

**Chapter 81.112 RCW**  
**REGIONAL TRANSIT AUTHORITIES**

**Sections**

- 81.112.010 Findings—Intent.
- 81.112.020 Definitions.
- 81.112.030 Formation—Submission of ballot propositions to voters.
- 81.112.040 Board appointments—Voting—Expenses.
- 81.112.050 Area included—Elections.
- 81.112.060 Powers.
- 81.112.070 General powers.
- 81.112.080 Additional powers—Acquisition of facilities—Disposal of property—Rates, tolls, fares, charges.
- 81.112.086 Maintenance plan.
- 81.112.090 Agreements with operators of high capacity transportation services.
- 81.112.100 Transfer of local government powers to authority.
- 81.112.110 Acquisition of existing system—Components.
- 81.112.120 Treasurer—Funds—Auditor—Bond.
- 81.112.130 General obligation bonds.
- 81.112.140 Revenue bonds.
- 81.112.150 Local improvement districts authorized—Special assessment bonds.
- 81.112.160 County assessor's duties.
- 81.112.170 Interim financing.
- 81.112.180 Rail fixed guideway public transportation system—Safety program plan and security and emergency preparedness plan.
- 81.112.190 Requirements for signage.
- 81.112.210 Fare payment—Fines and penalties established—Fare enforcement system—Enforcement.
- 81.112.220 Fare payment—Proof of payment—Civil infractions, violations punishable according to an alternative fare enforcement system.
- 81.112.230 Fare payment—Prosecution for theft, trespass, or other charges.
- 81.112.235 Power conferred is supplemental.
- 81.112.300 Sale and leaseback, similar transactions—Authorized.
- 81.112.310 Sale and leaseback—Conditions.
- 81.112.320 Sale and leaseback—Creation of public entity.
- 81.112.330 Sale and leaseback—Restrictions, requirements.
- 81.112.340 Supplemental transportation improvements.
- 81.112.350 Transit-oriented development strategy system plan—Requirements—Definitions—Quarterly reports.
- 81.112.360 Sales and use tax offset fee.
- 81.112.370 Green electrolytic hydrogen and renewable hydrogen—Power to produce, distribute, and use.
- 81.112.900 Section headings not part of law—1992 c 101.
- 81.112.902 Effective date—1992 c 101.

*Additional powers: RCW 81.104.120.*

*Funding sources*

*employer taxes: RCW 81.104.150.*

*sales and use taxes: RCW 81.104.170.*

**RCW 81.112.010 Findings—Intent.** The legislature recognizes that existing transportation facilities in the central Puget Sound area are inadequate to address mobility needs of the area. The geography of the region, travel demand growth, and public resistance to new roadways combine to further necessitate the rapid development of alternative modes of travel.

The legislature finds that local governments have been effective in cooperatively planning a multicounty, high capacity transportation system. However, a continued multijurisdictional approach to funding, construction, and operation of a multicounty high capacity transportation system may impair the successful implementation of such a system.

The legislature finds that a single agency will be more effective than several local jurisdictions working collectively at planning, developing, operating, and funding a high capacity transportation system. The single agency's services must be carefully integrated and coordinated with public transportation services currently provided. As the single agency's services are established, any public transportation services currently provided that are duplicative should be eliminated. Further, the single agency must coordinate its activities with other agencies providing local and state roadway services, implementing comprehensive planning, and implementing transportation demand management programs and assist in developing infrastructure to support high capacity systems including but not limited to feeder systems, park and ride facilities, intermodal centers, and related roadway and operational facilities. Coordination can be best achieved through common governance, such as integrated governing boards.

It is therefore the policy of the state of Washington to empower counties in the state's most populous region to create a local agency for planning and implementing a high capacity transportation system within that region. The authorization for such an agency, except as specifically provided in this chapter, is not intended to limit the powers of existing transit agencies. [1992 c 101 s 1.]

**RCW 81.112.020 Definitions.** Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Authority" means a regional transit authority authorized under this chapter.

(2) "Board" means the board of a regional transit authority.

(3) "Facilities" means any lands, interest in land, air rights over lands, and improvements thereto including vessel terminals, and any equipment, vehicles, vessels, trains, stations, designated passenger waiting areas, and other components necessary to support the system.

(4) "Proof of payment" means evidence of fare prepayment authorized by a regional transit authority for the use of its facilities.

(5) "Service area" or "area" means the area included within the boundaries of a regional transit authority.

(6) "System" means a regional transit system authorized under this chapter and under the jurisdiction of a regional transit authority. [2009 c 279 s 4; 1999 c 20 s 2; 1992 c 101 s 2.]

**Reviser's note:** The definitions in this section have been alphabetized pursuant to RCW 1.08.015(2)(k).

**Purpose—Intent—1999 c 20:** See note following RCW 81.112.210.

**RCW 81.112.030 Formation—Submission of ballot propositions to voters.** Two or more contiguous counties each having a population of four hundred thousand persons or more may establish a regional transit authority to develop and operate a high capacity transportation system as defined in chapter 81.104 RCW.

The authority shall be formed in the following manner:

(1) The joint regional policy committee created pursuant to RCW 81.104.040 shall adopt a system and financing plan, including the definition of the service area. This action shall be completed by September 1, 1992, contingent upon satisfactory completion of the planning process defined in RCW 81.104.100. The final system plan shall be adopted no later than June 30, 1993. In addition to the requirements of RCW 81.104.100, the plan for the proposed system shall provide explicitly for a minimum portion of new tax revenues to be allocated to local transit agencies for interim express services. Upon adoption the joint regional policy committee shall immediately transmit the plan to the county legislative authorities within the adopted service area.

(2) The legislative authorities of the counties within the service area shall decide by resolution whether to participate in the authority. This action shall be completed within forty-five days following receipt of the adopted plan or by August 13, 1993, whichever comes first.

(3) Each county that chooses to participate in the authority shall appoint its board members as set forth in RCW 81.112.040 and shall submit its list of members to the secretary of the Washington state department of transportation. These actions must be completed within thirty days following each county's decision to participate in the authority.

(4) The secretary shall call the first meeting of the authority, to be held within thirty days following receipt of the appointments. At its first meeting, the authority shall elect officers and provide for the adoption of rules and other operating procedures.

(5) The authority is formally constituted at its first meeting and the board shall begin taking steps toward implementation of the system and financing plan adopted by the joint regional policy committee. If the joint regional policy committee fails to adopt a plan by June 30, 1993, the authority shall proceed to do so based on the work completed by that date by the joint regional policy committee. Upon formation of the authority, the joint regional policy committee shall cease to exist. The authority may make minor modifications to the plan as deemed necessary and shall at a minimum review local transit agencies' plans to ensure feeder service/high capacity transit service integration, ensure fare integration, and ensure avoidance of parallel competitive services. The authority shall also conduct a minimum thirty-day public comment period.

