

2 **ESHB 2969** - S AMD 894

3 By Senators Haugen, Jacobsen, Horn, McDonald, Benton, Gardner

4 ADOPTED 03/14/02

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

7 **"PART I - ACCOUNTABILITY FOR TRANSPORTATION PROJECTS AND PROGRAMS**

8 NEW SECTION. **Sec. 101.** It is essential that the legislature  
9 improve the accountability and efficiency of the department of  
10 transportation. Taxpayers must know that their tax dollars are being  
11 well spent to deliver critically needed transportation projects. To  
12 accomplish this, a transportation accountability process must be  
13 established to provide oversight on transportation projects. The  
14 legislative transportation accountability committee will replace and  
15 assume the duties and responsibilities of the legislative  
16 transportation committee and, additionally, in conjunction with an  
17 independent transportation accountability board, report to the public  
18 on how tax dollars are spent on projects funded by new transportation  
19 taxes under this act.

20 NEW SECTION. **Sec. 102.** In addition to the legislative  
21 transportation accountability committee's other responsibilities under  
22 this chapter, the committee has the following responsibilities:

23 (1) Direct the department of transportation to submit a  
24 transportation accountability audit report as required under section  
25 103 of this act;

26 (2) Report annually to the governor and the legislature on the  
27 department's progress on each project as further defined in section 103  
28 of this act;

29 (3) When necessary, make policy recommendations for improving  
30 efficiencies, savings, or improvements in the department's project  
31 management, accountability measures, or project delivery mechanisms;

32 (4) Recommend any leading edge transportation project delivery  
33 strategies, oversight, accountability, or efficiency measures; and

1 (5) Appoint members of the transportation accountability board as  
2 nominated by the governor pursuant to section 106 of this act.

3 NEW SECTION. **Sec. 103.** The department of transportation shall  
4 prepare and submit to the transportation commission once each quarter  
5 a comprehensive audit report on each transportation project funded by  
6 this act. The audit report shall be known as the "transportation  
7 accountability audit." For the purposes of this act, the audit must  
8 include the following elements:

9 (1) Project status and any scope changes;

10 (2) Estimated completion date and cost, noting any changes from  
11 past estimates;

12 (3) Actual project expenditures as compared with projected  
13 expenditures;

14 (4) Any changes in financing for each project;

15 (5) Claim or change orders that result in greater than a five-  
16 percent cumulative increase in project cost, or greater than sixty days  
17 of delay;

18 (6) Status of any required permits;

19 (7) Mitigation efforts to relieve both traffic and environmental  
20 impacts;

21 (8) Evaluation of work force effectiveness, including both state  
22 employees and contractors;

23 (9) Outlook for the upcoming year, including projected  
24 accomplishments and challenges;

25 (10) Copies of any accountability reports filed with the federal  
26 highway administration; and

27 (11) Any other useful information the committee or commission  
28 requests.

29 NEW SECTION. **Sec. 104.** The transportation commission must review  
30 the proposed transportation accountability audit submitted by the  
31 department. After reviewing the information contained therein, the  
32 commission may request additional information or data, or ask for  
33 clarifications. The commission is prohibited from changing any of the  
34 data contained in the audit report.

35 After conducting its review, the commission must forward the  
36 transportation accountability audit to the legislative transportation  
37 accountability committee and the transportation accountability board.

1        NEW SECTION.    **Sec. 105.**    (1) Upon completion of its review under  
2 section 104 of this act, the transportation commission shall forward  
3 the transportation accountability audit to the transportation  
4 accountability board and the legislative transportation accountability  
5 committee. The transportation accountability board will accept or  
6 reject the report.

7        (a) In determining whether to accept or reject the report, the  
8 board:

9        (i) Will analyze, investigate, and evaluate the data contained in  
10 the audit report;

11        (ii) May, when authorized by the legislative transportation  
12 accountability committee, contract out for planners, consultants, and  
13 other technical personnel to assist in the audit review process; and

14        (iii) May request additional information or data from the  
15 department of transportation.

16        (b) As part of the evaluation process, the board may make  
17 recommendations to the legislative transportation accountability  
18 committee for efficiencies, savings, or improvements in the  
19 department's project management, accountability measures, or project  
20 delivery mechanisms.

21        (2) After reviewing the report, the board must forward the  
22 transportation accountability audit and recommendations to the office  
23 of financial management and the legislative transportation  
24 accountability committee.

25        (3) The legislative transportation accountability committee must  
26 make the transportation accountability audit report available to the  
27 public.

28        (4) In addition to its regular staff, the legislative  
29 transportation accountability committee is authorized to contract out  
30 for planners, consultants, and other technical personnel to advise it,  
31 or the board at its request, in the performance of its duties, assist  
32 in the review of the transportation accountability audit, and to assist  
33 in other audits initiated by the committee.

34        (5) Staff support to the board must be provided by the legislative  
35 transportation accountability committee, which shall provide  
36 professional support for the duties, functions, responsibilities, and  
37 activities of the board, including but not limited to information  
38 technology systems; data collection, processing, analysis, and  
39 reporting; project management; and office space, equipment, and

1 secretarial support. The legislative evaluation and accountability  
2 program will provide data and information technology support consistent  
3 with the support currently supplied to existing legislative committees.

4 NEW SECTION. **Sec. 106.** (1) The transportation accountability  
5 board is created.

6 (2) The board will consist of no fewer than five and no more than  
7 nine members nominated by the governor, and selected by the legislative  
8 transportation accountability committee, for terms of four years,  
9 except that at least half the members initially appointed will be  
10 appointed for terms of two years. The members of the board must be  
11 chosen so the board will have experience and expertise relating to  
12 major civil engineering and construction works and facilities to  
13 include: (a) Design, estimating, contract packaging, and procurement;  
14 (b) construction means and methods and construction management and  
15 administration; (c) project finance, accounting, controls, and  
16 reporting; (d) procedures for obtaining permits and for assuring  
17 regulatory compliance; (e) dispute resolution; (f) construction work  
18 force training and safety; (g) general public administration; and (h)  
19 experience crafting and implementing environmental mitigation plans.

20 (3) The legislative transportation accountability committee may not  
21 remove members from the board before the expiration of their terms  
22 unless for cause based upon a determination of incapacity,  
23 incompetence, neglect of duty, or malfeasance in office by the Thurston  
24 county superior court, upon petition and show cause proceedings brought  
25 for that purpose in that court and directed to the board member in  
26 question.

27 (4) No member may be appointed for more than three consecutive  
28 terms.

29 NEW SECTION. **Sec. 107.** (1) The board shall meet periodically. It  
30 may adopt its own rules and may establish its own procedures. It shall  
31 act collectively in harmony with recorded resolutions or motions  
32 adopted by a majority vote of the members. The board shall be  
33 compensated from the general appropriation for the legislative  
34 transportation accountability committee and in accordance with RCW  
35 43.03.250.

36 (2) Each member of the board will be compensated in accordance with  
37 RCW 43.03.250 and reimbursed for actual necessary traveling and other

1 expenses in going to, attending, and returning from meetings of the  
2 board or that are incurred in the discharge of duties requested by the  
3 chairman. However, in no event may a board member be compensated in  
4 any year for more than one hundred twenty days, except the chairman may  
5 be compensated for not more than one hundred fifty days. Service on  
6 the board does not qualify as a service credit for the purposes of a  
7 public retirement system.

8 (3) The board shall keep proper records and is subject to audit by  
9 the state auditor or other auditing entities.

