
HOUSE BILL 3136

State of Washington

55th Legislature

1998 Regular Session

By Representatives Kastama, Gombosky, Dunshee, Doumit, Linville, Sullivan, Hatfield, Anderson, Morris, Eickmeyer, Mason, Keiser and Lantz

Read first time . Referred to Committee on .

1 AN ACT Relating to state and local government financing; amending
2 RCW 82.44.020, 82.44.110, 82.44.150, 82.14.045, 82.14.200, 82.14.310,
3 82.14.330, 43.135.060, 82.50.410, 82.50.510, 35.58.273, 35.58.410,
4 43.160.070, 43.160.076, 43.160.080, 46.16.068, 70.94.015, 81.100.060,
5 82.08.020, 82.14.046, 82.44.023, 82.44.025, 82.44.155, 82.44.180, and
6 84.44.050; amending 1997 c 367 s 10 (uncodified); reenacting and
7 amending RCW 82.14.320, 43.160.210, and 81.104.160; adding a new
8 section to chapter 43.160 RCW; adding a new section to chapter 82.14
9 RCW; adding a new section to chapter 43.135 RCW; adding new sections to
10 chapter 47.10 RCW; creating a new section; and providing an effective
11 date.

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

13 NEW SECTION. **Sec. 1.** The purpose of this act is to reallocate the
14 general fund portion of the state's motor vehicle excise tax revenues
15 among local governments and the state's transportation programs. By
16 reallocating motor vehicle excise taxes, the state revenue portion can
17 be dedicated to increased transportation funding purposes. Since the
18 general fund currently has a budget surplus, due to a strong economy,
19 the legislature feels that this reallocation is an appropriate short-

1 term solution to the state's transportation needs and is a first step
2 in meeting longer-term transportation funding needs. These reallocated
3 funds must be used to provide relief from traffic congestion, improve
4 freight mobility, and increase traffic safety.

5 In reallocating general fund resources, the legislature also
6 ensures that other programs funded from the general fund are not
7 adversely impacted by the reallocation of surplus general fund
8 revenues. The legislature also adopts this act to continue the general
9 fund revenue and expenditure limitations contained in chapter 43.135
10 RCW after this one-time transfer of funds.

11 **Sec. 2.** RCW 82.44.020 and 1993 sp.s. c 23 s 61 are each amended to
12 read as follows:

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

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

22 (~~(3) Effective with October 1992 motor vehicle registration~~
23 ~~expirations,)) A clean air excise tax is imposed in addition to any
24 other tax imposed by this section for the privilege of using in the
25 state any motor vehicle as defined in RCW 82.44.010, except that farm
26 vehicles as defined in RCW 46.04.181 shall not be subject to the tax
27 imposed by this subsection. The (~~annual amount of the additional~~
28 ~~excise tax shall be two dollars and twenty five cents. Effective with~~
29 ~~July 1994 motor vehicle registration expirations, the)) annual amount
30 of additional excise tax shall be two dollars.~~~~

31 (~~((4))~~) (3) An additional excise tax is imposed on truck-type power
32 units that are used in combination with a trailer to transport loads in
33 excess of forty thousand pounds combined gross weight. The annual
34 amount of such additional excise tax shall be fifty-eight one-
35 hundredths of one percent of the value of the vehicle.

36 The department shall distribute the additional tax collected under
37 this subsection as follows:

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

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

10 ~~((+5))~~ (4) The excise taxes imposed by subsections (1) ~~((through~~
11 ~~+3))~~ and (2) of this section shall not apply to trailing units which
12 are used in combination with a power unit subject to the additional
13 excise tax imposed by subsection ~~((+4))~~ (3) of this section. This
14 subsection shall not apply to trailing units used for hauling logs.

15 ~~((+6))~~ (5) In no case shall the total tax be less than two dollars
16 except for proportionally registered vehicles.

17 ~~((+7))~~ (6) Washington residents, as defined in RCW 46.16.028, who
18 license motor vehicles in another state or foreign country and avoid
19 Washington motor vehicle excise taxes are liable for such unpaid excise
20 taxes. The department of revenue may assess and collect the unpaid
21 excise taxes under chapter 82.32 RCW, including the penalties and
22 interest provided therein.

23 **Sec. 3.** RCW 82.44.110 and 1997 c 338 s 68 are each amended to read
24 as follows:

25 The county auditor shall regularly, when remitting license fee
26 receipts, pay over and account to the director of licensing for the
27 excise taxes collected under the provisions of this chapter. The
28 director shall forthwith transmit the excise taxes to the state
29 treasurer.

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

32 (a) ~~((1.60))~~ 1.455 percent into the motor vehicle fund to defray
33 administrative and other expenses incurred by the department in the
34 collection of the excise tax.

35 (b) ~~((8.15))~~ 7.409 percent into the Puget Sound capital
36 construction account in the motor vehicle fund.

37 (c) ~~((4.07))~~ 3.70 percent into the Puget Sound ferry operations
38 account in the motor vehicle fund.

1 (d) ~~((5.88))~~ 5.345 percent into the ~~((general fund to be~~
2 ~~distributed))~~ city police and fire protection assistance account under
3 RCW 82.44.155.

4 (e) ~~((4.75))~~ 4.787 percent into the municipal sales and use tax
5 equalization account ~~((in the general fund))~~ created in RCW 82.14.210.

6 (f) ~~((1.60))~~ 1.455 percent into the county sales and use tax
7 equalization account ~~((in the general fund))~~ created in RCW 82.14.200
8 through June 30, 1999, and 1.71 percent beginning July 1, 1999.

9 ~~((g) 62.6440 percent into the general fund through June 30, 1995,~~
10 ~~and 57.6440 percent into the general fund beginning July 1, 1995.~~

11 ~~(h) 5))~~ 43.605 percent into the transportation fund created in RCW
12 82.44.180 ~~((beginning July 1, 1995)).~~

13 ~~((i) 5.9686))~~ (h) 3.309 percent into the county criminal justice
14 assistance account created in RCW 82.14.310 through June 30, 1999, and
15 3.892 percent beginning July 1, 1999.

16 ~~((j) 1.1937))~~ (i) 0.662 percent into the municipal criminal
17 justice assistance account for distribution under RCW 82.14.320.

18 ~~((k) 1.1937))~~ (j) 0.662 percent into the municipal criminal
19 justice assistance account for distribution under RCW 82.14.330.

20 ~~((l) 2.95))~~ (k) 2.682 percent into the county public health
21 account created in RCW 70.05.125.

22 (l) 23.758 percent into the motor vehicle fund.

23 (m) 1.171 percent into the distressed county assistance account
24 under section 8 of this act.