(6) If the authority determines that major modifications to the plan are necessary before the initial ballot proposition is submitted to the voters, the authority may make those modifications with a favorable vote of two-thirds of the entire membership. Any such modification shall be subject to the review process set forth in RCW 81.104.110. The modified plan shall be transmitted to the legislative authorities of the participating counties. The legislative authorities shall have forty-five days following receipt to act by motion or ordinance to confirm or rescind their continued participation in the authority.

(7) If any county opts to not participate in the authority, but two or more contiguous counties do choose to continue to participate, the authority's board shall be revised accordingly. The authority shall, within forty-five days, redefine the system and financing plan to reflect elimination of one or more counties, and submit the redefined plan to the legislative authorities of the remaining counties for their decision as to whether to continue to participate. This action shall be completed within forty-five days following receipt of the redefined plan.

(8) The authority shall place on the ballot within two years of the authority's formation, a single ballot proposition to authorize the imposition of taxes to support the implementation of an appropriate phase of the plan within its service area. In addition to the system plan requirements contained in RCW 81.104.100(2)(d), the system plan approved by the authority's board before the submittal of a proposition to the voters shall contain an equity element which:

(a) Identifies revenues anticipated to be generated by corridor and by county within the authority's boundaries;

(b) Identifies the phasing of construction and operation of high capacity system facilities, services, and benefits in each corridor. Phasing decisions should give priority to jurisdictions which have adopted transit-supportive land use plans; and

(c) Identifies the degree to which revenues generated within each county will benefit the residents of that county, and identifies when such benefits will accrue.

A simple majority of those voting within the boundaries of the authority is required for approval. If the vote is affirmative, the authority shall begin implementation of the projects identified in the proposition. However, the authority may not submit any authorizing proposition for voter-approved taxes prior to July 1, 1993; nor may the authority issue bonds or form any local improvement district prior to July 1, 1993.

(9) If the vote on a proposition fails, the board may redefine the proposition, make changes to the authority boundaries, and make corresponding changes to the composition of the board. If the composition of the board is changed, the participating counties shall revise the membership of the board accordingly. The board may then submit the revised proposition or a different proposition to the voters. No single proposition may be submitted to the voters more than twice. Beginning no sooner than the 2007 general election, the authority may place additional propositions on the ballot to impose taxes to support additional phases of plan implementation.

(10) At the 2007 general election, the authority shall submit a proposition to support a system and financing plan or additional implementation phases of the authority's system and financing plan as part of a single ballot proposition that includes a plan to support a regional transportation investment plan developed under chapter 36.120

RCW. The authority's plan shall not be considered approved unless both a majority of the persons voting on the proposition residing within the authority vote in favor of the proposition and a majority of the persons voting on the proposition residing within the proposed regional transportation investment district vote in favor of the proposition.

(11) Additional phases of plan implementation may include a transportation subarea equity element which (a) identifies the combined authority and regional transportation investment district revenues anticipated to be generated by corridor and by county within the authority's boundaries, and (b) identifies the degree to which the combined authority and regional transportation investment district revenues generated within each county will benefit the residents of that county, and identifies when such benefits will accrue. For purposes of the transportation subarea equity principle established under this subsection, the authority may use the five subareas within the authority's boundaries as identified in the authority's system plan adopted in May 1996.

(12) If the authority is unable to achieve a positive vote on a proposition within two years from the date of the first election on a proposition, the board may, by resolution, reconstitute the authority as a single-county body. With a two-thirds vote of the entire membership of the voting members, the board may also dissolve the authority. [2007 c 509 s 3; 2006 c 311 s 12; 1994 c 44 s 1; 1993 sp.s. c 23 s 62; 1992 c 101 s 3.]

**Findings—Intent—Constitutional challenges—Expedited appeals—Severability—Effective date—2007 c 509:** See notes following RCW 36.120.070.

**Findings—2006 c 311:** See note following RCW 36.120.020.

**Effective dates—1993 sp.s. c 23:** See note following RCW 43.89.010.

**RCW 81.112.040 Board appointments—Voting—Expenses.** (1) The regional transit authority shall be governed by a board consisting of representatives appointed by the county executive and confirmed by the council or other legislative authority of each member county. Membership shall be based on population from that portion of each county which lies within the service area. Board members shall be appointed initially on the basis of one for each one hundred forty-five thousand population within the county. Such appointments shall be made following consultation with city and town jurisdictions within the service area. In addition, the secretary of transportation or the secretary's designee shall serve as a member of the board and may have voting status with approval of a majority of the other members of the board. Only board members, not including alternates or designees, may cast votes.

Each member of the board, except the secretary of transportation or the secretary's designee, shall be:

(a) An elected official who serves on the legislative authority of a city or as mayor of a city within the boundaries of the authority;

(b) On the legislative authority of the county, if fifty percent of the population of the legislative official's district is within the authority boundaries; or

(c) A county executive from a member county within the authority boundaries.

When making appointments, each county executive shall ensure that representation on the board includes an elected city official representing the largest city in each county and assures proportional representation from other cities, and representation from unincorporated areas of each county within the service area. At least one-half of all appointees from each county shall serve on the governing authority of a public transportation system.

Members appointed from each county shall serve staggered four-year terms. Vacancies shall be filled by appointment for the remainder of the unexpired term of the position being vacated.

The governing board shall be reconstituted, with regard to the number of representatives from each county, on a population basis, using the official office of financial management population estimates, five years after its initial formation and, at minimum, in the year following each official federal census. The board membership may be reduced, maintained, or expanded to reflect population changes but under no circumstances may the board membership exceed twenty-five.

(2) Major decisions of the authority shall require a favorable vote of two-thirds of the entire membership of the voting members. "Major decisions" include at least the following: System plan adoption and amendment; system phasing decisions; annual budget adoption; authorization of annexations; modification of board composition; and executive director employment.

(3) Each member of the board is eligible to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 and to receive compensation as provided in RCW 43.03.250. [1994 c 109 s 1; 1992 c 101 s 4.]

**RCW 81.112.050 Area included—Elections.** (1) At the time of formation, the area to be included within the boundary of the authority shall be that area set forth in the system plan adopted by the joint regional policy committee. Prior to submitting the system and financing plan to the voters, the authority may make adjustments to the boundaries as deemed appropriate but must assure that, to the extent possible, the boundaries: (a) Include the largest-population urban growth area designated by each county under chapter 36.70A RCW; and (b) follow election precinct boundaries. If a portion of any city is determined to be within the service area, the entire city must be included within the boundaries of the authority. Subsequent to formation, when territory is annexed to a city located within the boundaries of the authority, the territory is simultaneously included within the boundaries of the authority and subject to all taxes and other liabilities and obligations applicable within the city with respect to the authority as provided in RCW 35.13.500 and 35A.14.475, subject to RCW 84.09.030 and 82.14.055, and notwithstanding any other provision of law.

