

2 **ESHB 2969** - S AMD 903
3 By Senator Haugen

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 NEW SECTION. **Sec. 201.** A new section is added to chapter 46.04
23 RCW to read as follows:

24 "Gross weight portion of the current combined licensing fees" means
25 the amounts listed in RCW 46.16.070, Schedule A, less twenty-five
26 dollars and seventy-five cents, and the amounts listed in Schedule B,
27 less twenty-five dollars and seventy-five cents and less an additional
28 ninety dollars if the requested gross weight is over forty thousand
29 pounds.

30 **Sec. 202.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to
31 read as follows:

32 (1) In lieu of all other vehicle licensing fees, unless
33 specifically exempt, and in addition to (~~the excise tax prescribed in~~
34 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and
35 stages in RCW 46.16.125, there shall be paid and collected annually for
36 each truck, motor truck, truck tractor, road tractor, tractor, bus,

1 auto stage, or for hire vehicle with seating capacity of more than six,
 2 based upon the declared combined gross weight or declared gross weight
 3 ((thereof pursuant to the provisions of)) under chapter 46.44 RCW, the
 4 following licensing fees by such gross weight:

	DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
5			
6	4,000 lbs.	\$ 37.00	\$ 37.00
7	6,000 lbs.	\$ 44.00	\$ 44.00
8	8,000 lbs.	\$ 55.00	\$ 55.00
9	10,000 lbs.	\$ 62.00	\$ 62.00
10	12,000 lbs.	\$ 72.00	\$ 72.00
11	14,000 lbs.	\$ 82.00	\$ 82.00
12	16,000 lbs.	\$ 92.00	\$ 92.00
13	18,000 lbs.	\$ 137.00	\$ 137.00
14	20,000 lbs.	\$ 152.00	\$ 152.00
15	22,000 lbs.	\$ 164.00	\$ 164.00
16	24,000 lbs.	\$ 177.00	\$ 177.00
17	26,000 lbs.	\$ 187.00	\$ 187.00
18	28,000 lbs.	\$ 220.00	\$ 220.00
19	30,000 lbs.	\$ 253.00	\$ 253.00
20	32,000 lbs.	\$ 304.00	\$ 304.00
21	34,000 lbs.	\$ 323.00	\$ 323.00
22	36,000 lbs.	\$ 350.00	\$ 350.00
23	38,000 lbs.	\$ 384.00	\$ 384.00
24	40,000 lbs.	\$ 439.00	\$ 439.00
25	42,000 lbs.	\$ 456.00	\$ 546.00
26	44,000 lbs.	\$ 466.00	\$ 556.00
27	46,000 lbs.	\$ 501.00	\$ 591.00
28	48,000 lbs.	\$ 522.00	\$ 612.00
29	50,000 lbs.	\$ 566.00	\$ 656.00
30	52,000 lbs.	\$ 595.00	\$ 685.00
31	54,000 lbs.	\$ 642.00	\$ 732.00
32	56,000 lbs.	\$ 677.00	\$ 767.00
33	58,000 lbs.	\$ 704.00	\$ 794.00
34	60,000 lbs.	\$ 750.00	\$ 840.00
35	62,000 lbs.	\$ 804.00	\$ 894.00
36	64,000 lbs.	\$ 822.00	\$ 912.00
37	66,000 lbs.	\$ 915.00	\$ 1,005.00
38	68,000 lbs.	\$ 954.00	\$ 1,044.00
39	70,000 lbs.	\$ 1,027.00	\$ 1,117.00
40	72,000 lbs.	\$ 1,098.00	\$ 1,188.00
41	74,000 lbs.	\$ 1,193.00	\$ 1,283.00
42	76,000 lbs.	\$ 1,289.00	\$ 1,379.00
43	78,000 lbs.	\$ 1,407.00	\$ 1,497.00
44	80,000 lbs.	\$ 1,518.00	\$ 1,608.00
45	82,000 lbs.	\$ 1,623.00	\$ 1,713.00
46	84,000 lbs.	\$ 1,728.00	\$ 1,818.00

1	86,000 lbs.	\$ 1,833.00	\$ 1,923.00
2	88,000 lbs.	\$ 1,938.00	\$ 2,028.00
3	90,000 lbs.	\$ 2,043.00	\$ 2,133.00
4	92,000 lbs.	\$ 2,148.00	\$ 2,238.00
5	94,000 lbs.	\$ 2,253.00	\$ 2,343.00
6	96,000 lbs.	\$ 2,358.00	\$ 2,448.00
7	98,000 lbs.	\$ 2,463.00	\$ 2,553.00
8	100,000 lbs.	\$ 2,568.00	\$ 2,658.00
9	102,000 lbs.	\$ 2,673.00	\$ 2,763.00
10	104,000 lbs.	\$ 2,778.00	\$ 2,868.00
11	105,500 lbs.	\$ 2,883.00	\$ 2,973.00

12 Schedule A applies to vehicles either used exclusively for hauling
13 logs or that do not tow trailers. Schedule B applies to vehicles that
14 tow trailers and are not covered under Schedule A.

