19

20

## HOUSE BILL 1809

State of Washington 66th Legislature 2019 Regular Session

By Representatives Orcutt and Caldier

Read first time 01/31/19. Referred to Committee on Transportation.

AN ACT Relating to requiring the beneficiaries of the Alaskan Way viaduct project to pay for cost overruns from the project; amending RCW 46.68.090, 46.68.126, 66.08.190, 66.24.065, 82.08.160, 82.14.320, 82.14.330, 82.14.410, 84.52.010, and 84.52.043; reenacting and amending RCW 69.50.540; adding a new section to chapter 82.14 RCW; adding a new section to chapter 84.52 RCW; and creating new sections.

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

NEW SECTION. Sec. 1. The legislature finds that the Alaskan Way 8 viaduct replacement project has experienced significant delays and 9 10 unanticipated costs. The state has committed substantial financial 11 resources to the project. The legislature further finds that, per RCW 12 47.01.402(6)(b), it was made clear from the outset that the state's contribution was not to exceed two billion four hundred million 13 14 dollars. Therefore, it is the intent of the legislature to ensure 15 that the state will not bear additional costs related to the project 16 by providing taxing authority to the city of Seattle to generate 17 sufficient local revenue to pay for cost overruns in the event that 18 the state or the city is found liable for these overruns.

Sec. 2. RCW 46.68.090 and 2015 3rd sp.s. c 44 s 105 are each amended to read as follows:

p. 1 HB 1809

- (1) All moneys that have accrued or may accrue to the motor vehicle fund from the fuel tax must be first expended for purposes enumerated in (a) and (b) of this subsection. The remaining net tax amount must be distributed monthly by the state treasurer in accordance with subsections (2) through (8) of this section.
- (a) For payment of refunds of fuel tax that has been paid and is refundable as provided by law;
- (b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the fuel tax, which sums must be distributed monthly.
- 13 (2) All of the remaining net tax amount collected under RCW 82.38.030(1) must be distributed as set forth in (a) through (j) of this subsection.
- 16 (a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;
  - (b)(i) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.
- (ii) The following criteria, listed in order of priority, must be used in determining which special category C projects have the highest priority:
  - (A) Accident experience;

1

2

3

4

5

7

8

9

10 11

12

19

2021

22

23

27

28

33

3435

36

- (B) Fatal accident experience;
- 29 (C) Capacity to move people and goods safely and at reasonable 30 speeds without undue congestion; and
- 31 (D) Continuity of development of the highway transportation 32 network.
  - (iii) Moneys deposited in the special category C account in the motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2)(b);
- 37 (c) For distribution to the Puget Sound ferry operations account 38 in the motor vehicle fund an amount equal to 2.3283 percent;
- 39 (d) For distribution to the Puget Sound capital construction 40 account in the motor vehicle fund an amount equal to 2.3726 percent;

p. 2 HB 1809

1 (e) For distribution to the transportation improvement account in 2 the motor vehicle fund an amount equal to 7.5597 percent;

3

4

5

9

10

1112

13

14

15

1617

18

19

20

2122

23

2425

26

2728

29

30

- (f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;
- 6 (g) For distribution to the cities and towns from the motor 7 vehicle fund an amount equal to 10.6961 percent in accordance with 8 RCW 46.68.110;
  - (h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there must be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;
  - (i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds must be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and must be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board must adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;
  - (j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.
- 31 (3) The remaining net tax amount collected under RCW 82.38.030(2) 32 must be distributed to the transportation 2003 account (nickel account).
- 34 (4) The remaining net tax amount collected under RCW 82.38.030(3) 35 must be distributed as follows:
- 36 (a) 8.3333 percent must be distributed to the incorporated cities 37 and towns of the state in accordance with RCW 46.68.110;
- 38 (b) 8.3333 percent must be distributed to counties of the state 39 in accordance with RCW 46.68.120; and

р. 3 НВ 1809

- 1 (c) The remainder must be distributed to the transportation 2 partnership account created in RCW 46.68.290.
- 3 (5) The remaining net tax amount collected under RCW 82.38.030(4) 4 must be distributed as follows:

