

ESHB 2359 - S AMD 800

By Senators McDonald, Haugen, Horn, & Finkbeiner

ADOPTED 03/07/02

1 Strike everything after the enacting clause and insert the
2 following:

3 **"I. CREATION OF REGIONAL TRANSPORTATION INVESTMENT DISTRICT**

4 NEW SECTION. **Sec. 101.** FINDINGS. The legislature finds that:

5 (1) The capacity of many of Washington state's transportation
6 facilities have failed to keep up with the state's growth, particularly
7 in major urban regions;

8 (2) The state cannot by itself fund, in a timely way, many of the
9 major capacity and other improvements required on highways of statewide
10 significance in the state's largest urbanized area;

11 (3) Providing a transportation system that provides efficient
12 mobility for persons and freight requires a shared partnership and
13 responsibility between the state, local, and regional governments and
14 the private sector; and

15 (4) Timely construction and development of significant
16 transportation improvement projects can best be achieved through
17 enhanced funding options for governments at the county and regional
18 levels, using already existing tax authority to address roadway and
19 multimodal needs and new authority for regions to address critical
20 transportation projects of statewide significance.

21 NEW SECTION. **Sec. 102.** DEFINITIONS. The definitions in this
22 section apply throughout this chapter unless the context clearly
23 requires otherwise.

24 (1) "Board" means the governing body of a regional transportation
25 investment district.

26 (2) "Department" means the Washington state department of
27 transportation.

28 (3) "Highway of statewide significance" means an existing or
29 proposed state route or federal interstate designated as a highway of

1 statewide significance by the transportation commission, its successor
2 entity, or the legislature.

3 (4) "Lead agency" means a public agency that by law can plan,
4 design, and build a transportation project and has been so designated
5 by the district.

6 (5) "Regional transportation investment district" or "district"
7 means a municipal corporation whose boundaries are coextensive with two
8 or more contiguous counties and that has been created by county
9 legislative authorities and a vote of the people under this chapter to
10 implement a regional transportation investment plan.

11 (6) "Regional transportation investment district planning
12 committee" or "planning committee" means the advisory committee created
13 under section 103 of this act to create and propose to county
14 legislative authorities a regional transportation investment plan to
15 develop, finance, and construct transportation projects.

16 (7) "Regional transportation investment plan" or "plan" means a
17 plan to develop, construct, and finance a transportation project or
18 projects.

19 (8) "Transportation project" means:

20 (a) A capital improvement or improvements to a highway that has
21 been designated, in whole or in part, as a highway of statewide
22 significance, including an extension, that:

23 (i) Adds a lane or new lanes to an existing state or federal
24 highway; or

25 (ii) Repairs or replaces a lane or lanes damaged by an event
26 declared an emergency by the governor before January 1, 2002.

27 (b) A capital improvement or improvements to all or a portion of a
28 highway of statewide significance, including an extension, and may
29 include the following associated multimodal capital improvements:

30 (i) Approaches to highways of statewide significance;

31 (ii) High-occupancy vehicle lanes;

32 (iii) Flyover ramps;

33 (iv) Park and ride lots;

34 (v) Bus pullouts;

35 (vi) Vans for vanpools;

36 (vii) Buses; and

37 (viii) Signalization, ramp metering, and other transportation
38 system management improvements.

1 (c)(i) A capital improvement or improvements to all or a portion of
2 a city street, county road, or existing highway or (ii) the creation of
3 a new highway that intersects with a highway of statewide significance,
4 if all of the following conditions are met:

5 (A) The project is included in a plan that makes highway
6 improvement projects that add capacity to a highway or highways of
7 statewide significance;

8 (B) The secretary of transportation determines that the project
9 would better relieve traffic congestion than investing that same money
10 in adding capacity to a highway of statewide significance;

11 (C) Matching money equal to one-third of the total cost of the
12 project is provided by local entities, including but not limited to a
13 metropolitan planning organization, county, city, port, or private
14 entity in which a county participating in a plan is located. Local
15 entities may use federal grants to meet this matching requirement;

16 (D) In no case does the cumulative cost of all projects exceed ten
17 percent of the annual revenue to be generated under the plan;

18 (E) In no case does the cumulative cost of all projects exceed one
19 billion dollars in total; and

20 (F) The specific projects are included within the plan and
21 submitted as part of the plan to a vote of the people.

22 (d) Operations, preservation, and maintenance are excluded from
23 this definition and may not be included in a regional transportation
24 investment plan.

25 (9) "Weighted vote" means a vote that reflects the population each
26 board or planning committee member represents relative to the
27 population represented by the total membership of the board or planning
28 committee. Population will be determined using the federal 2000 census
29 or subsequent federal census data.

30 NEW SECTION. **Sec. 103.** PLANNING COMMITTEE FORMATION. Regional
31 transportation investment district planning committees are advisory
32 entities that are created, convened, and empowered as follows:

33 (1) A county with a population over one million five hundred
34 thousand persons and any adjoining counties with a population over five
35 hundred thousand persons may create a regional transportation
36 investment district and shall convene a regional transportation
37 investment district planning committee.

1 (2) The members of the legislative authorities participating in
2 planning under this chapter shall serve as the district planning
3 committee. Members of the planning committee receive no compensation,
4 but may be reimbursed for travel and incidental expenses as the
5 planning committee deems appropriate.

6 The secretary of transportation, or the appropriate regional
7 administrator of the department, as named by the secretary, shall serve
8 on the committee as a nonvoting member.

9 (3) A regional transportation investment district planning
10 committee may be entitled to state funding, as appropriated by the
11 legislature, for start-up funding to pay for salaries, expenses,
12 overhead, supplies, and similar expenses ordinarily and necessarily
13 incurred in selecting transportation projects and funding for those
14 transportation projects under this chapter. Upon creation of a
15 regional transportation investment district, the district shall within
16 one year reimburse the state for any sums advanced for these start-up
17 costs from the state.

18 (4) The planning committee shall conduct its affairs and formulate
19 a regional transportation investment plan as provided under section 104
20 of this act, except that it shall elect an executive board of seven
21 members to discharge the duties of the planning committee and formulate
22 a regional transportation investment plan, subject to the approval of
23 the full committee.

24 (5) At its first meeting, a regional transportation investment
25 district planning committee may elect officers and provide for the
26 adoption of rules and other operating procedures.

27 (6) Governance of and decisions by a regional transportation
28 investment district planning committee must be by a sixty-percent
29 weighted majority vote of the total membership.

30 (7) The planning committee may dissolve itself at any time by a
31 two-thirds weighted majority vote of the total membership of the
32 planning committee.

33 NEW SECTION. Sec. 104. PLANNING COMMITTEE DUTIES. (1) A regional
34 transportation investment district planning committee shall adopt a
35 regional transportation investment plan providing for the development,
36 construction, and financing of transportation projects. The planning
37 committee may consider the following factors in formulating its plan:

38 (a) Land use planning criteria;

1 (b) The input of cities located within a participating county; and

2 (c) The input of regional transportation planning organizations in
3 which a participating county is located. A regional transportation
4 planning organization in which a participating county is located shall
5 review its adopted regional transportation plan and submit, for the
6 planning committee's consideration, its list of transportation
7 improvement priorities.

8 (2) The planning committee may coordinate its activities with the
9 department, which shall provide services, data, and personnel to assist
10 in this planning as desired by the planning committee. In addition,
11 the planning committee may coordinate with affected cities, towns, and
12 other local governments that engage in transportation planning.

