

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2969**

Chapter 202, Laws of 2002

57th Legislature  
2002 Regular Session

TRANSPORTATION FUNDING

EFFECTIVE DATE: Contingent effective date: 12/30/02 - Except sections 401 and 402, which become effective 4/1/03; and section 601, which becomes effective 3/27/02.

Passed by the House March 14, 2002  
Yeas 75 Nays 23

FRANK CHOPP  
**Speaker of the House of Representatives**

Passed by the Senate March 14, 2002  
Yeas 30 Nays 17

BRAD OWEN  
**President of the Senate**

Approved March 27, 2002

GARY LOCKE  
**Governor of the State of Washington**

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2969** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER

**Chief Clerk**

FILED

March 27, 2002 - 10:20 a.m.

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 2969**

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AS AMENDED BY THE SENATE

Passed Legislature - 2002 Regular Session

**State of Washington                      57th Legislature                      2002 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representative Fisher)

Read first time 02/27/2002. Referred to Committee on .

1            AN ACT Relating to transportation improvement and financing;  
2 amending RCW 44.40.010, 44.40.013, 44.40.015, 44.40.020, 44.40.025,  
3 44.40.030, 44.40.040, 44.40.070, 44.40.090, 44.40.100, 44.40.140,  
4 44.40.150, 46.16.070, 46.68.035, 82.38.030, 82.38.035, 82.38.045,  
5 82.38.047, 82.38.075, 46.09.170, 46.10.170, 79A.25.070, 82.08.020,  
6 82.12.020, 82.12.045, and 39.42.060; reenacting and amending RCW  
7 43.84.092, 82.36.025, 46.68.090, and 46.68.110; adding new sections to  
8 chapter 44.40 RCW; adding a new section to chapter 46.04 RCW; adding a  
9 new section to chapter 46.68 RCW; adding a new section to chapter 47.26  
10 RCW; adding a new section to chapter 43.135 RCW; adding a new section  
11 to chapter 82.32 RCW; adding new sections to chapter 47.10 RCW;  
12 creating new sections; providing effective dates; providing a  
13 contingent effective date; providing for submission of certain sections  
14 of this act to a vote of the people; and declaring an emergency.

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

16            **PART I - ACCOUNTABILITY FOR TRANSPORTATION PROJECTS AND PROGRAMS**

17            NEW SECTION.    **Sec. 101.**    It is essential that the legislature  
18 improve the accountability and efficiency of the department of

1 transportation. Taxpayers must know that their tax dollars are being  
2 well spent to deliver critically needed transportation projects. To  
3 accomplish this, a transportation accountability process must be  
4 established to provide oversight on transportation projects. The  
5 legislative transportation accountability committee will replace and  
6 assume the duties and responsibilities of the legislative  
7 transportation committee and, additionally, in conjunction with an  
8 independent transportation accountability board, report to the public  
9 on how tax dollars are spent on projects funded by new transportation  
10 taxes under this act.

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

14 (1) Direct the department of transportation to submit a  
15 transportation accountability audit report as required under section  
16 103 of this act;

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

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

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

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

27 NEW SECTION. **Sec. 103.** The department of transportation shall  
28 prepare and submit to the transportation commission once each quarter  
29 a comprehensive audit report on each transportation project funded by  
30 this act. The audit report shall be known as the "transportation  
31 accountability audit." For the purposes of this act, the audit must  
32 include the following elements:

33 (1) Project status and any scope changes;

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

36 (3) Actual project expenditures as compared with projected  
37 expenditures;

- 1 (4) Any changes in financing for each project;
- 2 (5) Claim or change orders that result in greater than a five-
- 3 percent cumulative increase in project cost, or greater than sixty days
- 4 of delay;
- 5 (6) Status of any required permits;
- 6 (7) Mitigation efforts to relieve both traffic and environmental
- 7 impacts;
- 8 (8) Evaluation of work force effectiveness, including both state
- 9 employees and contractors;
- 10 (9) Outlook for the upcoming year, including projected
- 11 accomplishments and challenges;
- 12 (10) Copies of any accountability reports filed with the federal
- 13 highway administration; and
- 14 (11) Any other useful information the committee or commission
- 15 requests.

16 NEW SECTION. **Sec. 104.** The transportation commission must review  
17 the proposed transportation accountability audit submitted by the  
18 department. After reviewing the information contained therein, the  
19 commission may request additional information or data, or ask for  
20 clarifications. The commission is prohibited from changing any of the  
21 data contained in the audit report.

22 After conducting its review, the commission must forward the  
23 transportation accountability audit to the legislative transportation  
24 accountability committee and the transportation accountability board.

25 NEW SECTION. **Sec. 105.** (1) Upon completion of its review under  
26 section 104 of this act, the transportation commission shall forward  
27 the transportation accountability audit to the transportation  
28 accountability board and the legislative transportation accountability  
29 committee. The transportation accountability board will accept or  
30 reject the report.

31 (a) In determining whether to accept or reject the report, the  
32 board:

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

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

1 (iii) May request additional information or data from the  
2 department of transportation.

3 (b) As part of the evaluation process, the board may make  
4 recommendations to the legislative transportation accountability  
5 committee for efficiencies, savings, or improvements in the  
6 department's project management, accountability measures, or project  
7 delivery mechanisms.

8 (2) After reviewing the report, the board must forward the  
9 transportation accountability audit and recommendations to the office  
10 of financial management and the legislative transportation  
11 accountability committee.

12 (3) The legislative transportation accountability committee must  
13 make the transportation accountability audit report available to the  
14 public.

15 (4) In addition to its regular staff, the legislative  
16 transportation accountability committee is authorized to contract out  
17 for planners, consultants, and other technical personnel to advise it,  
18 or the board at its request, in the performance of its duties, assist  
19 in the review of the transportation accountability audit, and to assist  
20 in other audits initiated by the committee.

21 (5) Staff support to the board must be provided by the legislative  
22 transportation accountability committee, which shall provide  
23 professional support for the duties, functions, responsibilities, and  
24 activities of the board, including but not limited to information  
25 technology systems; data collection, processing, analysis, and  
26 reporting; project management; and office space, equipment, and  
27 secretarial support. The legislative evaluation and accountability  
28 program will provide data and information technology support consistent  
29 with the support currently supplied to existing legislative committees.