25 Notwithstanding ~~((i))~~ (h) through ~~((k))~~ (j) of this subsection,
26 ~~((no more than sixty million dollars shall be deposited into the~~
27 ~~accounts specified in (i) through (k) of this subsection for the period~~
28 ~~January 1, 1994, through June 30, 1995. Not more than five percent of~~
29 ~~the funds deposited to these accounts shall be available for~~
30 ~~appropriations for enhancements to the state patrol crime laboratory~~
31 ~~system and the continuing costs related to these enhancements. Motor~~
32 ~~vehicle excise tax funds appropriated for such enhancements shall not~~
33 ~~supplant existing funds from the state general fund. For the fiscal~~
34 ~~year ending June 30, 1998, and))~~ for each fiscal year ~~((thereafter))~~
35 through fiscal year 1999, the amounts deposited into the accounts
36 specified in ~~((i))~~ (h) through ~~((k))~~ (j) of this subsection shall
37 not increase by more than the amounts deposited into those accounts in
38 the previous fiscal year increased by the implicit price deflator for

1 the previous fiscal year. Any revenues in excess of this amount shall
2 be deposited into the violence reduction and drug enforcement account.

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

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

8 **Sec. 4.** RCW 82.44.150 and 1995 2nd sp.s. c 14 s 538 are each
9 amended to read as follows:

10 (1) The director of licensing shall, on the twenty-fifth day of
11 February, May, August, and November of each year, advise the state
12 treasurer of the total amount of motor vehicle excise taxes imposed by
13 RCW 82.44.020 (1) (~~and (2))~~) remitted to the department during the
14 preceding calendar quarter ending on the last day of March, June,
15 September, and December, respectively, except for those payable under
16 RCW 82.44.030, from motor vehicle owners residing within each
17 municipality which has levied a tax under RCW 35.58.273, which amount
18 of excise taxes shall be determined by the director as follows:

19 The total amount of motor vehicle excise taxes remitted to the
20 department, except those payable under RCW 82.44.020(~~((3))~~) (2) and
21 82.44.030, from each county shall be multiplied by a fraction, the
22 numerator of which is the population of the municipality residing in
23 such county, and the denominator of which is the total population of
24 the county in which such municipality or portion thereof is located.
25 The product of this computation shall be the amount of excise taxes
26 from motor vehicle owners residing within such municipality or portion
27 thereof. Where the municipality levying a tax under RCW 35.58.273 is
28 located in more than one county, the above computation shall be made by
29 county, and the combined products shall provide the total amount of
30 motor vehicle excise taxes from motor vehicle owners residing in the
31 municipality as a whole. Population figures required for these
32 computations shall be supplied to the director by the office of
33 financial management, who shall adjust the fraction annually.

34 (2) On the first day of the months of January, April, July, and
35 October of each year, the state treasurer based upon information
36 provided by the department shall, from motor vehicle excise taxes
37 deposited in the (~~general fund, under RCW 82.44.110(1)(g))~~)
38 transportation fund under RCW 82.44.110, make the following deposits:

1 (a) To the high capacity transportation account created in RCW
2 47.78.010, a sum equal to four and five-tenths percent of the special
3 excise tax levied under RCW 35.58.273 by those municipalities
4 authorized to levy a special excise tax within each county that has a
5 population of one hundred seventy-five thousand or more and has an
6 interstate highway within its borders; except that in a case of a
7 municipality located in a county that has a population of one hundred
8 seventy-five thousand or more that does not have an interstate highway
9 located within its borders, that sum shall be deposited in the
10 passenger ferry account;

11 (b) To the central Puget Sound public transportation account
12 created in RCW 82.44.180, (~~for revenues distributed after December 31,~~
13 ~~1992,~~) within a county with a population of one million or more and a
14 county with a population of from two hundred thousand to less than one
15 million bordering a county with a population of one million or more, a
16 sum equal to the difference between (i) the special excise tax levied
17 and collected under RCW 35.58.273 by those municipalities authorized to
18 levy and collect a special excise tax subject to the requirements of
19 subsections (3) and (4) of this section and (ii) the special excise tax
20 that the municipality would otherwise have been eligible to levy and
21 collect at a tax rate of .815 percent and been able to match with
22 locally generated tax revenues, other than the excise tax imposed under
23 RCW 35.58.273, budgeted for any public transportation purpose. Before
24 this deposit, the sum shall be reduced by an amount equal to the amount
25 distributed under (a) of this subsection for each of the municipalities
26 within the counties to which this subsection (2)(b) applies; however,
27 any transfer under this subsection (2)(b) must be greater than zero;
28 and

29 (c) To the public transportation systems account created in RCW
30 82.44.180, (~~for revenues distributed after December 31, 1992,~~) within
31 counties not described in (b) of this subsection, a sum equal to the
32 difference between (i) the special excise tax levied and collected
33 under RCW 35.58.273 by those municipalities authorized to levy and
34 collect a special excise tax subject to the requirements of subsections
35 (3) and (4) of this section and (ii) the special excise tax that the
36 municipality would otherwise have been eligible to levy and collect at
37 a tax rate of .815 percent and been able to match with locally
38 generated tax revenues, other than the excise tax imposed under RCW
39 35.58.273, budgeted for any public transportation purpose. Before this

1 deposit, the sum shall be reduced by an amount equal to the amount
2 distributed under (a) of this subsection for each of the municipalities
3 within the counties to which this subsection (2)(c) applies; however,
4 any transfer under this subsection (2)(c) must be greater than zero(
5 and

6 ~~(d) To the general fund, for revenues distributed after June 30,~~
7 ~~1993, and to the transportation fund, for revenues distributed after~~
8 ~~June 30, 1995, a sum equal to the difference between (i) the special~~
9 ~~excise tax levied and collected under RCW 35.58.273 by those~~
10 ~~municipalities authorized to levy and collect a special excise tax~~
11 ~~subject to the requirements of subsections (3) and (4) of this section~~
12 ~~and (ii) the special excise tax that the municipality would otherwise~~
13 ~~have been eligible to levy and collect at a tax rate of .815 percent~~
14 ~~notwithstanding the requirements set forth in subsections (3) through~~
15 ~~(6) of this section, reduced by an amount equal to distributions made~~
16 ~~under (a), (b), and (c) of this subsection and RCW 82.14.046)).~~

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

21 (a) The amount required to be remitted by the state treasurer to
22 the treasurer of any municipality levying the tax shall not exceed in
23 any calendar year the amount of locally-generated tax revenues,
24 excluding (i) the excise tax imposed under RCW 35.58.273 for the
25 purposes of this section, which shall have been budgeted by the
26 municipality to be collected in such calendar year for any public
27 transportation purposes including but not limited to operating costs,
28 capital costs, and debt service on general obligation or revenue bonds
29 issued for these purposes; and (ii) the sales and use tax equalization
30 distributions provided under RCW 82.14.046; and

31 (b) In no event may the amount remitted in a single calendar
32 quarter exceed the amount collected on behalf of the municipality under
33 RCW 35.58.273 during the calendar quarter next preceding the
34 immediately preceding quarter, excluding the sales and use tax
35 equalization distributions provided under RCW 82.14.046.