13 (3) The planning committee shall:

14 (a) Conduct public meetings that are needed to assure active public
15 participation in the development of the plan;

16 (b) Adopt a plan proposing the creation of a regional
17 transportation investment district and recommending the construction of
18 transportation projects to improve mobility. Operations, maintenance,
19 and preservation of facilities or systems may not be part of the plan;
20 and

21 (c) Recommend sources of revenue authorized by section 105 of this
22 act and a financing plan to fund selected transportation projects. The
23 overall plan of the district must leverage the district's financial
24 contributions so that the federal, state, local, and other revenue
25 sources continue to fund major congestion relief and transportation
26 capacity improvement projects in the district. A combination of local,
27 state, and federal revenues may be necessary to pay for transportation
28 projects, and the planning committee shall consider all of these
29 revenue sources in developing a plan.

30 (4) Before adopting the plan, the planning committee, with
31 assistance from the department, shall work with the lead agency to
32 develop accurate cost forecasts for transportation projects. This
33 project costing methodology must be integrated with revenue forecasts
34 in developing the plan and must at a minimum include estimated project
35 costs in constant dollars as well as year of expenditure dollars, the
36 range of project costs reflected by the level of project design,
37 project contingencies, identification of mitigation costs, the range of
38 revenue forecasts, and project and plan cash flow and bond analysis.
39 The plan submitted to the voters must provide cost estimates for each

1 project, including reasonable contingency costs. Plans submitted to
2 the voters must provide that the maximum amount possible of the funds
3 raised will be used to fund projects in the plan, including
4 environmental improvements and mitigation, and that administrative
5 costs be minimized. If actual revenue exceeds actual plan costs, the
6 excess revenues must be used to retire any outstanding debt associated
7 with the plan.

8 (5) If a county opts not to adopt the plan or participate in the
9 regional transportation investment district, but two or more contiguous
10 counties do choose to continue to participate, then the planning
11 committee may, within ninety days, redefine the regional transportation
12 investment plan and the ballot measure to be submitted to the people to
13 reflect elimination of the county, and submit the redefined plan to the
14 legislative authorities of the remaining counties for their decision as
15 to whether to continue to adopt the redefined plan and participate.
16 This action must be completed within sixty days after receipt of the
17 redefined plan.

18 (6) Once adopted, the plan must be forwarded to the participating
19 county legislative authorities to initiate the election process under
20 section 107 of this act. The planning committee shall at the same time
21 provide notice to each city and town within the district, the governor,
22 the chairs of the transportation committees of the legislature, the
23 secretary of transportation, and each legislator whose legislative
24 district is partially or wholly within the boundaries of the district.

25 (7) If the ballot measure is not approved, the planning committee
26 may redefine the selected transportation projects, financing plan, and
27 the ballot measure. The county legislative authorities may approve the
28 new plan and ballot measure, and may then submit the revised
29 proposition to the voters at the next election or a special election.
30 If no ballot measure is approved by the voters by the third vote, the
31 planning committee is dissolved.

32 NEW SECTION. **Sec. 105.** TAXES AND FEES. (1) A regional
33 transportation investment district planning committee may, as part of
34 a regional transportation investment plan, recommend the imposition of
35 some or all of the following revenue sources, which a regional
36 transportation investment district may impose upon approval of the
37 voters as provided in this chapter:

1 (a) A regional sales and use tax, as specified in section 504 of
2 this act, of up to 0.5 percent of the selling price, in the case of a
3 sales tax, or value of the article used, in the case of a use tax, upon
4 the occurrence of any taxable event in the regional transportation
5 investment district;

6 (b) A local option vehicle license fee, as specified under section
7 508 of this act, of up to one hundred dollars per vehicle registered in
8 the district. As used in this subsection, "vehicle" means motor
9 vehicle as defined in RCW 46.04.320. Certain classes of vehicles, as
10 defined under chapter 46.04 RCW, may be exempted from this fee;

11 (c) A parking tax under RCW 82.80.030;

12 (d) A local motor vehicle excise tax under RCW 81.100.060 and
13 chapter 81.104 RCW;

14 (e) An employer excise tax under RCW 81.100.030; and

15 (f) Vehicle tolls on new or reconstructed facilities. Unless
16 otherwise specified by law, the department shall administer the
17 collection of vehicle tolls on designated facilities, and the state
18 transportation commission, or its successor, shall be the tolling
19 authority.

20 (2) Taxes, fees, and tolls may not be imposed without an
21 affirmative vote of the majority of the voters within the boundaries of
22 the district voting on a ballot proposition as set forth in section 107
23 of this act. Revenues from these taxes and fees may be used only to
24 implement the plan as set forth in this chapter. A district may
25 contract with the state department of revenue or other appropriate
26 entities for administration and collection of any of the taxes or fees
27 authorized in this section.

28 (3) Existing statewide motor vehicle fuel and special fuel taxes,
29 at the distribution rates in effect on January 1, 2001, are not
30 intended to be altered by this chapter.

31 (4)(a) The state sales and use taxes imposed and collected under
32 chapters 82.08 and 82.12 RCW, less any credits allowed under chapter
33 82.14 RCW, on initial construction for a transportation project to be
34 constructed under this chapter must be transferred from the state
35 general fund to the regional transportation investment district account
36 to defray costs or pay debt service on that transportation project. In
37 the case of a toll project, the transfer must be used to lower the
38 overall cost of the project and thereby the corresponding tolls.

1 (b) This transaction is exempt from the requirements in RCW
2 43.135.035(4).

3 (c) Government entities constructing transportation projects under
4 this chapter shall report to the department of revenue the amount of
5 state sales or use tax covered under this subsection (4).

6 NEW SECTION. **Sec. 106.** PERFORMANCE CRITERIA FOR REGIONAL
7 TRANSPORTATION PROJECT SELECTION. (1) The planning committee shall
8 consider the following criteria for selecting transportation projects
9 to improve corridor performance:

- 10 (a) Reduced level of congestion and improved safety;
- 11 (b) Improved travel time;
- 12 (c) Improved air quality;
- 13 (d) Increases in daily and peak period person and vehicle trip
14 capacity;
- 15 (e) Reductions in person and vehicle delay;
- 16 (f) Improved freight mobility; and
- 17 (g) Cost-effectiveness of the investment.

18 (2) These criteria represent only minimum standards that must be
19 considered in selecting transportation improvement projects. The board
20 shall also consider rules and standards for benchmarks adopted by the
21 transportation commission or its successor.

22 NEW SECTION. **Sec. 107.** SUBMISSION OF PLAN TO THE VOTERS. Two or
23 more contiguous county legislative authorities, upon receipt of the
24 regional transportation investment plan under section 104 of this act,
25 may certify the plan to the ballot, including identification of the tax
26 options necessary to fund the plan. County legislative authorities may
27 draft a ballot title, give notice as required by law for ballot
28 measures, and perform other duties as required to put the plan before
29 the voters of the proposed district for their approval or rejection as
30 a single ballot measure that both approves formation of the district
31 and approves the plan. Counties may negotiate interlocal agreements
32 necessary to implement the plan. The electorate will be the voters
33 voting within the boundaries of the participating counties. A simple
34 majority of the total persons voting on the single ballot measure to
35 approve the plan, establish the district, and approve the taxes and
36 fees is required for approval.

1 NEW SECTION. **Sec. 108.** CERTIFICATION OF FORMATION. If the voters
2 approve the plan, including creation of a regional transportation
3 investment district and imposition of taxes and fees, the district will
4 be declared formed. The county election officials of participating
5 counties shall, within fifteen days of the final certification of the
6 election results, publish a notice in a newspaper or newspapers of
7 general circulation in the district declaring the district formed, and
8 mail copies of the notice to the governor, the secretary of
9 transportation, and the executive director of the regional
10 transportation planning organization in which any part of the district
11 is located. A party challenging the procedure or the formation of a
12 voter-approved district must file the challenge in writing by serving
13 the prosecuting attorney of the participating counties and the attorney
14 general within thirty days after the final certification of the
15 election. Failure to challenge within that time forever bars further
16 challenge of the district's valid formation.

