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**SENATE BILL 6657**

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**State of Washington****55th Legislature****1998 Regular Session**

**By** Senators West, Strannigan, Benton, Finkbeiner, McDonald, Hale, Swecker, Long, Newhouse, Rossi, Deccio, Zarelli, Schow, Roach, McCaslin, Johnson, Morton, Sellar, Hochstatter, Wood, Stevens, Oke and Anderson

Read first time 01/26/98. Referred to Committee on Ways & Means.

1 AN ACT Relating to the reallocation of general fund and motor  
2 vehicle excise tax resources; amending RCW 82.44.020, 82.44.041,  
3 82.44.110, 82.44.150, 82.14.310, 82.14.330, 43.135.060, 82.50.410,  
4 82.50.510, 35.58.273, 35.58.410, 46.16.068, 70.94.015, 81.100.060,  
5 82.08.020, 82.14.046, 82.44.023, 82.44.025, 82.44.155, 82.44.180, and  
6 84.44.050; reenacting and amending RCW 69.50.520, 82.14.320, and  
7 81.104.160; adding a new section to chapter 82.44 RCW; adding a new  
8 section to chapter 43.135 RCW; creating new sections; providing  
9 effective dates; providing a contingent effective date; and providing  
10 for submission of certain sections of this act to a vote of the people.

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

12 NEW SECTION. **Sec. 1.** The purpose of this act is to reallocate the  
13 general fund portion of the state's motor vehicle excise tax revenues  
14 among the taxpayers, local governments, and the state's transportation  
15 programs. The legislature finds that use of motor vehicle excise tax  
16 revenues for general fund purposes has created a fiscal imbalance that  
17 affects the state's ability to address critical transportation needs.  
18 The dedication of these revenues to increased transportation funding,  
19 while maintaining and enhancing existing state distributions to local

1 governments for criminal justice and other purposes and reducing the  
2 tax burden on owners of motor vehicles, is an appropriate use of  
3 revenues derived from motor vehicles.

4 In reallocating general fund resources, it is also the intent of  
5 this act to ensure that other programs funded from the general fund are  
6 not adversely impacted by these reallocations of revenue. Therefore,  
7 the legislature adopts this act to reaffirm and strengthen the general  
8 fund revenue and expenditure limitations adopted by the voters of the  
9 state in Initiative Measure No. 601, consistent with these  
10 reallocations of general fund resources.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.44 RCW  
12 to read as follows:

13 (1) Beginning with motor vehicle registrations that are due or  
14 become due in July 1999, a credit is authorized against the tax imposed  
15 under RCW 82.44.020(1) on each personal-use motor vehicle equal to the  
16 lesser of the tax otherwise due under RCW 82.44.020(1) or forty  
17 dollars.

18 (2) For the purposes of this section, "personal-use motor vehicle"  
19 means a vehicle registered to a private individual, not owned by a  
20 business, and designated in one of the following use classes: (a)  
21 Passenger; (b) truck with a weight not to exceed six thousand pounds;  
22 or (c) motorcycle.

23 **Sec. 3.** RCW 82.44.020 and 1993 sp.s. c 23 s 61 are each amended to  
24 read as follows:

25 (1) An excise tax is imposed for the privilege of using in the  
26 state any motor vehicle, except those operated under reciprocal  
27 agreements, the provisions of RCW 46.16.160 (~~as now or hereafter~~  
28 ~~amended~~), or dealer's licenses. The annual amount of such excise tax  
29 shall be two and two-tenths percent of the value of such vehicle.

30 ~~(2) ((An additional excise tax is imposed, in addition to any other~~  
31 ~~tax imposed by this section, for the privilege of using in the state~~  
32 ~~any such motor vehicle, and the annual amount of such additional excise~~  
33 ~~shall be two tenths of one percent of the value of such vehicle.~~

34 ~~(3) Effective with October 1992 motor vehicle registration~~  
35 ~~expirations,)) A clean air excise tax is imposed in addition to any~~  
36 other tax imposed by this section for the privilege of using in the  
37 state any motor vehicle as defined in RCW 82.44.010, except that farm

1 vehicles as defined in RCW 46.04.181 shall not be subject to the tax  
2 imposed by this subsection. The ~~((annual amount of the additional  
3 excise tax shall be two dollars and twenty five cents. Effective with  
4 July 1994 motor vehicle registration expirations, the))~~ annual amount  
5 of additional excise tax shall be two dollars.

6 ~~((+4))~~ (3) An additional excise tax is imposed on truck-type power  
7 units that are used in combination with a trailer to transport loads in  
8 excess of forty thousand pounds combined gross weight. The annual  
9 amount of such additional excise tax shall be fifty-eight one-  
10 hundredths of one percent of the value of the vehicle.

11 The department shall distribute the additional tax collected under  
12 this subsection as follows:

13 (a) For each trailing unit subject to subsection ~~((+5))~~ (4) of  
14 this section, an amount equal to the clean air excise tax prescribed in  
15 subsection ~~((+3))~~ (2) of this section shall be distributed in the  
16 manner prescribed in RCW 82.44.110~~((+3))~~ (2);

17 (b) ~~((0f))~~ (1) The remainder of the additional excise tax collected  
18 under this subsection ~~((, ten percent shall be distributed in the manner  
19 prescribed in RCW 82.44.110(2) and ninety percent))~~ shall be  
20 distributed in the manner prescribed in RCW 82.44.110(1). This tax  
21 shall not apply to power units used exclusively for hauling logs.

22 ~~((+5))~~ (4) The excise taxes imposed by subsections (1) ~~((through  
23 +3))~~ and (2) of this section shall not apply to trailing units which  
24 are used in combination with a power unit subject to the additional  
25 excise tax imposed by subsection ~~((+4))~~ (3) of this section. This  
26 subsection shall not apply to trailing units used for hauling logs.

27 ~~((+6))~~ (5) In no case shall the total tax be less than two dollars  
28 except for proportionally registered vehicles and except for vehicles  
29 on which a credit is granted under section 2 of this act.

30 ~~((+7))~~ (6) Washington residents, as defined in RCW 46.16.028, who  
31 license motor vehicles in another state or foreign country and avoid  
32 Washington motor vehicle excise taxes are liable for such unpaid excise  
33 taxes. The department of revenue may assess and collect the unpaid  
34 excise taxes under chapter 82.32 RCW, including the penalties and  
35 interest provided therein.

36 **Sec. 4.** RCW 82.44.041 and 1990 c 42 s 303 are each amended to read  
37 as follows:

1 (1) For the purpose of determining the tax under this chapter, the  
2 value of a truck-type power or trailing unit shall be the latest  
3 purchase price of the vehicle, excluding applicable federal excise  
4 taxes, state and local sales or use taxes, transportation or shipping  
5 costs, or preparatory or delivery costs, multiplied by the following  
6 percentage based on year of service of the vehicle since last sale.  
7 The latest purchase year shall be considered the first year of service.

8	YEAR OF SERVICE	PERCENTAGE
9	1	100
10	2	90
11	3	83
12	4	75
13	5	67
14	6	59
15	7	52
16	8	44
17	9	36
18	10	28
19	11	21
20	12	13
21	13 or older	10

22 (2) The reissuance of title and registration for a truck-type power  
23 or trailing unit because of the installation of body or special  
24 equipment shall be treated as a sale, and the value of the truck-type  
25 power or trailing unit at that time, as determined by the department  
26 from such information as may be available, shall be considered the  
27 latest purchase price.

28 (3) For the purpose of determining the tax under this chapter, the  
29 value of a motor vehicle other than a truck-type power or trailing unit  
30 shall be the manufacturer's base suggested retail price of the vehicle  
31 when first offered for sale as a new vehicle, excluding any optional  
32 equipment, applicable federal excise taxes, state and local sales or  
33 use taxes, transportation or shipping costs, or preparatory or delivery  
34 costs, multiplied by the applicable percentage listed in this  
35 subsection based on year of service of the vehicle.

36 If the manufacturer's base suggested retail price is unavailable or  
37 otherwise unascertainable at the time of initial registration in this

1 state, the department shall determine a value equivalent to a  
2 manufacturer's base suggested retail price as follows:

3 (a) The department shall determine a value using any information  
4 that may be available, including any guidebook, report, or compendium  
5 of recognized standing in the automotive industry or the selling price  
6 and year of sale of the vehicle. The department may use an appraisal  
7 by the county assessor. In valuing a vehicle for which the current  
8 value or selling price is not indicative of the value of similar  
9 vehicles of the same year and model, the department shall establish a  
10 value that more closely represents the average value of similar  
11 vehicles of the same year and model.

12 (b) The value determined in (a) of this subsection shall be divided  
13 by the applicable percentage listed in this subsection to establish a  
14 value equivalent to a manufacturer's base suggested retail price. The  
15 applicable percentage shall be based on the year of service of the  
16 vehicle for which the value is determined.

