
HOUSE BILL 1976

State of Washington 55th Legislature 1997 Regular Session

By Representatives Mitchell, Hankins, Koster, Sherstad and Honeyford

Read first time 02/17/97. Referred to Committee on Capital Budget.

1 AN ACT Relating to redistributing funding for community growth;
2 amending RCW 36.70A.020, 36.70A.070, 36.70A.350, 36.70B.030,
3 36.70B.170, 39.92.010, 39.92.020, 39.92.030, 43.21C.060, 58.17.110,
4 82.02.020, 82.45.060, 82.46.010, 82.46.070, 82.80.010, and 82.80.070;
5 reenacting and amending RCW 82.46.035; adding a new section to chapter
6 43.21C RCW; adding a new section to chapter 82.46 RCW; adding a new
7 chapter to Title 28A RCW; and repealing RCW 39.92.040, 43.21C.065,
8 82.02.050, 82.02.060, 82.02.070, 82.02.080, 82.02.090, and 82.02.100.

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

10 NEW SECTION. **Sec. 1.** (1) The Washington state school capital
11 facilities board is created.

12 (2) The board consists of the following members:

13 (a) The superintendent of public instruction or the
14 superintendent's designee;

15 (b) One representative from intermediate school districts,
16 appointed by the governor;

17 (c) Four members of local school boards, two from east of the crest
18 of the Cascade mountains and two from west of the crest of the Cascade
19 mountains, selected by the Washington state board of education;

1 (d) Four county legislative authority members or commissioners, one
2 from an urban county east of the crest of the Cascade mountains, one
3 from a rural county east of the crest of the Cascade mountains, one
4 from an urban county west of the crest of the Cascade mountains, and
5 one from a rural county west of the crest of the Cascade mountains,
6 selected by an association of counties;

7 (e) One representative of the Washington state board of education;
8 and

9 (f) The president of a state parent organization.

10 (3) Members of the board shall be reimbursed for travel expenses as
11 provided in RCW 43.03.050 and 43.03.060.

12 NEW SECTION. **Sec. 2.** The board shall determine how the moneys in
13 the excess real estate excise tax school capital construction account
14 is to be divided among the state's school districts in order to provide
15 local levy relief proportionate to the matching state funding to the
16 districts. The board shall annually determine the amount of funds
17 available in the excess real estate excise tax school capital
18 construction account created under section 3 of this act and the amount
19 of state funds appropriated to match local school construction funds in
20 accordance with the state priority criteria developed under section
21 30(8), chapter 14, Laws of 1991 sp. sess., as WAC 180-27-500 through
22 180-27-990.

23 NEW SECTION. **Sec. 3.** The excess real estate excise tax school
24 capital construction account is created in the state treasury. All
25 receipts from section 17 of this act must be deposited in the account.
26 Expenditures from the account may be used only for school construction,
27 renovation, and remodeling. Only the Washington state school capital
28 facilities board may authorize expenditures from the account. The
29 account is subject to allotment procedures under chapter 43.88 RCW, but
30 an appropriation is not required for expenditures.

31 **Sec. 4.** RCW 36.70A.020 and 1990 1st ex.s. c 17 s 2 are each
32 amended to read as follows:

33 The following goals are adopted to guide the development and
34 adoption of comprehensive plans and development regulations of those
35 counties and cities that are required or choose to plan under RCW
36 36.70A.040. The following goals are not listed in order of priority

1 and shall be used exclusively for the purpose of guiding the
2 development of comprehensive plans and development regulations:

3 (1) Urban growth. Encourage development in urban areas where
4 adequate public facilities and services exist or can be provided in an
5 efficient manner.

6 (2) Reduce sprawl. Reduce the inappropriate conversion of
7 undeveloped land into sprawling, low-density development.

8 (3) Transportation. Encourage efficient multimodal transportation
9 systems that are based on regional priorities and coordinated with
10 county and city comprehensive plans.

11 (4) Housing. Encourage the availability of affordable housing to
12 all economic segments of the population of this state, promote a
13 variety of residential densities and housing types, and encourage
14 preservation of existing housing stock.

15 (5) Economic development. Encourage economic development
16 throughout the state that is consistent with adopted comprehensive
17 plans, promote economic opportunity for all citizens of this state,
18 especially for unemployed and for disadvantaged persons, and encourage
19 growth in areas experiencing insufficient economic growth, all within
20 the capacities of the state's natural resources, public services, and
21 public facilities.

22 (6) Property rights. Private property shall not be taken for
23 public use without just compensation having been made. The property
24 rights of landowners shall be protected from arbitrary and
25 discriminatory actions.

26 (7) Permits. Applications for both state and local government
27 permits should be processed in a timely and fair manner to ensure
28 predictability.

29 (8) Natural resource industries. Maintain and enhance natural
30 resource-based industries, including productive timber, agricultural,
31 and fisheries industries. Encourage the conservation of productive
32 forest lands and productive agricultural lands, and discourage
33 incompatible uses.

34 (9) Open space and recreation. Encourage the retention of open
35 space and development of recreational opportunities, conserve fish and
36 wildlife habitat, increase access to natural resource lands and water,
37 and develop parks.

1 (10) Environment. Protect the environment and enhance the state's
2 high quality of life, including air and water quality, and the
3 availability of water.

4 (11) Citizen participation and coordination. Encourage the
5 involvement of citizens in the planning process and ensure coordination
6 between communities and jurisdictions to reconcile conflicts.

7 (12) Public facilities and services. Ensure that those public
8 facilities and services necessary to support development shall be
9 adequate to serve the development (~~((at the time the development is~~
10 ~~available for occupancy and use))~~) without decreasing current service
11 levels below locally established minimum standards.

12 (13) Historic preservation. Identify and encourage the
13 preservation of lands, sites, and structures, that have historical or
14 archaeological significance.

15 **Sec. 5.** RCW 36.70A.070 and 1996 c 239 s 1 are each amended to read
16 as follows:

17 The comprehensive plan of a county or city that is required or
18 chooses to plan under RCW 36.70A.040 shall consist of a map or maps,
19 and descriptive text covering objectives, principles, and standards
20 used to develop the comprehensive plan. The plan shall be an
21 internally consistent document and all elements shall be consistent
22 with the future land use map. A comprehensive plan shall be adopted
23 and amended with public participation as provided in RCW 36.70A.140.
24 The plans shall not include impact fees.