17 NEW SECTION. **Sec. 109.** BOARD COMPOSITION. (1) The governing
18 board of a district consists of the members of the legislative
19 authority of each member county, acting ex officio and independently.
20 The secretary of transportation or the appropriate regional
21 administrator of the department, as named by the secretary, shall also
22 serve as a nonvoting member of the board. The governing board may
23 elect an executive board of seven members to discharge the duties of
24 the governing board subject to the approval of the full governing
25 board.

26 (2) A sixty-percent majority of the weighted votes of the total
27 board membership is required to submit to the counties a modified plan
28 under section 114 of this act or any other proposal to be submitted to
29 the voters. The counties, may, with majority vote of each county
30 legislative authority, submit a modified plan or proposal to the
31 voters.

32 NEW SECTION. **Sec. 110.** BOARD ORGANIZATION. The board shall adopt
33 rules for the conduct of business. The board shall adopt bylaws to
34 govern district affairs, which may include:

- 35 (1) The time and place of regular meetings;
36 (2) Rules for calling special meetings;
37 (3) The method of keeping records of proceedings and official acts;

1 (4) Procedures for the safekeeping and disbursement of funds; and

2 (5) Any other provisions the board finds necessary to include.

3 NEW SECTION. **Sec. 111.** BOARD'S POWERS AND DUTIES. (1) The
4 governing board of the district is responsible for the execution of the
5 voter-approved plan. The board shall:

6 (a) Impose taxes and fees authorized by district voters;

7 (b) Enter into agreements with state, local, and regional agencies
8 and departments as necessary to accomplish district purposes and
9 protect the district's investment in transportation projects;

10 (c) Accept gifts, grants, or other contributions of funds that will
11 support the purposes and programs of the district;

12 (d) Monitor and audit the progress and execution of transportation
13 projects to protect the investment of the public and annually make
14 public its findings;

15 (e) Pay for services and enter into leases and contracts, including
16 professional service contracts;

17 (f) Hire no more than ten employees, including a director or
18 executive officer, a treasurer or financial officer, a project manager
19 or engineer, a project permit coordinator, and clerical staff; and

20 (g) Exercise other powers and duties as may be reasonable to carry
21 out the purposes of the district.

22 (2) It is the intent of the legislature that existing staff
23 resources of lead agencies be used in implementing this chapter. A
24 district may coordinate its activities with the department, which shall
25 provide services, data, and personnel to assist as desired by the
26 regional transportation investment district. Lead agencies for
27 transportation projects that are not state facilities shall also
28 provide staff support for the board.

29 (3) A district may not acquire, hold, or dispose of real property.

30 (4) A district may not own, operate, or maintain an ongoing
31 facility, road, or transportation system.

32 (5) A district may accept and expend or use gifts, grants, or
33 donations.

34 (6) It is the intent of the legislature that administrative and
35 overhead costs of a regional transportation investment district be
36 minimized. For transportation projects costing up to fifty million
37 dollars, administrative and overhead costs may not exceed three percent
38 of the total construction and design project costs per year. For

1 transportation projects costing more than fifty million dollars,
2 administrative and overhead costs may not exceed three percent of the
3 first fifty million dollars in costs, plus an additional one-tenth of
4 one percent of each additional dollar above fifty million. These
5 limitations apply only to the district, and do not limit the
6 administration or expenditures of the department.

7 (7) A district may use the design-build procedure for
8 transportation projects developed by it. As used in this section
9 "design-build procedure" means a method of contracting under which the
10 district contracts with another party for that party to both design and
11 build the structures, facilities, and other items specified in the
12 contract. The requirements and limitations of RCW 47.20.780 and
13 47.20.785 do not apply to the transportation projects under this
14 chapter.

15 NEW SECTION. **Sec. 112.** TREASURER. The regional transportation
16 investment district, by resolution, shall designate a person having
17 experience in financial or fiscal matters as treasurer of the district.
18 The district may designate the treasurer of a county within which the
19 district is located to act as its treasurer. Such a treasurer has all
20 of the powers, responsibilities, and duties the county treasurer has
21 related to investing surplus funds. The district shall require a bond
22 with a surety company authorized to do business in this state in an
23 amount and under the terms and conditions the district, by resolution,
24 from time to time finds will protect the district against loss. The
25 district shall pay the premium on the bond.

26 In addition to the account established in section 501 of this act,
27 the treasurer may establish a special account, into which may be paid
28 district funds. The treasurer may disburse district funds only on
29 warrants issued by the district upon orders or vouchers approved by the
30 district.

31 If the treasurer of the district is the treasurer of a county, all
32 district funds must be deposited with a county depository under the
33 same restrictions, contracts, and security as provided for county
34 depositories. If the treasurer of the district is some other person,
35 all funds must be deposited in a bank or banks authorized to do
36 business in this state qualified for insured deposits under any federal
37 deposit insurance act as the district, by resolution, designates.

1 The district may provide and require a reasonable bond of any other
2 person handling moneys or securities of the district, but the district
3 shall pay the premium on the bond.

4 NEW SECTION. **Sec. 113.** DEBT AND BONDING. The district may borrow
5 money, but may not issue any debt of its own for more than two years'
6 duration. A district may issue notes or other evidences of
7 indebtedness with a maturity of not more than two years. A district
8 may, when authorized by the plan, enter into agreements with the state
9 or lead agencies to pledge taxes or other revenues of the district for
10 the purpose of paying in part or whole principal and interest on bonds
11 issued by the lead agency. The contracts pledging revenues and taxes
12 are binding for the term of the agreement, but not to exceed twenty-
13 five years, and no tax pledged by an agreement may be eliminated or
14 modified if it would impair the pledge of the agreement.

15 NEW SECTION. **Sec. 114.** TRANSPORTATION PROJECT OR PLAN
16 MODIFICATION--ACCOUNTABILITY. (1) A plan may be modified to change
17 transportation projects or revenue sources if:

18 (a) Two or more participating counties adopt a resolution to modify
19 the plan; and

20 (b) The counties submit to the voters in the district a ballot
21 measure that redefines the scope of the plan, its projects, its
22 schedule, its costs, or the revenue sources. If the voters fail to
23 approve the redefined plan, the district shall continue to work on and
24 complete the plan, and the projects in it, that was originally approved
25 by the voters. If the voters approve the redefined plan, the district
26 shall work on and complete the projects under the redefined plan.

27 (2) If a transportation project cost exceeds its original cost by
28 more than twenty percent as identified in the plan:

29 (a) The board shall, in coordination with the county legislative
30 authorities, submit to the voters in the district a ballot measure that
31 redefines the scope of the transportation project, its schedule, or its
32 costs. If the voters fail to approve the redefined transportation
33 project, the district shall terminate work on that transportation
34 project, except that the district may take reasonable steps to use,
35 preserve, or connect any improvement already constructed. The
36 remainder of any funds that would otherwise have been expended on the
37 terminated transportation project must first be used to retire any

1 outstanding debt attributable to the plan and then may be used to
2 implement the remainder of the plan.

3 (b) Alternatively, upon adoption of a resolution by two or more
4 participating counties:

5 (i) The counties shall submit to the voters in the district a
6 ballot measure that redefines the scope of the plan, its transportation
7 projects, its schedule, or its costs. If the voters fail to approve
8 the redefined plan, the district shall terminate work on that plan,
9 except that the district may take reasonable steps to use, preserve, or
10 connect any improvement already constructed. The remainder of any
11 funds must be used to retire any outstanding debt attributable to the
12 plan; or

13 (ii) The counties may elect to have the district continue the
14 transportation project without submitting an additional ballot proposal
15 to the voters.

