

2 **ESHB 1418** - S COMM AMD

3 By Committee on Economic Development & Telecommunications

4 NOT ADOPTED 04/09/01

5 Strike everything after the enacting clause and insert the  
6 following:

7 NEW SECTION. **Sec. 1.** (1) It is declared to be the public policy  
8 of the state of Washington to promote and facilitate the orderly  
9 development and economic stability of its communities. Local  
10 governments need the ability to raise revenue to finance public  
11 improvements that are designed to encourage economic growth and  
12 development in geographic areas characterized by high levels of  
13 unemployment and stagnate employment and income growth. The  
14 construction of necessary public improvements in accordance with local  
15 economic development plans will encourage investment in job-producing  
16 private development and expand the public tax base.

17 (2) It is the purpose of this chapter:

18 (a) To encourage taxing districts to cooperate in the allocation of  
19 future tax revenues that are used to finance public improvements  
20 designed to encourage private development in selected areas, in  
21 particular in those local governments that are located adjacent to  
22 another state or international border;

23 (b) To assist those local governments that have a competitive  
24 disadvantage in its ability to attract business, private investment, or  
25 commercial development due to its location near a state or  
26 international border; and

27 (c) To prevent or arrest the decay of selected areas due to the  
28 inability of existing financial methods to provide needed public  
29 improvements, and to encourage private investment designed to promote  
30 and facilitate the orderly redevelopment of selected areas.

31 NEW SECTION. **Sec. 2.** The definitions in this section apply  
32 throughout this chapter unless the context clearly requires otherwise.

33 (1) "Assessed value of real property" means the valuation of real  
34 property as placed on the last completed assessment roll.

1 (2) "Local government" means any city, town, county, metropolitan  
2 park district, port district, or any combination thereof.

3 (3) "Ordinance" means any appropriate method of taking legislative  
4 action by a local government.

5 (4) "Public improvements" means:

6 (a) Infrastructure improvements within the increment area that  
7 include, but are not limited to:

8 (i) Street and road construction and maintenance;

9 (ii) Water and sewer system construction and improvements;

10 (iii) Sidewalks and streetlights;

11 (iv) Parking, terminal, and dock facilities;

12 (v) Public transportation facilities; and

13 (vi) Park facilities and recreational areas;

14 (b) Publicly owned or leased facilities within the jurisdiction of  
15 a local government which the sponsor has authority to provide; and

16 (c) Expenditures for any of the following purposes:

17 (i) Providing environmental analysis, professional management,  
18 planning, and promotion within the increment area, including the  
19 management and promotion of retail trade activities in the increment  
20 area;

21 (ii) Providing maintenance and security for common or public areas  
22 in the increment area; or

23 (iii) Historic preservation activities authorized under RCW  
24 35.21.395.

25 (5) "Public improvement costs" means the costs of: (a) Design,  
26 planning, acquisition, site preparation, construction, reconstruction,  
27 rehabilitation, improvement, and installation of public improvements;

28 (b) relocating, maintaining, and operating property pending  
29 construction of public improvements; (c) relocating utilities as a  
30 result of public improvements; (d) financing public improvements,  
31 including interest during construction, legal and other professional  
32 services, taxes, insurance, principal and interest costs on general  
33 indebtedness issued to finance public improvements, and any necessary  
34 reserves for general indebtedness; (e) assessments incurred in  
35 revaluing real property for the purpose of determining the tax  
36 allocation base value that are in excess of costs incurred by the  
37 assessor in accordance with the revaluation plan under chapter 84.41  
38 RCW, and the costs of apportioning the taxes and complying with this  
39 chapter and other applicable law; and (f) administrative expenses and

1 feasibility studies reasonably necessary and related to these costs,  
2 including related costs that may have been incurred before adoption of  
3 the ordinance authorizing the public improvements and the use of  
4 community revitalization financing to fund the costs of the public  
5 improvements.

6 (6) "Regular property taxes" means regular property taxes as  
7 defined in RCW 84.04.140, except: (a) Regular property taxes levied by  
8 port districts or public utility districts specifically for the purpose  
9 of making required payments of principal and interest on general  
10 indebtedness; and (b) regular property taxes levied by the state for  
11 the support of the common schools under RCW 84.52.065. Regular  
12 property taxes do not include excess property tax levies that are  
13 exempt from the aggregate limits for junior and senior taxing districts  
14 as provided in RCW 84.52.043.

