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SENATE BILL 6771

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State of Washington                      60th Legislature                      2008 Regular Session

By Senators Haugen, Murray, and Pflug

Read first time 01/23/08. Referred to Committee on Transportation.

1            AN ACT Relating to eliminating regional transportation investment  
2 districts; amending RCW 82.80.010, 82.80.030, 81.100.030, 82.14.050,  
3 82.80.080, 81.100.010, 81.100.080, 81.104.140, 29A.36.071, 47.56.075,  
4 81.112.030, and 82.80.070; reenacting and amending RCW 81.100.060 and  
5 43.79A.040; and repealing RCW 29A.36.230, 36.120.010, 36.120.020,  
6 36.120.030, 36.120.040, 36.120.045, 36.120.050, 36.120.060, 36.120.070,  
7 36.120.080, 36.120.090, 36.120.100, 36.120.110, 36.120.120, 36.120.130,  
8 36.120.140, 36.120.150, 36.120.160, 36.120.170, 36.120.180, 36.120.190,  
9 36.120.200, 36.120.210, 36.120.900, 36.120.901, 47.56.076, 47.56.0761,  
10 82.14.430, 82.32.470, 82.80.005, 82.80.100, 82.80.110, and 82.80.120.

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

12            NEW SECTION.    **Sec. 1.** The following acts or parts of acts are each  
13 repealed:

14            (1) RCW 29A.36.230 (Regional transportation investment district and  
15 regional transit authority single ballot) and 2007 c 509 s 4;

16            (2) RCW 36.120.010 (Findings) and 2002 c 56 s 101;

17            (3) RCW 36.120.020 (Definitions) and 2006 c 334 s 13, 2006 c 311 s  
18 4, & 2002 c 56 s 102;

1 (4) RCW 36.120.030 (Planning committee--Formation) and 2006 c 311  
2 s 5 & 2002 c 56 s 103;  
3 (5) RCW 36.120.040 (Planning committee--Duties) and 2006 c 311 s 6,  
4 2003 c 194 s 1, & 2002 c 56 s 104;  
5 (6) RCW 36.120.045 (Planning committee--State route No. 520  
6 improvements) and 2006 c 311 s 7;  
7 (7) RCW 36.120.050 (Planning committee--Taxes, fees, and tolls) and  
8 2006 c 311 s 13, 2003 c 350 s 4, & 2002 c 56 s 105;  
9 (8) RCW 36.120.060 (Project selection--Performance criteria) and  
10 2002 c 56 s 106;  
11 (9) RCW 36.120.070 (Submission of ballot propositions to the  
12 voters) and 2007 c 509 s 2, 2006 c 311 s 8, & 2002 c 56 s 107;  
13 (10) RCW 36.120.080 (Formation--Certification) and 2006 c 311 s 10  
14 & 2002 c 56 s 108;  
15 (11) RCW 36.120.090 (Governing board--Composition) and 2002 c 56 s  
16 109;  
17 (12) RCW 36.120.100 (Governing board--Organization) and 2002 c 56  
18 s 110;  
19 (13) RCW 36.120.110 (Governing board--Powers and duties--Intent)  
20 and 2006 c 311 s 11 & 2002 c 56 s 111;  
21 (14) RCW 36.120.120 (Treasurer) and 2002 c 56 s 112;  
22 (15) RCW 36.120.130 (Indebtedness--Bonds--Limitation) and 2003 c  
23 372 s 1 & 2002 c 56 s 113;  
24 (16) RCW 36.120.140 (Transportation project or plan modification--  
25 Accountability) and 2003 c 194 s 2 & 2002 c 56 s 114;  
26 (17) RCW 36.120.150 (Department of transportation--Role) and 2002  
27 c 56 s 115;  
28 (18) RCW 36.120.160 (Ownership of improvements) and 2002 c 56 s  
29 116;  
30 (19) RCW 36.120.170 (Dissolution of district) and 2002 c 56 s 117;  
31 (20) RCW 36.120.180 (Findings--Regional models--Grants) and 2002 c  
32 56 s 118;  
33 (21) RCW 36.120.190 (Joint ballot measure) and 2002 c 56 s 201;  
34 (22) RCW 36.120.200 (Regional transportation investment district  
35 account) and 2002 c 56 s 401;  
36 (23) RCW 36.120.210 (Advisory ballot for Alaskan Way viaduct  
37 improvements--Preferred alternative for Alaskan Way viaduct and Seattle  
38 Seawall improvements) and 2006 c 311 s 29;

- 1 (24) RCW 36.120.900 (Captions and subheadings not law--2002 c 56)  
2 and 2002 c 56 s 501;
- 3 (25) RCW 36.120.901 (Severability--2002 c 56) and 2002 c 56 s 503;
- 4 (26) RCW 47.56.076 (Regional transportation investment district--  
5 Tolls) and 2006 c 311 s 19, 2005 c 335 s 3, & 2002 c 56 s 403;
- 6 (27) RCW 47.56.0761 (Regional transportation investment district--  
7 Tolls on Lake Washington bridges) and 2006 c 311 s 20;
- 8 (28) RCW 82.14.430 (Sales and use tax for regional transportation  
9 investment district) and 2006 c 311 s 17 & 2002 c 56 s 405;
- 10 (29) RCW 82.32.470 (Transfer of sales and use tax on toll projects)  
11 and 2002 c 56 s 407;
- 12 (30) RCW 82.80.005 ("District" defined) and 2002 c 56 s 415;
- 13 (31) RCW 82.80.100 (Regional transportation investment district--  
14 Local option vehicle license fee) and 2002 c 56 s 408;
- 15 (32) RCW 82.80.110 (Motor vehicle and special fuel tax--Dedication  
16 by county to regional transportation investment district plan) and 2003  
17 c 350 s 2; and
- 18 (33) RCW 82.80.120 (Motor vehicle and special fuel tax--Regional  
19 transportation investment district) and 2006 c 311 s 18 & 2003 c 350 s  
20 3.