17	YEAR OF SERVICE	PERCENTAGE
18	1	100
19	2	((100)) <u>93.5</u>
20	3	((91)) <u>86</u>
21	4	((83)) <u>79</u>
22	5	((74)) <u>71</u>
23	6	((65)) <u>63</u>
24	7	((57)) <u>56</u>
25	8	48
26	9	40
27	10	31
28	11	22
29	12	14
30	13 or older	10

31 (4) For purposes of this chapter, value shall exclude value  
32 attributable to modifications of a motor vehicle and equipment that are  
33 designed to facilitate the use or operation of the motor vehicle by a  
34 handicapped person.

35 **Sec. 5.** RCW 82.44.110 and 1997 c 338 s 68 are each amended to read  
36 as follows:

1 The county auditor shall regularly, when remitting license fee  
2 receipts, pay over and account to the director of licensing for the  
3 excise taxes collected under the provisions of this chapter. The  
4 director shall forthwith transmit the excise taxes to the state  
5 treasurer.

6 (1) The state treasurer shall deposit the excise taxes collected  
7 under RCW 82.44.020(1) as follows:

8 (a) (~~(1.60)~~) 1.455 percent into the motor vehicle fund through June  
9 30, 1999, and 1.812 percent beginning July 1, 1999, to defray  
10 administrative and other expenses incurred by the department in the  
11 collection of the excise tax.

12 (b) (~~(8.15)~~) 7.409 percent into the Puget Sound capital  
13 construction account in the motor vehicle fund through June 30, 1999,  
14 and 9.232 percent beginning July 1, 1999.

15 (c) (~~(4.07)~~) 3.70 percent into the Puget Sound ferry operations  
16 account in the motor vehicle fund through June 30, 1999, and 4.61  
17 percent beginning July 1, 1999.

18 (d) (~~(5.88)~~) 5.345 percent into the general fund to be distributed  
19 under RCW 82.44.155 through June 30, 1999, and 6.66 percent beginning  
20 July 1, 1999.

21 (e) (~~(4.75)~~) 4.318 percent into the municipal sales and use tax  
22 equalization account in the general fund created in RCW 82.14.210  
23 through June 30, 1999, and 5.38 percent beginning July 1, 1999.

24 (f) (~~(1.60)~~) 1.455 percent into the county sales and use tax  
25 equalization account in the general fund created in RCW 82.14.200  
26 through June 30, 1999, and 1.812 percent beginning July 1, 1999.

27 (g) (~~(62.6440)~~) 12.191 percent into the general fund through June  
28 30, (~~(1995,~~ and ~~57.6440~~ percent into the general fund beginning July 1,  
29 ~~1995))~~ 1999.

30 (h) (~~(5)~~) 43.464 percent into the transportation fund created in  
31 RCW 82.44.180 through June 30, 1999, and 54.262 percent beginning July  
32 1, (~~(1995))~~ 1999.

33 (i) (~~(5.9686)~~) 5.426 percent into the county criminal justice  
34 assistance account created in RCW 82.14.310 through June 30, 1999.

35 (j) (~~(1.1937)~~) 1.085 percent into the municipal criminal justice  
36 assistance account for distribution under RCW 82.14.320 through June  
37 30, 1999.

1 (k) (~~(1.1937)~~) 1.085 percent into the municipal criminal justice  
2 assistance account for distribution under RCW 82.14.330 through June  
3 30, 1999.

4 (l) (~~(2.95)~~) 2.682 percent into the county public health account  
5 created in RCW 70.05.125 through June 30, 1999, and 3.399 percent  
6 beginning July 1, 1999.

7 (m) 10.385 percent into the motor vehicle fund through June 30,  
8 1999, and 12.891 percent beginning July 1, 1999.

9 (~~(Notwithstanding (i) through (k) of this subsection, no more than~~  
10 ~~sixty million dollars shall be deposited into the accounts specified in~~  
11 ~~(i) through (k) of this subsection for the period January 1, 1994,~~  
12 ~~through June 30, 1995. Not more than five percent of the funds~~  
13 ~~deposited to these accounts shall be available for appropriations for~~  
14 ~~enhancements to the state patrol crime laboratory system and the~~  
15 ~~continuing costs related to these enhancements. Motor vehicle excise~~  
16 ~~tax funds appropriated for such enhancements shall not supplant~~  
17 ~~existing funds from the state general fund.)) For ((the)) fiscal years  
18 ((ending June 30,)) 1998 and 1999, ((and for each fiscal year  
19 thereafter,)) the amounts deposited into the accounts specified in (i)  
20 through (k) of this subsection shall not increase by more than the  
21 amounts deposited into those accounts in the previous fiscal year  
22 increased by the implicit price deflator for the previous fiscal year.  
23 Any revenues in excess of this amount shall be deposited into the  
24 violence reduction and drug enforcement account.~~

25 (2) (~~The state treasurer shall deposit the excise taxes collected~~  
26 ~~under RCW 82.44.020(2) into the transportation fund.~~

27 (~~3~~)) The state treasurer shall deposit the excise tax imposed by  
28 RCW 82.44.020(~~(3)~~) (2) into the air pollution control account created  
29 by RCW 70.94.015.

30 **Sec. 6.** RCW 82.44.150 and 1995 2nd sp.s. c 14 s 538 are each  
31 amended to read as follows:

32 (1) The director of licensing shall, on the twenty-fifth day of  
33 February, May, August, and November of each year, advise the state  
34 treasurer of the total amount of motor vehicle excise taxes imposed by  
35 RCW 82.44.020 (1) (~~and (2)~~) remitted to the department during the  
36 preceding calendar quarter ending on the last day of March, June,  
37 September, and December, respectively, except for those payable under  
38 RCW 82.44.030, from motor vehicle owners residing within each

1 municipality which has levied a tax under RCW 35.58.273, which amount  
2 of excise taxes shall be determined by the director as follows:

3       The total amount of motor vehicle excise taxes remitted to the  
4 department, except those payable under RCW 82.44.020(~~((+3+))~~) (2) and  
5 82.44.030, from each county shall be multiplied by a fraction, the  
6 numerator of which is the population of the municipality residing in  
7 such county, and the denominator of which is the total population of  
8 the county in which such municipality or portion thereof is located.  
9 The product of this computation shall be the amount of excise taxes  
10 from motor vehicle owners residing within such municipality or portion  
11 thereof. Where the municipality levying a tax under RCW 35.58.273 is  
12 located in more than one county, the above computation shall be made by  
13 county, and the combined products shall provide the total amount of  
14 motor vehicle excise taxes from motor vehicle owners residing in the  
15 municipality as a whole. Population figures required for these  
16 computations shall be supplied to the director by the office of  
17 financial management, who shall adjust the fraction annually.

18       (2) On the first day of the months of January, April, July, and  
19 October of each year, the state treasurer based upon information  
20 provided by the department shall, from motor vehicle excise taxes  
21 deposited in the general fund(~~((7))~~) under RCW 82.44.110(1)(g) through  
22 April 1, 1999, distributions, and deposited in the transportation fund  
23 under RCW 82.44.110(1)(h) beginning with July 1, 1999, distributions,  
24 make the following deposits:

25       (a) To the high capacity transportation account created in RCW  
26 47.78.010, a sum equal to four and five-tenths percent of the special  
27 excise tax levied under RCW 35.58.273 by those municipalities  
28 authorized to levy a special excise tax within each county that has a  
29 population of one hundred seventy-five thousand or more and has an  
30 interstate highway within its borders; except that in a case of a  
31 municipality located in a county that has a population of one hundred  
32 seventy-five thousand or more that does not have an interstate highway  
33 located within its borders, that sum shall be deposited in the  
34 passenger ferry account;

35       (b) To the central Puget Sound public transportation account  
36 created in RCW 82.44.180, (~~((for revenues distributed after December 31,~~  
37 ~~1992,))~~) within a county with a population of one million or more and a  
38 county with a population of from two hundred thousand to less than one  
39 million bordering a county with a population of one million or more, a



1 sum equal to the difference between (i) the special excise tax levied  
2 and collected under RCW 35.58.273 by those municipalities authorized to  
3 levy and collect a special excise tax subject to the requirements of  
4 subsections (3) and (4) of this section and (ii) the special excise tax  
5 that the municipality would otherwise have been eligible to levy and  
6 collect at a tax rate of .815 percent and been able to match with  
7 locally generated tax revenues, other than the excise tax imposed under  
8 RCW 35.58.273, budgeted for any public transportation purpose. Before  
9 this deposit, the sum shall be reduced by an amount equal to the amount  
10 distributed under (a) of this subsection for each of the municipalities  
11 within the counties to which this subsection (2)(b) applies; however,  
12 any transfer under this subsection (2)(b) must be greater than zero;  
13 and