5

7

8

17

18

19

2021

22

23

2425

26

27

28 29

- (a) 8.3333 percent must be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;
- (b) 8.3333 percent must be distributed to counties of the state in accordance with RCW 46.68.120; and
- 9 (c) The remainder must be distributed to the transportation 10 partnership account created in RCW 46.68.290.
- 11 (6) The remaining net tax amount collected under RCW 82.38.030 12 (5) and (6) must be distributed to the transportation partnership 13 account created in RCW 46.68.290.
- 14 (7) The remaining net tax amount collected under RCW 82.38.030 (7) and (8) must be distributed to the connecting Washington account 16 created in RCW 46.68.395.
  - (8) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on fuel.
  - (9) No funds may be distributed to the city of Seattle under this section unless the city has adopted one of the taxing options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns.
  - (a) Any funds that would otherwise be distributed to the city of Seattle must instead be transferred to the transportation partnership account—state in the Washington state department of transportation's highway improvements program.
- 30 (b) This subsection (9) is contingent upon findings by a court of 31 competent jurisdiction, in a judgment not subject to review, that 32 cost overruns related to the Alaskan Way viaduct replacement project 33 are the responsibility of the Washington state department of 34 transportation or the city of Seattle.
- 35 **Sec. 3.** RCW 46.68.126 and 2015 3rd sp.s. c 44 s 331 are each amended to read as follows:
- 37 (1) The state treasurer shall make four equal distributions by 38 the last day of September, December, March, and June of each fiscal 39 year to cities and counties based on the following allocations:

p. 4 HB 1809

(a) For fiscal years 2016 and 2017, five million four hundred sixty-nine thousand dollars from the motor vehicle fund created under RCW 46.68.070 and six million two hundred fifty thousand dollars from the multimodal transportation account created under RCW 47.66.070.

2.2

- (b) For fiscal year 2018 and thereafter, eleven million seven hundred nineteen thousand dollars from the motor vehicle fund created under RCW 46.68.070 and thirteen million three hundred ninety-three thousand dollars from the multimodal transportation account created under RCW 47.66.070.
- 10 (2) The amounts provided in subsection (1)(a) and (b) of this 11 section must be proportioned evenly between cities and counties. 12 Funds credited to cities must be distributed under RCW 46.68.110(4). 13 Funds credited to counties must be allocated under RCW 46.68.120(4).
  - (3) No funds may be distributed to the city of Seattle under this section unless the city has adopted one of the taxing options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns.
  - (a) Any funds that would otherwise be distributed to the city of Seattle must instead be transferred to the transportation partnership account—state in the Washington state department of transportation's highway improvements program.
  - (b) This subsection (3) is contingent upon findings by a court of competent jurisdiction, in a judgment not subject to review, that cost overruns related to the Alaskan Way viaduct replacement project are the responsibility of the Washington state department of transportation or the city of Seattle.
- **Sec. 4.** RCW 66.08.190 and 2012 2nd sp.s. c 5 s 8 are each 28 amended to read as follows:
  - (1) Prior to making distributions described in subsection (2) of this section, amounts must be retained to support allotments under RCW 43.88.110 from any legislative appropriation for municipal research and services. The legislative appropriation for such services must be in the amount specified under RCW 66.24.065.
  - (2) When excess funds are distributed during the months of June, September, December, and March of each year, all moneys subject to distribution must be disbursed to border areas, counties, cities, and towns as provided in RCW 66.24.065.
- 38 (3) The amount remaining after distributions under subsections 39 (1) and (2) of this section must be deposited into the general fund.

p. 5 HB 1809

(4) No funds may be distributed to the city of Seattle under this section unless the city has adopted one of the taxing options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns.

