceed the rate so authorized without additional approval of the voters of such county as otherwise required by this section.

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

((~~(2)~~))(3)(a) In the event a metropolitan municipal corporation imposes a sales and use tax pursuant to this chapter no city, county which has created an unincorporated transportation benefit area, public transportation benefit area authority, or county transportation authority wholly within such metropolitan municipal corporation ((~~shall be~~))is empowered to impose and/or collect taxes under RCW 35.95.040 or this section, but nothing ((~~herein shall~~))in this section prevents such city or county from imposing sales and use taxes pursuant to any other authorization.

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

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

(4) The legislative body of a public transportation benefit area located in a county with a population of seven hundred thousand or more that also contains a city with a population of seventy-five thousand or more operating a transit system pursuant to chapter 35.95 RCW may submit an authorizing proposition to the voters and, if approved by a majority of persons voting on the proposition, impose a sales and use tax in accordance with the terms of this chapter of one-tenth, two-tenths, or three-tenths of one percent of the selling price, in the case of a sales tax, or value of the article used, in the case of a use tax, in addition to the rate in subsection (1) of this section.

NEW SECTION. **Sec.**  A new section is added to chapter 36.57A RCW to read as follows:

(1) A governing body of a public transportation benefit area may establish one or more passenger-only ferry service districts within all or a portion of the boundaries of the public transportation benefit area establishing the passenger-only ferry service district. A passenger-only ferry service district may include all or a portion of a city or town as long as all or a portion of the city or town boundaries are within the boundaries of the establishing public transportation benefit area. The members of the public transportation benefit area governing body proposing to establish the passenger-only ferry service district, acting ex officio and independently, shall constitute the governing body of the passenger-only ferry service district.

(2) A passenger-only ferry service district may establish, finance, and provide passenger-only ferry service, and associated services to support and augment passenger-only ferry service operation, within its boundaries in the same manner as authorized for public transportation benefit areas under this chapter.

(3) A passenger-only ferry service district constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may be conferred by statute including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, to acquire, hold, and dispose of real and personal property, and to sue and be sued. Public works contract limits applicable to the public transportation benefit area that established the passenger-only ferry service district apply to the area. For purposes of this section, "passenger-only ferry service district" means a quasi-municipal corporation and independent taxing authority within the meaning of Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, created by the legislative body of a public transportation benefit area.

(4) A passenger-only ferry service district may exercise the power of eminent domain to obtain property for its authorized purposes in the same manner as authorized for the public transportation benefit area that established the passenger-only ferry service district.

(5) Before a passenger-only ferry service district may provide passenger-only ferry service, it must develop a passenger-only ferry investment plan including elements: To operate or contract for the operation of passenger-only ferry services; to purchase, lease, or rent ferry vessels and dock facilities for the provision of transit service; and to identify other activities necessary to implement the plan. The plan must set forth terminal locations to be served, projected costs of providing services, and revenues to be generated from tolls, locally collected tax revenues, and other revenue sources. The plan must ensure that services provided under the plan are for the benefit of the residents of the passenger-only ferry service district. The passenger-only ferry service district may use any of its powers to carry out this purpose, unless otherwise prohibited by law. In addition, the passenger-only ferry service district may enter into contracts and agreements to operate passenger-only ferry service and public-private partnerships and design-build, general contractor/construction management, or other alternative procurement processes substantially consistent with chapter 39.10 RCW.

(6) A passenger-only ferry service district may be dissolved by a majority vote of the governing body when all obligations under any general obligation bonds issued by the passenger-only ferry service district have been discharged and any other contractual obligations of the passenger-only ferry service district have either been discharged or assumed by another governmental entity.

NEW SECTION. **Sec.**  A new section is added to chapter 36.57A RCW to read as follows:

(1) A passenger-only ferry service district may, as part of a passenger-only ferry investment plan, recommend some or all of the following revenue sources as provided in this chapter:

(a) A sales and use tax, as provided in section 508 of this act;

(b) A parking tax, as provided in section 509 of this act;

(c) Tolls for passengers and packages and, where applicable, parking; and

(d) Charges or licensing fees for advertising, leasing space for services to ferry passengers, and other revenue generating activities.