36 (4) At the close of each calendar year accounting period, but not
37 later than April 1, each municipality that has received motor vehicle
38 excise taxes under subsection (3) of this section shall transmit to the
39 director of licensing and the state auditor a written report showing by

1 source the previous year's budgeted tax revenues for public
2 transportation purposes as compared to actual collections. Any
3 municipality that has not submitted the report by April 1 shall cease
4 to be eligible to receive motor vehicle excise taxes under subsection
5 (3) of this section until the report is received by the director of
6 licensing. If a municipality has received more or less money under
7 subsection (3) of this section for the period covered by the report
8 than it is entitled to receive by reason of its locally-generated
9 collected tax revenues, the director of licensing shall, during the
10 next ensuing quarter that the municipality is eligible to receive motor
11 vehicle excise tax funds, increase or decrease the amount to be
12 remitted in an amount equal to the difference between the locally-
13 generated budgeted tax revenues and the locally-generated collected tax
14 revenues. In no event may the amount remitted for a calendar year
15 exceed the amount collected on behalf of the municipality under RCW
16 35.58.273 during that same calendar year excluding the sales and use
17 tax equalization distributions provided under RCW 82.14.046. At the
18 time of the next fiscal audit of each municipality, the state auditor
19 shall verify the accuracy of the report submitted and notify the
20 director of licensing of any discrepancies.

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

24 (6) Any municipality levying and collecting a tax under RCW
25 35.58.273 which does not have an operating, public transit system or a
26 contract for public transportation services in effect within one year
27 from the initial effective date of the tax shall return to the state
28 treasurer all motor vehicle excise taxes received under subsection (3)
29 of this section.

30 **Sec. 5.** RCW 82.14.045 and 1991 c 363 s 158 are each amended to
31 read as follows:

32 (1) The legislative body of any city pursuant to RCW 35.92.060, of
33 any county which has created an unincorporated transportation benefit
34 area pursuant to RCW 36.57.100 and 36.57.110, of any public
35 transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090,
36 of any county transportation authority established pursuant to chapter
37 36.57 RCW, and of any metropolitan municipal corporation within a
38 county with a population of one million or more pursuant to chapter

1 35.58 RCW, may, by resolution or ordinance for the sole purpose of
2 providing funds for the operation, maintenance, or capital needs of
3 public transportation systems and in lieu of the excise taxes
4 authorized by RCW 35.95.040, submit an authorizing proposition to the
5 voters or include such authorization in a proposition to perform the
6 function of public transportation and if approved by a majority of
7 persons voting thereon, fix and impose a sales and use tax in
8 accordance with the terms of this chapter: PROVIDED, That no such
9 legislative body shall impose such a sales and use tax without
10 submitting such an authorizing proposition to the voters and obtaining
11 the approval of a majority of persons voting thereon: PROVIDED
12 FURTHER, That where such a proposition is submitted by a county on
13 behalf of an unincorporated transportation benefit area, it shall be
14 voted upon by the voters residing within the boundaries of such
15 unincorporated transportation benefit area and, if approved, the sales
16 and use tax shall be imposed only within such area. Notwithstanding
17 any provisions of this section to the contrary, any county in which a
18 county public transportation plan has been adopted pursuant to RCW
19 36.57.070 and the voters of such county have authorized the imposition
20 of a sales and use tax pursuant to the provisions of section 10,
21 chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be
22 authorized to fix and impose a sales and use tax as provided in this
23 section at not to exceed the rate so authorized without additional
24 approval of the voters of such county as otherwise required by this
25 section.

26 The tax authorized pursuant to this section shall be in addition to
27 the tax authorized by RCW 82.14.030 and shall be collected from those
28 persons who are taxable by the state pursuant to chapters 82.08 and
29 82.12 RCW upon the occurrence of any taxable event within such city,
30 public transportation benefit area, county, or metropolitan municipal
31 corporation as the case may be. The rate of such tax shall be one-
32 tenth, two-tenths, three-tenths, four-tenths, five-tenths, or six-
33 tenths of one percent of the selling price (in the case of a sales tax)
34 or value of the article used (in the case of a use tax). The rate of
35 such tax shall not exceed the rate authorized by the voters unless such
36 increase shall be similarly approved.

37 (2)(a) In the event a metropolitan municipal corporation shall
38 impose a sales and use tax pursuant to this chapter no city, county
39 which has created an unincorporated transportation benefit area, public

1 transportation benefit area authority, or county transportation
2 authority wholly within such metropolitan municipal corporation shall
3 be empowered to levy and/or collect taxes pursuant to RCW 35.58.273,
4 35.95.040, and/or 82.14.045, but nothing herein shall prevent such city
5 or county from imposing sales and use taxes pursuant to any other
6 authorization.

7 (b) In the event a county transportation authority shall impose a
8 sales and use tax pursuant to this section, no city, county which has
9 created an unincorporated transportation benefit area, public
10 transportation benefit area, or metropolitan municipal corporation,
11 located within the territory of the authority, shall be empowered to
12 levy or collect taxes pursuant to RCW 35.58.273, 35.95.040, or
13 82.14.045.

14 (c) In the event a public transportation benefit area shall impose
15 a sales and use tax pursuant to this section, no city, county which has
16 created an unincorporated transportation benefit area, or metropolitan
17 municipal corporation, located wholly or partly within the territory of
18 the public transportation benefit area, shall be empowered to levy or
19 collect taxes pursuant to RCW 35.58.273, 35.95.040, or 82.14.045.

20 (3) Any local sales and use tax revenue collected pursuant to this
21 section by any city or by any county for transportation purposes
22 pursuant to RCW 36.57.100 and 36.57.110 shall not be counted as locally
23 generated tax revenues for the purposes of apportionment and
24 distribution, in the manner prescribed by chapter 82.44 RCW, of the
25 proceeds of the motor vehicle excise tax authorized pursuant to RCW
26 35.58.273, except that the local sales and use tax revenue collected
27 under this section by a city with a population greater than sixty
28 thousand that as of January 1, 1998, owns and operates a municipal
29 public transportation system shall be counted as locally generated tax
30 revenues for the purposes of apportionment and distribution, in the
31 manner prescribed by chapter 82.44 RCW, of the proceeds of the motor
32 vehicle excise tax authorized under RCW 35.58.273 as follows:

33 (a) For fiscal year 2000, revenues collected under this section
34 shall be counted as locally generated tax revenues for up to 25 percent
35 of the tax collected under RCW 35.58.273;

36 (b) For fiscal year 2001, revenues collected under this section
37 shall be counted as locally generated tax revenues for up to 50 percent
38 of the tax collected under RCW 35.58.273;

1 (c) For fiscal year 2002, revenues collected under this section
2 shall be counted as locally generated tax revenues for up to 75 percent
3 of the tax collected under RCW 35.58.273; and

4 (d) For fiscal year 2003 and thereafter, revenues collected under
5 this section shall be counted as locally generated tax revenues for up
6 to 100 percent of the tax collected under RCW 35.58.273.