21 **Sec. 2.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read  
22 as follows:

23 (1) For purposes of this section:

24 (a) "Distributor" means every person who imports, refines,  
25 manufactures, produces, or compounds motor vehicle fuel and special  
26 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells  
27 or distributes the fuel into a county;

28 (b) "Person" has the same meaning as in RCW 82.04.030.

29 (2) Subject to the conditions of this section, any county may levy,  
30 by approval of its legislative body and a majority of the registered  
31 voters of the county voting on the proposition at a general or special  
32 election, additional excise taxes equal to ten percent of the statewide  
33 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor  
34 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special  
35 fuel as defined in RCW 82.38.020 sold within the boundaries of the  
36 county. Vehicles paying an annual license fee under RCW 82.38.075 are  
37 exempt from the county fuel excise tax. An election held under this

1 section must be held not more than twelve months before the date on  
2 which the proposed tax is to be levied. The ballot setting forth the  
3 proposition shall state the tax rate that is proposed. The county's  
4 authority to levy additional excise taxes under this section includes  
5 the incorporated and unincorporated areas of the county. The  
6 additional excise taxes are subject to the same exceptions and rights  
7 of refund as applicable to other motor vehicle fuel and special fuel  
8 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed  
9 tax shall not be levied less than one month from the date the election  
10 results are certified by the county election officer. The commencement  
11 date for the levy of any tax under this section shall be the first day  
12 of January, April, July, or October.

13 (3) The local option motor vehicle fuel tax on each gallon of motor  
14 vehicle fuel and on each gallon of special fuel is imposed upon the  
15 distributor of the fuel.

16 (4) A taxable event for the purposes of this section occurs upon  
17 the first distribution of the fuel within the boundaries of a county to  
18 a retail outlet, bulk fuel user, or ultimate user of the fuel.

19 (5) All administrative provisions in chapters 82.01, 82.03, and  
20 82.32 RCW, insofar as they are applicable, apply to local option fuel  
21 taxes imposed under this section.

22 (6) Before the effective date of the imposition of the fuel taxes  
23 under this section, a county shall contract with the department of  
24 revenue for the administration and collection of the taxes. The  
25 contract must provide that a percentage amount, not to exceed one  
26 percent of the taxes imposed under this section, will be deposited into  
27 the local tax administration account created in the custody of the  
28 state treasurer. The department of revenue may spend money from this  
29 account, upon appropriation, for the administration of the local taxes  
30 imposed under this section.

31 (7) The state treasurer shall distribute monthly to the levying  
32 county and cities contained therein the proceeds of the additional  
33 excise taxes collected under this section, after the deductions for  
34 payments and expenditures as provided in RCW 46.68.090(1) (a) and (b)  
35 and under the conditions and limitations provided in RCW 82.80.080.

36 (8) The proceeds of the additional excise taxes levied under this  
37 section shall be used strictly for transportation purposes in  
38 accordance with RCW 82.80.070.

1       (~~(9) A county may not levy the tax under this section if they are~~  
2 ~~levying the tax in RCW 82.80.110 or if they are a member of a regional~~  
3 ~~transportation investment district levying the tax in RCW 82.80.120.)~~)

4       **Sec. 3.** RCW 82.80.030 and 2005 c 336 s 24 are each amended to read  
5 as follows:

6       (1) Subject to the conditions of this section, the legislative  
7 authority of a county(~~(,)~~) or city(~~(, or district)~~) may fix and impose  
8 a parking tax on all persons engaged in a commercial parking business  
9 within its respective jurisdiction. (~~(A city or county may impose the~~  
10 ~~tax only to the extent that it has not been imposed by the district,~~  
11 ~~and a district may impose the tax only to the extent that it has not~~  
12 ~~been imposed by a city or county.)~~) The jurisdiction of a county, for  
13 purposes of this section, includes only the unincorporated area of the  
14 county. The jurisdiction of a city (~~(or district)~~) includes only the  
15 area within its boundaries.

16       (2) In lieu of the tax in subsection (1) of this section, a  
17 city(~~(,)~~) or a county in its unincorporated area(~~(, or a district)~~) may  
18 fix and impose a tax for the act or privilege of parking a motor  
19 vehicle in a facility operated by a commercial parking business.