15 (7) "Tax allocation base value" means the true and fair value of  
16 real property located within an increment area for taxes imposed in the  
17 year in which the increment area is created, plus twenty-five percent  
18 of any increase in the true and fair value of real property located  
19 within an increment area that is placed on the assessment rolls after  
20 the increment area is created.

21 (8) "Tax allocation revenues" means those tax revenues derived from  
22 the imposition of regular property taxes on the increment value and  
23 distributed to finance public improvements.

24 (9) "Increment area" means the geographic area from which taxes are  
25 to be appropriated to finance public improvements authorized under this  
26 chapter.

27 (10) "Increment value" means seventy-five percent of any increase  
28 in the true and fair value of real property in an increment area that  
29 is placed on the tax rolls after the increment area is created.

30 (11) "Taxing districts" means a governmental entity that levies or  
31 has levied for it regular property taxes upon real property located  
32 within a proposed or approved increment area.

33 (12) "Value of taxable property" means the value of the taxable  
34 property as defined in RCW 39.36.015.

35 NEW SECTION. **Sec. 3.** A local government may finance public  
36 improvements using community revitalization financing subject to the  
37 following conditions:

1 (1) The local government adopts an ordinance designating an  
2 increment area within its boundaries and specifying the public  
3 improvements proposed to be financed in whole or in part with the use  
4 of community revitalization financing;

5 (2) The public improvements proposed to be financed in whole or in  
6 part using community revitalization financing are expected to encourage  
7 private development within the increment area and to increase the fair  
8 market value of real property within the increment area;

9 (3) Private development that is anticipated to occur within the  
10 increment area, as a result of the public improvements, will be  
11 consistent with the countywide planning policy adopted by the county  
12 under RCW 36.70A.210 and the local government's comprehensive plan and  
13 development regulations adopted under chapter 36.70A RCW;

14 (4) Taxing districts, in the aggregate, that levy at least sixty  
15 percent of the regular property tax within which the increment area is  
16 located approves the community revitalization financing of the project  
17 under section 5(1) of this act; and

18 (5) In an increment area that includes any portion of a fire  
19 protection district as defined in Title 52 RCW, the fire protection  
20 district must approve their participation in the community  
21 revitalization financing of the project under this act. Approval by  
22 the fire protection district shall be considered as part of the  
23 required participation by taxing districts under subsection (4) of this  
24 section.

25 NEW SECTION. **Sec. 4.** Public improvements that are financed with  
26 community revitalization financing may be undertaken and coordinated  
27 with other programs or efforts undertaken by the local government and  
28 other taxing districts and may be funded in part from revenue sources  
29 other than community revitalization financing.

30 NEW SECTION. **Sec. 5.** Before adopting an ordinance creating the  
31 increment area, a local government must:

32 (1) Obtain written agreement for the use of community  
33 revitalization financing to finance all or a portion of the costs of  
34 the designated public improvements from taxing districts that, in the  
35 aggregate, levy at least sixty percent of the regular property tax on  
36 property within the increment area. A signed, written agreement from  
37 taxing districts that in the aggregate levy at least sixty percent of

1 the regular property tax within the increment area, constitutes  
2 concurrence by all taxing districts in the increment area in the public  
3 improvement and participation in the public improvement to the extent  
4 of providing limited funding under community revitalization financing  
5 authorized under this chapter. The agreement must be authorized by the  
6 governing body of taxing districts that in the aggregate levy at least  
7 sixty percent of the regular property tax on property within the  
8 increment area;

9 (2) Hold a public hearing on the proposed financing of the public  
10 improvement in whole or in part with community revitalization  
11 financing. Notice of the public hearing must be published in a legal  
12 newspaper of general circulation within the proposed increment area at  
13 least ten days before the public hearing and posted in at least six  
14 conspicuous public places located in the proposed increment area.  
15 Notices must describe the contemplated public improvements, estimate  
16 the costs of the public improvements, describe the portion of the costs  
17 of the public improvements to be borne by community revitalization  
18 financing, describe any other sources of revenue to finance the public  
19 improvements, describe the boundaries of the proposed increment area,  
20 and estimate the period during which community revitalization financing  
21 is contemplated to be used. The public hearing may be held by either  
22 the governing body of the local government, or a committee of the  
23 governing body that includes at least a majority of the whole governing  
24 body; and