1

2

3

4

5 6

7

8

16

17 18

19 20

21

22 23

24

25

26

27 28

29

32

34

35

36 37

38

- (a) Any funds that would otherwise be distributed to the city of Seattle must instead be transferred to the transportation partnership account—state in the Washington state department of transportation's highway improvements program.
- (b) This subsection (4) is contingent upon findings by a court of 9 10 competent jurisdiction, in a judgment not subject to review, that 11 cost overruns related to the Alaskan Way viaduct replacement project are the responsibility of the Washington state department of 12 13 transportation or the city of Seattle.
- 14 **Sec. 5.** RCW 66.24.065 and 2012 c 2 s 302 are each amended to read as follows: 15
  - (1) The distribution of spirits license fees under RCW 66.24.630 and 66.24.055 through the liquor revolving fund to border areas, counties, cities, towns, and the municipal research center must be made in a manner that provides that each category of recipients receive, in the aggregate, no less than it received from the liquor revolving fund during comparable periods prior to December 8, 2011. An additional distribution of ten million dollars per year from the spirits license fees must be provided to border areas, counties, cities, and towns through the liquor revolving fund for the purpose of enhancing public safety programs.
  - (2) No funds may be distributed to the city of Seattle under this section unless the city has adopted one of the taxing options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns.
- (a) Any funds that would otherwise be distributed to the city of 30 31 Seattle must instead be transferred to the transportation partnership account—state in the Washington state department of transportation's 33 highway improvements program.
  - (b) This subsection (2) is contingent upon findings by a court of competent jurisdiction, in a judgment not subject to review, that cost overruns related to the Alaskan Way viaduct replacement project are the responsibility of the Washington state department of transportation or the city of Seattle.

HB 1809 p. 6

Sec. 6. RCW 69.50.540 and 2018 c 299 s 910 and 2018 c 201 s 8014 are each reenacted and amended to read as follows:

3

4

5

7

8

9

10

1112

13

14

1516

17

18

19

2021

22

23

2425

26

2728

29

30 31

32

33

34

3536

37

3839

The legislature must annually appropriate moneys in the dedicated marijuana account created in RCW 69.50.530 as follows:

- (1) For the purposes listed in this subsection (1), the legislature must appropriate to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis:
- (a) Beginning July 1, 2017, one hundred twenty-five thousand dollars to the health care authority to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and state liquor and cannabis board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;
- (b) Beginning July 1, 2017, fifty thousand dollars to the health care authority for the purpose of contracting with the Washington state institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550;
- (c) Beginning July 1, 2017, five thousand dollars to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by marijuana use;
- (d)(i) An amount not less than one million two hundred fifty thousand dollars to the state liquor and cannabis board for administration of this chapter as appropriated in the omnibus appropriations act;

p. 7 HB 1809

(ii) Two million six hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2018 and three hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2019 to the health professions account established under RCW 43.70.320 for the development and administration of the marijuana authorization database by the department of health;

- (iii) Two million eight hundred three thousand dollars for fiscal year 2019 to the Washington state patrol for a drug enforcement task force. It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium; and
- (iv) Ninety-eight thousand dollars for fiscal year 2019 to the department of ecology for research on accreditation of marijuana product testing laboratories.
- (e) Twenty-three thousand seven hundred fifty dollars to the department of enterprise services provided solely for the state building code council established under RCW 19.27.070, to develop and adopt fire and building code provisions related to marijuana processing and extraction facilities. The distribution under this subsection (1)(e) is for fiscal year 2016 only;
- (2) From the amounts in the dedicated marijuana account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed in this subsection (2) as follows:
- (a) (i) Up to fifteen percent to the health care authority for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women; PROVIDED, That:
- (A) Of the funds appropriated under (a) (i) of this subsection for new programs and new services, at least eighty-five percent must be directed to evidence-based or research-based programs and practices that produce objectively measurable results and, by September 1, 2020, are cost-beneficial; and
- 39 (B) Up to fifteen percent of the funds appropriated under (a)(i) 40 of this subsection for new programs and new services may be directed

p. 8 HB 1809

to proven and tested practices, emerging best practices, or promising practices.

- (ii) In deciding which programs and practices to fund, the director of the health care authority must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute.
- (iii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of twenty-seven million seven hundred eighty-six thousand dollars, and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of twenty-five million five hundred thirty-six thousand dollars under this subsection (2)(a);
- 14 (b)(i) Up to ten percent to the department of health for the following, subject to (b)(ii) of this subsection (2):
- 16 (A) Creation, implementation, operation, and management of a 17 marijuana education and public health program that contains the 18 following:
  - (I) A marijuana use public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing the harms associated with marijuana use, and does not solely advocate an abstinence-only approach;
  - (II) A grants program for local health departments or other local community agencies that supports development and implementation of coordinated intervention strategies for the prevention and reduction of marijuana use by youth; and
  - (III) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by marijuana use;
    - (B) The Washington poison control center; and
  - (C) During the 2015-2017 fiscal biennium, the funds appropriated under this subsection (2)(b) may be used for prevention activities that target youth and populations with a high incidence of tobaccouse.
- (ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of seven million five hundred thousand dollars and for each subsequent fiscal year thereafter, the

p. 9 HB 1809

legislature must appropriate a minimum of nine million seven hundred fifty thousand dollars under this subsection (2)(b);

