

CERTIFICATION OF ENROLLMENT
SUBSTITUTE HOUSE BILL 1053

56th Legislature
1999 Regular Session

Passed by the House March 9, 1999
Yeas 95 Nays 0

Speaker of the House of Representatives

Speaker of the House of Representatives

Passed by the Senate April 21, 1999
Yeas 41 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1053** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1053

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Fisher, K. Schmidt, Hatfield, Radcliff, O'Brien, Tokuda, Hurst, Skinner and Hankins; by request of Legislative Transportation Committee)

Read first time 02/19/1999.

1 AN ACT Relating to the consolidation of the fuel tax rate, and fuel
2 tax distribution statutes maintaining revenue neutrality among fuel tax
3 recipients; amending RCW 36.78.070, 46.68.110, 46.68.130, 47.26.405,
4 47.26.425, 47.26.4252, 47.26.4254, 47.26.505, 47.30.030, 47.30.050,
5 47.56.725, 47.56.750, 47.56.771, 47.60.420, and 82.36.025; reenacting
6 and amending RCW 46.68.090; creating a new section; repealing RCW
7 46.68.095, 46.68.100, 46.68.115, 46.68.150, 47.26.060, 47.26.070, and
8 47.26.410; providing an effective date; and declaring an emergency.

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

10 **Sec. 1.** RCW 36.78.070 and 1993 c 65 s 3 are each amended to read
11 as follows:

12 The county road administration board shall:

13 (1) Establish by rule, standards of good practice for the
14 administration of county roads and the efficient movement of people and
15 goods over county roads;

16 (2) Establish reporting requirements for counties with respect to
17 the standards of good practice adopted by the board;

1 (3) Receive and review reports from counties and reports from its
2 executive director to determine compliance with legislative directives
3 and the standards of good practice adopted by the board;

4 (4) Advise counties on issues relating to county roads and the safe
5 and efficient movement of people and goods over county roads and assist
6 counties in developing uniform and efficient transportation-related
7 information technology resources;

8 (5) Report annually before the fifteenth day of January, and
9 throughout the year as appropriate, to the state department of
10 transportation and to the chairs of the legislative transportation
11 committee and the house and senate transportation committees, and to
12 other entities as appropriate on the status of county road
13 administration in each county, including one copy to the staff of each
14 of the committees. The annual report shall contain recommendations for
15 improving administration of the county road programs;

16 (6) Administer the rural arterial program established by chapter
17 36.79 RCW and the program funded by the county arterial preservation
18 ~~((program))~~ account established by RCW ~~((46.68.095))~~ 46.68.090, as well
19 as any other programs provided for in law.

20 **Sec. 2.** RCW 46.68.090 and 1994 c 225 s 2 and 1994 c 179 s 3 are
21 each reenacted and amended to read as follows:

22 (1) All moneys that have accrued or may accrue to the motor vehicle
23 fund from the motor vehicle fuel tax and special fuel tax shall be
24 first expended for ~~((the following))~~ purposes~~((:))~~ enumerated in (a)
25 and (b) of this subsection. The remaining net tax amount shall be
26 distributed monthly by the state treasurer in the proportions set forth
27 in (c) through (l) of this subsection.

28 (a) For payment of refunds of motor vehicle fuel tax and special
29 fuel tax that has been paid and is refundable as provided by law;

30 (b) For payment of amounts to be expended pursuant to
31 appropriations for the administrative expenses of the offices of state
32 treasurer, state auditor, and the department of licensing of the state
33 of Washington in the administration of the motor vehicle fuel tax and
34 the special fuel tax, which sums shall be distributed monthly;

35 ~~((From April 1, 1992, through March 31, 1996, for distribution~~
36 ~~to the transfer relief account, hereby created in the motor vehicle~~
37 ~~fund, an amount not to exceed three hundred twenty five one thousandths~~
38 ~~of one percent;~~

1 ~~(d) For distribution to the rural arterial trust account in the~~
2 ~~motor vehicle fund, an amount as provided in RCW 82.36.025(2) and~~
3 ~~46.68.095(3);~~

4 ~~(e) For distribution to the urban arterial trust account in the~~
5 ~~motor vehicle fund, an amount as provided in RCW 46.68.100(4) and~~
6 ~~82.36.025(3);~~

7 ~~(f) For distribution to the transportation improvement account in~~
8 ~~the motor vehicle fund, an amount as provided in RCW 46.68.095(1);~~

9 ~~(g) For distribution to the special category C account, hereby~~
10 ~~created in the motor vehicle fund, an amount as provided in RCW~~
11 ~~46.68.095(2);~~

12 ~~(h) For distribution to the county arterial preservation account,~~
13 ~~hereby created in the motor vehicle fund, an amount as provided in RCW~~
14 ~~46.68.095(4);~~

15 ~~(i) For distribution to the motor vehicle fund to be allocated to~~
16 ~~cities and towns as provided in RCW 46.68.110, an amount as provided in~~
17 ~~RCW 46.68.095(5);~~