10 NEW SECTION. **Sec. 108.** Sections 101 through 107 of this act are  
11 each added to chapter 44.40 RCW.

12 **Sec. 109.** RCW 44.40.010 and 1999 sp.s. c 1 s 616 are each amended  
13 to read as follows:

14 The joint fact-finding committee on highways, streets, and bridges  
15 originally created by chapter 111, Laws of 1947, recreated and renamed  
16 the joint committee on highways by chapter 3, Laws of 1963  
17 extraordinary session, recreated and renamed the legislative  
18 transportation committee by chapter 87, Laws of 1980, is hereby  
19 recreated and renamed the legislative transportation accountability  
20 committee. The renaming of said committee shall not affect any powers  
21 invested in it or its duties imposed upon it by any other statute. All  
22 appropriations made to the committee under its former name shall  
23 continue to be available to said committee as renamed, the legislative  
24 transportation accountability committee. The committee shall consist  
25 of twelve senators to be appointed by the president of the senate and  
26 twelve members of the house of representatives to be appointed by the  
27 speaker thereof. Not more than six members from each house may be from  
28 the same political party. A list of appointees shall be submitted  
29 before the close of each regular legislative session during an odd-  
30 numbered year or any successive special session convened by the  
31 governor or the legislature prior to the close of such regular session  
32 or successive special session(s) for confirmation of senate members, by  
33 the senate, and house members, by the house. Vacancies occurring shall  
34 be filled by the appointing authority. All vacancies must be filled  
35 from the same political party and from the same house as the member  
36 whose seat was vacated.

1       (~~On May 27, 1999, the president of the senate shall appoint an~~  
2 ~~additional senate member as provided by the 1999 amendment of this~~  
3 ~~section. With the appointment of the additional member, the terms of~~  
4 ~~officers elected before May 27, 1999, are terminated, and the committee~~  
5 ~~shall hold a new election of officers.))~~

6       The committee shall adopt rules and procedures for its orderly  
7 operation.

8       **Sec. 110.** RCW 44.40.013 and 2001 c 259 s 5 are each amended to  
9 read as follows:

10       The administration of the legislative transportation accountability  
11 committee is subject to RCW 44.04.260.

12       **Sec. 111.** RCW 44.40.015 and 2001 c 259 s 6 are each amended to  
13 read as follows:

14       The members of the legislative transportation accountability  
15 committee shall form an executive committee consisting of two members  
16 from each of the four major political caucuses, which will include the  
17 chair and vice-chair of the legislative transportation accountability  
18 committee. There will be four alternates to the executive committee,  
19 one from each of the four major political caucuses. Each alternate may  
20 represent a member from the same political caucus from which they were  
21 chosen when that member is absent, and have voting privileges during  
22 that absence.

23       Subject to RCW 44.04.260, the executive committee is responsible  
24 for performing all general administrative and personnel duties assigned  
25 to it in the rules and procedures adopted by the committee, determining  
26 the number of legislative transportation accountability committee  
27 staff, and other duties delegated to it by the committee. Except when  
28 those responsibilities are assumed by the legislative transportation  
29 accountability committee, and subject to RCW 44.04.260, the executive  
30 committee is responsible for adopting interim work plans and meeting  
31 schedules, approving all contracts signed on behalf of the committee,  
32 and setting policies for legislative transportation accountability  
33 committee staff utilization.

34       **Sec. 112.** RCW 44.40.020 and 1996 c 129 s 9 are each amended to  
35 read as follows:

1 (1) The committee is authorized and directed to continue its  
2 studies and for that purpose shall have the powers set forth in chapter  
3 111, Laws of 1947. The committee is further authorized to make studies  
4 related to bills assigned to the house and senate transportation  
5 committees and such other studies as provided by law. The executive  
6 committee of the committee may assign responsibility for all or part of  
7 the conduct of studies to the house and/or senate transportation  
8 committees.

9 (2) The committee may review and approve franchise agreements  
10 entered into by the department of transportation under RCW  
11 (~~43.51.113~~) 79A.05.125.

12 **Sec. 113.** RCW 44.40.025 and 1996 c 288 s 49 are each amended to  
13 read as follows:

14 In addition to the powers and duties authorized in RCW 44.40.020,  
15 the committee and the standing committees on transportation of the  
16 house and senate shall, in coordination with the joint legislative  
17 audit and review committee, the legislative evaluation and  
18 accountability program committee, and the ways and means committees of  
19 the senate and house of representatives, ascertain, study, and/or  
20 analyze all available facts and matters relating or pertaining to  
21 sources of revenue, appropriations, expenditures, and financial  
22 condition of the motor vehicle fund and accounts thereof, the highway  
23 safety fund, and all other funds or accounts related to transportation  
24 programs of the state.

25 The joint legislative audit and review committee, the legislative  
26 evaluation and accountability program committee, and the ways and means  
27 committees of the senate and house of representatives shall coordinate  
28 their activities with the legislative transportation accountability  
29 committee in carrying out the committees' powers and duties under  
30 chapter 43.88 RCW in matters relating to the transportation programs of  
31 the state.

32 **Sec. 114.** RCW 44.40.030 and 1982 c 227 s 17 are each amended to  
33 read as follows:

34 In addition to the powers and duties heretofore conferred upon it,  
35 the legislative transportation accountability committee may participate  
36 in: (1) The activities of committees of the council of state  
37 governments concerned with transportation activities; (2) activities of

1 the national committee on uniform traffic laws and ordinances; (3) any  
2 interstate reciprocity or proration meetings designated by the  
3 department of licensing; and (4) such other organizations as it deems  
4 necessary and appropriate.

5 **Sec. 115.** RCW 44.40.040 and 2001 c 259 s 7 are each amended to  
6 read as follows:

7 The members of the legislative transportation accountability  
8 committee and the house and senate transportation committees shall  
9 receive allowances while attending meetings of the committees or  
10 subcommittees and while engaged in other authorized business of the  
11 committees as provided in RCW 44.04.120. Subject to RCW 44.04.260, all  
12 expenses incurred by the committee, and the house and senate  
13 transportation committees, including salaries of employees of the  
14 legislative transportation accountability committee, shall be paid upon  
15 voucher forms as provided by the office of financial management and  
16 signed by the chairman or vice chairman or authorized designee of the  
17 chairman of the committee, and the authority of said chairman or vice  
18 chairman to sign vouchers shall continue until their successors are  
19 selected. Vouchers may be drawn upon funds appropriated for the  
20 expenses of the committee.

21 **Sec. 116.** RCW 44.40.070 and 1998 c 245 s 87 are each amended to  
22 read as follows:

23 Prior to October 1st of each even-numbered year all state agencies  
24 whose major programs consist of transportation activities, including  
25 the department of transportation, the transportation improvement board,  
26 the Washington state patrol, the department of licensing, the traffic  
27 safety commission, the county road administration board, and the board  
28 of pilotage commissioners, shall adopt or revise, after consultation  
29 with the legislative transportation accountability committee, a  
30 comprehensive six-year program and financial plan for all  
31 transportation activities under each agency's jurisdiction.

32 The comprehensive six-year program and financial plan shall state  
33 the general objectives and needs of each agency's major transportation  
34 programs, including workload and performance estimates.

35 **Sec. 117.** RCW 44.40.090 and 2001 c 259 s 8 are each amended to  
36 read as follows:



1 Subject to RCW 44.04.260, powers and duties enumerated by this  
2 chapter shall be delegated to the senate and house transportation  
3 committees during periods when the legislative transportation  
4 accountability committee is not appointed.