(2) Taxes may not be imposed without an affirmative vote of the majority of the voters within the boundaries of the passenger-only ferry service district voting on a single ballot proposition to both approve a passenger-only ferry investment plan and to approve taxes to implement the plan. Revenues from these taxes and fees may be used only to implement the plan and must be used for the benefit of the residents of the passenger-only ferry service district. A district may contract with the department of revenue or other appropriate entities for administration and collection of any of the taxes or charges authorized in this section.

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

Passenger-only ferry service districts providing passenger-only ferry service as provided in section 506 of this act may submit an authorizing proposition to the voters and, if approved by a majority of persons voting, fix and impose a sales and use tax in accordance with the terms of this chapter, solely for the purpose of providing passenger-only ferry service and associated services to support and augment passenger-only ferry service operation.

The tax authorized under this section is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of a taxable event within the taxing district. The maximum rate of the tax must be approved by the voters and may not exceed six- tenths of one percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

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

(1) Subject to the conditions of this section, a passenger-only ferry service district may fix and impose a parking tax on all persons engaged in a commercial parking business within its respective jurisdiction.

(2) In lieu of the tax in subsection (1) of this section, a passenger-only ferry service district may fix and impose a tax for the act or privilege of parking a motor vehicle in a facility operated by a commercial parking business.

The passenger-only ferry service district may provide that:

(a) The tax is paid by the operator or owner of the motor vehicle;

(b) The tax applies to all parking for which a fee is paid, whether paid or leased, including parking supplied with a lease of nonresidential space;

(c) The tax is collected by the operator of the facility and remitted to the city, county, or passenger-only ferry service district;

(d) The tax is a fee per vehicle or is measured by the parking charge;

(e) The tax rate varies with zoning or location of the facility, the duration of the parking, the time of entry or exit, the type or use of the vehicle, or other reasonable factors; and

(f) Tax exempt carpools, vehicles with handicapped decals, or government vehicles are exempt from the tax.

(3) "Commercial parking business" as used in this section, means the ownership, lease, operation, or management of a commercial parking lot in which fees are charged. "Commercial parking lot" means a covered or uncovered area with stalls for the purpose of parking motor vehicles.

(4) The rate of the tax under subsection (1) of this section may be based either upon gross proceeds or the number of vehicle stalls available for commercial parking use. The rates charged must be uniform for the same class or type of commercial parking business.

(5) The passenger-only ferry service district levying the tax provided for in subsection (1) or (2) of this section may provide for its payment on a monthly, quarterly, or annual basis.

NEW SECTION. **Sec.**  A new section is added to chapter 36.57A RCW to read as follows:

(1) A passenger-only ferry service district may form a local improvement district to provide any transportation improvement it has the authority to provide, impose special assessments on all property specially benefited by the transportation improvements, and issue special assessment bonds or revenue bonds to fund the costs of the transportation improvement. Local improvement districts must be created and assessments must be made and collected pursuant to chapters 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW.

(2) The governing body of the passenger-only ferry service district shall by resolution establish for each special assessment bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. The maximum term of any special assessment bonds may not exceed thirty years beyond the date of issue. Special assessment bonds issued pursuant to this section may not be an indebtedness of the passenger-only ferry service district issuing the bonds, and the interest and principal on the bonds may only be payable from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund that the passenger-only ferry service district has created. The owner or bearer of a special assessment bond or any interest coupon issued pursuant to this section shall not have any claim against the passenger-only ferry service district arising from the bond or coupon except for the payment from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund the passenger-only ferry service district has created. The passenger-only ferry service district issuing the special assessment bonds is not liable to the owner or bearer of any special assessment bond or any interest coupon issued pursuant to this section for any loss occurring in the lawful operation of its local improvement guaranty fund. The substance of the limitations included in this subsection must be plainly printed, written, or engraved on each special assessment bond issued pursuant to this section.

(3) Assessments must reflect any credits given by the passenger- only ferry service district for real property or property right donations made pursuant to RCW 47.14.030.