16 (3) To assure accountability to the public for the timely
17 construction of the transportation improvement project or projects
18 within cost projections, the district shall issue a report, at least
19 annually, to the public and copies of the report to newspapers of
20 record in the district. In the report, the district shall indicate the
21 status of transportation project costs, transportation project
22 expenditures, revenues, and construction schedules. The report may
23 also include progress towards meeting the performance criteria provided
24 under this chapter.

25 NEW SECTION. **Sec. 115.** STATE DEPARTMENT OF TRANSPORTATION ROLE.

26 (1) The department shall designate an office or division of dedicated
27 staff and services whose primary responsibility is to coordinate the
28 design, preliminary engineering, permitting, financing, and
29 construction of transportation projects under consideration by a
30 regional transportation investment district planning committee or that
31 are part of a regional transportation investment plan being implemented
32 by a regional transportation investment district.

33 (2) All of the powers granted the department under Title 47 RCW
34 relating to highway construction may, at the request of a regional
35 transportation investment district, be used to implement a regional
36 transportation investment plan and construct transportation projects.

1 NEW SECTION. **Sec. 116.** STATE OWNS IMPROVEMENTS TO STATE
2 FACILITIES. Any improvement to a state facility constructed under this
3 chapter becomes and remains the property of this state.

4 NEW SECTION. **Sec. 117.** DISSOLUTION. Within thirty days of the
5 completion of the construction of the transportation project or series
6 of projects forming the regional transportation investment plan, the
7 district shall terminate day-to-day operations and exist solely as a
8 limited entity that oversees the collection of revenue and the payment
9 of debt service or financing still in effect, if any. The district
10 shall accordingly adjust downward its employees, administration, and
11 overhead expenses. Any taxes, fees, or tolls imposed under an approved
12 plan terminate when the financing or debt service on the transportation
13 project or series of projects constructed is completed and paid, thirty
14 days from which point the district shall dissolve itself and cease to
15 exist. If there is no debt outstanding, then the district shall
16 dissolve within thirty days from completion of construction of the
17 transportation project or series of transportation projects forming the
18 regional transportation investment plan. Notice of dissolution must be
19 published in newspapers of general circulation within the district at
20 least three times in a period of thirty days. Creditors must file
21 claims for payment of claims due within thirty days of the last
22 published notice or the claim is extinguished.

23 NEW SECTION. **Sec. 118.** OTHER REGIONS. The legislature finds that
24 regional solutions to the state's transportation needs are of paramount
25 concern. The legislature further recognizes that different areas of
26 the state will need the flexibility to fashion local solutions to their
27 transportation problems, and that regional transportation systems may
28 evolve over time. Areas of the state outside of King, Snohomish, and
29 Pierce counties are eligible for grants from the state of no more than
30 two hundred thousand dollars each to study and develop regional
31 transportation models. Regions receiving these grants shall:

- 32 (1) Develop a model that can be used within their region to select,
33 fund, and administer regional transportation solutions;
34 (2) Adopt a county resolution approving the model proposed;
35 (3) Form interlocal agreements among counties as appropriate;

1 (4) Report to the transportation committees in the senate and house
2 of representatives, petitioning the legislature to grant them authority
3 to implement their proposed model.

4 **II. JOINT BALLOT WITH RTA**

5 NEW SECTION. **Sec. 201.** JOINT BALLOT MEASURE. At the option of
6 the planning committee, and with the explicit approval of the regional
7 transit authority, the participating counties may choose to impose any
8 remaining high capacity transportation taxes under chapter 81.104 RCW
9 that have not otherwise been used by a regional transit authority and
10 submit to the voters a common ballot measure that creates the district,
11 approves the regional transportation investment plan, implements the
12 taxes, and implements any remaining high capacity transportation taxes
13 within the boundaries of the regional transportation investment
14 district. Collection and expenditures of any high capacity
15 transportation taxes implemented under this section must be determined
16 by agreement between the participating counties or district and the
17 regional transit authority electing to submit high capacity
18 transportation taxes to the voters under a common ballot measure as
19 provided in this section. If the measure fails, all such unused high
20 capacity transportation taxes revert back to and remain with the
21 regional transit authority. A project constructed with this funding is
22 not considered a "transportation project" under section 102 of this
23 act.

24 **Sec. 202.** RCW 81.104.140 and 1992 c 101 s 25 are each amended to
25 read as follows:

26 (1) Agencies authorized to provide high capacity transportation
27 service, including transit agencies and regional transit authorities,
28 and regional transportation investment districts acting with the
29 agreement of an agency, are hereby granted dedicated funding sources
30 for such systems. These dedicated funding sources, as set forth in RCW
31 81.104.150, 81.104.160, and 81.104.170, are authorized only for
32 agencies located in (a) each county with a population of two hundred
33 ten thousand or more and (b) each county with a population of from one
34 hundred twenty-five thousand to less than two hundred ten thousand
35 except for those counties that do not border a county with a population
36 as described under (a) of this subsection. In any county with a

1 population of one million or more or in any county having a population
2 of four hundred thousand or more bordering a county with a population
3 of one million or more, these funding sources may be imposed only by a
4 regional transit authority or a regional transportation investment
5 district. Regional transportation investment districts may, with the
6 approval of the regional transit authority within its boundaries,
7 impose the taxes authorized under this chapter, but only upon approval
8 of the voters and to the extent that the maximum amount of taxes
9 authorized under this chapter have not been imposed.

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

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

- 15 (a) Acceptability;
- 16 (b) Ease of administration;
- 17 (c) Equity;
- 18 (d) Implementation feasibility;
- 19 (e) Revenue reliability; and
- 20 (f) Revenue yield.

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

- 24 (a) Employer tax as provided in RCW 81.104.150, other than by
25 regional transportation investment districts;
- 26 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
27 and
- 28 (c) Sales and use tax as provided in RCW 81.104.170.

29 Revenues from these taxes may be used only to support those
30 purposes prescribed in subsection (10) of this section. Before the
31 date of an election authorizing an agency to impose any of the taxes
32 enumerated in this section and authorized in RCW 81.104.150,
33 81.104.160, and 81.104.170, the agency must comply with the process
34 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No
35 construction on exclusive right of way may occur before the
36 requirements of RCW 81.104.100(3) are met.

37 (5) Authorization in subsection (4) of this section shall not
38 adversely affect the funding authority of transit agencies not provided
39 for in this chapter. Local option funds may be used to support

1 implementation of interlocal agreements with respect to the
2 establishment of regional high capacity transportation service. Except
3 when a regional transit authority exists, local jurisdictions shall
4 retain control over moneys generated within their boundaries, although
5 funds may be commingled with those generated in other areas for
6 planning, construction, and operation of high capacity transportation
7 systems as set forth in the agreements.

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

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

17 (8) Agencies shall provide to the registered voters in the area a
18 document describing the systems plan and the financing plan set forth
19 in RCW 81.104.100. It shall also describe the relationship of the
20 system to regional issues such as development density at station
21 locations and activity centers, and the interrelationship of the system
22 to adopted land use and transportation demand management goals within
23 the region. This document shall be provided to the voters at least
24 twenty days prior to the date of the election.

25 (9) For any election in which voter approval is sought for a high
26 capacity transportation system plan and financing plan pursuant to RCW
27 81.104.040, a local voter's pamphlet shall be produced as provided in
28 chapter 29.81A RCW.

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

35 III. CITY MVET FOR MONORAIL

36 NEW SECTION. **Sec. 301.** A new section is added to chapter 81.104
37 RCW to read as follows:

1 MVET FOR CITY MONORAIL. (1) The legislature finds that there is a
2 need for large cities, with populations of five hundred thousand or
3 more, at their option, to develop, construct, and operate intracity
4 monorail systems within their boundaries to facilitate the movement of
5 people and mitigate traffic congestion in highly urbanized areas.