(2) After voters within the authority boundaries have approved the system and financing plan, elections to add areas contiguous to the authority boundaries may be called by resolution of the regional

transit authority, after consultation with affected transit agencies and with the concurrence of the legislative authority of the city or town if the area is incorporated, or with the concurrence of the county legislative authority if the area is unincorporated. Only those areas that would benefit from the services provided by the authority may be included and services or projects proposed for the area must be consistent with the regional transportation plan. The election may include a single ballot proposition providing for annexation to the authority boundaries and imposition of the taxes at rates already imposed within the authority boundaries, subject to RCW 84.09.030 and 82.14.055. [2015 3rd sp.s. c 44 s 328; 2010 c 19 s 3; 1998 c 192 s 1; 1992 c 101 s 5.]

**Effective date—2015 3rd sp.s. c 44:** See note following RCW 46.68.395.

**RCW 81.112.060 Powers.** An authority shall have the following powers:

(1) To establish offices, departments, boards, and commissions that are necessary to carry out the purposes of the authority, and to prescribe the functions, powers, and duties thereof.

(2) To appoint or provide for the appointment of, and to remove or to provide for the removal of, all officers and employees of the authority.

(3) To fix the salaries, wages, and other compensation of all officers and employees of the authority.

(4) To employ such engineering, legal, financial, or other specialized personnel as may be necessary to accomplish the purposes of the authority.

(5) To determine risks, hazards, and liabilities in order to obtain insurance consistent with these determinations. This insurance may include any types of insurance covering, and for the benefit of, one or more parties with whom the authority contracts for any purpose, and insurance for the benefit of its board members, authority officers, and employees to insure against liability for acts or omissions while performing or in good faith purporting to perform their official duties. All insurance obtained for construction of authority projects with a total project cost exceeding one hundred million dollars may be acquired by bid or by negotiation. In order to allow the authority flexibility to secure appropriate insurance by negotiation, the authority is exempt from RCW 48.30.270. [2007 c 166 s 1; 2000 2nd sp.s. c 4 s 32; 1992 c 101 s 6.]

**RCW 81.112.070 General powers.** In addition to the powers specifically granted by this chapter an authority shall have all powers necessary to implement a high capacity transportation system and to develop revenues for system support. An authority may contract with the United States or any agency thereof, any state or agency thereof, any public transportation benefit area, any county, county transportation authority, city, metropolitan municipal corporation, special district, or governmental agency, within or without the state, and any private person, firm, or corporation for: (1) The purpose of receiving gifts or grants or securing loans or advances for preliminary planning and feasibility studies; (2) the design,

construction, or operation of high capacity transportation system facilities; or (3) the provision or receipt of services, facilities, or property rights to provide revenues for the system. An authority shall have the power to contract pursuant to RCW 39.33.050. In addition, an authority may contract with any governmental agency or with any private person, firm, or corporation for the use by either contracting party of all or any part of the facilities, structures, lands, interests in lands, air rights over lands and rights-of-way of all kinds which are owned, leased, or held by the other party and for the purpose of planning, constructing, or operating any facility or performing any service that the authority may be authorized to operate or perform, on such terms as may be agreed upon by the contracting parties. Before any contract for the lease or operation of any authority facilities is let to any private person, firm, or corporation, a general schedule of rental rates for equipment with or without operators applicable to all private certificated carriers shall be publicly posted, and for other facilities competitive bids shall first be called upon such notice, bidder qualifications, and bid conditions as the board shall determine. This shall allow use of negotiated procurements. [1992 c 101 s 7.]

**RCW 81.112.080 Additional powers—Acquisition of facilities—Disposal of property—Rates, tolls, fares, charges.** An authority shall have the following powers in addition to the general powers granted by this chapter:

(1) To carry out the planning processes set forth in RCW 81.104.100;

(2) To acquire by purchase, condemnation, gift, or grant and to lease, construct, add to, improve, replace, repair, maintain, operate, and regulate the use of high capacity transportation facilities and properties within authority boundaries including surface, underground, or overhead railways, tramways, busways, buses, bus sets, entrained and linked buses, ferries, or other means of local transportation except taxis, and including escalators, moving sidewalks, personal rapid transit systems or other people-moving systems, passenger terminal and parking facilities and properties, and such other facilities and properties as may be necessary for passenger, vehicular, and vessel access to and from such people-moving systems, terminal and parking facilities and properties, together with all lands, rights-of-way, property, equipment, and accessories necessary for such high capacity transportation systems. When developing specifications for high capacity transportation system operating equipment, an authority shall take into account efforts to establish or sustain a domestic manufacturing capacity for such equipment. The right of eminent domain shall be exercised by an authority in the same manner and by the same procedure as or may be provided by law for cities of the first class, except insofar as such laws may be inconsistent with the provisions of this chapter. Public transportation facilities and properties which are owned by any city, county, county transportation authority, public transportation benefit area, or metropolitan municipal corporation may be acquired or used by an authority only with the consent of the agency owning such facilities. Such agencies are hereby authorized to convey or lease such facilities to an authority or to contract for their joint use on



such terms as may be fixed by agreement between the agency and the authority.

The facilities and properties of an authority whose vehicles will operate primarily within the rights-of-way of public streets, roads, or highways, may be acquired, developed, and operated without the corridor and design hearings that are required by \*RCW 35.58.273 for mass transit facilities operating on a separate right-of-way;

(3) To dispose of any real or personal property acquired in connection with any authority function and that is no longer required for the purposes of the authority, in the same manner as provided for cities of the first class. When an authority determines that a facility or any part thereof that has been acquired from any public agency without compensation is no longer required for authority purposes, but is required by the agency from which it was acquired, the authority shall by resolution transfer it to such agency;

(4) To fix rates, tolls, fares, and charges for the use of such facilities and to establish various routes and classes of service. Fares or charges may be adjusted or eliminated for any distinguishable class of users. [1992 c 101 s 8.]

**\*Reviser's note:** RCW 35.58.273 was repealed by 2002 c 6 s 2.

**RCW 81.112.086 Maintenance plan.** As a condition of receiving state funding, a regional transit authority shall submit a maintenance and preservation management plan for certification by the department of transportation. The plan must inventory all transportation system assets within the direction and control of the transit authority, and provide a plan for preservation of assets based on lowest life-cycle cost methodologies. [2006 c 334 s 28; 2003 c 363 s 306.]

**Effective date—2006 c 334:** See note following RCW 47.01.051.

**Finding—Intent—2003 c 363:** See note following RCW 35.84.060.

**Part headings not law—Severability—2003 c 363:** See notes following RCW 47.28.241.

**RCW 81.112.090 Agreements with operators of high capacity transportation services.** Except in accordance with an agreement made as provided in this section, upon the date an authority begins high capacity transportation service, no person or private corporation may operate a high capacity transportation service within the authority boundary with the exception of services owned or operated by any corporation or organization solely for the purposes of the corporation or organization and for the use of which no fee or fare is charged.

