
HOUSE BILL 1677

State of Washington 52nd Legislature 1991 Regular Session

By Representatives Cooper, R. Fisher, Peery, Ogden, H. Myers, Morris, Jacobsen and Winsley.

Read first time February 6, 1991. Referred to Committee on Transportation.

1 AN ACT Relating to high capacity transportation funding and
2 planning; and amending RCW 35.58.273, 81.104.030, 81.104.110,
3 81.104.140, and 82.44.150.

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

5 **Sec. 1.** RCW 35.58.273 and 1990 c 42 s 316 are each amended to read
6 as follows:

7 (1) Through June 30, 1992, any municipality within a class AA
8 (~~county, or within a~~), class A (~~county contiguous to a class AA~~
9 ~~county, or within a second~~), or first class county (~~contiguous to a~~
10 ~~class A county that is contiguous to a class AA county~~) as established
11 by the 1990 census is authorized to levy and collect a special excise
12 tax not exceeding .7824 percent and beginning July 1, 1992, .725
13 percent on the fair market value of every motor vehicle owned by a
14 resident of such municipality for the privilege of using such motor
15 vehicle provided that in no event shall the tax be less than one dollar

1 and, subject to RCW 82.44.150 (~~((+5) and (6+))~~) (3) and (4), the amount
2 of such tax shall be credited against the amount of the excise tax
3 levied by the state under RCW 82.44.020.

4 (2) Through June 30, 1992, any other municipality is authorized to
5 levy and collect a special excise tax not exceeding .815 percent, and
6 beginning July 1, 1992, .725 percent on the fair market value of every
7 motor vehicle owned by a resident of such municipality for the
8 privilege of using such motor vehicle provided that in no event shall
9 the tax be less than one dollar and, subject to RCW 82.44.150 (3) and
10 (4), the amount of such tax shall be credited against the amount of the
11 excise tax levied by the state under RCW 82.44.020. Before utilization
12 of any excise tax moneys collected under authorization of this section
13 for acquisition of right of way or construction of a mass transit
14 facility on a separate right of way the municipality shall adopt rules
15 affording the public an opportunity for "corridor public hearings" and
16 "design public hearings" as herein defined, which rule shall provide in
17 detail the procedures necessary for public participation in the
18 following instances: (a) prior to adoption of location and design
19 plans having a substantial social, economic or environmental effect
20 upon the locality upon which they are to be constructed or (b) on such
21 mass rapid transit systems operating on a separate right of way
22 whenever a substantial change is proposed relating to location or
23 design in the adopted plan. In adopting rules the municipality shall
24 adhere to the provisions of the Administrative Procedure Act.

25 (3) A "corridor public hearing" is a public hearing that: (a) is
26 held before the municipality is committed to a specific mass transit
27 route proposal, and before a route location is established; (b) is held
28 to afford an opportunity for participation by those interested in the
29 determination of the need for, and the location of, the mass rapid
30 transit system; (c) provides a public forum that affords a full

1 opportunity for presenting views on the mass rapid transit system route
2 location, and the social, economic and environmental effects on that
3 location and alternate locations: PROVIDED, That such hearing shall
4 not be deemed to be necessary before adoption of an overall mass rapid
5 transit system plan by a vote of the electorate of the municipality.

6 (4) A "design public hearing" is a public hearing that: (a) is
7 held after the location is established but before the design is
8 adopted; and (b) is held to afford an opportunity for participation by
9 those interested in the determination of major design features of the
10 mass rapid transit system; and (c) provides a public forum to afford a
11 full opportunity for presenting views on the mass rapid transit system
12 design, and the social, economic, environmental effects of that design
13 and alternate designs.

14 **Sec. 2.** RCW 81.104.030 and 1990 c 43 s 24 are each amended to read
15 as follows:

16 (1) In any class A county not bordered by a class AA county and in
17 counties of the first class (~~and smaller~~), city-owned transit
18 systems, county transportation authorities, metropolitan municipal
19 corporations, and public transportation benefit areas may elect to
20 establish high capacity transportation service. Such agencies shall
21 form a regional policy committee with proportional representation based
22 upon population distribution within the designated service area and a
23 representative of the department of transportation, or such agencies
24 may use the designated metropolitan planning organization as the
25 regional policy committee.