14 (c) To the public transportation systems account created in RCW  
15 82.44.180, (~~for revenues distributed after December 31, 1992,~~) within  
16 counties not described in (b) of this subsection, a sum equal to the  
17 difference between (i) the special excise tax levied and collected  
18 under RCW 35.58.273 by those municipalities authorized to levy and  
19 collect a special excise tax subject to the requirements of subsections  
20 (3) and (4) of this section and (ii) the special excise tax that the  
21 municipality would otherwise have been eligible to levy and collect at  
22 a tax rate of .815 percent and been able to match with locally  
23 generated tax revenues, other than the excise tax imposed under RCW  
24 35.58.273, budgeted for any public transportation purpose. Before this  
25 deposit, the sum shall be reduced by an amount equal to the amount  
26 distributed under (a) of this subsection for each of the municipalities  
27 within the counties to which this subsection (2)(c) applies; however,  
28 any transfer under this subsection (2)(c) must be greater than zero(~~+~~  
29 and

30 ~~(d) To the general fund, for revenues distributed after June 30,~~  
31 ~~1993, and to the transportation fund, for revenues distributed after~~  
32 ~~June 30, 1995, a sum equal to the difference between (i) the special~~  
33 ~~excise tax levied and collected under RCW 35.58.273 by those~~  
34 ~~municipalities authorized to levy and collect a special excise tax~~  
35 ~~subject to the requirements of subsections (3) and (4) of this section~~  
36 ~~and (ii) the special excise tax that the municipality would otherwise~~  
37 ~~have been eligible to levy and collect at a tax rate of .815 percent~~  
38 ~~notwithstanding the requirements set forth in subsections (3) through~~

1 ~~(6) of this section, reduced by an amount equal to distributions made~~  
2 ~~under (a), (b), and (c) of this subsection and RCW 82.14.046)).~~

3 (3) On the first day of the months of January, April, July, and  
4 October of each year, the state treasurer, based upon information  
5 provided by the department, shall remit motor vehicle excise tax  
6 revenues imposed and collected under RCW 35.58.273 as follows:

7 (a) The amount required to be remitted by the state treasurer to  
8 the treasurer of any municipality levying the tax shall not exceed in  
9 any calendar year the amount of locally-generated tax revenues,  
10 excluding (i) the excise tax imposed under RCW 35.58.273 for the  
11 purposes of this section, which shall have been budgeted by the  
12 municipality to be collected in such calendar year for any public  
13 transportation purposes including but not limited to operating costs,  
14 capital costs, and debt service on general obligation or revenue bonds  
15 issued for these purposes; and (ii) the sales and use tax equalization  
16 distributions provided under RCW 82.14.046; and

17 (b) In no event may the amount remitted in a single calendar  
18 quarter exceed the amount collected on behalf of the municipality under  
19 RCW 35.58.273 during the calendar quarter next preceding the  
20 immediately preceding quarter, excluding the sales and use tax  
21 equalization distributions provided under RCW 82.14.046.

22 (4) At the close of each calendar year accounting period, but not  
23 later than April 1, each municipality that has received motor vehicle  
24 excise taxes under subsection (3) of this section shall transmit to the  
25 director of licensing and the state auditor a written report showing by  
26 source the previous year's budgeted tax revenues for public  
27 transportation purposes as compared to actual collections. Any  
28 municipality that has not submitted the report by April 1 shall cease  
29 to be eligible to receive motor vehicle excise taxes under subsection  
30 (3) of this section until the report is received by the director of  
31 licensing. If a municipality has received more or less money under  
32 subsection (3) of this section for the period covered by the report  
33 than it is entitled to receive by reason of its locally-generated  
34 collected tax revenues, the director of licensing shall, during the  
35 next ensuing quarter that the municipality is eligible to receive motor  
36 vehicle excise tax funds, increase or decrease the amount to be  
37 remitted in an amount equal to the difference between the locally-  
38 generated budgeted tax revenues and the locally-generated collected tax  
39 revenues. In no event may the amount remitted for a calendar year

1 exceed the amount collected on behalf of the municipality under RCW  
2 35.58.273 during that same calendar year excluding the sales and use  
3 tax equalization distributions provided under RCW 82.14.046. At the  
4 time of the next fiscal audit of each municipality, the state auditor  
5 shall verify the accuracy of the report submitted and notify the  
6 director of licensing of any discrepancies.

7 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and  
8 required to be remitted under this section and RCW 82.14.046 shall be  
9 remitted without legislative appropriation.

10 (6) Any municipality levying and collecting a tax under RCW  
11 35.58.273 which does not have an operating, public transit system or a  
12 contract for public transportation services in effect within one year  
13 from the initial effective date of the tax shall return to the state  
14 treasurer all motor vehicle excise taxes received under subsection (3)  
15 of this section.

16 **Sec. 7.** RCW 69.50.520 and 1997 c 451 s 2 and 1997 338 s 69 are  
17 each reenacted and amended to read as follows:

18 The violence reduction and drug enforcement account is created in  
19 the state treasury. Beginning in fiscal year 1999, the state treasurer  
20 shall transfer into the violence reduction and drug enforcement account  
21 from the general fund the sum of eight million four hundred thousand  
22 dollars divided into four equal deposits occurring on July 1, October  
23 1, January 1, and April 1. For each fiscal year thereafter, the state  
24 treasurer shall increase the total transfer by the fiscal growth  
25 factor, as defined in RCW 43.135.025, forecast for that fiscal year by  
26 the office of financial management in November of the preceding year.  
27 In addition all designated receipts from RCW 9.41.110(8), 66.24.210(4),  
28 66.24.290(2), 69.50.505(h)(1), 82.08.150(5), 82.24.020(2), and  
29 82.64.020((, and section 420, chapter 271, Laws of 1989)) shall be  
30 deposited into the account. Expenditures from the account may be used  
31 only for funding services and programs under chapter 271, Laws of 1989  
32 and chapter 7, Laws of 1994 sp. sess., including state incarceration  
33 costs. Funds from the account may also be appropriated to reimburse  
34 local governments for costs associated with implementing criminal  
35 justice legislation including chapter 338, Laws of 1997. During the  
36 1997-1999 biennium, funds from the account may also be used for costs  
37 associated with conducting a feasibility study of the department of  
38 corrections' offender-based tracking system. After July 1, 1999, at

1 least seven and one-half percent of expenditures from the account shall  
2 be used for providing grants to community networks under chapter 70.190  
3 RCW by the family policy council.

4 **Sec. 8.** RCW 82.14.310 and 1995 c 398 s 11 are each amended to read  
5 as follows:

6 (1) The county criminal justice assistance account is created in  
7 the state treasury. Beginning in fiscal year 1999, the state treasurer  
8 shall transfer into the county criminal justice assistance account from  
9 the general fund the sum of forty-six million six hundred thousand  
10 dollars divided into four equal deposits occurring on July 1, October  
11 1, January 1, and April 1. For each fiscal year thereafter, the state  
12 treasurer shall increase the total transfer by the fiscal growth  
13 factor, as defined in RCW 43.135.025, forecast for that fiscal year by  
14 the office of financial management in November of the preceding year.

15 (2) The moneys deposited in the county criminal justice assistance  
16 account for distribution under this section(~~(, less any moneys~~  
17 ~~appropriated for purposes under RCW 82.44.110,)) shall be distributed  
18 at such times as distributions are made under RCW 82.44.150 and on the  
19 relative basis of each county's funding factor as determined under this  
20 subsection.~~

21 (a) A county's funding factor is the sum of:

22 (i) The population of the county, divided by one thousand, and  
23 multiplied by two-tenths;

24 (ii) The crime rate of the county, multiplied by three-tenths; and

25 (iii) The annual number of criminal cases filed in the county  
26 superior court, for each one thousand in population, multiplied by  
27 five-tenths.

28 (b) Under this section and RCW 82.14.320 and 82.14.330:

29 (i) The population of the county or city shall be as last  
30 determined by the office of financial management;

31 (ii) The crime rate of the county or city is the annual occurrence  
32 of specified criminal offenses, as calculated in the most recent annual  
33 report on crime in Washington state as published by the Washington  
34 association of sheriffs and police chiefs, for each one thousand in  
35 population;

36 (iii) The annual number of criminal cases filed in the county  
37 superior court shall be determined by the most recent annual report of

1 the courts of Washington, as published by the office of the  
2 administrator for the courts;

3 (iv) Distributions and eligibility for distributions in the 1989-91  
4 biennium shall be based on 1988 figures for both the crime rate as  
5 described under (ii) of this subsection and the annual number of  
6 criminal cases that are filed as described under (iii) of this  
7 subsection. Future distributions shall be based on the most recent  
8 figures for both the crime rate as described under (ii) of this  
9 subsection and the annual number of criminal cases that are filed as  
10 described under (iii) of this subsection.