25 Each comprehensive plan shall include a plan, scheme, or design for
26 each of the following:

27 (1) A land use element designating the proposed general
28 distribution and general location and extent of the uses of land, where
29 appropriate, for agriculture, timber production, housing, commerce,
30 industry, recreation, open spaces, general aviation airports, public
31 utilities, public facilities, and other land uses. The land use
32 element shall include population densities, building intensities, and
33 estimates of future population growth. The land use element shall
34 provide for protection of the quality and quantity of ground water used
35 for public water supplies. Where applicable, the land use element
36 shall review drainage, flooding, and storm water run-off in the area
37 and nearby jurisdictions and provide guidance for corrective actions to

1 mitigate or cleanse those discharges that pollute waters of the state,
2 including Puget Sound or waters entering Puget Sound.

3 (2) A housing element ensuring the vitality and character of
4 established residential neighborhoods that: (a) Includes an inventory
5 and analysis of existing and projected housing needs; (b) includes a
6 statement of goals, policies, objectives, and mandatory provisions for
7 the preservation, improvement, and development of housing, including
8 single-family residences; (c) identifies sufficient land for housing,
9 including, but not limited to, government-assisted housing, housing for
10 low-income families, manufactured housing, multifamily housing, and
11 group homes and foster care facilities; and (d) makes adequate
12 provisions for existing and projected needs of all economic segments of
13 the community.

14 (3) A capital facilities plan element consisting of: (a) An
15 inventory of existing capital facilities owned by public entities,
16 showing the locations and capacities of the capital facilities; (b) a
17 forecast of the future needs for such capital facilities; (c) the
18 proposed locations and capacities of expanded or new capital
19 facilities; (d) at least a six-year plan that will finance such capital
20 facilities within projected funding capacities and clearly identifies
21 sources of public money for such purposes; and (e) a requirement to
22 reassess the land use element if probable funding falls short of
23 meeting existing needs and to ensure that the land use element, capital
24 facilities plan element, and financing plan within the capital
25 facilities plan element are coordinated and consistent.

26 (4) A utilities element consisting of the general location,
27 proposed location, and capacity of all existing and proposed utilities,
28 including, but not limited to, electrical lines, telecommunication
29 lines, and natural gas lines.

30 (5) Counties shall include a rural element including lands that are
31 not designated for urban growth, agriculture, forest, or mineral
32 resources. The rural element shall permit appropriate land uses that
33 are compatible with the rural character of such lands and provide for
34 a variety of rural densities and uses and may also provide for
35 clustering, density transfer, design guidelines, conservation
36 easements, and other innovative techniques that will accommodate
37 appropriate rural uses not characterized by urban growth.

1 (6) A transportation element that implements, and is consistent
2 with, the land use element. The transportation element shall include
3 the following subelements:

4 (a) Land use assumptions used in estimating travel;

5 (b) Facilities and services needs, including:

6 (i) An inventory of air, water, and ground transportation
7 facilities and services, including transit alignments and general
8 aviation airport facilities, to define existing capital facilities and
9 travel levels as a basis for future planning;

10 (ii) Level of service standards for all arterials and transit
11 routes to serve as a gauge to judge performance of the system. These
12 standards should be regionally coordinated;

13 (iii) Specific actions and requirements for bringing into
14 compliance any facilities or services that are below an established
15 level of service standard;

16 (iv) Forecasts of traffic for at least ten years based on the
17 adopted land use plan to provide information on the location, timing,
18 and capacity needs of future growth;

19 (v) Identification of system expansion needs and transportation
20 system management needs to meet current and future demands;

21 (c) Finance, including:

22 (i) An analysis of funding capability to judge needs against
23 probable funding resources;

24 (ii) A multiyear financing plan based on the needs identified in
25 the comprehensive plan, the appropriate parts of which shall serve as
26 the basis for the six-year street, road, or transit program required by
27 RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW
28 35.58.2795 for public transportation systems;

29 (iii) If probable funding falls short of meeting identified needs,
30 a discussion of how additional funding will be raised, or how land use
31 assumptions will be reassessed to ensure that level of service
32 standards will be met;

33 (d) Intergovernmental coordination efforts, including an assessment
34 of the impacts of the transportation plan and land use assumptions on
35 the transportation systems of adjacent jurisdictions;

36 (e) Demand-management strategies.

37 After adoption of the comprehensive plan by jurisdictions required
38 to plan or who choose to plan under RCW 36.70A.040, local jurisdictions
39 (~~must adopt and enforce ordinances which prohibit development approval~~

1 ~~if the development causes the level of service on a transportation~~
2 ~~facility to decline below the standards adopted in the transportation~~
3 ~~element of the comprehensive plan, unless transportation improvements~~
4 ~~or strategies to accommodate the impacts of development are made~~
5 ~~concurrent with the development. These)) may provide strategies~~
6 ~~((may)) that include increased public transportation service, ride~~
7 ~~sharing programs, demand management, and other transportation systems~~
8 ~~management strategies. ((For the purposes of this subsection (6)~~
9 ~~"concurrent with the development" shall mean that improvements or~~
10 ~~strategies are in place at the time of development, or that a financial~~
11 ~~commitment is in place to complete the improvements or strategies~~
12 ~~within six years.))~~

13 The transportation element described in this subsection, and the
14 six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for
15 counties, and RCW 35.58.2795 for public transportation systems, must be
16 consistent.

17 **Sec. 6.** RCW 36.70A.350 and 1991 sp.s. c 32 s 16 are each amended
18 to read as follows:

19 A county required or choosing to plan under RCW 36.70A.040 may
20 establish a process as part of its urban growth areas, that are
21 designated under RCW 36.70A.110, for reviewing proposals to authorize
22 new fully contained communities located outside of the initially
23 designated urban growth areas.

24 (1) A new fully contained community may be approved in a county
25 planning under this chapter if criteria including but not limited to
26 the following are met:

27 (a) New infrastructure is provided for ~~((and impact fees are~~
28 ~~established consistent with the requirements of RCW 82.02.050))~~;

29 (b) Transit-oriented site planning and traffic demand management
30 programs are implemented;

31 (c) Buffers are provided between the new fully contained
32 communities and adjacent urban development;

33 (d) A mix of uses is provided to offer jobs, housing, and services
34 to the residents of the new community;

35 (e) Affordable housing is provided within the new community for a
36 broad range of income levels;

37 (f) Environmental protection has been addressed and provided for;

1 (g) Development regulations are established to ensure urban growth
2 will not occur in adjacent nonurban areas;

3 (h) Provision is made to mitigate impacts on designated
4 agricultural lands, forest lands, and mineral resource lands;

5 (i) The plan for the new fully contained community is consistent
6 with the development regulations established for the protection of
7 critical areas by the county pursuant to RCW 36.70A.170.