30 NEW SECTION. **Sec. 106.** (1) The transportation accountability  
31 board is created.

32 (2) The board will consist of no fewer than five and no more than  
33 nine members nominated by the governor, and selected by the legislative  
34 transportation accountability committee, for terms of four years,  
35 except that at least half the members initially appointed will be  
36 appointed for terms of two years. The members of the board must be  
37 chosen so the board will have experience and expertise relating to  
38 major civil engineering and construction works and facilities to

1 include: (a) Design, estimating, contract packaging, and procurement;  
2 (b) construction means and methods and construction management and  
3 administration; (c) project finance, accounting, controls, and  
4 reporting; (d) procedures for obtaining permits and for assuring  
5 regulatory compliance; (e) dispute resolution; (f) construction work  
6 force training and safety; (g) general public administration; and (h)  
7 experience crafting and implementing environmental mitigation plans.

8 (3) The legislative transportation accountability committee may not  
9 remove members from the board before the expiration of their terms  
10 unless for cause based upon a determination of incapacity,  
11 incompetence, neglect of duty, or malfeasance in office by the Thurston  
12 county superior court, upon petition and show cause proceedings brought  
13 for that purpose in that court and directed to the board member in  
14 question.

15 (4) No member may be appointed for more than three consecutive  
16 terms.

17 NEW SECTION. **Sec. 107.** (1) The board shall meet periodically. It  
18 may adopt its own rules and may establish its own procedures. It shall  
19 act collectively in harmony with recorded resolutions or motions  
20 adopted by a majority vote of the members. The board shall be  
21 compensated from the general appropriation for the legislative  
22 transportation accountability committee and in accordance with RCW  
23 43.03.250.

24 (2) Each member of the board will be compensated in accordance with  
25 RCW 43.03.250 and reimbursed for actual necessary traveling and other  
26 expenses in going to, attending, and returning from meetings of the  
27 board or that are incurred in the discharge of duties requested by the  
28 chairman. However, in no event may a board member be compensated in  
29 any year for more than one hundred twenty days, except the chairman may  
30 be compensated for not more than one hundred fifty days. Service on  
31 the board does not qualify as a service credit for the purposes of a  
32 public retirement system.

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

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

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

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

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

31       The committee shall adopt rules and procedures for its orderly  
32 operation.

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

35       The administration of the legislative transportation accountability  
36 committee is subject to RCW 44.04.260.

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

3       The members of the legislative transportation accountability  
4 committee shall form an executive committee consisting of two members  
5 from each of the four major political caucuses, which will include the  
6 chair and vice-chair of the legislative transportation accountability  
7 committee. There will be four alternates to the executive committee,  
8 one from each of the four major political caucuses. Each alternate may  
9 represent a member from the same political caucus from which they were  
10 chosen when that member is absent, and have voting privileges during  
11 that absence.

12       Subject to RCW 44.04.260, the executive committee is responsible  
13 for performing all general administrative and personnel duties assigned  
14 to it in the rules and procedures adopted by the committee, determining  
15 the number of legislative transportation accountability committee  
16 staff, and other duties delegated to it by the committee. Except when  
17 those responsibilities are assumed by the legislative transportation  
18 accountability committee, and subject to RCW 44.04.260, the executive  
19 committee is responsible for adopting interim work plans and meeting  
20 schedules, approving all contracts signed on behalf of the committee,  
21 and setting policies for legislative transportation accountability  
22 committee staff utilization.

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

25       (1) The committee is authorized and directed to continue its  
26 studies and for that purpose shall have the powers set forth in chapter  
27 111, Laws of 1947. The committee is further authorized to make studies  
28 related to bills assigned to the house and senate transportation  
29 committees and such other studies as provided by law. The executive  
30 committee of the committee may assign responsibility for all or part of  
31 the conduct of studies to the house and/or senate transportation  
32 committees.

33       (2) The committee may review and approve franchise agreements  
34 entered into by the department of transportation under RCW  
35 ((43.51.113)) 79A.05.125.

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



1 In addition to the powers and duties authorized in RCW 44.40.020,  
2 the committee and the standing committees on transportation of the  
3 house and senate shall, in coordination with the joint legislative  
4 audit and review committee, the legislative evaluation and  
5 accountability program committee, and the ways and means committees of  
6 the senate and house of representatives, ascertain, study, and/or  
7 analyze all available facts and matters relating or pertaining to  
8 sources of revenue, appropriations, expenditures, and financial  
9 condition of the motor vehicle fund and accounts thereof, the highway  
10 safety fund, and all other funds or accounts related to transportation  
11 programs of the state.

12 The joint legislative audit and review committee, the legislative  
13 evaluation and accountability program committee, and the ways and means  
14 committees of the senate and house of representatives shall coordinate  
15 their activities with the legislative transportation accountability  
16 committee in carrying out the committees' powers and duties under  
17 chapter 43.88 RCW in matters relating to the transportation programs of  
18 the state.

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

21 In addition to the powers and duties heretofore conferred upon it,  
22 the legislative transportation accountability committee may participate  
23 in: (1) The activities of committees of the council of state  
24 governments concerned with transportation activities; (2) activities of  
25 the national committee on uniform traffic laws and ordinances; (3) any  
26 interstate reciprocity or proration meetings designated by the  
27 department of licensing; and (4) such other organizations as it deems  
28 necessary and appropriate.

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

31 The members of the legislative transportation accountability  
32 committee and the house and senate transportation committees shall  
33 receive allowances while attending meetings of the committees or  
34 subcommittees and while engaged in other authorized business of the  
35 committees as provided in RCW 44.04.120. Subject to RCW 44.04.260, all  
36 expenses incurred by the committee, and the house and senate  
37 transportation committees, including salaries of employees of the

1 legislative transportation accountability committee, shall be paid upon  
2 voucher forms as provided by the office of financial management and  
3 signed by the chairman or vice chairman or authorized designee of the  
4 chairman of the committee, and the authority of said chairman or vice  
5 chairman to sign vouchers shall continue until their successors are  
6 selected. Vouchers may be drawn upon funds appropriated for the  
7 expenses of the committee.