7 **Sec. 6.** RCW 82.14.200 and 1997 c 333 s 2 are each amended to read
8 as follows:

9 There is created in the state treasury a special account to be
10 known as the "county sales and use tax equalization account." Into
11 this account shall be placed a portion of all motor vehicle excise tax
12 receipts as provided in RCW 82.44.110(~~((1)(f))~~). Funds in this account
13 shall be allocated by the state treasurer according to the following
14 procedure:

15 (1) Prior to April 1st of each year the director of revenue shall
16 inform the state treasurer of the total and the per capita levels of
17 revenues for the unincorporated area of each county and the state-wide
18 weighted average per capita level of revenues for the unincorporated
19 areas of all counties imposing the sales and use tax authorized under
20 RCW 82.14.030(1) for the previous calendar year.

21 (2) At such times as distributions are made under RCW 82.44.150,
22 (~~(as now or hereafter amended,~~) the state treasurer shall apportion to
23 each county imposing the sales and use tax under RCW 82.14.030(1) at
24 the maximum rate and receiving less than one hundred fifty thousand
25 dollars from the tax for the previous calendar year, an amount from the
26 county sales and use tax equalization account sufficient, when added to
27 the amount of revenues received the previous calendar year by the
28 county, to equal one hundred fifty thousand dollars.

29 The department of revenue shall establish a governmental price
30 index as provided in this subsection. The base year for the index
31 shall be the end of the third quarter of 1982. Prior to November 1,
32 1983, and prior to each November 1st thereafter, the department of
33 revenue shall establish another index figure for the third quarter of
34 that year. The department of revenue may use the implicit price
35 deflators for state and local government purchases of goods and
36 services calculated by the United States department of commerce to
37 establish the governmental price index. Beginning on January 1, 1984,
38 and each January 1st thereafter, the one hundred fifty thousand dollar

1 base figure in this subsection shall be adjusted in direct proportion
2 to the percentage change in the governmental price index from 1982
3 until the year before the adjustment. Distributions made under this
4 subsection for 1984 and thereafter shall use this adjusted base amount
5 figure.

6 (3) Subsequent to the distributions under subsection (2) of this
7 section and at such times as distributions are made under RCW
8 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall
9 apportion to each county imposing the sales and use tax under RCW
10 82.14.030(1) at the maximum rate and receiving less than seventy
11 percent of the state-wide weighted average per capita level of revenues
12 for the unincorporated areas of all counties as determined by the
13 department of revenue under subsection (1) of this section, an amount
14 from the county sales and use tax equalization account sufficient, when
15 added to the per capita level of revenues for the unincorporated area
16 received the previous calendar year by the county, to equal seventy
17 percent of the state-wide weighted average per capita level of revenues
18 for the unincorporated areas of all counties determined under
19 subsection (1) of this section, subject to reduction under subsections
20 (6) and (7) of this section. When computing distributions under this
21 section, any distribution under subsection (2) of this section shall be
22 considered revenues received from the tax imposed under RCW
23 82.14.030(1) for the previous calendar year.

24 (4) Subsequent to the distributions under subsection (3) of this
25 section and at such times as distributions are made under RCW
26 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall
27 apportion to each county imposing the sales and use tax under RCW
28 82.14.030(2) at the maximum rate and receiving a distribution under
29 subsection (2) of this section, a third distribution from the county
30 sales and use tax equalization account. The distribution to each
31 qualifying county shall be equal to the distribution to the county
32 under subsection (2) of this section, subject to the reduction under
33 subsections (6) and (7) of this section. To qualify for the total
34 distribution under this subsection, the county must impose the tax
35 under RCW 82.14.030(2) for the entire calendar year. Counties imposing
36 the tax for less than the full year shall qualify for prorated
37 allocations under this subsection proportionate to the number of months
38 of the year during which the tax is imposed.

1 (5) Subsequent to the distributions under subsection (4) of this
2 section and at such times as distributions are made under RCW
3 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall
4 apportion to each county imposing the sales and use tax under RCW
5 82.14.030(2) at the maximum rate and receiving a distribution under
6 subsection (3) of this section, a fourth distribution from the county
7 sales and use tax equalization account. The distribution to each
8 qualifying county shall be equal to the distribution to the county
9 under subsection (3) of this section, subject to the reduction under
10 subsections (6) and (7) of this section. To qualify for the
11 distributions under this subsection, the county must impose the tax
12 under RCW 82.14.030(2) for the entire calendar year. Counties imposing
13 the tax for less than the full year shall qualify for prorated
14 allocations under this subsection proportionate to the number of months
15 of the year during which the tax is imposed.

16 (6) Revenues distributed under subsections (2) through (5) of this
17 section in any calendar year shall not exceed an amount equal to
18 seventy percent of the state-wide weighted average per capita level of
19 revenues for the unincorporated areas of all counties during the
20 previous calendar year. If distributions under subsections (3) through
21 (5) of this section cannot be made because of this limitation, then
22 distributions under subsections (3) through (5) of this section shall
23 be reduced ratably among the qualifying counties.

24 (7) If inadequate revenues exist in the county sales and use tax
25 equalization account to make the distributions under subsections (3)
26 through (5) of this section, then the distributions under subsections
27 (3) through (5) of this section shall be reduced ratably among the
28 qualifying counties. At such time during the year as additional funds
29 accrue to the county sales and use tax equalization account, additional
30 distributions shall be made under subsections (3) through (5) of this
31 section to the counties.

32 (8) If the level of revenues in the county sales and use tax
33 equalization account exceeds the amount necessary to make the
34 distributions under subsections (2) through (5) of this section, at
35 such times as distributions are made under RCW 82.44.150, the state
36 treasurer shall apportion an amount to the county public health account
37 created in RCW 70.05.125 equal to the adjustment under RCW
38 70.05.125(2)(b).

1 (9) If the level of revenues in the county sales and use tax
2 equalization account exceeds the amount necessary to make the
3 distributions under subsections (2) through (5) and (8) of this
4 section, then the additional revenues shall be credited and transferred
5 (~~to the state general fund~~) as follows:

6 (a) Fifty percent to the public facilities construction loan
7 revolving account under RCW 43.160.080; and

8 (b) Fifty percent to the distressed county public facilities
9 construction loan account under section 7 of this act, or so much
10 thereof as will not cause the balance in the account to exceed twenty-
11 five million dollars. Any remaining funds shall be deposited into the
12 public facilities construction loan revolving account.

13 NEW SECTION. Sec. 7. A new section is added to chapter 43.160 RCW
14 to read as follows:

15 The distressed county public facilities construction loan account
16 is created in the state treasury. All funds provided under RCW
17 82.14.200 shall be deposited in the account. Moneys in the account may
18 be spent only after appropriation. Moneys in the account shall only be
19 used to provide financial assistance under this chapter to distressed
20 counties that have experienced extraordinary costs due to the location
21 of a major new business facility or the substantial expansion of an
22 existing business facility in the county.