- (c)(i) Up to six-tenths of one percent to the University of Washington and four-tenths of one percent to Washington State University for research on the short and long-term effects of marijuana use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research.
- (ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of two hundred seven thousand dollars and for each subsequent fiscal year, except for the 2017-2019 fiscal biennium, the legislature must appropriate a minimum of one million twenty-one thousand dollars to the University of Washington. For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of one hundred thirty-eight thousand dollars and for each subsequent fiscal year thereafter, except for the 2017-2019 fiscal biennium, a minimum of six hundred eighty-one thousand dollars to Washington State University under this subsection (2)(c). It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium;
- (d) Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;
- (e) Five percent to the Washington state health care authority to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;
- (f)(i) Up to three-tenths of one percent to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW.
- (ii) For the fiscal year beginning July 1, 2016, and each subsequent fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and
- (g) At the end of each fiscal year, the treasurer must transfer any amounts in the dedicated marijuana account that are not appropriated pursuant to subsection (1) of this section and this

p. 10 HB 1809

subsection (2) into the general fund, except as provided in (g)(i) of this subsection (2).

- (i) Beginning in fiscal year 2018, if marijuana excise tax collections deposited into the general fund in the prior fiscal year exceed twenty-five million dollars, then each fiscal year the legislature must appropriate an amount equal to thirty percent of all marijuana excise taxes deposited into the general fund the prior fiscal year to the treasurer for distribution to counties, cities, and towns as follows:
- (A) Thirty percent must be distributed to counties, cities, and towns where licensed marijuana retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed marijuana retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.
- (B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer.
- (ii) Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter.
- (iii) By September 15th of each year, the state liquor and cannabis board must provide the state treasurer the annual distribution amount, if any, for each county and city as determined in (g) (i) of this subsection (2).
- (iv) The total share of marijuana excise tax revenues distributed to counties and cities in (g)(i) of this subsection (2) may not exceed fifteen million dollars in fiscal years 2018 and 2019 and twenty million dollars per fiscal year thereafter. It is the intent of the legislature that the policy for the maximum distributions in the subsequent fiscal biennia will be no more than fifteen million dollars per fiscal year.

p. 11 HB 1809

1 (v) No funds may be distributed to the city of Seattle under this subsection (2)(q) unless the city has adopted one of the taxing 3 options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns. 4

2

17

18

19 20

21

22 23

24

25

26

27

28

29

30

31

32

33 34

35

36

37

- (A) Any funds that would otherwise be distributed to the city of 5 6 Seattle must instead be transferred to the transportation partnership 7 account—state in the Washington state department of transportation's 8 highway improvements program.
- (B) This subsection (2)(g)(v) is contingent upon findings by a 9 10 court of competent jurisdiction, in a judgment not subject to review, that cost overruns related to the Alaskan Way viaduct replacement 11 12 project are the responsibility of the Washington state department of 13 transportation or the city of Seattle.
- For the purposes of this section, "marijuana products" means 14 "useable marijuana," "marijuana concentrates," and "marijuana-infused 15 products" as those terms are defined in RCW 69.50.101. 16
  - **Sec. 7.** RCW 82.08.160 and 2015 3rd sp.s. c 4 s 975 are each amended to read as follows:
  - (1) On or before the twenty-fifth day of each month, all taxes collected under RCW 82.08.150 during the preceding month must be remitted to the state department of revenue, to be deposited with the state treasurer. Except as provided in subsections (2), (3), (4), and (5) of this section, upon receipt of such moneys the state treasurer must credit sixty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) and one hundred percent of the sums collected and remitted under RCW 82.08.150 (3) and (4) to the state general fund and thirty-five percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) to a fund which is hereby created to be known as the "liquor excise tax fund."
  - (2) During the 2012 fiscal year, 66.19 percent of the sums collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the state general fund and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund.
  - (3) During fiscal year 2013, all funds collected under RCW 82.08.150 (1), (2), (3), and (4) must be deposited into the state general fund.
- 38 (4) During the 2013-2015 fiscal biennium, seventy-seven and one-half percent of the sums collected and remitted under RCW 39

p. 12 HB 1809 82.08.150 (1) and (2) must be deposited in the state general fund, and the remainder collected and remitted under RCW 82.08.150 (1) and (2) must be deposited in the liquor excise tax fund. The amendments in ((this)) section 923, chapter 221, Laws of 2014 are curative, clarifying, and remedial and apply retroactively to July 1, 2013.