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

10 Prior to October 1st of each even-numbered year all state agencies  
11 whose major programs consist of transportation activities, including  
12 the department of transportation, the transportation improvement board,  
13 the Washington state patrol, the department of licensing, the traffic  
14 safety commission, the county road administration board, and the board  
15 of pilotage commissioners, shall adopt or revise, after consultation  
16 with the legislative transportation accountability committee, a  
17 comprehensive six-year program and financial plan for all  
18 transportation activities under each agency's jurisdiction.

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

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

24 Subject to RCW 44.04.260, powers and duties enumerated by this  
25 chapter shall be delegated to the senate and house transportation  
26 committees during periods when the legislative transportation  
27 accountability committee is not appointed.

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

30 Subject to RCW 44.04.260, the legislative transportation  
31 accountability committee and the senate and house transportation  
32 committees may enter into contracts on behalf of the state to carry out  
33 the purposes of this chapter; and it or they may act for the state in  
34 the initiation of or participation in any multigovernmental program  
35 relative to transportation planning or programming; and it or they may  
36 enter into contracts to receive federal or other funds, grants, or

1 gifts to carry out said purposes and to be used in preference to or in  
2 combination with state funds. When federal or other funds are  
3 received, they shall be deposited with the state treasurer and  
4 thereafter expended only upon approval by the committee or committees.

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

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

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

14 (1) The legislative transportation accountability committee shall  
15 undertake a study and develop recommendations for legislative and  
16 executive consideration that will:

17 (a) Increase the efficiency and effectiveness of state  
18 transportation programs and reduce costs;

19 (b) Enhance the accountability and organizational soundness of all  
20 transportation modes;

21 (c) Encourage better communication between local jurisdictions and  
22 the department of transportation in developing engineering plans and  
23 subsequent construction projects;

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

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

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

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

33 The committee may study other transportation needs and problems and  
34 make further recommendations.

35 (2) The office of financial management and the department of  
36 transportation shall provide staff support as required by the  
37 legislative transportation accountability committee in developing the

1 recommendations. To the extent permitted by law, all agencies of the  
2 state shall cooperate fully with the legislative transportation  
3 accountability committee in carrying out its duties under this section.

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

7 **PART II - LICENSE FEES**

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

10 "Gross weight portion of the current combined licensing fees" means  
11 the amounts listed in RCW 46.16.070, Schedule A, less twenty-five  
12 dollars and seventy-five cents, and the amounts listed in Schedule B,  
13 less twenty-five dollars and seventy-five cents and less an additional  
14 ninety dollars if the requested gross weight is over forty thousand  
15 pounds.

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

18 (1) In lieu of all other vehicle licensing fees, unless  
19 specifically exempt, and in addition to (~~the excise tax prescribed in~~  
20 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and  
21 stages in RCW 46.16.125, there shall be paid and collected annually for  
22 each truck, motor truck, truck tractor, road tractor, tractor, bus,  
23 auto stage, or for hire vehicle with seating capacity of more than six,  
24 based upon the declared combined gross weight or declared gross weight  
25 (~~thereof pursuant to the provisions of~~)) under chapter 46.44 RCW, the  
26 following licensing fees by such gross weight:

	DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
27			
28	4,000 lbs. ....	\$ 37.00 .....	\$ 37.00
29	6,000 lbs. ....	\$ 44.00 .....	\$ 44.00
30	8,000 lbs. ....	\$ 55.00 .....	\$ 55.00
31	10,000 lbs. ....	\$ 62.00 .....	\$ 62.00
32	12,000 lbs. ....	\$ 72.00 .....	\$ 72.00
33	14,000 lbs. ....	\$ 82.00 .....	\$ 82.00
34	16,000 lbs. ....	\$ 92.00 .....	\$ 92.00
35	18,000 lbs. ....	\$ 137.00 .....	\$ 137.00
36	20,000 lbs. ....	\$ 152.00 .....	\$ 152.00
37	22,000 lbs. ....	\$ 164.00 .....	\$ 164.00
38	24,000 lbs. ....	\$ 177.00 .....	\$ 177.00

1	26,000 lbs. ....	\$ 187.00 .....	\$ 187.00
2	28,000 lbs. ....	\$ 220.00 .....	\$ 220.00
3	30,000 lbs. ....	\$ 253.00 .....	\$ 253.00
4	32,000 lbs. ....	\$ 304.00 .....	\$ 304.00
5	34,000 lbs. ....	\$ 323.00 .....	\$ 323.00
6	36,000 lbs. ....	\$ 350.00 .....	\$ 350.00
7	38,000 lbs. ....	\$ 384.00 .....	\$ 384.00
8	40,000 lbs. ....	\$ 439.00 .....	\$ 439.00
9	42,000 lbs. ....	\$ 456.00 .....	\$ 546.00
10	44,000 lbs. ....	\$ 466.00 .....	\$ 556.00
11	46,000 lbs. ....	\$ 501.00 .....	\$ 591.00
12	48,000 lbs. ....	\$ 522.00 .....	\$ 612.00
13	50,000 lbs. ....	\$ 566.00 .....	\$ 656.00
14	52,000 lbs. ....	\$ 595.00 .....	\$ 685.00
15	54,000 lbs. ....	\$ 642.00 .....	\$ 732.00
16	56,000 lbs. ....	\$ 677.00 .....	\$ 767.00
17	58,000 lbs. ....	\$ 704.00 .....	\$ 794.00
18	60,000 lbs. ....	\$ 750.00 .....	\$ 840.00
19	62,000 lbs. ....	\$ 804.00 .....	\$ 894.00
20	64,000 lbs. ....	\$ 822.00 .....	\$ 912.00
21	66,000 lbs. ....	\$ 915.00 .....	\$ 1,005.00
22	68,000 lbs. ....	\$ 954.00 .....	\$ 1,044.00
23	70,000 lbs. ....	\$ 1,027.00 .....	\$ 1,117.00
24	72,000 lbs. ....	\$ 1,098.00 .....	\$ 1,188.00
25	74,000 lbs. ....	\$ 1,193.00 .....	\$ 1,283.00
26	76,000 lbs. ....	\$ 1,289.00 .....	\$ 1,379.00
27	78,000 lbs. ....	\$ 1,407.00 .....	\$ 1,497.00
28	80,000 lbs. ....	\$ 1,518.00 .....	\$ 1,608.00
29	82,000 lbs. ....	\$ 1,623.00 .....	\$ 1,713.00
30	84,000 lbs. ....	\$ 1,728.00 .....	\$ 1,818.00
31	86,000 lbs. ....	\$ 1,833.00 .....	\$ 1,923.00
32	88,000 lbs. ....	\$ 1,938.00 .....	\$ 2,028.00
33	90,000 lbs. ....	\$ 2,043.00 .....	\$ 2,133.00
34	92,000 lbs. ....	\$ 2,148.00 .....	\$ 2,238.00
35	94,000 lbs. ....	\$ 2,253.00 .....	\$ 2,343.00
36	96,000 lbs. ....	\$ 2,358.00 .....	\$ 2,448.00
37	98,000 lbs. ....	\$ 2,463.00 .....	\$ 2,553.00
38	100,000 lbs. ....	\$ 2,568.00 .....	\$ 2,658.00
39	102,000 lbs. ....	\$ 2,673.00 .....	\$ 2,763.00
40	104,000 lbs. ....	\$ 2,778.00 .....	\$ 2,868.00
41	105,500 lbs. ....	\$ 2,883.00 .....	\$ 2,973.00

