

ESHB 2871 - S AMD 421

By Senator Jacobsen

PULLED 3/7/2006

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that effective
4 transportation planning in urbanized regions requires stronger and
5 clearer lines of responsibility and accountability.

6 The legislature further finds that integrated, multimodal
7 transportation planning will help reduce transportation congestion and
8 improve safety, and that streamlined decision making will help reduce
9 political congestion.

10 The legislature further finds that coordinated planning of,
11 investment in, and operation of transportation systems will have
12 significant benefit to the citizens of Washington, and that it is the
13 will of the people to fund regional transportation solutions, including
14 improving transit service in urbanized areas and among existing,
15 fragmented transit agencies in the region. Although equity
16 considerations must be respected, transportation problems are broader
17 and deeper than the sum of geographic subareas.

18 It is therefore the policy of the state of Washington to create a
19 regional transportation commission to develop a proposal for a regional
20 transportation governing entity more directly accountable to the
21 public, and to develop a comprehensive regional transportation finance
22 plan for the citizens of the Puget Sound metropolitan region.

23 NEW SECTION. **Sec. 2.** (1) The regional transportation commission
24 is established.

25 (2) The commission shall consist of nine voting commissioners. The
26 commissioners shall be appointed by the governor by June 1, 2006. The
27 governor shall appoint four commissioners from designated lists of
28 three nominees submitted by each major party caucus of the legislature,
29 with one commissioner to be appointed from each respective list of
30 nominees. The governor shall appoint the additional five commissioners
31 independent of the legislative caucus nominees. In addition, the

1 secretary of transportation or the secretary's designee shall serve as
2 a nonvoting member. Appointments of commissioners must reflect
3 geographical balance and diversity of populations within the central
4 Puget Sound region and, to the extent possible, include commissioners
5 with special expertise in relevant fields such as funding, planning,
6 and construction of transportation improvement projects, structural
7 reorganizations, and operation of transportation systems. Appointees
8 must be citizen members who do not hold public office. Vacancies for
9 any appointed commission seat shall be filled in the same manner as the
10 original appointments were made.

11 (3) The term of office for a commissioner begins seven days
12 following appointment by the governor. A commissioner must be a
13 qualified elector under the state Constitution when his or her term of
14 office begins.

15 (4) The commission chair presides over the commission and sets the
16 commission agenda subject to general rules established by the
17 commission. Except as provided otherwise in this act, the commission
18 chair appoints all members of the committees, councils, and boards
19 created by the rules of the commission. The commission chair shall be
20 designated by the governor from among the commissioners appointed under
21 subsection (2) of this section.

22 (5) Each member of the commission is eligible to receive
23 compensation in an amount not to exceed two hundred fifty dollars for
24 each day during which the member attends an official meeting of the
25 group or performs statutorily prescribed duties approved by the chair.
26 A commissioner may be compensated under this subsection only if the
27 compensation is necessarily incurred in the course of authorized
28 business, consistent with the responsibilities of the commission
29 established by this act.

30 (6) The commission may be entitled to state funding, as
31 appropriated by the legislature, to pay for expenses incurred by the
32 commission and the department of transportation and through contracts
33 in carrying out the duties authorized in this act.

34 (7) The department of transportation shall provide staff support to
35 the commission and, upon request of the commission, contract with other
36 parties for staff support to the commission.

37 NEW SECTION. **Sec. 3.** The regional transportation commission has
38 the following duties:

1 (1) Evaluate transportation governance in the central Puget Sound
2 area within the jurisdiction of the Puget Sound regional council. This
3 evaluation must include an assessment of the current roles of regional
4 transportation agencies, including regional transportation and
5 metropolitan planning organizations, the regional transit authority,
6 regional transportation investment districts, county and municipal
7 agencies operating transit services, and cities, counties, and other
8 public agencies providing transportation services or facilities,
9 including the state department of transportation. The commission shall
10 assess and develop recommendations for what steps should be taken to:

11 (a) Consolidate governance among agencies, including changes in
12 institutional powers, structures, and relationships and governance
13 needed to improve accountability for transportation decisions, while
14 enhancing the regional focus for transportation decisions and
15 maintaining equity among citizens in the region;

16 (b) Improve coordination in the planning of transportation
17 investments and services;

18 (c) Improve investment strategies;

19 (d) Coordinate transportation planning and investments with adopted
20 land use policies within the region;

21 (e) Enhance efficiency and coordination in the delivery of services
22 provided;

23 (f) Adjust boundaries for agencies or functions within the region
24 to address existing and future transportation and land use issues; and

25 (g) Improve coordination between regional investments and federal
26 funds, and state funding, including those administered by the
27 transportation improvement board, the county road administration board,
28 and the freight mobility strategic investment board;

29 (2) Develop options for a regional transportation governance
30 proposal that include, at a minimum, an option providing for the
31 formation of a regional transportation governing entity, of which all
32 of its members must be directly elected, the revenue sources that will
33 be available to such entity, and the scope of planning authority of
34 such entity. The commission shall consult with affected jurisdictions
35 when developing a proposal under this subsection;

36 (3) Develop a comprehensive financing strategy and recommended
37 revenue options for improving transportation system performance within
38 the region through investments in transportation projects, including,

1 but not limited to, system-wide pricing policies and network value-
2 pricing charges;

3 (4) Publicize the commission's proposal referenced in subsection
4 (2) of this section, and the list of revenue options referenced in
5 subsection (3) of this section, by November 15, 2006, and provide at
6 least fifteen days for public comment;

7 (5) Adopt the proposal referenced in subsection (2) of this
8 section, and the list of revenue options referenced in subsection (3)
9 of this section, and submit them to the legislature by January 1, 2007,
10 after which time the commission shall dissolve; and

11 (6) Conduct public meetings to assure active public participation
12 in the development of the recommendations, proposal, and finance plan
13 under this section.

14 **Sec. 4.** RCW 36.120.020 and 2002 c 56 s 102 are each amended to
15 read as follows:

16 The definitions in this section apply throughout this chapter
17 unless the context clearly requires otherwise.

18 (1) "Board" means the governing body of a regional transportation
19 investment district.

20 (2) "Department" means the Washington state department of
21 transportation.

22 (3) "Highway of statewide significance" means an existing or
23 proposed state route or federal interstate designated as a highway of
24 statewide significance by the transportation commission, its successor
25 entity, or the legislature.

26 (4) "Lead agency" means a public agency that by law can plan,
27 design, and build a transportation project and has been so designated
28 by the district.

29 (5) "Regional transportation investment district" or "district"
30 means a municipal corporation (~~(whose boundaries are coextensive with~~
31 ~~two or more contiguous counties and))~~) that has been created by county
32 legislative authorities and a vote of the people under this chapter to
33 implement a regional transportation investment plan.

34 (6) "Regional transportation investment district planning
35 committee" or "planning committee" means the advisory committee created
36 under RCW 36.120.030 to create and propose to county legislative
37 authorities a regional transportation investment plan to develop,
38 finance, and construct transportation projects.

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

4 (8) "Transportation project" means:

5 (a) A capital improvement or improvements to a highway that has
6 been designated, in whole or in part, as a highway of statewide
7 significance, including an extension, that:

8 (i) Adds a lane or new lanes to an existing state or federal
9 highway; or

10 (ii) Repairs or replaces a lane or lanes damaged by an event
11 declared an emergency by the governor before January 1, 2002.

12 (b) A capital improvement or improvements to all or a portion of a
13 highway of statewide significance, including an extension, and may
14 include the following associated multimodal capital improvements:

15 (i) Approaches to highways of statewide significance;

16 (ii) High-occupancy vehicle lanes;

17 (iii) Flyover ramps;

18 (iv) Park and ride lots;

19 (v) Bus pullouts;

20 (vi) Vans for vanpools;

21 (vii) Buses; and

22 (viii) Signalization, ramp metering, and other transportation
23 system management improvements.