6

7

8

9

10

1112

13

25

26

27

28

29

30 31

32

33

34

35

36

37

- (5) During the 2015-2017 fiscal biennium, the liquor excise tax fund may be appropriated for the local government fiscal note program in the department of commerce. It is the intent of the legislature to continue these policies in the 2017-2019 fiscal biennium.
- (6) No funds may be distributed to the city of Seattle under this section unless the city has adopted one of the taxing options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns.
- 14 <u>(a) Any funds that would otherwise be distributed to the city of</u>
  15 <u>Seattle must instead be transferred to the transportation partnership</u>
  16 <u>account—state in the Washington state department of transportation's</u>
  17 highway improvements program.
- 18 (b) This subsection (6) is contingent upon findings by a court of
  19 competent jurisdiction, in a judgment not subject to review, that
  20 cost overruns related to the Alaskan Way viaduct replacement project
  21 are the responsibility of the Washington state department of
  22 transportation or the city of Seattle.
- NEW SECTION. Sec. 8. A new section is added to chapter 82.14 RCW to read as follows:
  - (1) The legislative authority of a city with a population greater than six hundred thousand may fix and impose a sales and use tax in accordance with the terms of this chapter. The tax 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 any taxable event within the city. The rate of tax may not exceed 0.1 percent of the selling price in the case of a sales tax or the value of the article used in the case of a use tax.
  - (2) (a) Moneys collected under this section may only be used to finance the payment of cost overruns incurred as the result of the Alaskan Way viaduct replacement project authorized in RCW 47.01.402(6)(b).
- 38 (b) When sufficient revenue to cover the payment as specified in 39 this subsection has been generated by the tax authorized in this

р. 13 НВ 1809

section, the city may no longer collect the tax. Any excess funds generated may be used only to pay for existing transportation projects.

4

5

7

8

21

2223

24

2526

27

28

2930

31

32

33

- (3) This section is contingent upon findings by a court of competent jurisdiction, in a judgment not subject to review, that cost overruns related to the Alaskan Way viaduct replacement project are the responsibility of the Washington state department of transportation or the city of Seattle.
- 9 (a) Upon such finding, the legislative authority authorized in 10 this section must adopt the tax authorized by this section at its 11 earliest next opportunity.
- 12 (b) In the event that the city does not meet the deadline in (a)
  13 of this subsection, distribution of state shared revenues thereto
  14 authorized under RCW 48.68.090, 66.08.190, 66.24.065, 69.50.540,
  15 82.08.160, 82.14.320, and 82.14.330 must cease immediately. The
  16 revenues must instead be transferred to the transportation
  17 partnership account—state in the Washington state department of
  18 transportation's highway improvements program.
- 19 **Sec. 9.** RCW 82.14.320 and 2011 1st sp.s. c 50 s 971 are each 20 amended to read as follows:
  - (1) The municipal criminal justice assistance account is created in the state treasury. Beginning in fiscal year 2000, the state treasurer must transfer into the municipal criminal justice assistance account for distribution under this section from the general fund the sum of four million six hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year.
  - (2) No city may receive a distribution under this section from the municipal criminal justice assistance account unless:
- 34 (a) The city has a crime rate in excess of one hundred twenty-35 five percent of the statewide average as calculated in the most 36 recent annual report on crime in Washington state as published by the 37 Washington association of sheriffs and police chiefs;

p. 14 HB 1809

(b) The city has levied the tax authorized in RCW 82.14.030(2) at the maximum rate or the tax authorized in RCW 82.46.010(3) at the maximum rate; and