The authority and any person or corporation legally operating a high capacity transportation service wholly within or partly within and partly without the authority boundary on the date an authority begins high capacity transportation service may enter into an agreement under which such person or corporation may continue to operate such service or any part thereof for such time and upon such terms and conditions as provided in such agreement. Such agreement shall provide for a periodic review of the terms and conditions contained therein. Where any such high capacity transportation service will be required to cease to operate within the authority boundary,

the authority may agree with the owner of such service to purchase the assets used in providing such service, or if no agreement can be reached, an authority shall condemn such assets in the manner and by the same procedure as is or may be provided by law for the condemnation of other properties for cities of the first class, except insofar as such laws may be inconsistent with this chapter.

Wherever a privately owned public carrier operates wholly or partly within an authority boundary, the Washington utilities and transportation commission shall continue to exercise jurisdiction over such operation as provided by law. [1992 c 101 s 9.]

**RCW 81.112.100 Transfer of local government powers to authority.**

An authority shall have and exercise all rights with respect to the construction, acquisition, maintenance, operation, extension, alteration, repair, control and management of high capacity transportation system facilities that are identified in the system plan developed pursuant to RCW 81.104.100 that any city, county, county transportation authority, metropolitan municipal corporation, or public transportation benefit area within the authority boundary has been previously empowered to exercise and such powers shall not thereafter be exercised by such agencies without the consent of the authority. Nothing in this chapter shall restrict development, construction, or operation of a personal rapid transit system by a city or county.

An authority may adopt, in whole or in part, and may complete, modify, or terminate any planning, environmental review, or procurement processes related to the high capacity transportation system that had been commenced by a joint regional policy committee or a city, county, county transportation authority, metropolitan municipality, or public transportation benefit area prior to the formation of the authority. [1992 c 101 s 10.]

**RCW 81.112.110 Acquisition of existing system—Components.** If

an authority acquires any existing components of a high capacity transportation system, it shall assume and observe all existing labor contracts relating to the transportation system and, to the extent necessary for operation of facilities, all of the employees of such acquired transportation system whose duties are necessary to operate efficiently the facilities acquired shall be appointed to comparable positions to those which they held at the time of such transfer, and no employee or retired or pensioned employee of such transportation systems shall be placed in any worse position with respect to pension seniority, wages, sick leave, vacation or other benefits that he or she enjoyed as an employee of the transportation system prior to such acquisition. At such times as may be required by such contracts, the authority shall engage in collective bargaining with the duly appointed representatives of any employee labor organization having existing contracts with the acquired transportation system and may enter into labor contracts with such employee labor organization. Facilities and equipment which are acquired after July 1, 1993, related to high capacity transportation services which are to be assumed by the authority as specifically identified in the adopted system plan shall be acquired by the authority in a manner consistent with RCW 81.112.070 through 81.112.100. [1992 c 101 s 11.]

**RCW 81.112.120 Treasurer—Funds—Auditor—Bond.** The board of an authority, by resolution, shall designate a person having experience in financial or fiscal matters as treasurer of the authority. The board may designate, with the concurrence of the treasurer, the treasurer of a county within which the authority is located. Such a treasurer shall possess all of the powers, responsibilities, and duties the county treasurer possesses for a public transportation benefit area authority related to investing surplus authority funds. The board shall require a bond with a surety company authorized to do business in the state of Washington in an amount and under the terms and conditions the board, by resolution, from time to time finds will protect the authority against loss. The premium on any such bond shall be paid by the authority.

All authority funds shall be paid to the treasurer and shall be disbursed by the treasurer only on warrants issued by the authority upon orders or vouchers approved by the board.

The treasurer shall establish a special fund, into which shall be paid all authority funds, and the treasurer shall maintain such special accounts as may be created by the authority into which shall be placed all money as the board may, by resolution, direct.

If the treasurer of the authority is the treasurer of a county, all authority funds shall be deposited with the county depository under the same restrictions, contracts, and security as provided for county depositories. If the treasurer of the authority is some other person, all funds shall be deposited in such bank or banks authorized to do business in this state that have qualified for insured deposits under any federal deposit insurance act as the board, by resolution, shall designate.

The authority may by resolution designate a person having experience in financial or fiscal matters, as the auditor of the authority. Such auditor shall possess all of the powers, responsibilities, and duties related to creating and maintaining funds, issuing warrants, and maintaining a record of receipts and disbursements.

The board may provide and require a reasonable bond of any other person handling moneys or securities of the authority, but the authority shall pay the premium on the bond. [1992 c 101 s 12.]

**RCW 81.112.130 General obligation bonds.** Notwithstanding RCW 39.36.020(1), an authority may at any time contract indebtedness or borrow money for authority purposes and may issue general obligation bonds in an amount not exceeding, together with any existing indebtedness of the authority not authorized by the voters, one and one-half percent of the value of the taxable property within the boundaries of the authority; and with the assent of three-fifths of the voters therein voting at an election called for that purpose, may contract indebtedness or borrow money for authority purposes and may issue general obligation bonds therefor, provided the total indebtedness of the authority shall not exceed five percent of the value of the taxable property therein. Such bonds shall be issued and sold in accordance with chapter 39.46 RCW.

The term "value of the taxable property" shall have the meaning set forth in RCW 39.36.015. [1992 c 101 s 13.]

**RCW 81.112.140 Revenue bonds.** (1) An authority may issue revenue bonds to provide funds to carry out its authorized functions without submitting the matter to the voters of the authority. The authority shall create a special fund or funds for the sole purpose of paying the principal of and interest on the bonds of each such issue, into which fund or funds the authority may obligate itself to pay such amounts of the gross revenue of the high capacity transportation system constructed, acquired, improved, added to, or repaired out of the proceeds of sale of such bonds, as the authority shall determine and may obligate the authority to pay such amounts out of otherwise unpledged revenue that may be derived from the ownership, use, or operation of properties or facilities owned, used, or operated incident to the performance of the authorized function for which such bonds are issued or out of otherwise unpledged fees, tolls, charges, tariffs, fares, rentals, special taxes, or other sources of payment lawfully authorized for such purpose, as the authority shall determine. The principal of, and interest on, such bonds shall be payable only out of such special fund or funds, and the owners of such bonds shall have a lien and charge against the gross revenue of such high capacity transportation system or any other revenue, fees, tolls, charges, tariffs, fares, special taxes, or other authorized sources pledged to the payment of such bonds.

Such revenue bonds and the interest thereon issued against such fund or funds shall be a valid claim of the owners thereof only as against such fund or funds and the revenue pledged therefor, and shall not constitute a general indebtedness of the authority.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW. [1992 c 101 s 14.]