18 ~~(j) For distribution to the motor vehicle fund to be allocated to~~
19 ~~counties as provided in RCW 46.68.120, an amount as provided in RCW~~
20 ~~46.68.095(6);~~

21 ~~(k) For expenditure for highway purposes of the state as defined in~~
22 ~~RCW 46.68.130, an amount as provided in RCW 82.36.025(4) and~~
23 ~~46.68.095(7);~~

24 ~~(l) From July 1, 1994, through June 30, 1995, for distribution to~~
25 ~~the gasohol exemption holding account, hereby created in the motor~~
26 ~~vehicle fund, an amount equal to five and thirty four one hundredths of~~
27 ~~one percent of the amount available prior to distributions provided~~
28 ~~under (a) through (k) of this subsection, to be used only for highway~~
29 ~~construction;~~

30 ~~(m) For distribution to the small city account, hereby created in~~
31 ~~the motor vehicle fund, an amount as provided for in RCW 46.68.095(1),~~
32 ~~46.68.100(9), and 82.36.025(3).~~

33 ~~(2) The amount accruing to the motor vehicle fund by virtue of the~~
34 ~~motor vehicle fuel tax and the special fuel tax and remaining after~~
35 ~~payments, distributions, and expenditures as provided in this section~~
36 ~~shall, for the purposes of this chapter, be referred to as the "net tax~~
37 ~~amount.") For distribution to the motor vehicle fund an amount equal
38 to 44.387 percent to be expended for highway purposes of the state as
39 defined in RCW 46.68.130;~~

1 (d) For distribution to the special category C account, hereby
2 created in the motor vehicle fund, an amount equal to 3.2609 percent to
3 be expended for special category C projects. Special category C
4 projects are category C projects that, due to high cost only, will
5 require bond financing to complete construction.

6 The following criteria, listed in order of priority, shall be used
7 in determining which special category C projects have the highest
8 priority:

9 (i) Accident experience;

10 (ii) Fatal accident experience;

11 (iii) Capacity to move people and goods safely and at reasonable
12 speeds without undue congestion; and

13 (iv) Continuity of development of the highway transportation
14 network.

15 Moneys deposited in the special category C account in the motor
16 vehicle fund may be used for payment of debt service on bonds the
17 proceeds of which are used to finance special category C projects under
18 this subsection (1)(d);

19 (e) For distribution to the Puget Sound ferry operations account in
20 the motor vehicle fund an amount equal to 2.3283 percent;

21 (f) For distribution to the Puget Sound capital construction
22 account in the motor vehicle fund an amount equal to 2.3726 percent;

23 (g) For distribution to the urban arterial trust account in the
24 motor vehicle fund an amount equal to 7.5597 percent;

25 (h) For distribution to the transportation improvement account in
26 the motor vehicle fund an amount equal to 5.6739 percent and expended
27 in accordance with RCW 47.26.086;

28 (i) For distribution to the cities and towns from the motor vehicle
29 fund an amount equal to 10.6961 percent in accordance with RCW
30 46.68.110;

31 (j) For distribution to the counties from the motor vehicle fund an
32 amount equal to 19.2287 percent: (i) Out of which there shall be
33 distributed from time to time, as directed by the department of
34 transportation, those sums as may be necessary to carry out the
35 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
36 the county road administration board to implement the provisions of RCW
37 47.56.725(4), with the balance of such county share to be distributed
38 monthly as the same accrues for distribution in accordance with RCW
39 46.68.120;

1 (k) For distribution to the county arterial preservation account,
2 hereby created in the motor vehicle fund an amount equal to 1.9565
3 percent. These funds shall be distributed by the county road
4 administration board to counties in proportions corresponding to the
5 number of paved arterial lane miles in the unincorporated area of each
6 county and shall be used for improvements to sustain the structural,
7 safety, and operational integrity of county arterials. The county road
8 administration board shall adopt reasonable rules and develop policies
9 to implement this program and to assure that a pavement management
10 system is used;

11 (l) For distribution to the rural arterial trust account in the
12 motor vehicle fund an amount equal to 2.5363 percent and expended in
13 accordance with RCW 36.79.020.

14 (2) Nothing in this section or in RCW 46.68.130 may be construed so
15 as to violate any terms or conditions contained in any highway
16 construction bond issues now or hereafter authorized by statute and
17 whose payment is by such statute pledged to be paid from any excise
18 taxes on motor vehicle fuel and special fuels.