20       The city(~~(,)~~) or county(~~(, or district)~~) may provide that:

21       (a) The tax is paid by the operator or owner of the motor vehicle;

22       (b) The tax applies to all parking for which a fee is paid, whether  
23 paid or leased, including parking supplied with a lease of  
24 nonresidential space;

25       (c) The tax is collected by the operator of the facility and  
26 remitted to the city(~~(,)~~) or county(~~(, or district)~~);

27       (d) The tax is a fee per vehicle or is measured by the parking  
28 charge;

29       (e) The tax rate varies with zoning or location of the facility,  
30 the duration of the parking, the time of entry or exit, the type or use  
31 of the vehicle, or other reasonable factors; and

32       (f) Tax exempt carpools, vehicles with handicapped decals, or  
33 government vehicles are exempt from the tax.

34       (3) "Commercial parking business" as used in this section, means  
35 the ownership, lease, operation, or management of a commercial parking  
36 lot in which fees are charged. "Commercial parking lot" means a

1 covered or uncovered area with stalls for the purpose of parking motor  
2 vehicles.

3 (4) The rate of the tax under subsection (1) of this section may be  
4 based either upon gross proceeds or the number of vehicle stalls  
5 available for commercial parking use. The rates charged must be  
6 uniform for the same class or type of commercial parking business.

7 (5) The county(~~(,)~~) or city(~~(, or district)~~) levying the tax  
8 provided for in subsection (1) or (2) of this section may provide for  
9 its payment on a monthly, quarterly, or annual basis. Each local  
10 government may develop by ordinance or resolution rules for  
11 administering the tax, including provisions for reporting by commercial  
12 parking businesses, collection, and enforcement.

13 (6) The proceeds of the commercial parking tax fixed and imposed by  
14 a city or county under subsection (1) or (2) of this section shall be  
15 used for transportation purposes in accordance with RCW 82.80.070 or  
16 for transportation improvements in accordance with chapter 36.73 RCW.  
17 (~~The proceeds of the parking tax imposed by a district must be used as~~  
18 ~~provided in chapter 36.120 RCW.~~)

19 **Sec. 4.** RCW 81.100.030 and 2002 c 56 s 410 are each amended to  
20 read as follows:

21 (1) A county with a population of one million or more, or a county  
22 with a population of from two hundred ten thousand to less than one  
23 million that is adjoining a county with a population of one million or  
24 more, and having within its boundaries existing or planned  
25 high-occupancy vehicle lanes on the state highway system(~~(, or a~~  
26 ~~regional transportation investment district for capital improvements)~~),  
27 but only to the extent that the tax has not already been imposed by the  
28 county, may, with voter approval, impose an excise tax of up to two  
29 dollars per employee per month on all employers or any class or classes  
30 of employers, public and private, including the state located in the  
31 agency's jurisdiction, measured by the number of full-time equivalent  
32 employees. In no event may the total taxes imposed under this section  
33 exceed two dollars per employee per month for any single employer. The  
34 county (~~or investment district~~) imposing the tax authorized in this  
35 section may provide for exemptions from the tax to such educational,  
36 cultural, health, charitable, or religious organizations as it deems  
37 appropriate.

1 Counties (~~(or investment districts)~~) may contract with the state  
2 department of revenue or other appropriate entities for administration  
3 and collection of the tax. Such contract shall provide for deduction  
4 of an amount for administration and collection expenses.

5 (2) The tax shall not apply to employment of a person when the  
6 employer has paid for at least half of the cost of a transit pass  
7 issued by a transit agency for that employee, valid for the period for  
8 which the tax would otherwise be owed.

9 (3) A county (~~(or investment district)~~) shall adopt rules that  
10 exempt from all or a portion of the tax any employer that has entered  
11 into an agreement with the county (~~(or investment district)~~) that is  
12 designed to reduce the proportion of employees who drive in single-  
13 occupant vehicles during peak commuting periods in proportion to the  
14 degree that the agreement is designed to meet the goals for the  
15 employer's location adopted under RCW 81.100.040.

16 The agreement shall include a list of specific actions that the  
17 employer will undertake to be entitled to the exemption. Employers  
18 having an exemption from all or part of the tax through this subsection  
19 shall annually certify to the county (~~(or investment district)~~) that  
20 the employer is fulfilling the terms of the agreement. The exemption  
21 continues as long as the employer is in compliance with the agreement.

22 (~~(If the tax authorized in RCW 81.100.060 is also imposed, the~~  
23 ~~total proceeds from both tax sources each year shall not exceed the~~  
24 ~~maximum amount which could be collected under RCW 81.100.060.)~~)

25 **Sec. 5.** RCW 81.100.060 and 2006 c 318 s 2 and 2006 c 311 s 15 are  
26 each reenacted and amended to read as follows:

27 (1) A county with a population of one million or more and a county  
28 with a population of from two hundred ten thousand to less than one  
29 million that is adjoining a county with a population of one million or  
30 more, having within their boundaries existing or planned high-occupancy  
31 vehicle lanes on the state highway system(~~(, or a regional~~  
32 ~~transportation investment district, but only to the extent that the~~  
33 ~~surcharge has not already been imposed by the county)), may, with voter  
34 approval, impose a local surcharge of not more than three-tenths of one  
35 percent in the case of a county(~~(, or eight tenths of one percent in~~  
36 ~~the case of a regional transportation investment district)), of the  
37 value on vehicles registered to a person residing within the county~~~~

1 (~~or investment district~~) and not more than 13.64 percent on the state  
2 sales and use taxes paid under the rate in RCW 82.08.020(2) on retail  
3 car rentals within the county (~~or investment district. A county may  
4 impose the surcharge only to the extent that it has not been imposed by  
5 the district~~). No surcharge may be imposed on vehicles licensed under  
6 RCW 46.16.070 except vehicles with an unladen weight of six thousand  
7 pounds or less, RCW 46.16.079, 46.16.085, or 46.16.090.