42        Schedule A applies to vehicles either used exclusively for hauling  
43 logs or that do not tow trailers. Schedule B applies to vehicles that  
44 tow trailers and are not covered under Schedule A.

45        (2) Every truck, motor truck, truck tractor, and tractor exceeding  
46 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,

1 or 46.88 RCW shall be licensed for not less than one hundred fifty  
2 percent of its empty weight unless the amount would be in excess of the  
3 legal limits prescribed for such a vehicle in RCW 46.44.041 or  
4 46.44.042, in which event the vehicle shall be licensed for the maximum  
5 weight authorized for such a vehicle or unless the vehicle is used only  
6 for the purpose of transporting any well drilling machine, air  
7 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,  
8 tool house, bunk house, or similar machine or structure attached to or  
9 made a part of such vehicle.

10 (3)(a) Beginning with all motor vehicle registrations that are due  
11 or become due on January 1, 2003, there will be paid and collected  
12 annually a fifteen percent surcharge on the gross weight portion of the  
13 combined licensing fees in effect January 1, 2002, for vehicles with a  
14 licensed gross weight over ten thousand pounds.

15 (b) Beginning with all motor vehicle registrations that are due or  
16 become due on January 1, 2004, and thereafter, there will be paid and  
17 collected annually a thirty percent surcharge on the gross weight  
18 portion of the combined licensing fees in effect January 1, 2002, for  
19 vehicles with a licensed gross weight over ten thousand pounds.

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

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

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

30 ~~((+2))~~ (5) The proceeds from the fees collected under ~~((subsection~~  
31 ~~(1) of))~~ this section shall be distributed in accordance with RCW  
32 46.68.035.

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

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

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

6 (2) The proceeds from the surcharge collected under RCW  
7 46.16.070(3) must be deposited into the motor vehicle account.

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

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

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

13 (c) The remaining proceeds shall be deposited into the motor  
14 vehicle fund.

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

17 The freight mobility account is created in the state treasury.  
18 Money in the account may be spent only after appropriation.  
19 Expenditures from the account may be used only for the purpose of  
20 roadway improvement projects to facilitate freight movement.

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

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

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

1 between accounts as deemed necessary to implement the provisions of the  
2 cash management improvement act, and this subsection. Refunds or  
3 allocations shall occur prior to the distributions of earnings set  
4 forth in subsection (4) of this section.

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

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

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



1 account, the local sales and use tax account, the medical aid account,  
2 the mobile home park relocation fund, the multimodal transportation  
3 account, the municipal criminal justice assistance account, the  
4 municipal sales and use tax equalization account, the natural resources  
5 deposit account, the oyster reserve land account, the perpetual  
6 surveillance and maintenance account, the public employees' retirement  
7 system plan 1 account, the public employees' retirement system combined  
8 plan 2 and plan 3 account, the public health supplemental account, the  
9 Puyallup tribal settlement account, the resource management cost  
10 account, the site closure account, the special wildlife account, the  
11 state employees' insurance account, the state employees' insurance  
12 reserve account, the state investment board expense account, the state  
13 investment board commingled trust fund accounts, the supplemental  
14 pension account, the teachers' retirement system plan 1 account, the  
15 teachers' retirement system combined plan 2 and plan 3 account, the  
16 tobacco prevention and control account, the tobacco settlement account,  
17 the transportation infrastructure account, the tuition recovery trust  
18 fund, the University of Washington bond retirement fund, the University  
19 of Washington building account, the volunteer fire fighters' and  
20 reserve officers' relief and pension principal fund, the volunteer fire  
21 fighters' and reserve officers' administrative fund, the Washington  
22 fruit express account, the Washington judicial retirement system  
23 account, the Washington law enforcement officers' and fire fighters'  
24 system plan 1 retirement account, the Washington law enforcement  
25 officers' and fire fighters' system plan 2 retirement account, the  
26 Washington school employees' retirement system combined plan 2 and 3  
27 account, the Washington state health insurance pool account, the  
28 Washington state patrol retirement account, the Washington State  
29 University building account, the Washington State University bond  
30 retirement fund, the water pollution control revolving fund, and the  
31 Western Washington University capital projects account. Earnings  
32 derived from investing balances of the agricultural permanent fund, the  
33 normal school permanent fund, the permanent common school fund, the  
34 scientific permanent fund, and the state university permanent fund  
35 shall be allocated to their respective beneficiary accounts. All  
36 earnings to be distributed under this subsection (4)(a) shall first be  
37 reduced by the allocation to the state treasurer's service fund  
38 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 freight mobility account, the grade crossing protective fund, the high  
8 capacity transportation account, the highway bond retirement fund, the  
9 highway safety account, the motor vehicle fund, the motorcycle safety  
10 education account, the pilotage account, the public transportation  
11 systems account, the Puget Sound capital construction account, the  
12 Puget Sound ferry operations account, the recreational vehicle account,  
13 the rural arterial trust account, the safety and education account, the  
14 special category C account, the state patrol highway account, the  
15 transportation equipment fund, the transportation fund, the  
16 transportation improvement account, the transportation improvement  
17 board bond retirement account, and the 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 **PART III - FUEL TAX**

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

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

27 (2) Beginning January 1, 2003, an additional and cumulative motor  
28 fuel tax rate of five cents per gallon applies to the sale,  
29 distribution, or use of motor vehicle fuel.