19 **Sec. 3.** RCW 46.68.110 and 1996 c 94 s 1 are each amended to read
20 as follows:

21 Funds credited to the incorporated cities and towns of the state as
22 set forth in RCW (~~(46.68.100(1))~~) 46.68.090(1)(i) shall be subject to
23 deduction and distribution as follows:

24 (1) One and one-half percent of such sums shall be deducted monthly
25 as such sums are credited and set aside for the use of the department
26 of transportation for the supervision of work and expenditures of such
27 incorporated cities and towns on the city and town streets thereof,
28 including the supervision and administration of federal-aid programs
29 for which the department of transportation has responsibility:
30 PROVIDED, That any moneys so retained and not expended shall be
31 credited in the succeeding biennium to the incorporated cities and
32 towns in proportion to deductions herein made;

33 (2) Thirty-three one-hundredths of one percent of such funds shall
34 be deducted monthly, as such funds accrue, and set aside for the use of
35 the department of transportation for the purpose of funding the cities'
36 share of the costs of highway jurisdiction studies and other studies.
37 Any funds so retained and not expended shall be credited in the
38 succeeding biennium to the cities in proportion to the deductions made;

1 (3) One percent of such funds shall be deducted monthly, as such
2 funds accrue, to be deposited in the (~~(city hardship assistance)~~) urban
3 arterial trust account, (~~(hereby created in the motor vehicle fund,)~~)
4 to implement the city hardship assistance program, as provided in RCW
5 47.26.164. However, any moneys so retained and not required to carry
6 out the program as of (~~July 1, 1996, and~~) July 1st of each odd-
7 numbered year thereafter, shall be provided within sixty days to the
8 treasurer and distributed in the manner prescribed in subsection
9 (~~(4)~~) (5) of this section;

10 (4) 31.86 percent of the fuel tax distributed to the cities and
11 towns in RCW 46.68.090(1)(i) shall be allocated to the incorporated
12 cities and towns in the manner set forth in subsection (5) of this
13 section and subject to deductions in subsections (1), (2), and (3) of
14 this section, subject to RCW 35.76.050, to be used exclusively for:
15 The construction, improvement, chip sealing, seal-coating, and repair
16 for arterial highways and city streets as those terms are defined in
17 RCW 46.04.030 and 46.04.120; the maintenance of arterial highways and
18 city streets for those cities with a population of less than fifteen
19 thousand; or the payment of any municipal indebtedness which may be
20 incurred in the construction, improvement, chip sealing, seal-coating,
21 and repair of arterial highways and city streets; and

22 (5) The balance remaining to the credit of incorporated cities and
23 towns after such deduction shall be apportioned monthly as such funds
24 accrue among the several cities and towns within the state ratably on
25 the basis of the population last determined by the office of financial
26 management.

27 **Sec. 4.** RCW 46.68.130 and 1981 c 342 s 11 are each amended to read
28 as follows:

29 The (~~net~~) tax amount distributed to the state in the manner
30 provided by RCW (~~(46.68.100)~~) 46.68.090, and all moneys accruing to the
31 motor vehicle fund from any other source, less such sums as are
32 properly appropriated and reappropriated for expenditure for costs of
33 collection and administration thereof, shall be expended, subject to
34 proper appropriation and reappropriation, solely for highway purposes
35 of the state, including the purposes of RCW 47.30.030. For the
36 purposes of this section, the term "highway purposes of the state" does
37 not include those expenditures of the Washington state patrol
38 heretofore appropriated or reappropriated from the motor vehicle fund.

1 Nothing in this section or in RCW 46.68.090 may be construed so as to
2 violate terms or conditions contained in highway construction bond
3 issues authorized by statute as of the effective date of this section
4 or thereafter and whose payment is, by the statute, pledged to be paid
5 from excise taxes on motor vehicle fuel and special fuels.

6 **Sec. 5.** RCW 47.26.405 and 1977 ex.s. c 317 s 17 are each amended
7 to read as follows:

8 Any funds required to repay such bonds, or the interest thereon
9 when due shall be taken from that portion of the motor vehicle fund
10 which results from the imposition of excise taxes on motor vehicle and
11 special fuels and which is distributed to the state under the
12 provisions of RCW ((46.68.100(6) as now or hereafter amended))
13 46.68.090(1)(c) for construction of state highways in urban areas, and
14 shall never constitute a charge against any allocations of any other
15 such funds to the state, counties, cities, and towns unless and until
16 the amount of the motor vehicle fund arising from the excise taxes on
17 motor vehicle and special fuels and available to the state for
18 construction of state highways in urban areas proves insufficient to
19 meet the requirements for bond retirement or interest on any such
20 bonds.

21 **Sec. 6.** RCW 47.26.425 and 1994 c 179 s 22 are each amended to read
22 as follows:

23 Any funds required to repay the first authorization of two hundred
24 million dollars of bonds authorized by RCW 47.26.420, as amended by
25 section 18, chapter 317, Laws of 1977 ex. sess. or the interest thereon
26 when due, shall be taken from that portion of the motor vehicle fund
27 which results from the imposition of excise taxes on motor vehicle and
28 special fuels and which is distributed to the urban arterial trust
29 account in the motor vehicle fund ((and the certain sums received by
30 the small city account in the motor vehicle fund imposed by)) pursuant
31 to RCW ((82.36.025(3) and 46.68.100(9))) 46.68.090(1)(g), and shall
32 never constitute a charge against any allocations of any other such
33 funds in the motor vehicle fund to the state, counties, cities, and
34 towns unless and until the amount of the motor vehicle fund arising
35 from the excise tax on motor vehicle and special fuels and distributed
36 to the urban arterial trust account ((and the small city account))

1 proves insufficient to meet the requirements for bond retirement or
2 interest on any such bonds.