23 For purposes of this section, the term "distressed counties"
24 includes any county in which the average level of unemployment for the
25 three years before the year in which an application for financial
26 assistance is filed exceeds the average state employment for those
27 years by twenty percent.

28 NEW SECTION. Sec. 8. A new section is added to chapter 82.14 RCW
29 to read as follows:

30 (1) The distressed county assistance account is created in the
31 state treasury. Into this account shall be placed a portion of all
32 motor vehicle excise tax receipts as provided in RCW 82.44.110. At
33 such times as distributions are made under RCW 82.44.150, the state
34 treasurer shall distribute the funds in the distressed county
35 assistance account to each county imposing the sales and use tax
36 authorized under RCW 82.14.370 in the same proportions as distributions
37 of the tax imposed under RCW 82.14.370 for the previous quarter.

1 (2) Funds distributed from the distressed county assistance account
2 shall be expended by the counties for criminal justice and other
3 purposes.

4 **Sec. 9.** RCW 82.14.310 and 1995 c 398 s 11 are each amended to read
5 as follows:

6 (1) The county criminal justice assistance account is created in
7 the state treasury. Beginning in fiscal year 2000, the state treasurer
8 shall transfer into the county criminal justice assistance account from
9 the general fund the sum of twenty-three million two hundred thousand
10 dollars divided into four equal deposits occurring on July 1, October
11 1, January 1, and April 1. For each fiscal year thereafter, the state
12 treasurer shall increase the total transfer by the fiscal growth
13 factor, as defined in RCW 43.135.025, forecast for that fiscal year by
14 the office of financial management in November of the preceding year.

15 (2) The moneys deposited in the county criminal justice assistance
16 account for distribution under this section, less any moneys
17 appropriated for purposes under ((RCW 82.44.110)) subsection (4) of
18 this section, shall be distributed at such times as distributions are
19 made under RCW 82.44.150 and on the relative basis of each county's
20 funding factor as determined under this subsection.

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

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

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

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

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

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

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

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

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

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

11 (3) Moneys distributed under this section shall be expended
12 exclusively for criminal justice purposes and shall not be used to
13 replace or supplant existing funding. Criminal justice purposes are
14 defined as activities that substantially assist the criminal justice
15 system, which may include circumstances where ancillary benefit to the
16 civil justice system occurs, and which includes domestic violence
17 services such as those provided by domestic violence programs,
18 community advocates, and legal advocates, as defined in RCW 70.123.020.
19 Existing funding for purposes of this subsection is defined as calendar
20 year 1989 actual operating expenditures for criminal justice purposes.
21 Calendar year 1989 actual operating expenditures for criminal justice
22 purposes exclude the following: Expenditures for extraordinary events
23 not likely to reoccur, changes in contract provisions for criminal
24 justice services, beyond the control of the local jurisdiction
25 receiving the services, and major nonrecurring capital expenditures.

26 (4) Not more than five percent of the funds deposited to the county
27 criminal justice assistance account shall be available for
28 appropriations for enhancements to the state patrol crime laboratory
29 system and the continuing costs related to these enhancements. Funds
30 appropriated from this account for such enhancements shall not supplant
31 existing funds from the state general fund.

32 **Sec. 10.** RCW 82.14.320 and 1995 c 398 s 12 and 1995 c 312 s 84 are
33 each reenacted and amended to read as follows:

34 (1) The municipal criminal justice assistance account is created in
35 the state treasury. Beginning in fiscal year 2000, the state treasurer
36 shall transfer into the municipal criminal justice assistance account
37 for distribution under this section from the general fund the sum of
38 four million six hundred thousand dollars divided into four equal

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

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

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

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

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

19 (3) The moneys deposited in the municipal criminal justice
20 assistance account for distribution under this section, less any moneys
21 appropriated for purposes under ((RCW 82.44.110)) subsection (7) of
22 this section, shall be distributed at such times as distributions are
23 made under RCW 82.44.150. The distributions shall be made as follows:

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

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

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

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

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

26 (7) Not more than five percent of the funds deposited to the
27 municipal criminal justice assistance account shall be available for
28 appropriations for enhancements to the state patrol crime laboratory
29 system and the continuing costs related to these enhancements. Funds
30 appropriated from this account for such enhancements shall not supplant
31 existing funds from the state general fund.

32 **Sec. 11.** RCW 82.14.330 and 1995 c 398 s 13 are each amended to
33 read as follows:

34 (1) Beginning in fiscal year 2000, the state treasurer shall
35 transfer into the municipal criminal justice assistance account for
36 distribution under this section from the general fund the sum of four
37 million six hundred thousand dollars divided into four equal deposits
38 occurring on July 1, September 1, January 1, and March 1. For each

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

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

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

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

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

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

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

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

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

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

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

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

37 The moneys deposited in the municipal criminal justice assistance
38 account for distribution under this subsection, less any moneys
39 appropriated for purposes under ((RCW 82.44.110)) subsection (4) of

1 this section, shall be distributed at the times as distributions are
2 made under RCW 82.44.150. Moneys remaining undistributed under this
3 subsection at the end of each calendar year shall be distributed to the
4 criminal justice training commission to reimburse participating city
5 law enforcement agencies with ten or fewer full-time commissioned
6 patrol officers the cost of temporary replacement of each officer who
7 is enrolled in basic law enforcement training, as provided in RCW
8 43.101.200.

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

17 (3) Notwithstanding other provisions of this section, the
18 distributions to any city that substantially decriminalizes or repeals
19 its criminal code after July 1, 1990, and that does not reimburse the
20 county for costs associated with criminal cases under RCW 3.50.800 or
21 3.50.805(2), shall be made to the county in which the city is located.

22 (4) Not more than five percent of the funds deposited to the
23 municipal criminal justice assistance account shall be available for
24 appropriations for enhancements to the state patrol crime laboratory
25 system and the continuing costs related to these enhancements. Funds
26 appropriated from this account for such enhancements shall not supplant
27 existing funds from the state general fund.

28 NEW SECTION. Sec. 12. A new section is added to chapter 43.135
29 RCW to read as follows:

30 (1) Initiative Measure No. 601 (chapter 43.135 RCW, as amended by
31 chapter . . ., Laws of 1998 (this act) and the amendatory changes
32 enacted by section 6, chapter 2, Laws of 1994) is hereby reenacted and
33 reaffirmed. The legislature also adopts this act to continue the
34 general fund revenue and expenditure limitations contained in this
35 chapter 43.135 RCW after this one-time transfer of funds.

36 (2) RCW 43.135.035(4) does not apply to sections 3 through 11,
37 chapter . . ., Laws of 1998 (sections 3 through 11 of this act).

1 **Sec. 13.** RCW 43.135.060 and 1994 c 2 s 5 are each amended to read
2 as follows:

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

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

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

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

23 NEW SECTION. **Sec. 14.** In order to provide funds necessary for the
24 location, design, right of way, and construction of state and local
25 highway improvements, there shall be issued and sold upon the request
26 of the Washington state transportation commission a maximum of one
27 billion four hundred million dollars of general obligation bonds of the
28 state of Washington.