30 (3) Beginning January 1, 2004, an additional and cumulative motor  
31 vehicle fuel tax rate of four cents per gallon applies to the sale,  
32 distribution, or use of motor vehicle fuel.

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

35 (1) There is hereby levied and imposed upon special fuel users a  
36 tax at the rate (~~computed in the manner provided in RCW 82.36.025 on~~

1 each)) of twenty-three cents per gallon of special fuel, or each one  
2 hundred cubic feet of compressed natural gas, measured at standard  
3 pressure and temperature.

4 (2) Beginning January 1, 2003, an additional and cumulative tax  
5 rate of five cents per gallon of special fuel, or each one hundred  
6 cubic feet of compressed natural gas, measured at standard pressure and  
7 temperature shall be imposed on special fuel users.

8 (3) Beginning January 1, 2004, an additional and cumulative special  
9 fuel tax rate of four cents per gallon of special fuel, or each one  
10 hundred cubic feet of compressed natural gas, measured at standard  
11 pressure and temperature shall be imposed on special fuel users.

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

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

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

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

23 (ii) The removal is at the refinery rack unless the removal is to  
24 a licensed exporter for direct delivery to a destination outside of the  
25 state, or the removal is to a special fuel distributor for direct  
26 delivery to an international fuel tax agreement licensee under RCW  
27 82.38.320;

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

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

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

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

36 (e) Blended special fuel is removed or sold in this state by the  
37 blender of the fuel. The number of gallons of blended special fuel  
38 subject to tax is the difference between the total number of gallons of

1 blended special fuel removed or sold and the number of gallons of  
2 previously taxed special fuel used to produce the blended special fuel;

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

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

8 (h) Special fuel is sold by a licensed special fuel supplier to a  
9 special fuel distributor, special fuel importer, or special fuel  
10 blender and the special fuel is not removed from the bulk transfer-  
11 terminal system.

12 ~~((+3+))~~ (5) The tax imposed by this chapter, if required to be  
13 collected by the licensee, is held in trust by the licensee until paid  
14 to the department, and a licensee who appropriates or converts the tax  
15 collected to his or her own use or to any use other than the payment of  
16 the tax to the extent that the money required to be collected is not  
17 available for payment on the due date as prescribed in this chapter is  
18 guilty of a felony, or gross misdemeanor in accordance with the theft  
19 and anticipatory provisions of Title 9A RCW. A person, partnership,  
20 corporation, or corporate officer who fails to collect the tax imposed  
21 by this section, or who has collected the tax and fails to pay it to  
22 the department in the manner prescribed by this chapter, is personally  
23 liable to the state for the amount of the tax.

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

26 (1) All moneys that have accrued or may accrue to the motor vehicle  
27 fund from the motor vehicle fuel tax and special fuel tax shall be  
28 first expended for purposes enumerated in (a) and (b) of this  
29 subsection. The remaining net tax amount shall be distributed monthly  
30 by the state treasurer in ~~((the proportions set forth in (c) through~~  
31 ~~(+1+))~~ accordance with subsections (2), (3), and (4) of this  
32 ~~((subsection))~~ section.

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

35 (b) For payment of amounts to be expended pursuant to  
36 appropriations for the administrative expenses of the offices of state  
37 treasurer, state auditor, and the department of licensing of the state

1 of Washington in the administration of the motor vehicle fuel tax and  
2 the special fuel tax, which sums shall be distributed monthly(~~(+)~~).

3 (2) All of the remaining net tax amount collected under RCW  
4 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)  
5 through (j) of this subsection.

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

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

14 The following criteria, listed in order of priority, shall be used  
15 in determining which special category C projects have the highest  
16 priority:

17 (i) Accident experience;

18 (ii) Fatal accident experience;

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

21 (iv) Continuity of development of the highway transportation  
22 network.

23 Moneys deposited in the special category C account in the motor  
24 vehicle fund may be used for payment of debt service on bonds the  
25 proceeds of which are used to finance special category C projects under  
26 this subsection (~~(+)~~) (2)(b);

27 (~~(+)~~) (c) For distribution to the Puget Sound ferry operations  
28 account in the motor vehicle fund an amount equal to 2.3283 percent;

29 (~~(+)~~) (d) For distribution to the Puget Sound capital  
30 construction account in the motor vehicle fund an amount equal to  
31 2.3726 percent;

32 (~~(+)~~) (e) For distribution to the urban arterial trust account in  
33 the motor vehicle fund an amount equal to 7.5597 percent;

34 (~~(+)~~) (f) For distribution to the transportation improvement  
35 account in the motor vehicle fund an amount equal to 5.6739 percent and  
36 expended in accordance with RCW 47.26.086;

37 (~~(+)~~) (g) For distribution to the cities and towns from the motor  
38 vehicle fund an amount equal to 10.6961 percent in accordance with RCW  
39 46.68.110;

1       (~~(j)~~) (h) For distribution to the counties from the motor vehicle  
2 fund an amount equal to 19.2287 percent: (i) Out of which there shall  
3 be distributed from time to time, as directed by the department of  
4 transportation, those sums as may be necessary to carry out the  
5 provisions of RCW 47.56.725; and (ii) less any amounts appropriated to  
6 the county road administration board to implement the provisions of RCW  
7 47.56.725(4), with the balance of such county share to be distributed  
8 monthly as the same accrues for distribution in accordance with RCW  
9 46.68.120;

10       (~~(k)~~) (i) For distribution to the county arterial preservation  
11 account, hereby created in the motor vehicle fund an amount equal to  
12 1.9565 percent. These funds shall be distributed by the county road  
13 administration board to counties in proportions corresponding to the  
14 number of paved arterial lane miles in the unincorporated area of each  
15 county and shall be used for improvements to sustain the structural,  
16 safety, and operational integrity of county arterials. The county road  
17 administration board shall adopt reasonable rules and develop policies  
18 to implement this program and to assure that a pavement management  
19 system is used;

20       (~~(l)~~) (j) For distribution to the rural arterial trust account in  
21 the motor vehicle fund an amount equal to 2.5363 percent and expended  
22 in accordance with RCW 36.79.020.

23       (~~(2)~~) (3) 100 percent of the net tax amount collected under RCW  
24 82.36.025(2) and 82.38.030(2) shall be distributed as follows:

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

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

29       (c) 91.3268 percent shall be distributed to the motor vehicle  
30 account.