3 **Sec. 7.** RCW 47.26.4252 and 1995 c 274 s 12 are each amended to
4 read as follows:

5 Any funds required to repay the authorization of series II bonds
6 authorized by RCW 47.26.420, as reenacted by section 3, chapter 5, Laws
7 of 1979, or the interest thereon when due, shall first be taken from
8 that portion of the motor vehicle fund which results from the
9 imposition of excise taxes on motor vehicle and special fuels imposed
10 by chapters 82.36 and 82.38 RCW and which is distributed to the urban
11 arterial trust account in the motor vehicle fund (~~((and the certain sums
12 received by the small city account in the motor vehicle fund imposed
13 by))~~) pursuant to RCW (~~((82.36.025(3) and 46.68.100(9))~~) 46.68.090(1)(g),
14 subject, however, to the prior lien of the first authorization of bonds
15 authorized by RCW 47.26.420, as reenacted by section 3, chapter 5, Laws
16 of 1979. If the moneys distributed to the urban arterial trust account
17 (~~((and the small city account))~~) shall ever be insufficient to repay the
18 first authorization bonds together with interest thereon, and the
19 series II bonds or the interest thereon when due, the amount required
20 to make such payments on such bonds or interest thereon shall next be
21 taken from that portion of the motor vehicle fund which results from
22 the imposition of excise taxes on motor vehicle and special fuels and
23 which is distributed to the state, counties, cities, and towns pursuant
24 to RCW (~~((46.68.100 as now existing or hereafter amended))~~) 46.68.090.
25 Any payments on such bonds or interest thereon taken from motor vehicle
26 or special fuel tax revenues which are distributable to the state,
27 counties, cities, and towns, shall be repaid from the first moneys
28 distributed to the urban arterial trust account not required for
29 redemption of the first authorization bonds or series II and series III
30 bonds or interest on those bond issues.

31 **Sec. 8.** RCW 47.26.4254 and 1995 c 274 s 13 are each amended to
32 read as follows:

33 (1) Any funds required to repay series III bonds authorized by RCW
34 47.26.420, or the interest thereon, when due shall first be taken from
35 that portion of the motor vehicle fund that results from the imposition
36 of excise taxes on motor vehicle and special fuels imposed by chapters
37 82.36 and 82.38 RCW and that is distributed to the urban arterial trust

1 account in the motor vehicle fund (~~and the certain sums received by~~
2 ~~the small city account in the motor vehicle fund imposed by~~) pursuant
3 to RCW (~~(82.36.025(3) and 46.68.100(9))~~) 46.68.090(1)(g), subject,
4 however, to the prior lien of the first authorization of bonds
5 authorized by RCW 47.26.420. If the moneys so distributed to the urban
6 arterial trust account (~~and the small city account~~), after first
7 being applied to administrative expenses of the transportation
8 improvement board and to the requirements of bond retirement and
9 payment of interest on first authorization bonds and series II bonds as
10 provided in RCW 47.26.425 and 47.26.4252, are insufficient to meet the
11 requirements for bond retirement or interest on any series III bonds,
12 the amount required to make such payments on series III bonds or
13 interest thereon shall next be taken from that portion of the motor
14 vehicle fund that results from the imposition of excise taxes on motor
15 vehicle and special fuels and that is distributed to the state,
16 counties, cities, and towns pursuant to RCW (~~(46.68.100)~~) 46.68.090,
17 subject, however, to subsection (2) of this section.

18 (2) To the extent that moneys so distributed to the urban arterial
19 trust account (~~and the small city account~~) are insufficient to meet
20 the requirements for bond retirement or interest on any series III
21 bonds, sixty percent of the amount required to make such payments when
22 due shall first be taken from that portion of the motor vehicle fund
23 that results from the imposition of excise taxes on motor vehicle and
24 special fuels and that is distributed to the state. The remaining
25 forty percent shall first be taken from that portion of the motor
26 vehicle fund that results from the imposition of excise taxes on motor
27 vehicle and special fuels and that is distributed to the cities and
28 towns pursuant to RCW (~~(46.68.100(1))~~) 46.68.090(1)(i) and to the
29 counties pursuant to RCW (~~(46.68.100(3). Of the counties', cities',~~
30 ~~and towns' share of any additional amounts required in the fiscal year~~
31 ~~ending June 30, 1984, fifteen percent shall be taken from the counties'~~
32 ~~distributive share and eighty five percent from the cities' and towns'~~
33 ~~distributive share))~~ 46.68.090(1)(j). Of the counties', cities', and
34 towns' share of any additional amounts required in each fiscal year
35 (~~thereafter~~), the percentage thereof to be taken from the counties'
36 distributive share and from the cities' and towns' distributive share
37 shall correspond to the percentage of funds authorized for specific
38 county projects and for specific city and town projects, respectively,
39 from the proceeds of series III bonds, for the period through the first

1 eleven months of the prior fiscal year as determined by the chairman of
2 the transportation improvement board and reported to the state finance
3 committee and the state treasurer not later than the first working day
4 of June.

