

2 **SSB 6140** - S AMD 403

3 By Senators McDonald, Haugen, Kastama and Gardner

4 ADOPTED 05/21/01

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

7 NEW SECTION. **Sec. 1.** The legislature recognizes that many
8 transportation decisions are best made at the regional level, where
9 transportation problems are best understood. To achieve improved
10 regional mobility, to promote individual and economic well-being, and
11 to implement recommendation number six of the Blue Ribbon Commission on
12 Transportation final report, relating to regional transportation
13 solutions, regional transportation investment districts are created.
14 It is the purpose of regional transportation investment districts to
15 generate revenues for a limited period of time to assist in the
16 financing of transportation improvements made to highways of statewide
17 significance to improve transportation mobility in congested areas.

18 The legislature recognizes that a multimodal approach to the
19 state's transportation system is the best means of addressing
20 transportation needs. For the past decade, little money has been spent
21 on adding capacity to our state's highways of statewide significance.
22 This lack of investment includes major new highway projects to add
23 capacity and lane miles to major state routes, interstates or other
24 freeway systems, as well as associated high-capacity transportation
25 capital improvements such as park and ride facilities, high-occupancy
26 vehicle lanes, transit flyover access ramps to highway lanes, and bus
27 pullouts along highways as means to reduce traffic congestion.

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

30 (1) "Regional transportation investment district" or "district"
31 means a quasi-municipal corporation whose boundaries are coextensive
32 with one or more counties and which has been created by county
33 legislative authorities and a vote of the people pursuant to this
34 chapter to implement a regional transportation investment plan.

1 (2) "Regional transportation investment district planning
2 committee" or "planning committee" means the advisory committee created
3 pursuant to section 3 of this act to create and propose to county
4 legislative authorities a regional transportation investment plan to
5 develop, finance, and construct transportation projects.

6 (3) "Regional transportation investment plan" or "plan" means a
7 plan to develop, construct, and finance a transportation project or
8 projects.

9 (4) "Highway of statewide significance" means an existing or
10 proposed state route or federal interstate as designated a highway of
11 statewide significance by the transportation commission, its successor
12 entity, or the legislature.

13 (5) "Transportation project" or "project" means a capital
14 improvement or improvements to a highway of statewide significance that
15 adds a lane or new lanes to an existing state or federal highway,
16 including associated HOV lanes, flyover ramps, park and ride lots, and
17 bus pullouts.

18 (6) "Department" means the Washington state department of
19 transportation.

20 NEW SECTION. **Sec. 3.** Regional transportation investment district
21 planning committees are advisory entities which are created, convened,
22 and empowered as follows:

23 (1) A county or, by agreement, multiple contiguous counties, may
24 choose to create a regional transportation investment district and
25 convene a regional transportation investment district planning
26 committee.

27 (2) If a regional transportation investment district planning
28 committee is formed, each county commissioner or councilmember from
29 each participating county shall appoint one member to the planning
30 committee. The appointee must be a resident of the county the
31 commissioner or councilmember serves, and, if the commissioner or
32 councilmember is nominated or elected from a commissioner or
33 councilmember district, then the appointee must also be a resident of
34 that district. The appointee shall not be an elected federal, state,
35 county, or city official. Members of the planning committee serve at
36 the pleasure of the appointing councilmember or commissioner and shall
37 receive no compensation, but may be reimbursed for travel and
38 incidental expenses as the planning committee deems appropriate:

1 PROVIDED, That in the event that a planning committee elects an
2 executive board, then each member of the executive board may receive
3 compensation of fifty dollars per day for attending meetings or
4 conferences on behalf of the district, not to exceed three thousand
5 dollars per year. An executive board member may waive all or a portion
6 of his or her compensation. Compensation provided in this section is
7 in addition to reimbursement for expenses paid by the planning
8 committee.

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

17 (4) At its first meeting, a regional transportation investment
18 district planning committee may elect officers and provide for the
19 adoption of rules and other operating procedures. Except as provided
20 in section 15 of this act, the planning committee may elect, from its
21 membership, an executive board to discharge the duties of the planning
22 committee and formulate a regional transportation investment plan,
23 subject to the approval of the full planning committee.

24 (5) Governance of and decisions by a regional transportation
25 investment district planning committee shall be by majority vote of the
26 total membership. In the event that the planning committee has been
27 convened by multiple counties, each member's vote shall be weighted to
28 reflect the population he or she represents relative to the population
29 represented by the total planning committee membership. Population
30 shall be determined utilizing the national 2000 census or subsequent
31 national census data.

32 (6) At any time, with a two-thirds vote of the membership of the
33 planning committee, the planning committee may dissolve itself.