24 (c) A capital improvement or improvements to all or a portion of a
25 city street, county road, or existing highway or the creation of a new
26 highway that intersects with a highway of statewide significance, if
27 all of the following conditions are met:

28 (i) The project is included in a plan that makes highway
29 improvement projects that add capacity to a highway or highways of
30 statewide significance;

31 (ii) The secretary of transportation determines that the project
32 would better relieve traffic congestion than investing that same money
33 in adding capacity to a highway of statewide significance;

34 (iii) Matching money equal to (~~one-third~~) fifteen percent of the
35 total cost of the project is provided by local entities, including but
36 not limited to a metropolitan planning organization, county, city,
37 port, or private entity in which a county participating in a plan is
38 located. Local entities may use federal grants to meet this matching
39 requirement;

1 (iv) In no case may the cumulative regional transportation
2 investment district contribution to all projects constructed under this
3 subsection (8)(c) exceed ten percent of the revenues generated by the
4 district;

5 (v) In no case may the cumulative regional transportation
6 investment district contribution to all projects constructed under this
7 subsection (8)(c) exceed one billion dollars; and

8 (vi) The specific projects are included within the plan and
9 submitted as part of the plan to a vote of the people.

10 (d) Except as otherwise provided in this subsection, operations,
11 preservation, and maintenance are excluded from this definition and may
12 not be included in a regional transportation investment plan. However,
13 operations, preservation, and maintenance of tolled facilities where
14 toll revenues have been pledged for the payment of contracts is
15 expressly authorized and may be included in a regional transportation
16 investment plan. The authority under this subsection includes
17 operational expenses for toll enforcement.

18 (e) Operational expenses for traffic mitigation provided solely for
19 transportation project construction mitigation directly related to
20 specific projects as outlined in the plan shall be included in a
21 regional transportation investment plan. Construction mitigation
22 strategies may include, but are not limited to, funding for increased
23 transit service hours, trip reduction incentives, nonmotorized mode
24 support, and ridematching services. Prior to construction of any
25 project, corridor mitigation plans must be developed in conjunction
26 with the department and partner transit agencies, including local
27 transit agencies and the regional transit authority serving the
28 counties, with the following goals: (i) Reducing drive alone trips in
29 affected corridors; (ii) reducing delay per person and delay per unit
30 of goods in affected corridors; and (iii) improving levels of service
31 that improve system performance for all transportation users in
32 affected corridors. The regional transportation commission established
33 under section 2 of this act, or a successor regional governing entity,
34 shall review transit investments according to these performance
35 measures to determine whether to continue funding for successful and
36 effective operations after the construction period is completed.

37 (9) "Weighted vote" means a vote that reflects the population each
38 board or planning committee member represents relative to the
39 population represented by the total membership of the board or planning

1 committee. Population will be determined using the federal 2000 census
2 or subsequent federal census data.

3 **Sec. 5.** RCW 36.120.030 and 2002 c 56 s 103 are each amended to
4 read as follows:

5 Regional transportation investment district planning committees are
6 advisory entities that are created, convened, and empowered as follows:

7 (1) A county with a population over one million five hundred
8 thousand persons and any adjoining counties with a population over five
9 hundred thousand persons may create a regional transportation
10 investment district and shall convene a regional transportation
11 investment district planning committee.

12 (a) The boundaries of the district should include at least the
13 contiguous areas within the regional transit authority serving the
14 counties. The boundaries must be proposed by the planning committee
15 and approved by the county legislative authorities by ordinance before
16 or in conjunction with approval of a regional transportation investment
17 plan. Boundaries must follow complete parcels of land. However, any
18 portion of a county that is located on a peninsula shall be exempt from
19 a regional transportation investment district in which more than one
20 county is included if (i) the portion of the county located on the
21 peninsula is connected to the other portion of the county by a bridge
22 improved under chapter 47.46 RCW, and (ii) the county has a national
23 park and a population of more than five hundred thousand persons, but
24 less than one million five hundred thousand persons.

25 (b) After voters within the district boundaries have approved a
26 plan under RCW 36.120.070, elections to add areas to the district
27 boundaries may be called by a resolution of the board, after
28 consultation with the regional transportation planning organization and
29 affected transit agencies and with the concurrence of the legislative
30 authority of the city or town if the area is incorporated or with the
31 concurrence of the county legislative authority if the area is
32 unincorporated. The election may include a single ballot measure
33 providing annexation to the district, approval of the plan, and
34 approval of revenue sources necessary to finance the plan. The
35 electorate are the voters voting within the proposed area to be
36 annexed. A simple majority of the persons voting on the single ballot
37 measure is required for approval of the measure.

1 (2) The members of the legislative authorities participating in
2 planning under this chapter shall serve as the district planning
3 committee. Members of the planning committee receive no compensation,
4 but may be reimbursed for travel and incidental expenses as the
5 planning committee deems appropriate.

6 The secretary of transportation, or the appropriate regional
7 administrator of the department, as named by the secretary, shall serve
8 on the committee as a nonvoting member.

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 transportation projects under this chapter. Upon creation of a
15 regional transportation investment district, the district shall within
16 one year reimburse the state for any sums advanced for these start-up
17 costs from the state.

18 (4) The planning committee shall conduct its affairs and formulate
19 a regional transportation investment plan as provided under RCW
20 36.120.040, except that it shall elect an executive board of seven
21 members to discharge the duties of the planning committee and formulate
22 a regional transportation investment plan, subject to the approval of
23 the full committee.

24 (5) At its first meeting, a regional transportation investment
25 district planning committee may elect officers and provide for the
26 adoption of rules and other operating procedures.

27 (6) Governance of and decisions by a regional transportation
28 investment district planning committee must be by a sixty-percent
29 weighted majority vote of the total membership.

30 (7) The planning committee may dissolve itself at any time by a
31 two-thirds weighted majority vote of the total membership of the
32 planning committee.

33 (8) If a multicounty regional transportation investment district is
34 not formed by December 1, 2007, through approval by the voters voting
35 on a regional transportation investment plan, then the authority under
36 this chapter to create a district, and to fund and construct
37 transportation projects, shall be available to each of the eligible
38 counties described in subsection (1) of this section on an individual
39 and independent basis.

1 **Sec. 6.** RCW 36.120.040 and 2003 c 194 s 1 are each amended to read
2 as follows:

3 (1) A regional transportation investment district planning
4 committee shall adopt a regional transportation investment plan
5 providing for the development, construction, and financing of
6 transportation projects. The planning committee may consider the
7 following factors in formulating its plan:

8 (a) Land use planning criteria;

9 (b) The input of cities located within a participating county; and

10 (c) The input of regional transportation planning organizations
11 ~~((in))~~ of which a participating county is ~~((located))~~ a member. A
12 regional transportation planning organization in which a participating
13 county is located shall review its adopted regional transportation plan
14 and submit, for the planning committee's consideration, its list of
15 transportation improvement priorities.

16 (2) The planning committee may coordinate its activities with the
17 department, which shall provide services, data, and personnel to assist
18 in this planning as desired by the planning committee. In addition,
19 the planning committee may coordinate its activities with affected
20 cities, towns, and other local governments, including any regional
21 transit authority existing within the participating counties'
22 boundaries, that engage in transportation planning.

23 (3) The planning committee shall:

24 (a) Conduct public meetings that are needed to assure active public
25 participation in the development of the plan;

26 (b) Adopt a plan proposing the:

27 (i) Creation of a regional transportation investment district,
28 including district boundaries; and

29 (ii) Construction of transportation projects to improve mobility
30 within each county and within the region. Operations, maintenance, and
31 preservation of facilities or systems may not be part of the plan,
32 except for the limited purposes provided under RCW 36.120.020(8); and

33 (c) Recommend sources of revenue authorized by RCW 36.120.050 and
34 a financing plan to fund selected transportation projects. The overall
35 plan of the district must leverage the district's financial
36 contributions so that the federal, state, local, and other revenue
37 sources continue to fund major congestion relief and transportation
38 capacity improvement projects in each county and the district. A
39 combination of local, state, and federal revenues may be necessary to

1 pay for transportation projects, and the planning committee shall
2 consider all of these revenue sources in developing a plan.

3 (4) The plan must use tax revenues and related debt for projects
4 that generally benefit a participating county in proportion to the
5 general level of tax revenues generated within that participating
6 county. This equity principle applies to all modifications to the
7 plan, appropriation of contingency funds not identified within the
8 project estimate, and future phases of the plan. Per agreement with a
9 regional transit authority serving the counties participating in a
10 district, the equity principle identified under this subsection may
11 include using the combined district and regional transit authority
12 revenues generated within a participating county to determine the
13 distribution that proportionally benefits the county. For purposes of
14 the transportation subarea equity principle established under this
15 subsection, a district may use the five subareas within a regional
16 transit authority's boundaries as identified in an authority's system
17 plan adopted in May 1996. During implementation of the plan, the board
18 shall retain the flexibility to manage distribution of revenues, debt,
19 and project schedules so that the district may effectively implement
20 the plan. Nothing in this section should be interpreted to prevent the
21 district from pledging district-wide tax revenues for payment of any
22 contract or debt entered into under RCW 36.120.130.