11 (3) Moneys distributed under this section shall be expended  
12 exclusively for criminal justice purposes and shall not be used to  
13 replace or supplant existing funding. Criminal justice purposes are  
14 defined as activities that substantially assist the criminal justice  
15 system, which may include circumstances where ancillary benefit to the  
16 civil justice system occurs, and which includes domestic violence  
17 services such as those provided by domestic violence programs,  
18 community advocates, and legal advocates, as defined in RCW 70.123.020.  
19 Existing funding for purposes of this subsection is defined as calendar  
20 year 1989 actual operating expenditures for criminal justice purposes.  
21 Calendar year 1989 actual operating expenditures for criminal justice  
22 purposes exclude the following: Expenditures for extraordinary events  
23 not likely to reoccur, changes in contract provisions for criminal  
24 justice services, beyond the control of the local jurisdiction  
25 receiving the services, and major nonrecurring capital expenditures.  
26 Not more than five percent of the funds deposited to the county  
27 criminal justice assistance account shall be available for  
28 appropriations for enhancements to the state patrol crime laboratory  
29 system and the continuing costs related to these enhancements. Funds  
30 appropriated from this account for such enhancements shall not supplant  
31 existing funds from the state general fund.

32 **Sec. 9.** RCW 82.14.320 and 1995 c 398 s 12 and 1995 c 312 s 84 are  
33 each reenacted and amended to read as follows:

34 (1) The municipal criminal justice assistance account is created in  
35 the state treasury. Beginning in fiscal year 1999, the state treasurer  
36 shall transfer into the municipal criminal justice assistance account  
37 for distribution under this section from the general fund the sum of  
38 nine million three hundred dollars divided into four equal deposits

1 occurring on July 1, October 1, January 1, and April 1. For each  
2 fiscal year thereafter, the state treasurer shall increase the total  
3 transfer by the fiscal growth factor, as defined in RCW 43.135.025,  
4 forecast for that fiscal year by the office of financial management in  
5 November of the preceding year.

6 (2) No city may receive a distribution under this section from the  
7 municipal criminal justice assistance account unless:

8 (a) The city has a crime rate in excess of one hundred twenty-five  
9 percent of the state-wide average as calculated in the most recent  
10 annual report on crime in Washington state as published by the  
11 Washington association of sheriffs and police chiefs;

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

15 (c) The city has a per capita yield from the tax imposed under RCW  
16 82.14.030(1) at the maximum rate of less than one hundred fifty percent  
17 of the state-wide average per capita yield for all cities from such  
18 local sales and use tax.

19 (3) The moneys deposited in the municipal criminal justice  
20 assistance account for distribution under this section(~~(, less any~~  
21 ~~moneys appropriated for purposes under RCW 82.44.110,)) shall be  
22 distributed at such times as distributions are made under RCW  
23 82.44.150. The distributions shall be made as follows:~~

24 (a) Unless reduced by this subsection, thirty percent of the moneys  
25 shall be distributed ratably based on population as last determined by  
26 the office of financial management to those cities eligible under  
27 subsection (2) of this section that have a crime rate determined under  
28 subsection (2)(a) of this section which is greater than one hundred  
29 seventy-five percent of the state-wide average crime rate. No city may  
30 receive more than fifty percent of any moneys distributed under this  
31 subsection (a) but, if a city distribution is reduced as a result of  
32 exceeding the fifty percent limitation, the amount not distributed  
33 shall be distributed under (b) of this subsection.

34 (b) The remainder of the moneys, including any moneys not  
35 distributed in subsection (2)(a) of this section, shall be distributed  
36 to all cities eligible under subsection (2) of this section ratably  
37 based on population as last determined by the office of financial  
38 management.

1 (4) No city may receive more than thirty percent of all moneys  
2 distributed under subsection (3) of this section.

3 (5) Notwithstanding other provisions of this section, the  
4 distributions to any city that substantially decriminalizes or repeals  
5 its criminal code after July 1, 1990, and that does not reimburse the  
6 county for costs associated with criminal cases under RCW 3.50.800 or  
7 3.50.805(2), shall be made to the county in which the city is located.

8 (6) Moneys distributed under this section shall be expended  
9 exclusively for criminal justice purposes and shall not be used to  
10 replace or supplant existing funding. Criminal justice purposes are  
11 defined as activities that substantially assist the criminal justice  
12 system, which may include circumstances where ancillary benefit to the  
13 civil justice system occurs, and which includes domestic violence  
14 services such as those provided by domestic violence programs,  
15 community advocates, and legal advocates, as defined in RCW 70.123.020,  
16 and publications and public educational efforts designed to provide  
17 information and assistance to parents in dealing with runaway or at-  
18 risk youth. Existing funding for purposes of this subsection is  
19 defined as calendar year 1989 actual operating expenditures for  
20 criminal justice purposes. Calendar year 1989 actual operating  
21 expenditures for criminal justice purposes exclude the following:  
22 Expenditures for extraordinary events not likely to reoccur, changes in  
23 contract provisions for criminal justice services, beyond the control  
24 of the local jurisdiction receiving the services, and major  
25 nonrecurring capital expenditures. Not more than five percent of the  
26 funds deposited to the municipal criminal justice assistance account  
27 shall be available for appropriations for enhancements to the state  
28 patrol crime laboratory system and the continuing costs related to  
29 these enhancements. Funds appropriated from this account for such  
30 enhancements shall not supplant existing funds from the state general  
31 fund.

32 **Sec. 10.** RCW 82.14.330 and 1995 c 398 s 13 are each amended to  
33 read as follows:

34 (1) Beginning in fiscal year 1999, the state treasurer shall  
35 transfer into the municipal criminal justice assistance account for  
36 distribution under this section from the general fund the sum of nine  
37 million three hundred dollars divided into four equal deposits  
38 occurring on July 1, September 1, January 1, and March 1. For each

1 fiscal year thereafter, the state treasurer shall increase the total  
2 transfer by the fiscal growth factor, as defined in RCW 43.135.025,  
3 forecast for that fiscal year by the office of financial management in  
4 November of the preceding year. The moneys deposited in the municipal  
5 criminal justice assistance account for distribution under this  
6 section(~~(, less any moneys appropriated for purposes under RCW~~  
7 ~~82.44.110,)~~) shall be distributed to the cities of the state as  
8 follows:

9 (a) Twenty percent appropriated for distribution shall be  
10 distributed to cities with a three-year average violent crime rate for  
11 each one thousand in population in excess of one hundred fifty percent  
12 of the state-wide three-year average violent crime rate for each one  
13 thousand in population. The three-year average violent crime rate  
14 shall be calculated using the violent crime rates for each of the  
15 preceding three years from the annual reports on crime in Washington  
16 state as published by the Washington association of sheriffs and police  
17 chiefs. Moneys shall be distributed under this subsection (1)(a)  
18 ratably based on population as last determined by the office of  
19 financial management, but no city may receive more than one dollar per  
20 capita. Moneys remaining undistributed under this subsection at the  
21 end of each calendar year shall be distributed to the criminal justice  
22 training commission to reimburse participating city law enforcement  
23 agencies with ten or fewer full-time commissioned patrol officers the  
24 cost of temporary replacement of each officer who is enrolled in basic  
25 law enforcement training, as provided in RCW 43.101.200.

26 (b) Sixteen percent shall be distributed to cities ratably based on  
27 population as last determined by the office of financial management,  
28 but no city may receive less than one thousand dollars.

29 The moneys deposited in the municipal criminal justice assistance  
30 account for distribution under this subsection shall be distributed at  
31 such times as distributions are made under RCW 82.44.150.

32 Moneys distributed under this subsection shall be expended  
33 exclusively for criminal justice purposes and shall not be used to  
34 replace or supplant existing funding. Criminal justice purposes are  
35 defined as activities that substantially assist the criminal justice  
36 system, which may include circumstances where ancillary benefit to the  
37 civil justice system occurs, and which includes domestic violence  
38 services such as those provided by domestic violence programs,  
39 community advocates, and legal advocates, as defined in RCW 70.123.020.



1 Existing funding for purposes of this subsection is defined as calendar  
2 year 1989 actual operating expenditures for criminal justice purposes.  
3 Calendar year 1989 actual operating expenditures for criminal justice  
4 purposes exclude the following: Expenditures for extraordinary events  
5 not likely to reoccur, changes in contract provisions for criminal  
6 justice services, beyond the control of the local jurisdiction  
7 receiving the services, and major nonrecurring capital expenditures.

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

10 (a) Fourteen percent shall be distributed to cities that have  
11 initiated innovative law enforcement strategies, including alternative  
12 sentencing and crime prevention programs. No city may receive more  
13 than one dollar per capita under this subsection (2)(a).