34 (7) A regional transportation investment district planning
35 committee or if applicable, its executive board, shall convene, from
36 time to time and as appropriate, to create and adopt a regional
37 transportation investment plan providing for the selection,
38 development, construction, and financing of transportation projects.
39 The regional transportation investment plan should consider

1 transportation and land use planning. The planning committee may
2 coordinate its activities with the department, which shall provide
3 services, data, and personnel to assist in this planning as desired by
4 the planning committee. In addition, the planning committee may also
5 coordinate with such other local governments and entities that engage
6 in transportation planning.

7 (8) A planning committee shall select transportation projects to
8 reduce traffic congestion and will create a regional transportation
9 investment plan providing for the development, construction, and
10 financing of the transportation project or projects to be constructed
11 to submit to the county legislative authorities.

12 (9) A regional transportation investment district planning
13 committee may, as part of a regional transportation investment plan,
14 recommend the imposition of some or all of the following revenue
15 sources:

16 (a) A regional sales and use tax of up to 0.5 percent of the
17 selling price, in the case of a sales tax, or value of the article
18 used, in the case of a use tax. The tax authorized pursuant to this
19 section shall be in addition to the tax authorized by RCW 82.14.030 and
20 shall be collected from those persons who are taxable by the state
21 pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any
22 taxable event within the taxing district. Motor vehicles, as defined
23 in RCW 46.04.320, are exempt from the sales and use tax imposed under
24 this subsection (9)(a);

25 (b) A use tax imposed on the privilege of using a motor vehicle
26 within a regional transportation investment district. The tax applies
27 to those persons who reside within the regional transportation
28 investment district. The rate of the tax may not exceed 0.5 percent of
29 the value of the motor vehicle. The tax authorized by this subsection
30 is in addition to the tax authorized under RCW 82.14.030 and shall be
31 imposed and collected at the time a taxable event under RCW
32 82.08.020(1) or 82.12.020 takes place. All revenue received under this
33 subsection (9)(b) shall be deposited in the local sales and use tax
34 account and distributed to the regional transportation investment
35 district according to RCW 82.14.050. The following provisions shall
36 apply to the use tax in this subsection (9)(b):

37 (i) In such cases where persons are taxable under chapter 82.08
38 RCW, the seller shall collect the use tax from the buyer using the
39 collection provisions set forth in RCW 82.08.050.

1 (ii) In such cases where persons are taxable under chapter 82.12
2 RCW, the use tax shall be collected using the provisions set forth in
3 RCW 82.12.045.

4 (iii) "Motor vehicle" has the meaning given in RCW 46.04.320.

5 (iv) "Person" has the meaning given in RCW 82.04.030.

6 (v) The value of a motor vehicle shall be determined by the method
7 prescribed in RCW 82.12.010.

8 (vi) Except as specifically stated in this subsection (9)(b), the
9 provisions of chapters 82.12 and 82.32 RCW shall apply to the use tax.
10 The use tax is a local tax imposed under the authority of chapter 82.14
11 RCW and the provisions of chapter 82.14 RCW apply fully to the use tax;

12 (c) A motor vehicle, as defined in RCW 46.04.320, license fee of up
13 to one hundred dollars per vehicle registered in the district. The
14 department of licensing shall administer and collect this fee on behalf
15 of a regional transportation investment district and remit this fee to
16 the custody of the state treasurer, who shall distribute it as directed
17 by a regional transportation investment district;

18 (d) A commercial parking fee of up to ten percent of the cost
19 charged per parking transaction; and

20 (e) Vehicle tolls on state routes where improvements under this act
21 add additional lanes to a highway of statewide significance. The
22 collection of vehicle tolls on designated facilities shall be
23 administered by the department, unless otherwise specified in law, and
24 the state transportation commission, or its successor, shall be the
25 tolling authority. Specifically for projects where vehicle tolls are
26 collected, as authorized under this subsection (9)(e), the state sales
27 tax imposed and actually collected under chapters 82.08 and 82.12 RCW,
28 less any credits allowed under chapter 82.14 RCW, on initial
29 construction for any project upon which tolls are to be imposed under
30 this section shall be transferred to the motor vehicle fund. It is the
31 legislature's intent that this transaction shall be exempt from the
32 fiscal growth factor in RCW 43.135.055 and will be identified as a
33 credit on the project, thereby lowering the overall cost of the project
34 and the corresponding tolls.

35 (10) Taxes shall not be imposed without an affirmative vote of the
36 people within the boundaries of the county or counties as set forth in
37 this chapter. Revenues from these taxes may be used only to support
38 the implementation, by a regional transportation investment district,
39 of a regional transportation investment plan to construct

1 transportation projects. A regional transportation investment district
2 may contract with the state department of revenue or other appropriate
3 entities for administration and collection of any of the taxes or fees
4 authorized in this section.

5 (11) In addition to those taxes adopted pursuant to this act, a
6 county or city may use any of its existing taxing authority to provide
7 funds for a transportation project being constructed by a regional
8 transportation investment district.