26 (a) City-owned transit systems, county transportation authorities,
27 metropolitan municipal corporations, and public transportation benefit
28 areas participating in joint regional policy committees shall seek
29 voter approval within their own service boundaries of a high capacity

1 transportation system plan and an implementation program including a
2 financing program.

3 (b) An interim regional authority may be formed pursuant to RCW
4 81.104.040(2) and shall seek voter approval of a high capacity
5 transportation plan and financing program within its proposed service
6 boundaries.

7 (2) City-owned transit systems, county transportation authorities,
8 metropolitan municipal corporations, and public transportation benefit
9 areas in counties adjoining state or international boundaries are
10 authorized to participate in the regional high capacity transportation
11 programs of an adjoining state or nation.

12 **Sec. 3.** RCW 81.104.110 and 1990 c 43 s 32 are each amended to read
13 as follows:

14 The legislature recognizes that the planning process described in
15 RCW 81.104.100 provides a recognized framework for guiding high
16 capacity transportation studies. However, the process cannot guarantee
17 appropriate transit decisions unless key study assumptions are
18 reasonable.

19 To assure appropriate project assumptions and to provide for review
20 of project results, the department of transportation shall develop
21 independent oversight procedures which are appropriate to the scope of
22 any project for which high capacity transportation account funds are
23 requested.

24 An expert review panel shall be appointed to provide independent
25 technical review for any project which is to be funded in whole or in
26 part by the imposition of any voter-approved local option funding
27 sources enumerated in RCW 81.104.140.

28 (1) The expert review panel shall consist of five to ten members
29 who are recognized experts in relevant fields, such as transit

1 operations, planning, emerging transportation technologies,
2 engineering, finance, law, the environment, geography, economics, and
3 political science.

4 (2) The expert review panel shall be selected cooperatively by the
5 chair of the legislative transportation committee, the secretary of the
6 department of transportation, and the governor to assure a balance of
7 disciplines. In the case of counties adjoining another state or nation
8 the expert review panel membership shall be selected cooperatively with
9 representatives of the adjoining state or nation.

10 (3) The chair of the expert review panel shall be designated by the
11 appointing body.

12 (4) The expert review panel shall serve without compensation but
13 shall be reimbursed for expenses according to chapter 43.03 RCW.

14 (5) Funds appropriated for expenses of the expert panel shall be
15 administered by the department of transportation.

16 (6) The expert panel shall review all reports required in RCW
17 81.104.100(2)(b)(vi) but shall concentrate on service modes and
18 concepts, costs, patronage, financing, and project evaluation.

19 (7) The expert panel shall provide timely reviews and comments on
20 individual project reports and study conclusions to the governor, the
21 legislative transportation committee, the department of transportation,
22 and the submitting lead transit agency. In the case of counties
23 adjoining another state or nation, the expert review panel shall
24 provide its reviews, comments, and conclusions to the representatives
25 of the adjoining state or nation.

26 (8) The legislative transportation committee shall contract for
27 consulting services for expert review panels. The amount of consultant
28 support shall be negotiated with each expert review panel by the
29 legislative transportation committee and shall be paid from the high
30 capacity transportation account.

1 **Sec. 4.** RCW 81.104.140 and 1990 c 43 s 35 are each amended to read
2 as follows:

3 (1) Agencies authorized to provide high capacity transportation
4 service, including city-owned transit systems, county transportation
5 authorities, metropolitan municipal corporations and public
6 transportation benefit areas, are hereby granted dedicated funding
7 sources for such systems. These dedicated funding sources, as set
8 forth in RCW 81.104.150, 81.104.160, and 81.104.170, are authorized
9 only for agencies located in class AA counties, class A counties, and
10 counties of the first class (~~((which border another state, and counties~~
11 ~~which, on March 14, 1990, are of the second class and which adjoin~~
12 ~~class A counties))~~) as established by the 1990 census.

13 (2) Agencies providing high capacity transportation service should
14 also seek other funds, including federal, state, local, and private
15 sector assistance.

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

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

24 (4) Agencies participating in regional high capacity transportation
25 system development through interlocal agreements or a conference-
26 approved interim regional rail authority or subregional process as
27 defined in RCW 81.104.040 are authorized to levy and collect the
28 following voter-approved local option funding sources:

- 29 (a) Employer tax as provided in RCW 81.104.150;

1 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
2 and

3 (c) Sales and use tax as provided in RCW 81.104.170.