5 (3) Any payments on such bonds or interest thereon taken from motor
6 vehicle or special fuel tax revenues that are distributable to the
7 state, counties, cities, and towns shall be repaid from the first
8 moneys distributed to the urban arterial trust account (~~and the small~~
9 ~~city account~~) not required for redemption of the first authorization
10 bonds, series II bonds, or series III bonds or interest on these bonds.

11 **Sec. 9.** RCW 47.26.505 and 1994 c 179 s 29 are each amended to read
12 as follows:

13 Any funds required to repay such bonds, or the interest thereon
14 when due, shall be taken from that portion of the motor vehicle fund
15 which results from the imposition of excise taxes on motor vehicle and
16 special fuels and which is distributed to the transportation
17 improvement account in the motor vehicle fund (~~and the sums received~~
18 ~~by the small city account in the motor vehicle fund~~) under RCW
19 (~~46.68.095~~) 46.68.090, and shall never constitute a charge against
20 any allocations of any other such funds in the motor vehicle fund to
21 the state, counties, cities, and towns unless and until the amount of
22 the motor vehicle fund arising from the excise tax on motor vehicle and
23 special fuels and distributed to the transportation improvement account
24 proves insufficient to meet the requirements for bond retirement or
25 interest on any such bonds.

26 **Sec. 10.** RCW 47.30.030 and 1979 ex.s. c 121 s 1 are each amended
27 to read as follows:

28 Where an existing highway severs, or where the right of way of an
29 existing highway accommodates a trail for pedestrians, equestrians, or
30 bicyclists or where the separation of motor vehicle traffic from
31 pedestrians, equestrians, or bicyclists will materially increase the
32 motor vehicle safety, the provision of facilities for pedestrians,
33 equestrians, or bicyclists which are a part of a comprehensive trail
34 plan adopted by federal, state, or local governmental authority having
35 jurisdiction over the trail is hereby authorized. The department of
36 transportation, or the county or city having jurisdiction over the
37 highway, road, or street, or facility is further authorized to expend

1 reasonable amounts out of the funds made available to them, according
2 to the provisions of RCW (~~(46.68.100)~~) 46.68.090, as necessary for the
3 planning, accommodation, establishment, and maintenance of such
4 facilities.

5 **Sec. 11.** RCW 47.30.050 and 1979 ex.s. c 121 s 2 are each amended
6 to read as follows:

7 (1) The amount expended by a city, town, or county as authorized by
8 RCW 47.30.030(~~(, as now or hereafter amended,)~~) shall never in any one
9 fiscal year be less than (~~(one-half of one)~~) 0.42 percent of the total
10 amount of funds received from the motor vehicle fund according to (~~the~~
11 ~~provisions of~~) RCW (~~(46.68.100: PROVIDED, That)~~) 46.68.090. However,
12 this section does not apply to a city or town in any year in which the
13 (~~(one-half of one)~~) 0.42 percent equals five hundred dollars or less,
14 or to a county in any year in which the (~~(one-half of one)~~) 0.42
15 percent equals three thousand dollars or less(~~(: PROVIDED FURTHER,~~
16 ~~That)~~). Also, a city, town, or county in lieu of expending the funds
17 each year may credit the funds to a financial reserve or special fund,
18 to be held for not more than ten years, and to be expended for the
19 purposes required or permitted by RCW 47.30.030.

20 (2) In each fiscal year the department of transportation shall
21 expend, as a minimum, for the purposes mentioned in RCW 47.30.030(~~(, as~~
22 ~~now or hereafter amended,)~~) a sum equal to three-tenths of one percent
23 of all funds, both state and federal, expended for the construction of
24 state highways in such year, or in order to more efficiently program
25 trail improvements the department may defer any part of such minimum
26 trail or path expenditures for a fiscal year for a period not to exceed
27 four years after the end of such fiscal year. Any fiscal year in which
28 the department expends for trail or path purposes more than the minimum
29 sum required by this subsection, the amount of such excess expenditure
30 shall constitute a credit which may be carried forward and applied to
31 the minimum trail and path expenditure requirements for any of the
32 ensuing four fiscal years.

33 (3) The department of transportation, a city, or a county in
34 computing the amount expended for trails or paths under their
35 respective jurisdictions may include the cost of improvements
36 consistent with a comprehensive plan or master plan for bicycle trails
37 or paths adopted by a state or local governmental authority either
38 prior to such construction or prior to January 1, 1980.

1 **Sec. 12.** RCW 47.56.725 and 1991 c 310 s 1 are each amended to read
2 as follows:

3 (1) The department is hereby authorized to enter into a continuing
4 agreement with Pierce, Skagit, and Whatcom counties pursuant to which
5 the department shall, from time to time, direct the distribution to
6 each of the counties the amounts authorized in subsection (2) of this
7 section in accordance with RCW (~~46.68.100~~) 46.68.090.