(4) The governing body of the passenger-only ferry service district may establish and pay moneys into a local improvement guaranty fund to guarantee special assessment bonds issued by the passenger-only ferry service district.

NEW SECTION. **Sec.**  A new section is added to chapter 36.57A RCW to read as follows:

(1) To carry out the purposes of this chapter, a passenger-only ferry service district may issue general obligation bonds, not to exceed an amount, together with any other outstanding nonvoter-approved general obligation indebtedness, equal to one and one-half percent of the value of the taxable property within the area, as the term "value of the taxable property" is defined in RCW 39.36.015. A passenger-only ferry service district may also issue general obligation bonds for capital purposes only, together with any outstanding general obligation indebtedness, not to exceed an amount equal to five percent of the value of the taxable property within the area, as the term "value of the taxable property" is defined in RCW 39.36.015, when authorized by the voters of the area pursuant to Article VIII, section 6 of the state Constitution.

(2) General obligation bonds with a maturity in excess of twenty- five years may not be issued. The governing body of the passenger-only ferry service district shall by resolution determine for each general obligation bond issue the amount, date, terms, conditions, denominations, maximum fixed or variable interest rate or rates, maturity or maturities, redemption rights, registration privileges, manner of execution, manner of sale, callable provisions, if any, covenants, and form, including registration as to principal and interest, registration as to principal only, or bearer. Registration may include, but not be limited to: (a) A book entry system of recording the ownership of a bond whether or not physical bonds are issued; or (b) recording the ownership of a bond together with the requirement that the transfer of ownership may only be effected by the surrender of the old bond and either the reissuance of the old bond or the issuance of a new bond to the new owner. Facsimile signatures may be used on the bonds and any coupons. Refunding general obligation bonds may be issued in the same manner as general obligation bonds are issued.

(3) Whenever general obligation bonds are issued to fund specific projects or enterprises that generate revenues, charges, user fees, or special assessments, the passenger-only ferry service district may specifically pledge all or a portion of the revenues, charges, user fees, or special assessments to refund the general obligation bonds. The passenger-only ferry service district may also pledge any other revenues that may be available to the area.

(4) In addition to general obligation bonds, a passenger-only ferry service district may issue revenue bonds to be issued and sold in accordance with chapter 39.46 RCW.

**Sec.**  RCW 81.104.140 and 2002 c 56 s 202 are each amended to read as follows:

(1) Agencies authorized to provide high capacity transportation service, including transit agencies and regional transit authorities, and regional transportation investment districts acting with the agreement of an agency, are hereby granted dedicated funding sources for such systems. These dedicated funding sources, as set forth in RCW 81.104.150, 81.104.160, ((~~and~~)) 81.104.170, and section 515 of this act, are authorized only for agencies located in (a) each county with a population of two hundred ten thousand or more and (b) each county with a population of from one hundred twenty-five thousand to less than two hundred ten thousand except for those counties that do not border a county with a population as described under (a) of this subsection. In any county with a population of one million or more or in any county having a population of four hundred thousand or more bordering a county with a population of one million or more, these funding sources may be imposed only by a regional transit authority or a regional transportation investment district. Regional transportation investment districts may, with the approval of the regional transit authority within its boundaries, impose the taxes authorized under this chapter, but only upon approval of the voters and to the extent that the maximum amount of taxes authorized under this chapter have not been imposed.

(2) Agencies planning to construct and operate a high capacity transportation system should also seek other funds, including federal, state, local, and private sector assistance.

(3) Funding sources should satisfy each of the following criteria to the greatest extent possible:

(a) Acceptability;

(b) Ease of administration;

(c) Equity;

(d) Implementation feasibility;

(e) Revenue reliability; and

(f) Revenue yield.

(4)(a) Agencies participating in regional high capacity transportation system development are authorized to levy and collect the following voter-approved local option funding sources:

((~~(a)~~))(i) Employer tax as provided in RCW 81.104.150, other than by regional transportation investment districts;

((~~(b)~~))(ii) Special motor vehicle excise tax as provided in RCW 81.104.160; ((~~and~~

~~(c)~~))(iii) Regular property tax as provided in section 515 of this act; and

(iv) Sales and use tax as provided in RCW 81.104.170.