31       (4) 100 percent of the net tax amount collected under RCW  
32 82.36.025(3) and 82.38.030(3) shall be distributed to the motor vehicle  
33 account.

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

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

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

6       (1) One and one-half percent of such sums distributed under RCW  
7 46.68.090 (2)(g) and (3) shall be deducted monthly as such sums are  
8 credited and set aside for the use of the department of transportation  
9 for the supervision of work and expenditures of such incorporated  
10 cities and towns on the city and town streets thereof, including the  
11 supervision and administration of federal-aid programs for which the  
12 department of transportation has responsibility: PROVIDED, That any  
13 moneys so retained and not expended shall be credited in the succeeding  
14 biennium to the incorporated cities and towns in proportion to  
15 deductions herein made;

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

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

31       (4) After making the deductions under subsections (1) through (3)  
32 of this section and RCW 35.76.050, 31.86 percent of the fuel tax  
33 distributed to the cities and towns in RCW 46.68.090(~~((1)(i))~~) (2)(g)  
34 shall be allocated monthly as the funds accrue to the incorporated  
35 cities and towns ((in the manner set forth in subsection (5) of this  
36 section and subject to deductions in subsections (1), (2), and (3) of  
37 this section, subject to RCW 35.76.050, to)) of the state ratably on  
38 the basis of the population as last determined by the office of  
39 financial management. Funds shall be used exclusively for: The

1 construction, improvement, chip sealing, seal-coating, and repair for  
2 arterial highways and city streets as those terms are defined in RCW  
3 46.04.030 and 46.04.120; the maintenance of arterial highways and city  
4 streets for those cities with a population of less than fifteen  
5 thousand; or the payment of any municipal indebtedness which may be  
6 incurred in the construction, improvement, chip sealing, seal-coating,  
7 and repair of arterial highways and city streets; (~~and~~)

8 (5) The (~~balance~~) remaining (~~to the credit of incorporated~~  
9 ~~cities and towns after such deduction~~) funds not distributed under  
10 subsection (4) of this section shall be apportioned monthly as such  
11 funds accrue among the (~~several~~) incorporated cities and towns within  
12 the state ratably on the basis of the population last determined by the  
13 office of financial management; and

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

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

23 As part of the matching funds requirements under RCW 47.26.270, the  
24 transportation improvement board shall require a city or town receiving  
25 funds under RCW 46.68.110(6) to use a portion of these funds, as  
26 determined by the board by rule, for the purpose of matching a portion  
27 of the corridor grant money allocated to the city or town by the board  
28 under this chapter.

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

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

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



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

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

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

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

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

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

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

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

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

20 **Sec. 308.** RCW 82.38.047 and 1998 c 176 s 55 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, in connection with the  
24 removal of special fuel that is not dyed or marked in accordance with  
25 internal revenue service requirements, the terminal operator provides  
26 a person with a bill of lading, shipping paper, or similar document  
27 indicating that the special fuel is dyed or marked in accordance with  
28 internal revenue service requirements.

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

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

1	VEHICLE TONNAGE (GVW)	FEE
2	0 - 6,000	\$ 45
3	6,001 - 10,000	\$ 45
4	10,001 - 18,000	\$ 80
5	18,001 - 28,000	\$110
6	28,001 - 36,000	\$150
7	36,001 and above	\$250

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

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

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

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

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

27 Vehicles registered in jurisdictions outside the state of  
28 Washington are exempt from this section.

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

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

34 (1) From time to time, but at least once each year, the state  
35 treasurer shall refund from the motor vehicle fund one percent of the  
36 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,  
37 based on the tax rate in effect January 1, ((1990)) 2001, less proper  
38 deductions for refunds and costs of collection as provided in RCW

1 46.68.090. The treasurer shall place these funds in the general fund  
2 as follows:

3 (a) Forty percent shall be credited to the ORV and nonhighway  
4 vehicle account and administered by the department of natural resources  
5 solely for planning, maintenance, and management of ORV recreation  
6 facilities, nonhighway roads, and nonhighway road recreation  
7 facilities. The funds under this subsection shall be expended in  
8 accordance with the following limitations:

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

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

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

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

17 (v) Ten percent shall be transferred to the interagency committee  
18 for outdoor recreation for grants to law enforcement agencies in those  
19 counties where the department of natural resources maintains ORV  
20 facilities. This amount is in addition to those distributions made by  
21 the interagency committee for outdoor recreation under (d)(i) of this  
22 subsection;

23 (b) Three and one-half percent shall be credited to the ORV and  
24 nonhighway vehicle account and administered by the department of fish  
25 and wildlife solely for the acquisition, planning, development,  
26 maintenance, and management of nonhighway roads and recreation  
27 facilities;

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

31 (d) Fifty-four and one-half percent, together with the funds  
32 received by the interagency committee for outdoor recreation under RCW  
33 46.09.110, shall be credited to the nonhighway and off-road vehicle  
34 activities program account to be administered by the committee for  
35 planning, acquisition, development, maintenance, and management of ORV  
36 recreation facilities and nonhighway road recreation facilities; ORV  
37 user education and information; and ORV law enforcement programs. The  
38 expenditures in this subsection (1)(d) shall be calculated on the motor  
39 vehicle fuel tax in effect January 1, 1990, until this subsection

1 (1)(d) is amended to reflect the findings of the recreational fuel use  
2 study provided in section 346, chapter 8, Laws of 2001 2nd sp. sess.  
3 The funds under this subsection shall be expended in accordance with  
4 the following limitations:

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

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

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

13 (2) On a yearly basis an agency may not, except as provided in RCW  
14 46.09.110, expend more than ten percent of the funds it receives under  
15 this chapter for general administration expenses incurred in carrying  
16 out this chapter.

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

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

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

28 Upon expiration of the time limited by RCW 82.36.330 for claiming  
29 of refunds of tax on marine fuel, the state of Washington shall succeed  
30 to the right to such refunds. The director of licensing, after taking  
31 into account past and anticipated claims for refunds from and deposits  
32 to the marine fuel tax refund account and the costs of carrying out the  
33 provisions of RCW 79A.25.030, shall request the state treasurer to  
34 transfer monthly from the marine fuel tax refund account an amount  
35 equal to the proportion of the moneys in the account representing the  
36 motor vehicle fuel tax rate under RCW 82.36.025 in effect on January 1,

1 ((1990)) 2001, to the recreation resource account and the remainder to  
2 the motor vehicle fund.