25 (3) Adopt an ordinance establishing the increment area that  
26 describes the public improvements, describes the boundaries of the  
27 increment area, estimates the cost of the public improvements and the  
28 portion of these costs to be financed by community revitalization  
29 financing, estimates the time during which regular property taxes are  
30 to be apportioned, provides the date when the apportionment of the  
31 regular property taxes will commence, and finds that the conditions of  
32 section 3 of this act are met.

33 NEW SECTION. **Sec. 6.** An increment area may only be created if  
34 voters of the local government creating the increment area approve a  
35 ballot proposition authorizing the creation of the increment area. The  
36 ballot proposition shall be submitted to these voters at a special  
37 election called under RCW 29.13.020.

1        NEW SECTION.    **Sec. 7.**    Within twenty-five days after voters of the  
2 local government approve a ballot proposition authorizing creation of  
3 the increment area, the local government shall:

4        (1) Publish notice in a legal newspaper of general circulation  
5 within the increment area that describes the public improvement,  
6 describes the boundaries of the increment area, and identifies the  
7 location and times where the ordinance and other public information  
8 concerning the public improvement may be inspected; and

9        (2) Deliver a certified copy of the ordinance to the county  
10 treasurer, the county assessor, and the governing body of each taxing  
11 district within which the increment area is located.

12        NEW SECTION.    **Sec. 8.**    (1) Commencing in the calendar year  
13 following the passage of the ordinance, the county treasurer shall  
14 distribute receipts from regular taxes imposed on real property located  
15 in the increment area as follows:

16        (a) Each taxing district shall receive that portion of its regular  
17 property taxes produced by the rate of tax levied by or for the taxing  
18 district on the tax allocation base value for that community  
19 revitalization financing project in the taxing district, or upon the  
20 total assessed value of real property in the taxing district, whichever  
21 is smaller; and

22        (b) The local government that created the increment area shall  
23 receive an additional portion of the regular property taxes levied by  
24 or for each taxing district upon the increment value within the  
25 increment area.    However, the local government that created the  
26 increment area may agree to receive less than the full amount of this  
27 portion as long as bond debt service, reserve, and other bond covenant  
28 requirements are satisfied, in which case the balance of these tax  
29 receipts shall be allocated to the taxing districts that imposed  
30 regular property taxes, or have regular property taxes imposed for  
31 them, in the increment area for collection that year in proportion to  
32 their regular tax levy rates for collection that year.    The local  
33 government may request that the treasurer transfer this additional  
34 portion of the property taxes to its designated agent.    The portion of  
35 the tax receipts distributed to the local government or its agent under  
36 this subsection (1)(b) may only be expended to finance public  
37 improvement costs associated with the public improvements financed in  
38 whole or in part by community revitalization financing.

1 (2) The county assessor shall allocate twenty-five percent of any  
2 increased real property value occurring in the increment area to the  
3 tax allocation base value and seventy-five percent to the increment  
4 value. This section does not authorize revaluations of real property  
5 by the assessor for property taxation that are not made in accordance  
6 with the assessor's revaluation plan under chapter 84.41 RCW or under  
7 other authorized revaluation procedures.

8 (3) The apportionment of increases in assessed valuation in an  
9 increment area, and the associated distribution to the local government  
10 of receipts from regular property taxes that are imposed on the  
11 increment value, must cease when tax allocation revenues are no longer  
12 necessary or obligated to pay the costs of the public improvements.  
13 Any excess tax allocation revenues and earnings on the tax allocation  
14 revenues remaining at the time the apportionment of tax receipts  
15 terminates must be returned to the county treasurer and distributed to  
16 the taxing districts that imposed regular property taxes, or had  
17 regular property taxes imposed for it, in the increment area for  
18 collection that year, in proportion to the rates of their regular  
19 property tax levies for collection that year.