23 (5) Before adopting the plan, the planning committee, with
24 assistance from the department, shall work with the lead agency to
25 develop accurate cost forecasts for transportation projects. This
26 project costing methodology must be integrated with revenue forecasts
27 in developing the plan and must at a minimum include estimated project
28 costs in constant dollars as well as year of expenditure dollars, the
29 range of project costs reflected by the level of project design,
30 project contingencies, identification of mitigation costs, the range of
31 revenue forecasts, and project and plan cash flow and bond analysis.
32 The plan submitted to the voters must provide cost estimates for each
33 project, including reasonable contingency costs. Plans submitted to
34 the voters must provide that the maximum amount possible of the funds
35 raised will be used to fund projects in the plan, including
36 environmental improvements and mitigation, and that administrative
37 costs be minimized. If actual revenue exceeds actual plan costs, the
38 excess revenues must be used to retire any outstanding debt associated
39 with the plan.

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

11 (7) Once adopted by the planning committee, the plan must be
12 forwarded to the participating county legislative authorities to
13 initiate the election process under RCW 36.120.070. The planning
14 committee shall at the same time provide notice to each city and town
15 within the district, the governor, the chairs of the transportation
16 committees of the legislature, the secretary of transportation, and
17 each legislator whose legislative district is partially or wholly
18 within the boundaries of the district.

19 (8) If the ballot measure is not approved, the planning committee
20 may redefine the selected transportation projects, financing plan, and
21 the ballot measure. The county legislative authorities may approve the
22 new plan and ballot measure, and may then submit the revised
23 proposition to the voters at the next election or a special election.
24 If no ballot measure is approved by the voters by the third vote, the
25 planning committee is dissolved.

26 NEW SECTION. Sec. 7. A new section is added to chapter 36.120 RCW
27 to read as follows:

28 The planning committee must develop and include in the regional
29 transportation investment plan a funding proposal for the state route
30 number 520 bridge replacement and HOV project that assures full project
31 funding for seismic safety and corridor connectivity on state route
32 number 520 between Interstate 5 and Interstate 405.

33 **Sec. 8.** RCW 36.120.070 and 2002 c 56 s 107 are each amended to
34 read as follows:

35 (1) Beginning no sooner than the 2007 general election, two or more
36 contiguous county legislative authorities, or a single county
37 legislative authority as provided under RCW 36.120.030(8), upon receipt

1 of the regional transportation investment plan under RCW 36.120.040,
2 may ~~((certify the plan to the ballot, including identification of the~~
3 ~~tax options))~~ submit to the voters of the proposed district a single
4 ballot measure that approves formation of the district, approves the
5 regional transportation investment plan, and approves the revenue
6 sources necessary to ((fund)) finance the plan. ((County legislative
7 authorities)) For a county to participate in the plan, the county
8 legislative authority shall, within ninety days after receiving the
9 plan, adopt an ordinance indicating the county's participation. The
10 planning committee may draft ((a ballot title,)) the ballot measure on
11 behalf of the county legislative authorities, and the county
12 legislative authorities may give notice as required by law for ballot
13 measures, and perform other duties as required to ((put the plan
14 before)) submit the measure to the voters of the proposed district for
15 their approval or rejection ((as a single ballot measure that both
16 approves formation of the district and approves the plan)). Counties
17 may negotiate interlocal agreements necessary to implement the plan.
18 The electorate will be the voters voting within the boundaries of the
19 ~~((participating counties))~~ proposed district. A simple majority of the
20 total persons voting on the single ballot measure ~~((to approve the~~
21 ~~plan, establish the district, and approve the taxes and fees))~~ is
22 required for approval.

23 (2) In conjunction with RCW 81.112.030(10), at the 2007 general
24 election the participating counties shall submit a regional
25 transportation investment plan on the same ballot along with a
26 proposition to support additional implementation phases of the
27 authority's system and financing plan developed under chapter 81.112
28 RCW. The plan shall not be considered approved unless voters also
29 approve the proposition to support additional implementation phases of
30 the authority's system and financing plan.

31 **Sec. 9.** RCW 29A.36.071 and 2004 c 271 s 169 are each amended to
32 read as follows:

33 (1) Except as provided to the contrary in RCW 82.14.036, 82.46.021,
34 or 82.80.090, the ballot title of any referendum filed on an enactment
35 or portion of an enactment of a local government and any other question
36 submitted to the voters of a local government consists of three
37 elements: (a) An identification of the enacting legislative body and
38 a statement of the subject matter; (b) a concise description of the

1 measure; and (c) a question. The ballot title must conform with the
2 requirements and be displayed substantially as provided under RCW
3 29A.72.050, except that the concise description must not exceed
4 seventy-five words; however, a concise description submitted on behalf
5 of a proposed or existing regional transportation investment district
6 may exceed seventy- five words. If the local governmental unit is a
7 city or a town, the concise statement shall be prepared by the city or
8 town attorney. If the local governmental unit is a county, the concise
9 statement shall be prepared by the prosecuting attorney of the county.
10 If the unit is a unit of local government other than a city, town, or
11 county, the concise statement shall be prepared by the prosecuting
12 attorney of the county within which the majority area of the unit is
13 located.

14 (2) A referendum measure on the enactment of a unit of local
15 government shall be advertised in the manner provided for nominees for
16 elective office.

17 (3) Subsection (1) of this section does not apply if another
18 provision of law specifies the ballot title for a specific type of
19 ballot question or proposition.

20 **Sec. 10.** RCW 36.120.080 and 2002 c 56 s 108 are each amended to
21 read as follows:

22 If the voters approve the plan, including creation of a regional
23 transportation investment district and imposition of taxes and fees,
24 the district will be declared formed. The county election officials of
25 participating counties shall, within fifteen days of the final
26 certification of the election results, publish a notice in a newspaper
27 or newspapers of general circulation in the district declaring the
28 district formed, and mail copies of the notice to the governor, the
29 secretary of transportation, the executive director of the regional
30 transit authority in which any part of the district is located, and the
31 executive director of the regional transportation planning organization
32 in which any part of the district is located. A party challenging the
33 procedure or the formation of a voter-approved district must file the
34 challenge in writing by serving the prosecuting attorney of the
35 participating counties and the attorney general within thirty days
36 after the final certification of the election. Failure to challenge
37 within that time forever bars further challenge of the district's valid
38 formation.

1 **Sec. 11.** RCW 36.120.110 and 2002 c 56 s 111 are each amended to
2 read as follows:

3 (1) The governing board of the district is responsible for the
4 execution of the voter-approved plan. The board shall:

5 (a) Impose taxes and fees authorized by district voters;

6 (b) Enter into agreements with state, local, and regional agencies
7 and departments as necessary to accomplish district purposes and
8 protect the district's investment in transportation projects;

9 (c) Accept gifts, grants, or other contributions of funds that will
10 support the purposes and programs of the district;

11 (d) Monitor and audit the progress and execution of transportation
12 projects to protect the investment of the public and annually make
13 public its findings;

14 (e) Pay for services and enter into leases and contracts, including
15 professional service contracts;

16 (f) Hire no more than ten employees, including a director or
17 executive officer, a treasurer or financial officer, a project manager
18 or engineer, a project permit coordinator, and clerical staff; and

19 (g) Coordinate its activities with affected cities, towns, and
20 other local governments, including any regional transit authority
21 existing either partially or entirely within the district area, that
22 engage in transportation planning; and

23 (h) Exercise other powers and duties as may be reasonable to carry
24 out the purposes of the district.

25 (2) It is the intent of the legislature that existing staff
26 resources of lead agencies be used in implementing this chapter. A
27 district may coordinate its activities with the department, which shall
28 provide services, data, and personnel to assist as desired by the
29 regional transportation investment district. Lead agencies for
30 transportation projects that are not state facilities shall also
31 provide staff support for the board.

32 (3) A district may not acquire, hold, or dispose of real property.

33 (4) Except for the limited purposes provided under RCW
34 36.120.020(8), a district may not own, operate, or maintain an ongoing
35 facility, road, or transportation system.

36 (5) A district may accept and expend or use gifts, grants, or
37 donations.