(b) Revenues from these taxes may be used only to support those purposes prescribed in subsection (10) of this section. Before the date of an election authorizing an agency to impose any of the taxes enumerated in this section and authorized in RCW 81.104.150, 81.104.160, ((~~and~~)) 81.104.170, and section 515 of this act, the agency must comply with the process prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No construction on exclusive right‑of‑way may occur before the requirements of RCW 81.104.100(3) are met.

(5) Authorization in subsection (4) of this section ((~~shall~~))may not adversely affect the funding authority of transit agencies not provided for in this chapter. Local option funds may be used to support implementation of interlocal agreements with respect to the establishment of regional high capacity transportation service. Except when a regional transit authority exists, local jurisdictions ((~~shall~~))must retain control over moneys generated within their boundaries, although funds may be commingled with those generated in other areas for planning, construction, and operation of high capacity transportation systems as set forth in the agreements.

(6) Agencies planning to construct and operate high capacity transportation systems may contract with the state for collection and transference of voter-approved local option revenue.

(7) Dedicated high capacity transportation funding sources authorized in RCW 81.104.150, 81.104.160, ((~~and~~)) 81.104.170 ((~~shall be~~)), and section 515 of this act are subject to voter approval by a simple majority. A single ballot proposition may seek approval for one or more of the authorized taxing sources. The ballot title ((~~shall~~))must reference the document identified in subsection (8) of this section.

(8) Agencies ((~~shall~~))must provide to the registered voters in the area a document describing the systems plan and the financing plan set forth in RCW 81.104.100. It ((~~shall~~))must also describe the relationship of the system to regional issues such as development density at station locations and activity centers, and the interrelationship of the system to adopted land use and transportation demand management goals within the region. This document ((~~shall~~))must be provided to the voters at least twenty days prior to the date of the election.

(9) For any election in which voter approval is sought for a high capacity transportation system plan and financing plan pursuant to RCW 81.104.040, a local voter's pamphlet ((~~shall~~))must be produced as provided in chapter ((~~29.81A~~))29A.32 RCW.

(10) Agencies providing high capacity transportation service ((~~shall~~))must retain responsibility for revenue encumbrance, disbursement, and bonding. Funds may be used for any purpose relating to planning, construction, and operation of high capacity transportation systems and commuter rail systems, personal rapid transit, busways, bus sets, and entrained and linked buses.

**Sec.**  RCW 81.104.160 and 2010 c 161 s 903 are each amended to read as follows:

(1) Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, and regional transit authorities may submit an authorizing proposition to the voters, and if approved, may levy and collect an excise tax, at a rate approved by the voters, but not exceeding eighty one-hundredths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of the taxing district, solely for the purpose of providing high capacity transportation service. The maximum tax rate under this subsection does not include a motor vehicle excise tax approved before the effective date of this section if the tax will terminate on the date bond debt to which the tax is pledged is repaid. In any county imposing a motor vehicle excise tax surcharge pursuant to RCW 81.100.060, the maximum tax rate under this section must be reduced to a rate equal to eighty one-hundredths of one percent on the value less the equivalent motor vehicle excise tax rate of the surcharge imposed pursuant to RCW 81.100.060. This rate does not apply to vehicles licensed under RCW 46.16A.455 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16A.425 or 46.17.335(2). Notwithstanding any other provision of this subsection or chapter 82.44 RCW, a motor vehicle excise tax imposed by a regional transit authority before or after the effective date of this section must comply with chapter 82.44 RCW as it existed on January 1, 1996, until December 31st of the year in which the regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before the effective date of this section. Motor vehicle taxes collected by regional transit authorities after December 31st of the year in which a regional transit authority repays bond debt to which a motor vehicle excise tax was pledged before the effective date of this section must comply with chapter 82.44 RCW as it existed on the date the tax was approved by voters.