5 **Sec. 118.** RCW 44.40.100 and 2001 c 259 s 9 are each amended to  
6 read as follows:

7 Subject to RCW 44.04.260, the legislative transportation  
8 accountability committee and the senate and house transportation  
9 committees may enter into contracts on behalf of the state to carry out  
10 the purposes of this chapter; and it or they may act for the state in  
11 the initiation of or participation in any multigovernmental program  
12 relative to transportation planning or programming; and it or they may  
13 enter into contracts to receive federal or other funds, grants, or  
14 gifts to carry out said purposes and to be used in preference to or in  
15 combination with state funds. When federal or other funds are  
16 received, they shall be deposited with the state treasurer and  
17 thereafter expended only upon approval by the committee or committees.

18 **Sec. 119.** RCW 44.40.140 and 1983 c 212 s 2 are each amended to  
19 read as follows:

20 Prior to the start of each regular legislative session in an odd-  
21 numbered year, the legislative transportation accountability committee  
22 shall review the policy of the state concerning fees imposed on  
23 nonpolluting fuels under RCW 82.38.075, and shall report its findings  
24 and recommendations for change, if any, to the legislature.

25 **Sec. 120.** RCW 44.40.150 and 1998 c 245 s 88 are each amended to  
26 read as follows:

27 (1) The legislative transportation accountability committee shall  
28 undertake a study and develop recommendations for legislative and  
29 executive consideration that will:

30 (a) Increase the efficiency and effectiveness of state  
31 transportation programs and reduce costs;

32 (b) Enhance the accountability and organizational soundness of all  
33 transportation modes;

34 (c) Encourage better communication between local jurisdictions and  
35 the department of transportation in developing engineering plans and  
36 subsequent construction projects;

1 (d) Encourage private sector support and financial participation in  
2 project development and construction of transportation projects;

3 (e) Develop long-range goals that reflect changing technology and  
4 state-of-the-art advancements in transportation;

5 (f) Explore alternatives for the establishment of an integrated and  
6 balanced multimodal statewide transportation system to meet the needs  
7 of the 21st century; and

8 (g) Explore ways to reduce the demand on the transportation system  
9 and more effectively use the existing system.

10 The committee may study other transportation needs and problems and  
11 make further recommendations.

12 (2) The office of financial management and the department of  
13 transportation shall provide staff support as required by the  
14 legislative transportation accountability committee in developing the  
15 recommendations. To the extent permitted by law, all agencies of the  
16 state shall cooperate fully with the legislative transportation  
17 accountability committee in carrying out its duties under this section.

18 (3) The legislative transportation accountability committee may  
19 receive and expend gifts, grants, and endowments from private sector  
20 sources to carry out the purpose of this section.

21 **PART II - LICENSE FEES**

22 **Sec. 201.** RCW 46.16.0621 and 2000 1st sp.s. c 1 s 1 are each  
23 amended to read as follows:

24 (1) License tab fees shall be thirty dollars per year for motor  
25 vehicles, regardless of year, value, make, or model, beginning January  
26 1, 2000.

27 (2) For the purposes of this section, "license tab fees" are  
28 defined as the general fees paid annually for licensing motor vehicles,  
29 including cars, sport utility vehicles, and motorcycles(~~(, and motor~~  
30 ~~homes)~~)).

31 NEW SECTION. **Sec. 202.** A new section is added to chapter 46.04  
32 RCW to read as follows:

33 "Gross weight portion of the current combined licensing fees" means  
34 the amounts listed in RCW 46.16.070, Schedule A, less twenty-five  
35 dollars and seventy-five cents, and the amounts listed in Schedule B,  
36 less twenty-five dollars and seventy-five cents and less an additional

1 ninety dollars if the requested gross weight is over forty thousand  
2 pounds.

3 **Sec. 203.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to  
4 read as follows:

5 (1) In lieu of all other vehicle licensing fees, unless  
6 specifically exempt, and in addition to (~~the excise tax prescribed in~~  
7 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and  
8 stages in RCW 46.16.125, there shall be paid and collected annually for  
9 each truck, motor truck, truck tractor, road tractor, tractor, bus,  
10 auto stage, motor home, or for hire vehicle with seating capacity of  
11 more than six, based upon the declared combined gross weight or  
12 declared gross weight (~~thereof pursuant to the provisions of~~) under  
13 chapter 46.44 RCW, the following licensing fees by such gross weight:

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
4,000 lbs. ....	\$ 37.00 .....	\$ 37.00
6,000 lbs. ....	\$ 44.00 .....	\$ 44.00
8,000 lbs. ....	\$ 55.00 .....	\$ 55.00
10,000 lbs. ....	\$ 62.00 .....	\$ 62.00
12,000 lbs. ....	\$ 72.00 .....	\$ 72.00
14,000 lbs. ....	\$ 82.00 .....	\$ 82.00
16,000 lbs. ....	\$ 92.00 .....	\$ 92.00
18,000 lbs. ....	\$ 137.00 .....	\$ 137.00
20,000 lbs. ....	\$ 152.00 .....	\$ 152.00
22,000 lbs. ....	\$ 164.00 .....	\$ 164.00
24,000 lbs. ....	\$ 177.00 .....	\$ 177.00
26,000 lbs. ....	\$ 187.00 .....	\$ 187.00
28,000 lbs. ....	\$ 220.00 .....	\$ 220.00
30,000 lbs. ....	\$ 253.00 .....	\$ 253.00
32,000 lbs. ....	\$ 304.00 .....	\$ 304.00
34,000 lbs. ....	\$ 323.00 .....	\$ 323.00
36,000 lbs. ....	\$ 350.00 .....	\$ 350.00
38,000 lbs. ....	\$ 384.00 .....	\$ 384.00
40,000 lbs. ....	\$ 439.00 .....	\$ 439.00
42,000 lbs. ....	\$ 456.00 .....	\$ 546.00
44,000 lbs. ....	\$ 466.00 .....	\$ 556.00
46,000 lbs. ....	\$ 501.00 .....	\$ 591.00
48,000 lbs. ....	\$ 522.00 .....	\$ 612.00
50,000 lbs. ....	\$ 566.00 .....	\$ 656.00
52,000 lbs. ....	\$ 595.00 .....	\$ 685.00
54,000 lbs. ....	\$ 642.00 .....	\$ 732.00
56,000 lbs. ....	\$ 677.00 .....	\$ 767.00
58,000 lbs. ....	\$ 704.00 .....	\$ 794.00
60,000 lbs. ....	\$ 750.00 .....	\$ 840.00

1	62,000 lbs. ....	\$ 804.00 .....	\$ 894.00
2	64,000 lbs. ....	\$ 822.00 .....	\$ 912.00
3	66,000 lbs. ....	\$ 915.00 .....	\$ 1,005.00
4	68,000 lbs. ....	\$ 954.00 .....	\$ 1,044.00
5	70,000 lbs. ....	\$ 1,027.00 .....	\$ 1,117.00
6	72,000 lbs. ....	\$ 1,098.00 .....	\$ 1,188.00
7	74,000 lbs. ....	\$ 1,193.00 .....	\$ 1,283.00
8	76,000 lbs. ....	\$ 1,289.00 .....	\$ 1,379.00
9	78,000 lbs. ....	\$ 1,407.00 .....	\$ 1,497.00
10	80,000 lbs. ....	\$ 1,518.00 .....	\$ 1,608.00
11	82,000 lbs. ....	\$ 1,623.00 .....	\$ 1,713.00
12	84,000 lbs. ....	\$ 1,728.00 .....	\$ 1,818.00
13	86,000 lbs. ....	\$ 1,833.00 .....	\$ 1,923.00
14	88,000 lbs. ....	\$ 1,938.00 .....	\$ 2,028.00
15	90,000 lbs. ....	\$ 2,043.00 .....	\$ 2,133.00
16	92,000 lbs. ....	\$ 2,148.00 .....	\$ 2,238.00
17	94,000 lbs. ....	\$ 2,253.00 .....	\$ 2,343.00
18	96,000 lbs. ....	\$ 2,358.00 .....	\$ 2,448.00
19	98,000 lbs. ....	\$ 2,463.00 .....	\$ 2,553.00
20	100,000 lbs. ....	\$ 2,568.00 .....	\$ 2,658.00
21	102,000 lbs. ....	\$ 2,673.00 .....	\$ 2,763.00
22	104,000 lbs. ....	\$ 2,778.00 .....	\$ 2,868.00
23	105,500 lbs. ....	\$ 2,883.00 .....	\$ 2,973.00

24 Schedule A applies to vehicles either used exclusively for hauling  
25 logs or that do not tow trailers. Schedule B applies to vehicles that  
26 tow trailers and are not covered under Schedule A.

