
HOUSE BILL 1836

State of Washington

53rd Legislature

1993 Regular Session

By Representative Heavey

Read first time 02/10/93. Referred to Committee on Transportation.

1 AN ACT Relating to a local option sales and use tax on motor
2 vehicle and special fuels; amending RCW 81.104.140, 81.104.180, and
3 81.104.190; adding new sections to chapter 81.104 RCW; providing an
4 effective date; and declaring an emergency.

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

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 81.104 RCW
7 to read as follows:

8 The legislative bodies of cities that operate transit systems,
9 county transportation authorities, metropolitan municipal corporations,
10 public transportation benefit areas, and regional transit authorities
11 may submit an authorizing proposition to the voters and if approved by
12 a majority of persons voting, fix and impose a sales and use tax on the
13 sale or use of motor vehicle fuel, as defined in chapter 82.36 RCW, and
14 special fuel, as defined in chapter 82.38 RCW, in accordance with the
15 terms of this chapter. Tax revenue generated under this section shall
16 be used solely for the development, construction, operation, and
17 maintenance of fixed guideways for high-capacity transportation
18 systems, including dedicated rights of way used exclusively by buses.

1 The tax authorized by this section is in addition to the tax
2 authorized by RCW 82.14.030 and shall be collected from those persons
3 who purchase or use motor vehicle fuel or special fuel upon the
4 occurrence of the taxable event within the city, county transportation
5 authority, metropolitan municipal corporation, or public transportation
6 benefit area, as the case may be. The maximum rate of such tax shall
7 be approved by the voters and shall not exceed ten percent of the
8 selling price (in the case of a sales tax) or value of the fuel used
9 (in the case of a use tax).

10 NEW SECTION. **Sec. 2.** A new section is added to chapter 81.104 RCW
11 to read as follows:

12 The tax levied under section 1 of this act does not apply to sales
13 of:

14 (1) Motor vehicle fuel used in aircraft by the manufacturer thereof
15 for research, development, and testing purposes; and

16 (2) Motor vehicle and special fuel if:

17 (a) The fuel is purchased for the purpose of public transportation
18 and the purchaser is entitled to a refund or an exemption under RCW
19 82.36.275 or 82.38.080(9); or

20 (b) The fuel is purchased by a private, nonprofit transportation
21 provider certified under chapter 81.66 RCW and the purchaser is
22 entitled to a refund or an exemption under RCW 82.36.285 or
23 82.38.080(8).

24 **Sec. 3.** RCW 81.104.140 and 1992 c 101 s 25 are each amended to
25 read as follows:

26 (1) Agencies authorized to provide high-capacity transportation
27 service, including transit agencies and regional transit authorities,
28 are hereby granted dedicated funding sources for such systems. These
29 dedicated funding sources, as set forth in RCW 81.104.150, 81.104.160,
30 (~~and~~) 81.104.170, and section 1 of this act, are authorized only for
31 agencies located in (a) each county with a population of two hundred
32 ten thousand or more and (b) each county with a population of from one
33 hundred twenty-five thousand to less than two hundred ten thousand
34 except for those counties that do not border a county with a population
35 as described under (a) of this subsection. In any county with a
36 population of one million or more or in any county having a population
37 of four hundred thousand or more bordering a county with a population

1 of one million or more, these funding sources may be imposed only by a
2 regional transit authority.

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

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

8 (a) Acceptability;

9 (b) Ease of administration;

10 (c) Equity;

11 (d) Implementation feasibility;

12 (e) Revenue reliability; and

13 (f) Revenue yield.

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

17 (a) Employer tax as provided in RCW 81.104.150;

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

20 (c) Sales and use tax as provided in RCW 81.104.170; and

21 (d) Sales and use tax as provided in section 1 of this act.

22 Revenues from these taxes may be used only to support those
23 purposes prescribed in subsection (10) of this section. Before the
24 date of an election authorizing an agency to impose any of the taxes
25 enumerated in this section and authorized in RCW 81.104.150,
26 81.104.160, (~~and~~) 81.104.170, and section 1 of this act, the agency
27 must comply with the process prescribed in RCW 81.104.100 (1) and (2)
28 and 81.104.110. No construction on exclusive right of way may occur
29 before the requirements of RCW 81.104.100(3) are met.

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

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

4 (7) Dedicated high_capacity transportation funding sources
5 authorized in RCW 81.104.150, 81.104.160, (~~and~~) 81.104.170, and
6 section 1 of this act shall be subject to voter approval by a simple
7 majority. A single ballot proposition may seek approval for one or
8 more of the authorized taxing sources. The ballot title shall
9 reference the document identified in subsection (8) of this section.

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

18 (9) For any election in which voter approval is sought for a high_
19 capacity transportation system plan and financing plan pursuant to RCW
20 81.104.040, a local voter's pamphlet shall be produced as provided in
21 chapter 29.81A RCW.

22 (10) Agencies providing high_capacity transportation service shall
23 retain responsibility for revenue encumbrance, disbursement, and
24 bonding. Funds may be used for any purpose relating to planning,
25 construction, and operation of high_capacity transportation systems and
26 commuter rail systems, personal rapid transit, busways, bus sets, and
27 entrained and linked buses.

28 **Sec. 4.** RCW 81.104.180 and 1992 c 101 s 29 are each amended to
29 read as follows:

30 Cities that operate transit systems, county transportation
31 authorities, metropolitan municipal corporations, public transportation
32 benefit areas, and regional transit authorities are authorized to
33 pledge revenues from the employer tax authorized by RCW 81.104.150, the
34 special motor vehicle excise tax authorized by RCW 81.104.160, and the
35 sales and use tax authorized by RCW 81.104.170 and section 1 of this
36 act, to retire bonds issued solely for the purpose of providing high_
37 capacity transportation service.

1 **Sec. 5.** RCW 81.104.190 and 1992 c 101 s 30 are each amended to
2 read as follows:

3 Cities that operate transit systems, county transportation
4 authorities, metropolitan municipal corporations, public transportation
5 benefit areas, and regional transit systems may contract with the state
6 department of revenue or other appropriate entities for administration
7 and collection of any tax authorized by RCW 81.104.150, 81.104.160,
8 (~~and~~) 81.104.170, and section 1 of this act.

9 NEW SECTION. **Sec. 6.** The legislature finds that the increasing
10 number of vehicles traveling on public roadways in Washington poses a
11 serious threat of irreversible harm to the state's air quality and
12 creates traffic congestion that impedes the freedom of travel of the
13 citizens of this state. Therefore, this act is necessary for the
14 immediate preservation of the public peace, health, or safety, or
15 support of the state government and its existing public institutions,
16 and shall take effect July 1, 1993.

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