8 (2) New fully contained communities may be approved outside
9 established urban growth areas only if a county reserves a portion of
10 the twenty-year population projection and offsets the urban growth area
11 accordingly for allocation to new fully contained communities that meet
12 the requirements of this chapter. Any county electing to establish a
13 new community reserve shall do so no more often than once every five
14 years as a part of the designation or review of urban growth areas
15 required by this chapter. The new community reserve shall be allocated
16 on a project-by-project basis, only after specific project approval
17 procedures have been adopted pursuant to this chapter as a development
18 regulation. When a new community reserve is established, urban growth
19 areas designated pursuant to this chapter shall accommodate the
20 unreserved portion of the twenty-year population projection.

21 Final approval of an application for a new fully contained
22 community shall be considered an adopted amendment to the comprehensive
23 plan prepared pursuant to RCW 36.70A.070 designating the new fully
24 contained community as an urban growth area.

25 **Sec. 7.** RCW 36.70B.030 and 1995 c 347 s 404 are each amended to
26 read as follows:

27 (1) Fundamental land use planning choices made in adopted
28 comprehensive plans and development regulations shall serve as the
29 foundation for project review. The review of a proposed project's
30 consistency with applicable development regulations, or in the absence
31 of applicable regulations the adopted comprehensive plan, under RCW
32 36.70B.040 shall incorporate the determinations under this section.

33 (2) During project review, a local government or any subsequent
34 reviewing body shall determine whether the items listed in this
35 subsection are defined in the development regulations applicable to the
36 proposed project or, in the absence of applicable regulations the
37 adopted comprehensive plan. At a minimum, such applicable regulations
38 or plans shall be determinative of the:

1 (a) Type of land use permitted at the site, including uses that may
2 be allowed under certain circumstances, such as planned unit
3 developments and conditional and special uses, if the criteria for
4 their approval have been satisfied;

5 (b) Density of residential development in urban growth areas; and

6 (c) Availability and adequacy of public facilities identified in
7 the comprehensive plan, if the plan or development regulations provide
8 for funding of these facilities as required by chapter 36.70A RCW.

9 (3) During project review, the local government or any subsequent
10 reviewing body shall not reexamine alternatives to or hear appeals on
11 the items identified in subsection (2) of this section, except for
12 issues of code interpretation. As part of its project review process,
13 a local government shall provide a procedure for obtaining a code
14 interpretation as provided in RCW 36.70B.110.

15 (4) Pursuant to RCW 43.21C.240, a local government may determine
16 that the requirements for environmental analysis and mitigation
17 measures in development regulations and other applicable laws provide
18 adequate mitigation for some or all of the project's specific adverse
19 environmental impacts to which the requirements apply.

20 (5) Nothing in this section limits the authority of a permitting
21 agency to approve, condition, or deny a project as provided in its
22 development regulations adopted under chapter 36.70A RCW and in its
23 policies adopted under RCW 43.21C.060. Project review shall be used to
24 identify specific project design and conditions relating to the
25 character of development, such as the details of site plans, curb cuts,
26 drainage swales, transportation demand management, (~~the payment of~~
27 ~~impact fees,~~) or other measures to mitigate a proposal's probable
28 adverse environmental impacts, if applicable.

29 (6) Subsections (1) through (4) of this section apply only to local
30 governments planning under RCW 36.70A.040.

31 **Sec. 8.** RCW 36.70B.170 and 1995 c 347 s 502 are each amended to
32 read as follows:

33 (1) A local government may enter into a development agreement with
34 a person having ownership or control of real property within its
35 jurisdiction. A city may enter into a development agreement for real
36 property outside its boundaries as part of a proposed annexation or a
37 service agreement. A development agreement must set forth the
38 development standards and other provisions that shall apply to and

1 govern and vest the development, use, and mitigation of the development
2 of the real property for the duration specified in the agreement. A
3 development agreement shall be consistent with applicable development
4 regulations adopted by a local government planning under chapter 36.70A
5 RCW.

6 (2) RCW 36.70B.170 through 36.70B.190 and section 501, chapter 347,
7 Laws of 1995 do not affect the validity of a contract rezone,
8 concomitant agreement, annexation agreement, or other agreement in
9 existence on July 23, 1995, or adopted under separate authority, that
10 includes some or all of the development standards provided in
11 subsection (3) of this section.

12 (3) For the purposes of this section, "development standards"
13 includes, but is not limited to:

14 (a) Project elements such as permitted uses, residential densities,
15 and nonresidential densities and intensities or building sizes;

16 (b) ~~((The amount and payment of impact fees imposed or agreed to in~~
17 ~~accordance with any applicable provisions of state law,))~~ Any
18 reimbursement provisions, other financial contributions by the property
19 owner, inspection fees, or dedications;

20 (c) Mitigation measures, development conditions, and other
21 requirements under chapter 43.21C RCW;

22 (d) Design standards such as maximum heights, setbacks, drainage
23 and water quality requirements, landscaping, and other development
24 features;

25 (e) Affordable housing;

26 (f) Parks and open space preservation;

27 (g) Phasing;

28 (h) Review procedures and standards for implementing decisions;

29 (i) A build-out or vesting period for applicable standards; and

30 (j) Any other appropriate development requirement or procedure.

31 (4) The execution of a development agreement is a proper exercise
32 of county and city police power and contract authority. A development
33 agreement may obligate a party to fund or provide on-site services, on-
34 site infrastructure, or other on-site facilities. A development
35 agreement shall reserve authority to impose new or different
36 regulations to the extent required by a serious threat to public health
37 and safety.

1 **Sec. 9.** RCW 39.92.010 and 1988 c 179 s 1 are each amended to read
2 as follows:

3 The legislature finds that there is an increasing need for local
4 and regional transportation improvements as the result of both existing
5 demands and the foreseeable future demands from economic growth and
6 development within the state, including residential, commercial, and
7 industrial development.

8 The legislature intends with this chapter to enable local
9 governments to develop and adopt programs for the purpose of jointly
10 funding, from public and private sources, transportation improvements
11 necessitated in whole or in part by economic development and growth
12 within their respective jurisdictions. The programs should provide a
13 fair and predictable method for allocating the cost of necessary
14 transportation improvements between the public and private sectors.
15 The programs should include consideration of public transportation as
16 a method of reducing off-site transportation impacts from development.
17 The legislature finds that the private funds authorized to be collected
18 pursuant to this chapter are for the purpose of mitigating the impacts
19 of development and are not taxes. The state shall encourage and give
20 priority to the state funding of local and regional transportation
21 improvements that are funded in part by local, public, and private
22 funds.