14 (b) Twenty percent shall be distributed to cities that have  
15 initiated programs to help at-risk children or child abuse victim  
16 response programs. No city may receive more than fifty cents per  
17 capita under this subsection (2)(b).

18 (c) Twenty percent shall be distributed to cities that have  
19 initiated programs designed to reduce the level of domestic violence  
20 within their jurisdictions or to provide counseling for domestic  
21 violence victims. No city may receive more than fifty cents per capita  
22 under this subsection (2)(c).

23 (d) Ten percent shall be distributed to cities that contract with  
24 another governmental agency for a majority of the city's law  
25 enforcement services.

26 Moneys distributed under this subsection shall be distributed to  
27 those cities that submit funding requests under this subsection to the  
28 department of community, trade, and economic development based on  
29 criteria developed under RCW 82.14.335. Allocation of funds shall be  
30 in proportion to the population of qualified jurisdictions, but the  
31 distribution to a city shall not exceed the amount of funds requested.  
32 Cities shall submit requests for program funding to the department of  
33 community, trade, and economic development by November 1 of each year  
34 for funding the following year. The department shall certify to the  
35 state treasurer the cities eligible for funding under this subsection  
36 and the amount of each allocation.

37 The moneys deposited in the municipal criminal justice assistance  
38 account for distribution under this subsection(~~(, less any moneys~~  
39 ~~appropriated for purposes under RCW 82.44.110,)) shall be distributed~~

1 at the times as distributions are made under RCW 82.44.150. Moneys  
2 remaining undistributed under this subsection at the end of each  
3 calendar year shall be distributed to the criminal justice training  
4 commission to reimburse participating city law enforcement agencies  
5 with ten or fewer full-time commissioned patrol officers the cost of  
6 temporary replacement of each officer who is enrolled in basic law  
7 enforcement training, as provided in RCW 43.101.200.

8 If a city is found by the state auditor to have expended funds  
9 received under this subsection in a manner that does not comply with  
10 the criteria under which the moneys were received, the city shall be  
11 ineligible to receive future distributions under this subsection until  
12 the use of the moneys are justified to the satisfaction of the director  
13 or are repaid to the state general fund. The director may allow  
14 noncomplying use of moneys received under this subsection upon a  
15 showing of hardship or other emergent need.

16 (3) Notwithstanding other provisions of this section, the  
17 distributions to any city that substantially decriminalizes or repeals  
18 its criminal code after July 1, 1990, and that does not reimburse the  
19 county for costs associated with criminal cases under RCW 3.50.800 or  
20 3.50.805(2), shall be made to the county in which the city is located.  
21 Not more than five percent of the funds deposited to the municipal  
22 criminal justice assistance account shall be available for  
23 appropriations for enhancements to the state patrol crime laboratory  
24 system and the continuing costs related to these enhancements. Funds  
25 appropriated from this account for such enhancements shall not supplant  
26 existing funds from the state general fund.

27 NEW SECTION. Sec. 11. A new section is added to chapter 43.135  
28 RCW to read as follows:

29 (1) Initiative Measure No. 601 (chapter 43.135 RCW, as amended by  
30 chapter . . ., Laws of 1998 (this act) and the amendatory changes  
31 enacted by section 6, chapter 2, Laws of 1994) is hereby reenacted and  
32 reaffirmed. No amendment may be made to Initiative Measure No. 601  
33 without a two-thirds vote of each house of the legislature or a vote of  
34 the people.

35 (2) RCW 43.135.035(4) does not apply to sections 4 through 10,  
36 chapter . . ., Laws of 1998 (sections 4 through 10 of this act).

1       **Sec. 12.** RCW 43.135.060 and 1994 c 2 s 5 are each amended to read  
2 as follows:

3       (1) After July 1, 1995, the legislature shall not impose  
4 responsibility for new programs or increased levels of service under  
5 existing programs on any political subdivision of the state unless the  
6 subdivision is fully reimbursed (~~((by specific appropriation))~~) by the  
7 state for the costs of the new programs or increases in service levels.  
8 Reimbursement by the state may be made by: (a) A specific  
9 appropriation; or (b) increases in state distributions of revenue to  
10 political subdivisions occurring after January 1, 1998.

11       (2) If by order of any court, or legislative enactment, the costs  
12 of a federal or local government program are transferred to or from the  
13 state, the otherwise applicable state expenditure limit shall be  
14 increased or decreased, as the case may be, by the dollar amount of the  
15 costs of the program.

16       (3) The legislature, in consultation with the office of financial  
17 management or its successor agency, shall determine the costs of any  
18 new programs or increased levels of service under existing programs  
19 imposed on any political subdivision or transferred to or from the  
20 state.

21       (4) Subsection (1) of this section does not apply to the costs  
22 incurred for voting devices or machines under RCW 29.04.200.

23       **Sec. 13.** RCW 82.50.410 and 1991 c 199 s 225 are each amended to  
24 read as follows:

25       The rate and measure of tax imposed by RCW 82.50.400 for each  
26 registration year shall be one and one-tenth percent(~~(, and a surcharge~~  
27 ~~of one-tenth of one percent,)~~) of the value of the travel trailer or  
28 camper, as determined in the manner provided in this chapter:  
29 PROVIDED, That the excise tax upon a travel trailer or camper licensed  
30 for the first time in this state after the last day of any registration  
31 month may only be levied for the remaining months of the registration  
32 year including the month in which the travel trailer or camper is first  
33 licensed: PROVIDED FURTHER, That the minimum amount of tax payable  
34 shall be two dollars: PROVIDED FURTHER, That every dealer in mobile  
35 homes or travel trailers, for the privilege of using any mobile home or  
36 travel trailer eligible to be used under a dealer's license plate,  
37 shall pay an excise tax of two dollars, and such tax shall be collected  
38 upon the issuance of each original dealer's license plate, and also a

1 similar tax shall be collected upon the issuance of each dealer's  
2 duplicate license plate, which taxes shall be in addition to any tax  
3 otherwise payable under this chapter.

4 A travel trailer or camper shall be deemed licensed for the first  
5 time in this state when such vehicle was not previously licensed by  
6 this state for the registration year or any part thereof immediately  
7 preceding the registration year in which application for license is  
8 made or when it has been registered in another jurisdiction subsequent  
9 to any prior registration in this state.

10 **Sec. 14.** RCW 82.50.510 and 1991 c 199 s 227 are each amended to  
11 read as follows:

12 The county auditor shall regularly, when remitting motor vehicle  
13 excise taxes, pay to the state treasurer the excise taxes imposed by  
14 RCW 82.50.400. The treasurer shall then distribute such funds  
15 quarterly on the first day of the month of January, April, July and  
16 October of each year in the following amount:

17 (1) (~~For the one percent tax imposed under RCW 82.50.410,~~  
18 ~~fifteen~~) 13.64 percent to cities and towns for the use thereof  
19 apportioned ratably among such cities and towns on the basis of  
20 population; (~~fifteen~~)

21 (2) 13.64 percent to counties for the use thereof to be apportioned  
22 ratably among such counties on the basis of moneys collected in such  
23 counties from the excise taxes imposed under this chapter; (~~and~~  
24 ~~seventy~~)

25 (3) 63.64 percent for schools to be deposited in the state general  
26 fund; and

27 (~~(2) for the one-tenth of one percent surcharge imposed under RCW~~  
28 ~~82.50.410, one hundred~~) (4) 9.08 percent to the transportation fund  
29 created in RCW 82.44.180.

30 **Sec. 15.** RCW 35.58.273 and 1992 c 194 s 11 are each amended to  
31 read as follows:

32 (1) (~~Through June 30, 1992, any municipality, as defined in this~~  
33 ~~subsection, is authorized to levy and collect a special excise tax not~~  
34 ~~exceeding .7824 percent and beginning July 1, 1992, .725 percent on the~~  
35 ~~value, as determined under chapter 82.44 RCW, of every motor vehicle~~  
36 ~~owned by a resident of such municipality for the privilege of using~~  
37 ~~such motor vehicle provided that in no event shall the tax be less than~~

1 one dollar and, subject to RCW 82.44.150 (3) and (4), the amount of  
2 such tax shall be credited against the amount of the excise tax levied  
3 by the state under RCW 82.44.020(1). As used in this subsection, the  
4 term "municipality" means a municipality that is located within (a)  
5 each county with a population of two hundred ten thousand or more and  
6 (b) each county with a population of from one hundred twenty five  
7 thousand to less than two hundred ten thousand except for those  
8 counties that do not border a county with a population as described  
9 under subsection (a) of this subsection.