**RCW 81.112.150 Local improvement districts authorized—Special assessment bonds.** (1) An authority 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 shall be created and assessments shall 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 board 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 shall not exceed thirty years beyond the date of issue. Special assessment bonds issued pursuant to this section shall not be an indebtedness of the authority issuing the bonds, and the

interest and principal on the bonds shall only be payable from special assessments made for the improvement for which the bonds were issued and any local improvement guaranty fund that the authority 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 authority 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 authority has created. The authority 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 shall be plainly printed, written, or engraved on each special assessment bond issued pursuant to this section.

(3) Assessments shall reflect any credits given by the authority for real property or property right donations made pursuant to RCW 47.14.030.

(4) The board may establish and pay moneys into a local improvement guaranty fund to guarantee special assessment bonds issued by the authority. [1992 c 101 s 15.]

**RCW 81.112.160 County assessor's duties.** It shall be the duty of the assessor of each component county to certify annually to a regional transit authority the aggregate assessed valuation of all taxable property within the boundaries of the authority as the same appears from the last assessment roll of the county. [1992 c 101 s 16.]

**RCW 81.112.170 Interim financing.** A regional transit authority may apply for \*high capacity transportation account funds and for central Puget Sound account funds for high capacity transit planning and system development.

Transit agencies contained wholly or partly within a regional transit authority may make grants or loans to the authority for high capacity transportation planning and system development. [1992 c 101 s 17.]

**\*Reviser's note:** RCW 47.78.010, the high capacity transportation account, was repealed by 2017 3rd sp.s. c 25 s 39.

**RCW 81.112.180 Rail fixed guideway public transportation system —Safety program plan and security and emergency preparedness plan.**

(1) Each regional transit authority that owns or operates a rail fixed guideway public transportation system as defined in RCW 81.104.015 shall submit a system safety program plan and a system security and emergency preparedness plan for that guideway to the state department of transportation by September 1, 1999, or at least one hundred eighty calendar days before beginning operations or instituting significant revisions to its plans. These plans must describe the authority's procedures for (a) reporting and investigating any reportable incident, accident, or security breach and identifying and resolving hazards or security vulnerabilities discovered during planning, design, construction, testing, or operations, (b) developing and

submitting corrective action plans and annual safety and security audit reports, (c) facilitating on-site safety and security reviews by the state department of transportation and the federal transit administration, and (d) addressing passenger and employee safety and security. The plans must, at a minimum, conform to the standards adopted by the state department of transportation as set forth in the most current version of the Washington state rail safety oversight program standard manual as it exists on March 25, 2016, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section. If required by the department, the regional transit authority shall revise its plans to incorporate the department's review comments within sixty days after their receipt, and resubmit its revised plans for review.

(2) Each regional transit authority shall implement and comply with its system safety program plan and system security and emergency preparedness plan. The regional transit authority shall perform internal safety and security audits to evaluate its compliance with the plans, and submit its audit schedule to the department of transportation pursuant to the requirements in the most current version of the Washington state rail safety oversight program standard manual as it exists on March 25, 2016, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section. The regional transit authority shall prepare an annual report for its internal safety and security audits undertaken in the prior year and submit it to the department no later than February 15th. The department shall establish the requirements for the annual report. The contents of the annual report must include, at a minimum, the dates the audits were conducted, the scope of the audit activity, the audit findings and recommendations, the status of any corrective actions taken as a result of the audit activity, and the results of each audit in terms of the adequacy and effectiveness of the plans.

(3) Each regional transit authority shall notify the department of transportation, pursuant to the most current version of the Washington state rail safety oversight program standard manual as it exists on March 25, 2016, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, any reportable incident, accident, security breach, hazard, or security vulnerability. The department may adopt rules further defining any reportable incident, accident, security breach, hazard, or security vulnerability. The regional transit authority shall investigate any reportable incident, accident, security breach, hazard, or security vulnerability and provide a written investigation report to the department as described in the most current version of the Washington state rail safety oversight program standard manual as it exists on March 25, 2016, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section.

(4) The system security and emergency preparedness plan required in subsection (1) of this section is exempt from public disclosure under chapter 42.56 RCW. However, the system safety program plan as described in this section is not subject to this exemption. [2016 c 33 s 1; 2007 c 422 s 6; 2005 c 274 s 360; 1999 c 202 s 6.]

**Effective date—2016 c 33:** See note following RCW 81.104.115.

**Effective date—1999 c 202:** See note following RCW 35.21.228.

**RCW 81.112.190 Requirements for signage.** Each authority shall incorporate in plans for stations along any light-rail facility signing that is easily understood by the traveling public, including, but not limited to, persons with disabilities, non-English-speaking persons, and visitors from other nations. The signage must employ graphics consistent with international symbols for transportation facilities and signage that are consistent with department of transportation guidelines and programs. The signage must also use distinguishing symbols or pictograms developed by the authority as a means to identify stations and may identify points of interest along the corridor for persons who use languages that are not Roman-alphabet based. These requirements are intended to apply to new sign installation and not to existing signs, installed before July 24, 2005. The authority may replace existing signs as it chooses; however, it shall use the new signing designs when existing signs are replaced. All signage must comply with requirements of applicable federal law and may include recommendations contained in federal publications providing directions on way-finding for persons with disabilities. [2005 c 19 s 3.]

**Intent—Findings—2005 c 19:** See note following RCW 35.95A.140.

**RCW 81.112.210 Fare payment—Fines and penalties established—Fare enforcement system—Enforcement.** (1) (a) An authority is authorized to establish, by resolution, a schedule of fines and penalties for civil infractions established in RCW 81.112.220. Fines established by an authority shall not exceed those imposed for class 1 infractions under RCW 7.80.120.

(b) An authority is further authorized to establish, by resolution, an alternative fare enforcement system, which may include: (i) The issuance of notices of violation subject to fines not exceeding the amounts authorized in (a) of this subsection or nonmonetary sanctions or both, and (ii) resolve notices of violations and appeals, in addition to or as a replacement for the schedule of fines and penalties authorized by (a) of this subsection.

(2) (a) An authority may designate persons to monitor fare payment who are equivalent to and are authorized to exercise all the powers of an enforcement officer, defined in RCW 7.80.040. An authority is authorized to employ personnel to either monitor fare payment, or to contract for such services, or both.

(b) In addition to the specific powers granted to enforcement officers under RCW 7.80.050 and 7.80.060, persons designated to monitor fare payment also have the authority to take the following actions:

(i) Request proof of payment from passengers;  
(ii) Request personal identification from a passenger who does not produce proof of payment when requested;  
(iii) (A) Issue a notice of infraction for a civil infraction established in RCW 81.112.220.

(B) The notice of infraction form to be used for violations under this subsection must be approved by the administrative office of the courts and must not include vehicle information;

(iv) Issue a notice of violation of the alternative fare enforcement system authorized in subsection (1) (b) of this section; and

(v) Request that a passenger leave the authority facility when the passenger has not produced proof of payment after being asked to do so by a person designated to monitor fare payment.