15 (2) Every truck, motor truck, truck tractor, and tractor exceeding
16 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,
17 or 46.88 RCW shall be licensed for not less than one hundred fifty
18 percent of its empty weight unless the amount would be in excess of the
19 legal limits prescribed for such a vehicle in RCW 46.44.041 or
20 46.44.042, in which event the vehicle shall be licensed for the maximum
21 weight authorized for such a vehicle or unless the vehicle is used only
22 for the purpose of transporting any well drilling machine, air
23 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,
24 tool house, bunk house, or similar machine or structure attached to or
25 made a part of such vehicle.

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

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

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

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

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

5 ~~((+2))~~ (5) The proceeds from the fees collected under ~~((subsection~~
6 ~~(1) of))~~ this section shall be distributed in accordance with RCW
7 46.68.035.

8 **Sec. 203.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each
9 amended to read as follows:

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

14 (1) The sum of two dollars for each vehicle shall be deposited into
15 the multimodal transportation account, except that for each vehicle
16 registered by a county auditor or agent to a county auditor pursuant to
17 RCW 46.01.140, the sum of two dollars shall be credited to the current
18 county expense fund.

19 (2) The proceeds from the surcharge collected under RCW
20 46.16.070(3) must be deposited into the motor vehicle account.

21 (3) The remainder shall be distributed as follows:

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

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

26 (c) The remaining proceeds shall be deposited into the motor
27 vehicle fund.

28 NEW SECTION. **Sec. 204.** A new section is added to chapter 46.68
29 RCW to read as follows:

30 The freight mobility account is created in the state treasury.
31 Money in the account may be spent only after appropriation.
32 Expenditures from the account may be used only for the purpose of
33 roadway improvement projects to facilitate freight movement.

34 **Sec. 205.** RCW 43.84.092 and 2001 2nd sp.s. c 14 s 608, 2001 c 273
35 s 6, 2001 c 141 s 3, and 2001 c 80 s 5 are each reenacted and amended
36 to read as follows:

1 (1) All earnings of investments of surplus balances in the state
2 treasury shall be deposited to the treasury income account, which
3 account is hereby established in the state treasury.

4 (2) The treasury income account shall be utilized to pay or receive
5 funds associated with federal programs as required by the federal cash
6 management improvement act of 1990. The treasury income account is
7 subject in all respects to chapter 43.88 RCW, but no appropriation is
8 required for refunds or allocations of interest earnings required by
9 the cash management improvement act. Refunds of interest to the
10 federal treasury required under the cash management improvement act
11 fall under RCW 43.88.180 and shall not require appropriation. The
12 office of financial management shall determine the amounts due to or
13 from the federal government pursuant to the cash management improvement
14 act. The office of financial management may direct transfers of funds
15 between accounts as deemed necessary to implement the provisions of the
16 cash management improvement act, and this subsection. Refunds or
17 allocations shall occur prior to the distributions of earnings set
18 forth in subsection (4) of this section.

19 (3) Except for the provisions of RCW 43.84.160, the treasury income
20 account may be utilized for the payment of purchased banking services
21 on behalf of treasury funds including, but not limited to, depository,
22 safekeeping, and disbursement functions for the state treasury and
23 affected state agencies. The treasury income account is subject in all
24 respects to chapter 43.88 RCW, but no appropriation is required for
25 payments to financial institutions. Payments shall occur prior to
26 distribution of earnings set forth in subsection (4) of this section.

27 (4) Monthly, the state treasurer shall distribute the earnings
28 credited to the treasury income account. The state treasurer shall
29 credit the general fund with all the earnings credited to the treasury
30 income account except:

31 (a) The following accounts and funds shall receive their
32 proportionate share of earnings based upon each account's and fund's
33 average daily balance for the period: The capitol building
34 construction account, the Cedar River channel construction and
35 operation account, the Central Washington University capital projects
36 account, the charitable, educational, penal and reformatory
37 institutions account, the common school construction fund, the county
38 criminal justice assistance account, the county sales and use tax
39 equalization account, the data processing building construction