6 (2) For the sole purposes of developing, constructing, or operating
7 an intracity monorail system within its boundaries, a city with a
8 population of five hundred thousand or more may, with voter approval,
9 impose at the time of license renewal a motor vehicle excise tax, at a
10 rate approved by the voters, but not exceeding one percent of the value
11 of every motor vehicle owned by a person residing within the city. No
12 tax may be imposed on vehicles licensed under RCW 46.16.070 except
13 vehicles with an unladen weight of six thousand pounds or less, RCW
14 46.16.079, 46.16.085, or 46.16.090.

15 Before the effective date of the resolution or ordinance imposing
16 the tax, cities imposing a tax under this section shall contract the
17 administration and collection to the state department of licensing and
18 department of revenue, as appropriate, which shall deduct an amount, as
19 provided by contract, for administration and collection expenses
20 incurred by the department. All administrative provisions in chapters
21 82.03, 82.32, and 82.44 RCW, insofar as they apply to state motor
22 vehicle excise taxes, also apply to taxes imposed under this section.
23 All administrative provisions in chapters 82.03, 82.08, 82.12, and
24 82.32 RCW, insofar as they apply to state sales and use taxes, also
25 apply to taxes imposed under this section.

26 IV. HIGHWAYS OF STATEWIDE SIGNIFICANCE

27 **Sec. 401.** RCW 47.05.021 and 1998 c 245 s 95 and 1998 c 171 s 5 are
28 each reenacted and amended to read as follows:

29 LEGISLATURE MAY DESIGNATE HIGHWAYS OF STATEWIDE SIGNIFICANCE. (1)
30 The transportation commission is hereby directed to conduct periodic
31 analyses of the entire state highway system, report thereon to the
32 chairs of the transportation committees of the senate and house of
33 representatives, including one copy to the staff of each of the
34 committees, biennially and based thereon, to subdivide, classify, and
35 subclassify according to their function and importance all designated
36 state highways and those added from time to time and periodically

1 review and revise the classifications into the following three
2 functional classes:

3 (a) The "principal arterial system" shall consist of a connected
4 network of rural arterial routes with appropriate extensions into and
5 through urban areas, including all routes designated as part of the
6 interstate system, which serve corridor movements having travel
7 characteristics indicative of substantial statewide and interstate
8 travel;

9 (b) The "minor arterial system" shall, in conjunction with the
10 principal arterial system, form a rural network of arterial routes
11 linking cities and other activity centers which generate long distance
12 travel, and, with appropriate extensions into and through urban areas,
13 form an integrated network providing interstate and interregional
14 service; and

15 (c) The "collector system" shall consist of routes which primarily
16 serve the more important intercounty, intracounty, and intraurban
17 travel corridors, collect traffic from the system of local access roads
18 and convey it to the arterial system, and on which, regardless of
19 traffic volume, the predominant travel distances are shorter than on
20 arterial routes.

21 (2) In making the functional classification the transportation
22 commission shall adopt and give consideration to criteria consistent
23 with this section and federal regulations relating to the functional
24 classification of highways, including but not limited to the following:

25 (a) Urban population centers within and without the state
26 stratified and ranked according to size;

27 (b) Important traffic generating economic activities, including but
28 not limited to recreation, agriculture, government, business, and
29 industry;

30 (c) Feasibility of the route, including availability of alternate
31 routes within and without the state;

32 (d) Directness of travel and distance between points of economic
33 importance;

34 (e) Length of trips;

35 (f) Character and volume of traffic;

36 (g) Preferential consideration for multiple service which shall
37 include public transportation;

38 (h) Reasonable spacing depending upon population density; and

39 (i) System continuity.

1 (3) The transportation commission or the legislature shall
2 designate state highways of statewide significance under RCW
3 47.06.140(~~(, and)~~). If the commission designates a state highway of
4 statewide significance, it shall submit a list of such facilities for
5 adoption by the ((1999)) legislature. This statewide system shall
6 include at a minimum interstate highways and other statewide principal
7 arterials that are needed to connect major communities across the state
8 and support the state's economy.

9 (4) The transportation commission shall designate a freight and
10 goods transportation system. This statewide system shall include state
11 highways, county roads, and city streets. The commission, in
12 cooperation with cities and counties, shall review and make
13 recommendations to the legislature regarding policies governing weight
14 restrictions and road closures which affect the transportation of
15 freight and goods.

16 NEW SECTION. Sec. 402. A new section is added to chapter 47.05
17 RCW to read as follows:

18 DESIGNATION OF STATE ROUTE NUMBER 509. The legislature designates
19 that portion of state route number 509 that runs or will run from state
20 route number 518 in the north to the intersection with interstate 5 in
21 the south as a state highway of statewide significance.

22 V. FINANCE

23 NEW SECTION. Sec. 501. REGIONAL TRANSPORTATION INVESTMENT
24 DISTRICT ACCOUNT. The regional transportation investment district
25 account is created in the custody of the state treasurer. The purpose
26 of this account is to act as an account into which may be deposited
27 state money, if any, that may be used in conjunction with district
28 money to fund transportation projects. The treasurer shall deposit
29 funds from the sales tax transfer authorized under section 105 of this
30 act into this account. Additionally, the district may deposit funds
31 into this account for disbursement, as appropriate, on transportation
32 projects. Nothing in this section requires any state matching money.
33 All money deposited in the regional transportation investment district
34 account will be used for design, right of way acquisition, capital
35 acquisition, and construction, or for the payment of debt service
36 associated with these activities, for regionally funded transportation

1 projects developed under this chapter. Only the district may authorize
2 expenditures from the account. The account is subject to allotment
3 procedures under chapter 43.88 RCW. An appropriation is not required
4 for expenditures from this account.

5 **Sec. 502.** RCW 47.56.075 and 1984 c 7 s 252 are each amended to
6 read as follows:

7 TOLL ROADS--REGIONAL TRANSPORTATION INVESTMENT DISTRICTS. The
8 department shall approve for construction only such toll roads as the
9 legislature specifically authorizes or such toll facilities as are
10 specifically sponsored by a regional transportation investment
11 district, city, town, or county.

12 **Sec. 503.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273
13 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended
14 to read as follows:

15 DEPOSIT OF SURPLUS BALANCE INVESTMENT EARNINGS--TREASURY INCOME
16 ACCOUNT--ACCOUNTS AND FUNDS CREDITED. (1) All earnings of investments
17 of surplus balances in the state treasury shall be deposited to the
18 treasury income account, which account is hereby established in the
19 state treasury.

20 (2) The treasury income account shall be utilized to pay or receive
21 funds associated with federal programs as required by the federal cash
22 management improvement act of 1990. The treasury income account is
23 subject in all respects to chapter 43.88 RCW, but no appropriation is
24 required for refunds or allocations of interest earnings required by
25 the cash management improvement act. Refunds of interest to the
26 federal treasury required under the cash management improvement act
27 fall under RCW 43.88.180 and shall not require appropriation. The
28 office of financial management shall determine the amounts due to or
29 from the federal government pursuant to the cash management improvement
30 act. The office of financial management may direct transfers of funds
31 between accounts as deemed necessary to implement the provisions of the
32 cash management improvement act, and this subsection. Refunds or
33 allocations shall occur prior to the distributions of earnings set
34 forth in subsection (4) of this section.

35 (3) Except for the provisions of RCW 43.84.160, the treasury income
36 account may be utilized for the payment of purchased banking services
37 on behalf of treasury funds including, but not limited to, depository,

1 safekeeping, and disbursement functions for the state treasury and
2 affected state agencies. The treasury income account is subject in all
3 respects to chapter 43.88 RCW, but no appropriation is required for
4 payments to financial institutions. Payments shall occur prior to
5 distribution of earnings set forth in subsection (4) of this section.