9 (12) A combination of local, state, and federal revenues may be
10 necessary to pay for transportation projects, and the planning
11 committee shall consider all of these revenue sources in developing a
12 financing and funding plan. In particular, state and federal matching
13 funds of up to sixty percent of the total costs as provided in section
14 11 of this act shall be considered.

15 (13) Upon adoption, by majority vote of the appointed members and
16 utilizing proportional weighted voting in the case of multiple
17 counties, of the regional transportation investment plan by the
18 planning committee, the planning committee shall immediately transmit
19 the regional transportation investment plan to the county legislative
20 authority or authorities which convened the regional transportation
21 investment district planning committee. The plan shall include a
22 proposed ballot measure to be submitted to a vote of the people within
23 the county or counties. This ballot measure shall call for the
24 creation of a regional transportation investment district; specify the
25 transportation project or projects to be constructed; specify the
26 anticipated timeline for completion of the transportation project or
27 projects to be constructed; and specify the tax or taxes to be imposed,
28 the anticipated duration of the taxes imposed, and the total amount of
29 revenue estimated to be collected.

30 NEW SECTION. **Sec. 4.** A regional transportation investment
31 district is a quasi-municipal corporation which shall be formed in the
32 following manner:

33 (1) The legislative authority of the county, or in the case of
34 multiple counties, the legislative authorities, which convened the
35 planning committee shall decide by resolution whether to adopt the
36 regional transportation investment plan submitted by a regional
37 transportation investment district planning committee and participate
38 in the regional transportation investment district. This action shall

1 be completed within sixty days following receipt of the planning
2 committee's adopted plan.

3 (2) If any county opts not to adopt the plan or participate in the
4 regional transportation investment district, but one or more contiguous
5 counties do choose to continue to participate, then the planning
6 committee may, within ninety days, redefine the regional transportation
7 investment plan, and the ballot measure to be submitted to the people,
8 to reflect elimination of one or more counties, and submit the
9 redefined plan to the legislative authorities of the remaining counties
10 for their decision as to whether to continue to adopt the redefined
11 plan and participate. This action shall be completed within sixty days
12 following receipt of the redefined plan.

13 (3) The legislative authorities of the county or counties deciding
14 to participate shall place on the ballot, at the next general election
15 or at a special election called for this purpose, the single ballot
16 proposition adopted by the planning committee. The county legislative
17 authorities may not alter the plan or ballot measure adopted by the
18 planning committee and approved by the legislative authority or
19 authorities. Only those registered voters residing within the county
20 or counties participating shall vote on the ballot measure.

21 A simple majority of those voting within the county or counties is
22 required for approval. If the vote is affirmative, then the regional
23 transportation investment district is created.

24 (4) If the vote fails, then the planning committee may redefine the
25 selected projects, the construction and financing plan, and the ballot
26 measure proposition. The county legislative authorities may approve
27 the new plan and ballot measure, and may then submit the revised
28 proposition to the voters at the next election or a special election.
29 No single proposition may be submitted to the voters more than three
30 times.

31 If a positive vote on a proposition is not achieved by the third
32 vote, then the planning committee shall be dissolved within sixty days.

33 NEW SECTION. **Sec. 5.** If the voters approve the plan creating a
34 regional transportation investment district, the district will be
35 declared formed. The county election official of a county must, within
36 fifteen days of the final certification of the election results,
37 publish a notice in a newspaper or newspapers of general circulation in
38 the district declaring the district formed, and must mail copies of the

1 notice to the governor, the secretary of transportation, and the
2 executive director of each regional transportation planning
3 organization which has part or all of any participating county within
4 its boundaries. A party challenging the formation of a voter-approved
5 district must file a lawsuit challenging the district's formation
6 within thirty days after the final certification of the election, and
7 shall serve notice of the lawsuit upon each county participating in the
8 district. Failure to challenge within that time forever bars further
9 challenge of the district's valid formation.

10 NEW SECTION. **Sec. 6.** Membership of a regional transportation
11 investment district shall be composed of one representative from each
12 county council or commission district within the regional
13 transportation investment district.

14 (1) The initial membership of a regional transportation investment
15 district created pursuant to this chapter shall be composed of the
16 members of the regional transportation investment district planning
17 committee. Members serve at the pleasure of the county commissioner or
18 councilmember representing the district from which the initial
19 appointment was made to the planning committee.

20 (2) In the event of a vacancy, the county commissioner or
21 councilmember representing the district from which the initial
22 appointment was made shall appoint a replacement member to the
23 district. The appointee must be a resident of the county the
24 commissioner or councilmember serves, and if the commissioner or
25 councilmember is nominated or elected from a commissioner or
26 councilmember district, then the appointee must also be a resident of
27 that district. The appointee shall not be an elected federal, state,
28 county, or city official. Members of a district serve at the pleasure
29 of the appointing county commissioner or councilmember.