- (c) The city has a per capita yield from the tax imposed under RCW 82.14.030(1) at the maximum rate of less than one hundred fifty percent of the statewide average per capita yield for all cities from such local sales and use tax.
- (3) The moneys deposited in the municipal criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (7) of this section, must be distributed at such times as distributions are made under RCW 82.44.150. The distributions must be made as follows:
- (a) Unless reduced by this subsection, thirty percent of the moneys must be distributed ratably based on population as last determined by the office of financial management to those cities eligible under subsection (2) of this section that have a crime rate determined under subsection (2) (a) of this section which is greater than one hundred seventy-five percent of the statewide average crime rate. No city may receive more than fifty percent of any moneys distributed under this subsection (a) but, if a city distribution is reduced as a result of exceeding the fifty percent limitation, the amount not distributed must be distributed under (b) of this subsection.
- (b) The remainder of the moneys, including any moneys not distributed in subsection (2)(a) of this section, must be distributed to all cities eligible under subsection (2) of this section ratably based on population as last determined by the office of financial management.
- (4) No city may receive more than thirty percent of all moneys distributed under subsection (3) of this section.
- (5) Notwithstanding other provisions of this section, the distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), must be made to the county in which the city is located.
- (6) Moneys distributed under this section must be expended exclusively for criminal justice purposes and may not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice

p. 15 HB 1809

1 system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence 2 3 services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in 4 70.123.020, and publications and public educational efforts designed 5 6 to provide information and assistance to parents in dealing with runaway or at-risk youth. Existing funding for purposes of this 7 subsection is defined as calendar year 1989 actual operating 8 expenditures for criminal justice purposes. Calendar year 1989 actual 9 10 operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to 11 12 reoccur, changes in contract provisions for criminal services, beyond the control of the local jurisdiction receiving the 13 services, and major nonrecurring capital expenditures. 14

(7) Not more than five percent of the funds deposited to the municipal criminal justice assistance account may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements may not supplant existing funds from the state general fund.

15

16

17

18 19

2021

22

23

24

25

2627

28

29

30

3132

- (8) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the municipal criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.
- (9) No funds may be distributed to the city of Seattle under this section unless the city has adopted one of the taxing options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns.
- (a) Any funds that would otherwise be distributed to the city of Seattle must instead be transferred to the transportation partnership account—state in the Washington state department of transportation's highway improvements program.
- 33 (b) This subsection (9) is contingent upon findings by a court of 34 competent jurisdiction, in a judgment not subject to review, that 35 cost overruns related to the Alaskan Way viaduct replacement project 36 are the responsibility of the Washington state department of 37 transportation or the city of Seattle.
- 38 **Sec. 10.** RCW 82.14.330 and 2011 1st sp.s. c 50 s 972 are each 39 amended to read as follows:

р. 16 НВ 1809

(1) (a) Beginning in fiscal year 2000, the state treasurer must transfer into the municipal criminal justice assistance account for distribution under this section from the general fund the sum of four million six hundred thousand dollars divided into four equal deposits occurring on July 1, October 1, January 1, and April 1. For each fiscal year thereafter, the state treasurer must increase the total transfer by the fiscal growth factor, as defined in RCW 43.135.025, forecast for that fiscal year by the office of financial management in November of the preceding year. The moneys deposited in the municipal criminal justice assistance account for distribution under this section, less any moneys appropriated for purposes under subsection (4) of this section, must be distributed to the cities of the state as follows:

1

2

3

4

5

7

8

9

10 11

12

1314

1516

17

18

19

20

21

22

2324

25

26

27

28

29

30

31

3233

34

35

36

37

3839

40

- Twenty percent appropriated for distribution distributed to cities with a three-year average violent crime rate for each one thousand in population in excess of one hundred fifty percent of the statewide three-year average violent crime rate for each one thousand in population. The three-year average violent crime rate must be calculated using the violent crime rates for each of the preceding three years from the annual reports on crime in Washington state as published by the Washington association of sheriffs and police chiefs. Moneys must be distributed under this subsection (1) (a) ratably based on population as last determined by the office of financial management, but no city may receive more than one dollar per capita. Moneys remaining undistributed under this subsection at the end of each calendar year must be distributed to the criminal justice training commission to reimburse participating city law enforcement agencies with ten or fewer full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training, as provided in RCW 43.101.200.
- (ii) Sixteen percent must be distributed to cities ratably based on population as last determined by the office of financial management, but no city may receive less than one thousand dollars.
- (b) The moneys deposited in the municipal criminal justice assistance account for distribution under this subsection (1) must be distributed at such times as distributions are made under RCW 82.44.150.
- (c) Moneys distributed under this subsection (1) must be expended exclusively for criminal justice purposes and may not be used to

p. 17 HB 1809

replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in 70.123.020. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures. 