8 (2) The department is authorized to include in each agreement a
9 provision for the distribution of funds to each county to reimburse the
10 county for fifty percent of the deficit incurred during each previous
11 fiscal year in the operation and maintenance of the ferry system owned
12 and operated by the county. The total amount to be reimbursed to
13 Pierce, Skagit, and Whatcom counties collectively shall not exceed one
14 million dollars in any biennium. Each county agreement shall contain
15 a requirement that the county shall maintain tolls on its ferries at
16 least equal to tolls in place on January 1, 1990.

17 (3) The annual fiscal year operating and maintenance deficit, if
18 any, shall be determined by Pierce, Skagit, and Whatcom counties
19 subject to review and approval of the department. The annual fiscal
20 year operating and maintenance deficit is defined as the total of
21 operations and maintenance expenditures less the sum of ferry toll
22 revenues and that portion of fuel tax revenue distributions which are
23 attributable to the county ferry as determined by the department.
24 Distribution of the amounts authorized by subsection (2) of this
25 section by the state treasurer shall be directed by the department upon
26 the receipt of properly executed vouchers from each county.

27 (4) The county road administration board may evaluate requests by
28 Pierce, Skagit, Wahkiakum, and Whatcom counties for county ferry
29 capital improvement funds. The board shall evaluate the requests and,
30 if approved by a majority of the board, submit the requests to the
31 legislature for funding out of the amounts available under RCW
32 (~~46.68.100(3)~~) 46.68.090(1)(j). Any county making a request under
33 this subsection shall first seek funding through the public works trust
34 fund, or any other available revenue source, where appropriate.

35 **Sec. 13.** RCW 47.56.750 and 1995 c 274 s 16 are each amended to
36 read as follows:

37 There is hereby created in the highway bond retirement fund in the
38 state treasury a special account to be known as the Columbia river toll

1 bridge account into which shall be deposited any capitalized interest
2 from the proceeds of the bonds, and at least monthly all of the tolls
3 and other revenues received from the operation of the toll bridge and
4 from any interest which may be earned from the deposit or investment of
5 these revenues after the payment of costs of operation, maintenance,
6 management, and necessary repairs of the facility. The principal of
7 and interest on the bonds shall be paid first from money deposited in
8 the Columbia river toll bridge account in the highway bond retirement
9 fund, and then, to the extent that money deposited in that account is
10 insufficient to make any such payment when due, from the state excise
11 taxes on motor vehicle and special fuels deposited in the highway bond
12 retirement fund. There is hereby pledged the proceeds of state excise
13 taxes on motor vehicle and special fuels imposed under chapters 82.36
14 and 82.38 RCW to pay the bonds and interest thereon, and the
15 legislature hereby agrees to continue to impose the same excise taxes
16 on motor vehicle and special fuels in amounts sufficient to pay, when
17 due, the principal and interest on the bonds if the money deposited in
18 the Columbia river toll bridge account of the highway bond retirement
19 fund is insufficient to make such payments. Not less than fifteen days
20 prior to the date any interest or principal and interest payments are
21 due, the state finance committee shall certify to the state treasurer
22 such amount of additional moneys as may be required for debt service,
23 and the treasurer shall thereupon transfer from the motor vehicle fund
24 such amount from the proceeds of such excise taxes into the highway
25 bond retirement fund. Any proceeds of such excise taxes required for
26 these purposes shall first be taken from that portion of the motor
27 vehicle fund which results from the imposition of the excise taxes on
28 motor vehicle and special fuels and which is distributed to the state.
29 If the proceeds from the excise taxes distributed to the state are ever
30 insufficient to meet the required payments on principal or interest on
31 the bonds when due, the amount required to make the payments on the
32 principal or interest shall next be taken from that portion of the
33 motor vehicle fund which results from the imposition of excise taxes on
34 motor vehicle and special fuels and which is distributed to the state,
35 counties, cities, and towns pursuant to RCW (~~46.68.100 as now existing~~
36 ~~or hereafter amended~~) 46.68.090. Any payments of the principal or
37 interest taken from the motor vehicle or special fuel tax revenues
38 which are distributable to the counties, cities, and towns shall be
39 repaid from the first moneys distributed to the state not required for

1 redemption of the bonds or interest thereon. The legislature covenants
2 and pledges that it shall at all times provide sufficient revenues from
3 the imposition of such excise taxes to pay the principal and interest
4 due on the bonds.

5 **Sec. 14.** RCW 47.56.771 and 1995 c 274 s 17 are each amended to
6 read as follows:

7 (1) The refunding bonds authorized under RCW 47.56.770 shall be
8 general obligation bonds of the state of Washington and shall be issued
9 in a total principal amount not to exceed fifteen million dollars. The
10 exact amount of refunding bonds to be issued shall be determined by the
11 state finance committee after calculating the amount of money deposited
12 with the trustee for the bonds to be refunded which can be used to
13 redeem or defease outstanding toll bridge authority, ferry, and Hood
14 Canal bridge revenue bonds after the setting aside of sufficient money
15 from that fund to pay the first interest installment on the refunding
16 bonds. The refunding bonds shall be serial in form maturing at such
17 time, in such amounts, having such denomination or denominations,
18 redemption privileges, and having such terms and conditions as
19 determined by the state finance committee. The last maturity date of
20 the refunding bonds shall not be later than January 1, 2002.