30 (3) Members of the regional transportation investment district
31 shall receive no compensation, but may receive per diem and be
32 reimbursed for travel and incidental expenses as the district deems
33 appropriate: PROVIDED, That in the event a district elects an
34 executive board, then each member of the executive board may receive
35 compensation of fifty dollars per day for attending meetings or
36 conferences on behalf of the district, not to exceed three thousand
37 dollars per year. An executive board member may waive all or a portion

1 of his or her compensation. Compensation provided in this section is
2 in addition to reimbursement for expenses paid by the district.

3 NEW SECTION. **Sec. 7.** (1) A regional transportation investment
4 district shall meet from time to time as necessary to oversee the
5 implementation of the regional transportation investment plan. At its
6 first meeting, the regional transportation investment district planning
7 committee may elect officers and provide for the adoption of rules and
8 other operating procedures. Except as provided in section 15 of this
9 act, the district may elect, from its membership, an executive board to
10 discharge the duties of the district and implement the regional
11 transportation investment plan, subject to the approval of the full
12 district membership. Governance of and decisions by a regional
13 transportation investment district shall be by majority vote of the
14 total membership. In the event that the district is composed of
15 multiple counties, each member's vote shall be weighted to reflect the
16 population he or she represents relative to the population represented
17 by the total district membership. Population shall be determined
18 utilizing the national 2000 census or subsequent national census data.

19 (2) A regional transportation investment district is a body
20 corporate and shall have the powers necessary and incidental to
21 overseeing the implementation of a regional transportation investment
22 plan approved by the voters under this act, including but not limited
23 to:

24 (a) The authority to hire no more than six employees, including, if
25 it chooses, a director or executive officer, a treasurer or financial
26 officer, a project manager or engineer, legal counsel, a project permit
27 coordinator, and clerical staff; and

28 (b) The authority to pay for services and enter into contracts,
29 including professional service contracts.

30 (3) A regional transportation investment district does not have the
31 authority to acquire, hold, or dispose of real property.

32 (4) A regional transportation investment district shall not own,
33 operate, or maintain any ongoing facility, road, or transportation
34 system.

35 (5) A regional transportation investment district may accept and
36 expend or use gifts, grants, or donations.

37 (6) A regional transportation investment district may coordinate
38 its activities with the department, which shall provide services, data,

1 and personnel to assist as desired by the regional transportation
2 investment district.

3 (7) It is the intent of the legislature that administrative and
4 overhead costs of a regional transportation investment district be
5 minimized. For projects costing up to fifty million dollars,
6 administrative and overhead costs may not exceed three percent of the
7 total construction and design project costs per year. For projects
8 costing in excess of fifty million dollars, administrative and overhead
9 costs shall be no more than three percent of the first fifty million
10 dollars in costs, plus an additional one-tenth of one percent for each
11 additional dollar above fifty million. These limitations apply only to
12 the district, and shall not be construed as limiting the administration
13 or expenditures of the department of transportation.

14 (8) A regional transportation investment district may not
15 substantially vary the regional transportation investment plan or the
16 projects to be constructed. Minor variations or deviations as to the
17 timeline, project plans, or right-of-way, and of up to five percent of
18 the total costs may be made, but in no case may the district add to or
19 delete from the plan projects to be constructed. Major revisions to
20 the plan, including the addition or deletion of projects to be
21 constructed, must be submitted first to the county legislative
22 authorities and then a vote of the people in the same manner as
23 provided for the initial plan under this chapter.

24 (9) To assure accountability to the public for the timely
25 construction of the transportation project or projects within cost
26 projections, the district shall issue a public report every year on the
27 progress made in implementing the regional transportation investment
28 plan. In the report, the district shall detail progress in two areas:
29 (a) Whether the project or projects costs-to-date are within the amount
30 of revenue raised for the project or projects under the vote of the
31 people as provided in section 4 of this act; and (b) whether the
32 project or projects are proceeding in accordance with the original
33 construction schedule. If the progress of a project or projects is
34 inconsistent with either the cost projections or timelines, the
35 district shall provide the public with a plan to move the project or
36 projects back into compliance with the original construction schedule
37 and cost projections.

1 NEW SECTION. **Sec. 8.** The regional transportation investment
2 district, by resolution, shall designate a person having experience in
3 financial or fiscal matters as treasurer of the district. The district
4 may designate the treasurer of a county within which the district is
5 located to act as its treasurer. Such a treasurer shall possess all of
6 the powers, responsibilities, and duties the county treasurer possesses
7 related to investing surplus funds. The district shall require a bond
8 with a surety company authorized to do business in the state of
9 Washington in an amount and under the terms and conditions the
10 district, by resolution, from time to time finds will protect the
11 district against loss. The premium on any such bond shall be paid by
12 the district.