20 NEW SECTION. **Sec. 9.** (1) A local government designating an  
21 increment area and authorizing the use of community revitalization  
22 financing may incur general indebtedness, and issue general obligation  
23 bonds, to finance the public improvements and retire the indebtedness  
24 in whole or in part from tax allocation revenues it receives, subject  
25 to the following requirements:

26 (a) The ordinance adopted by the local government creating the  
27 increment area and authorizing the use of community revitalization  
28 financing indicates an intent to incur this indebtedness and the  
29 maximum amount of this indebtedness that is contemplated; and

30 (b) The local government includes this statement of the intent in  
31 all notices required by section 5 of this act.

32 (2) The general indebtedness incurred under subsection (1) of this  
33 section may be payable from other tax revenues, the full faith and  
34 credit of the local government, and nontax income, revenues, fees, and  
35 rents from the public improvements, as well as contributions, grants,  
36 and nontax money available to the local government for payment of costs  
37 of the public improvements or associated debt service on the general  
38 indebtedness.

1 (3) In addition to the requirements in subsection (1) of this  
2 section, a local government designating an increment area and  
3 authorizing the use of community revitalization financing may require  
4 the nonpublic participant to provide adequate security to protect the  
5 public investment in the public improvement within the increment area.

6 NEW SECTION. **Sec. 10.** A direct or collateral attack on a public  
7 improvement, public improvement ordinance, or increment area purported  
8 to be authorized or created in conformance with applicable legal  
9 requirements, including this chapter, may not be commenced more than  
10 thirty days after publication of notice as required by section 7 of  
11 this act.

12 NEW SECTION. **Sec. 11.** This chapter supplements and neither  
13 restricts nor limits any powers which the state or any local government  
14 might otherwise have under any laws of this state.

15 NEW SECTION. **Sec. 12.** A new section is added to chapter 27.12 RCW  
16 to read as follows:

17 In addition to other authority that a rural county library district  
18 or intercounty rural library district possesses, a rural county library  
19 district or an intercounty rural library district may provide any  
20 public improvement as defined under section 2 of this act, but this  
21 additional authority is limited to participating in the financing of  
22 the public improvements as provided under section 5 of this act.

23 This section does not limit the authority of a rural county library  
24 district or intercounty rural library district to otherwise participate  
25 in the public improvements if that authority exists elsewhere.

26 NEW SECTION. **Sec. 13.** A new section is added to chapter 35.61 RCW  
27 to read as follows:

28 In addition to other authority that a metropolitan park district  
29 possesses, a metropolitan park district may provide any public  
30 improvement as defined under section 2 of this act, but this additional  
31 authority is limited to participating in the financing of the public  
32 improvements as provided under section 5 of this act.

33 This section does not limit the authority of a metropolitan park  
34 district to otherwise participate in the public improvements if that  
35 authority exists elsewhere.



1        NEW SECTION.    **Sec. 14.**    A new section is added to chapter 36.32 RCW  
2 to read as follows:

3        In addition to other authority that a county possesses, a county  
4 may provide any public improvement as defined under section 2 of this  
5 act, but this additional authority is limited to participating in the  
6 financing of the public improvements as provided under section 5 of  
7 this act.

8        This section does not limit the authority of a county to otherwise  
9 participate in the public improvements if that authority exists  
10 elsewhere.

11       NEW SECTION.    **Sec. 15.**    A new section is added to chapter 36.68 RCW  
12 to read as follows:

13       In addition to other authority that a park and recreation service  
14 area possesses, a park and recreation service area may provide any  
15 public improvement as defined under section 2 of this act, but this  
16 additional authority is limited to participating in the financing of  
17 the public improvements as provided under section 5 of this act.

18       This section does not limit the authority of a park and recreation  
19 service area to otherwise participate in the public improvements if  
20 that authority exists elsewhere.

21       NEW SECTION.    **Sec. 16.**    A new section is added to chapter 36.69 RCW  
22 to read as follows:

23       In addition to other authority that a park and recreation district  
24 possesses, a park and recreation district may provide any public  
25 improvement as defined under section 2 of this act, but this additional  
26 authority is limited to participating in the financing of the public  
27 improvements as provided under section 5 of this act.