(3) Authorities shall keep records of citations in the manner prescribed by RCW 7.80.150. All civil infractions established by chapter 20, Laws of 1999 shall be heard as provided in RCW 7.80.010 (1), (2), and (4). [2021 c 70 s 1; 2015 3rd sp.s. c 44 s 330; 2014 c 153 s 1; 2009 c 279 s 5; 1999 c 20 s 3.]

**Effective date—2015 3rd sp.s. c 44:** See note following RCW 46.68.395.

**Purpose—Intent—1999 c 20:** "The purpose of this act is to facilitate ease of boarding of commuter trains and light rail trains operated by regional transit authorities by allowing for barrier free entry ways. This act provides regional transit authorities with the power to require proof of payment; to set a schedule of fines and penalties not to exceed those classified as class 1 infractions under RCW 7.80.120; to employ individuals to monitor fare payment or contract for such services; to issue citations for fare nonpayment or related activities; and to keep records regarding citations issued for the purpose of tracking violations and issuing citations consistent with established schedules. This act is intended to be consistent with and implemented pursuant to chapter 7.80 RCW with regard to civil infractions, the issuance of citations, and the maintenance of citation records." [1999 c 20 s 1.]

**RCW 81.112.220 Fare payment—Proof of payment—Civil infractions, violations punishable according to an alternative fare enforcement system.** (1) Persons traveling on facilities operated by an authority shall pay the fare established by the authority and shall produce proof of payment in accordance with the terms of use established by the authority. Such persons shall produce proof of payment when requested by a person designated to monitor fare payment. The required manner of producing proof of payment specified in the terms of use established by the authority may include, but is not limited to, requiring a person using an electronic fare payment card to validate the card by presenting the card to an electronic card reader before or upon entering a public transportation vehicle or a restricted fare paid area.

(2) The following constitute civil infractions punishable according to the schedule of fines and penalties established by the authority under RCW 81.112.210(1)(a) or violations punishable according to an alternative fare enforcement system established by the authority under RCW 81.112.210(1)(b):

(a) Failure to pay the required fare, except when the authority fails to meet the requirements of subsection (3) of this section;

(b) Failure to produce proof of payment in the manner required by the terms of use established by the authority including, but not limited to, the failure to produce a validated fare payment card when requested to do so by a person designated to monitor fare payment; and

(c) Failure to depart the facility when requested to do so by a person designated to monitor fare payment.

(3) If fare payment is required before entering a transit vehicle, as defined in RCW 9.91.025(2)(b), or before entering a fare



paid area in a transit facility, as defined in RCW 9.91.025(2)(a), signage must be conspicuously posted at the place of boarding or within 10 feet of the nearest entrance to a transit facility that clearly indicates: (a) The locations where tickets or fare media may be purchased; and (b) that a person using an electronic fare payment card must present the card to an electronic card reader before entering a transit vehicle or before entering a restricted fare paid area. [2021 c 70 s 2; 2012 c 68 s 3; 2009 c 279 s 6; 1999 c 20 s 4.]

**Purpose—Intent—1999 c 20:** See note following RCW 81.112.210.

**RCW 81.112.230 Fare payment—Prosecution for theft, trespass, or other charges.** Nothing in RCW 81.112.020 and 81.112.210 through 81.112.230 shall be deemed to prevent law enforcement authorities from prosecuting for theft, trespass, or other charges by any individual who:

(1) Fails to pay the required fare on more than one occasion within a twelve-month period;

(2) Fails to timely select one of the options for responding to the notice of civil infraction after receiving a statement of the options provided in this chapter for responding to the notice of infraction and the procedures necessary to exercise these options; or

(3) Fails to depart the facility when requested to do so by a person designated to monitor fare payment. [2009 c 279 s 7; 2006 c 270 s 12; 1999 c 20 s 5.]

**Purpose—Intent—1999 c 20:** See note following RCW 81.112.210.

**RCW 81.112.235 Power conferred is supplemental.** The powers and authority conferred by RCW 81.112.210 through 81.112.230 are in addition and supplemental to powers or authority conferred by any other law. RCW 81.112.210 through 81.112.230 do not limit any other powers or authority of a regional transit authority. [2009 c 279 s 8.]

**RCW 81.112.300 Sale and leaseback, similar transactions—Authorized.** (1) In order to enable regional transit authorities to acquire or finance equipment or facilities, or reduce the cost of equipment or facilities, regional transit authorities may enter into sale and leaseback, leaseout and leaseback, and other similar transactions with respect to equipment, facilities, and other real and personal property. In connection with any such transaction, a regional transit authority may execute, as it considers appropriate, contracts, agreements, notes, security agreements, conveyances, bills of sale, deeds, leases as lessee or lessor, and currency hedges, defeasance arrangements, interest rate, currency or other swap transactions, one or more payment undertaking agreements, and agreements relating to foreign and domestic currency. These agreements or instruments must have terms, maturities, durations, provisions as to governing laws, grants of security interests, and other provisions that are approved by the board of the regional transit authority.

(2) "Payment undertaking agreement" means one or more agreements, undertakings or arrangements under which all or a portion of the funds

generated by a sale and leaseback, leaseout and leaseback, or other similar transaction are directed or paid over to a financial institution, insurance company, or other entity that agrees to meet or fulfill, in consideration for the funds, some or all of the obligations of the regional transit authority, or any public corporation or other entity created under RCW 81.112.320, to make future rent, debt service, or purchase price installment payments in connection with the transaction. [2000 2nd sp.s. c 4 s 18.]

**Findings—2000 2nd sp.s. c 4 ss 18-30:** "The legislature finds that additional funds or other benefits can be made available to Washington regional transit authorities by facilitating their entry into sale and leaseback, leaseout and leaseback, and similar transactions that provide to private parties, in consideration for the funds or other benefits obtained by the regional transit authorities, tax benefits that are not otherwise available to regional transit authorities. The legislature further finds that such transactions have been encouraged by agencies of the federal government as ways to provide additional funds for public facilities. To facilitate such transactions for regional transit authorities, the legislature has determined that while regional transit authorities may currently have the necessary statutory authority and may currently enjoy exemptions from Washington state taxes for such transactions, an explicit statement of statutory authority and exemption from Washington state taxes is necessary and helpful for the parties to such transactions. In recognition of the complexity of such transactions, the legislature desires that the authority and exemptions provided by RCW 81.112.300, 81.112.310, 81.112.320, 82.08.834, 82.12.834, 82.04.050, 82.04.4201, 82.29A.134, 82.45.010, 84.36.605, 35.21.756, 35.21.755, and 81.112.330 be subject to certain limitations and be granted for a period as specified in RCW 81.112.330." [2000 2nd sp.s. c 4 s 17.]