8 (2) Counties (~~or investment districts~~) imposing a surcharge under  
9 this section shall contract, before the effective date of the  
10 resolution or ordinance imposing a surcharge, administration and  
11 collection to the state department of licensing, and department of  
12 revenue, as appropriate, which shall deduct a percentage amount, as  
13 provided by contract, not to exceed two percent of the taxes, for  
14 administration and collection expenses incurred by the department.

15 (3) All administrative provisions in chapters 82.03, 82.08, 82.12,  
16 and 82.32 RCW shall, insofar as they are applicable to state sales and  
17 use taxes, be applicable to surcharges imposed under this section.

18 (4) If a surcharge, authorized under this section, is first imposed  
19 before June 7, 2006, all administrative provisions in chapters 82.03,  
20 82.32, and 82.44 RCW shall, insofar as they are applicable to motor  
21 vehicle excise taxes, be applicable to such surcharges (~~imposed under~~  
22 this section). (~~All administrative provisions in chapters 82.03,~~  
23 ~~82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to~~  
24 ~~state sales and use taxes, be applicable to surcharges imposed under~~  
25 ~~this section. A surcharge imposed under this section, or a change to~~  
26 ~~the))~~

27 (5) If a surcharge, authorized under this section, is first imposed  
28 on or after June 7, 2006:

29 (a) Motor vehicles subject to such surcharge shall be administered  
30 in accordance with chapter 318, Laws of 2006; and

31 (b) The surcharge or a change to the surcharge shall take effect no  
32 sooner than seventy-five days after the department of licensing or the  
33 department of revenue receives notice of the surcharge or change to the  
34 surcharge, and shall take effect only on the first day of January,  
35 April, July, or October. Unless waived by the department of licensing  
36 or the department of revenue, notice includes providing the appropriate  
37 department with digital mapping and legal descriptions of areas in  
38 which the (~~tax~~) surcharge will be collected.

1       (~~If the tax authorized in RCW 81.100.030 is also imposed, the~~  
2 ~~total proceeds from tax sources imposed under this section and RCW~~  
3 ~~81.100.030 each year shall not exceed the maximum amount which could be~~  
4 ~~collected under this section.~~)

5       **Sec. 6.** RCW 82.14.050 and 2005 c 336 s 20 are each amended to read  
6 as follows:

7       The counties, cities, and transportation authorities under RCW  
8 82.14.045, public facilities districts under chapters 36.100 and 35.57  
9 RCW, public transportation benefit areas under RCW 82.14.440,  
10 (~~regional transportation investment districts,~~) and transportation  
11 benefit districts under chapter 36.73 RCW shall contract, prior to the  
12 effective date of a resolution or ordinance imposing a sales and use  
13 tax, the administration and collection to the state department of  
14 revenue, which shall deduct a percentage amount, as provided by  
15 contract, not to exceed two percent of the taxes collected for  
16 administration and collection expenses incurred by the department. The  
17 remainder of any portion of any tax authorized by this chapter that is  
18 collected by the department of revenue shall be deposited by the state  
19 department of revenue in the local sales and use tax account hereby  
20 created in the state treasury. Moneys in the local sales and use tax  
21 account may be spent only for distribution to counties, cities,  
22 transportation authorities, public facilities districts, public  
23 transportation benefit areas, (~~regional transportation investment~~  
24 ~~districts,~~) and transportation benefit districts imposing a sales and  
25 use tax. All administrative provisions in chapters 82.03, 82.08,  
26 82.12, and 82.32 RCW, as they now exist or may hereafter be amended,  
27 shall, insofar as they are applicable to state sales and use taxes, be  
28 applicable to taxes imposed pursuant to this chapter. Counties,  
29 cities, transportation authorities, and public facilities districts(~~(~~  
30 ~~and regional transportation investment districts)~~) may not conduct  
31 independent sales or use tax audits of sellers registered under the  
32 streamlined sales tax agreement. Except as provided in RCW 43.08.190,  
33 all earnings of investments of balances in the local sales and use tax  
34 account shall be credited to the local sales and use tax account and  
35 distributed to the counties, cities, transportation authorities, public  
36 facilities districts, public transportation benefit areas, (~~regional~~

1 ~~transportation investment districts,))~~ and transportation benefit  
2 districts monthly.

3 **Sec. 7.** RCW 82.80.080 and 2002 c 56 s 414 are each amended to read  
4 as follows:

5 (1) The state treasurer shall distribute revenues, less authorized  
6 deductions, generated by the local option taxes authorized in RCW  
7 82.80.010 (~~and 82.80.020~~), levied by counties to the levying  
8 counties, and cities contained in those counties, based on the relative  
9 per capita population. County population for purposes of this section  
10 is equal to one and one-half of the unincorporated population of the  
11 county. In calculating the distributions, the state treasurer shall  
12 use the population estimates prepared by the state office of financial  
13 management and shall further calculate the distribution based on  
14 information supplied by the departments of licensing and revenue, as  
15 appropriate.