27 (2) Every truck, motor truck, truck tractor, and tractor exceeding  
28 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,  
29 or 46.88 RCW shall be licensed for not less than one hundred fifty  
30 percent of its empty weight unless the amount would be in excess of the  
31 legal limits prescribed for such a vehicle in RCW 46.44.041 or  
32 46.44.042, in which event the vehicle shall be licensed for the maximum  
33 weight authorized for such a vehicle or unless the vehicle is used only  
34 for the purpose of transporting any well drilling machine, air  
35 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,  
36 tool house, bunk house, or similar machine or structure attached to or  
37 made a part of such vehicle.

38 (3)(a) Beginning with all motor vehicle registrations that are due  
39 or become due on July 1, 2002, there will be paid and collected  
40 annually a fifteen percent surcharge on the gross weight portion of the  
41 combined licensing fees in effect January 1, 2002, for vehicles with a  
42 licensed gross weight over ten thousand pounds.

1 (b) Beginning with all motor vehicle registrations that are due or  
2 become due on July 1, 2003, and thereafter, there will be paid and  
3 collected annually a thirty percent surcharge on the gross weight  
4 portion of the combined licensing fees in effect January 1, 2002, for  
5 vehicles with a licensed gross weight over ten thousand pounds.

6 (4) The following provisions apply when increasing gross or  
7 combined gross weight for a vehicle licensed under this section:

8 (a) The new license fee will be one-twelfth of the fee listed above  
9 for the new gross weight, multiplied by the number of months remaining  
10 in the period for which licensing fees have been paid, including the  
11 month in which the new gross weight is effective.

12 (b) Upon surrender of the current certificate of registration or  
13 cab card, the new licensing fees due shall be reduced by the amount of  
14 the licensing fees previously paid for the same period for which new  
15 fees are being charged.

16 ~~((2))~~ (5) The proceeds from the fees collected under ~~((subsection~~  
17 ~~(1) of))~~ this section shall be distributed in accordance with RCW  
18 46.68.035.

19 **Sec. 204.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each  
20 amended to read as follows:

21 All proceeds from combined vehicle licensing fees received by the  
22 director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall  
23 be forwarded to the state treasurer to be distributed into accounts  
24 according to the following method:

25 (1) The sum of two dollars for each vehicle shall be deposited into  
26 the multimodal transportation account, except that for each vehicle  
27 registered by a county auditor or agent to a county auditor pursuant to  
28 RCW 46.01.140, the sum of two dollars shall be credited to the current  
29 county expense fund.

30 (2) The proceeds from the surcharge collected under RCW  
31 46.16.070(3) must be deposited into the motor vehicle account.

32 (3) All fees collected under RCW 46.16.070(1) for motor homes, less  
33 the distribution required under subsection (1) of this section, must be  
34 deposited into the motor vehicle account.

35 (4) The remainder shall be distributed as follows:

36 (a) 23.677 percent shall be deposited into the state patrol highway  
37 account of the motor vehicle fund;

1 (b) 1.521 percent shall be deposited into the Puget Sound ferry  
2 operations account of the motor vehicle fund; and

3 (c) The remaining proceeds shall be deposited into the motor  
4 vehicle fund.

5 **Sec. 205.** RCW 46.16.071 and 1996 c 315 s 4 are each amended to  
6 read as follows:

7 (1) In addition to the fees set forth in RCW 46.16.070, there shall  
8 be paid and collected annually upon registration, a fee of one dollar  
9 for each motor home, truck, motor truck, truck tractor, road tractor,  
10 tractor, bus, auto stage, or for hire vehicle with seating capacity of  
11 more than six, notwithstanding the provisions of RCW 46.16.070.

12 (2) In addition to the fees set forth in RCW 46.16.085, there shall  
13 be paid and collected annually upon registration, a fee of one dollar  
14 for each trailer, semitrailer, and pole trailer, notwithstanding the  
15 provisions of RCW 46.16.085.

16 (3) The proceeds from the fees collected under subsections (1) and  
17 (2) of this section shall be deposited into the highway safety fund,  
18 except that for each vehicle registered by a county auditor or agent to  
19 a county auditor under RCW 46.01.140, the proceeds shall be credited to  
20 the current county expense fund.

21 NEW SECTION. **Sec. 206.** A new section is added to chapter 46.68  
22 RCW to read as follows:

23 The freight mobility account is created in the state treasury.  
24 Money in the account may be spent only after appropriation.  
25 Expenditures from the account may be used only for the purpose of  
26 roadway improvement projects to facilitate freight movement.

27 **PART III - FUEL TAX**

28 **Sec. 301.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are  
29 each reenacted and amended to read as follows:

30 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon  
31 (~~shall apply~~) applies to the sale, distribution, or use of motor  
32 vehicle fuel.

33 (2) Beginning July 1, 2002, an additional and cumulative motor fuel  
34 tax rate of five cents per gallon applies to the sale, distribution, or  
35 use of motor vehicle fuel.

1       (3) Beginning July 1, 2003, an additional and cumulative motor  
2 vehicle fuel tax rate of four cents per gallon applies to the sale,  
3 distribution, or use of motor vehicle fuel.

4       **Sec. 302.** RCW 82.38.030 and 2001 c 270 s 6 are each amended to  
5 read as follows:

6       (1) There is hereby levied and imposed upon special fuel users a  
7 tax at the rate (~~computed in the manner provided in RCW 82.36.025 on~~  
8 ~~each~~) of twenty-three cents per gallon of special fuel, or each one  
9 hundred cubic feet of compressed natural gas, measured at standard  
10 pressure and temperature.

11       (2) Beginning July 1, 2002, an additional and cumulative tax rate  
12 of five cents per gallon of special fuel, or each one hundred cubic  
13 feet of compressed natural gas, measured at standard pressure and  
14 temperature shall be imposed on special fuel users.

15       (3) Beginning July 1, 2003, an additional and cumulative special  
16 fuel tax rate of four cents per gallon of special fuel, or each one  
17 hundred cubic feet of compressed natural gas, measured at standard  
18 pressure and temperature shall be imposed on special fuel users.