6 (4) Monthly, the state treasurer shall distribute the earnings
7 credited to the treasury income account. The state treasurer shall
8 credit the general fund with all the earnings credited to the treasury
9 income account except:

10 (a) The following accounts and funds shall receive their
11 proportionate share of earnings based upon each account's and fund's
12 average daily balance for the period: The capitol building
13 construction account, the Cedar River channel construction and
14 operation account, the Central Washington University capital projects
15 account, the charitable, educational, penal and reformatory
16 institutions account, the common school construction fund, the county
17 criminal justice assistance account, the county sales and use tax
18 equalization account, the data processing building construction
19 account, the deferred compensation administrative account, the deferred
20 compensation principal account, the department of retirement systems
21 expense account, the drinking water assistance account, the drinking
22 water assistance administrative account, the drinking water assistance
23 repayment account, the Eastern Washington University capital projects
24 account, the education construction fund, the emergency reserve fund,
25 the federal forest revolving account, the health services account, the
26 public health services account, the health system capacity account, the
27 personal health services account, the state higher education
28 construction account, the higher education construction account, the
29 highway infrastructure account, the industrial insurance premium refund
30 account, the judges' retirement account, the judicial retirement
31 administrative account, the judicial retirement principal account, the
32 local leasehold excise tax account, the local real estate excise tax
33 account, the local sales and use tax account, the medical aid account,
34 the mobile home park relocation fund, the multimodal transportation
35 account, the municipal criminal justice assistance account, the
36 municipal sales and use tax equalization account, the natural resources
37 deposit account, the oyster reserve land account, the perpetual
38 surveillance and maintenance account, the public employees' retirement
39 system plan 1 account, the public employees' retirement system combined

1 plan 2 and plan 3 account, the public health supplemental account, the
2 Puyallup tribal settlement account, the regional transportation
3 investment district account, the resource management cost account, the
4 site closure account, the special wildlife account, the state
5 employees' insurance account, the state employees' insurance reserve
6 account, the state investment board expense account, the state
7 investment board commingled trust fund accounts, the supplemental
8 pension account, the teachers' retirement system plan 1 account, the
9 teachers' retirement system combined plan 2 and plan 3 account, the
10 tobacco prevention and control account, the tobacco settlement account,
11 the transportation infrastructure account, the tuition recovery trust
12 fund, the University of Washington bond retirement fund, the University
13 of Washington building account, the volunteer fire fighters' and
14 reserve officers' relief and pension principal fund, the volunteer fire
15 fighters' and reserve officers' administrative fund, the Washington
16 fruit express account, the Washington judicial retirement system
17 account, the Washington law enforcement officers' and fire fighters'
18 system plan 1 retirement account, the Washington law enforcement
19 officers' and fire fighters' system plan 2 retirement account, the
20 Washington school employees' retirement system combined plan 2 and 3
21 account, the Washington state health insurance pool account, the
22 Washington state patrol retirement account, the Washington State
23 University building account, the Washington State University bond
24 retirement fund, the water pollution control revolving fund, and the
25 Western Washington University capital projects account. Earnings
26 derived from investing balances of the agricultural permanent fund, the
27 normal school permanent fund, the permanent common school fund, the
28 scientific permanent fund, and the state university permanent fund
29 shall be allocated to their respective beneficiary accounts. All
30 earnings to be distributed under this subsection (4)(a) shall first be
31 reduced by the allocation to the state treasurer's service fund
32 pursuant to RCW 43.08.190.

33 (b) The following accounts and funds shall receive eighty percent
34 of their proportionate share of earnings based upon each account's or
35 fund's average daily balance for the period: The aeronautics account,
36 the aircraft search and rescue account, the county arterial
37 preservation account, the department of licensing services account, the
38 essential rail assistance account, the ferry bond retirement fund, the
39 grade crossing protective fund, the high capacity transportation

1 account, the highway bond retirement fund, the highway safety account,
2 the motor vehicle fund, the motorcycle safety education account, the
3 pilotage account, the public transportation systems account, the Puget
4 Sound capital construction account, the Puget Sound ferry operations
5 account, the recreational vehicle account, the rural arterial trust
6 account, the safety and education account, the special category C
7 account, the state patrol highway account, the transportation equipment
8 fund, the transportation fund, the transportation improvement account,
9 the transportation improvement board bond retirement account, and the
10 urban arterial trust account.

11 (5) In conformance with Article II, section 37 of the state
12 Constitution, no treasury accounts or funds shall be allocated earnings
13 without the specific affirmative directive of this section.

14 NEW SECTION. **Sec. 504.** A new section is added to chapter 82.14
15 RCW to read as follows:

16 SALES AND USE TAX. (1) If approved by the majority of the voters
17 within its boundaries voting on the ballot proposition, a regional
18 transportation investment district may impose a sales and use tax of up
19 to 0.5 percent of the selling price or value of the article used in the
20 case of a use tax. The tax authorized by this section is in addition
21 to the tax authorized by RCW 82.14.030 and must be collected from those
22 persons who are taxable by the state under chapters 82.08 and 82.12 RCW
23 upon the occurrence of any taxable event within the taxing district.
24 Motor vehicles are exempt from the sales and use tax imposed under this
25 subsection.

26 (2) If approved by the majority of the voters within its boundaries
27 voting on the ballot proposition, a regional transportation investment
28 district may impose a tax on the use of a motor vehicle within a
29 regional transportation investment district. The tax applies to those
30 persons who reside within the regional transportation investment
31 district. The rate of the tax may not exceed 0.5 percent of the value
32 of the motor vehicle. The tax authorized by this subsection is in
33 addition to the tax authorized under RCW 82.14.030 and must be imposed
34 and collected at the time a taxable event under RCW 82.08.020(1) or
35 82.12.020 takes place. All revenue received under this subsection must
36 be deposited in the local sales and use tax account and distributed to
37 the regional transportation investment district according to RCW

1 82.14.050. The following provisions apply to the use tax in this
2 subsection:

3 (a) Where persons are taxable under chapter 82.08 RCW, the seller
4 shall collect the use tax from the buyer using the collection
5 provisions of RCW 82.08.050.

6 (b) Where persons are taxable under chapter 82.12 RCW, the use tax
7 must be collected using the provisions of RCW 82.12.045.

8 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but
9 does not include farm tractors or farm vehicles as defined in RCW
10 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
11 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

12 (d) "Person" has the meaning given in RCW 82.04.030.

13 (e) The value of a motor vehicle must be determined under RCW
14 82.12.010.

15 (f) Except as specifically stated in this subsection (2), chapters
16 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax
17 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW
18 applies fully to the use tax.

19 NEW SECTION. **Sec. 505.** A new section is added to chapter 43.135
20 RCW to read as follows:

21 SALES AND USE TAX TRANSFER. A transfer or credit from the general
22 fund of sales and use tax paid on a transportation project being
23 constructed by a regional transportation investment district does not
24 require a corresponding lowering of the state expenditure limit to
25 reflect this shift for purposes of RCW 43.135.035(4).

26 **Sec. 506.** RCW 82.14.050 and 1999 c 165 s 14 are each amended to
27 read as follows:

28 CONTRACTS FOR COLLECTION OF SALES AND USE TAX. The counties,
29 cities, and transportation authorities under RCW 82.14.045 ((and)),
30 public facilities districts under chapters 36.100 and 35.57 RCW, and
31 regional transportation investment districts shall contract, prior to
32 the effective date of a resolution or ordinance imposing a sales and
33 use tax, the administration and collection to the state department of
34 revenue, which shall deduct a percentage amount, as provided by
35 contract, not to exceed two percent of the taxes collected for
36 administration and collection expenses incurred by the department. The
37 remainder of any portion of any tax authorized by this chapter

1 ((which)) that is collected by the department of revenue shall be
2 deposited by the state department of revenue in the local sales and use
3 tax account hereby created in the state treasury. Moneys in the local
4 sales and use tax account may be spent only for distribution to
5 counties, cities, transportation authorities, ((and)) public facilities
6 districts, and regional transportation investment districts imposing a
7 sales and use tax. All administrative provisions in chapters 82.03,
8 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be
9 amended, shall, insofar as they are applicable to state sales and use
10 taxes, be applicable to taxes imposed pursuant to this chapter. Except
11 as provided in RCW 43.08.190, all earnings of investments of balances
12 in the local sales and use tax account shall be credited to the local
13 sales and use tax account and distributed to the counties, cities,
14 transportation authorities, ((and)) public facilities districts, and
15 regional transportation investment districts monthly.