16 (2) The state treasurer shall distribute revenues, less authorized  
17 deductions, generated by the local option taxes authorized in RCW  
18 82.80.010 (~~and 82.80.020~~) levied by qualifying cities and towns to  
19 the levying cities and towns.

20 (~~(3) The state treasurer shall distribute to the district  
21 revenues, less authorized deductions, generated by the local option  
22 taxes under RCW 82.80.010 or fees under RCW 82.80.100 levied by a  
23 district.))~~

24 **Sec. 8.** RCW 81.100.010 and 2002 c 56 s 409 are each amended to  
25 read as follows:

26 The need for mobility, growing travel demand, and increasing  
27 traffic congestion in urban areas necessitate accelerated development  
28 and increased utilization of the high-occupancy vehicle system. RCW  
29 81.100.030 and 81.100.060 provide taxing authority that counties (~~or  
30 regional transportation investment districts~~) can use in the near term  
31 to accelerate development and increase utilization of the  
32 high-occupancy vehicle system by supplementing available federal,  
33 state, and local funds.

34 **Sec. 9.** RCW 81.100.080 and 2006 c 311 s 14 are each amended to  
35 read as follows:

1 (1) Funds collected under RCW 81.100.030 or 81.100.060 and any  
2 investment earnings accruing thereon shall be used by the county (~~or~~  
3 ~~the regional transportation investment district~~) in a manner  
4 consistent with the regional transportation plan only for costs of  
5 collection, costs of preparing, adopting, and enforcing agreements  
6 under RCW 81.100.030(3), for construction of high occupancy vehicle  
7 lanes and related facilities, mitigation of environmental concerns that  
8 result from construction or use of high occupancy vehicle lanes and  
9 related facilities, payment of principal and interest on bonds issued  
10 for the purposes of this section, for high occupancy vehicle programs  
11 as defined in RCW 81.100.020(5), or for commuter rail projects in  
12 accordance with RCW 81.104.120. (~~Except for funds raised by an~~  
13 ~~investment district,~~) No funds collected under RCW 81.100.030 or  
14 81.100.060 after June 30, 2000, may be pledged for the payment or  
15 security of the principal or interest on any bonds issued for the  
16 purposes of this section. Not more than ten percent of the funds may  
17 be used for transit agency high occupancy vehicle programs.

18 (2) (~~Notwithstanding the limitations in this chapter, a regional~~  
19 ~~transportation investment district may use funds collected under RCW~~  
20 ~~81.100.030 or 81.100.060 and any investment earnings accruing thereon~~  
21 ~~for projects contained in a plan developed under chapter 36.120 RCW.~~  
22 ~~These expenditures shall not be limited to high occupancy vehicle~~  
23 ~~systems.~~

24 ~~(3))~~ Priorities for construction of high occupancy vehicle lanes  
25 and related facilities shall be as follows:

26 (a)(i) To accelerate construction of high occupancy vehicle lanes  
27 on the interstate highway system, as well as related facilities;

28 (ii) To finance or accelerate construction of high occupancy  
29 vehicle lanes on the noninterstate state highway system, as well as  
30 related facilities.

31 (b) To finance construction of high occupancy vehicle lanes on  
32 local arterials, as well as related facilities.

33 ~~((4))~~ (3) Moneys received by a county under this chapter shall be  
34 used in addition to, and not as a substitute for, moneys currently used  
35 by the county for the purposes specified in this section.

36 ~~((5))~~ (4) Counties (~~and investment districts~~) may contract with  
37 cities or the state department of transportation for construction of  
38 high occupancy vehicle lanes and related facilities, and may issue

1 general obligation bonds to fund such construction and use funds  
2 received under this chapter to pay the principal and interest on such  
3 bonds.

4 **Sec. 10.** RCW 81.104.140 and 2002 c 56 s 202 are each amended to  
5 read as follows:

6 (1) Agencies authorized to provide high capacity transportation  
7 service, including transit agencies and regional transit authorities,  
8 (~~and regional transportation investment districts acting with the~~  
9 ~~agreement of an agency,~~) are hereby granted dedicated funding sources  
10 for such systems. These dedicated funding sources, as set forth in RCW  
11 81.104.150, 81.104.160, and 81.104.170, are authorized only for  
12 agencies located in (a) each county with a population of two hundred  
13 ten thousand or more and (b) each county with a population of from one  
14 hundred twenty-five thousand to less than two hundred ten thousand  
15 except for those counties that do not border a county with a population  
16 as described under (a) of this subsection. In any county with a  
17 population of one million or more or in any county having a population  
18 of four hundred thousand or more bordering a county with a population  
19 of one million or more, these funding sources may be imposed only by a  
20 regional transit authority (~~or a regional transportation investment~~  
21 ~~district. Regional transportation investment districts may, with the~~  
22 ~~approval of the regional transit authority within its boundaries,~~  
23 ~~impose the taxes authorized under this chapter, but only upon approval~~  
24 ~~of the voters and to the extent that the maximum amount of taxes~~  
25 ~~authorized under this chapter have not been imposed)).~~

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

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

- 31 (a) Acceptability;
- 32 (b) Ease of administration;
- 33 (c) Equity;
- 34 (d) Implementation feasibility;
- 35 (e) Revenue reliability; and
- 36 (f) Revenue yield.