19       (4) The tax is imposed (~~by subsection (1) of this section is~~  
20 ~~imposed~~) when:

21       (a) Special fuel is removed in this state from a terminal if the  
22 special fuel is removed at the rack unless the removal is to a licensed  
23 exporter for direct delivery to a destination outside of the state, or  
24 the removal is to a special fuel distributor for direct delivery to an  
25 international fuel tax agreement licensee under RCW 82.38.320;

26       (b) Special fuel is removed in this state from a refinery if either  
27 of the following applies:

28       (i) The removal is by bulk transfer and the refiner or the owner of  
29 the special fuel immediately before the removal is not a licensee; or

30       (ii) The removal is at the refinery rack unless the removal is to  
31 a licensed exporter for direct delivery to a destination outside of the  
32 state, or the removal is to a special fuel distributor for direct  
33 delivery to an international fuel tax agreement licensee under RCW  
34 82.38.320;

35       (c) Special fuel enters into this state for sale, consumption, use,  
36 or storage if either of the following applies:

37       (i) The entry is by bulk transfer and the importer is not a  
38 licensee; or

1 (ii) The entry is not by bulk transfer;

2 (d) Special fuel is sold or removed in this state to an unlicensed  
3 entity unless there was a prior taxable removal, entry, or sale of the  
4 special fuel;

5 (e) Blended special fuel is removed or sold in this state by the  
6 blender of the fuel. The number of gallons of blended special fuel  
7 subject to tax is the difference between the total number of gallons of  
8 blended special fuel removed or sold and the number of gallons of  
9 previously taxed special fuel used to produce the blended special fuel;

10 (f) Dyed special fuel is used on a highway, as authorized by the  
11 internal revenue code, unless the use is exempt from the special fuel  
12 tax;

13 (g) Special fuel purchased by an international fuel tax agreement  
14 licensee under RCW 82.38.320 is used on a highway; and

15 (h) Special fuel is sold by a licensed special fuel supplier to a  
16 special fuel distributor, special fuel importer, or special fuel  
17 blender and the special fuel is not removed from the bulk transfer-  
18 terminal system.

19 ~~((+3+))~~ (5) The tax imposed by this chapter, if required to be  
20 collected by the licensee, is held in trust by the licensee until paid  
21 to the department, and a licensee who appropriates or converts the tax  
22 collected to his or her own use or to any use other than the payment of  
23 the tax to the extent that the money required to be collected is not  
24 available for payment on the due date as prescribed in this chapter is  
25 guilty of a felony, or gross misdemeanor in accordance with the theft  
26 and anticipatory provisions of Title 9A RCW. A person, partnership,  
27 corporation, or corporate officer who fails to collect the tax imposed  
28 by this section, or who has collected the tax and fails to pay it to  
29 the department in the manner prescribed by this chapter, is personally  
30 liable to the state for the amount of the tax.

31 **Sec. 303.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are  
32 each reenacted and amended to read as follows:

33 (1) All moneys that have accrued or may accrue to the motor vehicle  
34 fund from the motor vehicle fuel tax and special fuel tax shall be  
35 first expended for purposes enumerated in (a) and (b) of this  
36 subsection. The remaining net tax amount shall be distributed monthly  
37 by the state treasurer in ~~((the proportions set forth in (c) through~~



1 ~~(1))~~ accordance with subsections (2), (3), and (4) of this  
2 ~~((subsection))~~ section.

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

5 (b) For payment of amounts to be expended pursuant to  
6 appropriations for the administrative expenses of the offices of state  
7 treasurer, state auditor, and the department of licensing of the state  
8 of Washington in the administration of the motor vehicle fuel tax and  
9 the special fuel tax, which sums shall be distributed monthly~~((+))~~.

10 (2) All of the remaining net tax amount collected under RCW  
11 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)  
12 through (j) of this subsection.

13 ~~((+))~~ (a) For distribution to the motor vehicle fund an amount  
14 equal to 44.387 percent of the net tax amount collected under RCW  
15 82.36.025(1) and 82.38.030(1) to be expended for highway purposes of  
16 the state as defined in RCW 46.68.130;

17 ~~((+))~~ (b) For distribution to the special category C account,  
18 hereby created in the motor vehicle fund, an amount equal to 3.2609  
19 percent of the net tax amount collected under RCW 82.36.025(1) and  
20 82.38.030(1) to be expended for special category C projects. Special  
21 category C projects are category C projects that, due to high cost  
22 only, will require bond financing to complete construction.

23 The following criteria, listed in order of priority, shall be used  
24 in determining which special category C projects have the highest  
25 priority:

26 (i) Accident experience;

27 (ii) Fatal accident experience;

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

30 (iv) Continuity of development of the highway transportation  
31 network.

32 Moneys deposited in the special category C account in the motor  
33 vehicle fund may be used for payment of debt service on bonds the  
34 proceeds of which are used to finance special category C projects under  
35 this subsection ~~((1)(d))~~ (2)(b);

36 ~~((+))~~ (c) For distribution to the Puget Sound ferry operations  
37 account in the motor vehicle fund an amount equal to 2.3283 percent of  
38 the net tax amount collected under RCW 82.36.025(1) and 82.38.030(1);

1       (~~(f)~~) (d) For distribution to the Puget Sound capital  
2 construction account in the motor vehicle fund an amount equal to  
3 2.3726 percent of the net tax amount collected under RCW 82.36.025(1)  
4 and 82.38.030(1);

5       (~~(g)~~) (e) For distribution to the urban arterial trust account in  
6 the motor vehicle fund an amount equal to 7.5597 percent of the net tax  
7 amount collected under RCW 82.36.025(1) and 82.38.030(1);

8       (~~(h)~~) (f) For distribution to the transportation improvement  
9 account in the motor vehicle fund an amount equal to 5.6739 percent of  
10 the net tax amount collected under RCW 82.36.025(1) and 82.38.030(1)  
11 and expended in accordance with RCW 47.26.086;

12       (~~(i)~~) (g) For distribution to the cities and towns from the motor  
13 vehicle fund an amount equal to 10.6961 percent of the net tax amount  
14 collected under RCW 82.36.025(1) and 82.38.030(1) in accordance with  
15 RCW 46.68.110;

16       (~~(j)~~) (h) For distribution to the counties from the motor vehicle  
17 fund an amount equal to 19.2287 percent of the net tax amount collected  
18 under RCW 82.36.025(1) and 82.38.030(1): (i) Out of which there shall  
19 be distributed from time to time, as directed by the department of  
20 transportation, those sums as may be necessary to carry out the  
21 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to  
22 the county road administration board to implement the provisions of RCW  
23 47.56.725(4), with the balance of such county share to be distributed  
24 monthly as the same accrues for distribution in accordance with RCW  
25 46.68.120;

26       (~~(k)~~) (i) For distribution to the county arterial preservation  
27 account, hereby created in the motor vehicle fund an amount equal to  
28 1.9565 percent of the net tax amount collected under RCW 82.36.025(1)  
29 and 82.38.030(1). These funds shall be distributed by the county road  
30 administration board to counties in proportions corresponding to the  
31 number of paved arterial lane miles in the unincorporated area of each  
32 county and shall be used for improvements to sustain the structural,  
33 safety, and operational integrity of county arterials. The county road  
34 administration board shall adopt reasonable rules and develop policies  
35 to implement this program and to assure that a pavement management  
36 system is used;

37       (~~(l)~~) (j) For distribution to the rural arterial trust account in  
38 the motor vehicle fund an amount equal to 2.5363 percent of the net tax

1 amount collected under RCW 82.36.025(1) and 82.38.030(1) and expended  
2 in accordance with RCW 36.79.020.

3 ((+2+)) (3) 100 percent of the net tax amount collected under RCW  
4 82.36.025(2) and 82.38.030(2) shall be distributed as follows:

5 (a) 4.3366 percent shall be distributed to cities and towns in  
6 accordance with RCW 46.68.110(6).