1 account, the deferred compensation administrative account, the deferred
2 compensation principal account, the department of retirement systems
3 expense account, the drinking water assistance account, the drinking
4 water assistance administrative account, the drinking water assistance
5 repayment account, the Eastern Washington University capital projects
6 account, the education construction fund, the emergency reserve fund,
7 the federal forest revolving account, the health services account, the
8 public health services account, the health system capacity account, the
9 personal health services account, the state higher education
10 construction account, the higher education construction account, the
11 highway infrastructure account, the industrial insurance premium refund
12 account, the judges' retirement account, the judicial retirement
13 administrative account, the judicial retirement principal account, the
14 local leasehold excise tax account, the local real estate excise tax
15 account, the local sales and use tax account, the medical aid account,
16 the mobile home park relocation fund, the multimodal transportation
17 account, the municipal criminal justice assistance account, the
18 municipal sales and use tax equalization account, the natural resources
19 deposit account, the oyster reserve land account, the perpetual
20 surveillance and maintenance account, the public employees' retirement
21 system plan 1 account, the public employees' retirement system combined
22 plan 2 and plan 3 account, the public health supplemental account, the
23 Puyallup tribal settlement account, the resource management cost
24 account, the site closure account, the special wildlife account, the
25 state employees' insurance account, the state employees' insurance
26 reserve account, the state investment board expense account, the state
27 investment board commingled trust fund accounts, the supplemental
28 pension account, the teachers' retirement system plan 1 account, the
29 teachers' retirement system combined plan 2 and plan 3 account, the
30 tobacco prevention and control account, the tobacco settlement account,
31 the transportation infrastructure account, the tuition recovery trust
32 fund, the University of Washington bond retirement fund, the University
33 of Washington building account, the volunteer fire fighters' and
34 reserve officers' relief and pension principal fund, the volunteer fire
35 fighters' and reserve officers' administrative fund, the Washington
36 fruit express account, the Washington judicial retirement system
37 account, the Washington law enforcement officers' and fire fighters'
38 system plan 1 retirement account, the Washington law enforcement
39 officers' and fire fighters' system plan 2 retirement account, the

1 Washington school employees' retirement system combined plan 2 and 3
2 account, the Washington state health insurance pool account, the
3 Washington state patrol retirement account, the Washington State
4 University building account, the Washington State University bond
5 retirement fund, the water pollution control revolving fund, and the
6 Western Washington University capital projects account. Earnings
7 derived from investing balances of the agricultural permanent fund, the
8 normal school permanent fund, the permanent common school fund, the
9 scientific permanent fund, and the state university permanent fund
10 shall be allocated to their respective beneficiary accounts. All
11 earnings to be distributed under this subsection (4)(a) shall first be
12 reduced by the allocation to the state treasurer's service fund
13 pursuant to RCW 43.08.190.

14 (b) The following accounts and funds shall receive eighty percent
15 of their proportionate share of earnings based upon each account's or
16 fund's average daily balance for the period: The aeronautics account,
17 the aircraft search and rescue account, the county arterial
18 preservation account, the department of licensing services account, the
19 essential rail assistance account, the ferry bond retirement fund, the
20 freight mobility account, the grade crossing protective fund, the high
21 capacity transportation account, the highway bond retirement fund, the
22 highway safety account, the motor vehicle fund, the motorcycle safety
23 education account, the pilotage account, the public transportation
24 systems account, the Puget Sound capital construction account, the
25 Puget Sound ferry operations account, the recreational vehicle account,
26 the rural arterial trust account, the safety and education account, the
27 special category C account, the state patrol highway account, the
28 transportation equipment fund, the transportation fund, the
29 transportation improvement account, the transportation improvement
30 board bond retirement account, and the urban arterial trust account.

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

34 **PART III - FUEL TAX**

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

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

4 (2) Beginning January 1, 2002, an additional and cumulative motor
5 fuel tax rate of five cents per gallon applies to the sale,
6 distribution, or use of motor vehicle fuel.

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

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

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

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

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

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

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

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

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

36 (ii) The removal is at the refinery rack unless the removal is to
37 a licensed exporter for direct delivery to a destination outside of the
38 state, or the removal is to a special fuel distributor for direct

1 delivery to an international fuel tax agreement licensee under RCW
2 82.38.320;

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

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

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

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

11 (e) Blended special fuel is removed or sold in this state by the
12 blender of the fuel. The number of gallons of blended special fuel
13 subject to tax is the difference between the total number of gallons of
14 blended special fuel removed or sold and the number of gallons of
15 previously taxed special fuel used to produce the blended special fuel;

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

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

21 (h) Special fuel is sold by a licensed special fuel supplier to a
22 special fuel distributor, special fuel importer, or special fuel
23 blender and the special fuel is not removed from the bulk transfer-
24 terminal system.

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

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

1 (1) All moneys that have accrued or may accrue to the motor vehicle
2 fund from the motor vehicle fuel tax and special fuel tax shall be
3 first expended for purposes enumerated in (a) and (b) of this
4 subsection. The remaining net tax amount shall be distributed monthly
5 by the state treasurer in ~~((the proportions set forth in (c) through~~
6 ~~(1)))~~ accordance with subsections (2), (3), and (4) of this
7 ~~((subsection))~~ section.