23 The authority provided by this chapter, RCW 35.43.182 through
24 35.43.188, and 36.88.072 through 36.88.078 for local governments to
25 create and implement local transportation programs is intended to be
26 supplemental, except as expressly provided in RCW ((39.92.030(9)-))
27 82.02.020((7)) and 36.73.120, to the existing authorities and
28 responsibilities of local governments to regulate development and
29 provide public facilities.

30 **Sec. 10.** RCW 39.92.020 and 1988 c 179 s 2 are each amended to read
31 as follows:

32 The definitions set forth in this section apply throughout this
33 chapter.

34 (1) "Developer" means an individual, group of individuals,
35 partnership, corporation, association, municipal corporation, state
36 agency, or other person undertaking development and their successors
37 and assigns.

1 (2) "Development" means the subdivision or short platting of land
2 or the construction or reconstruction of residential, commercial,
3 industrial, public, or any other building, building space, or land.

4 (3) "Direct result of the proposed development" means those
5 quantifiable transportation impacts that are caused by vehicles or
6 pedestrians whose trip origin or destination is the proposed
7 development.

8 (4) "Local government" means all counties, cities, and towns in the
9 state of Washington and transportation benefit districts created
10 pursuant to chapter 36.73 RCW.

11 (5) "Off-site transportation improvements" means those
12 transportation capital improvements designated in the local plan
13 adopted under this chapter that are authorized to be undertaken by
14 local government and that serve the transportation needs of more than
15 one development.

16 (6) (~~"Transportation impact fee" means a monetary charge imposed~~
17 ~~on new development for the purpose of mitigating off site~~
18 ~~transportation impacts that are a direct result of the proposed~~
19 ~~development.~~

20 (7)) "Fair market value" means the price in terms of money that a
21 property will bring in a competitive and open market under all
22 conditions of a fair sale, the buyer and seller each prudently
23 knowledgeable, and assuming the price is not affected by undue
24 stimulus, measured at the time of the dedication to local government of
25 land or improved transportation facilities.

26 **Sec. 11.** RCW 39.92.030 and 1988 c 179 s 3 are each amended to read
27 as follows:

28 Local governments may develop and adopt programs for the purpose of
29 jointly funding, from public and private sources, transportation
30 improvements necessitated in whole or in part by economic development
31 and growth within their respective jurisdictions. Local governments
32 shall adopt the programs by ordinance after notice and public hearing.
33 Each program shall contain the elements described in this section.

34 (1) (~~The program shall identify the geographic boundaries of the~~
35 ~~entire area or areas generally benefited by the proposed off site~~
36 ~~transportation improvements and within which transportation impact fees~~
37 ~~will be imposed under this chapter.~~

1 (2)) The program shall be based on an adopted comprehensive, long-
2 term transportation plan identifying the proposed off-site
3 transportation improvements reasonable and necessary to meet the future
4 growth needs of the designated plan area and intended to be covered by
5 this joint funding program, including acquisition of right of way,
6 construction and reconstruction of all major and minor arterials and
7 intersection improvements, and identifying design standards, levels of
8 service, capacities, and costs applicable to the program. The program
9 shall also indicate how the transportation plan is coordinated with
10 applicable transportation plans for the region and for adjacent
11 jurisdictions. The program shall also indicate how public
12 transportation and ride-sharing improvements and services will be used
13 to reduce off-site transportation impacts from development.

14 (~~(3)~~) (2) The program shall include at least a six-year capital
15 funding program, updated annually, identifying the specific public
16 sources and amounts of revenue necessary to pay for that portion of the
17 cost of all off-site transportation improvements contained in the
18 transportation plan (~~(that will not foreseeably be funded by~~
19 ~~transportation impact fees)~~). The program shall include a proposed
20 schedule for construction and expenditures of funds. The funding plan
21 shall consider the additional local tax revenue estimated to be
22 generated by new development within the plan area if all or a portion
23 of the additional revenue is proposed to be earmarked as future
24 appropriations for such off-site transportation improvements.

25 (~~(4)~~) The program shall authorize transportation impact fees to be
26 imposed on new development within the plan area for the purpose of
27 providing a portion of the funding for reasonable and necessary off-
28 site transportation improvements to solve the cumulative impacts of
29 planned growth and development in the plan area. Off site
30 transportation impacts shall be measured as a pro rata share of the
31 capacity of the off-site transportation improvements being funded under
32 the program. The fees shall not exceed the amount that the local
33 government can demonstrate is reasonably necessary as a direct result
34 of the proposed development.

35 (5) The program shall provide that the funds collected as a result
36 of a particular new development shall be used in substantial part to
37 pay for improvements mitigating the impacts of the development or be
38 refunded to the property owners of record. Fees paid toward more than
39 one transportation improvement may be pooled and expended on any one of

1 the improvements mitigating the impact of the development. The funds
2 shall be expended in all cases within six years of collection by the
3 local government or the unexpended funds shall be refunded.

4 (6) The program shall also describe the formula, timing, security,
5 credits, and other terms and conditions affecting the amount and method
6 of payment of the transportation impact fees as further provided for in
7 RCW 39.92.040. In calculating the amount of the fee, local government
8 shall consider and give credit for the developer's participation in
9 public transportation and ride-sharing improvements and services.

10 (7) The administrative element of the program shall include: An
11 opportunity for administrative appeal by the developer and hearing
12 before an independent examiner of the amount of the transportation
13 impact fee imposed; establishment of a designated account for the
14 public and private funds appropriated or collected for the
15 transportation improvements identified in the plan; methods to enforce
16 collection of the public and private funds identified in the program;
17 designation of the administrative departments or other entities
18 responsible for administering the program, including determination of
19 fee amounts, transportation planning, and construction; and provisions
20 for future amendment of the program including the addition of other
21 off-site transportation improvements. The program shall not be amended
22 in a manner to relieve local government of any contractual obligations
23 made to prior developers.

24 (8) The program shall provide that private transportation impact
25 fees shall not be collected for any off-site transportation improvement
26 that is incapable of being reasonably carried out because of lack of
27 public funds or other foreseeable impediment.

28 (9) The program shall provide that no transportation impact fee may
29 be imposed on a development by local government pursuant to this
30 program when mitigation of the same off-site transportation impacts for
31 the development is being required by any government agency pursuant to
32 any other local, state, or federal law.))

33 NEW SECTION. **Sec. 12.** A new section is added to chapter 43.21C
34 RCW to read as follows:

35 All branches of government of this state, including state agencies,
36 municipal and public corporations, and counties, may not require
37 mitigation or impact fees, or both. All mitigation fees and impact

1 fees under this chapter are eliminated as of the effective date of this
2 section.