13 All district funds shall be paid to the treasurer and shall be
14 disbursed by the treasurer only on warrants issued by district upon
15 orders or vouchers approved by the district.

16 The treasurer shall establish a special fund, into which shall be
17 paid all district funds, and the treasurer shall maintain such special
18 accounts as may be created by the district into which shall be placed
19 all money as the district may, by resolution, direct.

20 If the treasurer of the district is the treasurer of a county, all
21 district funds shall be deposited with the county depository under the
22 same restrictions, contracts, and security as provided for county
23 depositories. If the treasurer of the district is some other person,
24 all funds shall be deposited in such bank or banks authorized to do
25 business in this state that have qualified for insured deposits under
26 any federal deposit insurance act as the district, by resolution, shall
27 designate.

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

31 NEW SECTION. **Sec. 9.** The district may not issue any debt of its
32 own for more than two years' duration. A district may enter into
33 agreements with the state to pledge taxes or other revenues of the
34 district for the purpose of paying in part or whole principal and
35 interest on bonds issued by the state. The contracts pledging revenues
36 and taxes shall be binding for the term of the agreement, but not to
37 exceed twenty-five years, and no tax pledged by an agreement may be
38 eliminated or modified if it would impair the pledge of the agreement.

1 NEW SECTION. **Sec. 10.** (1) The department shall create a division
2 of dedicated staff and services whose sole responsibility is to
3 coordinate the design, preliminary engineering, permitting, financing,
4 and construction of projects under consideration by a regional
5 transportation investment district planning committee or which are part
6 of a regional transportation investment plan being implemented by a
7 regional transportation investment district.

8 (2) All of the powers granted the department pursuant to Title 47
9 RCW relating to highway construction may, at the request of a regional
10 transportation investment district, be utilized to implement a regional
11 transportation investment plan and construct transportation projects.

12 NEW SECTION. **Sec. 11.** (1) A regional transportation investment
13 district is eligible for state and federal matching funds of up to
14 sixty percent of the total costs of a transportation project or series
15 of projects being constructed by a regional transportation investment
16 district. A regional transportation investment district need not
17 utilize matching funds, and nothing in this section may be construed as
18 prohibiting a regional transportation investment district from funding
19 and paying all or more than forty percent of the total costs of a
20 transportation project or series of projects being constructed.

21 (2) The regional transportation investment district matching
22 account is hereby created within the state treasury. The regional
23 transportation investment district matching account shall be
24 administered by the state treasurer. Funds appropriated by the
25 legislature as matching state money for a transportation project or
26 series of projects being constructed by a regional transportation
27 investment district shall be deposited into this account. The purpose
28 of this account is to serve as an account from which payments for
29 transportation projects being constructed by a regional transportation
30 investment district may be made. Payments from this account may be
31 made as follows:

32 (a) The state may pay for its share of up to sixty percent,
33 including federal funds, of the total costs of a transportation project
34 or series of projects being constructed by a regional transportation
35 investment district from funds appropriated to this account by the
36 legislature for this purpose; and

37 (b) A regional transportation investment district may also transfer
38 money to this account to pay for its share of any transportation

1 projects being constructed by the state on behalf of that regional
2 transportation investment district, or for payment of any bonds, debt,
3 or other financing incurred by the state on its behalf to construct
4 such projects. The state may then use these transfers to make payments
5 on the district's behalf.

6 All moneys deposited in the regional transportation investment
7 district matching account shall be invested by the state treasurer.
8 Funds within the regional transportation investment district matching
9 account shall be used solely to pay for transportation projects being
10 constructed by a regional transportation investment district.

11 NEW SECTION. **Sec. 12.** The department or district may use the
12 design-build procedure for projects developed by a regional
13 transportation investment district. As used in this section
14 "design-build procedure" means a method of contracting under which the
15 department or district contracts with another party for such party to
16 both design and build the structures, facilities, and other items
17 specified in the contract.

18 NEW SECTION. **Sec. 13.** Within thirty days of the completion of the
19 construction of the project or series of projects forming the regional
20 transportation investment plan, the district shall terminate day-to-day
21 operations and exist solely as a limited entity which oversees the
22 collection of revenue and the payment of any debt service or financing
23 still in effect, if any. The district shall adjust its employees,
24 administration, and overhead expenses downward accordingly. Any taxes
25 imposed pursuant to an approved plan shall terminate when the financing
26 or debt service on the project or series of projects constructed is
27 completed and paid, thirty days from which point the district shall
28 dissolve itself and cease to exist. If there is no debt outstanding,
29 then the district shall dissolve within thirty days from completion of
30 construction of the project or series of projects forming the regional
31 transportation investment plan.