38 (6) It is the intent of the legislature that administrative and
39 overhead costs of a regional transportation investment district be

1 minimized. For transportation projects costing up to fifty million
2 dollars, administrative and overhead costs may not exceed three percent
3 of the total construction and design project costs per year. For
4 transportation projects costing more than fifty million dollars,
5 administrative and overhead costs may not exceed three percent of the
6 first fifty million dollars in costs, plus an additional one-tenth of
7 one percent of each additional dollar above fifty million. These
8 limitations apply only to the district, and do not limit the
9 administration or expenditures of the department.

10 (7) A district may use the design-build procedure for
11 transportation projects developed by it. As used in this section
12 "design-build procedure" means a method of contracting under which the
13 district contracts with another party for that party to both design and
14 build the structures, facilities, and other items specified in the
15 contract. The requirements and limitations of RCW 47.20.780 and
16 47.20.785 do not apply to the transportation projects under this
17 chapter.

18 **Sec. 12.** RCW 81.112.030 and 1994 c 44 s 1 are each amended to read
19 as follows:

20 Two or more contiguous counties each having a population of four
21 hundred thousand persons or more may establish a regional transit
22 authority to develop and operate a high capacity transportation system
23 as defined in chapter 81.104 RCW.

24 The authority shall be formed in the following manner:

25 (1) The joint regional policy committee created pursuant to RCW
26 81.104.040 shall adopt a system and financing plan, including the
27 definition of the service area. This action shall be completed by
28 September 1, 1992, contingent upon satisfactory completion of the
29 planning process defined in RCW 81.104.100. The final system plan
30 shall be adopted no later than June 30, 1993. In addition to the
31 requirements of RCW 81.104.100, the plan for the proposed system shall
32 provide explicitly for a minimum portion of new tax revenues to be
33 allocated to local transit agencies for interim express services. Upon
34 adoption the joint regional policy committee shall immediately transmit
35 the plan to the county legislative authorities within the adopted
36 service area.

37 (2) The legislative authorities of the counties within the service
38 area shall decide by resolution whether to participate in the

1 authority. This action shall be completed within forty-five days
2 following receipt of the adopted plan or by August 13, 1993, whichever
3 comes first.

4 (3) Each county that chooses to participate in the authority shall
5 appoint its board members as set forth in RCW 81.112.040 and shall
6 submit its list of members to the secretary of the Washington state
7 department of transportation. These actions must be completed within
8 thirty days following each county's decision to participate in the
9 authority.

10 (4) The secretary shall call the first meeting of the authority, to
11 be held within thirty days following receipt of the appointments. At
12 its first meeting, the authority shall elect officers and provide for
13 the adoption of rules and other operating procedures.

14 (5) The authority is formally constituted at its first meeting and
15 the board shall begin taking steps toward implementation of the system
16 and financing plan adopted by the joint regional policy committee. If
17 the joint regional policy committee fails to adopt a plan by June 30,
18 1993, the authority shall proceed to do so based on the work completed
19 by that date by the joint regional policy committee. Upon formation of
20 the authority, the joint regional policy committee shall cease to
21 exist. The authority may make minor modifications to the plan as
22 deemed necessary and shall at a minimum review local transit agencies'
23 plans to ensure feeder service/high capacity transit service
24 integration, ensure fare integration, and ensure avoidance of parallel
25 competitive services. The authority shall also conduct a minimum
26 thirty-day public comment period.

27 (6) If the authority determines that major modifications to the
28 plan are necessary before the initial ballot proposition is submitted
29 to the voters, the authority may make those modifications with a
30 favorable vote of two-thirds of the entire membership. Any such
31 modification shall be subject to the review process set forth in RCW
32 81.104.110. The modified plan shall be transmitted to the legislative
33 authorities of the participating counties. The legislative authorities
34 shall have forty-five days following receipt to act by motion or
35 ordinance to confirm or rescind their continued participation in the
36 authority.

37 (7) If any county opts to not participate in the authority, but two
38 or more contiguous counties do choose to continue to participate, the
39 authority's board shall be revised accordingly. The authority shall,

1 within forty-five days, redefine the system and financing plan to
2 reflect elimination of one or more counties, and submit the redefined
3 plan to the legislative authorities of the remaining counties for their
4 decision as to whether to continue to participate. This action shall
5 be completed within forty-five days following receipt of the redefined
6 plan.

7 (8) The authority shall place on the ballot within two years of the
8 authority's formation, a single ballot proposition to authorize the
9 imposition of taxes to support the implementation of an appropriate
10 phase of the plan within its service area. In addition to the system
11 plan requirements contained in RCW 81.104.100(2)(d), the system plan
12 approved by the authority's board before the submittal of a proposition
13 to the voters shall contain an equity element which:

14 (a) Identifies revenues anticipated to be generated by corridor and
15 by county within the authority's boundaries;

16 (b) Identifies the phasing of construction and operation of high
17 capacity system facilities, services, and benefits in each corridor.
18 Phasing decisions should give priority to jurisdictions which have
19 adopted transit-supportive land use plans; and

20 (c) Identifies the degree to which revenues generated within each
21 county will benefit the residents of that county, and identifies when
22 such benefits will accrue.

23 A simple majority of those voting within the boundaries of the
24 authority is required for approval. If the vote is affirmative, the
25 authority shall begin implementation of the projects identified in the
26 proposition. However, the authority may not submit any authorizing
27 proposition for voter-approved taxes prior to July 1, 1993; nor may the
28 authority issue bonds or form any local improvement district prior to
29 July 1, 1993.

30 (9) If the vote on a proposition fails, the board may redefine the
31 proposition, make changes to the authority boundaries, and make
32 corresponding changes to the composition of the board. If the
33 composition of the board is changed, the participating counties shall
34 revise the membership of the board accordingly. The board may then
35 submit the revised proposition or a different proposition to the
36 voters. No single proposition may be submitted to the voters more than
37 twice. Beginning no sooner than the 2007 general election, the
38 authority may place additional propositions on the ballot to impose
39 taxes to support additional phases of plan implementation.

1 (10) In conjunction with RCW 36.120.070, at the 2007 general
2 election the authority shall submit a proposition to support additional
3 implementation phases of the authority's system and financing plan on
4 the same ballot along with a regional transportation investment plan
5 developed under chapter 36.120 RCW. The proposition shall not be
6 considered approved unless voters also approve the regional
7 transportation investment plan.

8 (11) Additional phases of plan implementation may include a
9 transportation subarea equity element which (a) identifies the combined
10 authority and regional transportation investment district revenues
11 anticipated to be generated by corridor and by county within the
12 authority's boundaries, and (b) identifies the degree to which the
13 combined authority and regional transportation investment district
14 revenues generated within each county will benefit the residents of
15 that county, and identifies when such benefits will accrue. For
16 purposes of the transportation subarea equity principle established
17 under this subsection, the authority may use the five subareas within
18 the authority's boundaries as identified in the authority's system plan
19 adopted in May 1996.

20 (12) If the authority is unable to achieve a positive vote on a
21 proposition within two years from the date of the first election on a
22 proposition, the board may, by resolution, reconstitute the authority
23 as a single-county body. With a two-thirds vote of the entire
24 membership of the voting members, the board may also dissolve the
25 authority.

26 **Sec. 13.** RCW 36.120.050 and 2003 c 350 s 4 are each amended to
27 read as follows:

28 (1) A regional transportation investment district planning
29 committee may, as part of a regional transportation investment plan,
30 recommend the imposition or authorization of some or all of the
31 following revenue sources, which a regional transportation investment
32 district may impose or authorize upon approval of the voters as
33 provided in this chapter:

34 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
35 up to ~~((0.5))~~ 0.1 percent of the selling price, in the case of a sales
36 tax, or value of the article used, in the case of a use tax, upon the
37 occurrence of any taxable event in the regional transportation
38 investment district;

1 (b) A local option vehicle license fee, as specified under RCW
2 82.80.100, of up to one hundred dollars per vehicle registered in the
3 district. As used in this subsection, "vehicle" means motor vehicle as
4 defined in RCW 46.04.320. Certain classes of vehicles, as defined
5 under chapter 46.04 RCW, may be exempted from this fee;

6 (c) A parking tax under RCW 82.80.030;

7 (d) A local motor vehicle excise tax under RCW 81.100.060 (~~and~~
8 ~~chapter 81.104 RCW~~));

9 (e) A local option fuel tax under RCW 82.80.120;

10 (f) An employer excise tax under RCW 81.100.030; and

11 (g) Vehicle tolls on new or reconstructed (~~facilities~~) local or
12 regional arterials or state or federal highways within the boundaries
13 of the district, if the following conditions are met:

14 (i) Any such toll must be approved by the state transportation
15 commission or its successor statewide tolling authority;

16 (ii) The regional transportation investment plan must identify the
17 facilities that may be tolled; and

18 (iii) Unless otherwise specified by law, the department shall
19 administer the collection of vehicle tolls on designated facilities,
20 and the state transportation commission, or its successor, shall be the
21 tolling authority.