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

4 (a) Employer tax as provided in RCW 81.104.150(~~(, other than by~~  
5 ~~regional transportation investment districts)~~);

6 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;  
7 and

8 (c) Sales and use tax as provided in RCW 81.104.170.

9 Revenues from these taxes may be used only to support those  
10 purposes prescribed in subsection (10) of this section. Before the  
11 date of an election authorizing an agency to impose any of the taxes  
12 enumerated in this section and authorized in RCW 81.104.150,  
13 81.104.160, and 81.104.170, the agency must comply with the process  
14 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No  
15 construction on exclusive right-of-way may occur before the  
16 requirements of RCW 81.104.100(3) are met.

17 (5) Authorization in subsection (4) of this section shall not  
18 adversely affect the funding authority of transit agencies not provided  
19 for in this chapter. Local option funds may be used to support  
20 implementation of interlocal agreements with respect to the  
21 establishment of regional high capacity transportation service. Except  
22 when a regional transit authority exists, local jurisdictions shall  
23 retain control over moneys generated within their boundaries, although  
24 funds may be commingled with those generated in other areas for  
25 planning, construction, and operation of high capacity transportation  
26 systems as set forth in the agreements.

27 (6) Agencies planning to construct and operate high capacity  
28 transportation systems may contract with the state for collection and  
29 transference of voter-approved local option revenue.

30 (7) Dedicated high capacity transportation funding sources  
31 authorized in RCW 81.104.150, 81.104.160, and 81.104.170 shall be  
32 subject to voter approval by a simple majority. A single ballot  
33 proposition may seek approval for one or more of the authorized taxing  
34 sources. The ballot title shall reference the document identified in  
35 subsection (8) of this section.

36 (8) Agencies shall provide to the registered voters in the area a  
37 document describing the systems plan and the financing plan set forth  
38 in RCW 81.104.100. It shall also describe the relationship of the

1 system to regional issues such as development density at station  
2 locations and activity centers, and the interrelationship of the system  
3 to adopted land use and transportation demand management goals within  
4 the region. This document shall be provided to the voters at least  
5 twenty days prior to the date of the election.

6 (9) For any election in which voter approval is sought for a high  
7 capacity transportation system plan and financing plan pursuant to RCW  
8 81.104.040, a local voter's pamphlet shall be produced as provided in  
9 chapter ((29.81A)) 29A.32 RCW.

10 (10) Agencies providing high capacity transportation service shall  
11 retain responsibility for revenue encumbrance, disbursement, and  
12 bonding. Funds may be used for any purpose relating to planning,  
13 construction, and operation of high capacity transportation systems and  
14 commuter rail systems, personal rapid transit, busways, bus sets, and  
15 entrained and linked buses.

16 **Sec. 11.** RCW 29A.36.071 and 2006 c 311 s 9 are each amended to  
17 read as follows:

18 (1) Except as provided to the contrary in RCW 82.14.036, 82.46.021,  
19 or 82.80.090, the ballot title of any referendum filed on an enactment  
20 or portion of an enactment of a local government and any other question  
21 submitted to the voters of a local government consists of three  
22 elements: (a) An identification of the enacting legislative body and  
23 a statement of the subject matter; (b) a concise description of the  
24 measure; and (c) a question. The ballot title must conform with the  
25 requirements and be displayed substantially as provided under RCW  
26 29A.72.050, except that the concise description must not exceed  
27 seventy-five words(~~(; however, a concise description submitted on~~  
28 ~~behalf of a proposed or existing regional transportation investment~~  
29 ~~district may exceed seventy five words)). If the local governmental  
30 unit is a city or a town, the concise statement shall be prepared by  
31 the city or town attorney. If the local governmental unit is a county,  
32 the concise statement shall be prepared by the prosecuting attorney of  
33 the county. If the unit is a unit of local government other than a  
34 city, town, or county, the concise statement shall be prepared by the  
35 prosecuting attorney of the county within which the majority area of  
36 the unit is located.~~

1 (2) A referendum measure on the enactment of a unit of local  
2 government shall be advertised in the manner provided for nominees for  
3 elective office.

4 (3) Subsection (1) of this section does not apply if another  
5 provision of law specifies the ballot title for a specific type of  
6 ballot question or proposition.

7 **Sec. 12.** RCW 43.79A.040 and 2007 c 523 s 5, 2007 c 357 s 21, and  
8 2007 c 214 s 14 are each reenacted and amended to read as follows:

9 (1) Money in the treasurer's trust fund may be deposited, invested,  
10 and reinvested by the state treasurer in accordance with RCW 43.84.080  
11 in the same manner and to the same extent as if the money were in the  
12 state treasury.

13 (2) All income received from investment of the treasurer's trust  
14 fund shall be set aside in an account in the treasury trust fund to be  
15 known as the investment income account.

16 (3) The investment income account may be utilized for the payment  
17 of purchased banking services on behalf of treasurer's trust funds  
18 including, but not limited to, depository, safekeeping, and  
19 disbursement functions for the state treasurer or affected state  
20 agencies. The investment income account is subject in all respects to  
21 chapter 43.88 RCW, but no appropriation is required for payments to  
22 financial institutions. Payments shall occur prior to distribution of  
23 earnings set forth in subsection (4) of this section.