(2) An agency and high capacity transportation corridor area ((~~may~~))imposing a tax under subsection (1) of this section may also impose a sales and use tax solely for the purpose of providing high capacity transportation service, in addition to the tax authorized by RCW 82.14.030, upon retail car rentals within the applicable jurisdiction that are taxable by the state under chapters 82.08 and 82.12 RCW. The rate of tax ((~~shall~~))may not exceed 2.172 percent. The rate of tax imposed under this subsection must bear the same ratio of the 2.172 percent authorized that the rate imposed under subsection (1) of this section bears to the rate authorized under subsection (1) of this section. The base of the tax ((~~shall be~~))is the selling price in the case of a sales tax or the rental value of the vehicle used in the case of a use tax.

((~~Any motor vehicle excise tax previously imposed under the provisions of RCW 81.104.160(1) shall be repealed, terminated, and expire on December 5, 2002, except for a motor vehicle excise tax for which revenues have been contractually pledged to repay a bonded debt issued before December 5, 2002, as determined by~~ *~~Pierce County et al. v. State~~*~~, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds that were previously issued, the motor vehicle excise tax must comply with chapter 82.44 RCW as it existed on January 1, 1996.~~))

**Sec.**  RCW 81.104.170 and 2009 c 469 s 106 and 2009 c 280 s 5 are each reenacted and amended to read as follows:

(1) Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, public transportation benefit areas, high capacity transportation corridor areas, and regional transit authorities may submit an authorizing proposition to the voters and if approved by a majority of persons voting, fix and impose a sales and use tax in accordance with the terms of this chapter, solely for the purpose of providing high capacity transportation service.

(2) The tax authorized pursuant to this section ((~~shall be~~))is in addition to the tax authorized by RCW 82.14.030 and ((~~shall~~))must be collected from those persons who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the taxing district. The maximum rate of such tax ((~~shall~~))must be approved by the voters and ((~~shall~~))may not exceed one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The maximum rate of such tax that may be imposed ((~~shall~~))may not exceed ((~~nine~~‑~~tenths of one~~))1.4 percent in any county that imposes a tax under RCW 82.14.340, or within a regional transit authority if any county within the authority imposes a tax under RCW 82.14.340.

(3)(a) The exemptions in RCW 82.08.820 and 82.12.820 are for the state portion of the sales and use tax and do not extend to the tax authorized in this section.

(b) The exemptions in RCW 82.08.962 and 82.12.962 are for the state and local sales and use taxes and include the tax authorized by this section.

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

(1) A regional transit authority may impose a regular property tax levy in an amount not to exceed twenty-five cents per thousand dollars of the assessed value of property in the regional transit authority district in accordance with the terms of this section.

(2) Any tax imposed under this section must be used for the purpose of providing high capacity transportation service, as set forth in a proposition that is approved by a majority of the persons residing within the authority that vote on the proposition.

(3) Property taxes imposed under this section may be imposed for the period of time required to pay the cost to plan, design, construct, operate, and maintain the transit facilities set forth in the approved proposition. Property taxes pledged to repay bonds may be imposed at the pledged amount until the bonds are retired. After the bonds are retired, property taxes authorized under this section must be:

(a) Reduced to the level required to operate and maintain the regional transit authority’s transit facilities; or

(b) Terminated, unless the taxes have been extended by public vote.

(4) The limitations in RCW 84.52.043 do not apply to the tax authorized in this section.

(5) The limitation in RCW 84.55.010 does not apply to the first levy imposed under this section.

**Sec.**  RCW 84.52.043 and 2011 c 275 s 2 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named are as follows:

(1) Levies of the senior taxing districts are as follows: (a) The levy by the state may not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county may not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district may not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town may not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, may not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts that are protected under RCW 84.52.125; (j) levies by counties for transit-related purposes under RCW 84.52.140; ((~~and~~)) (k) the protected portion of the levies imposed under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county; and (l) levies imposed by a regional transit authority under section 515 of this act.