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

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

15 (2) All of the remaining net tax amount collected under RCW
16 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)
17 through (j) of this subsection.

18 ~~((+))~~ (a) For distribution to the motor vehicle fund an amount
19 equal to 44.387 percent to be expended for highway purposes of the
20 state as defined in RCW 46.68.130;

21 ~~((+))~~ (b) For distribution to the special category C account,
22 hereby created in the motor vehicle fund, an amount equal to 3.2609
23 percent to be expended for special category C projects. Special
24 category C projects are category C projects that, due to high cost
25 only, will require bond financing to complete construction.

26 The following criteria, listed in order of priority, shall be used
27 in determining which special category C projects have the highest
28 priority:

29 (i) Accident experience;

30 (ii) Fatal accident experience;

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

33 (iv) Continuity of development of the highway transportation
34 network.

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

1 ~~((e))~~ (c) For distribution to the Puget Sound ferry operations
2 account in the motor vehicle fund an amount equal to 2.3283 percent;
3 ~~((f))~~ (d) For distribution to the Puget Sound capital
4 construction account in the motor vehicle fund an amount equal to
5 2.3726 percent;
6 ~~((g))~~ (e) For distribution to the urban arterial trust account in
7 the motor vehicle fund an amount equal to 7.5597 percent;
8 ~~((h))~~ (f) For distribution to the transportation improvement
9 account in the motor vehicle fund an amount equal to 5.6739 percent and
10 expended in accordance with RCW 47.26.086;
11 ~~((i))~~ (g) For distribution to the cities and towns from the motor
12 vehicle fund an amount equal to 10.6961 percent in accordance with RCW
13 46.68.110;
14 ~~((j))~~ (h) For distribution to the counties from the motor vehicle
15 fund an amount equal to 19.2287 percent: (i) Out of which there shall
16 be distributed from time to time, as directed by the department of
17 transportation, those sums as may be necessary to carry out the
18 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
19 the county road administration board to implement the provisions of RCW
20 47.56.725(4), with the balance of such county share to be distributed
21 monthly as the same accrues for distribution in accordance with RCW
22 46.68.120;
23 ~~((k))~~ (i) For distribution to the county arterial preservation
24 account, hereby created in the motor vehicle fund an amount equal to
25 1.9565 percent. These funds shall be distributed by the county road
26 administration board to counties in proportions corresponding to the
27 number of paved arterial lane miles in the unincorporated area of each
28 county and shall be used for improvements to sustain the structural,
29 safety, and operational integrity of county arterials. The county road
30 administration board shall adopt reasonable rules and develop policies
31 to implement this program and to assure that a pavement management
32 system is used;
33 ~~((l))~~ (j) For distribution to the rural arterial trust account in
34 the motor vehicle fund an amount equal to 2.5363 percent and expended
35 in accordance with RCW 36.79.020.
36 ~~((2))~~ (3) 100 percent of the net tax amount collected under RCW
37 82.36.025(2) and 82.38.030(2) shall be distributed as follows:
38 (a) 4.3366 percent shall be distributed to cities and towns in
39 accordance with RCW 46.68.110(6).

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

3 (c) 91.3268 percent shall be distributed to the motor vehicle
4 account.

5 (4) 100 percent of the net tax amount collected under RCW
6 82.36.025(3) and 82.38.030(3) shall be distributed to the motor vehicle
7 account.

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

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

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

18 (1) One and one-half percent of such sums distributed under RCW
19 46.68.090 (2)(g) and (3) shall be deducted monthly as such sums are
20 credited and set aside for the use of the department of transportation
21 for the supervision of work and expenditures of such incorporated
22 cities and towns on the city and town streets thereof, including the
23 supervision and administration of federal-aid programs for which the
24 department of transportation has responsibility: PROVIDED, That any
25 moneys so retained and not expended shall be credited in the succeeding
26 biennium to the incorporated cities and towns in proportion to
27 deductions herein made;

28 (2) Thirty-three one-hundredths of one percent of such funds
29 distributed under RCW 46.68.090 (2)(g) and (3) shall be deducted
30 monthly, as such funds accrue, and set aside for the use of the
31 department of transportation for the purpose of funding the cities'
32 share of the costs of highway jurisdiction studies and other studies.
33 Any funds so retained and not expended shall be credited in the
34 succeeding biennium to the cities in proportion to the deductions made;

35 (3) One percent of such funds distributed under RCW 46.68.090(2)(g)
36 shall be deducted monthly, as such funds accrue, to be deposited in the
37 urban arterial trust account, to implement the city hardship assistance
38 program, as provided in RCW 47.26.164. However, any moneys so retained

1 and not required to carry out the program as of July 1st of each odd-
2 numbered year thereafter, shall be provided within sixty days to the
3 treasurer and distributed in the manner prescribed in subsection (5) of
4 this section;