24 (4)(a) Monthly, the state treasurer shall distribute the earnings  
25 credited to the investment income account to the state general fund  
26 except under (b) and (c) of this subsection.

27 (b) The following accounts and funds shall receive their  
28 proportionate share of earnings based upon each account's or fund's  
29 average daily balance for the period: The Washington promise  
30 scholarship account, the college savings program account, the  
31 Washington advanced college tuition payment program account, the  
32 agricultural local fund, the American Indian scholarship endowment  
33 fund, the foster care scholarship endowment fund, the foster care  
34 endowed scholarship trust fund, the students with dependents grant  
35 account, the basic health plan self-insurance reserve account, the  
36 contract harvesting revolving account, the Washington state combined  
37 fund drive account, the commemorative works account, the Washington

1 international exchange scholarship endowment fund, the developmental  
2 disabilities endowment trust fund, the energy account, the fair fund,  
3 the family leave insurance account, the fruit and vegetable inspection  
4 account, the future teachers conditional scholarship account, the game  
5 farm alternative account, the GET ready for math and science  
6 scholarship account, the grain inspection revolving fund, the juvenile  
7 accountability incentive account, the law enforcement officers' and  
8 firefighters' plan 2 expense fund, the local tourism promotion account,  
9 the produce railcar pool account, (~~the regional transportation~~  
10 ~~investment district account,~~) the rural rehabilitation account, the  
11 stadium and exhibition center account, the youth athletic facility  
12 account, the self-insurance revolving fund, the sulfur dioxide  
13 abatement account, the children's trust fund, the Washington horse  
14 racing commission Washington bred owners' bonus fund account, the  
15 Washington horse racing commission class C purse fund account, the  
16 individual development account program account, the Washington horse  
17 racing commission operating account (earnings from the Washington horse  
18 racing commission operating account must be credited to the Washington  
19 horse racing commission class C purse fund account), the life sciences  
20 discovery fund, the Washington state heritage center account, and the  
21 reading achievement account. However, the earnings to be distributed  
22 shall first be reduced by the allocation to the state treasurer's  
23 service fund pursuant to RCW 43.08.190.

24 (c) The following accounts and funds shall receive eighty percent  
25 of their proportionate share of earnings based upon each account's or  
26 fund's average daily balance for the period: The advanced right-of-way  
27 revolving fund, the advanced environmental mitigation revolving  
28 account, the city and county advance right-of-way revolving fund, the  
29 federal narcotics asset forfeitures account, the high occupancy vehicle  
30 account, the local rail service assistance account, and the  
31 miscellaneous transportation programs account.

32 (5) In conformance with Article II, section 37 of the state  
33 Constitution, no trust accounts or funds shall be allocated earnings  
34 without the specific affirmative directive of this section.

35 **Sec. 13.** RCW 47.56.075 and 2002 c 56 s 404 are each amended to  
36 read as follows:

37 The department shall approve for construction only such toll roads

1 as the legislature specifically authorizes or such toll facilities as  
2 are specifically sponsored by a (~~regional transportation investment~~  
3 ~~district,~~) city, town, or county.

4 **Sec. 14.** RCW 81.112.030 and 2007 c 509 s 3 are each amended to  
5 read as follows:

6 Two or more contiguous counties each having a population of four  
7 hundred thousand persons or more may establish a regional transit  
8 authority to develop and operate a high capacity transportation system  
9 as defined in chapter 81.104 RCW.

10 The authority shall be formed in the following manner:

11 (1) The joint regional policy committee created pursuant to RCW  
12 81.104.040 shall adopt a system and financing plan, including the  
13 definition of the service area. This action shall be completed by  
14 September 1, 1992, contingent upon satisfactory completion of the  
15 planning process defined in RCW 81.104.100. The final system plan  
16 shall be adopted no later than June 30, 1993. In addition to the  
17 requirements of RCW 81.104.100, the plan for the proposed system shall  
18 provide explicitly for a minimum portion of new tax revenues to be  
19 allocated to local transit agencies for interim express services. Upon  
20 adoption the joint regional policy committee shall immediately transmit  
21 the plan to the county legislative authorities within the adopted  
22 service area.

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

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

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

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

14 (6) If the authority determines that major modifications to the  
15 plan are necessary before the initial ballot proposition is submitted  
16 to the voters, the authority may make those modifications with a  
17 favorable vote of two-thirds of the entire membership. Any such  
18 modification shall be subject to the review process set forth in RCW  
19 81.104.110. The modified plan shall be transmitted to the legislative  
20 authorities of the participating counties. The legislative authorities  
21 shall have forty-five days following receipt to act by motion or  
22 ordinance to confirm or rescind their continued participation in the  
23 authority.