16 NEW SECTION. Sec. 507. A new section is added to chapter 82.32
17 RCW to read as follows:

18 TRANSFER OF SALES TAX ON TOLL PROJECTS. (1) The tax imposed and
19 collected under chapters 82.08 and 82.12 RCW, less any credits allowed
20 under chapter 82.14 RCW, on initial construction for a transportation
21 project to be constructed under chapter 36.-- RCW (sections 101 through
22 118, 201, and 501 of this act), must be transferred to the
23 transportation project to defray costs or pay debt service on that
24 transportation project. In the case of a toll project, this transfer
25 or credit must be used to lower the overall cost of the project and
26 thereby the corresponding tolls.

27 (2) This transaction is exempt from the requirements in RCW
28 43.135.035(4).

29 (3) Government entities constructing transportation projects under
30 chapter 36.-- RCW (sections 101 through 118, 201, and 501 of this act)
31 shall report to the department the amount of state sales or use tax
32 covered under this section.

33 NEW SECTION. Sec. 508. A new section is added to chapter 82.80
34 RCW to read as follows:

35 LOCAL OPTION VEHICLE LICENSE FEE. (1) Upon approval of a majority
36 of the voters within its boundaries voting on the ballot proposition,
37 a regional transportation investment district may set and impose an

1 annual local option vehicle license fee, or a schedule of fees based
2 upon the age of the vehicle, of up to one hundred dollars per motor
3 vehicle registered within the boundaries of the region on every motor
4 vehicle. As used in this section "motor vehicle" has the meaning
5 provided in RCW 46.04.320, but does not include farm tractors or farm
6 vehicles as defined in RCW 46.04.180 and 46.04.181, off-road and
7 nonhighway vehicles as defined in RCW 46.09.020, and snowmobiles as
8 defined in RCW 46.10.010. Vehicles registered under chapter 46.87 RCW
9 and the International Registration Plan are exempt from the annual
10 local option vehicle license fee set forth in this section. The
11 department of licensing shall administer and collect this fee on behalf
12 of regional transportation investment districts and remit this fee to
13 the custody of the state treasurer for monthly distribution under RCW
14 82.80.080.

15 (2) The local option vehicle license fee applies only when renewing
16 a vehicle registration, and is effective upon the registration renewal
17 date as provided by the department of licensing.

18 (3) A regional transportation investment district imposing the
19 local option vehicle license fee or initiating an exemption process
20 shall enter into a contract with the department of licensing. The
21 contract must contain provisions that fully recover the costs to the
22 department of licensing for collection and administration of the fee.

23 (4) A regional transportation investment district imposing the
24 local option fee shall delay the effective date of the local option
25 vehicle license fee imposed by this section at least six months from
26 the date of the final certification of the approval election to allow
27 the department of licensing to implement the administration and
28 collection of or exemption from the fee.

29 NEW SECTION. **Sec. 509.** A new section is added to chapter 47.56
30 RCW to read as follows:

31 **AUTHORIZATION FOR DISTRICT TO IMPOSE TOLLS.** Upon approval of a
32 majority of the voters within its boundaries voting on the ballot
33 proposition, and only for the purposes authorized in section 105(1)(g)
34 of this act, a regional transportation investment district may impose
35 vehicle tolls on state routes where improvements financed in whole or
36 in part by a regional transportation investment district add additional
37 lanes to, or reconstruct lanes on, a highway of statewide significance.
38 The department shall administer the collection of vehicle tolls on

1 designated facilities unless otherwise specified in law, and the state
2 transportation commission, or its successor, shall be the tolling
3 authority.

4 **Sec. 510.** RCW 47.56.075 and 1984 c 7 s 252 are each amended to
5 read as follows:

6 DEPARTMENT OF TRANSPORTATION AUTHORIZATION FOR DISTRICT TOLL
7 FACILITIES. The department shall approve for construction only such
8 toll roads as the legislature specifically authorizes or such toll
9 facilities as are specifically sponsored by a regional transportation
10 investment district, city, town, or county.

11 **Sec. 511.** RCW 81.100.010 and 1990 c 43 s 12 are each amended to
12 read as follows:

13 DISTRICT AUTHORITY TO IMPOSE HIGH-OCCUPANCY VEHICLE TAXES. The
14 need for mobility, growing travel demand, and increasing traffic
15 congestion in urban areas necessitate accelerated development and
16 increased utilization of the high_occupancy vehicle system. RCW
17 81.100.030 and 81.100.060 provide taxing authority that counties or
18 regional transportation investment districts can use in the near term
19 to accelerate development and increase utilization of the
20 high_occupancy vehicle system by supplementing available federal,
21 state, and local funds.

22 **Sec. 512.** RCW 81.100.030 and 1991 c 363 s 153 are each amended to
23 read as follows:

24 DISTRICT AUTHORITY TO IMPOSE HIGH-OCCUPANCY VEHICLE EMPLOYER TAX.
25 (1) A county with a population of one million or more, or 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 and having within its boundaries existing or planned high_occupancy
29 vehicle lanes on the state highway system, or a regional transportation
30 investment district for capital improvements, but only to the extent
31 that the tax has not already been imposed by the county, may, with
32 voter approval impose an excise tax of up to two dollars per employee
33 per month on all employers or any class or classes of employers, public
34 and private, including the state located in the agency's jurisdiction,
35 measured by the number of full-time equivalent employees. In no event
36 may the total taxes imposed under this section exceed two dollars per

1 employee per month for any single employer. The county or investment
2 district imposing the tax authorized in this section may provide for
3 exemptions from the tax to such educational, cultural, health,
4 charitable, or religious organizations as it deems appropriate.

5 Counties or investment districts may contract with the state
6 department of revenue or other appropriate entities for administration
7 and collection of the tax. Such contract shall provide for deduction
8 of an amount for administration and collection expenses.

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

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

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

26 If the tax authorized in RCW 81.100.060 is also imposed (~~by the~~
27 ~~county~~), the total proceeds from both tax sources each year shall not
28 exceed the maximum amount which could be collected under RCW
29 81.100.060.

30 **Sec. 513.** RCW 81.100.060 and 1998 c 321 s 34 are each amended to
31 read as follows:

32 DISTRICT AUTHORITY TO IMPOSE HIGH-OCCUPANCY VEHICLE MOTOR VEHICLE
33 EXCISE TAX. A county with a population of one million or more and a
34 county with a population of from two hundred ten thousand to less than
35 one million that is adjoining a county with a population of one million
36 or more, having within their boundaries existing or planned
37 high-occupancy vehicle lanes on the state highway system, or a regional
38 transportation investment district for capital improvements, but only

1 to the extent that the surcharge has not already been imposed by the
2 county, may, with voter approval, impose a local surcharge of not more
3 than ~~((13.64 percent on the state motor vehicle excise tax paid under~~
4 ~~RCW 82.44.020(1)))~~ three-tenths of one percent of the value on vehicles
5 registered to a person residing within the county and not more than
6 13.64 percent on the state sales and use taxes paid under the rate in
7 RCW 82.08.020(2) on retail car rentals within the county or investment
8 district. A county may impose the surcharge only to the extent that it
9 has not been imposed by the district. No surcharge may be imposed on
10 vehicles licensed under RCW 46.16.070 except vehicles with an unladen
11 weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or
12 46.16.090.