32 NEW SECTION. **Sec. 14.** Any transportation project constructed
33 pursuant to this chapter becomes and remains the property of the state
34 of Washington.

1 NEW SECTION. **Sec. 15.** The legislature finds that regional
2 solutions to the state's transportation needs are of paramount concern.
3 The legislature further recognizes that different areas of the state
4 will need the flexibility to fashion local solutions to their
5 transportation problems, and that regional transportation systems may
6 evolve over time.

7 (1) The central Puget Sound regional transportation investment
8 district planning committee is hereby created as a pilot project, and
9 consists of the counties of King, Pierce, and Snohomish. The planning
10 committee shall conduct its affairs and formulate a regional
11 transportation investment plan as provided under section 3 of this act,
12 except that it shall elect an executive board of seven members to
13 discharge the duties of the planning committee and formulate a regional
14 transportation investment plan, subject to the approval of the full
15 planning committee. All other provisions of this chapter shall apply
16 to this pilot project.

17 (2) Areas of the state outside of King, Snohomish, and Pierce
18 counties shall be eligible for grants from the state of one hundred
19 fifty thousand dollars or more to study and develop regional
20 transportation models. Regions electing to participate in this pilot
21 program shall develop a model that can be used in other parts of the
22 state and shall report to the transportation committees in the senate
23 and house of representatives on the positive and negative aspects of
24 the model as well as costs associated with it no later than June 30,
25 2002.

26 **Sec. 16.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 5 are each amended
27 to read as follows:

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

31 (2) The treasury income account shall be utilized to pay or receive
32 funds associated with federal programs as required by the federal cash
33 management improvement act of 1990. The treasury income account is
34 subject in all respects to chapter 43.88 RCW, but no appropriation is
35 required for refunds or allocations of interest earnings required by
36 the cash management improvement act. Refunds of interest to the
37 federal treasury required under the cash management improvement act
38 fall under RCW 43.88.180 and shall not require appropriation. The

1 office of financial management shall determine the amounts due to or
2 from the federal government pursuant to the cash management improvement
3 act. The office of financial management may direct transfers of funds
4 between accounts as deemed necessary to implement the provisions of the
5 cash management improvement act, and this subsection. Refunds or
6 allocations shall occur prior to the distributions of earnings set
7 forth in subsection (4) of this section.

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

16 (4) Monthly, the state treasurer shall distribute the earnings
17 credited to the treasury income account. The state treasurer shall
18 credit the general fund with all the earnings credited to the treasury
19 income account except:

20 (a) The following accounts and funds shall receive their
21 proportionate share of earnings based upon each account's and fund's
22 average daily balance for the period: The capitol building
23 construction account, the Cedar River channel construction and
24 operation account, the Central Washington University capital projects
25 account, the charitable, educational, penal and reformatory
26 institutions account, the common school construction fund, the regional
27 transportation investment district matching account, the county
28 criminal justice assistance account, the county sales and use tax
29 equalization account, the data processing building construction
30 account, the deferred compensation administrative account, the deferred
31 compensation principal account, the department of retirement systems
32 expense account, the drinking water assistance account, the Eastern
33 Washington University capital projects account, the education
34 construction fund, the emergency reserve fund, the federal forest
35 revolving account, the health services account, the public health
36 services account, the health system capacity account, the personal
37 health services account, the state higher education construction
38 account, the higher education construction account, the highway
39 infrastructure account, the industrial insurance premium refund

1 account, the judges' retirement account, the judicial retirement
2 administrative account, the judicial retirement principal account, the
3 local leasehold excise tax account, the local real estate excise tax
4 account, the local sales and use tax account, the medical aid account,
5 the mobile home park relocation fund, the multimodal transportation
6 account, the municipal criminal justice assistance account, the
7 municipal sales and use tax equalization account, the natural resources
8 deposit account, the perpetual surveillance and maintenance account,
9 the public employees' retirement system plan 1 account, the public
10 employees' retirement system plan 2 account, the Puyallup tribal
11 settlement account, the resource management cost account, the site
12 closure account, the special wildlife account, the state employees'
13 insurance account, the state employees' insurance reserve account, the
14 state investment board expense account, the state investment board
15 commingled trust fund accounts, the supplemental pension account, the
16 teachers' retirement system plan 1 account, the teachers' retirement
17 system combined plan 2 and plan 3 account, the tobacco prevention and
18 control account, the tobacco settlement account, the transportation
19 infrastructure account, the tuition recovery trust fund, the University
20 of Washington bond retirement fund, the University of Washington
21 building account, the volunteer fire fighters' and reserve officers'
22 relief and pension principal fund, the volunteer fire fighters' and
23 reserve officers' administrative fund, the Washington judicial
24 retirement system account, the Washington law enforcement officers' and
25 fire fighters' system plan 1 retirement account, the Washington law
26 enforcement officers' and fire fighters' system plan 2 retirement
27 account, the Washington school employees' retirement system combined
28 plan 2 and 3 account, the Washington state health insurance pool
29 account, the Washington state patrol retirement account, the Washington
30 State University building account, the Washington State University bond
31 retirement fund, the water pollution control revolving fund, and the
32 Western Washington University capital projects account. Earnings
33 derived from investing balances of the agricultural permanent fund, the
34 normal school permanent fund, the permanent common school fund, the
35 scientific permanent fund, and the state university permanent fund
36 shall be allocated to their respective beneficiary accounts. All
37 earnings to be distributed under this subsection (4)(a) shall first be
38 reduced by the allocation to the state treasurer's service fund
39 pursuant to RCW 43.08.190.