10 (2) Through June 30, 1992, any other)) A municipality is authorized  
11 to levy and collect a special excise tax not exceeding ((.815 percent,  
12 and beginning July 1, 1992,)) .725 percent on the value, as determined  
13 under chapter 82.44 RCW, of every motor vehicle owned by a resident of  
14 such municipality for the privilege of using such motor vehicle  
15 provided that in no event shall the tax be less than one dollar and,  
16 subject to RCW 82.44.150 (3) and (4), the amount of such tax shall be  
17 credited against the amount of the excise tax levied by the state under  
18 RCW 82.44.020(1). Before utilization of any excise tax moneys  
19 collected under authorization of this section for acquisition of right  
20 of way or construction of a mass transit facility on a separate right  
21 of way the municipality shall adopt rules affording the public an  
22 opportunity for "corridor public hearings" and "design public hearings"  
23 as herein defined, which rule shall provide in detail the procedures  
24 necessary for public participation in the following instances: (a)  
25 Prior to adoption of location and design plans having a substantial  
26 social, economic or environmental effect upon the locality upon which  
27 they are to be constructed or (b) on such mass rapid transit systems  
28 operating on a separate right of way whenever a substantial change is  
29 proposed relating to location or design in the adopted plan. In  
30 adopting rules the municipality shall adhere to the provisions of the  
31 Administrative Procedure Act.

32 ((+3+)) (2) A "corridor public hearing" is a public hearing that:  
33 (a) Is held before the municipality is committed to a specific mass  
34 transit route proposal, and before a route location is established; (b)  
35 is held to afford an opportunity for participation by those interested  
36 in the determination of the need for, and the location of, the mass  
37 rapid transit system; (c) provides a public forum that affords a full  
38 opportunity for presenting views on the mass rapid transit system route  
39 location, and the social, economic and environmental effects on that

1 location and alternate locations: PROVIDED, That such hearing shall  
2 not be deemed to be necessary before adoption of an overall mass rapid  
3 transit system plan by a vote of the electorate of the municipality.

4 ~~((+4))~~ (3) A "design public hearing" is a public hearing that:  
5 (a) Is held after the location is established but before the design is  
6 adopted; and (b) is held to afford an opportunity for participation by  
7 those interested in the determination of major design features of the  
8 mass rapid transit system; and (c) provides a public forum to afford a  
9 full opportunity for presenting views on the mass rapid transit system  
10 design, and the social, economic, environmental effects of that design  
11 and alternate designs.

12 ~~((+5))~~ (4) A municipality imposing a tax under subsection (1) ~~((or~~  
13 ~~(+2))~~) of this section may also impose a sales and use tax, in addition  
14 to the tax authorized by RCW 82.14.030, upon retail car rentals within  
15 the municipality that are taxable by the state under chapters 82.08 and  
16 82.12 RCW. The rate of tax shall not exceed 1.944 percent. The rate  
17 of tax imposed under this subsection shall bear the same ratio to the  
18 1.944 percent rate authorized that the rate imposed under ~~((RCW~~  
19 ~~82.08.020(2) as the excise tax rate imposed under))~~ subsection (1) of  
20 this section bears to the ~~((excise tax))~~ rate ~~((imposed under RCW~~  
21 ~~82.44.020 (1) and (2))~~) authorized under subsection (1) of this  
22 section. The base of the tax shall be the selling price in the case of  
23 a sales tax or the rental value of the vehicle used in the case of a  
24 use tax. The tax imposed under this section shall be deducted from the  
25 amount of tax otherwise due under RCW 82.08.020(2). The revenue  
26 collected under this subsection shall be distributed in the same manner  
27 as special excise taxes under subsection~~((s))~~ (1) ~~((and (2))~~) of this  
28 section.

29 **Sec. 16.** RCW 35.58.410 and 1993 c 240 s 11 are each amended to  
30 read as follows:

31 (1) On or before the third Monday in June of each year, each  
32 metropolitan municipal corporation shall adopt a budget for the  
33 following calendar year. Such budget shall include a separate section  
34 for each authorized metropolitan function. Expenditures shall be  
35 segregated as to operation and maintenance expenses and capital and  
36 betterment outlays. Administrative and other expense general to the  
37 corporation shall be allocated between the authorized metropolitan  
38 functions. The budget shall contain an estimate of all revenues to be

1 collected during the following budget year, including any surplus funds  
2 remaining unexpended from the preceding year. The metropolitan council  
3 shall not be required to confine capital or betterment expenditures  
4 made from bond proceeds or emergency expenditures to items provided in  
5 the budget. The affirmative vote of three-fourths of all members of  
6 the metropolitan council shall be required to authorize emergency  
7 expenditures.

8 (2) Subsection (1) of this section shall not apply to a county that  
9 has assumed the rights, powers, functions, and obligations of a  
10 metropolitan municipal corporation under chapter 36.56 RCW. This  
11 subsection (2) shall apply only to each county that has assumed the  
12 rights, powers, functions, and obligations of a metropolitan municipal  
13 corporation under chapter 36.56 RCW.

14 Each county that has assumed the rights, powers, functions, and  
15 obligations of a metropolitan municipal corporation under chapter 36.56  
16 RCW shall, on or before the third Monday in June of each year, prepare  
17 an estimate of all revenues to be collected during the following  
18 calendar year, including any surplus funds remaining unexpended from  
19 the preceding year for each authorized metropolitan function.

20 By June 30 of each year, the county shall adopt the rate for sewage  
21 disposal that will be charged to component cities and sewer districts  
22 during the following budget year.

23 As long as any general obligation indebtedness remains outstanding  
24 that was issued by the metropolitan municipal corporation prior to the  
25 assumption by the county, the county shall continue to impose the taxes  
26 authorized by RCW 82.14.045 and 35.58.273(~~(+5)~~) (4) at the maximum  
27 rates and on all of the taxable events authorized by law. If, despite  
28 the continued imposition of those taxes, the estimate of revenues made  
29 on or before the third Monday in June shows that estimated revenues  
30 will be insufficient to make all debt service payments falling due in  
31 the following calendar year on all general obligation indebtedness  
32 issued by the metropolitan municipal corporation prior to the  
33 assumption by the county of the rights, powers, functions, and  
34 obligations of the metropolitan municipal corporation, the remaining  
35 amount required to make the debt service payments shall be designated  
36 as "supplemental income" and shall be obtained from component cities  
37 and component counties as provided under RCW 35.58.420.

38 The county shall prepare and adopt a budget each year in accordance  
39 with applicable general law or county charter. If supplemental income

1 has been designated under this subsection, the supplemental income  
2 shall be reflected in the budget that is adopted. If during the budget  
3 year the actual tax revenues from the taxes imposed under the authority  
4 of RCW 82.14.045 and 35.58.273(~~((+5))~~) (4) exceed the estimates upon  
5 which the supplemental income was based, the difference shall be  
6 refunded to the component cities and component counties in proportion  
7 to their payments promptly after the end of the budget year. A county  
8 that has assumed the rights, powers, functions, and obligations of a  
9 metropolitan municipal corporation under chapter 36.56 RCW shall not be  
10 required to confine capital or betterment expenditures for authorized  
11 metropolitan functions from bond proceeds or emergency expenditures to  
12 items provided in the budget.

13 **Sec. 17.** RCW 46.16.068 and 1993 c 123 s 4 are each amended to read  
14 as follows:

15 Trailing units which are subject to RCW 82.44.020(~~((+5))~~) (4) shall,  
16 upon application, be issued a permanent license plate that is valid  
17 until the vehicle is sold, permanently removed from the state, or  
18 otherwise disposed of by the registered owner. The fee for this  
19 license plate is thirty-six dollars. Upon the sale, permanent removal  
20 from the state, or other disposition of a trailing unit bearing a  
21 permanent license plate the registered owner is required to return the  
22 license plate and registration certificate to the department.  
23 Violations of this section or misuse of a permanent license plate may  
24 subject the registered owner to prosecution or denial, or both, of  
25 future permanent registration of any trailing units. This section does  
26 not apply to any trailing units subject to the annual excise taxes  
27 prescribed in RCW 82.44.020. The department is authorized to adopt  
28 rules to implement this section for leased vehicles and other  
29 applications as necessary.

30 **Sec. 18.** RCW 70.94.015 and 1993 c 252 s 1 are each amended to read  
31 as follows:

32 (1) The air pollution control account is established in the state  
33 treasury. All receipts collected by or on behalf of the department  
34 from RCW 70.94.151(2), and receipts from nonpermit program sources  
35 under RCW 70.94.152(1) and 70.94.154(7), and all receipts from RCW  
36 70.94.650, 70.94.660, 82.44.020(~~((+3))~~) (2), and 82.50.405 shall be  
37 deposited into the account. Moneys in the account may be spent only



1 after appropriation. Expenditures from the account may be used only to  
2 develop and implement the provisions of chapters 70.94 and 70.120 RCW.