**Sec.**  RCW 84.52.043 and 2009 c 551 s 6 are each amended to read as follows:

Within and subject to the limitations imposed by RCW 84.52.050 as amended, the regular ad valorem tax levies upon real and personal property by the taxing districts hereafter named ((~~shall be~~))are as follows:

(1) Levies of the senior taxing districts ((~~shall be~~))are as follows: (a) The levy by the state ((~~shall~~))may not exceed three dollars and sixty cents per thousand dollars of assessed value adjusted to the state equalized value in accordance with the indicated ratio fixed by the state department of revenue to be used exclusively for the support of the common schools; (b) the levy by any county ((~~shall~~))may not exceed one dollar and eighty cents per thousand dollars of assessed value; (c) the levy by any road district ((~~shall~~))may not exceed two dollars and twenty-five cents per thousand dollars of assessed value; and (d) the levy by any city or town ((~~shall~~))may not exceed three dollars and thirty-seven and one-half cents per thousand dollars of assessed value. However any county is hereby authorized to increase its levy from one dollar and eighty cents to a rate not to exceed two dollars and forty-seven and one-half cents per thousand dollars of assessed value for general county purposes if the total levies for both the county and any road district within the county do not exceed four dollars and five cents per thousand dollars of assessed value, and no other taxing district has its levy reduced as a result of the increased county levy.

(2) The aggregate levies of junior taxing districts and senior taxing districts, other than the state, ((~~shall~~))may not exceed five dollars and ninety cents per thousand dollars of assessed valuation. The term "junior taxing districts" includes all taxing districts other than the state, counties, road districts, cities, towns, port districts, and public utility districts. The limitations provided in this subsection ((~~shall~~))do not apply to: (a) Levies at the rates provided by existing law by or for any port or public utility district; (b) excess property tax levies authorized in Article VII, section 2 of the state Constitution; (c) levies for acquiring conservation futures as authorized under RCW 84.34.230; (d) levies for emergency medical care or emergency medical services imposed under RCW 84.52.069; (e) levies to finance affordable housing for very low-income housing imposed under RCW 84.52.105; (f) the portions of levies by metropolitan park districts that are protected under RCW 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies for criminal justice purposes under RCW 84.52.135; (i) the portions of levies by fire protection districts that are protected under RCW 84.52.125; ((~~and~~)) (j) levies by counties for transit-related purposes under RCW 84.52.140; and (k) levies imposed by a regional transit authority under section 515 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 84.52 RCW to read as follows:

(1) A regional transit authority may impose a regular property tax levy in an amount not to exceed twenty-five cents per thousand dollars of the assessed value of property in the regional transit authority district in accordance with the terms of this section.

(2) Any tax imposed under this section must be used for the purpose of providing high capacity transportation service, as set forth in a proposition that is approved by a majority of the persons residing within the authority that vote on the proposition.

(3) Property taxes imposed under this section may be imposed for the period of time required to pay the cost to plan, design, construct, operate, and maintain the transit facilities set forth in the approved proposition. Property taxes pledged to repay bonds may be imposed at the pledged amount until the bonds are retired. After the bonds are retired, property taxes authorized under this section must be:

(a) Reduced to the level required to operate and maintain the regional transit authority’s transit facilities; or

(b) Terminated, unless the taxes have been extended by public vote.

(4) The limitations in RCW 84.52.043 do not apply to the tax authorized in this section.

(5) The limitation in RCW 84.55.010 does not apply to the first levy imposed under this section.

**Sec.**  RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor must recompute and establish a consolidated levy in the following manner:

(a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy takes precedence over all other levies and may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, 84.52.140, and the protected portion of the levy under RCW 86.15.160 by flood control zone districts in a county with a population of seven hundred seventy-five thousand or more that are coextensive with a county, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies must be reduced as follows:

(i) The portion of the levy by a metropolitan park district that has a population of less than one hundred fifty thousand and is located in a county with a population of one million five hundred thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the protected portion of the levy imposed under RCW 86.15.160 by a flood control zone district in a county with a population of seven hundred seventy-five thousand or more that is coextensive with a county must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.140 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district with a population of one hundred fifty thousand or more that is protected under RCW 84.52.120 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

(viii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated; and

(ix) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated.