29 NEW SECTION. **Sec. 15.** Upon the request of the transportation
30 commission, the state finance committee shall supervise and provide for
31 the issuance, sale, and retirement of the bonds authorized by sections
32 14 through 19 of this act in accordance with chapter 39.42 RCW. Bonds
33 authorized by sections 14 through 19 of this act shall be sold in such
34 manner, at such time or times, in such amounts, and at such price as
35 the state finance committee shall determine. No such bonds may be
36 offered for sale without prior legislative appropriation of the net
37 proceeds of the sale of the bonds.

1 The state finance committee shall consider the issuance of short-
2 term obligations in lieu of long-term obligations for the purposes of
3 more favorable interest rates, lower total interest costs, and
4 increased marketability and for the purpose of retiring the bonds
5 during the life of the project for which they were issued.

6 NEW SECTION. **Sec. 16.** The proceeds from the sale of bonds
7 authorized by sections 14 through 19 of this act shall be deposited in
8 the motor vehicle fund. The proceeds shall be available only for the
9 purposes enumerated in section 14 of this act, for the payment of bond
10 anticipation notes, if any, and for the payment of bond issuance costs,
11 including the costs of underwriting.

12 NEW SECTION. **Sec. 17.** Bonds issued under the authority of
13 sections 14 through 19 of this act shall distinctly state that they are
14 a general obligation of the state of Washington, shall pledge the full
15 faith and credit of the state to the payment of the principal thereof
16 and the interest thereon, and shall contain an unconditional promise to
17 pay such principal and interest as the same shall become due. The
18 principal and interest on the bonds shall be first payable in the
19 manner provided in sections 14 through 19 of this act from the proceeds
20 of the state excise taxes on motor vehicle and special fuels imposed by
21 chapters 82.36 and 82.38 RCW. Proceeds of such excise taxes are hereby
22 pledged to the payment of any bonds and the interest thereon issued
23 under the authority of sections 14 through 19 of this act, and the
24 legislature agrees to continue to impose these excise taxes on motor
25 vehicle and special fuels in amounts sufficient to pay, when due, the
26 principal and interest on all bonds issued under the authority of
27 sections 14 through 19 of this act.

28 NEW SECTION. **Sec. 18.** Both principal and interest on the bonds
29 issued for the purposes of sections 14 through 19 of this act shall be
30 payable from the highway bond retirement fund. The state finance
31 committee may provide that a special account be created in the fund to
32 facilitate payment of the principal and interest. The state finance
33 committee shall, on or before June 30th of each year, certify to the
34 state treasurer the amount required for principal and interest on the
35 bonds in accordance with the bond proceedings. The state treasurer
36 shall withdraw revenues from the motor vehicle fund and deposit in the

1 highway bond retirement fund, or a special account in the fund, such
2 amounts, and at such times, as are required by the bond proceedings.

3 Any funds required for bond retirement or interest on the bonds
4 authorized by sections 14 through 19 of this act shall be taken from
5 that portion of the motor vehicle fund that results from the imposition
6 of excise taxes on motor vehicle and special fuels and which is, or may
7 be, appropriated to the department of transportation for state highway
8 purposes. Funds required shall never constitute a charge against any
9 other allocations of motor vehicle fuel and special fuel tax revenues
10 to the state, counties, cities and towns unless the amount arising from
11 excise taxes on motor vehicle and special fuels distributed to the
12 state in the motor vehicle fund proves insufficient to meet the
13 requirements for bond retirement or interest on any such bonds.

14 Any payments for bond retirement or interest on the bonds taken
15 from other revenues from the motor vehicle fuel or special fuel taxes
16 that are distributable to the state, counties, cities, and towns, shall
17 be repaid from the first revenues from the motor vehicle fuel or
18 special fuel taxes distributed to the motor vehicle fund not required
19 for bond retirement or interest on the bonds.

20 NEW SECTION. **Sec. 19.** Bonds issued under the authority of
21 sections 14 through 18 of this act and this section and any other
22 general obligation bonds of the state of Washington that have been or
23 that may be authorized and that pledge motor vehicle and special fuels
24 excise taxes for the payment of principal and interest thereon shall be
25 an equal charge against the revenues from such motor vehicle and
26 special fuels excise taxes.

27 **Sec. 20.** RCW 82.50.410 and 1991 c 199 s 225 are each amended to
28 read as follows:

29 The rate and measure of tax imposed by RCW 82.50.400 for each
30 registration year shall be one and one-tenth percent (~~(, and a surcharge~~
31 ~~of one-tenth of one percent,~~) of the value of the travel trailer or
32 camper, as determined in the manner provided in this chapter:
33 PROVIDED, That the excise tax upon a travel trailer or camper licensed
34 for the first time in this state after the last day of any registration
35 month may only be levied for the remaining months of the registration
36 year including the month in which the travel trailer or camper is first
37 licensed: PROVIDED FURTHER, That the minimum amount of tax payable

1 shall be two dollars: PROVIDED FURTHER, That every dealer in mobile
2 homes or travel trailers, for the privilege of using any mobile home or
3 travel trailer eligible to be used under a dealer's license plate,
4 shall pay an excise tax of two dollars, and such tax shall be collected
5 upon the issuance of each original dealer's license plate, and also a
6 similar tax shall be collected upon the issuance of each dealer's
7 duplicate license plate, which taxes shall be in addition to any tax
8 otherwise payable under this chapter.

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

15 **Sec. 21.** RCW 82.50.510 and 1991 c 199 s 227 are each amended to
16 read as follows:

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

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

26 (2) 13.64 percent to counties for the use thereof to be apportioned
27 ratably among such counties on the basis of moneys collected in such
28 counties from the excise taxes imposed under this chapter; (~~and~~
29 ~~seventy~~)

30 (3) 63.64 percent for schools to be deposited in the state general
31 fund; and

32 (~~(2) for the one tenth of one percent surcharge imposed under RCW~~
33 ~~82.50.410, one hundred~~) (4) 9.08 percent to the transportation fund
34 created in RCW 82.44.180.