3 (2) The amounts collected and allocated in accordance with this  
4 section shall be expended upon appropriation except as otherwise  
5 provided in this section and in accordance with the following  
6 limitations:

7 Portions of moneys received by the department of ecology from the  
8 air pollution control account shall be distributed by the department to  
9 local authorities based on:

10 (a) The level and extent of air quality problems within such  
11 authority's jurisdiction;

12 (b) The costs associated with implementing air pollution regulatory  
13 programs by such authority; and

14 (c) The amount of funding available to such authority from other  
15 sources, whether state, federal, or local, that could be used to  
16 implement such programs.

17 (3) The air operating permit account is created in the custody of  
18 the state treasurer. All receipts collected by or on behalf of the  
19 department from permit program sources under RCW 70.94.152(1),  
20 70.94.161, 70.94.162, and 70.94.154(7) shall be deposited into the  
21 account. Expenditures from the account may be used only for the  
22 activities described in RCW 70.94.152(1), 70.94.161, 70.94.162, and  
23 70.94.154(7). Moneys in the account may be spent only after  
24 appropriation.

25 **Sec. 19.** RCW 81.100.060 and 1992 c 194 s 12 are each amended to  
26 read as follows:

27 A county with a population of one million or more and a county with  
28 a population of from two hundred ten thousand to less than one million  
29 that is adjoining a county with a population of one million or more,  
30 having within their boundaries existing or planned high occupancy  
31 vehicle lanes on the state highway system may, with voter approval,  
32 impose a local surcharge of not more than (~~fifteen~~) 13.64 percent on  
33 the state motor vehicle excise tax paid under RCW 82.44.020(1) on  
34 vehicles registered to a person residing within the county and on the  
35 state sales and use taxes paid under the rate in RCW 82.08.020(2) on  
36 retail car rentals within the county. No surcharge may be imposed on  
37 vehicles licensed under RCW 46.16.070 except vehicles with an unladen

1 weight of six thousand pounds or less, RCW 46.16.079, (~~46.16.080~~)  
2 46.16.085, or 46.16.090.

3 Counties imposing a tax under this section shall contract, before  
4 the effective date of the resolution or ordinance imposing a surcharge,  
5 administration and collection to the state department of licensing, and  
6 department of revenue, as appropriate, which shall deduct an amount, as  
7 provided by contract, for administration and collection expenses  
8 incurred by the department. All administrative provisions in chapters  
9 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to  
10 state motor vehicle excise taxes, be applicable to surcharges imposed  
11 under this section. All administrative provisions in chapters 82.03,  
12 82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to  
13 state sales and use taxes, be applicable to surcharges imposed under  
14 this section.

15 If the tax authorized in RCW 81.100.030 is also imposed by the  
16 county, the total proceeds from tax sources imposed under this section  
17 and RCW 81.100.030 each year shall not exceed the maximum amount which  
18 could be collected under this section.

19 **Sec. 20.** RCW 81.104.160 and 1992 c 194 s 13 and 1992 c 101 s 27  
20 are each reenacted and amended to read as follows:

21 (1) Cities that operate transit systems, county transportation  
22 authorities, metropolitan municipal corporations, public transportation  
23 benefit areas, and regional transit authorities may submit an  
24 authorizing proposition to the voters, and if approved, may levy and  
25 collect an excise tax, at a rate approved by the voters, but not  
26 exceeding eighty one-hundredths of one percent on the value, under  
27 chapter 82.44 RCW, of every motor vehicle owned by a resident of the  
28 taxing district, solely for the purpose of providing high capacity  
29 transportation service. In any county imposing a motor vehicle excise  
30 tax surcharge pursuant to RCW 81.100.060, the maximum tax rate under  
31 this section shall be reduced to a rate equal to eighty one-hundredths  
32 of one percent on the value less the equivalent motor vehicle excise  
33 tax rate of the surcharge imposed pursuant to RCW 81.100.060. This  
34 rate shall not apply to vehicles licensed under RCW 46.16.070 except  
35 vehicles with an unladen weight of six thousand pounds or less, RCW  
36 46.16.079, (~~46.16.080~~) 46.16.085, or 46.16.090.

37 (2) An agency imposing a tax under subsection (1) of this section  
38 may also impose a sales and use tax solely for the purpose of providing

1 high capacity transportation service, in addition to the tax authorized  
2 by RCW 82.14.030, upon retail car rentals within the agency's  
3 jurisdiction that are taxable by the state under chapters 82.08 and  
4 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The rate  
5 of tax imposed under this subsection shall bear the same ratio to the  
6 2.172 percent rate authorized that the rate imposed under ((RCW  
7 82.08.020(2) as the excise tax rate imposed under)) subsection (1) of  
8 this section bears to the ((excise tax)) rate ((imposed under RCW  
9 82.44.020 (1) and (2))) authorized under subsection (1) of this  
10 section. The base of the tax shall be the selling price in the case of  
11 a sales tax or the rental value of the vehicle used in the case of a  
12 use tax. The revenue collected under this subsection shall be used in  
13 the same manner as excise taxes under subsection (1) of this section.

14 **Sec. 21.** RCW 82.08.020 and 1992 c 194 s 9 are each amended to read  
15 as follows:

16 (1) There is levied and there shall be collected a tax on each  
17 retail sale in this state equal to six and five-tenths percent of the  
18 selling price.

19 (2) There is levied and there shall be collected an additional tax  
20 on each retail car rental, regardless of whether the vehicle is  
21 licensed in this state, equal to five and nine-tenths percent of the  
22 selling price. ((Ninety one percent of)) The revenue collected under  
23 this subsection shall be deposited and distributed in the same manner  
24 as motor vehicle excise tax revenue collected under RCW 82.44.020(1).  
25 ((Nine percent of the revenue collected under this subsection shall be  
26 deposited in the transportation fund and distributed in the same manner  
27 as motor vehicle excise tax revenue collected under RCW 82.44.020(2).))

28 (3) The taxes imposed under this chapter shall apply to successive  
29 retail sales of the same property.

30 (4) The rates provided in this section apply to taxes imposed under  
31 chapter 82.12 RCW as provided in RCW 82.12.020.

32 **Sec. 22.** RCW 82.14.046 and 1995 c 298 s 1 are each amended to read  
33 as follows:

34 Beginning with distributions made to municipalities under RCW  
35 82.44.150 on January 1, 1996, municipalities as defined in RCW  
36 35.58.272 imposing local transit taxes, which for purposes of this  
37 section include the sales and use tax under RCW 82.14.045, the business

1 and occupation tax under RCW 35.95.040, and excise taxes under RCW  
2 35.95.040, shall be eligible for sales and use tax equalization  
3 payments from motor vehicle excise taxes distributed under RCW  
4 82.44.150 as follows:

5 (1) Prior to January 1st of each year the department of revenue  
6 shall determine the total and the per capita levels of revenues for  
7 each municipality imposing local transit taxes and the state-wide  
8 weighted average per capita level of sales and use tax revenues imposed  
9 under chapters 82.08 and 82.12 RCW for the previous calendar year  
10 calculated for a sales and use tax rate of one-tenth percent. For  
11 purposes of this section, the department of revenue shall determine a  
12 local transit tax rate for each municipality for the previous calendar  
13 year. The tax rate shall be equivalent to the sales and use tax rate  
14 for the municipality that would have generated an amount of revenue  
15 equal to the amount of local transit taxes collected by the  
16 municipality.

17 (2) For each tenth of one percent of the local transit tax rate,  
18 the state treasurer shall apportion to each municipality receiving less  
19 than eighty percent of the state-wide weighted average per capita level  
20 of sales and use tax revenues imposed under chapters 82.08 and 82.12  
21 RCW as determined by the department of revenue under subsection (1) of  
22 this section, an amount when added to the per capita level of revenues  
23 received the previous calendar year by the municipality, to equal  
24 eighty percent of the state-wide weighted average per capita level of  
25 revenues determined under subsection (1) of this section. In no event  
26 may the sales and use tax equalization distribution to a municipality  
27 in a single calendar year exceed: (a) Fifty percent of the amount of  
28 local transit taxes collected during the prior calendar year; or (b)  
29 the maximum amount of revenue that could have been collected at a local  
30 transit tax rate of three-tenths percent in the prior calendar year.

31 (3) For a municipality established after January 1, 1995, sales and  
32 use tax equalization distributions shall be made according to the  
33 procedures in this subsection. Sales and use tax equalization  
34 distributions to eligible new municipalities shall be made at the same  
35 time as distributions are made under subsection (2) of this section.  
36 The department of revenue shall follow the estimating procedures  
37 outlined in this subsection until the new municipality has received a  
38 full year's worth of local transit tax revenues as of the January sales  
39 and use tax equalization distribution.

1 (a) Whether a newly established municipality determined to receive  
2 funds under this subsection receives its first equalization payment at  
3 the January, April, July, or October sales and use tax equalization  
4 distribution shall depend on the date the system first imposes local  
5 transit taxes.