1 (b) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The aeronautics account,
4 the aircraft search and rescue account, the county arterial
5 preservation account, the department of licensing services account, the
6 essential rail assistance account, the ferry bond retirement fund, the
7 grade crossing protective fund, the high capacity transportation
8 account, the highway bond retirement fund, the highway safety account,
9 the motor vehicle fund, the motorcycle safety education account, the
10 pilotage account, the public transportation systems account, the Puget
11 Sound capital construction account, the Puget Sound ferry operations
12 account, the recreational vehicle account, the rural arterial trust
13 account, the safety and education account, the special category C
14 account, the state patrol highway account, the transportation equipment
15 fund, the transportation fund, the transportation improvement account,
16 the transportation improvement board bond retirement account, and the
17 urban arterial trust account.

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

21 **Sec. 17.** RCW 43.84.092 and 2000 2nd sp.s. c 4 s 6 are each amended
22 to read as follows:

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

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

1 allocations shall occur prior to the distributions of earnings set
2 forth in subsection (4) of this section.

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

11 (4) Monthly, the state treasurer shall distribute the earnings
12 credited to the treasury income account. The state treasurer shall
13 credit the general fund with all the earnings credited to the treasury
14 income account except:

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

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

35 (b) The following accounts and funds shall receive eighty percent
36 of their proportionate share of earnings based upon each account's or
37 fund's average daily balance for the period: The aeronautics account,
38 the aircraft search and rescue account, the county arterial
39 preservation account, the department of licensing services account, the

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

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

16 **Sec. 18.** RCW 81.104.140 and 1992 c 101 s 25 are each amended to
17 read as follows:

18 (1) Agencies authorized to provide high capacity transportation
19 service, including transit agencies and regional transit authorities,
20 are hereby granted dedicated funding sources for such systems. These
21 dedicated funding sources, as set forth in RCW 81.104.150, 81.104.160,
22 and 81.104.170, are authorized (~~(only)~~) for agencies located in (~~((a)~~
23 ~~each county with a population of two hundred ten thousand or more and~~
24 ~~(b) each county with a population of from one hundred twenty five~~
25 ~~thousand to less than two hundred ten thousand except for those~~
26 ~~counties that do not border a county with a population as described~~
27 ~~under (a) of this subsection. In any county with a population of one~~
28 ~~million or more or in any county having a population of four hundred~~
29 ~~thousand or more bordering a county with a population of one million or~~
30 ~~more)) any county other than a county which, in whole or in part, is a
31 part of a regional transit authority, or is eligible to form or
32 participate in a regional transit authority. For counties which, in
33 whole or in part, are part of a regional transit authority, or which
34 are eligible to form or participate in a regional transit authority,
35 these funding sources may be imposed only by a regional transit
36 authority.~~

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

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

- 6 (a) Acceptability;
- 7 (b) Ease of administration;
- 8 (c) Equity;
- 9 (d) Implementation feasibility;
- 10 (e) Revenue reliability; and
- 11 (f) Revenue yield.

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

- 15 (a) Employer tax as provided in RCW 81.104.150;
- 16 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;

17 and

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

19 Revenues from these taxes may be used only to support those
20 purposes prescribed in subsection (10) of this section. Before the
21 date of an election authorizing an agency to impose any of the taxes
22 enumerated in this section and authorized in RCW 81.104.150,
23 81.104.160, and 81.104.170, the agency must comply with the process
24 prescribed in RCW 81.104.100 (1) and (2) and 81.104.110. No
25 construction on exclusive right of way may occur before the
26 requirements of RCW 81.104.100(3) are met.

27 (5) Authorization in subsection (4) of this section shall not
28 adversely affect the funding authority of transit agencies not provided
29 for in this chapter. Local option funds may be used to support
30 implementation of interlocal agreements with respect to the
31 establishment of regional high capacity transportation service. Except
32 when a regional transit authority exists, local jurisdictions shall
33 retain control over moneys generated within their boundaries, although
34 funds may be commingled with those generated in other areas for
35 planning, construction, and operation of high capacity transportation
36 systems as set forth in the agreements.