3 **Sec. 13.** RCW 43.21C.060 and 1983 c 117 s 3 are each amended to
4 read as follows:

5 The policies and goals set forth in this chapter are supplementary
6 to those set forth in existing authorizations of all branches of
7 government of this state, including state agencies, municipal and
8 public corporations, and counties. Any governmental action may be
9 conditioned or denied pursuant to this chapter: PROVIDED, That such
10 conditions or denials shall be based upon policies identified by the
11 appropriate governmental authority and incorporated into regulations,
12 plans, or codes which are formally designated by the agency (or
13 appropriate legislative body, in the case of local government) as
14 possible bases for the exercise of authority pursuant to this chapter.
15 Such designation shall occur at the time specified by RCW 43.21C.120.
16 Such action may be conditioned only to mitigate specific adverse
17 environmental impacts which are identified in the environmental
18 documents prepared under this chapter. These conditions shall be
19 stated in writing by the decisionmaker. Mitigation measures shall be
20 reasonable and capable of being accomplished. In order to deny a
21 proposal under this chapter, an agency must find that: (1) The
22 proposal would result in significant adverse impacts identified in a
23 final or supplemental environmental impact statement prepared under
24 this chapter; and (2) reasonable mitigation measures are insufficient
25 to mitigate the identified impact. Except for permits and variances
26 issued pursuant to chapter 90.58 RCW, when such a governmental action,
27 not requiring a legislative decision, is conditioned or denied by a
28 nonelected official of a local governmental agency, the decision shall
29 be appealable to the legislative authority of the acting local
30 governmental agency unless that legislative authority formally
31 eliminates such appeals. Such appeals shall be in accordance with
32 procedures established for such appeals by the legislative authority of
33 the acting local governmental agency. A city or county that has
34 imposed the taxes authorized in either or both RCW 82.46.010 and
35 82.46.035 may not impose impact or mitigation fees under this chapter.
36 Imposition of the taxes constitutes full and complete compliance with
37 this chapter for the provision of any public facility or service
38 required.

1 **Sec. 14.** RCW 58.17.110 and 1995 c 32 s 3 are each amended to read
2 as follows:

3 (1) The city, town, or county legislative body shall inquire into
4 the public use and interest proposed to be served by the establishment
5 of the subdivision and dedication. It shall determine: (a) If
6 appropriate provisions are made for, but not limited to, the public
7 health, safety, and general welfare, for open spaces, drainage ways,
8 streets or roads, alleys, other public ways, transit stops, potable
9 water supplies, sanitary wastes, parks and recreation, playgrounds,
10 schools and schoolgrounds, and shall consider all other relevant facts,
11 including sidewalks and other planning features that assure safe
12 walking conditions for students who only walk to and from school; and
13 (b) whether the public interest will be served by the subdivision and
14 dedication.

15 (2) A proposed subdivision and dedication shall not be approved
16 unless the city, town, or county legislative body makes written
17 findings that: (a) Appropriate provisions are made for the public
18 health, safety, and general welfare and for such open spaces, drainage
19 ways, streets or roads, alleys, other public ways, transit stops,
20 potable water supplies, sanitary wastes, parks and recreation,
21 playgrounds, schools and schoolgrounds and all other relevant facts,
22 including sidewalks and other planning features that assure safe
23 walking conditions for students who only walk to and from school; and
24 (b) the public use and interest will be served by the platting of such
25 subdivision and dedication. If it finds that the proposed subdivision
26 and dedication make such appropriate provisions and that the public use
27 and interest will be served, then the legislative body shall approve
28 the proposed subdivision and dedication. (~~Dedication of land to any~~
29 ~~public body, provision of public improvements to serve the subdivision,~~
30 ~~and/or impact fees imposed under RCW 82.02.050 through 82.02.090 may be~~
31 ~~required as a condition of subdivision approval.)) Counties, cities,
32 and towns that have imposed the taxes in either or both RCW 82.46.010
33 and 82.46.035 may not impose impact fees under this chapter, and
34 imposition of the taxes constitutes full and complete compliance with
35 this chapter or any other statute or rule for the provision of any
36 public facility or service required. Dedications shall be clearly
37 shown on the final plat. No dedication(~~(,)~~) or provision of public
38 improvements(~~(, or impact fees imposed under RCW 82.02.050 through~~
39 ~~82.02.090)) shall be allowed that constitutes an unconstitutional~~~~

1 taking of private property. The legislative body shall not as a
2 condition to the approval of any subdivision require a release from
3 damages to be procured from other property owners.

4 (3) If the preliminary plat includes a dedication of a public park
5 with an area of less than two acres and the donor has designated that
6 the park be named in honor of a deceased individual of good character,
7 the city, town, or county legislative body must adopt the designated
8 name.

9 **Sec. 15.** RCW 82.02.020 and 1996 c 230 s 1612 are each amended to
10 read as follows:

11 Except only as expressly provided in RCW 67.28.180 and 67.28.190
12 and the provisions of chapter 82.14 RCW, the state preempts the field
13 of imposing taxes upon retail sales of tangible personal property, the
14 use of tangible personal property, parimutuel wagering authorized
15 pursuant to RCW 67.16.060, conveyances, and cigarettes, and no county,
16 town, or other municipal subdivision shall have the right to impose
17 taxes of that nature. (~~Except as provided in RCW 82.02.050 through~~
18 ~~82.02.090,~~) No county, city, town, or other municipal corporation
19 shall impose any tax, fee, or charge, either direct or indirect, on the
20 construction or reconstruction of residential buildings, commercial
21 buildings, industrial buildings, or on any other building or building
22 space or appurtenance thereto, or on the development, subdivision,
23 classification, or reclassification of land. However, this section
24 does not preclude dedications of land or easements within the proposed
25 development or plat which the county, city, town, or other municipal
26 corporation can demonstrate are reasonably necessary as a direct result
27 of the proposed development or plat to which the dedication of land or
28 easement is to apply.