(2)(a) In addition to the distributions under subsection (1) of this section:

- (i) Ten percent must be distributed on a per capita basis to cities that contract with another governmental agency for the majority of the city's law enforcement services. Cities that subsequently qualify for this distribution must notify the department of commerce by November 30th for the upcoming calendar year. The department of commerce must provide a list of eligible cities to the state treasurer by December 31st. The state treasurer must modify the distribution of these funds in the following year. Cities have the responsibility to notify the department of commerce of any changes regarding these contractual relationships. Adjustments in the distribution formula to add or delete cities may be made only for the upcoming calendar year; no adjustments may be made retroactively.
- (ii) The remaining fifty-four percent must be distributed to cities and towns by the state treasurer on a per capita basis. These funds must be used for: (A) Innovative law enforcement strategies; (B) programs to help at-risk children or child abuse victim response programs; and (C) programs designed to reduce the level of domestic violence or to provide counseling for domestic violence victims.
- (b) The moneys deposited in the municipal criminal justice assistance account for distribution under this subsection (2), less any moneys appropriated for purposes under subsection (4) of this section, must be distributed at the times as distributions are made under RCW 82.44.150. Moneys remaining undistributed under this subsection at the end of each calendar year must be distributed to

p. 18 HB 1809

the criminal justice training commission to reimburse participating city law enforcement agencies with ten or fewer full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training, as provided in RCW 43.101.200.

- (c) If a city is found by the state auditor to have expended funds received under this subsection (2) in a manner that does not comply with the criteria under which the moneys were received, the city is ineligible to receive future distributions under this subsection (2) until the use of the moneys are justified to the satisfaction of the director or are repaid to the state general fund.
- (3) Notwithstanding other provisions of this section, the distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), must be made to the county in which the city is located.
- (4) Not more than five percent of the funds deposited to the municipal criminal justice assistance account may be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Funds appropriated from this account for such enhancements may not supplant existing funds from the state general fund.
- (5) During the 2011-2013 fiscal biennium, the amount that would otherwise be transferred into the municipal criminal justice assistance account from the general fund under subsection (1) of this section must be reduced by 3.4 percent.
- (6) No funds may be distributed to the city of Seattle under this section unless the city has adopted one of the taxing options as authorized by sections 8 and 12 of this act to pay for Alaskan Way viaduct replacement project cost overruns.
- (a) Any funds that would otherwise be distributed to the city of Seattle must instead be transferred to the transportation partnership account—state in the Washington state department of transportation's highway improvements program.
- (b) This subsection (6) is contingent upon findings by a court of competent jurisdiction, in a judgment not subject to review, that cost overruns related to the Alaskan Way viaduct replacement project are the responsibility of the Washington state department of transportation or the city of Seattle.

p. 19 HB 1809

- **Sec. 11.** RCW 82.14.410 and 2015 3rd sp.s. c 24 s 704 are each 2 amended to read as follows:
  - (1) A local sales and use tax change adopted after December 1, 2000, must provide an exemption for those sales of lodging for which, but for the exemption, the total sales tax rate imposed on sales of lodging would exceed the greater of:
    - (a) Twelve percent; or

- 8 (b) The total sales tax rate that would have applied to the sale 9 of lodging if the sale were made on December 1, 2000.
  - (2) For the purposes of this section:
- 11 (a) "Local sales and use tax change" is defined as provided in 12 RCW 82.14.055.
  - (b) "Sale of lodging" means the sale of or charge made for the furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property.
- (c) "Total sales tax rate" means the combined rates of all state and local taxes imposed under this chapter and chapters 36.100, 67.28, 67.40, and 82.08 RCW, and any other tax authorized after March 29, 2001, if the tax is in the nature of a sales tax collected from the buyer, but excluding taxes imposed under RCW 81.104.170 before December 1, 2000, taxes imposed under section 8 of this act, and taxes imposed under RCW 82.14.530.
- NEW SECTION. Sec. 12. A new section is added to chapter 84.52 RCW to read as follows:
  - (1) The legislative authority of a city with a population of greater than six hundred thousand may impose an additional regular property tax levy in an amount not to exceed twenty-five cents per thousand dollars of the assessed value of property in the city in accordance with the terms of this section. The tax is imposed citywide unless a special taxing district is created as authorized in subsection (2) of this section.
  - (2) The legislative authority of a city with a population of greater than six hundred thousand may adopt an ordinance creating an independent taxing district in a portion of the area of the city. As provided in RCW 47.01.402(6)(b), the taxing district may be established to finance payment of cost overruns incurred as the result of the Alaskan Way viaduct replacement project by taxing