**Construction—2000 2nd sp.s. c 4 ss 18-30:** "The authority granted by RCW 81.112.300, 81.112.310, 81.112.320, 82.08.834, 82.12.834, 82.04.050, 82.04.4201, 82.29A.134, 82.45.010, 84.36.605, 35.21.756, 35.21.755, and 81.112.330 is in addition and supplemental to any authority previously granted and does not limit nor is limited by any other powers or authority previously granted to regional transit authorities or any public corporation, or restrictions on such powers or authority. Nothing in RCW 81.112.300, 81.112.310, 81.112.320, 82.08.834, 82.12.834, 82.04.050, 82.04.4201, 82.29A.134, 82.45.010, 84.36.605, 35.21.756, 35.21.755, and 81.112.330 limits other statutory authority previously granted to regional transit authorities or public corporations or other tax exemptions granted to regional transit authorities or public corporations. Nothing in RCW 81.112.300, 81.112.310, 81.112.320, 82.08.834, 82.12.834, 82.04.050, 82.04.4201, 82.29A.134, 82.45.010, 84.36.605, 35.21.756, 35.21.755, and 81.112.330 limits the authority of the state, any political subdivision thereof, or any other public or municipal corporation to undertake the activities described in RCW 81.112.300, 81.112.310, 81.112.320, 82.08.834, 82.12.834, 82.04.050, 82.04.4201, 82.29A.134, 82.45.010, 84.36.605, 35.21.756, 35.21.755, and 81.112.330 as expressly or impliedly authorized by other provisions of law. Nothing in RCW 81.112.300, 81.112.310, 81.112.320, 82.08.834, 82.12.834, 82.04.050, 82.04.4201, 82.29A.134, 82.45.010, 84.36.605, 35.21.756, 35.21.755, and 81.112.330 is an authorization to provide indemnification to the

extent the indemnification is prohibited or restricted by other provisions of law or the Constitution of the state of Washington." [2000 2nd sp.s. c 4 s 31.]

**RCW 81.112.310 Sale and leaseback—Conditions.** Transactions undertaken under RCW 81.112.300 are subject to the following conditions:

(1) The financial institution, insurance company, or other entity that enters into a payment undertaking agreement with the regional transit authority or public development corporation or entity created under RCW 81.112.320 as a counterparty must have a rating from at least two nationally recognized credit rating agencies, as of the date of execution of the payment undertaking agreement, that is within the two highest long-term investment grade rating categories, without regard to subcategories, or the obligations of the counterparty must be guaranteed by a financial institution, insurance company, or other entity with that credit rating. The payment undertaking agreement must require that the obligations of the counterparty or the guarantor, as the case may be, must be collateralized by collateral of a type and in an amount specified by the governing body of the regional transit authority if the credit ratings of the counterparty or its guarantor fall below the level required by this subsection.

(2) The amount to be paid by the counterparties under payment undertaking agreements for a transaction under the terms of the agreements, when combined with the amount of securities, deposits, and investments set aside by the regional transit authority for payment in respect of the transactions, together with interest or other earnings on the securities, deposits, or investments, must be sufficient to pay when due all amounts required to be paid by the regional transit authority, or public corporation or entity created under RCW 81.112.320, as rent, debt service, or installments of purchase price, as the case may be, over the full term of the transaction plus any optional purchase price due under the transaction. A certification by an independent financial expert, banker, or certified public accountant, who is not an employee of the regional transit authority or public corporation or entity created under RCW 81.112.320, certifying compliance with this requirement is conclusive evidence that the arrangements, by their terms, comply with the requirement under this subsection on the sufficiency of the amount.

(3) The payment undertaking agreements, and all other basic and material agreements entered into in connection with the transactions, must specify that the parties to the agreements consent to the jurisdiction of state courts of Washington for disputes arising out of the agreements and agree not to contest venue before such courts. Regardless of the choice of law specified in the foregoing agreements, the agreements must acknowledge that the regional transit authority or public development corporation or entity created under RCW 81.112.320 that is a party to the agreements is an entity created under the laws of the state of Washington whose power and authority and limitations and restrictions on the power and authority are governed by the laws of the state of Washington.

Payment undertaking agreements that meet the foregoing requirement must be treated for all relevant purposes as agreements under which future services are performed for a present payment and

shall not be treated as payment agreements within the meaning of chapter 39.96 RCW. [2000 2nd sp.s. c 4 s 19.]

**Findings—Construction—2000 2nd sp.s. c 4 ss 18-30:** See notes following RCW 81.112.300.

**RCW 81.112.320 Sale and leaseback—Creation of public entity.**

To accomplish any of the activities under RCW 81.112.300, a regional transit authority may create a public corporation, commission, or authority under RCW 35.21.730 through 35.21.755, and authorize the corporation, commission, or authority to provide any of the facilities and services that a regional transit authority may provide including any activities under RCW 81.112.300. A regional transit authority has all the powers, authorities, and rights granted to any city, town, or county or their agents under RCW 35.21.730 through 35.21.755 for the purposes of entering into and implementing transactions under RCW 81.112.300. [2000 2nd sp.s. c 4 s 20.]

**Effective date—2000 2nd sp.s. c 4 ss 1-3, 20:** See note following RCW 82.08.020.

**Findings—Construction—2000 2nd sp.s. c 4 ss 18-30:** See notes following RCW 81.112.300.

**RCW 81.112.330 Sale and leaseback—Restrictions, requirements.**

(1) Except as provided in subsection (3) of this section, no regional transit authority may initiate a transaction authorized under RCW 81.112.300 after June 30, 2007.

(2) The termination of authority to enter into transactions after June 30, 2007, does not affect the validity of any transactions entered into under RCW 81.112.300.

(3) A regional transit authority may enter into a transaction in accordance with RCW 81.112.300 after June 30, 2007, to replace or refinance a transaction that relates to specific obligations entered into on or before that date and that has terminated, or is, under the terms of the replacement or refinance, to terminate, before the final stated term of that transaction. The exemptions from taxes provided by RCW 82.08.834, 82.12.834, 82.04.4201, 82.29A.134, 82.36.605 [84.36.605], 35.21.756, 82.04.050, 82.45.010, and 35.21.755 apply to the replacement or refinance transactions.

(4) A regional transit authority, or public corporation or entity created under RCW 81.112.320, that undertakes a transaction authorized by RCW 81.112.300, shall provide to the state finance committee, or its financial advisor, at the state finance committee's discretion, a copy of all material agreements executed in connection with the transaction within three months of the closing of the transaction and shall make a report to the state finance committee, the president of the senate, and the speaker of the house of representatives on transactions authorized by RCW 81.112.300. The report must include the amount of the transactions, the expected savings or losses resulting from the transactions, the transaction costs, including fees and detailed pricing information, the risks associated with the transaction, and any other information the regional transit authority

determines relevant. The report must be submitted within six months of the closing of each transaction. [2000 2nd sp.s. c 4 s 30.]