35 **Sec. 22.** RCW 35.58.273 and 1992 c 194 s 11 are each amended to
36 read as follows:

1 (1) (~~Through June 30, 1992, any municipality, as defined in this~~
2 ~~subsection, is authorized to levy and collect a special excise tax not~~
3 ~~exceeding .7824 percent and beginning July 1, 1992, .725 percent on the~~
4 ~~value, as determined under chapter 82.44 RCW, of every motor vehicle~~
5 ~~owned by a resident of such municipality for the privilege of using~~
6 ~~such motor vehicle provided that in no event shall the tax be less than~~
7 ~~one dollar and, subject to RCW 82.44.150 (3) and (4), the amount of~~
8 ~~such tax shall be credited against the amount of the excise tax levied~~
9 ~~by the state under RCW 82.44.020(1). As used in this subsection, the~~
10 ~~term "municipality" means a municipality that is located within (a)~~
11 ~~each county with a population of two hundred ten thousand or more and~~
12 ~~(b) each county with a population of from one hundred twenty five~~
13 ~~thousand to less than two hundred ten thousand except for those~~
14 ~~counties that do not border a county with a population as described~~
15 ~~under subsection (a) of this subsection.~~

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

38 (~~(3)~~) (2) A "corridor public hearing" is a public hearing that:
39 (a) Is held before the municipality is committed to a specific mass

1 transit route proposal, and before a route location is established; (b)
2 is held to afford an opportunity for participation by those interested
3 in the determination of the need for, and the location of, the mass
4 rapid transit system; (c) provides a public forum that affords a full
5 opportunity for presenting views on the mass rapid transit system route
6 location, and the social, economic and environmental effects on that
7 location and alternate locations: PROVIDED, That such hearing shall
8 not be deemed to be necessary before adoption of an overall mass rapid
9 transit system plan by a vote of the electorate of the municipality.

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

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

35 **Sec. 23.** RCW 35.58.410 and 1993 c 240 s 11 are each amended to
36 read as follows:

37 (1) On or before the third Monday in June of each year, each
38 metropolitan municipal corporation shall adopt a budget for the

1 following calendar year. Such budget shall include a separate section
2 for each authorized metropolitan function. Expenditures shall be
3 segregated as to operation and maintenance expenses and capital and
4 betterment outlays. Administrative and other expense general to the
5 corporation shall be allocated between the authorized metropolitan
6 functions. The budget shall contain an estimate of all revenues to be
7 collected during the following budget year, including any surplus funds
8 remaining unexpended from the preceding year. The metropolitan council
9 shall not be required to confine capital or betterment expenditures
10 made from bond proceeds or emergency expenditures to items provided in
11 the budget. The affirmative vote of three-fourths of all members of
12 the metropolitan council shall be required to authorize emergency
13 expenditures.

14 (2) Subsection (1) of this section shall not apply to a county that
15 has assumed the rights, powers, functions, and obligations of a
16 metropolitan municipal corporation under chapter 36.56 RCW. This
17 subsection (2) shall apply only to each county that has assumed the
18 rights, powers, functions, and obligations of a metropolitan municipal
19 corporation under chapter 36.56 RCW.

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

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

29 As long as any general obligation indebtedness remains outstanding
30 that was issued by the metropolitan municipal corporation prior to the
31 assumption by the county, the county shall continue to impose the taxes
32 authorized by RCW 82.14.045 and 35.58.273(~~(+5)~~) (4) at the maximum
33 rates and on all of the taxable events authorized by law. If, despite
34 the continued imposition of those taxes, the estimate of revenues made
35 on or before the third Monday in June shows that estimated revenues
36 will be insufficient to make all debt service payments falling due in
37 the following calendar year on all general obligation indebtedness
38 issued by the metropolitan municipal corporation prior to the
39 assumption by the county of the rights, powers, functions, and

1 obligations of the metropolitan municipal corporation, the remaining
2 amount required to make the debt service payments shall be designated
3 as "supplemental income" and shall be obtained from component cities
4 and component counties as provided under RCW 35.58.420.

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

19 **Sec. 24.** RCW 43.160.070 and 1997 c 235 s 721 are each amended to
20 read as follows:

21 Public facilities financial assistance, when authorized by the
22 board, is subject to the following conditions:

23 (1) The moneys in the public facilities construction loan revolving
24 (~~((fund))~~) account and the distressed county public facilities
25 construction loan account shall be used solely to fulfill commitments
26 arising from financial assistance authorized in this chapter or, during
27 the 1989-91 fiscal biennium, for economic development purposes as
28 appropriated by the legislature. The total outstanding amount which
29 the board shall dispense at any time pursuant to this section shall not
30 exceed the moneys available from the (~~((fund))~~) accounts. The total
31 amount of outstanding financial assistance in Pierce, King, and
32 Snohomish counties shall never exceed sixty percent of the total amount
33 of outstanding financial assistance disbursed by the board under this
34 chapter without reference to financial assistance provided under
35 section 7 of this act.

36 (2) On contracts made for public facilities loans the board shall
37 determine the interest rate which loans shall bear. The interest rate
38 shall not exceed ten percent per annum. The board may provide

1 reasonable terms and conditions for repayment for loans as the board
2 determines. The loans shall not exceed twenty years in duration.

3 (3) Repayments of loans made from the public facilities
4 construction loan revolving account under the contracts for public
5 facilities construction loans shall be paid into the public facilities
6 construction loan revolving (~~fund~~) account. Repayments of loans made
7 from the distressed county public facilities construction loan account
8 under the contracts for public facilities construction loans shall be
9 paid into the distressed county public facilities construction loan
10 account. Repayments of loans from moneys from the new appropriation
11 from the public works assistance account for the fiscal biennium ending
12 June 30, 1999, shall be paid into the public works assistance account.

13 (4) When every feasible effort has been made to provide loans and
14 loans are not possible, the board may provide grants upon finding that
15 unique circumstances exist.

16 **Sec. 25.** RCW 43.160.076 and 1997 c 367 s 9 are each amended to
17 read as follows:

18 (1) Except as authorized to the contrary under subsection (2) of
19 this section, from all funds available to the board for financial
20 assistance in a biennium under this chapter without reference to
21 financial assistance provided under section 7 of this act, the board
22 shall spend at least seventy-five percent for financial assistance for
23 projects in distressed counties or rural natural resources impact
24 areas. For purposes of this section, the term "distressed counties"
25 includes any county, in which the average level of unemployment for the
26 three years before the year in which an application for financial
27 assistance is filed, exceeds the average state employment for those
28 years by twenty percent.

29 (2) If at any time during the last six months of a biennium the
30 board finds that the actual and anticipated applications for qualified
31 projects in distressed counties or rural natural resources impact areas
32 are clearly insufficient to use up the seventy-five percent allocation
33 under subsection (1) of this section, then the board shall estimate the
34 amount of the insufficiency and during the remainder of the biennium
35 may use that amount of the allocation for financial assistance to
36 projects not located in distressed counties or rural natural resources
37 impact areas.

1 **Sec. 26.** 1997 c 367 s 10 (uncodified) is amended to read as
2 follows:

3 RCW 43.160.076 and section 25 of this act, 1997 c 367 s 9, 1996 c
4 51 s 7, 1995 c 226 s 15, 1993 c 320 s 5, 1991 c 314 s 24, & 1985 c 446
5 s 6 are each repealed effective June 30, 2000.