28       This section does not limit the authority of a park and recreation  
29 district to otherwise participate in the public improvements if that  
30 authority exists elsewhere.

31       NEW SECTION.    **Sec. 17.**    A new section is added to chapter 36.75 RCW  
32 to read as follows:

33       In addition to other authority that a road district possesses, a  
34 road district may provide any public improvement as defined under  
35 section 2 of this act, but this additional authority is limited to

1 participating in the financing of the public improvements as provided  
2 under section 5 of this act.

3 This section does not limit the authority of a road district to  
4 otherwise participate in the public improvements if that authority  
5 exists elsewhere.

6 NEW SECTION. **Sec. 18.** A new section is added to chapter 52.12 RCW  
7 to read as follows:

8 In addition to other authority that a fire protection district  
9 possesses, a fire protection district may provide any public  
10 improvement as defined under section 2 of this act, but this additional  
11 authority is limited to participating in the financing of the public  
12 improvements as provided under section 5 of this act.

13 This section does not limit the authority of a fire protection  
14 district to otherwise participate in the public improvements if that  
15 authority exists elsewhere.

16 NEW SECTION. **Sec. 19.** A new section is added to chapter 53.08 RCW  
17 to read as follows:

18 In addition to other authority that a port district possesses, a  
19 port district may provide any public improvement as defined under  
20 section 2 of this act, but this additional authority is limited to  
21 participating in the financing of the public improvements as provided  
22 under section 5 of this act.

23 This section does not limit the authority of a port district to  
24 otherwise participate in the public improvements if that authority  
25 exists elsewhere.

26 NEW SECTION. **Sec. 20.** A new section is added to chapter 54.16 RCW  
27 to read as follows:

28 In addition to other authority that a public utility district  
29 possesses, a public utility district may provide any public improvement  
30 as defined under section 2 of this act, but this additional authority  
31 is limited to participating in the financing of the public improvements  
32 as provided under section 5 of this act.

33 This section does not limit the authority of a public utility  
34 district to otherwise participate in the public improvements if that  
35 authority exists elsewhere.

1        NEW SECTION.    **Sec. 21.** A new section is added to chapter 67.38 RCW  
2 to read as follows:

3        In addition to other authority that a cultural arts, stadium, and  
4 convention center district possesses, a cultural arts, stadium, and  
5 convention center district may provide any public improvement as  
6 defined under section 2 of this act, but this additional authority is  
7 limited to participating in the financing of the public improvements as  
8 provided under section 5 of this act.

9        This section does not limit the authority of a cultural arts,  
10 stadium, and convention center district to otherwise participate in the  
11 public improvements if that authority exists elsewhere.

12        NEW SECTION.    **Sec. 22.** A new section is added to chapter 68.52 RCW  
13 to read as follows:

14        In addition to other authority that a cemetery district possesses,  
15 a cemetery district may provide any public improvement as defined under  
16 section 2 of this act, but this additional authority is limited to  
17 participating in the financing of the public improvements as provided  
18 under section 5 of this act.

19        This section does not limit the authority of a cemetery district to  
20 otherwise participate in the public improvements if that authority  
21 exists elsewhere.

22        NEW SECTION.    **Sec. 23.** A new section is added to chapter 70.44 RCW  
23 to read as follows:

24        In addition to other authority that a public hospital district  
25 possesses, a public hospital district may provide any public  
26 improvement as defined under section 2 of this act, but this additional  
27 authority is limited to participating in the financing of the public  
28 improvements as provided under section 5 of this act.

29        This section does not limit the authority of a public hospital  
30 district to otherwise participate in the public improvements if that  
31 authority exists elsewhere.

32        NEW SECTION.    **Sec. 24.** A new section is added to chapter 86.15 RCW  
33 to read as follows:

34        In addition to other authority that a flood control zone district  
35 possesses, a flood control zone district may provide any public  
36 improvement as defined under section 2 of this act, but this additional

1 authority is limited to participating in the financing of the public  
2 improvements as provided under section 5 of this act.

3 This section does not limit the authority of a flood control zone  
4 district to otherwise participate in the public improvements if that  
5 authority exists elsewhere.