4 Revenues from these taxes may be used only to support those
5 purposes prescribed in subsection (8) of this section. Before an
6 agency may impose any of the taxes enumerated in this section and
7 authorized in RCW 81.104.150, 81.104.160, and 81.104.170, it must
8 comply with the process prescribed in RCW 81.104.100 and 81.104.110.

9 (5) Authorization in subsection (4) of this section shall not
10 adversely affect the funding authority of existing transit agencies.
11 Local option funds may be used to support implementation of interlocal
12 agreements with respect to the establishment of regional high capacity
13 transportation service. Local jurisdictions shall retain control over
14 moneys generated within their boundaries, although funds may be
15 commingled for planning, construction, and operation of high capacity
16 transportation systems as set forth in the agreements.

17 (6) Agencies providing high capacity transportation service may
18 contract with the state for collection and transference of local option
19 revenue.

20 (7) Dedicated high capacity transportation funding shall be subject
21 to voter approval by a simple majority.

22 (8) Agencies providing high capacity transportation service shall
23 retain responsibility for revenue encumbrance, disbursement, and
24 bonding. Funds may be used for any purpose relating to planning,
25 construction, and operation of high capacity transportation, commuter
26 rail, and feeder transportation systems.

27 **Sec. 5.** RCW 82.44.150 and 1990 c 42 s 308 are each amended to read
28 as follows:

1 (1) The director of licensing shall, on the twenty-fifth day of
2 February, May, August, and November of each year, advise the state
3 treasurer of the total amount of motor vehicle excise taxes remitted to
4 the department during the preceding calendar quarter ending on the last
5 day of March, June, September, and December, respectively, except for
6 those payable under RCW 82.44.030, from motor vehicle owners residing
7 within each municipality which has levied a tax under RCW 35.58.273,
8 which amount of excise taxes shall be determined by the director as
9 follows:

10 The total amount of motor vehicle excise taxes remitted to the
11 department, except those payable under RCW 82.44.030, from each county
12 shall be multiplied by a fraction, the numerator of which is the
13 population of the municipality residing in such county, and the
14 denominator of which is the total population of the county in which
15 such municipality or portion thereof is located. The product of this
16 computation shall be the amount of excise taxes from motor vehicle
17 owners residing within such municipality or portion thereof. Where the
18 municipality levying a tax under RCW 35.58.273 is located in more than
19 one county, the above computation shall be made by county, and the
20 combined products shall provide the total amount of motor vehicle
21 excise taxes from motor vehicle owners residing in the municipality as
22 a whole. Population figures required for these computations shall be
23 supplied to the director by the office of financial management, who
24 shall adjust the fraction annually.

25 (2) On the first day of the months of January, April, July, and
26 October of each year, the state treasurer based upon information
27 provided by the department shall, from motor vehicle excise taxes
28 deposited in the general fund, under RCW 82.44.110(7), make the
29 following deposits:

1 (a) To the high capacity transportation account created in RCW
2 47.78.010, a sum equal to four and five-tenths percent of the special
3 excise tax levied under RCW 35.58.273 by those municipalities
4 authorized to levy a special excise tax within a class AA (~~county, or~~
5 ~~within a~~), class A (~~county contiguous to a class AA county, or within~~
6 ~~a second~~), or first class county (~~contiguous to a class A county that~~
7 ~~is contiguous to a class AA county~~) as established by the 1990 census;

8 (b) To the central Puget Sound public transportation account
9 created in RCW 82.44.180, for revenues distributed after December 31,
10 1992, within a class AA county or within a class A county contiguous to
11 a class AA county, a sum equal to the difference between (i) the
12 special excise tax levied and collected under RCW 35.58.273 by those
13 municipalities authorized to levy and collect a special excise tax
14 subject to the requirements of subsections (3) and (4) of this section
15 and (ii) the special excise tax that the municipality would otherwise
16 have been eligible to levy and collect at a tax rate of .815 percent
17 and been able to match with locally generated tax revenues, other than
18 the excise tax imposed under RCW 35.58.273, budgeted for any public
19 transportation purpose. Before this deposit, the sum shall be reduced
20 by an amount equal to the amount distributed under (a) of this
21 subsection for each of the municipalities within the counties to which
22 this subsection (2)(b) applies; however, any transfer under this
23 subsection (2)(b) must be greater than zero;