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

21 (5) The ((balance)) remaining ((to the credit of incorporated
22 cities and towns after such deduction)) funds not distributed under
23 subsection (4) of this section shall be apportioned monthly as such
24 funds accrue among the ((several)) incorporated cities and towns within
25 the state ratably on the basis of the population last determined by the
26 office of financial management; and

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

34 NEW SECTION. Sec. 305. A new section is added to chapter 47.26
35 RCW to read as follows:

36 As part of the matching funds requirements under RCW 47.26.270, the
37 transportation improvement board shall require a city or town receiving
38 funds under RCW 46.68.110(6) to use a portion of these funds, as

1 determined by the board by rule, for the purpose of matching a portion
2 of the corridor grant money allocated to the city or town by the board
3 under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

33 A terminal operator is jointly and severally liable for remitting
34 the tax imposed under RCW 82.38.030(~~((+1))~~) if, in connection with the
35 removal of special fuel that is not dyed or marked in accordance with
36 internal revenue service requirements, the terminal operator provides

1 a person with a bill of lading, shipping paper, or similar document
2 indicating that the special fuel is dyed or marked in accordance with
3 internal revenue service requirements.

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

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

12	VEHICLE TONNAGE (GVW)	FEE
13	0 - 6,000	\$ 45
14	6,001 - 10,000	\$ 45
15	10,001 - 18,000	\$ 80
16	18,001 - 28,000	\$110
17	28,001 - 36,000	\$150
18	36,001 and above	\$250

19 To determine the actual annual license fee imposed by this section
20 for a registration year, the appropriate dollar amount set out in the
21 above schedule shall be multiplied by the ((~~motor vehicle~~)) special
22 fuel tax rate in cents per gallon as established by RCW ((82.36.025))
23 82.38.030 effective on July 1st of the preceding calendar year and the
24 product thereof shall be divided by 12 cents.

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

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

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

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

1 Vehicles registered in jurisdictions outside the state of
2 Washington are exempt from this section.

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

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

8 (1) From time to time, but at least once each year, the state
9 treasurer shall refund from the motor vehicle fund one percent of the
10 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
11 based on the tax rate in effect January 1, (~~(1990)~~) 2001, less proper
12 deductions for refunds and costs of collection as provided in RCW
13 46.68.090. The treasurer shall place these funds in the general fund
14 as follows:

15 (a) Forty percent shall be credited to the ORV and nonhighway
16 vehicle account and administered by the department of natural resources
17 solely for planning, maintenance, and management of ORV recreation
18 facilities, nonhighway roads, and nonhighway road recreation
19 facilities. The funds under this subsection shall be expended in
20 accordance with the following limitations:

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

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

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

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

29 (v) Ten percent shall be transferred to the interagency committee
30 for outdoor recreation for grants to law enforcement agencies in those
31 counties where the department of natural resources maintains ORV
32 facilities. This amount is in addition to those distributions made by
33 the interagency committee for outdoor recreation under (d)(i) of this
34 subsection;

35 (b) Three and one-half percent shall be credited to the ORV and
36 nonhighway vehicle account and administered by the department of fish
37 and wildlife solely for the acquisition, planning, development,

1 maintenance, and management of nonhighway roads and recreation
2 facilities;

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

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

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

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

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

27 (2) On a yearly basis an agency may not, except as provided in RCW
28 46.09.110, expend more than ten percent of the funds it receives under
29 this chapter for general administration expenses incurred in carrying
30 out this chapter.

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

33 From time to time, but at least once each four years, the
34 department shall determine the amount of moneys paid to it as motor
35 vehicle fuel tax that is tax on snowmobile fuel. Such determination
36 shall use one hundred thirty-five gallons as the average yearly fuel
37 usage per snowmobile, the number of registered snowmobiles during the

1 calendar year under determination, and the fuel tax rate in effect
2 January 1, (~~1990~~) 2001.

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

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

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

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

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

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

28 (3) Beginning April 1, 2003, there is levied and collected an
29 additional tax of one percent of the selling price on each retail sale
30 of a motor vehicle in this state, other than retail car rentals taxed
31 under subsection (2) of this section.

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

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

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

6 (~~(4)~~) (7) The rates provided in this section apply to taxes
7 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

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

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

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

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

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

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

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

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

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

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

13 (d) Where the applicant presents satisfactory evidence showing that
14 the retail sales tax or the use tax has been paid by ((him)) the
15 applicant on the vehicle in question.

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

23 (3) It shall be the duty of every applicant for registration and
24 transfer of certificate of title who is subject to payment of tax under
25 this section to declare upon ((his)) the application the value of the
26 vehicle for which application is made, which shall consist of the
27 consideration paid or contracted to be paid therefor.