29 (~~This section does not prohibit voluntary agreements with~~
30 ~~counties, cities, towns, or other municipal corporations that allow a~~
31 ~~payment in lieu of a dedication of land or to mitigate a direct impact~~
32 ~~that has been identified as a consequence of a proposed development,~~
33 ~~subdivision, or plat. A local government shall not use such voluntary~~
34 ~~agreements for local off-site transportation improvements within the~~
35 ~~geographic boundaries of the area or areas covered by an adopted~~
36 ~~transportation program authorized by chapter 39.92 RCW. Any such~~
37 ~~voluntary agreement is subject to the following provisions:~~

1 ~~(1) The payment shall be held in a reserve account and may only be~~
2 ~~expended to fund a capital improvement agreed upon by the parties to~~
3 ~~mitigate the identified, direct impact;~~

4 ~~(2) The payment shall be expended in all cases within five years of~~
5 ~~collection; and~~

6 ~~(3) Any payment not so expended shall be refunded with interest at~~
7 ~~the rate applied to judgments to the property owners of record at the~~
8 ~~time of the refund; however, if the payment is not expended within five~~
9 ~~years due to delay attributable to the developer, the payment shall be~~
10 ~~refunded without interest.~~

11 ~~No county, city, town, or other municipal corporation shall require~~
12 ~~any payment as part of such a voluntary agreement which the county,~~
13 ~~city, town, or other municipal corporation cannot establish is~~
14 ~~reasonably necessary as a direct result of the proposed development or~~
15 ~~plat.))~~

16 Nothing in this section prohibits cities, towns, counties, or other
17 municipal corporations from collecting reasonable fees from an
18 applicant for a permit or other governmental approval to cover the cost
19 to the city, town, county, or other municipal corporation of processing
20 applications, inspecting and reviewing plans, or preparing detailed
21 statements required by chapter 43.21C RCW.

22 This section does not limit the existing authority of any county,
23 city, town, or other municipal corporation to impose special
24 assessments on property specifically benefitted thereby in the manner
25 prescribed by law.

26 Nothing in this section prohibits counties, cities, or towns from
27 imposing or permits counties, cities, or towns to impose water, sewer,
28 natural gas, drainage utility, and drainage system charges: PROVIDED,
29 That ~~((no such charge shall exceed the proportionate share of))~~ such
30 utility or system's capital costs ~~((which the county, city, or town can~~
31 ~~demonstrate are attributable to the property being charged: PROVIDED~~
32 ~~FURTHER, That these provisions shall not be interpreted to expand or~~
33 ~~contract any existing authority of counties, cities, or towns to impose~~
34 ~~such charges))~~ or any capacity charges must be recovered using rate-
35 based user charges and such utility or system may not charge hookup
36 fees that are above actual physical connection costs.

37 Nothing in this section prohibits a transportation benefit district
38 from imposing fees or charges authorized in RCW 36.73.120 nor prohibits

1 the legislative authority of a county, city, or town from approving the
2 imposition of such fees within a transportation benefit district.

3 Nothing in this section prohibits counties, cities, or towns from
4 imposing transportation impact fees authorized pursuant to chapter
5 39.92 RCW.

6 Nothing in this section prohibits counties, cities, or towns from
7 requiring property owners to provide relocation assistance to tenants
8 under RCW 59.18.440 and 59.18.450.

9 This section does not apply to special purpose districts formed and
10 acting pursuant to Titles 54, 57, or 87 RCW, nor is the authority
11 conferred by these titles affected.

12 **Sec. 16.** RCW 82.45.060 and 1987 c 472 s 14 are each amended to
13 read as follows:

14 (1) There is imposed an excise tax upon each sale of real property
15 at the rate of one and ~~((twenty-eight one-hundredths))~~ one hundred
16 fifty-two one-thousandths percent of the selling price.

17 (2) An amount equal to seven and seven-tenths percent of the
18 proceeds of this tax to the state treasurer shall be deposited in the
19 public works assistance account created in RCW 43.155.050.

20 ~~((2) There is imposed an additional excise tax through June 30,~~
21 ~~1989, upon each sale of real property at the rate of six one-hundredths~~
22 ~~of one percent of the selling price. The tax imposed under this~~
23 ~~subsection shall be deposited in the conservation area account under~~
24 ~~RCW 79.71.110.))~~

25 NEW SECTION. **Sec. 17.** A new section is added to chapter 82.46 RCW
26 to read as follows:

27 The legislative authority of any county shall, if requested to do
28 so by the school districts representing the majority of the students in
29 the county, impose an additional excise tax on each sale of real
30 property in the county at a rate of one hundred twenty-eight one-
31 thousandths percent of the selling price. The proceeds of this tax
32 shall be deposited in the excess real estate excise tax school capital
33 construction account created under section 3 of this act.

34 **Sec. 18.** RCW 82.46.010 and 1994 c 272 s 1 are each amended to read
35 as follows:

1 (1) The legislative authority of any county or city shall identify
2 in the ~~((adopted budget the capital projects))~~ capital facilities plan
3 required in RCW 36.70A.070(3) the public facilities defined in
4 subsection (6) of this section funded in whole or in part from the
5 proceeds of the tax authorized in this section, and shall indicate that
6 such tax is intended to be in addition to other funds that may be
7 reasonably available for such capital projects.

8 (2) The legislative authority of any county or any city may impose
9 an excise tax on each sale of real property in the unincorporated areas
10 of the county for the county tax and in the corporate limits of the
11 city for the city tax at a rate not exceeding one-quarter of one
12 percent of the selling price. The revenues from this tax shall be used
13 by any city or county with a population of five thousand or less and
14 any city or county that does not plan under RCW 36.70A.040 for any
15 capital purpose identified in a capital improvements plan and local
16 capital improvements, including those listed in RCW 35.43.040.

17 After April 30, 1992, revenues generated from the tax imposed under
18 this subsection in counties over five thousand population and cities
19 over five thousand population that are required or choose to plan under
20 RCW 36.70A.040 shall be used solely for financing capital projects
21 specified in a capital facilities plan element of a comprehensive plan
22 ~~((and housing relocation assistance under RCW 59.18.440 and~~
23 ~~59.18.450))~~. However, revenues (a) pledged by such counties and cities
24 to debt retirement prior to April 30, 1992, may continue to be used for
25 that purpose until the original debt for which the revenues were
26 pledged is retired, or (b) committed prior to April 30, 1992, by such
27 counties or cities to a project may continue to be used for that
28 purpose until the project is completed.

29 (3) In lieu of imposing the tax authorized in RCW 82.14.030(2), the
30 legislative authority of any county or any city may impose an
31 additional excise tax on each sale of real property in the
32 unincorporated areas of the county for the county tax and in the
33 corporate limits of the city for the city tax at a rate not exceeding
34 one-half of one percent of the selling price.

35 (4) Taxes imposed under this section shall be collected from
36 persons who are taxable by the state under chapter 82.45 RCW upon the
37 occurrence of any taxable event within the unincorporated areas of the
38 county or within the corporate limits of the city, as the case may be.

1 (5) Taxes imposed under this section shall comply with all
2 applicable rules, regulations, laws, and court decisions regarding real
3 estate excise taxes as imposed by the state under chapter 82.45 RCW.