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

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

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

15 (9) For any election in which voter approval is sought for a high
16 capacity transportation system plan and financing plan pursuant to RCW
17 81.104.040, a local voter's pamphlet shall be produced as provided in
18 chapter 29.81A RCW.

19 (10) Agencies providing high capacity transportation service shall
20 retain responsibility for revenue encumbrance, disbursement, and
21 bonding. Funds may be used for any purpose relating to planning,
22 construction, and operation of high capacity transportation systems and
23 commuter rail systems, personal rapid transit, busways, bus sets, and
24 entrained and linked buses.

25 (11) By interlocal agreement, transit agencies located in any
26 county other than a county which, in whole or in part, is a part of a
27 regional transit authority, or is eligible to form or participate in a
28 regional transit authority, may choose to coordinate their efforts to
29 implement some or all of the dedicated funding sources set forth in RCW
30 81.104.150, 81.104.160, and 81.104.170, to implement high-capacity
31 transportation service as a joint effort, across their respective
32 jurisdictions. The respective county legislative authorities may
33 choose to set forth a common ballot measure and vote to accomplish this
34 purpose.

35 **Sec. 19.** RCW 47.05.021 and 1998 c 245 s 95 and 1998 c 171 s 5 are
36 each reenacted and amended to read as follows:

37 (1) The transportation commission is hereby directed to conduct
38 periodic analyses of the entire state highway system, report thereon to

1 the chairs of the transportation committees of the senate and house of
2 representatives, including one copy to the staff of each of the
3 committees, biennially and based thereon, to subdivide, classify, and
4 subclassify according to their function and importance all designated
5 state highways and those added from time to time and periodically
6 review and revise the classifications into the following three
7 functional classes:

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

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

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

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

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

32 (b) Important traffic generating economic activities, including but
33 not limited to recreation, agriculture, government, business, and
34 industry;

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

37 (d) Directness of travel and distance between points of economic
38 importance;

39 (e) Length of trips;

- 1 (f) Character and volume of traffic;
- 2 (g) Preferential consideration for multiple service which shall
- 3 include public transportation;
- 4 (h) Reasonable spacing depending upon population density; and
- 5 (i) System continuity.

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

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

21 NEW SECTION. Sec. 20. The legislature hereby designates state
22 route number 519 and that portion of state route number 509 which runs
23 or will run from state route number 518 in the north to the
24 intersection with interstate 5 in the south as state highways of
25 statewide significance.

26 NEW SECTION. Sec. 21. A new section is added to chapter 43.131
27 RCW to read as follows:

28 Regional transportation investment districts and their powers and
29 duties shall be terminated on June 30, 2006, as provided in section 22
30 of this act.

31 NEW SECTION. Sec. 22. A new section is added to chapter 43.131
32 RCW to read as follows:

33 The following acts or parts of acts, as now existing or hereafter
34 amended, are each repealed, effective June 30, 2007:

- 35 (1) Section 1 of this act;
- 36 (2) Section 2 of this act;

- 1 (3) Section 3 of this act;
- 2 (4) Section 4 of this act;
- 3 (5) Section 5 of this act;
- 4 (6) Section 6 of this act;
- 5 (7) Section 7 of this act;
- 6 (8) Section 8 of this act;
- 7 (9) Section 9 of this act;
- 8 (10) Section 10 of this act;
- 9 (11) Section 11 of this act;
- 10 (12) Section 12 of this act;
- 11 (13) Section 13 of this act;
- 12 (14) Section 14 of this act; and
- 13 (15) Section 15 of this act.

14 NEW SECTION. **Sec. 23.** Section 16 of this act expires March 1,
15 2002.

16 NEW SECTION. **Sec. 24.** Section 17 of this act takes effect March
17 1, 2002.

18 NEW SECTION. **Sec. 25.** Sections 1 through 15 of this act
19 constitute a new chapter in Title 47 RCW.

20 NEW SECTION. **Sec. 26.** 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. 27.** Sections 1 through 16 and 18 through 20 of
25 this act are necessary for the immediate preservation of the public
26 peace, health, or safety, or support of the state government and its
27 existing public institutions, and take effect immediately."

28 **SSB 6140** - S AMD 403
29 By Senators McDonald, Haugen, Kastama and Gardner

30 ADOPTED 05/21/01

31 On page 1, line 1 of the title, after "creation of" strike the
32 remainder of the title and insert "regional transportation investment

1 districts; amending RCW 43.84.092, 43.84.092, and 81.104.140;
2 reenacting and amending RCW 47.05.021; adding new sections to chapter
3 43.131 RCW; adding a new chapter to Title 47 RCW; creating a new
4 section; providing an effective date; providing an expiration date; and
5 declaring an emergency."

--- END ---