28 (4) Each county auditor who acts as agent of the department of
29 revenue shall at the time of remitting license fee receipts on motor
30 vehicles subject to the provisions of this section pay over and account
31 to the state treasurer for all use tax revenue collected under this
32 section, after first deducting as ((his)) a collection fee the sum of
33 two dollars for each motor vehicle upon which the tax has been
34 collected. All revenue received by the state treasurer under this
35 section shall be credited to the general fund. The auditor's
36 collection fee shall be deposited in the county current expense fund.
37 A duplicate of the county auditor's transmittal report to the state
38 treasurer shall be forwarded forthwith to the department of revenue.

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

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

20 (7) The use tax revenue collected on the rate provided in RCW
21 82.08.020(3) will be deposited in the multimodal transportation account
22 under RCW 47.66.070.

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

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

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

33 (1) Effective for taxes collected in fiscal year 2006, the tax
34 imposed and collected under chapters 82.08 and 82.12 RCW, less any
35 credits allowed under chapter 82.14 RCW, on construction projects
36 within the improvement program in RCW 47.05.030(2), except for those
37 projects related to safety and environmental retrofit, shall be

1 transferred from the general fund to the multimodal transportation
2 account once each year as described by subsection (3) of this section.

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

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

13 **PART V - BOND AUTHORIZATION**

14 NEW SECTION. **Sec. 501.** In order to provide funds necessary for
15 the location, design, right of way, and construction of selected state
16 and local highway improvements, there shall be issued and sold upon the
17 request of the transportation commission a total of four billion five
18 hundred million dollars of general obligation bonds of the state of
19 Washington.

20 NEW SECTION. **Sec. 502.** Upon the request of the transportation
21 commission, as appropriate, the state finance committee shall supervise
22 and provide for the issuance, sale, and retirement of the bonds
23 authorized by RCW 46.68.090 in accordance with chapter 39.42 RCW.
24 Bonds authorized by this act shall be sold in the manner, at time or
25 times, in amounts, and at the price as the state finance committee
26 shall determine. No bonds may be offered for sale without prior
27 legislative appropriation of the net proceeds of the sale of the bonds.

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

33 NEW SECTION. **Sec. 503.** The proceeds from the sale of bonds
34 authorized by section 501 of this act shall be deposited in the motor
35 vehicle fund. The proceeds shall be available only for the purposes

1 enumerated in section 501 of this act, for the payment of bond
2 anticipation notes, if any, and for the payment of bond issuance costs,
3 including the costs of underwriting.

4 NEW SECTION. **Sec. 504.** Bonds issued under the authority of
5 section 501 of this act shall distinctly state that they are a general
6 obligation of the state of Washington, shall pledge the full faith and
7 credit of the state to the payment of the principal thereof and the
8 interest thereon, and shall contain an unconditional promise to pay
9 such principal and interest as the same shall become due. The
10 principal and interest on the bonds shall be first payable from the
11 proceeds of the state excise taxes on motor vehicle and special fuels
12 imposed by chapters 82.36 and 82.38 RCW. Proceeds of these excise
13 taxes are hereby pledged to the payment of any bonds and the interest
14 thereon issued under the authority of sections 501 through 506 of this
15 act, and the legislature agrees to continue to impose these excise
16 taxes on motor vehicle and special fuels in amounts sufficient to pay,
17 when due, the principal and interest on all bonds issued under the
18 authority of section 501 of this act.

19 NEW SECTION. **Sec. 505.** Both principal and interest on the bonds
20 issued for the purposes of section 501 of this act shall be payable
21 from the highway bond retirement fund. The state finance committee may
22 provide that a special account be created in the fund to facilitate
23 payment of the principal and interest. The state finance committee
24 shall, on or before June 30th of each year, certify to the state
25 treasurer the amount required for principal and interest on the bonds
26 in accordance with the bond proceedings. The state treasurer shall
27 withdraw revenues from the motor vehicle fund and deposit in the
28 highway bond retirement fund, or a special account in the fund, such
29 amounts, and at such times, as are required by the bond proceedings.

30 Any funds required for bond retirement or interest on the bonds
31 authorized by section 501 of this act shall be taken from that portion
32 of the motor vehicle fund that results from the imposition of excise
33 taxes on motor vehicle and special fuels and which is, or may be,
34 appropriated to the department of transportation for state highway
35 purposes. Funds required shall never constitute a charge against any
36 other allocations of motor vehicle fuel and special fuel tax revenues
37 to the state, counties, cities, and towns unless the amount arising

1 from excise taxes on motor vehicle and special fuels distributed to the
2 state in the motor vehicle fund proves insufficient to meet the
3 requirements for bond retirement or interest on any such bonds.

4 Any payments for bond retirement or interest on the bonds taken
5 from other revenues from the motor vehicle fuel or special fuel taxes
6 that are distributable to the state, counties, cities, and towns shall
7 be repaid from the first revenues from the motor vehicle fuel or
8 special fuel taxes distributed to the motor vehicle fund not required
9 for bond retirement or interest on the bonds.