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

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

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

9 (2) There is levied and there shall be collected an additional tax  
10 on each retail car rental, regardless of whether the vehicle is  
11 licensed in this state, equal to five and nine-tenths percent of the  
12 selling price. The revenue collected under this subsection shall be  
13 deposited in the multimodal transportation account created in RCW  
14 47.66.070.

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

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

24 (5) The revenue collected under subsection (3) of this section must  
25 be deposited into the multimodal transportation account under RCW  
26 47.66.070.

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

29 ((+4)) (7) The rates provided in this section apply to taxes  
30 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

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

33 (1) There is hereby levied and there shall be collected from every  
34 person in this state a tax or excise for the privilege of using within  
35 this state as a consumer: (a) Any article of tangible personal  
36 property purchased at retail, or acquired by lease, gift, repossession,

1 or bailment, or extracted or produced or manufactured by the person so  
2 using the same, or otherwise furnished to a person engaged in any  
3 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned  
4 software, regardless of the method of delivery, but excluding canned  
5 software that is either provided free of charge or is provided for  
6 temporary use in viewing information, or both.

7 (2) This tax shall apply to the use of every service defined as a  
8 retail sale in RCW 82.04.050(3)(a) and the use of every article of  
9 tangible personal property, including property acquired at a casual or  
10 isolated sale, and including byproducts used by the manufacturer  
11 thereof, except as hereinafter provided, irrespective of whether the  
12 article or similar articles are manufactured or are available for  
13 purchase within this state.

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

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

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

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

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

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

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

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

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

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

13 (4) Each county auditor who acts as agent of the department of  
14 revenue shall at the time of remitting license fee receipts on motor  
15 vehicles subject to the provisions of this section pay over and account  
16 to the state treasurer for all use tax revenue collected under this  
17 section, after first deducting as (~~his~~) a collection fee the sum of  
18 two dollars for each motor vehicle upon which the tax has been  
19 collected. All revenue received by the state treasurer under this  
20 section shall be credited to the general fund. The auditor's  
21 collection fee shall be deposited in the county current expense fund.  
22 A duplicate of the county auditor's transmittal report to the state  
23 treasurer shall be forwarded forthwith to the department of revenue.

24 (5) Any applicant who has paid use tax to a county auditor under  
25 this section may apply to the department of revenue for refund thereof  
26 if he or she has reason to believe that such tax was not legally due  
27 and owing. No refund shall be allowed unless application therefor is  
28 received by the department of revenue within the statutory period for  
29 assessment of taxes, penalties, or interest prescribed by RCW  
30 82.32.050(3). Upon receipt of an application for refund the department  
31 of revenue shall consider the same and issue its order either granting  
32 or denying it and if refund is denied the taxpayer shall have the right  
33 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

34 (6) The provisions of this section shall be construed as cumulative  
35 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,  
36 for the collection of the tax imposed by this chapter. The department  
37 of revenue shall have power to promulgate such rules as may be  
38 necessary to administer the provisions of this section. Any duties  
39 required by this section to be performed by the county auditor may be

1 performed by the director of licensing but no collection fee shall be  
2 deductible by said director in remitting use tax revenue to the state  
3 treasurer.

4 (7) The use tax revenue collected on the rate provided in RCW  
5 82.08.020(3) will be deposited in the multimodal transportation account  
6 under RCW 47.66.070.

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

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

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

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

24 (2) This transaction is exempt from the requirements in RCW  
25 43.135.035(4).

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

34 **PART V - BOND AUTHORIZATION**



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

7        NEW SECTION.    **Sec. 502.**    Upon the request of the transportation  
8 commission, as appropriate, the state finance committee shall supervise  
9 and provide for the issuance, sale, and retirement of the bonds  
10 authorized by RCW 46.68.090 in accordance with chapter 39.42 RCW.  
11 Bonds authorized by this act shall be sold in the manner, at time or  
12 times, in amounts, and at the price as the state finance committee  
13 shall determine.    No bonds may be offered for sale without prior  
14 legislative appropriation of the net proceeds of the sale of the bonds.  
15        The state finance committee shall consider the issuance of short-  
16 term obligations in lieu of long-term obligations for the purposes of  
17 more favorable interest rates, lower total interest costs, and  
18 increased marketability and for the purpose of retiring the bonds  
19 during the life of the project for which they were issued.

20        NEW SECTION.    **Sec. 503.**    The proceeds from the sale of bonds  
21 authorized by section 501 of this act shall be deposited in the motor  
22 vehicle fund.    The proceeds shall be available only for the purposes  
23 enumerated in section 501 of this act, for the payment of bond  
24 anticipation notes, if any, and for the payment of bond issuance costs,  
25 including the costs of underwriting.

26        NEW SECTION.    **Sec. 504.**    Bonds issued under the authority of  
27 section 501 of this act shall distinctly state that they are a general  
28 obligation of the state of Washington, shall pledge the full faith and  
29 credit of the state to the payment of the principal thereof and the  
30 interest thereon, and shall contain an unconditional promise to pay  
31 such principal and interest as the same shall become due.    The  
32 principal and interest on the bonds shall be first payable from the  
33 proceeds of the state excise taxes on motor vehicle and special fuels  
34 imposed by chapters 82.36 and 82.38 RCW.    Proceeds of these excise  
35 taxes are hereby pledged to the payment of any bonds and the interest  
36 thereon issued under the authority of sections 501 through 506 of this

1 act, and the legislature agrees to continue to impose these excise  
2 taxes on motor vehicle and special fuels in amounts sufficient to pay,  
3 when due, the principal and interest on all bonds issued under the  
4 authority of section 501 of this act.

5 NEW SECTION. **Sec. 505.** Both principal and interest on the bonds  
6 issued for the purposes of section 501 of this act shall be payable  
7 from the highway bond retirement fund. The state finance committee may  
8 provide that a special account be created in the fund to facilitate  
9 payment of the principal and interest. The state finance committee  
10 shall, on or before June 30th of each year, certify to the state  
11 treasurer the amount required for principal and interest on the bonds  
12 in accordance with the bond proceedings. The state treasurer shall  
13 withdraw revenues from the motor vehicle fund and deposit in the  
14 highway bond retirement fund, or a special account in the fund, such  
15 amounts, and at such times, as are required by the bond proceedings.