7 (b) 4.3366 percent shall be distributed to counties in accordance  
8 with RCW 46.68.120.

9 (c) 91.3268 percent shall be distributed to the motor vehicle  
10 account.

11 (4) 100 percent of the net tax amount collected under RCW  
12 82.36.025(3) and 82.38.030(3) shall be distributed to the motor vehicle  
13 account.

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

19 **Sec. 304.** RCW 46.68.110 and 1999 c 269 s 3 and 1999 c 94 s 9 are  
20 each reenacted and amended to read as follows:

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

24 (1) One and one-half percent of such sums distributed under RCW  
25 46.68.090 (2)(g) and (3) shall be deducted monthly as such sums are  
26 credited and set aside for the use of the department of transportation  
27 for the supervision of work and expenditures of such incorporated  
28 cities and towns on the city and town streets thereof, including the  
29 supervision and administration of federal-aid programs for which the  
30 department of transportation has responsibility: PROVIDED, That any  
31 moneys so retained and not expended shall be credited in the succeeding  
32 biennium to the incorporated cities and towns in proportion to  
33 deductions herein made;

34 (2) Thirty-three one-hundredths of one percent of such funds  
35 distributed under RCW 46.68.090 (2)(g) and (3) shall be deducted  
36 monthly, as such funds accrue, and set aside for the use of the  
37 department of transportation for the purpose of funding the cities'  
38 share of the costs of highway jurisdiction studies and other studies.

1 Any funds so retained and not expended shall be credited in the  
2 succeeding biennium to the cities in proportion to the deductions made;

3 (3) One percent of such funds distributed under RCW 46.68.090(2)(g)  
4 shall be deducted monthly, as such funds accrue, to be deposited in the  
5 urban arterial trust account, to implement the city hardship assistance  
6 program, as provided in RCW 47.26.164. However, any moneys so retained  
7 and not required to carry out the program as of July 1st of each odd-  
8 numbered year thereafter, shall be provided within sixty days to the  
9 treasurer and distributed in the manner prescribed in subsection (5) of  
10 this section;

11 (4) After making the deductions under subsections (1) through (3)  
12 of this section and RCW 35.76.050, 31.86 percent of the fuel tax  
13 distributed to the cities and towns in RCW 46.68.090((1)(i)) (2)(g)  
14 shall be allocated monthly as the funds accrue to the incorporated  
15 cities and towns ((in the manner set forth in subsection (5) of this  
16 section and subject to deductions in subsections (1), (2), and (3) of  
17 this section, subject to RCW 35.76.050, to)) of the state ratably on  
18 the basis of the population as last determined by the office of  
19 financial management. Funds shall be used exclusively for: The  
20 construction, improvement, chip sealing, seal-coating, and repair for  
21 arterial highways and city streets as those terms are defined in RCW  
22 46.04.030 and 46.04.120; the maintenance of arterial highways and city  
23 streets for those cities with a population of less than fifteen  
24 thousand; or the payment of any municipal indebtedness which may be  
25 incurred in the construction, improvement, chip sealing, seal-coating,  
26 and repair of arterial highways and city streets; ((and))

27 (5) The ~~((balance))~~ remaining ~~((to the credit of incorporated~~  
28 ~~cities and towns after such deduction))~~ funds not distributed under  
29 subsection (4) of this section shall be apportioned monthly as such  
30 funds accrue among the ~~((several))~~ incorporated cities and towns within  
31 the state ratably on the basis of the population last determined by the  
32 office of financial management; and

33 (6) After making the deductions under subsections (1) and (2) of  
34 this section and RCW 35.76.050, one hundred percent of the funds  
35 distributed to the cities and towns in RCW 46.68.090(3)(a) shall be  
36 allocated monthly as such funds accrue to the incorporated cities and  
37 towns of the state with populations over ten thousand persons, ratably  
38 on the basis of population as last determined by the office of  
39 financial management.

1        NEW SECTION.    **Sec. 305.**    A new section is added to chapter 47.26  
2    RCW to read as follows:

3        As part of the matching funds requirements under RCW 47.26.270, the  
4    transportation improvement board shall require a city or town receiving  
5    funds under RCW 46.68.110(6) to use a portion of these funds, as  
6    determined by the board by rule, for the purpose of matching a portion  
7    of the corridor grant money allocated to the city or town by the board  
8    under this chapter.

9        **Sec. 306.**    RCW 82.38.035 and 2001 c 270 s 7 are each amended to  
10   read as follows:

11        (1) A licensed supplier shall remit tax on special fuel to the  
12    department as provided in RCW 82.38.030(~~((+2+))~~) (4)(a). On a two-party  
13    exchange, or buy-sell agreement between two licensed suppliers, the  
14    receiving exchange partner or buyer shall remit the tax.

15        (2) A refiner shall remit tax to the department on special fuel  
16    removed from a refinery as provided in RCW 82.38.030(~~((+2+))~~) (4)(b).

17        (3) An importer shall remit tax to the department on special fuel  
18    imported into this state as provided in RCW 82.38.030(~~((+2+))~~) (4)(c).

19        (4) A blender shall remit tax to the department on the removal or  
20    sale of blended special fuel as provided in RCW 82.38.030(~~((+2+))~~)  
21    (4)(e).

22        (5) A dyed special fuel user shall remit tax to the department on  
23    the use of dyed special fuel as provided in RCW 82.38.030(~~((+2+))~~)  
24    (4)(f).

25        **Sec. 307.**    RCW 82.38.045 and 1998 c 176 s 54 are each amended to  
26   read as follows:

27        A terminal operator is jointly and severally liable for remitting  
28    the tax imposed under RCW 82.38.030(~~((+1+))~~) if, at the time of removal:

29        (1) The position holder with respect to the special fuel is a  
30    person other than the terminal operator and is not a licensee;

31        (2) The terminal operator is not a licensee;

32        (3) The position holder has an expired internal revenue service  
33    notification certificate issued under chapter 26, C.F.R. Part 48; or

34        (4) The terminal operator had reason to believe that information on  
35    the notification certificate was false.

1       **Sec. 308.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to  
2 read as follows:

3       A terminal operator is jointly and severally liable for remitting  
4 the tax imposed under RCW 82.38.030(~~((+1))~~) if, in connection with the  
5 removal of special fuel that is not dyed or marked in accordance with  
6 internal revenue service requirements, the terminal operator provides  
7 a person with a bill of lading, shipping paper, or similar document  
8 indicating that the special fuel is dyed or marked in accordance with  
9 internal revenue service requirements.

10       **Sec. 309.** RCW 82.38.075 and 1983 c 212 s 1 are each amended to  
11 read as follows:

12       In order to encourage the use of nonpolluting fuels, an annual  
13 license fee in lieu of the tax imposed by RCW 82.38.030 shall be  
14 imposed upon the use of natural gas as defined in this chapter or on  
15 liquified petroleum gas, commonly called propane, which is used in any  
16 motor vehicle, as defined in RCW 46.04.320, which shall be based upon  
17 the following schedule as adjusted by the formula set out below:

18	VEHICLE TONNAGE (GVW)	FEE
19	0 - 6,000	\$ 45
20	6,001 - 10,000	\$ 45
21	10,001 - 18,000	\$ 80
22	18,001 - 28,000	\$110
23	28,001 - 36,000	\$150
24	36,001 and above	\$250

25       To determine the actual annual license fee imposed by this section  
26 for a registration year, the appropriate dollar amount set out in the  
27 above schedule shall be multiplied by the (~~(motor vehicle)~~) special  
28 fuel tax rate in cents per gallon as established by RCW (~~(82.36.025)~~)  
29 82.38.030 effective on July 1st of the preceding calendar year and the  
30 product thereof shall be divided by 12 cents.