4 (6) As used in this section, "city" means any city or town and
5 (~~"capital project" means those public works projects of a local~~
6 ~~government for planning, acquisition, construction, reconstruction,~~
7 ~~repair, replacement, rehabilitation, or improvement of streets; roads;~~
8 ~~highways; sidewalks; street and road lighting systems; traffic signals;~~
9 ~~bridges; domestic water systems; storm and sanitary sewer systems;~~
10 ~~parks; recreational facilities; law enforcement facilities; fire~~
11 ~~protection facilities; trails; libraries; administrative and/or~~
12 ~~judicial facilities; river and/or)) "public facilities" mean the
13 following capital facilities owned or operated by government entities:~~

14 (a) Domestic water systems, storm and sanitary sewer systems, and
15 drainage systems; (b) publicly owned parks, open space, and
16 recreational facilities; (c) fire protection facilities in
17 jurisdictions that are not a part of a fire district; and (d) waterway
18 flood control projects by those jurisdictions that, prior to June 11,
19 1992, have expended funds derived from the tax authorized by this
20 section for such purposes(; ~~and, until December 31, 1995, housing~~
21 ~~projects for those jurisdictions that, prior to June 11, 1992, have~~
22 ~~expended or committed to expend funds derived from the tax authorized~~
23 ~~by this section or the tax authorized by RCW 82.46.035 for such~~
24 ~~purposes)).~~

25 (7) If a legislative authority of a county or city imposes an
26 excise tax under this section, the legislative authority may not
27 require any impact fees or concurrency requirements.

28 **Sec. 19.** RCW 82.46.035 and 1992 c 221 s 3 and 1991 sp.s. c 32 s 33
29 are each reenacted and amended to read as follows:

30 (1) The legislative authority of any county or city shall identify
31 in the adopted budget the capital projects funded in whole or in part
32 from the proceeds of the tax authorized in this section, and shall
33 indicate that such tax is intended to be in addition to other funds
34 that may be reasonably available for such capital projects.

35 (2) The legislative authority of any county or any city that plans
36 under RCW 36.70A.040(1) may impose an additional excise tax on each
37 sale of real property in the unincorporated areas of the county for the
38 county tax and in the corporate limits of the city for the city tax at

1 a rate not exceeding one-quarter of one percent of the selling price.
2 Any county choosing to plan under RCW 36.70A.040(2) and any city within
3 such a county may only adopt an ordinance imposing the excise tax
4 authorized by this section if the ordinance is first authorized by a
5 proposition approved by a majority of the voters of the taxing district
6 voting on the proposition at a general election held within the
7 district or at a special election within the taxing district called by
8 the district for the purpose of submitting such proposition to the
9 voters.

10 (3) Revenues generated from the tax imposed under subsection (2) of
11 this section shall be used by such counties and cities solely for
12 financing (~~(capital projects)~~) public facilities specified in a capital
13 facilities plan element of a comprehensive plan. However, revenues (a)
14 pledged by such counties and cities to debt retirement prior to March
15 1, 1992, may continue to be used for that purpose until the original
16 debt for which the revenues were pledged is retired, or (b) committed
17 prior to March 1, 1992, by such counties or cities to a project may
18 continue to be used for that purpose until the project is completed.

19 (4) Revenues generated by the tax imposed by this section shall be
20 deposited in a separate account.

21 (5) As used in this section, "city" means any city or town and
22 (~~("capital project" means those public works projects of a local
23 government for planning, acquisition, construction, reconstruction,
24 repair, replacement, rehabilitation, or improvement of streets, roads,
25 highways, sidewalks, street and road lighting systems, traffic signals,
26 bridges,)~~) "public facilities" mean the following capital facilities
27 owned or operated by governmental entities: (a) Domestic water
28 systems, storm and sanitary sewer systems(~~(, and planning,
29 construction, reconstruction, repair, rehabilitation, or improvement of
30 parks.~~

31 (~~(6) When the governor files a notice of noncompliance under RCW
32 36.70A.340 with the secretary of state and the appropriate county or
33 city, the county or city's authority to impose the additional excise
34 tax under this section shall be temporarily rescinded until the
35 governor files a subsequent notice rescinding the notice of
36 noncompliance)) and drainage systems; (b) publicly owned parks, open
37 space, and recreational facilities; and (c) fire protection facilities
38 in jurisdictions that are not part of a fire district.~~

1 (6) If a legislative authority of a county or city imposes an
2 excise tax under this section, the legislative authority may not
3 require any impact fees or concurrency requirements.

4 **Sec. 20.** RCW 82.46.070 and 1990 1st ex.s. c 5 s 3 are each amended
5 to read as follows:

6 (1) Subject to subsection (2) of this section, the legislative
7 authority of any county may impose an additional excise tax on each
8 sale of real property in the county at a rate not to exceed one percent
9 of the selling price. The proceeds of the tax shall be used
10 exclusively for the acquisition and maintenance of conservation areas.

11 The taxes imposed under this subsection shall be imposed in the
12 same manner and on the same occurrences, and are subject to the same
13 conditions, as the taxes under chapter 82.45 RCW, except:

14 (a) The tax shall be the obligation of the purchaser; and

15 (b) The tax does not apply to the acquisition of conservation areas
16 by the county.

17 The county may enforce the obligation through an action of debt
18 against the purchaser or may foreclose the lien on the property in the
19 same manner prescribed for the foreclosure of mortgages.

20 The tax shall take effect thirty days after the election at which
21 the taxes are authorized.

22 (2) No tax may be imposed under subsection (1) of this section
23 unless approved by a majority of the voters of the county voting
24 thereon for a specified period and maximum rate after:

25 (a) The adoption of a resolution by the county legislative
26 authority of the county proposing this action; or

27 (b) The filing of a petition proposing this action with the county
28 auditor, which petition is signed by county voters at least equal in
29 number to ten percent of the total number of voters in the county who
30 voted at the last preceding general election.

31 The ballot proposition shall be submitted to the voters of the
32 county at the next general election occurring at least sixty days after
33 a petition is filed, or at any special election prior to this general
34 election that has been called for such purpose by the county
35 legislative authority.

36 (3) A plan for the expenditure of the excise tax proceeds shall be
37 prepared by the county legislative authority at least sixty days before
38 the election if the proposal is initiated by resolution of the county

1 legislative authority, or within six months after the tax has been
2 authorized by the voters if the proposal is initiated by petition.
3 Prior to the adoption of this plan, the elected officials of cities
4 located within the county shall be consulted and a public hearing shall
5 be held to obtain public input. The proceeds of this excise tax must
6 be expended in conformance with this plan.