21 (2) The refunding bonds shall be signed by the governor and the
22 state treasurer under the seal of the state, which signatures shall be
23 made manually or in printed facsimile. The bonds shall be registered
24 in the name of the owner in accordance with chapter 39.46 RCW. The
25 refunding bonds shall distinctly state that they are a general
26 obligation of the state of Washington, shall pledge the full faith and
27 credit of the state, and shall contain an unconditional promise to pay
28 the principal thereof and the interest thereon when due. The refunding
29 bonds shall be fully negotiable instruments.

30 (3) The principal and interest on the refunding bonds shall be
31 first payable in the manner provided in this section from the proceeds
32 of state excise taxes on motor vehicle and special fuels imposed by
33 chapters 82.36 and 82.38 RCW.

34 (4) The principal of and interest on the refunding bonds shall be
35 paid first from the state excise taxes on motor vehicle and special
36 fuels deposited in the ferry bond retirement fund. There is hereby
37 pledged the proceeds of state excise taxes on motor vehicle and special
38 fuels imposed under chapters 82.36 and 82.38 RCW to pay the refunding

1 bonds and interest thereon, and the legislature hereby agrees to
2 continue to impose the same excise taxes on motor vehicle and special
3 fuels in amounts sufficient to pay, when due, the principal and
4 interest on the refunding bonds. Not less than fifteen days prior to
5 the date any interest or principal and interest payments are due, the
6 state finance committee shall certify to the state treasurer such
7 amount of additional money as may be required for debt service, and the
8 treasurer shall thereupon transfer from the motor vehicle fund such
9 amount from the proceeds of such excise taxes into the ferry bond
10 retirement fund. Any proceeds of such excise taxes required for these
11 purposes shall first be taken from that portion of the motor vehicle
12 fund which results from the imposition of the excise taxes on motor
13 vehicle and special fuels and which is distributed to the Puget Sound
14 capital construction account. If the proceeds from excise taxes
15 distributed to the state are ever insufficient to meet the required
16 payments on principal or interest on the refunding bonds when due, the
17 amount required to make the payments on the principal or interest shall
18 next be taken from that portion of the motor vehicle fund which results
19 from the imposition of excise taxes on motor vehicle and special fuels
20 and which is distributed to the state, counties, cities, and towns
21 pursuant to RCW (~~46.68.100 as now existing or hereafter amended~~)
22 46.68.090. Any payments of the principal or interest taken from the
23 motor vehicle or special fuel tax revenues which are distributable to
24 the counties, cities, and towns shall be repaid from the first money
25 distributed to the state not required for redemption of the refunding
26 bonds or interest thereon. The legislature covenants that it shall at
27 all times provide sufficient revenues from the imposition of such
28 excise taxes to pay the principal and interest due on the refunding
29 bonds.

30 **Sec. 15.** RCW 47.60.420 and 1990 c 42 s 407 are each amended to
31 read as follows:

32 To the extent that all revenues from the Washington state ferry
33 system available therefor are insufficient to provide for the payment
34 of principal and interest on the bonds authorized and issued under RCW
35 47.60.400 through (~~47.60.470~~) 47.60.450 and for sinking fund
36 requirements established with respect thereto and for payment into such
37 reserves as the department has established with respect to the securing
38 of the bonds, there is imposed a first and prior charge against the

1 Puget Sound capital construction account of the motor vehicle fund
2 created by RCW 47.60.505 and, to the extent required, against all
3 revenues required by RCW (~~(46.68.100)~~) 46.68.090 to be deposited in the
4 Puget Sound capital construction account.

5 To the extent that the revenues from the Washington state ferry
6 system available therefor are insufficient to meet required payments of
7 principal and interest on bonds, sinking fund requirements, and
8 payments into reserves, the department shall use moneys in the Puget
9 Sound capital construction account for such purpose.

10 **Sec. 16.** RCW 82.36.025 and 1994 c 179 s 30 are each amended to
11 read as follows:

12 ~~((The motor vehicle fuel tax rate shall be computed as the sum of
13 the tax rate provided in subsection (1) of this section and the
14 additional tax rates provided in subsections (2) through (5) of this
15 section.~~

16 ~~(1))~~) A motor vehicle fuel tax rate of (~~(seventeen)~~) twenty-three
17 cents per gallon shall apply to the sale, distribution, or use of motor
18 vehicle fuel.