16 Any funds required for bond retirement or interest on the bonds  
17 authorized by section 501 of this act shall be taken from that portion  
18 of the motor vehicle fund that results from the imposition of excise  
19 taxes on motor vehicle and special fuels and which is, or may be,  
20 appropriated to the department of transportation for state highway  
21 purposes. Funds required shall never constitute a charge against any  
22 other allocations of motor vehicle fuel and special fuel tax revenues  
23 to the state, counties, cities, and towns unless the amount arising  
24 from excise taxes on motor vehicle and special fuels distributed to the  
25 state in the motor vehicle fund proves insufficient to meet the  
26 requirements for bond retirement or interest on any such bonds.

27 Any payments for bond retirement or interest on the bonds taken  
28 from other revenues from the motor vehicle fuel or special fuel taxes  
29 that are distributable to the state, counties, cities, and towns shall  
30 be repaid from the first revenues from the motor vehicle fuel or  
31 special fuel taxes distributed to the motor vehicle fund not required  
32 for bond retirement or interest on the bonds.

33 NEW SECTION. **Sec. 506.** Bonds issued under the authority of  
34 section 501 of this act and this section and any other general  
35 obligation bonds of the state of Washington that have been or that may  
36 be authorized and that pledge motor vehicle and special fuels excise  
37 taxes for the payment of principal and interest thereon shall be an

1 equal charge against the revenues from such motor vehicle and special  
2 fuels excise taxes.

3 NEW SECTION. **Sec. 507.** For the purpose of providing funds for the  
4 planning, design, construction, reconstruction, and other necessary  
5 costs for transportation projects, including rail and passenger-only  
6 ferry projects, the state finance committee is authorized to issue  
7 general obligation bonds of the state of Washington in the sum of one  
8 hundred million dollars, or as much thereof as may be required, to  
9 finance these projects and all costs incidental thereto. Bonds  
10 authorized in this section may be sold at such price as the state  
11 finance committee shall determine. No bonds authorized in this section  
12 may be offered for sale without prior legislative appropriation of the  
13 net proceeds of the sale of the bonds.

14 NEW SECTION. **Sec. 508.** The proceeds of the sale of the bonds  
15 authorized in section 507 of this act must be deposited in the  
16 multimodal transportation account and must be used exclusively for the  
17 purposes specified in section 507 of this act and for the payment of  
18 expenses incurred in the issuance and sale of the bonds.

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

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

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

31 (3) If the multimodal transportation account has insufficient  
32 revenues to pay the principal and interest computed in subsection  
33 (2)(a) of this section, then the debt-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 from any  
36 additional means provided by the legislature.

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

4 NEW SECTION. **Sec. 510.** (1) Bonds issued under section 507 of this  
5 act must state that they are a general obligation of the state of  
6 Washington, must pledge the full faith and credit of the state to the  
7 payment of the principal and interest, and must contain an  
8 unconditional promise to pay the principal and interest as it becomes  
9 due.

10 (2) The owner and holder of each of the bonds or the trustee for  
11 the owner and holder of any of the bonds may by mandamus or other  
12 appropriate proceeding require the transfer and payment of funds as  
13 directed in this section.

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

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

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

24 No bonds, notes, or other evidences of indebtedness for borrowed  
25 money shall be issued by the state which will cause the aggregate debt  
26 contracted by the state to exceed that amount for which payments of  
27 principal and interest in any fiscal year would require the state to  
28 expend more than seven percent of the arithmetic mean of its general  
29 state revenues, as defined in section 1(c) of Article VIII of the  
30 Washington state Constitution for the three immediately preceding  
31 fiscal years as certified by the treasurer in accordance with RCW  
32 39.42.070. It shall be the duty of the state finance committee to  
33 compute annually the amount required to pay principal of and interest  
34 on outstanding debt. In making such computation, the state finance  
35 committee shall include all borrowed money represented by bonds, notes,

1 or other evidences of indebtedness which are secured by the full faith  
2 and credit of the state or are required to be paid, directly or  
3 indirectly, from general state revenues and which are incurred by the  
4 state, any department, authority, public corporation or quasi public  
5 corporation of the state, any state university or college, or any other  
6 public agency created by the state but not by counties, cities, towns,  
7 school districts, or other municipal corporations, and shall include  
8 debt incurred pursuant to section 3 of Article VIII of the Washington  
9 state Constitution, but shall exclude the following:

10 (1) Obligations for the payment of current expenses of state  
11 government;

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

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

14 (4) Any indebtedness which has been refunded;

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

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

21 (7) Indebtedness authorized and incurred after July 1, 1993,  
22 pursuant to statute that requires that the state treasury be  
23 reimbursed, in the amount of the principal of and the interest on such  
24 indebtedness, from (a) moneys outside the state treasury, except higher  
25 education operating fees, (b) higher education building fees, (c)  
26 indirect costs recovered from federal grants and contracts, and (d)  
27 fees and charges associated with hospitals operated or managed by  
28 institutions of higher education;

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

35 (9) Indebtedness incurred for the purposes identified in RCW  
36 43.99N.020;

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

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

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

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

10 To the extent necessary because of the constitutional or statutory  
11 debt limitation, priorities with respect to the issuance or  
12 guaranteeing of bonds, notes, or other evidences of indebtedness by the  
13 state shall be determined by the state finance committee.

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

16 **PART VI - REFERENDUM**

17 NEW SECTION. Sec. 601. (1) The secretary of state shall submit  
18 this act, except for sections 102 through 120 of this act, to the  
19 people for their adoption and ratification, or rejection, at the next  
20 general election to be held in this state, in accordance with Article  
21 II, section 1 of the state Constitution and the laws adopted to  
22 facilitate its operation.

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

26 (3) Pursuant to RCW 29.79.035, the statement of subject on the  
27 ballot title shall read: "The legislature has passed House Bill No.  
28 2969, financing transportation improvements through transportation fees  
29 and taxes." The concise description on the ballot title shall read:  
30 "This bill would improve highway capacity, public transportation,  
31 passenger and freight rail, and transportation financing accountability  
32 through increased weight fees on trucks and large vehicles, fuel excise  
33 taxes, and sales taxes on vehicles."