**Findings—Construction—2000 2nd sp.s. c 4 ss 18-30:** See notes following RCW 81.112.300.

**RCW 81.112.340 Supplemental transportation improvements.** If the legislative authority of a city provides or contracts for supplemental transportation improvements, as described in RCW 35.21.925 or under chapter 36.73 RCW, a regional transit authority serving the city or border jurisdictions shall coordinate its services with the supplemental transportation improvements to maximize efficiencies in public transportation services within and across service boundaries. [2010 c 251 s 6.]

**RCW 81.112.350 Transit-oriented development strategy system plan—Requirements—Definitions—Quarterly reports.** (1) A regional transit authority that includes a county with a population of more than one million five hundred thousand must develop and seek voter approval for a system plan, which meets the requirements of any transportation subarea equity element used by the authority, to implement a regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities consistent with transit-oriented development plans developed with community input by any regional transportation planning organization within the regional transit authority boundaries. This system plan, which must be part of any authorizing proposition submitted to the voters after July 15, 2015, must include the following:

(a) The regional transit authority must contribute at least four million dollars each year for five consecutive years beginning within three years of voter approval of the system plan to a revolving loan fund to support the development of affordable housing opportunities related to equitable transit-oriented development within the boundaries of the regional transit authority.

(b) (i) A requirement that when a regional transit authority disposes or transfers any surplus property, including, but not limited to, property acquired prior to July 15, 2015, a minimum of eighty percent of the surplus property to be disposed or transferred, including air rights, that is suitable for development as housing, must be offered for either transfer at no cost, sale, or long-term lease first to qualified entities that agree to develop affordable housing on the property, consistent with local land use and zoning laws.

(ii) (A) If a qualified entity receives surplus property from a regional transit authority after being offered the property as provided in (b) (i) of this subsection, the authority must require a minimum of eighty percent of the housing units constructed on property obtained under (b) (i) of this subsection to be dedicated to affordable housing.

(B) If a qualified entity sells property or development rights obtained through (b) (i) of this subsection, it must use the proceeds from the sale to construct affordable housing within one-half mile of a light rail station or transit station.

(c) A requirement that the regional transit authority must work in good faith to implement all requirements of this section, but is not required to comply with a requirement imposed by (b) (i) or (ii) of this subsection if the requirement is in conflict, as determined by the relevant federal agency, with provisions of the applicable federal transit administration master grant agreement, federal transit administration full funding grant agreement with the regional transit authority, or the equivalent federal railroad administration agreement necessary to establish or maintain eligibility for a federal grant program.

(d) A requirement that (b) of this subsection does not apply to property to be transferred to governments or third parties in order to facilitate permitting, construction, or mitigation of high capacity transportation facilities and services.

(2) For the purposes of this section:

(a) "Affordable housing" means long-term housing for persons, families, or unrelated persons living together whose adjusted income is at or below eighty percent of the median income, adjusted for household size, for the county where the housing is located.

(b) "Qualified entity" means a local government, housing authority, and nonprofit developer.

(3) A regional transit authority implementing subsection (1) (b) of this section must, at the end of each fiscal quarter, send a report to the appropriate committees of the legislature and post a report on its website detailing the following activities:

(a) Any transfers of property that have occurred in the previous fiscal quarter pursuant to subsection (1) (b) of this section; and

(b) Any progress in implementing any regional equitable transit-oriented development strategy for diverse, vibrant, mixed-use and mixed-income communities approved by the voters pursuant to this section. [2015 3rd sp.s. c 44 s 329.]

**Effective date—2015 3rd sp.s. c 44:** See note following RCW 46.68.395.

**RCW 81.112.360 Sales and use tax offset fee.** (1) Beginning January 1, 2017, and until the requirements in subsection (4) of this section are met, a regional transit authority must pay to the department of revenue, for deposit into the Puget Sound taxpayer accountability account, a sales and use tax offset fee.

(2) A sales and use tax offset fee is three and twenty-five one-hundredths percent of the total payments made by the regional transit authority to construction contractors on construction contracts that are (a) for new projects identified in the system plan funded by any proposition approved by voters after January 1, 2015, and (b) excluded from the definition of retail sale under RCW 82.04.050(10).

(3) Fees are due monthly by the twenty-fifth day of the month, with respect to payments made to construction contractors during the previous month.

(4) A sales and use tax offset fee is due until the regional transit authority has paid five hundred eighteen million dollars.

(5) Except as otherwise provided in this section, the provisions of chapter 82.32 RCW apply to this section.

(6) The department of revenue must oversee the collection of the sales and use tax offset fee and may adopt rules necessary to implement this section. [2015 3rd sp.s. c 44 s 422.]

**Effective date—2015 3rd sp.s. c 44:** See note following RCW 46.68.395.

**RCW 81.112.370 Green electrolytic hydrogen and renewable hydrogen—Power to produce, distribute, and use.** (1) A regional transit authority may:

(a) Produce, distribute, and use green electrolytic hydrogen and renewable hydrogen for internal operations;

(b) Produce, distribute for sale, or sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer; and

(c) (i) Sell green electrolytic hydrogen and renewable hydrogen at wholesale or to an end-use customer to or through facilities that distribute, compress, store, liquefy, or dispense green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel.

(ii) For the purposes of (c) (i) of this subsection, regional transit authorities may own, operate, or own and operate pipelines or dispensing facilities for green electrolytic hydrogen or renewable hydrogen for end use as a transportation fuel if all such pipelines and dispensing facilities are: (A) Located in the area where the regional transit authority is authorized to provide public transportation service; (B) located within the area where the regional transit authority is authorized to provide public transportation service and are service connected; or (C) located within the area where the regional transit authority is authorized to provide public transportation service and are pursuant to a partnership or agreement with one or more public or private partners.

(2) Nothing in this section authorizes a regional transit authority to sell green electrolytic hydrogen or renewable hydrogen delivered by pipeline to an end-use customer of a gas company.

(3) Nothing in this section subjects a regional transit authority to the jurisdiction of the utilities and transportation commission, except that the utilities and transportation commission may administer and enforce state and federal pipeline safety requirements, as authorized in chapter 81.88 RCW, including applicable fees payable to the utilities and transportation commission.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Green electrolytic hydrogen" has the same meaning provided in RCW 54.04.190.

(b) "Renewable hydrogen" has the same meaning provided in RCW 54.04.190.

(c) "Gas company" has the same meaning provided in RCW 80.04.010. [2023 c 234 s 5.]

**RCW 81.112.900 Section headings not part of law—1992 c 101.** Section headings as used in this act do not constitute any part of the law. [1992 c 101 s 33.]

**RCW 81.112.902 Effective date—1992 c 101.** This act shall take effect July 1, 1992. [1992 c 101 s 35.]