19 ~~((2) An additional motor vehicle fuel tax rate of one third cent
20 per gallon shall apply to the sale, distribution, or use of motor
21 vehicle fuel, and the proceeds from this additional tax rate, reduced
22 by an amount equal to the sum of the payments under RCW 46.68.090(1)
23 (a), (b), and (c) multiplied by the additional tax rate prescribed by
24 this subsection divided by the motor vehicle fuel tax rate provided in
25 this section, shall be deposited in the rural arterial trust account in
26 the motor vehicle fund for expenditures under RCW 36.79.020.~~

27 ~~(3) An additional motor vehicle fuel tax rate of one third cent per
28 gallon shall apply to the sale, distribution, or use of motor vehicle
29 fuel, and the proceeds from this additional tax rate, reduced by an
30 amount equal to the sum of the payments under RCW 46.68.090(1) (a),
31 (b), and (c) multiplied by the additional tax rate prescribed by this
32 subsection divided by the motor vehicle fuel tax rate provided in this
33 section, shall be deposited in the urban arterial trust account in the
34 motor vehicle fund. After June 30, 1995, ninety five percent of this
35 revenue shall be deposited in the urban arterial trust account in the
36 motor vehicle fund and five percent shall be deposited in the small
37 city account in the motor vehicle fund.~~

1 ~~(4) An additional motor vehicle fuel tax rate of one third cent per~~
2 ~~gallon shall be applied to the sale, distribution, or use of motor~~
3 ~~vehicle fuel, and the proceeds from this additional tax rate, reduced~~
4 ~~by an amount equal to the sum of the payments under RCW 46.68.090(1)~~
5 ~~(a), (b), and (c) multiplied by the additional tax rate prescribed by~~
6 ~~this subsection divided by the motor vehicle fuel tax rate provided in~~
7 ~~this section, shall be deposited in the motor vehicle fund to be~~
8 ~~expended for highway purposes of the state as defined in RCW 46.68.130.~~

9 ~~(5) An additional motor vehicle fuel tax rate of four cents per~~
10 ~~gallon from April 1, 1990, through March 31, 1991, and five cents per~~
11 ~~gallon from April 1, 1991, applies to the sale, distribution, or use of~~
12 ~~motor vehicle fuel. The proceeds from the additional tax rate under~~
13 ~~this subsection, reduced by an amount equal to the sum of the payments~~
14 ~~under RCW 46.68.090(1) (a), (b), and (c) multiplied by the additional~~
15 ~~tax rate prescribed by this subsection divided by the motor fuel tax~~
16 ~~rate provided in this section, shall be deposited in the motor vehicle~~
17 ~~fund and shall be distributed by the state treasurer according to RCW~~
18 ~~46.68.095.)~~

19 NEW SECTION. **Sec. 17.** The following acts or parts of acts are
20 each repealed:

21 (1) RCW 46.68.095 (Distribution of additional state-wide taxes) and
22 1994 c 179 s 4 & 1990 c 42 s 103;

23 (2) RCW 46.68.100 (Allocation of net tax amount in motor vehicle
24 fund) and 1994 c 179 s 5, 1991 c 310 s 2, 1986 c 66 s 1, 1984 c 7 s 73,
25 1977 ex.s. c 317 s 9, 1977 c 51 s 1, 1975-'76 2nd ex.s. c 57 s 1, 1973
26 1st ex.s. c 124 s 1, 1972 ex.s. c 24 s 2, 1970 ex.s. c 85 s 4, 1967
27 ex.s. c 145 s 79, 1967 ex.s. c 83 s 8, 1961 ex.s. c 7 s 6, & 1961 c 12
28 s 46.68.100;

29 (3) RCW 46.68.115 (Allocation and use of amounts distributed to
30 cities and towns) and 1987 c 234 s 1, 1983 c 43 s 1, & 1977 ex.s. c 317
31 s 10;

32 (4) RCW 46.68.150 (Construction and improvements in urban areas--
33 Expenditure of motor vehicle fuel taxes and bond proceeds) and 1984 c
34 7 s 74, 1977 ex.s. c 317 s 11, & 1967 ex.s. c 83 s 9;

35 (5) RCW 47.26.060 (Apportionment of funds to regions--Manner and
36 basis--Biennial adjustment) and 1981 c 315 s 1 & 1967 ex.s. c 83 s 12;

1 (6) RCW 47.26.070 (Apportioned funds budgeted and expended for
2 projects in urban areas--Priority programming--Long-range objectives)
3 and 1984 c 7 s 154 & 1967 ex.s. c 83 s 13; and

4 (7) RCW 47.26.410 (Expenditures from fuel taxes and bond proceeds
5 for urban state highways in excess of amount apportionable to a region
6 authorized) and 1984 c 7 s 162 & 1967 ex.s. c 83 s 44.

7 NEW SECTION. **Sec. 18.** This act is necessary for the immediate
8 preservation of the public peace, health, or safety, or support of the
9 state government and its existing public institutions, and takes effect
10 July 1, 1999.

11 NEW SECTION. **Sec. 19.** This act is null and void if House Bill No.
12 1588, or similar legislation merging the small city account and the
13 city hardship assistance account into the urban arterial trust account,
14 does not become law by July 1, 1999.

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