22 (2) Taxes, fees, and tolls may not be imposed or authorized without
23 an affirmative vote of the majority of the voters within the boundaries
24 of the district voting on a ballot proposition as set forth in RCW
25 36.120.070. Revenues from these taxes and fees may be used only to
26 implement the plan as set forth in this chapter. A district may
27 contract with the state department of revenue or other appropriate
28 entities for administration and collection of any of the taxes or fees
29 authorized in this section.

30 (3) Existing statewide motor vehicle fuel and special fuel taxes,
31 at the distribution rates in effect on January 1, 2001, are not
32 intended to be altered by this chapter.

33 **Sec. 14.** RCW 81.100.080 and 1990 c 43 s 19 are each amended to
34 read as follows:

35 (1) Funds collected under RCW 81.100.030 or 81.100.060 and any
36 investment earnings accruing thereon shall be used by the county or the
37 regional transportation investment district in a manner consistent with
38 the regional transportation plan only for costs of collection, costs of

1 preparing, adopting, and enforcing agreements under RCW 81.100.030(3),
2 for construction of high occupancy vehicle lanes and related
3 facilities, mitigation of environmental concerns that result from
4 construction or use of high occupancy vehicle lanes and related
5 facilities, payment of principal and interest on bonds issued for the
6 purposes of this section, for high occupancy vehicle programs as
7 defined in RCW 81.100.020(5), ~~((and))~~ or for commuter rail projects in
8 accordance with RCW 81.104.120. Except for funds raised by an
9 investment district, no funds collected under RCW 81.100.030 or
10 81.100.060 after June 30, 2000, may be pledged for the payment or
11 security of the principal or interest on any bonds issued for the
12 purposes of this section. Not more than ten percent of the funds may
13 be used for transit agency high occupancy vehicle programs.

14 (2) Notwithstanding the limitations in this chapter, a regional
15 transportation investment district may use funds collected under RCW
16 81.100.030 or 81.100.060 and any investment earnings accruing thereon
17 for projects contained in a plan developed under chapter 36.120 RCW.
18 These expenditures shall not be limited to high occupancy vehicle
19 systems.

20 (3) Priorities for construction of high occupancy vehicle lanes and
21 related facilities shall be as follows:

22 ~~((1))~~ (a)(i) To accelerate construction of high occupancy vehicle
23 lanes on the interstate highway system, as well as related facilities;

24 ~~((b))~~ (ii) To finance or accelerate construction of high
25 occupancy vehicle lanes on the noninterstate state highway system, as
26 well as related facilities.

27 ~~((2))~~ (b) To finance construction of high occupancy vehicle lanes
28 on local arterials, as well as related facilities.

29 (4) Moneys received by ~~((an agency))~~ a county under this chapter
30 shall be used in addition to, and not as a substitute for, moneys
31 currently used by the ~~((agency))~~ county for the purposes specified in
32 this section.

33 (5) Counties and investment districts may contract with cities or
34 the state department of transportation for construction of high
35 occupancy vehicle lanes and related facilities, and may issue general
36 obligation bonds to fund such construction and use funds received under
37 this chapter to pay the principal and interest on such bonds.

1 **Sec. 15.** RCW 81.100.060 and 2002 c 56 s 411 are each amended to
2 read as follows:

3 A county with a population of one million or more and a county with
4 a population of from two hundred ten thousand to less than one million
5 that is adjoining a county with a population of one million or more,
6 having within their boundaries existing or planned high-occupancy
7 vehicle lanes on the state highway system, or a regional transportation
8 investment district (~~((for capital improvements))~~), but only to the
9 extent that the surcharge has not already been imposed by the county,
10 may, with voter approval, impose a local surcharge of not more than
11 three-tenths of one percent in the case of a county, or eight-tenths of
12 one percent in the case of a regional transportation investment
13 district, of the value on vehicles registered to a person residing
14 within the county or investment district and not more than 13.64
15 percent on the state sales and use taxes paid under the rate in RCW
16 82.08.020(2) on retail car rentals within the county or investment
17 district. A county may impose the surcharge only to the extent that it
18 has not been imposed by the district. No surcharge may be imposed on
19 vehicles licensed under RCW 46.16.070 except vehicles with an unladen
20 weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or
21 46.16.090.

22 Counties or investment districts imposing a (~~((tax))~~) surcharge under
23 this section shall contract, before the effective date of the
24 resolution or ordinance imposing a surcharge, administration and
25 collection to the state department of licensing, and department of
26 revenue, as appropriate, which shall deduct (~~((an))~~) a percentage amount,
27 as provided by contract, not to exceed two percent of the taxes, for
28 administration and collection expenses incurred by the department. All
29 administrative provisions in chapters 82.03, 82.32, and 82.44 RCW
30 shall, insofar as they are applicable to motor vehicle excise taxes, be
31 applicable to surcharges imposed under this section. All
32 administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32
33 RCW shall, insofar as they are applicable to state sales and use taxes,
34 be applicable to surcharges imposed under this section. A surcharge
35 imposed under this section, or a change to the surcharge, shall take
36 effect no sooner than seventy-five days after the department of
37 licensing or the department of revenue receives notice of the surcharge
38 or change to the surcharge, and shall take effect only on the first day
39 of January, April, July, or October. Unless waived by the department

1 of licensing or the department of revenue, notice includes providing
2 the appropriate department with digital mapping and legal descriptions
3 of areas in which the tax will be collected.

4 If the tax authorized in RCW 81.100.030 is also imposed, the total
5 proceeds from tax sources imposed under this section and RCW 81.100.030
6 each year shall not exceed the maximum amount which could be collected
7 under this section.

8 **Sec. 16.** RCW 82.14.0455 and 2005 c 336 s 15 are each amended to
9 read as follows:

10 (1) Subject to the provisions in RCW 36.73.065, a transportation
11 benefit district under chapter 36.73 RCW may fix and impose a sales and
12 use tax in accordance with the terms of this chapter. The tax
13 authorized in this section is in addition to any other taxes authorized
14 by law and shall be collected from those persons who are taxable by the
15 state under chapters 82.08 and 82.12 RCW upon the occurrence of any
16 taxable event within the boundaries of the district. The rate of tax
17 shall not exceed two-tenths of one percent of the selling price in the
18 case of a sales tax, or value of the article used, in the case of a use
19 tax. The tax may not be imposed for a period exceeding ten years.
20 This tax may be extended for a period not exceeding ten years with an
21 affirmative vote of the voters voting at the election.

22 (2) Money received from the tax imposed under this section must be
23 spent in accordance with the requirements of chapter 36.73 RCW.

24 ~~((3) A district may only levy the tax under this section if the~~
25 ~~district is comprised of boundaries coextensive with the boundaries of~~
26 ~~a county, counties, city or cities, a county transportation authority~~
27 ~~or authorities, a public transportation benefit area or areas, or any~~
28 ~~combination of these jurisdictions.))~~

29 **Sec. 17.** RCW 82.14.430 and 2002 c 56 s 405 are each amended to
30 read as follows:

31 (1) If approved by the majority of the voters within its boundaries
32 voting on the ballot proposition, a regional transportation investment
33 district may impose a sales and use tax of up to ~~((0.5))~~ 0.1 percent of
34 the selling price or value of the article used in the case of a use
35 tax. The tax authorized by this section is in addition to the tax
36 authorized by RCW 82.14.030 and must be collected from those persons
37 who are taxable by the state under chapters 82.08 and 82.12 RCW upon

1 the occurrence of any taxable event within the taxing district. Motor
2 vehicles are exempt from the sales and use tax imposed under this
3 subsection.