10 NEW SECTION. **Sec. 506.** Bonds issued under the authority of
11 section 501 of this act and this section and any other general
12 obligation bonds of the state of Washington that have been or that may
13 be authorized and that pledge motor vehicle and special fuels excise
14 taxes for the payment of principal and interest thereon shall be an
15 equal charge against the revenues from such motor vehicle and special
16 fuels excise taxes.

17 NEW SECTION. **Sec. 507.** For the purpose of providing funds for the
18 planning, design, construction, reconstruction, and other necessary
19 costs for transportation projects, including rail and passenger-only
20 ferry projects, the state finance committee is authorized to issue
21 general obligation bonds of the state of Washington in the sum of one
22 hundred million dollars, or as much thereof as may be required, to
23 finance these projects and all costs incidental thereto. Bonds
24 authorized in this section may be sold at such price as the state
25 finance committee shall determine. No bonds authorized in this section
26 may be offered for sale without prior legislative appropriation of the
27 net proceeds of the sale of the bonds.

28 NEW SECTION. **Sec. 508.** The proceeds of the sale of the bonds
29 authorized in section 507 of this act must be deposited in the
30 multimodal transportation account and must be used exclusively for the
31 purposes specified in section 507 of this act and for the payment of
32 expenses incurred in the issuance and sale of the bonds.

33 NEW SECTION. **Sec. 509.** (1) The nondebt-limit reimbursable bond
34 retirement account must be used for the payment of the principal and
35 interest on the bonds authorized in section 507 of this act.

1 (2)(a) The state finance committee must, on or before June 30th of
2 each year, certify to the state treasurer the amount needed in the
3 ensuing twelve months to meet the bond retirement and interest
4 requirements on the bonds authorized in section 507 of this act.

5 (b) On or before the date on which any interest or principal and
6 interest is due, the state treasurer shall transfer from the multimodal
7 transportation account for deposit into the nondebt-limit reimbursable
8 bond retirement account the amount computed in (a) of this subsection
9 for bonds issued for the purposes of section 507 of this act.

10 (3) If the multimodal transportation account has insufficient
11 revenues to pay the principal and interest computed in subsection
12 (2)(a) of this section, then the debt-limit reimbursable bond
13 retirement account must be used for the payment of the principal and
14 interest on the bonds authorized in section 507 of this act from any
15 additional means provided by the legislature.

16 (4) If at any time the multimodal transportation account has
17 insufficient revenues to repay the bonds, the legislature may provide
18 additional means for the payment of the bonds.

19 NEW SECTION. **Sec. 510.** (1) Bonds issued under section 507 of this
20 act must state that they are a general obligation of the state of
21 Washington, must pledge the full faith and credit of the state to the
22 payment of the principal and interest, and must contain an
23 unconditional promise to pay the principal and interest as it becomes
24 due.

25 (2) The owner and holder of each of the bonds or the trustee for
26 the owner and holder of any of the bonds may by mandamus or other
27 appropriate proceeding require the transfer and payment of funds as
28 directed in this section.

29 NEW SECTION. **Sec. 511.** The legislature may provide additional
30 means for raising moneys for the payment of the principal and interest
31 on the bonds authorized in section 507 of this act, and sections 509
32 and 510 of this act are not deemed to provide an exclusive method for
33 their payment.

34 NEW SECTION. **Sec. 512.** The bonds authorized in section 507 of
35 this act are a legal investment for all state funds or funds under
36 state control and for all funds of any other public body.

1 **Sec. 513.** RCW 39.42.060 and 2001 2nd sp.s. c 9 s 18 are each
2 amended to read as follows:

3 No bonds, notes, or other evidences of indebtedness for borrowed
4 money shall be issued by the state which will cause the aggregate debt
5 contracted by the state to exceed that amount for which payments of
6 principal and interest in any fiscal year would require the state to
7 expend more than seven percent of the arithmetic mean of its general
8 state revenues, as defined in section 1(c) of Article VIII of the
9 Washington state Constitution for the three immediately preceding
10 fiscal years as certified by the treasurer in accordance with RCW
11 39.42.070. It shall be the duty of the state finance committee to
12 compute annually the amount required to pay principal of and interest
13 on outstanding debt. In making such computation, the state finance
14 committee shall include all borrowed money represented by bonds, notes,
15 or other evidences of indebtedness which are secured by the full faith
16 and credit of the state or are required to be paid, directly or
17 indirectly, from general state revenues and which are incurred by the
18 state, any department, authority, public corporation or quasi public
19 corporation of the state, any state university or college, or any other
20 public agency created by the state but not by counties, cities, towns,
21 school districts, or other municipal corporations, and shall include
22 debt incurred pursuant to section 3 of Article VIII of the Washington
23 state Constitution, but shall exclude the following:

24 (1) Obligations for the payment of current expenses of state
25 government;

26 (2) Indebtedness incurred pursuant to RCW 39.42.080 or 39.42.090;

27 (3) Principal of and interest on bond anticipation notes;

28 (4) Any indebtedness which has been refunded;

29 (5) Financing contracts entered into under chapter 39.94 RCW;

30 (6) Indebtedness authorized or incurred before July 1, 1993,
31 pursuant to statute which requires that the state treasury be
32 reimbursed, in the amount of the principal of and the interest on such
33 indebtedness, from money other than general state revenues or from the
34 special excise tax imposed pursuant to chapter 67.40 RCW;

35 (7) Indebtedness authorized and incurred after July 1, 1993,
36 pursuant to statute that requires that the state treasury be
37 reimbursed, in the amount of the principal of and the interest on such
38 indebtedness, from (a) moneys outside the state treasury, except higher
39 education operating fees, (b) higher education building fees, (c)

1 indirect costs recovered from federal grants and contracts, and (d)
2 fees and charges associated with hospitals operated or managed by
3 institutions of higher education;

4 (8) Any agreement, promissory note, or other instrument entered
5 into by the state finance committee under RCW 39.42.030 in connection
6 with its acquisition of bond insurance, letters of credit, or other
7 credit support instruments for the purpose of guaranteeing the payment
8 or enhancing the marketability, or both, of any state bonds, notes, or
9 other evidence of indebtedness;

10 (9) Indebtedness incurred for the purposes identified in RCW
11 43.99N.020;

12 (10) Indebtedness incurred for the purposes of the school district
13 bond guaranty established by chapter 39.98 RCW;

14 (11) Indebtedness incurred for the purposes of replacing the
15 waterproof membrane over the east plaza garage and revising related
16 landscaping construction pursuant to RCW 43.99Q.070; ((and))

17 (12) Indebtedness incurred for the purposes of the state
18 legislative building rehabilitation, to the extent that principal and
19 interest payments of such indebtedness are paid from the capitol
20 building construction account pursuant to RCW 43.99Q.140(2)(b); and

21 (13) Indebtedness incurred for the purposes of financing projects
22 under section 507 of this act.

23 To the extent necessary because of the constitutional or statutory
24 debt limitation, priorities with respect to the issuance or
25 guaranteeing of bonds, notes, or other evidences of indebtedness by the
26 state shall be determined by the state finance committee.

27 NEW SECTION. Sec. 514. Sections 501 through 512 of this act are
28 each added to chapter 47.10 RCW.

29 **PART VI - REFERENDUM**

30 NEW SECTION. Sec. 601. (1) The secretary of state shall submit
31 this act, except for sections 101 through 120 of this act, to the
32 people for their adoption and ratification, or rejection, at the next
33 general election to be held in this state, in accordance with Article
34 II, section 1 of the state Constitution and the laws adopted to
35 facilitate its operation.

1 (2) If the people ratify this act as specified under subsection (1)
2 of this section, revenues generated shall be spent as detailed in
3 Senate Bill No. 6347, as enacted by the legislature.

4 (3) Pursuant to RCW 29.79.035, the statement of subject on the
5 ballot title shall read: "The legislature has passed House Bill No.
6 2969, financing transportation improvements through transportation fees
7 and taxes." The concise description on the ballot title shall read:
8 "This bill would improve highway capacity, public transportation,
9 passenger and freight rail, and transportation financing accountability
10 through increased weight fees on trucks and large vehicles, fuel excise
11 taxes, and sales taxes on vehicles."

12 NEW SECTION. **Sec. 602.** If this act is not ratified by the voters
13 by November 15, 2002, this act is null and void in its entirety,
14 including sections 101 through 120 of this act.

15 NEW SECTION. **Sec. 603.** Section 601 of this act is necessary for
16 the immediate preservation of the public peace, health, or safety, or
17 support of the state government and its existing public institutions,
18 and takes effect immediately.

19 **PART VII - MISCELLANEOUS**

20 NEW SECTION. **Sec. 701.** If any provision of this act or its
21 application to any person or circumstance is held invalid, the
22 remainder of the act or the application of the provision to other
23 persons or circumstances is not affected.

24 NEW SECTION. **Sec. 702.** Part headings used in this act do not
25 constitute any part of the law.

26 NEW SECTION. **Sec. 703.** If this act is ratified by the voters as
27 specified in section 601 of this act, this act, except sections 401,
28 402, and 601 of this act, takes effect January 1, 2002.

29 NEW SECTION. **Sec. 704.** This act is null and void if a
30 transportation expenditure bill based on the revenue provided in this
31 act does not become law by December 31, 2002.