13 Counties or investment districts imposing a tax under this section
14 shall contract, before the effective date of the resolution or
15 ordinance imposing a surcharge, administration and collection to the
16 state department of licensing, and department of revenue, as
17 appropriate, which shall deduct an amount, as provided by contract, for
18 administration and collection expenses incurred by the department. All
19 administrative provisions in chapters 82.03, 82.32, and 82.44 RCW
20 shall, insofar as they are applicable to ~~((state))~~ motor vehicle excise
21 taxes, be applicable to surcharges imposed under this section. All
22 administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32
23 RCW shall, insofar as they are applicable to state sales and use taxes,
24 be applicable to surcharges imposed under this section.

25 If the tax authorized in RCW 81.100.030 is also imposed ~~((by the~~
26 ~~county))~~, the total proceeds from tax sources imposed under this
27 section and RCW 81.100.030 each year shall not exceed the maximum
28 amount which could be collected under this section.

29 **Sec. 514.** RCW 82.80.030 and 1990 c 42 s 208 are each amended to
30 read as follows:

31 DISTRICT AUTHORITY TO IMPOSE PARKING TAX. (1) Subject to the
32 conditions of this section, the legislative authority of a county
33 ~~((or))~~, city, or district may fix and impose a parking tax on all
34 persons engaged in a commercial parking business within its respective
35 jurisdiction. A city or county may impose the tax only to the extent
36 that it has not been imposed by the district, and a district may impose
37 the tax only to the extent that it has not been imposed by a city or
38 county. The jurisdiction of a county, for purposes of this section,

1 includes only the unincorporated area of the county. The jurisdiction
2 of a city, or district includes only the area within its
3 (~~incorporated~~) boundaries.

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

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

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

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

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

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

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

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

22 (3) "Commercial parking business" as used in this section, means
23 the ownership, lease, operation, or management of a commercial parking
24 lot in which fees are charged. "Commercial parking lot" means a
25 covered or uncovered area with stalls for the purpose of parking motor
26 vehicles.

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

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

37 (6) The proceeds of the commercial parking tax fixed and imposed by
38 a city or county under subsection (1) or (2) of this section shall be
39 used strictly for transportation purposes in accordance with RCW

1 82.80.070. The proceeds of the parking tax imposed by a district must
2 be used as provided in chapter 36.-- RCW (sections 101 through 118,
3 201, and 501 of this act).

4 **Sec. 515.** RCW 82.80.070 and 1991 c 141 s 4 are each amended to
5 read as follows:

6 REQUIRES THAT LOCAL OPTION TAXES IMPOSED BY DISTRICT BE USED FOR
7 DISTRICT TRANSPORTATION PROJECTS. (1) The proceeds collected pursuant
8 to the exercise of the local option authority of RCW 82.80.010,
9 82.80.020, 82.80.030, and 82.80.050 (hereafter called "local option
10 transportation revenues") shall be used for transportation purposes
11 only, including but not limited to the following: The operation and
12 preservation of roads, streets, and other transportation improvements;
13 new construction, reconstruction, and expansion of city streets, county
14 roads, and state highways and other transportation improvements;
15 development and implementation of public transportation and high-
16 capacity transit improvements and programs; and planning, design, and
17 acquisition of right of way and sites for such transportation purposes.
18 The proceeds collected from excise taxes on the sale, distribution, or
19 use of motor vehicle fuel and special fuel under RCW 82.80.010 shall be
20 used exclusively for "highway purposes" as that term is construed in
21 Article II, section 40 of the state Constitution.

22 (2) The local option transportation revenues shall be expended for
23 transportation uses consistent with the adopted transportation and land
24 use plans of the jurisdiction expending the funds and consistent with
25 any applicable and adopted regional transportation plan for
26 metropolitan planning areas.

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

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

34 (b) The program shall be based on an adopted transportation plan
35 for the geographic areas covered and shall identify the proposed
36 operation and construction of transportation improvements and services
37 in the designated plan area intended to be funded in whole or in part

1 by local option transportation revenues and shall identify the annual
2 costs applicable to the program.

3 (c) The program shall indicate how the local transportation plan is
4 coordinated with applicable transportation plans for the region and for
5 adjacent jurisdictions.

6 (d) The program shall include at least a six-year funding plan,
7 updated annually, identifying the specific public and private sources
8 and amounts of revenue necessary to fund the program. The program
9 shall include a proposed schedule for construction of projects and
10 expenditure of revenues. The funding plan shall consider the
11 additional local tax revenue estimated to be generated by new
12 development within the plan area if all or a portion of the additional
13 revenue is proposed to be earmarked as future appropriations for
14 transportation improvements in the program.

15 (4) Local governments with a population greater than eight thousand
16 exercising the authority for local option transportation funds shall
17 periodically review and update their transportation program to ensure
18 that it is consistent with applicable local and regional transportation
19 and land use plans and within the means of estimated public and private
20 revenue available.

21 (5) In the case of expenditure for new or expanded transportation
22 facilities, improvements, and services, priorities in the use of local
23 option transportation revenues shall be identified in the
24 transportation program and expenditures shall be made based upon the
25 following criteria, which are stated in descending order of weight to
26 be attributed:

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

28 (b) Second, it is necessitated by existing or reasonably
29 foreseeable congestion;

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

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

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

37 (6) It is the intent of the legislature that as a condition of
38 levying, receiving, and expending local option transportation revenues,
39 no local government agency use the revenues to replace, divert, or loan

1 any revenues currently being used for transportation purposes to
2 nontransportation purposes. The association of Washington cities and
3 the Washington state association of counties, in consultation with the
4 legislative transportation committee, shall study the issue of
5 nondiversion and make recommendations to the legislative transportation
6 committee for language implementing the intent of this section by
7 December 1, 1990.

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

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

16 (9) Subsections (1) through (8) of this section do not apply to a
17 regional transportation investment district imposing a tax or fee under
18 the local option authority of this chapter. Proceeds collected under
19 the exercise of local option authority under this chapter by a district
20 must be used in accordance with chapter 36.-- RCW (sections 101 through
21 118, 201, and 501 of this act).

22 **Sec. 516.** RCW 82.80.080 and 1998 c 281 s 2 are each amended to
23 read as follows:

24 LOCAL OPTION TAX REVENUE DISTRIBUTION. (1) The state treasurer
25 shall distribute revenues, less authorized deductions, generated by the
26 local option taxes authorized in RCW 82.80.010 and 82.80.020, levied by
27 counties to the levying counties, and cities contained in those
28 counties, based on the relative per capita population. County
29 population for purposes of this section is equal to one and one-half of
30 the unincorporated population of the county. In calculating the
31 distributions, the state treasurer shall use the population estimates
32 prepared by the state office of financial management and shall further
33 calculate the distribution based on information supplied by the
34 departments of licensing and revenue, as appropriate.

35 (2) The state treasurer shall distribute revenues, less authorized
36 deductions, generated by the local option taxes authorized in RCW
37 82.80.010 and 82.80.020 levied by qualifying cities and towns to the
38 levying cities and towns.

1 new section to chapter 43.135 RCW; adding a new section to chapter
2 82.32 RCW; adding new sections to chapter 82.80 RCW; adding a new
3 section to chapter 47.56 RCW; adding a new chapter to Title 36 RCW; and
4 creating new sections."

--- END ---

EFFECT: Technical striking amendment to clarify that (1) the parking tax may only be imposed if no other entity imposes it (i.e., no "double taxation" on parking); and (2) vehicle fees are collected at the time of renewal.