p. 20 HB 1809

1 property owners in the Seattle area who benefit from the replacement 2 project.

3

4

5

7

8

9

10 11

12

1314

1516

27

28

35

36

37

38

39

- (3) (a) Moneys collected under this section may only be used to finance the payment of cost overruns incurred as the result of the Alaskan Way viaduct replacement project authorized in RCW 47.01.402(6)(b).
- (b) When sufficient revenue to cover the payment as specified in this subsection has been generated by the levy authorized in this section, the city may no longer levy either tax authorized in this section. Any excess funds generated may be used only to pay for existing transportation projects.
  - (4) This section is contingent upon findings by a court of competent jurisdiction, in a judgment not subject to review, that cost overruns related to the Alaskan Way viaduct replacement project are the responsibility of the Washington state department of transportation or the city of Seattle.
- 17 (a) Upon such finding, the legislative authority authorized in 18 this section must adopt the tax authorized by this section within 19 ninety days and must implement the tax within one year.
- 20 (b) In the event that the city does not meet the deadline in (a) of this subsection, distribution of state shared revenues thereto authorized under RCW 48.68.090, 66.08.190, 66.24.065, 69.50.540, 82.08.160, 82.14.320, and 82.14.330 must cease immediately. The revenues must instead be transferred to the transportation partnership account—state in the Washington state department of transportation's highway improvements program.
  - (5) The limitations in RCW 84.52.043 do not apply to the tax authorized in this section.
- 29 (6) The limitations in RCW 84.55.010 do not apply to the first 30 tax levy imposed under this section.
- 31 **Sec. 13.** RCW 84.52.010 and 2017 c 196 s 10 are each amended to 32 read as follows:
- 33 (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

p. 21 HB 1809

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, including any levy authorized under section 12 of this act, 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, and 84.52.140, and the portion of the levy by a flood control zone district that was protected under RCW 84.52.816, 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 flood control zone district that was protected under RCW 84.52.816 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 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;
  - (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 portion of the levy by a fire protection district or regional fire protection service

p. 22 HB 1809

authority 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;

- (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 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;
- (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 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;
- (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 portion of the levy by a metropolitan park district 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;
- (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 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
- (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 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 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:

р. 23 НВ 1809

1 (i) First, the certified property tax levy authorized under RCW 84.52.821 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 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;
- (iii) Third, 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 84.52.816 must be reduced on a pro rata basis or eliminated;
- (iv) Fourth, 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;
- (v) Fifth, 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;
- (vi) Sixth, 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
- (vii) Seventh, 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.

p. 24 HB 1809

Sec. 14. RCW 84.52.043 and 2017 3rd sp.s. c 13 s 304 are each amended to read as follows:

1

2

3

4

5

7

8

9

10 11

12

13

14

1516

1718

19

2021

2223

2425

26

27

2829

30 31

32

33

34

35

36

37

3839

40

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 levies by the state may not exceed the applicable aggregate rate limit specified in RCW 84.52.065 (2) or (4) 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 twentyfive 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 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

p. 25 HB 1809

- 1 of levies by fire protection districts and regional fire protection
- 2 service authorities that are protected under RCW 84.52.125; (j)
- 3 levies by counties for transit-related purposes under RCW 84.52.140;
- 4 (k) the portion of the levy by flood control zone districts that are
- 5 protected under RCW 84.52.816; ((and)) (1) levies imposed by a
- 6 regional transit authority under RCW 81.104.175; and (m) levies
- 7 <u>imposed by a city under section 12 of this act</u>.
- 8 <u>NEW SECTION.</u> **Sec. 15.** Section 12 of this act applies to taxes
- 9 levied for collection in 2020 and thereafter.

--- END ---

p. 26 HB 1809