(b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

(i) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or eliminated;

(ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts other than the portion of a levy protected under RCW 84.52.815 must be reduced on a pro rata basis or eliminated;

(iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, must be reduced on a pro rata basis or eliminated;

(iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, must be reduced on a pro rata basis or eliminated;

(v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) must be reduced on a pro rata basis or eliminated; and

(vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, must be reduced on a pro rata basis or eliminated.

**Sec.**  RCW 84.52.010 and 2009 c 551 s 7 are each amended to read as follows:

(1) Except as is permitted under RCW 84.55.050, all taxes ((~~shall~~))must be levied or voted in specific amounts.

(2) The rate percent of all taxes for state and county purposes, and purposes of taxing districts coextensive with the county, ((~~shall~~))must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the county, as shown by the completed tax rolls of the county, and the rate percent of all taxes levied for purposes of taxing districts within any county ((~~shall~~))must be determined, calculated and fixed by the county assessors of the respective counties, within the limitations provided by law, upon the assessed valuation of the property of the taxing districts respectively.

(3) When a county assessor finds that the aggregate rate of tax levy on any property, that is subject to the limitations set forth in RCW 84.52.043 or 84.52.050, exceeds the limitations provided in either of these sections, the assessor ((~~shall~~))must recompute and establish a consolidated levy in the following manner:

((~~(1)~~))(a) The full certified rates of tax levy for state, county, county road district, regional transit authority, and city or town purposes ((~~shall~~))must be extended on the tax rolls in amounts not exceeding the limitations established by law; however any state levy ((~~shall~~)) takes precedence over all other levies and ((~~shall~~))may not be reduced for any purpose other than that required by RCW 84.55.010. If, as a result of the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a metropolitan park district that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and 84.52.140, the combined rate of regular property tax levies that are subject to the one percent limitation exceeds one percent of the true and fair value of any property, then these levies ((~~shall~~))must be reduced as follows:

((~~(a)~~))(i) The levy imposed by a county under RCW 84.52.140 ((~~shall~~))must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ((~~shall~~))must be eliminated;

((~~(b)~~))(ii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a fire protection district that is protected under RCW 84.52.125 ((~~shall~~))must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ((~~shall~~))must be eliminated;

((~~(c)~~))(iii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a county under RCW 84.52.135 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

((~~(d)~~))(iv) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the levy imposed by a ferry district under RCW 36.54.130 must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or must be eliminated;

((~~(e)~~))(v) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, the portion of the levy by a metropolitan park district that is protected under RCW 84.52.120 ((~~shall~~))must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or ((~~shall~~))must be eliminated;

((~~(f)~~))(vi) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the levies imposed under RCW 84.34.230, 84.52.105, and any portion of the levy imposed under RCW 84.52.069 that is in excess of thirty cents per thousand dollars of assessed value, ((~~shall~~))must be reduced on a pro rata basis until the combined rate no longer exceeds one percent of the true and fair value of any property or ((~~shall~~))must be eliminated; and

((~~(g)~~))(vii) If the combined rate of regular property tax levies that are subject to the one percent limitation still exceeds one percent of the true and fair value of any property, then the thirty cents per thousand dollars of assessed value of tax levy imposed under RCW 84.52.069 ((~~shall~~))must be reduced until the combined rate no longer exceeds one percent of the true and fair value of any property or eliminated.

((~~(2)~~))(b) The certified rates of tax levy subject to these limitations by all junior taxing districts imposing taxes on such property ((~~shall~~))must be reduced or eliminated as follows to bring the consolidated levy of taxes on such property within the provisions of these limitations:

((~~(a)~~))(i) First, the certified property tax levy rates of those junior taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100, and 67.38.130 ((~~shall~~))must be reduced on a pro rata basis or eliminated;

((~~(b)~~))(ii) Second, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of flood control zone districts ((~~shall~~))must be reduced on a pro rata basis or eliminated;

((~~(c)~~))(iii) Third, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates of all other junior taxing districts, other than fire protection districts, regional fire protection service authorities, library districts, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts, and the first fifty cent per thousand dollars of assessed valuation levies for public hospital districts, ((~~shall~~))must be reduced on a pro rata basis or eliminated;