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

33 (8) The authority shall place on the ballot within two years of the  
34 authority's formation, a single ballot proposition to authorize the  
35 imposition of taxes to support the implementation of an appropriate  
36 phase of the plan within its service area. In addition to the system  
37 plan requirements contained in RCW 81.104.100(2)(d), the system plan

1 approved by the authority's board before the submittal of a proposition  
2 to the voters shall contain an equity element which:

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

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

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

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

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

29 ~~(10) ((At the 2007 general election, the authority shall submit a  
30 proposition to support a system and financing plan or additional  
31 implementation phases of the authority's system and financing plan as  
32 part of a single ballot proposition that includes a plan to support a  
33 regional transportation investment plan developed under chapter 36.120  
34 RCW. The authority's plan shall not be considered approved unless both  
35 a majority of the persons voting on the proposition residing within the  
36 authority vote in favor of the proposition and a majority of the  
37 persons voting on the proposition residing within the proposed regional  
38 transportation investment district vote in favor of the proposition.~~

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

13       ~~(12))~~ If the authority is unable to achieve a positive vote on a  
14 proposition within two years from the date of the first election on a  
15 proposition, the board may, by resolution, reconstitute the authority  
16 as a single-county body. With a two-thirds vote of the entire  
17 membership of the voting members, the board may also dissolve the  
18 authority.

19       **Sec. 15.** RCW 82.80.070 and 2005 c 319 s 139 are each amended to  
20 read as follows:

21       (1) The proceeds collected pursuant to the exercise of the local  
22 option authority of RCW 82.80.010, 82.80.030, and 82.80.050 (hereafter  
23 called "local option transportation revenues") shall be used for  
24 transportation purposes only, including but not limited to the  
25 following: The operation and preservation of roads, streets, and other  
26 transportation improvements; new construction, reconstruction, and  
27 expansion of city streets, county roads, and state highways and other  
28 transportation improvements; development and implementation of public  
29 transportation and high-capacity transit improvements and programs; and  
30 planning, design, and acquisition of right-of-way and sites for such  
31 transportation purposes. The proceeds collected from excise taxes on  
32 the sale, distribution, or use of motor vehicle fuel and special fuel  
33 under RCW 82.80.010 shall be used exclusively for "highway purposes" as  
34 that term is construed in Article II, section 40 of the state  
35 Constitution.

36       (2) The local option transportation revenues shall be expended for  
37 transportation uses consistent with the adopted transportation and land

1 use plans of the jurisdiction expending the funds and consistent with  
2 any applicable and adopted regional transportation plan for  
3 metropolitan planning areas.

4 (3) Each local government with a population greater than eight  
5 thousand that levies or expends local option transportation funds, is  
6 also required to develop and adopt a specific transportation program  
7 that contains the following elements:

8 (a) The program shall identify the geographic boundaries of the  
9 entire area or areas within which local option transportation revenues  
10 will be levied and expended.

11 (b) The program shall be based on an adopted transportation plan  
12 for the geographic areas covered and shall identify the proposed  
13 operation and construction of transportation improvements and services  
14 in the designated plan area intended to be funded in whole or in part  
15 by local option transportation revenues and shall identify the annual  
16 costs applicable to the program.

17 (c) The program shall indicate how the local transportation plan is  
18 coordinated with applicable transportation plans for the region and for  
19 adjacent jurisdictions.

20 (d) The program shall include at least a six-year funding plan,  
21 updated annually, identifying the specific public and private sources  
22 and amounts of revenue necessary to fund the program. The program  
23 shall include a proposed schedule for construction of projects and  
24 expenditure of revenues. The funding plan shall consider the  
25 additional local tax revenue estimated to be generated by new  
26 development within the plan area if all or a portion of the additional  
27 revenue is proposed to be earmarked as future appropriations for  
28 transportation improvements in the program.

29 (4) Local governments with a population greater than eight thousand  
30 exercising the authority for local option transportation funds shall  
31 periodically review and update their transportation program to ensure  
32 that it is consistent with applicable local and regional transportation  
33 and land use plans and within the means of estimated public and private  
34 revenue available.

35 (5) In the case of expenditure for new or expanded transportation  
36 facilities, improvements, and services, priorities in the use of local  
37 option transportation revenues shall be identified in the

1 transportation program and expenditures shall be made based upon the  
2 following criteria, which are stated in descending order of weight to  
3 be attributed:

4 (a) First, the project serves a multijurisdictional function;

5 (b) Second, it is necessitated by existing or reasonably  
6 foreseeable congestion;

7 (c) Third, it has the greatest person-carrying capacity;

8 (d) Fourth, it is partially funded by other government funds, such  
9 as from the state transportation improvement board, or by private  
10 sector contributions, such as those from the local transportation act,  
11 chapter 39.92 RCW; and

12 (e) Fifth, it meets such other criteria as the local government  
13 determines is appropriate.

14 (6) It is the intent of the legislature that as a condition of  
15 levying, receiving, and expending local option transportation revenues,  
16 no local government agency use the revenues to replace, divert, or loan  
17 any revenues currently being used for transportation purposes to  
18 nontransportation purposes.

19 (7) Local governments are encouraged to enter into interlocal  
20 agreements to jointly develop and adopt with other local governments  
21 the transportation programs required by this section for the purpose of  
22 accomplishing regional transportation planning and development.

23 (8) Local governments may use all or a part of the local option  
24 transportation revenues for the amortization of local government  
25 general obligation and revenue bonds issued for transportation purposes  
26 consistent with the requirements of this section.

27 ~~((9) Subsections (1) through (8) of this section do not apply to  
28 a regional transportation investment district imposing a tax or fee  
29 under the local option authority of this chapter. Proceeds collected  
30 under the exercise of local option authority under this chapter by a  
31 district must be used in accordance with chapter 36.120 RCW.))~~

--- END ---