4 (2) If approved by the majority of the voters within its boundaries
5 voting on the ballot proposition, a regional transportation investment
6 district may impose a tax on the use of a motor vehicle within a
7 regional transportation investment district. The tax applies to those
8 persons who reside within the regional transportation investment
9 district. The rate of the tax may not exceed (~~(0.5)~~) 0.1 percent of
10 the value of the motor vehicle. The tax authorized by this subsection
11 is in addition to the tax authorized under RCW 82.14.030 and must be
12 imposed and collected at the time a taxable event under RCW
13 82.08.020(1) or 82.12.020 takes place. All revenue received under this
14 subsection must be deposited in the local sales and use tax account and
15 distributed to the regional transportation investment district
16 according to RCW 82.14.050. The following provisions apply to the use
17 tax in this subsection:

18 (a) Where persons are taxable under chapter 82.08 RCW, the seller
19 shall collect the use tax from the buyer using the collection
20 provisions of RCW 82.08.050.

21 (b) Where persons are taxable under chapter 82.12 RCW, the use tax
22 must be collected using the provisions of RCW 82.12.045.

23 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but
24 does not include farm tractors or farm vehicles as defined in RCW
25 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
26 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

27 (d) "Person" has the meaning given in RCW 82.04.030.

28 (e) The value of a motor vehicle must be determined under RCW
29 82.12.010.

30 (f) Except as specifically stated in this subsection (2), chapters
31 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax
32 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW
33 applies fully to the use tax.

34 (3) In addition to fulfilling the notice requirements under RCW
35 82.14.055(1), and unless waived by the department, a regional
36 transportation investment district shall provide the department of
37 revenue with digital mapping and legal descriptions of areas in which
38 the tax will be collected.

1 **Sec. 18.** RCW 82.80.120 and 2003 c 350 s 3 are each amended to read
2 as follows:

3 (1) For purposes of this section:

4 (a) "Distributor" means every person who imports, refines,
5 manufactures, produces, or compounds motor vehicle fuel and special
6 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
7 or distributes the fuel into a county;

8 (b) "Person" has the same meaning as in RCW 82.04.030;

9 (c) "District" means a regional transportation investment district
10 under chapter 36.120 RCW.

11 (2) A regional transportation investment district under chapter
12 36.120 RCW, subject to the conditions of this section, may levy
13 additional excise taxes equal to ten percent of the statewide motor
14 vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
15 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
16 fuel as defined in RCW 82.38.020 sold within the boundaries of the
17 district. The additional excise tax is subject to the approval of a
18 majority of the voters within the district boundaries. Vehicles paying
19 an annual license fee under RCW 82.38.075 are exempt from the
20 district's fuel excise tax. The additional excise taxes are subject to
21 the same exceptions and rights of refund as applicable to other motor
22 vehicle fuel and special fuel excise taxes levied under chapters 82.36
23 and 82.38 RCW. The proposed tax may not be levied less than one month
24 from the date the election results are certified. The commencement
25 date for the levy of any tax under this section will be the first day
26 of January, April, July, or October.

27 (3) The local option motor vehicle fuel tax on each gallon of motor
28 vehicle fuel and on each gallon of special fuel is imposed upon the
29 distributor of the fuel.

30 (4) A taxable event for the purposes of this section occurs upon
31 the first distribution of the fuel within the boundaries of the
32 district to a retail outlet, bulk fuel user, or ultimate user of the
33 fuel.

34 (5) All administrative provisions in chapters 82.01, 82.03, and
35 82.32 RCW, insofar as they are applicable, apply to local option fuel
36 taxes imposed under this section.

37 (6) Before the effective date of the imposition of the fuel taxes
38 under this section, a district shall contract with the department of
39 (~~revenue~~) licensing for the administration and collection of the

1 taxes. The contract must provide that a percentage amount, not to
2 exceed one percent of the taxes imposed under this section, will be
3 deposited into the local tax administration account created in the
4 custody of the state treasurer. The department of (~~revenue~~)
5 licensing may spend money from this account, upon appropriation, for
6 the administration of the local taxes imposed under this section.

7 (7) The state treasurer shall distribute monthly to the district
8 levying the tax as part of the regional transportation investment
9 district plan, after the deductions for payments and expenditures as
10 provided in RCW 46.68.090(1) (a) and (b).

11 (8) The proceeds of the additional taxes levied by a district in
12 this section, to be used as a part of a regional transportation
13 investment district plan, must be used in accordance with chapter
14 36.120 RCW, but only for those areas that are considered "highway
15 purposes" as that term is construed in Article II, section 40 of the
16 state Constitution.

17 (9) A district may only levy the tax under this section if the
18 district is comprised of boundaries identical to the boundaries of a
19 county or counties. A district may not levy the tax in this section if
20 a member county is levying the tax in RCW 82.80.010 or 82.80.110.

21 **Sec. 19.** RCW 47.56.076 and 2005 c 335 s 3 are each amended to read
22 as follows:

23 Upon approval of a majority of the voters within its boundaries
24 voting on the ballot proposition, and (~~only for the purposes~~
25 ~~authorized in RCW 36.120.050(1)(g))~~ with the approval of the state
26 transportation commission or its successor statewide tolling authority,
27 a regional transportation investment district may authorize vehicle
28 tolls on a local or regional arterial or a state (~~routes where~~
29 ~~improvements financed in whole or in part by a regional transportation~~
30 ~~investment district add additional lanes to, or reconstruct lanes on,~~
31 ~~a highway of statewide significance))~~ or federal highway within the
32 boundaries of the district. The department shall administer the
33 collection of vehicle tolls authorized on designated facilities unless
34 otherwise specified in law or by contract, and the (~~state~~
35 ~~transportation~~) commission(~~(7)~~) or its successor(~~(7)~~) statewide
36 tolling authority shall (~~be the tolling authority~~) set and impose the
37 tolls in amounts sufficient to implement the regional transportation
38 investment plan under RCW 36.120.020.

1 NEW SECTION. **Sec. 20.** A new section is added to chapter 47.56 RCW
2 to read as follows:

3 Notwithstanding any provision to the contrary in this chapter, a
4 regional transportation investment district may authorize vehicle tolls
5 on either Lake Washington bridge within its boundaries to implement a
6 regional transportation investment plan as authorized in chapter 36.120
7 RCW and RCW 47.56.076.

8 **Sec. 21.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005
9 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as
10 follows:

11 (1) Money in the treasurer's trust fund may be deposited, invested,
12 and reinvested by the state treasurer in accordance with RCW 43.84.080
13 in the same manner and to the same extent as if the money were in the
14 state treasury.

15 (2) All income received from investment of the treasurer's trust
16 fund shall be set aside in an account in the treasury trust fund to be
17 known as the investment income account.

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

26 (4)(a) Monthly, the state treasurer shall distribute the earnings
27 credited to the investment income account to the state general fund
28 except under (b) and (c) of this subsection.

29 (b) The following accounts and funds shall receive their
30 proportionate share of earnings based upon each account's or fund's
31 average daily balance for the period: The Washington promise
32 scholarship account, the college savings program account, the
33 Washington advanced college tuition payment program account, the
34 agricultural local fund, the American Indian scholarship endowment
35 fund, the foster care scholarship endowment fund, the foster care
36 endowed scholarship trust fund, the students with dependents grant
37 account, the basic health plan self-insurance reserve account, the
38 contract harvesting revolving account, the Washington state combined

1 fund drive account, the commemorative works account, the Washington
2 international exchange scholarship endowment fund, the developmental
3 disabilities endowment trust fund, the energy account, the fair fund,
4 the fruit and vegetable inspection account, the future teachers
5 conditional scholarship account, the game farm alternative account, the
6 grain inspection revolving fund, the juvenile accountability incentive
7 account, the law enforcement officers' and fire fighters' plan 2
8 expense fund, the local tourism promotion account, the produce railcar
9 pool account, the regional transportation investment district account,
10 the rural rehabilitation account, the stadium and exhibition center
11 account, the youth athletic facility account, the self-insurance
12 revolving fund, the sulfur dioxide abatement account, the children's
13 trust fund, the Washington horse racing commission Washington bred
14 owners' bonus fund account, the Washington horse racing commission
15 class C purse fund account, the individual development account program
16 account, the Washington horse racing commission operating account
17 (earnings from the Washington horse racing commission operating account
18 must be credited to the Washington horse racing commission class C
19 purse fund account), and the life sciences discovery fund. However,
20 the earnings to be distributed shall first be reduced by the allocation
21 to the state treasurer's service fund pursuant to RCW 43.08.190.