31       The department of licensing, in addition to the foregoing fee,  
32 shall charge a further fee of five dollars as a handling charge for  
33 each license issued.

34       The director of licensing shall be authorized to prorate the  
35 vehicle tonnage fee so that the annual license required by this section  
36 will correspond with the staggered vehicle licensing system.

1 A decal or other identifying device issued upon payment of these  
2 annual fees shall be displayed as prescribed by the department as  
3 authority to purchase this fuel.

4 Persons selling or dispensing natural gas or propane may not sell  
5 or dispense this fuel for their own use or the use of others into tanks  
6 of vehicles powered by this fuel which do not display a valid decal or  
7 other identifying device as provided in this section.

8 Vehicles registered in jurisdictions outside the state of  
9 Washington are exempt from this section.

10 Any person selling or dispensing natural gas or propane into the  
11 tank of a motor vehicle powered by this fuel, except as prescribed in  
12 this chapter, is subject to the penalty provisions of this chapter.

13 **Sec. 310.** RCW 46.09.170 and 1995 c 166 s 9 are each amended to  
14 read as follows:

15 (1) From time to time, but at least once each year, the state  
16 treasurer shall refund from the motor vehicle fund one percent of the  
17 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,  
18 based on the tax rate in effect January 1, (~~(1990)~~) 2001, less proper  
19 deductions for refunds and costs of collection as provided in RCW  
20 46.68.090. The treasurer shall place these funds in the general fund  
21 as follows:

22 (a) Forty percent shall be credited to the ORV and nonhighway  
23 vehicle account and administered by the department of natural resources  
24 solely for planning, maintenance, and management of ORV recreation  
25 facilities, nonhighway roads, and nonhighway road recreation  
26 facilities. The funds under this subsection shall be expended in  
27 accordance with the following limitations:

28 (i) Not more than five percent may be expended for information  
29 programs under this chapter;

30 (ii) Not less than ten percent and not more than fifty percent may  
31 be expended for ORV recreation facilities;

32 (iii) Not more than twenty-five percent may be expended for  
33 maintenance of nonhighway roads;

34 (iv) Not more than fifty percent may be expended for nonhighway  
35 road recreation facilities;

36 (v) Ten percent shall be transferred to the interagency committee  
37 for outdoor recreation for grants to law enforcement agencies in those  
38 counties where the department of natural resources maintains ORV

1 facilities. This amount is in addition to those distributions made by  
2 the interagency committee for outdoor recreation under (d)(i) of this  
3 subsection;

4 (b) Three and one-half percent shall be credited to the ORV and  
5 nonhighway vehicle account and administered by the department of fish  
6 and wildlife solely for the acquisition, planning, development,  
7 maintenance, and management of nonhighway roads and recreation  
8 facilities;

9 (c) Two percent shall be credited to the ORV and nonhighway vehicle  
10 account and administered by the parks and recreation commission solely  
11 for the maintenance and management of ORV use areas and facilities; and

12 (d) Fifty-four and one-half percent, together with the funds  
13 received by the interagency committee for outdoor recreation under RCW  
14 46.09.110, shall be credited to the nonhighway and off-road vehicle  
15 activities program account to be administered by the committee for  
16 planning, acquisition, development, maintenance, and management of ORV  
17 recreation facilities and nonhighway road recreation facilities; ORV  
18 user education and information; and ORV law enforcement programs. The  
19 expenditures in this subsection (1)(d) shall be calculated on the motor  
20 vehicle fuel tax in effect January 1, 1990, until this subsection  
21 (1)(d) is amended to reflect the findings of the recreational fuel use  
22 study provided in section 346, chapter 8, Laws of 2001 2nd sp. sess.  
23 The funds under this subsection shall be expended in accordance with  
24 the following limitations:

25 (i) Not more than twenty percent may be expended for ORV education,  
26 information, and law enforcement programs under this chapter;

27 (ii) Not less than an amount equal to the funds received by the  
28 interagency committee for outdoor recreation under RCW 46.09.110 and  
29 not more than sixty percent may be expended for ORV recreation  
30 facilities;

31 (iii) Not more than twenty percent may be expended for nonhighway  
32 road recreation facilities.

33 (2) On a yearly basis an agency may not, except as provided in RCW  
34 46.09.110, expend more than ten percent of the funds it receives under  
35 this chapter for general administration expenses incurred in carrying  
36 out this chapter.

37 **Sec. 311.** RCW 46.10.170 and 1994 c 262 s 4 are each amended to  
38 read as follows:



1 From time to time, but at least once each four years, the  
2 department shall determine the amount of moneys paid to it as motor  
3 vehicle fuel tax that is tax on snowmobile fuel. Such determination  
4 shall use one hundred thirty-five gallons as the average yearly fuel  
5 usage per snowmobile, the number of registered snowmobiles during the  
6 calendar year under determination, and the fuel tax rate in effect  
7 January 1, (~~1990~~) 2001.

8 **Sec. 312.** RCW 79A.25.070 and 2000 c 11 s 73 are each amended to  
9 read as follows:

10 Upon expiration of the time limited by RCW 82.36.330 for claiming  
11 of refunds of tax on marine fuel, the state of Washington shall succeed  
12 to the right to such refunds. The director of licensing, after taking  
13 into account past and anticipated claims for refunds from and deposits  
14 to the marine fuel tax refund account and the costs of carrying out the  
15 provisions of RCW 79A.25.030, shall request the state treasurer to  
16 transfer monthly from the marine fuel tax refund account an amount  
17 equal to the proportion of the moneys in the account representing the  
18 motor vehicle fuel tax rate under RCW 82.36.025 in effect on January 1,  
19 (~~1990~~) 2001, to the recreation resource account and the remainder to  
20 the motor vehicle fund.

21 **PART IV - SALES AND USE TAXES**

22 **Sec. 401.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each  
23 amended to read as follows:

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

27 (2) There is levied and there shall be collected an additional tax  
28 on each retail car rental, regardless of whether the vehicle is  
29 licensed in this state, equal to five and nine-tenths percent of the  
30 selling price. The revenue collected under this subsection shall be  
31 deposited in the multimodal transportation account created in RCW  
32 47.66.070.

33 (3) Beginning July 1, 2002, there is levied and collected an  
34 additional tax of one percent of the selling price on each retail sale  
35 of a motor vehicle in this state, other than retail car rentals taxed  
36 under subsection (2) of this section.

1       (4) For purposes of subsection (3) of this section, "motor vehicle"  
2 has the meaning provided in RCW 46.04.320, but does not include farm  
3 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,  
4 off-road and nonhighway vehicles as defined in RCW 46.09.020, and  
5 snowmobiles as defined in RCW 46.10.010.

6       (5) The revenue collected under subsection (3) of this section must  
7 be deposited into the multimodal transportation account under RCW  
8 47.66.070.

9       (6) The taxes imposed under this chapter shall apply to successive  
10 retail sales of the same property.

11       ~~((4))~~ (7) The rates provided in this section apply to taxes  
12 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

13       **Sec. 402.** RCW 82.12.020 and 1999 c 358 s 9 are each amended to  
14 read as follows:

15       (1) There is hereby levied and there shall be collected from every  
16 person in this state a tax or excise for the privilege of using within  
17 this state as a consumer: (a) Any article of tangible personal  
18 property purchased at retail, or acquired by lease, gift, repossession,  
19 or bailment, or extracted or produced or manufactured by the person so  
20 using the same, or otherwise furnished to a person engaged in any  
21 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned  
22 software, regardless of the method of delivery, but excluding canned  
23 software that is either provided free of charge or is provided for  
24 temporary use in viewing information, or both.