6 (i) A newly established municipality imposing local transit taxes  
7 taking effect during the first calendar quarter shall be eligible to  
8 receive funds under this subsection beginning with the July sales and  
9 use tax equalization distribution of that year.

10 (ii) A newly established municipality imposing local transit taxes  
11 taking effect during the second calendar quarter shall be eligible to  
12 receive funds under this subsection beginning with the October sales  
13 and use tax equalization distribution of that year.

14 (iii) A newly established municipality imposing local transit taxes  
15 taking effect during the third calendar quarter shall be eligible to  
16 receive funds under this subsection beginning with the January sales  
17 and use tax equalization distribution of the next year.

18 (iv) A newly established municipality imposing local transit taxes  
19 taking effect during the fourth calendar quarter shall be eligible to  
20 receive funds under this subsection beginning with the April sales and  
21 use tax equalization distribution of the next year.

22 (b) For purposes of calculating the amount of funds the new  
23 municipality should receive under this subsection, the department of  
24 revenue shall:

25 (i) Estimate the per capita amount of revenues from local transit  
26 taxes that the new municipality would have received had the  
27 municipality received revenues from the tax the entire calendar year;

28 (ii) Calculate the amount provided under subsection (2) of this  
29 section based on the per capita revenues determined under (b)(i) of  
30 this subsection;

31 (iii) Prorate the amount determined under (b)(ii) of this  
32 subsection by the number of months the local transit taxes have been  
33 imposed.

34 (c) The department of revenue shall advise the state treasurer of  
35 the amounts calculated under (b) of this subsection and the state  
36 treasurer shall distribute these amounts to the new municipality from  
37 the motor vehicle excise tax (~~((distributed under RCW 82.44.150(2)(d))~~)  
38 deposited into the transportation fund under RCW 82.44.110(1)(h).

1 (4) A municipality whose governing body implements a tax change  
2 that reduces its local transit tax rate after January 1, 1994, may not  
3 receive distributions under this section.

4 **Sec. 23.** RCW 82.44.023 and 1994 c 227 s 3 are each amended to read  
5 as follows:

6 Rental cars as defined in RCW 46.04.465 are exempt from the taxes  
7 imposed in RCW 82.44.020(1) (~~and (2)~~). When a rental car ceases to  
8 be used for rental car purposes and at the time of its retail sale, the  
9 excise tax imposed in RCW 82.44.020(1) (~~and (2)~~) shall be imposed in  
10 an amount equal to one-twelfth of the annual excise tax then in effect,  
11 for each full month remaining in the vehicle's registration year.

12 **Sec. 24.** RCW 82.44.025 and 1996 c 139 s 3 are each amended to read  
13 as follows:

14 Motor vehicles licensed under RCW 46.16.374 are exempt from the  
15 (~~taxes~~) tax imposed in RCW 82.44.020(1) (~~and (2)~~). When the motor  
16 vehicle ceases to be used for the purposes of RCW 46.16.374 or at the  
17 time of its retail sale, the excise tax imposed in RCW 82.44.020(1)  
18 (~~and (2)~~) must be imposed for twelve full months from the date of  
19 application of the new owner.

20 **Sec. 25.** RCW 82.44.155 and 1993 c 492 s 254 are each amended to  
21 read as follows:

22 When distributions are made under RCW 82.44.150, the state  
23 treasurer shall apportion and distribute the motor vehicle excise taxes  
24 deposited into the general fund under RCW 82.44.110(1)(d) to the cities  
25 and towns ratably on the basis of population as last determined by the  
26 office of financial management. When so apportioned, the amount  
27 payable to each such city and town shall be transmitted to the city  
28 treasurer thereof, and shall be used by the city or town for the  
29 purposes of police and fire protection in the city or town, and not  
30 otherwise. If it is adjudged that revenue derived from the excise  
31 (~~taxes~~) tax imposed by RCW 82.44.020(1) (~~and (2)~~) cannot lawfully  
32 be apportioned or distributed to cities or towns, all moneys directed  
33 by this section to be apportioned and distributed to cities and towns  
34 shall be credited and transferred to the state general fund.

1       **Sec. 26.** RCW 82.44.180 and 1995 c 269 s 2601 are each amended to  
2 read as follows:

3       (1) The transportation fund is created in the state treasury.  
4 Revenues under RCW (~~((82.44.020 (1) and (2)),~~) 82.44.110(~~(, 82.44.150,)~~)  
5 and (~~(the surcharge under RCW)~~) 82.50.510(4) shall be deposited into  
6 the fund as provided in those sections.

7       Moneys in the fund may be spent only after appropriation.  
8 Expenditures from the fund may be used only for transportation purposes  
9 and activities and operations of the Washington state patrol not  
10 directly related to the policing of public highways and that are not  
11 authorized under Article II, section 40 of the state Constitution.

12       (2) There is hereby created the central Puget Sound public  
13 transportation account within the transportation fund. Moneys  
14 deposited into the account under RCW 82.44.150(2)(b) shall be  
15 appropriated to the transportation improvement board and allocated by  
16 the transportation improvement board to public transportation projects  
17 within the region from which the funds are derived, solely for:

18       (a) Planning;

19       (b) Development of capital projects;

20       (c) Development of high capacity transportation systems as defined  
21 in RCW 81.104.015;

22       (d) Development of high occupancy vehicle lanes and related  
23 facilities as defined in RCW 81.100.020; and

24       (e) Public transportation system contributions required to fund  
25 projects under federal programs and those approved by the  
26 transportation improvement board from other fund sources.

27       (3) There is hereby created the public transportation systems  
28 account within the transportation fund. Moneys deposited into the  
29 account under RCW 82.44.150(2)(c) shall be appropriated to the  
30 transportation improvement board and allocated by the transportation  
31 improvement board to public transportation projects submitted by the  
32 public transportation systems from which the funds are derived, solely  
33 for:

34       (a) Planning;

35       (b) Development of capital projects;

36       (c) Development of high capacity transportation systems as defined  
37 in RCW 81.104.015;

38       (d) Development of high occupancy vehicle lanes and related  
39 facilities as defined in RCW 81.100.020;

1 (e) Other public transportation system-related roadway projects on  
2 state highways, county roads, or city streets; and

3 (f) Public transportation system contributions required to fund  
4 projects under federal programs and those approved by the  
5 transportation improvement board from other fund sources.

6 **Sec. 27.** RCW 84.44.050 and 1993 c 123 s 3 are each amended to read  
7 as follows:

8 The personal property of automobile transportation companies  
9 owning, controlling, operating or managing any motor propelled vehicle  
10 used in the business of transporting persons and/or property for  
11 compensation over any public highway in this state between fixed  
12 termini or over a regular route, shall be listed and assessed in the  
13 various counties where such vehicles are operated, in proportion to the  
14 mileage of their operations in such counties: PROVIDED, That vehicles  
15 subject to chapter 82.44 RCW and trailer units exempt under RCW  
16 82.44.020(~~(+5)~~) (4) shall not be listed or assessed for ad valorem  
17 taxation so long as chapter 82.44 RCW remains in effect. All vessels  
18 of every class which are by law required to be registered, licensed or  
19 enrolled, must be assessed and the taxes thereon paid only in the  
20 county of their actual situs: PROVIDED, That such interest shall be  
21 taxed but once. All boats and small craft not required to be  
22 registered must be assessed in the county of their actual situs.

23 NEW SECTION. **Sec. 28.** If any provision of this act or its  
24 application to any person or circumstance is held invalid, the  
25 remainder of the act or the application of the provision to other  
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 29.** (1) Sections 1 through 3, 5 through 12, and  
28 28 of this act take effect January 1, 1999.

29 (2) Section 4 of this act takes effect July 1, 1999, and applies to  
30 registrations that are due or become due in July 1999, and thereafter.

31 NEW SECTION. **Sec. 30.** Sections 13 through 27 of this act take  
32 effect January 1, 1999, if sections 1 through 12, 28, and 29 of this  
33 act are validly submitted to and are approved and ratified by the  
34 voters at a general election held in November 1998. If sections 1



1 through 12, 28, and 29 of this act are not approved and ratified,  
2 sections 13 through 27 of this act are null and void in their entirety.

3 NEW SECTION. **Sec. 31.** The secretary of state shall submit  
4 sections 1 through 12, 28, and 29 of this act to the people for their  
5 adoption and ratification, or rejection, at the next general election  
6 to be held in this state, in accordance with Article II, section 1 of  
7 the state Constitution and the laws adopted to facilitate its  
8 operation.

9 NEW SECTION. **Sec. 32.** Sections 13 through 27 of this act are  
10 technical only and do not result in any substantive change in the law.  
11 Therefore, to conserve costs, the secretary of state shall not publish  
12 sections 13 through 27 of this act in the voter's pamphlet in  
13 conjunction with sections 1 through 12, 28, and 29 of this act.

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