((~~(d)~~))(iv) Fourth, if the consolidated tax levy rate still exceeds these limitations, the first fifty cent per thousand dollars of assessed valuation levies for metropolitan park districts created on or after January 1, 2002, ((~~shall~~))must be reduced on a pro rata basis or eliminated;

((~~(e)~~))(v) Fifth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized to fire protection districts under RCW 52.16.140 and 52.16.160 and regional fire protection service authorities under RCW 52.26.140(1) (b) and (c) ((~~shall~~))must be reduced on a pro rata basis or eliminated; and

((~~(f)~~))(vi) Sixth, if the consolidated tax levy rate still exceeds these limitations, the certified property tax levy rates authorized for fire protection districts under RCW 52.16.130, regional fire protection service authorities under RCW 52.26.140(1)(a), library districts, metropolitan park districts created before January 1, 2002, under their first fifty cent per thousand dollars of assessed valuation levy, and public hospital districts under their first fifty cent per thousand dollars of assessed valuation levy, ((~~shall~~))must be reduced on a pro rata basis or eliminated.

**Sec.**  RCW 84.04.120 and 1999 c 153 s 69 are each amended to read as follows:

"Taxing district" ((~~shall be held and construed to mean and include~~))means the state and any county, city, town, port district, school district, road district, metropolitan park district, regional transit authority, water-sewer district, or other municipal corporation, now or hereafter existing, having the power or authorized by law to impose burdens upon property within the district in proportion to the value thereof, for the purpose of obtaining revenue for public purposes, as distinguished from municipal corporations authorized to impose burdens, or for which burdens may be imposed, for such purposes, upon property in proportion to the benefits accruing thereto.

**VI. MISCELLANEOUS**

NEW SECTION. **Sec.**  A new section is added to chapter 47.29 RCW to read as follows:

(1) A Washington electric vehicle infrastructure bank is hereby established. The Washington electric vehicle infrastructure bank shall provide financial assistance for the installation of publicly accessible electric vehicle charging stations within the state.

(2) Electric vehicle infrastructure receiving financial assistance must include both DC fast-charging stations and level 1 or 2 electric vehicle supply equipment. The department must confer with the Washington department of commerce, and seek input from experts representing local government, public utilities, electric vehicle manufacturer representatives, and current Washington state electric vehicle drivers to review information and advise the department on policies and priorities for deployment of public charging station locations.

(3) The department's public-private partnerships office must administer all funds dispersed and received, including any funds received under RCW 46.17.323 and deposited into the transportation innovative partnership account created under RCW 47.29.230. Prior to providing any financial assistance for electric vehicle infrastructure projects, the department must submit a business plan to the house of representatives and senate transportation committees of the legislature and to the governor's office.

(4) Annual progress reports must be transmitted to the legislature and governor as of December 1st of each year.

(5) This section expires July 1, 2025.

NEW SECTION. **Sec.**  A new section is added to chapter 43.135 RCW to read as follows:

RCW 43.135.034(4) does not apply to any transfer in this act.

NEW SECTION. **Sec.**  RCW 82.38.083 (Deductions—Handling losses—Reports) and 2013 c 225 s 205 are each repealed.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec.**  Sections 110, 113, 115, and 116 of this act apply to vehicle registrations that are due or become due on or after July 1, 2016.

NEW SECTION. **Sec.**  Section 123 of this act applies to vehicle registrations that are due or become due on or after July 1, 2022.

NEW SECTION. **Sec.**  Except for sections 123, 309, 404, 517, and 520 of this act, this act takes effect July 1, 2016.

NEW SECTION. **Sec.**  Section 123 of this act takes effect July 1, 2022.

NEW SECTION. **Sec.**  Sections 309 and 404 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect July 1, 2015.

NEW SECTION. **Sec.**  Section 307 of this act expires on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. **Sec.**  Section 308 of this act takes effect on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. **Sec.**  Sections 516 and 519 of this act expire January 1, 2018.

NEW SECTION. **Sec.**  Sections 517 and 520 of this act take effect January 1, 2018.

**--- END ---**