25       (2) This tax shall apply to the use of every service defined as a  
26 retail sale in RCW 82.04.050(3)(a) and the use of every article of  
27 tangible personal property, including property acquired at a casual or  
28 isolated sale, and including byproducts used by the manufacturer  
29 thereof, except as hereinafter provided, irrespective of whether the  
30 article or similar articles are manufactured or are available for  
31 purchase within this state.

32       (3) Except as provided in RCW 82.12.0252, payment by one purchaser  
33 or user of tangible personal property or service of the tax imposed by  
34 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any  
35 other purchaser or user of the same property or service from the taxes  
36 imposed by such chapters.

1 (4) The tax shall be levied and collected in an amount equal to the  
2 value of the article used by the taxpayer multiplied by the rates in  
3 effect for the retail sales tax under RCW 82.08.020.

4 **Sec. 403.** RCW 82.12.045 and 1996 c 149 s 19 are each amended to  
5 read as follows:

6 (1) In the collection of the use tax on motor vehicles, the  
7 department of revenue may designate the county auditors of the several  
8 counties of the state as its collecting agents. Upon such designation,  
9 it shall be the duty of each county auditor to collect the tax at the  
10 time an applicant applies for the registration of, and transfer of  
11 title to, the motor vehicle, except in the following instances:

12 (a) Where the applicant exhibits a dealer's report of sale showing  
13 that the retail sales tax has been collected by the dealer;

14 (b) Where the application is for the renewal of registration;

15 (c) Where the applicant presents a written statement signed by the  
16 department of revenue, or its duly authorized agent showing that no use  
17 tax is legally due; or

18 (d) Where the applicant presents satisfactory evidence showing that  
19 the retail sales tax or the use tax has been paid by ~~((him))~~ the  
20 applicant on the vehicle in question.

21 (2) The term "motor vehicle," as used in this section means and  
22 includes all motor vehicles, trailers and semitrailers used, or of a  
23 type designed primarily to be used, upon the public streets and  
24 highways, for the convenience or pleasure of the owner, or for the  
25 conveyance, for hire or otherwise, of persons or property, including  
26 fixed loads, facilities for human habitation, and vehicles carrying  
27 exempt licenses.

28 (3) It shall be the duty of every applicant for registration and  
29 transfer of certificate of title who is subject to payment of tax under  
30 this section to declare upon ~~((his))~~ the application the value of the  
31 vehicle for which application is made, which shall consist of the  
32 consideration paid or contracted to be paid therefor.

33 (4) Each county auditor who acts as agent of the department of  
34 revenue shall at the time of remitting license fee receipts on motor  
35 vehicles subject to the provisions of this section pay over and account  
36 to the state treasurer for all use tax revenue collected under this  
37 section, after first deducting as ~~((his))~~ a collection fee the sum of  
38 two dollars for each motor vehicle upon which the tax has been

1 collected. All revenue received by the state treasurer under this  
2 section shall be credited to the general fund. The auditor's  
3 collection fee shall be deposited in the county current expense fund.  
4 A duplicate of the county auditor's transmittal report to the state  
5 treasurer shall be forwarded forthwith to the department of revenue.

6 (5) Any applicant who has paid use tax to a county auditor under  
7 this section may apply to the department of revenue for refund thereof  
8 if he or she has reason to believe that such tax was not legally due  
9 and owing. No refund shall be allowed unless application therefor is  
10 received by the department of revenue within the statutory period for  
11 assessment of taxes, penalties, or interest prescribed by RCW  
12 82.32.050(3). Upon receipt of an application for refund the department  
13 of revenue shall consider the same and issue its order either granting  
14 or denying it and if refund is denied the taxpayer shall have the right  
15 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

16 (6) The provisions of this section shall be construed as cumulative  
17 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,  
18 for the collection of the tax imposed by this chapter. The department  
19 of revenue shall have power to promulgate such rules as may be  
20 necessary to administer the provisions of this section. Any duties  
21 required by this section to be performed by the county auditor may be  
22 performed by the director of licensing but no collection fee shall be  
23 deductible by said director in remitting use tax revenue to the state  
24 treasurer.

25 (7) The use tax revenue collected on the rate provided in RCW  
26 82.08.020(3) will be deposited in the multimodal transportation account  
27 under RCW 47.66.070.

28 NEW SECTION. Sec. 404. A new section is added to chapter 43.135  
29 RCW to read as follows:

30 A transfer from the general fund to the multimodal transportation  
31 account under section 405 of this act for taxes collected under  
32 chapters 82.08 and 82.12 RCW on new construction projects within the  
33 improvement program in RCW 47.05.030(2), does not require a  
34 corresponding lowering of the state expenditure limit to reflect this  
35 shift for purposes of RCW 43.135.035(4).

36 NEW SECTION. Sec. 405. A new section is added to chapter 82.32  
37 RCW to read as follows:

1 (1) Effective for taxes collected in fiscal year 2006, the tax  
2 imposed and collected under chapters 82.08 and 82.12 RCW, less any  
3 credits allowed under chapter 82.14 RCW, on construction projects  
4 within the improvement program in RCW 47.05.030(2), except for those  
5 projects related to safety and environmental retrofit, shall be  
6 transferred from the general fund to the multimodal transportation  
7 account once each year as described by subsection (3) of this section.

8 (2) This transaction is exempt from the requirements in RCW  
9 43.135.035(4).

10 (3) Government entities conducting construction projects within the  
11 improvement program in RCW 47.05.030(2), except for those projects  
12 related to safety and environmental retrofit, shall report to the  
13 department by August 1st of each year the amount of state sales or use  
14 tax attributable to the projects identified in this section from the  
15 previous fiscal year for purposes of transfer to the multimodal  
16 transportation account. The department shall notify the state  
17 treasurer of the amount of the transfer by September 30th of each year.

18 **PART V - MISCELLANEOUS**

19 NEW SECTION. **Sec. 501.** If any provision of this act or its  
20 application to any person or circumstance is held invalid, the  
21 remainder of the act or the application of the provision to other  
22 persons or circumstances is not affected.

23 NEW SECTION. **Sec. 502.** Part headings used in this act do not  
24 constitute any part of the law."

25 **ESHB 2969** - S AMD 894

26 By Senators Haugen, Jacobsen, McDonald, Horn, Benton and Gardner

27 **ADOPTED 03/14/02**

28 On page 1, line 1 of the title, after "financing;" strike the  
29 remainder of the title and insert "amending RCW 44.40.010, 44.40.013,  
30 44.40.015, 44.40.020, 44.40.025, 44.40.030, 44.40.040, 44.40.070,  
31 44.40.090, 44.40.100, 44.40.140, 44.40.150, 46.16.0621, 46.16.070,  
32 46.68.035, 46.16.071, 82.38.030, 82.38.035, 82.38.045, 82.38.047,  
33 82.38.075, 46.09.170, 46.10.170, 79A.25.070, 82.08.020, 82.12.020, and  
34 82.12.045; reenacting and amending RCW 82.36.025, 46.68.090, and

1 46.68.110; adding new sections to chapter 44.40 RCW; adding a new  
2 section to chapter 46.04 RCW; adding a new section to chapter 46.68  
3 RCW; adding a new section to chapter 47.26 RCW; adding a new section to  
4 chapter 43.135 RCW; adding a new section to chapter 82.32 RCW; and  
5 creating a new section."

--- END ---