6 NEW SECTION. **Sec. 25.** A new section is added to chapter 84.55 RCW  
7 to read as follows:

8 Limitations on regular property taxes that are provided in this  
9 chapter shall continue in a taxing district whether or not an increment  
10 area exists within the taxing district as provided under chapter 39.--  
11 RCW (sections 1 through 11 and 30 of this act).

12 **Sec. 26.** RCW 36.33.220 and 1973 1st ex.s. c 195 s 142 are each  
13 amended to read as follows:

14 The legislative authority of any county may budget, in accordance  
15 with the provisions of chapter 36.40 RCW, and expend any portion of the  
16 county road property tax revenues for any service to be provided in the  
17 unincorporated area of the county notwithstanding any other provision  
18 of law, including chapter 36.82 RCW and RCW 84.52.050 and 84.52.043.  
19 County road property tax revenues that are diverted under chapter 39.--  
20 RCW (sections 1 through 11 and 30 of this act) may be expended as  
21 provided under chapter 39.-- RCW (sections 1 through 11 and 30 of this  
22 act).

23 **Sec. 27.** RCW 36.79.140 and 1997 c 81 s 6 are each amended to read  
24 as follows:

25 At the time the board reviews the six-year program of each county  
26 each even-numbered year, it shall consider and shall approve for  
27 inclusion in its recommended budget, as required by RCW 36.79.130, the  
28 portion of the rural arterial construction program scheduled to be  
29 performed during the biennial period beginning the following July 1st.  
30 Subject to the appropriations actually approved by the legislature, the  
31 board shall as soon as feasible approve rural arterial trust account  
32 funds to be spent during the ensuing biennium for preliminary proposals  
33 in priority sequence as established pursuant to RCW 36.79.090. Only  
34 those counties that during the preceding twelve months have spent all  
35 revenues collected for road purposes only for such purposes, including  
36 traffic law enforcement, as are allowed to the state by Article II,

1 section 40 of the state Constitution are eligible to receive funds from  
2 the rural arterial trust account(~~(: PROVIDED HOWEVER)~~), except that:  
3 (1) Counties with a population of less than eight thousand are exempt  
4 from this eligibility restriction(~~(: AND PROVIDED FURTHER, That))~~); (2)  
5 counties expending revenues collected for road purposes only on other  
6 governmental services after authorization from the voters of that  
7 county under RCW 84.55.050 are also exempt from this eligibility  
8 restriction; and (3) this restriction shall not apply to any moneys  
9 diverted from the road district levy under chapter 39.-- RCW (sections  
10 1 through 11 and 30 of this act). The board shall authorize rural  
11 arterial trust account funds for the construction project portion of a  
12 project previously authorized for a preliminary proposal in the  
13 sequence in which the preliminary proposal has been completed and the  
14 construction project is to be placed under contract. At such time the  
15 board may reserve rural arterial trust account funds for expenditure in  
16 future years as may be necessary for completion of preliminary  
17 proposals and construction projects to be commenced in the ensuing  
18 biennium.

19 The board may, within the constraints of available rural arterial  
20 trust funds, consider additional projects for authorization upon a  
21 clear and conclusive showing by the submitting county that the proposed  
22 project is of an emergent nature and that its need was unable to be  
23 anticipated at the time the six-year program of the county was  
24 developed. The proposed projects shall be evaluated on the basis of  
25 the priority rating factors specified in RCW 36.79.080.

26 **Sec. 28.** RCW 36.82.040 and 1973 1st ex.s. c 195 s 41 are each  
27 amended to read as follows:

28 For the purpose of raising revenue for establishing, laying out,  
29 constructing, altering, repairing, improving, and maintaining county  
30 roads, bridges, and wharves necessary for vehicle ferriage and for  
31 other proper county purposes, the board shall annually at the time of  
32 making the levy for general purposes make a uniform tax levy throughout  
33 the county, or any road district thereof, of not to exceed two dollars  
34 and twenty-five cents per thousand dollars of assessed value of the  
35 last assessed valuation of the taxable property in the county, or road  
36 district thereof, unless other law of the state requires a lower  
37 maximum levy, in which event such lower maximum levy shall control.  
38 All funds accruing from such levy shall be credited to and deposited in

1 the county road fund except that revenue diverted under RCW 36.33.220  
2 shall be placed in a separate and identifiable account within the  
3 county current expense fund and except that revenue diverted under  
4 chapter 39.-- RCW (sections 1 through 11 and 30 of this act) shall be  
5 expended as provided under chapter 39.-- RCW (sections 1 through 11 and  
6 30 of this act).