6 **Sec. 27.** RCW 43.160.080 and 1992 c 235 s 10 are each amended to
7 read as follows:

8 There shall be a fund in the state treasury known as the public
9 facilities construction loan revolving account, which shall consist of
10 all moneys collected under this chapter, except moneys of the board
11 collected in connection with the issuance of industrial development
12 revenue bonds and moneys deposited in the distressed county public
13 facilities construction loan account under section 7 of this act, and
14 any moneys appropriated to it by law: PROVIDED, That seventy-five
15 percent of all principal and interest payments on loans made with the
16 proceeds deposited in the account under section 901, chapter 57, Laws
17 of 1983 1st ex. sess. shall be deposited in the general fund as
18 reimbursement for debt service payments on the bonds authorized in RCW
19 43.83.184. Disbursements from the revolving account shall be on
20 authorization of the board. In order to maintain an effective
21 expenditure and revenue control, the public facilities construction
22 loan revolving account shall be subject in all respects to chapter
23 43.88 RCW.

24 **Sec. 28.** RCW 43.160.210 and 1996 c 290 s 1 and 1996 c 51 s 10 are
25 each reenacted and amended to read as follows:

26 (1) Except as authorized to the contrary under subsection (2) of
27 this section, from all funds available to the board for financial
28 assistance under this chapter without reference to financial assistance
29 provided under section 7 of this act, the board shall designate at
30 least twenty percent for financial assistance for projects in
31 distressed counties. For purposes of this section, the term
32 "distressed counties" includes any county, in which: (a) The average
33 level of unemployment for the three years before the year in which an
34 application for financial assistance is filed, exceeds the average
35 state employment for those years by twenty percent; or (b) a county
36 that has a median household income that is less than seventy-five

1 percent of the state median household income for the previous three
2 years.

3 (2) If at any time during the last six months of a biennium the
4 board finds that the actual and anticipated applications for qualified
5 projects in distressed counties are clearly insufficient to use up the
6 twenty percent allocation under subsection (1) of this section, then
7 the board shall estimate the amount of the insufficiency and during the
8 remainder of the biennium may use that amount of the allocation for
9 financial assistance for projects not located in distressed counties.

10 **Sec. 29.** RCW 46.16.068 and 1993 c 123 s 4 are each amended to read
11 as follows:

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

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

29 (1) The air pollution control account is established in the state
30 treasury. All receipts collected by or on behalf of the department
31 from RCW 70.94.151(2), and receipts from nonpermit program sources
32 under RCW 70.94.152(1) and 70.94.154(7), and all receipts from RCW
33 70.94.650, 70.94.660, 82.44.020(~~((+3))~~) (2), and 82.50.405 shall be
34 deposited into the account. Moneys in the account may be spent only
35 after appropriation. Expenditures from the account may be used only to
36 develop and implement the provisions of chapters 70.94 and 70.120 RCW.

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

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

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

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

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

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

23 **Sec. 31.** RCW 81.100.060 and 1992 c 194 s 12 are each amended to
24 read as follows:

25 A county with a population of one million or more and a county with
26 a population of from two hundred ten thousand to less than one million
27 that is adjoining a county with a population of one million or more,
28 having within their boundaries existing or planned high occupancy
29 vehicle lanes on the state highway system may, with voter approval,
30 impose a local surcharge of not more than (~~fifteen~~) 13.64 percent on
31 the state motor vehicle excise tax paid under RCW 82.44.020(1) on
32 vehicles registered to a person residing within the county and on the
33 state sales and use taxes paid under the rate in RCW 82.08.020(2) on
34 retail car rentals within the county. No surcharge may be imposed on
35 vehicles licensed under RCW 46.16.070 except vehicles with an unladen
36 weight of six thousand pounds or less, RCW 46.16.079, (~~46.16.080, 7~~)
37 46.16.085, or 46.16.090.

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

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

17 **Sec. 32.** RCW 81.104.160 and 1992 c 194 s 13 and 1992 c 101 s 27
18 are each reenacted and amended to read as follows:

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

35 (2) An agency imposing a tax under subsection (1) of this section
36 may also impose a sales and use tax solely for the purpose of providing
37 high capacity transportation service, in addition to the tax authorized
38 by RCW 82.14.030, upon retail car rentals within the agency's

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

12 **Sec. 33.** RCW 82.08.020 and 1992 c 194 s 9 are each amended to read
13 as follows:

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

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

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

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

30 **Sec. 34.** RCW 82.14.046 and 1995 c 298 s 1 are each amended to read
31 as follows:

32 Beginning with distributions made to municipalities under RCW
33 82.44.150 on January 1, 1996, municipalities as defined in RCW
34 35.58.272 imposing local transit taxes, which for purposes of this
35 section include the sales and use tax under RCW 82.14.045, the business
36 and occupation tax under RCW 35.95.040, and excise taxes under RCW
37 35.95.040, shall be eligible for sales and use tax equalization

1 payments from motor vehicle excise taxes distributed under RCW
2 82.44.150 as follows:

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

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

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

38 (a) Whether a newly established municipality determined to receive
39 funds under this subsection receives its first equalization payment at

1 the January, April, July, or October sales and use tax equalization
2 distribution shall depend on the date the system first imposes local
3 transit taxes.

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

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

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

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

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

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

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

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

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

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

1 **Sec. 35.** RCW 82.44.023 and 1994 c 227 s 3 are each amended to read
2 as follows:

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

9 **Sec. 36.** RCW 82.44.025 and 1996 c 139 s 3 are each amended to read
10 as follows:

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

17 **Sec. 37.** RCW 82.44.155 and 1993 c 492 s 254 are each amended to
18 read as follows:

19 The city police and fire protection assistance account is created
20 in the state treasury. When distributions are made under RCW
21 82.44.150, the state treasurer shall apportion and distribute the motor
22 vehicle excise taxes deposited into the (~~(general fund)~~) city police
23 and fire protection assistance account under RCW 82.44.110(~~((1)(d))~~) to
24 the cities and towns ratably on the basis of population as last
25 determined by the office of financial management. When so apportioned,
26 the amount payable to each such city and town shall be transmitted to
27 the city treasurer thereof, and shall be used by the city or town for
28 the purposes of police and fire protection in the city or town, and not
29 otherwise. If it is adjudged that revenue derived from the excise
30 (~~(taxes)~~) tax imposed by RCW 82.44.020(1) (~~(and (2))~~) cannot lawfully
31 be apportioned or distributed to cities or towns, all moneys directed
32 by this section to be apportioned and distributed to cities and towns
33 shall be credited and transferred to the state general fund.

34 **Sec. 38.** RCW 82.44.180 and 1995 c 269 s 2601 are each amended to
35 read as follows:

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

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

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

16 (a) Planning;

17 (b) Development of capital projects;

18 (c) Development of high capacity transportation systems as defined
19 in RCW 81.104.015;

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

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

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

32 (a) Planning;

33 (b) Development of capital projects;

34 (c) Development of high capacity transportation systems as defined
35 in RCW 81.104.015;

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

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

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

4 **Sec. 39.** RCW 84.44.050 and 1993 c 123 s 3 are each amended to read
5 as follows:

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

21 NEW SECTION. **Sec. 40.** Sections 14 through 19 of this act are each
22 added to chapter 47.10 RCW.

23 NEW SECTION. **Sec. 41.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 42.** This act takes effect July 1, 1998.

--- END ---