22 (c) The following accounts and funds shall receive eighty percent
23 of their proportionate share of earnings based upon each account's or
24 fund's average daily balance for the period: The advanced right of way
25 revolving fund, the advanced environmental mitigation revolving
26 account, the city and county advance right-of-way revolving fund, the
27 federal narcotics asset forfeitures account, the high occupancy vehicle
28 account, the local rail service assistance account, and the
29 miscellaneous transportation programs account.

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

33 **Sec. 22.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005
34 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are
35 each reenacted and amended to read as follows:

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

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

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

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

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

1 account, the drinking water assistance account, the drinking water
2 assistance administrative account, the drinking water assistance
3 repayment account, the Eastern Washington University capital projects
4 account, the education construction fund, the education legacy trust
5 account, the election account, the emergency reserve fund, The
6 Evergreen State College capital projects account, the federal forest
7 revolving account, the freight mobility investment account, the health
8 services account, the public health services account, the health system
9 capacity account, the personal health services account, the state
10 higher education construction account, the higher education
11 construction account, the highway infrastructure account, the high-
12 occupancy toll lanes operations account, the industrial insurance
13 premium refund account, the judges' retirement account, the judicial
14 retirement administrative account, the judicial retirement principal
15 account, the local leasehold excise tax account, the local real estate
16 excise tax account, the local sales and use tax account, the medical
17 aid account, the mobile home park relocation fund, the multimodal
18 transportation account, the municipal criminal justice assistance
19 account, the municipal sales and use tax equalization account, the
20 natural resources deposit account, the oyster reserve land account, the
21 perpetual surveillance and maintenance account, the public employees'
22 retirement system plan 1 account, the public employees' retirement
23 system combined plan 2 and plan 3 account, the public facilities
24 construction loan revolving account beginning July 1, 2004, the public
25 health supplemental account, the Puyallup tribal settlement account,
26 the real estate appraiser commission account, (~~the regional~~
27 ~~transportation investment district account,~~) the resource management
28 cost account, the rural Washington loan fund, the site closure account,
29 the small city pavement and sidewalk account, the special wildlife
30 account, the state employees' insurance account, the state employees'
31 insurance reserve account, the state investment board expense account,
32 the state investment board commingled trust fund accounts, the
33 supplemental pension account, the Tacoma Narrows toll bridge account,
34 the teachers' retirement system plan 1 account, the teachers'
35 retirement system combined plan 2 and plan 3 account, the tobacco
36 prevention and control account, the tobacco settlement account, the
37 transportation infrastructure account, the transportation partnership
38 account, the tuition recovery trust fund, the University of Washington
39 bond retirement fund, the University of Washington building account,

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

20 (b) The following accounts and funds shall receive eighty percent
21 of their proportionate share of earnings based upon each account's or
22 fund's average daily balance for the period: The aeronautics account,
23 the aircraft search and rescue account, the county arterial
24 preservation account, the department of licensing services account, the
25 essential rail assistance account, the ferry bond retirement fund, the
26 grade crossing protective fund, the high capacity transportation
27 account, the highway bond retirement fund, the highway safety account,
28 the motor vehicle fund, the motorcycle safety education account, the
29 pilotage account, the public transportation systems account, the Puget
30 Sound capital construction account, the Puget Sound ferry operations
31 account, the recreational vehicle account, the rural arterial trust
32 account, the safety and education account, the special category C
33 account, the state patrol highway account, the transportation 2003
34 account (nickel account), the transportation equipment fund, the
35 transportation fund, the transportation improvement account, the
36 transportation improvement board bond retirement account, and the urban
37 arterial trust account.

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

4 **Sec. 23.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005
5 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are
6 each reenacted and amended to read as follows:

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

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

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

33 (4) Monthly, the state treasurer shall distribute the earnings
34 credited to the treasury income account. The state treasurer shall
35 credit the general fund with all the earnings credited to the treasury
36 income account except:

37 (a) The following accounts and funds shall receive their
38 proportionate share of earnings based upon each account's and fund's

1 average daily balance for the period: The capitol building
2 construction account, the Cedar River channel construction and
3 operation account, the Central Washington University capital projects
4 account, the charitable, educational, penal and reformatory
5 institutions account, the common school construction fund, the county
6 criminal justice assistance account, the county sales and use tax
7 equalization account, the data processing building construction
8 account, the deferred compensation administrative account, the deferred
9 compensation principal account, the department of retirement systems
10 expense account, the developmental disabilities community trust
11 account, the drinking water assistance account, the drinking water
12 assistance administrative account, the drinking water assistance
13 repayment account, the Eastern Washington University capital projects
14 account, the education construction fund, the education legacy trust
15 account, the election account, the emergency reserve fund, The
16 Evergreen State College capital projects account, the federal forest
17 revolving account, the freight mobility investment account, the health
18 services account, the public health services account, the health system
19 capacity account, the personal health services account, the state
20 higher education construction account, the higher education
21 construction account, the highway infrastructure account, the high-
22 occupancy toll lanes operations account, the industrial insurance
23 premium refund account, the judges' retirement account, the judicial
24 retirement administrative account, the judicial retirement principal
25 account, the local leasehold excise tax account, the local real estate
26 excise tax account, the local sales and use tax account, the medical
27 aid account, the mobile home park relocation fund, the multimodal
28 transportation account, the municipal criminal justice assistance
29 account, the municipal sales and use tax equalization account, the
30 natural resources deposit account, the oyster reserve land account, the
31 perpetual surveillance and maintenance account, the public employees'
32 retirement system plan 1 account, the public employees' retirement
33 system combined plan 2 and plan 3 account, the public facilities
34 construction loan revolving account beginning July 1, 2004, the public
35 health supplemental account, the public works assistance account, the
36 Puyallup tribal settlement account, the real estate appraiser
37 commission account, (~~the regional transportation investment district~~
38 ~~account,~~) the resource management cost account, the rural Washington
39 loan fund, the site closure account, the small city pavement and

1 sidewalk account, the special wildlife account, the state employees'
2 insurance account, the state employees' insurance reserve account, the
3 state investment board expense account, the state investment board
4 commingled trust fund accounts, the supplemental pension account, the
5 Tacoma Narrows toll bridge account, the teachers' retirement system
6 plan 1 account, the teachers' retirement system combined plan 2 and
7 plan 3 account, the tobacco prevention and control account, the tobacco
8 settlement account, the transportation infrastructure account, the
9 transportation partnership account, the tuition recovery trust fund,
10 the University of Washington bond retirement fund, the University of
11 Washington building account, the volunteer fire fighters' and reserve
12 officers' relief and pension principal fund, the volunteer fire
13 fighters' and reserve officers' administrative fund, the Washington
14 fruit express account, the Washington judicial retirement system
15 account, the Washington law enforcement officers' and fire fighters'
16 system plan 1 retirement account, the Washington law enforcement
17 officers' and fire fighters' system plan 2 retirement account, the
18 Washington public safety employees' plan 2 retirement account, the
19 Washington school employees' retirement system combined plan 2 and 3
20 account, the Washington state health insurance pool account, the
21 Washington state patrol retirement account, the Washington State
22 University building account, the Washington State University bond
23 retirement fund, the water pollution control revolving fund, and the
24 Western Washington University capital projects account. Earnings
25 derived from investing balances of the agricultural permanent fund, the
26 normal school permanent fund, the permanent common school fund, the
27 scientific permanent fund, and the state university permanent fund
28 shall be allocated to their respective beneficiary accounts. All
29 earnings to be distributed under this subsection (4)(a) shall first be
30 reduced by the allocation to the state treasurer's service fund
31 pursuant to RCW 43.08.190.

32 (b) The following accounts and funds shall receive eighty percent
33 of their proportionate share of earnings based upon each account's or
34 fund's average daily balance for the period: The aeronautics account,
35 the aircraft search and rescue account, the county arterial
36 preservation account, the department of licensing services account, the
37 essential rail assistance account, the ferry bond retirement fund, the
38 grade crossing protective fund, the high capacity transportation
39 account, the highway bond retirement fund, the highway safety account,

1 the motor vehicle fund, the motorcycle safety education account, the
2 pilotage account, the public transportation systems account, the Puget
3 Sound capital construction account, the Puget Sound ferry operations
4 account, the recreational vehicle account, the rural arterial trust
5 account, the safety and education account, the special category C
6 account, the state patrol highway account, the transportation 2003
7 account (nickel account), the transportation equipment fund, the
8 transportation fund, the transportation improvement account, the
9 transportation improvement board bond retirement account, and the urban
10 arterial trust account.