7 (4) As used in this section, "conservation area" has the meaning
8 given under RCW 36.32.570.

9 (5) This section applies only to counties that imposed a tax under
10 this section by January 1, 1997.

11 **Sec. 21.** RCW 82.80.010 and 1991 c 339 s 12 are each amended to
12 read as follows:

13 (1) Subject to the conditions of this section, any county may levy,
14 by approval of its legislative ~~((body and a majority of the registered~~
15 ~~voters of the county voting on the proposition at a general or special~~
16 ~~election))~~ authority, additional excise taxes ~~((equal))~~ up to ~~((ten))~~
17 twenty-five percent of the state-wide motor vehicle fuel tax rate under
18 RCW 82.36.025 on each gallon of motor vehicle fuel as defined in RCW
19 82.36.010(2) and on each gallon of special fuel as defined in RCW
20 82.38.020(5) sold within the boundaries of the county. Vehicles paying
21 an annual license fee under RCW 82.38.075 are exempt from the county
22 fuel excise tax. ~~((An election held under this section must be held~~
23 ~~not more than twelve months before the date on which the proposed tax~~
24 ~~is to be levied. The ballot setting forth the proposition shall state~~
25 ~~the tax rate that is proposed.))~~ The county's authority to levy
26 additional excise taxes under this section includes the incorporated
27 and unincorporated areas of the county. The additional excise taxes
28 are subject to the same exceptions and rights of refund as applicable
29 to other motor vehicle fuel and special fuel excise taxes levied under
30 chapters 82.36 and 82.38 RCW. The proposed tax shall not be levied
31 less than one month from the date ~~((the election results are certified~~
32 ~~by the county election officer))~~ of approval by the county legislative
33 authority. The commencement date for the levy of any tax under this
34 section shall be the first day of January, April, July, or October.

35 (2) Every person subject to the tax shall pay, in addition to any
36 other taxes provided by law, an additional excise tax to the director
37 of licensing at the rate levied by a county exercising its authority
38 under this section.

1 (3) The state treasurer shall distribute monthly to the levying
2 county and cities contained therein the proceeds of the additional
3 excise taxes collected under this section, after the deductions for
4 payments and expenditures as provided in RCW 46.68.090 (1) and (2) and
5 under the conditions and limitations provided in RCW 82.80.080.

6 (4) The proceeds of the additional excise taxes levied under this
7 section shall be used strictly for ~~((transportation purposes in
8 accordance with RCW 82.80.070))~~ the following: The operation and
9 preservation of roads, streets, and other transportation improvements;
10 new construction, reconstruction, and expansion of city streets, county
11 roads, and other transportation improvements; and planning, design, and
12 acquisition of right of way and sites for such transportation purposes.
13 The proceeds collected from excise taxes on the sale, distribution, or
14 use of motor vehicle fuel and special fuel under this section shall be
15 used exclusively for "highway purposes" as that term is construed in
16 Article II, section 40 of the state Constitution.

17 (5) The department of licensing shall administer and collect the
18 county fuel taxes. The department shall deduct a percentage amount, as
19 provided by contract, for administrative, collection, refund, and audit
20 expenses incurred. The remaining proceeds shall be remitted to the
21 custody of the state treasurer for monthly distribution under RCW
22 82.80.080.

23 **Sec. 22.** RCW 82.80.070 and 1991 c 141 s 4 are each amended to read
24 as follows:

25 (1) The proceeds collected pursuant to the exercise of the local
26 option authority of RCW ~~((82.80.010,))~~ 82.80.020, 82.80.030, and
27 82.80.050 (hereafter called "local option transportation revenues")
28 shall be used for transportation purposes only, including but not
29 limited to the following: The operation and preservation of roads,
30 streets, and other transportation improvements; new construction,
31 reconstruction, and expansion of city streets, county roads, and state
32 highways and other transportation improvements; development and
33 implementation of public transportation and high-capacity transit
34 improvements and programs; and planning, design, and acquisition of
35 right of way and sites for such transportation purposes. ~~((The
36 proceeds collected from excise taxes on the sale, distribution, or use
37 of motor vehicle fuel and special fuel under RCW 82.80.010 shall be~~

1 ~~used exclusively for "highway purposes" as that term is construed in~~
2 ~~Article II, section 40 of the state Constitution.))~~

3 (2) The local option transportation revenues shall be expended for
4 transportation uses consistent with the adopted transportation and land
5 use plans of the jurisdiction expending the funds and consistent with
6 any applicable and adopted regional transportation plan for
7 metropolitan planning areas.

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

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

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

21 (c) The program shall indicate how the local transportation plan is
22 coordinated with applicable transportation plans for the region and for
23 adjacent jurisdictions.

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

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

1 (5) In the case of expenditure for new or expanded transportation
2 facilities, improvements, and services, priorities in the use of local
3 option transportation revenues shall be identified in the
4 transportation program and expenditures shall be made based upon the
5 following criteria, which are stated in descending order of weight to
6 be attributed:

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

8 (b) Second, it is necessitated by existing or reasonably
9 foreseeable congestion;

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

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

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

17 (6) It is the intent of the legislature that as a condition of
18 levying, receiving, and expending local option transportation revenues,
19 no local government agency use the revenues to replace, divert, or loan
20 any revenues currently being used for transportation purposes to
21 nontransportation purposes. The association of Washington cities and
22 the Washington state association of counties, in consultation with the
23 legislative transportation committee, shall study the issue of
24 nondiversion and make recommendations to the legislative transportation
25 committee for language implementing the intent of this section by
26 December 1, 1990.

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

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

35 NEW SECTION. **Sec. 23.** The following acts or parts of acts are
36 each repealed:

37 (1) RCW 39.92.040 and 1989 c 296 s 1 & 1988 c 179 s 4;

38 (2) RCW 43.21C.065 and 1992 c 219 s 1;

- 1 (3) RCW 82.02.050 and 1994 c 257 s 24, 1993 sp.s. c 6 s 6, & 1990
2 1st ex.s. c 17 s 43;
3 (4) RCW 82.02.060 and 1990 1st ex.s. c 17 s 44;
4 (5) RCW 82.02.070 and 1990 1st ex.s. c 17 s 46;
5 (6) RCW 82.02.080 and 1990 1st ex.s. c 17 s 47;
6 (7) RCW 82.02.090 and 1990 1st ex.s. c 17 s 48; and
7 (8) RCW 82.02.100 and 1992 c 219 s 2.

8 NEW SECTION. **Sec. 24.** Sections 1 through 3 of this act constitute
9 a new chapter in Title 28A RCW.

--- END ---