24 (c) To the public transportation systems account created in RCW
25 82.44.180, for revenues distributed after December 31, 1992, within
26 counties not described in (b) of this subsection, a sum equal to the
27 difference between (i) the special excise tax levied and collected
28 under RCW 35.58.273 by those municipalities authorized to levy and
29 collect a special excise tax subject to the requirements of subsections
30 (3) and (4) of this section and (ii) the special excise tax that the

1 municipality would otherwise have been eligible to levy and collect at
2 a tax rate of .815 percent and been able to match with locally
3 generated tax revenues, other than the excise tax imposed under RCW
4 35.58.273, budgeted for any public transportation purpose. Before this
5 deposit, the sum shall be reduced by an amount equal to the amount
6 distributed under (a) of this subsection for each of the municipalities
7 within the counties to which this subsection (2)(c) applies; however,
8 any transfer under this subsection (2)(c) must be greater than zero;
9 and

10 (d) To the transportation fund created in RCW 82.44.180, for
11 revenues distributed after June 30, 1991, a sum equal to the difference
12 between (i) the special excise tax levied and collected under RCW
13 35.58.273 by those municipalities authorized to levy and collect a
14 special excise tax subject to the requirements of subsections (3) and
15 (4) of this section and (ii) the special excise tax that the
16 municipality would otherwise have been eligible to levy and collect at
17 a tax rate of .815 percent notwithstanding the requirements set forth
18 in subsections (3) through (6) of this section, reduced by an amount
19 equal to distributions made under (a), (b), and (c) of this subsection.

20 (3) On the first day of the months of January, April, July, and
21 October of each year, the state treasurer, based upon information
22 provided by the department, shall remit motor vehicle excise tax
23 revenues imposed and collected under RCW 35.58.273 as follows:

24 (a) The amount required to be remitted by the state treasurer to
25 the treasurer of any municipality levying the tax shall not exceed in
26 any calendar year the amount of locally-generated tax revenues,
27 excluding the excise tax imposed under RCW 35.58.273 for the purposes
28 of this section, which shall have been budgeted by the municipality to
29 be collected in such calendar year for any public transportation
30 purposes including but not limited to operating costs, capital costs,

1 and debt service on general obligation or revenue bonds issued for
2 these purposes; and

3 (b) In no event may the amount remitted in a single calendar
4 quarter exceed the amount collected on behalf of the municipality under
5 RCW 35.58.273 during the calendar quarter next preceding the
6 immediately preceding quarter.

7 (4) At the close of each calendar year accounting period, but not
8 later than April 1, each municipality that has received motor vehicle
9 excise taxes under subsection (3) of this section shall transmit to the
10 director of licensing and the state auditor a written report showing by
11 source the previous year's budgeted tax revenues for public
12 transportation purposes as compared to actual collections. Any
13 municipality that has not submitted the report by April 1 shall cease
14 to be eligible to receive motor vehicle excise taxes under subsection
15 (3) of this section until the report is received by the director of
16 licensing. If a municipality has received more or less money under
17 subsection (3) of this section for the period covered by the report
18 than it is entitled to receive by reason of its locally-generated
19 collected tax revenues, the director of licensing shall, during the
20 next ensuing quarter that the municipality is eligible to receive motor
21 vehicle excise tax funds, increase or decrease the amount to be
22 remitted in an amount equal to the difference between the locally-
23 generated budgeted tax revenues and the locally-generated collected tax
24 revenues. In no event may the amount remitted for a calendar year
25 exceed the amount collected on behalf of the municipality under RCW
26 35.58.273 during that same calendar year. At the time of the next
27 fiscal audit of each municipality, the state auditor shall verify the
28 accuracy of the report submitted and notify the director of licensing
29 of any discrepancies.

1 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
2 required to be remitted under this section shall be remitted without
3 legislative appropriation.

4 (6) Any municipality levying and collecting a tax under RCW
5 35.58.273 which does not have an operating, public transit system or a
6 contract for public transportation services in effect within one year
7 from the initial effective date of the tax shall return to the state
8 treasurer all motor vehicle excise taxes received under subsection (3)
9 of this section.