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

14 **Sec. 24.** RCW 36.73.015 and 2005 c 336 s 1 are each amended to read
15 as follows:

16 The definitions in this section apply throughout this chapter
17 unless the context clearly requires otherwise.

18 (1) "District" means a transportation benefit district created
19 under this chapter.

20 (2) "City" means a city or town.

21 (3) "Transportation improvement" means a project contained in the
22 transportation plan of the state or a regional transportation planning
23 organization (~~((that is of statewide or regional significance))~~). A
24 project may include investment in new or existing highways of statewide
25 significance, principal arterials of regional significance, high-
26 capacity transportation, public transportation, and other
27 transportation projects and programs of regional or statewide
28 significance including transportation demand management. Projects may
29 also include the operation, preservation, and maintenance of these
30 facilities or programs. (~~((Not more than forty percent of the revenues
31 generated by a district may be expended on city streets, county roads,
32 existing highways other than highways of statewide significance, and
33 the creation of a new highway that intersects with a highway of
34 statewide significance.))~~)

35 **Sec. 25.** RCW 36.73.020 and 2005 c 336 s 3 are each amended to read
36 as follows:

1 (1) The legislative authority of a county or city may establish a
2 transportation benefit district within the county or city area or
3 within the area specified in subsection (2) of this section, for the
4 purpose of acquiring, constructing, improving, providing, and funding
5 a transportation improvement within the district that is consistent
6 with any existing state, regional, and local transportation plans and
7 necessitated by existing or reasonably foreseeable congestion levels.
8 The transportation improvements shall be owned by the county of
9 jurisdiction if located in an unincorporated area, by the city of
10 jurisdiction if located in an incorporated area, or by the state in
11 cases where the transportation improvement is or becomes a state
12 highway. However, if deemed appropriate by the governing body of the
13 transportation benefit district, a transportation improvement may be
14 owned by a participating port district or transit district, unless
15 otherwise prohibited by law. Transportation improvements shall be
16 administered and maintained as other public streets, roads, highways,
17 and transportation improvements. To the extent practicable, the
18 district shall consider the following criteria when selecting
19 transportation improvements:

- 20 (a) Reduced risk of transportation facility failure and improved
21 safety;
- 22 (b) Improved travel time;
- 23 (c) Improved air quality;
- 24 (d) Increases in daily and peak period trip capacity;
- 25 (e) Improved modal connectivity;
- 26 (f) Improved freight mobility;
- 27 (g) Cost-effectiveness of the investment;
- 28 (h) Optimal performance of the system through time; and
- 29 (i) Other criteria, as adopted by the governing body.

30 (2) Subject to subsection (6) of this section, the district may
31 include area within more than one county, city, port district, county
32 transportation authority, or public transportation benefit area, if the
33 legislative authority of each participating jurisdiction has agreed to
34 the inclusion as provided in an interlocal agreement adopted pursuant
35 to chapter 39.34 RCW. However, the boundaries of the district
36 (~~shall~~) need not include all territory within the boundaries of the
37 participating jurisdictions comprising the district.

38 (3) The members of the legislative authority proposing to establish
39 the district, acting ex officio and independently, shall constitute the

1 governing body of the district: PROVIDED, That where a district
2 includes area within more than one jurisdiction under subsection (2) of
3 this section, the district shall be governed under an interlocal
4 agreement adopted pursuant to chapter 39.34 RCW. However, the
5 governing body shall be composed of at least five members including at
6 least one elected official from the legislative authority of each
7 participating jurisdiction.

8 (4) The treasurer of the jurisdiction proposing to establish the
9 district shall act as the ex officio treasurer of the district, unless
10 an interlocal agreement states otherwise.

11 (5) The electors of the district shall all be registered voters
12 residing within the district.

13 (6) Prior to December 1, 2007, the authority under this section,
14 regarding the establishment of or the participation in a district,
15 shall not apply to:

16 (a) Counties with a population greater than one million five
17 hundred thousand persons and any adjoining counties with a population
18 greater than five hundred thousand persons;

19 (b) Cities with any area within the counties under (a) of this
20 subsection; and

21 (c) Other jurisdictions with any area within the counties under (a)
22 of this subsection.

23 NEW SECTION. Sec. 26. A new section is added to chapter 47.01 RCW
24 to read as follows:

25 The department shall not commence construction on any part of the
26 state route number 520 bridge replacement and HOV project until a
27 record of decision has been reached providing reasonable assurance that
28 project impacts will be avoided, minimized, or mitigated as much as
29 practicable to protect against further adverse impacts on neighborhood
30 environmental quality as a result of repairs and improvements made to
31 the state route number 520 bridge and its connecting roadways, and that
32 any such impacts will be addressed through engineering design choices,
33 mitigation measures, or a combination of both. The requirements of
34 this section shall not apply to off-site pontoon construction
35 supporting the state route number 520 bridge replacement and HOV
36 project.

1 NEW SECTION. **Sec. 27.** A new section is added to chapter 47.01 RCW
2 to read as follows:

3 (1) Prior to commencing construction on either project, the
4 department of transportation must complete all of the following
5 requirements for both the Alaskan Way viaduct and Seattle Seawall
6 replacement project, and the state route number 520 bridge replacement
7 and HOV project: (a) In accordance with the national environmental
8 policy act, the department must designate the preferred alternative,
9 prepare a substantial project mitigation plan, and complete a
10 comprehensive cost estimate review using the department's cost estimate
11 validation process, for each project; (b) in accordance with all
12 applicable federal highway administration planning and project
13 management requirements, the department must prepare a project finance
14 plan for each project that clearly identifies secured and anticipated
15 fund sources, cash flow timing requirements, and project staging and
16 phasing plans if applicable; and (c) the department must report these
17 results for each project to the joint transportation committee.

18 (2) The requirements of this section shall not apply to (a) utility
19 relocation work, and related activities, on the Alaskan Way viaduct and
20 Seattle Seawall replacement project and (b) off-site pontoon
21 construction supporting the state route number 520 bridge replacement
22 and HOV project.

23 NEW SECTION. **Sec. 28.** A new section is added to chapter 47.01 RCW
24 to read as follows:

25 The legislature recognizes that the finance and project
26 implementation planning processes required for the Alaskan Way viaduct
27 and Seattle Seawall replacement project and the state route number 520
28 bridge replacement and HOV project cannot guarantee appropriate
29 decisions unless key study assumptions are reasonable with respect to
30 each project.

31 To assure appropriate finance plan and project implementation plan
32 assumptions, an expert review panel shall be appointed to provide
33 independent financial and technical review for development of a finance
34 plan and project implementation plan for the projects described in this
35 section.

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

1 engineering, finance, law, the environment, emerging transportation
2 technologies, geography, and economics.

3 (2) The expert review panel shall be selected cooperatively by the
4 chairs of the senate and house transportation committees, the secretary
5 of the department of transportation, and the governor to assure a
6 balance of disciplines.

7 (3) The chair of the expert review panel shall be designated by the
8 governor.

9 (4) The expert review panel shall, with respect to completion of
10 the project alternatives as described in the draft environmental impact
11 statement of each project:

12 (a) Review the finance plan for the project to ensure that it
13 clearly identifies secured and anticipated funding sources and is
14 feasible and sufficient;

15 (b) Review the project implementation plan covering all state and
16 local permitting and mitigation approvals that ensure the most
17 expeditious and cost-effective delivery of the project; and

18 (c) Report its findings and recommendations on the items described
19 in (a) and (b) of this subsection to the joint transportation
20 committee, the office of financial management, and the governor by
21 September 1, 2006.

22 (5) Upon receipt of the expert review panel's findings and
23 recommendations under subsection (4)(c) of this section, the governor
24 must make a finding of whether each finance plan is feasible and
25 sufficient to complete the project as described in the draft
26 environmental impact statement.

27 (6) Nothing in this section shall be interpreted to delay
28 construction of any of the projects referenced in this section.

29 NEW SECTION. **Sec. 29.** A new section is added to chapter 36.120
30 RCW to read as follows:

31 The most populous city, within the three-county region eligible to
32 create a regional transportation investment district under this
33 chapter, shall submit an advisory ballot to the city voters at the 2006
34 general election regarding voter preference of the tunnel and rebuild
35 alternatives described in the environmental impact statement relative
36 to the Alaskan Way viaduct project. The results of the election shall
37 be advisory only and not binding regarding the final project to be
38 constructed.