7 **Sec. 29.** RCW 46.68.124 and 1990 c 33 s 586 are each amended to  
8 read as follows:

9 (1) The equivalent population for each county shall be computed as  
10 the sum of the population residing in the county's unincorporated area  
11 plus twenty-five percent of the population residing in the county's  
12 incorporated area. Population figures required for the computations in  
13 this subsection shall be certified by the director of the office of  
14 financial management on or before July 1st of each odd-numbered year.

15 (2) The total annual road cost for each county shall be computed as  
16 the sum of one twenty-fifth of the total estimated county road  
17 replacement cost, plus the total estimated annual maintenance cost.  
18 Appropriate costs for bridges and ferries shall be included. The  
19 county road administration board shall be responsible for establishing  
20 a uniform system of roadway categories for both maintenance and  
21 construction and also for establishing a single statewide cost per mile  
22 rate for each roadway category. The total annual cost for each county  
23 will be based on the established statewide cost per mile and associated  
24 mileage for each category. The mileage to be used for these  
25 computations shall be as shown in the county road log as maintained by  
26 the county road administration board as of July 1, 1985, and each two  
27 years thereafter. Each county shall be responsible for submitting  
28 changes, corrections, and deletions as regards the county road log to  
29 the county road administration board. Such changes, corrections, and  
30 deletions shall be subject to verification and approval by the county  
31 road administration board prior to inclusion in the county road log.

32 (3) The money need factor for each county shall be the county's  
33 total annual road cost less the following four amounts:

34 (a) One-half the sum of the actual county road tax levied upon the  
35 valuation of all taxable property within the county road districts  
36 pursuant to RCW 36.82.040, including any amount of such tax diverted  
37 under chapter 39.-- RCW (sections 1 through 11 and 30 of this act), for

1 the two calendar years next preceding the year of computation of the  
2 allocation amounts as certified by the department of revenue;

3 (b) One-half the sum of all funds received by the county road fund  
4 from the federal forest reserve fund pursuant to RCW 28A.520.010 and  
5 28A.520.020 during the two calendar years next preceding the year of  
6 computation of the allocation amounts as certified by the state  
7 treasurer;

8 (c) One-half the sum of timber excise taxes received by the county  
9 road fund pursuant to chapter 84.33 RCW in the two calendar years next  
10 preceding the year of computation of the allocation amounts as  
11 certified by the state treasurer;

12 (d) One-half the sum of motor vehicle license fees and motor  
13 vehicle and special fuel taxes refunded to the county, pursuant to RCW  
14 46.68.080 during the two calendar years next preceding the year of  
15 computation of the allocation amounts as certified by the state  
16 treasurer.

17 (4) The state treasurer and the department of revenue shall furnish  
18 to the county road administration board the information required by  
19 subsection (3) of this section on or before July 1st of each odd-  
20 numbered year.

21 (5) The county road administration board, shall compute and provide  
22 to the counties the allocation factors of the several counties on or  
23 before September 1st of each year based solely upon the sources of  
24 information herein before required: PROVIDED, That the allocation  
25 factor shall be held to a level not more than five percent above or  
26 five percent below the allocation factor in use during the previous  
27 calendar year. Upon computation of the actual allocation factors of  
28 the several counties, the county road administration board shall  
29 provide such factors to the state treasurer to be used in the  
30 computation of the counties' fuel tax allocation for the succeeding  
31 calendar year. The state treasurer shall adjust the fuel tax  
32 allocation of each county on January 1st of every year based solely  
33 upon the information provided by the county road administration board.

34 NEW SECTION. **Sec. 30.** Sections 1 through 11 of this act expire  
35 July 1, 2010.

36 NEW SECTION. **Sec. 31.** Sections 1 through 11 and 30 of this act  
37 constitute a new chapter in Title 39 RCW.

