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**SUBSTITUTE HOUSE BILL 1858**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representatives Fromhold, Curtis, Clibborn, Jarrett, Simpson, Springer and Moeller)

READ FIRST TIME 03/05/07.

1 AN ACT Relating to the imposition of fees by transportation benefit  
2 districts; and amending RCW 36.73.065, 82.80.140, 36.73.050, and  
3 36.73.120.

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

5 **Sec. 1.** RCW 36.73.065 and 2005 c 336 s 17 are each amended to read  
6 as follows:

7 (1) Except as provided in subsection (4) of this section, taxes,  
8 fees, charges, and tolls may not be imposed by a district without  
9 approval of a majority of the voters in the district voting on a  
10 proposition at a general or special election. The proposition must  
11 include a specific description of the transportation improvement or  
12 improvements proposed by the district and the proposed taxes, fees,  
13 charges, and the range of tolls imposed by the district to raise  
14 revenue to fund the improvement or improvements.

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

18 (3) A district may not increase any taxes, fees, charges, or range

1 of tolls imposed under this chapter once the taxes, fees, charges, or  
2 tolls take effect, unless authorized by the district voters pursuant to  
3 RCW 36.73.160.

4 (4)(a) A district that includes all the territory within the  
5 boundaries of the jurisdiction, or jurisdictions, establishing the  
6 district may impose by a majority vote of the governing board of the  
7 district the following fees and charges:

8 (i) Up to twenty dollars of the vehicle fee authorized in RCW  
9 82.80.140; or

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

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

15 (c)(i) A district solely comprised of a city or cities shall not  
16 impose the fees or charges identified in (a) of this subsection within  
17 one hundred eighty days after the effective date of this act, unless  
18 the county in which the city or cities reside, by resolution, declares  
19 that it will not impose the fees or charges identified in (a) of this  
20 subsection within the one hundred eighty-day period; or

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

26 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be  
27 reached, a district that includes only the unincorporated territory of  
28 a county may impose by a majority vote of the governing body of the  
29 district up to twenty dollars of the vehicle fee authorized in RCW  
30 82.80.140.

31 **Sec. 2.** RCW 82.80.140 and 2005 c 336 s 16 are each amended to read  
32 as follows:

33 (1) Subject to the provisions of RCW 36.73.065, a transportation  
34 benefit district under chapter 36.73 RCW may fix and impose an annual  
35 vehicle fee, not to exceed one hundred dollars per vehicle registered  
36 in the district, for each vehicle subject to license tab fees under RCW

1 46.16.0621 and for each vehicle subject to gross weight fees under RCW  
2 46.16.070 with an unladen weight of six thousand pounds or less.

3 (2)(a) A district that includes all the territory within the  
4 boundaries of the jurisdiction, or jurisdictions, establishing the  
5 district may impose by a majority vote of the governing board of the  
6 district up to twenty dollars of the vehicle fee authorized in  
7 subsection (1) of this section. If the district is countywide, the  
8 revenues of the fee shall be distributed to each city within the county  
9 by interlocal agreement. The interlocal agreement is effective when  
10 approved by the county and sixty percent of the cities representing  
11 seventy-five percent of the population of the cities within the county  
12 in which the countywide fee is collected.

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

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

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

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

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

32 ~~((+3))~~ (4) No fee under this section may be collected until six  
33 months after approval (~~by the district voters~~) under RCW 36.73.065.

34 ~~((+4))~~ (5) The vehicle fee under this section applies only when  
35 renewing a vehicle registration, and is effective upon the registration  
36 renewal date as provided by the department of licensing.

37 ~~((+5))~~ (6) The following vehicles are exempt from the fee under  
38 this section:

- 1 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and
- 2 46.04.181;
- 3 (b) Off-road and nonhighway vehicles as defined in RCW 46.09.020;
- 4 (c) Vehicles registered under chapter 46.87 RCW and the
- 5 international registration plan; and
- 6 (d) Snowmobiles as defined in RCW 46.10.010.

7 **Sec. 3.** RCW 36.73.050 and 2005 c 336 s 5 are each amended to read  
8 as follows:

9 (1) The legislative authorities proposing to establish a district,  
10 or to modify the boundaries of an existing district, or to dissolve an  
11 existing district shall conduct a hearing at the time and place  
12 specified in a notice published at least once, not less than ten days  
13 before the hearing, in a newspaper of general circulation within the  
14 proposed district. Subject to the provisions of RCW 36.73.170, the  
15 legislative authorities shall make provision for a district to be  
16 automatically dissolved when all indebtedness of the district has been  
17 retired and anticipated responsibilities have been satisfied. This  
18 notice shall be in addition to any other notice required by law to be  
19 published. The notice shall, where applicable, specify the functions  
20 or activities proposed to be provided or funded, or the additional  
21 functions or activities proposed to be provided or funded, by the  
22 district. Additional notice of the hearing may be given by mail, by  
23 posting within the proposed district, or in any manner the legislative  
24 authorities deem necessary to notify affected persons. All hearings  
25 shall be public and the legislative authorities shall hear objections  
26 from any person affected by the formation, modification of the  
27 boundaries, or dissolution of the district.

28 (2)(a) Following the hearing held pursuant to subsection (1) of  
29 this section, the legislative authorities may establish a district,  
30 modify the boundaries or functions of an existing district, or dissolve  
31 an existing district, if the legislative authorities find the action to  
32 be in the public interest and adopt an ordinance providing for the  
33 action.

34 (b) The ordinance establishing a district shall specify the  
35 functions (~~(or activities)~~) and transportation improvements described  
36 under RCW 36.73.015 to be exercised or funded and establish the  
37 boundaries of the district. Subject to the provisions of RCW

1 36.73.160, functions or ((activities)) transportation improvements  
2 proposed to be provided or funded by the district may not be expanded  
3 beyond those specified in the notice of hearing, unless additional  
4 notices are made, further hearings on the expansion are held, and  
5 further determinations are made that it is in the public interest to so  
6 expand the functions or ((activities)) transportation improvements  
7 proposed to be provided or funded.

8 **Sec. 4.** RCW 36.73.120 and 2005 c 336 s 11 are each amended to read  
9 as follows:

10 (1) Subject to the provisions in RCW 36.73.065, a district may  
11 impose a fee or charge on the construction or reconstruction of  
12 (~~residential buildings,~~) commercial buildings, industrial buildings,  
13 or on any other commercial or industrial building or building space or  
14 appurtenance, or on the development, subdivision, classification, or  
15 reclassification of land for commercial purposes, only if done in  
16 accordance with chapter 39.92 RCW.

17 (2) Any fee or charge imposed under this section shall be used  
18 exclusively for transportation improvements constructed by a district.  
19 The fees or charges imposed must be reasonably necessary as a result of  
20 the impact of development, construction, or classification or  
21 reclassification of land on identified transportation needs.

22 (3) If a county or city within the district area is levying a fee  
23 or charge for a transportation improvement, the fee or charge shall be  
24 credited against the amount of the fee or charge imposed by the  
25 district.

26 (~~(4) Developments consisting of less than twenty residences are~~  
27 ~~exempt from the fee or charge under this section.~~)

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