

2 **EHB 2894** - S AMD - (WILS 008) - 874  
3 By Senator West

4 ADOPTED AS AMENDED 3/5/98

5 On page 1, strike everything after the enacting clause and insert  
6 the following:

7 "NEW SECTION. **Sec. 1.** The purpose of this act is to reallocate  
8 the general fund portion of the state's motor vehicle excise tax  
9 revenues among the taxpayers, local governments, and the state's  
10 transportation programs. By reallocating motor vehicle excise taxes,  
11 the state revenue portion can be dedicated to increased transportation  
12 funding purposes. Since the general fund currently has a budget  
13 surplus, due to a strong economy, the legislature feels that this  
14 reallocation is an appropriate short-term solution to the state's  
15 transportation needs and is a first step in meeting longer-term  
16 transportation funding needs. These reallocated funds must be used to  
17 provide relief from traffic congestion, improve freight mobility, and  
18 increase traffic safety.

19 In reallocating general fund resources, the legislature also  
20 ensures that other programs funded from the general fund are not  
21 adversely impacted by the reallocation of surplus general fund  
22 revenues. The legislature also adopts this act to continue the general  
23 fund revenue and expenditure limitations contained in chapter 43.135  
24 RCW after this one-time transfer of funds.

25 In order to develop a long-term and comprehensive solution to the  
26 state's transportation problems, a joint committee will be created to  
27 study the state's transportation needs and the appropriate sources of  
28 revenue necessary to implement the state's long-term transportation  
29 needs as provided in section 22 of this act.

30 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.44 RCW  
31 to read as follows:

32 (1) Beginning with motor vehicle registrations that are due or  
33 become due in July 1999, a credit is authorized against the tax imposed  
34 under RCW 82.44.020(1) on each personal-use motor vehicle equal to the

1 lesser of the tax otherwise due under RCW 82.44.020(1) or thirty  
2 dollars.

3 (2) For the purposes of this section, "personal-use motor vehicle"  
4 means a vehicle registered to a private individual, not owned by a  
5 business, and designated in one of the following use classes: (a)  
6 Passenger; (b) truck with a weight not to exceed six thousand pounds;  
7 or (c) motorcycle.

8 **Sec. 3.** RCW 82.44.020 and 1993 sp.s. c 23 s 61 are each amended to  
9 read as follows:

10 (1) An excise tax is imposed for the privilege of using in the  
11 state any motor vehicle, except those operated under reciprocal  
12 agreements, the provisions of RCW 46.16.160 (~~as now or hereafter~~  
13 ~~amended~~), or dealer's licenses. The annual amount of such excise tax  
14 shall be two and two-tenths percent of the value of such vehicle.

15 (~~(2) ((An additional excise tax is imposed, in addition to any other~~  
16 ~~tax imposed by this section, for the privilege of using in the state~~  
17 ~~any such motor vehicle, and the annual amount of such additional excise~~  
18 ~~shall be two tenths of one percent of the value of such vehicle.~~

19 (~~(3) Effective with October 1992 motor vehicle registration~~  
20 ~~expirations,)) A clean air excise tax is imposed in addition to any  
21 other tax imposed by this section for the privilege of using in the  
22 state any motor vehicle as defined in RCW 82.44.010, except that farm  
23 vehicles as defined in RCW 46.04.181 shall not be subject to the tax  
24 imposed by this subsection. The (~~annual amount of the additional~~  
25 ~~excise tax shall be two dollars and twenty five cents. Effective with~~  
26 ~~July 1994 motor vehicle registration expirations, the)) annual amount  
27 of additional excise tax shall be two dollars.~~~~

28 (~~((+4))~~) (3) An additional excise tax is imposed on truck-type power  
29 units that are used in combination with a trailer to transport loads in  
30 excess of forty thousand pounds combined gross weight. The annual  
31 amount of such additional excise tax shall be fifty-eight one-  
32 hundredths of one percent of the value of the vehicle.

33 The department shall distribute the additional tax collected under  
34 this subsection as follows:

35 (a) For each trailing unit subject to subsection (~~((+5))~~) (4) of  
36 this section, an amount equal to the clean air excise tax prescribed in  
37 subsection (~~((+3))~~) (2) of this section shall be distributed in the  
38 manner prescribed in RCW 82.44.110(~~((+3))~~) (2);

1 (b) ~~((of))~~ The remainder of the additional excise tax collected  
2 under this subsection ~~((, ten percent shall be distributed in the manner~~  
3 ~~prescribed in RCW 82.44.110(2) and ninety percent))~~ shall be  
4 distributed in the manner prescribed in RCW 82.44.110(1). This tax  
5 shall not apply to power units used exclusively for hauling logs.

6 ~~((+5))~~ (4) The excise taxes imposed by subsections (1) ~~((through~~  
7 ~~+3))~~ and (2) of this section shall not apply to trailing units which  
8 are used in combination with a power unit subject to the additional  
9 excise tax imposed by subsection ~~((+4))~~ (3) of this section. This  
10 subsection shall not apply to trailing units used for hauling logs.

11 ~~((+6))~~ (5) In no case shall the total tax be less than two dollars  
12 except for proportionally registered vehicles and except for vehicles  
13 on which a credit is granted under section 2 of this act.

14 ~~((+7))~~ (6) Washington residents, as defined in RCW 46.16.028, who  
15 license motor vehicles in another state or foreign country and avoid  
16 Washington motor vehicle excise taxes are liable for such unpaid excise  
17 taxes. The department of revenue may assess and collect the unpaid  
18 excise taxes under chapter 82.32 RCW, including the penalties and  
19 interest provided therein.

20 **Sec. 4.** RCW 82.44.041 and 1990 c 42 s 303 are each amended to read  
21 as follows:

22 (1) For the purpose of determining the tax under this chapter, the  
23 value of a truck-type power or trailing unit shall be the latest  
24 purchase price of the vehicle, excluding applicable federal excise  
25 taxes, state and local sales or use taxes, transportation or shipping  
26 costs, or preparatory or delivery costs, multiplied by the following  
27 percentage based on year of service of the vehicle since last sale.  
28 The latest purchase year shall be considered the first year of service.

29	YEAR OF SERVICE	PERCENTAGE
30	1	100
31	2	90
32	3	83
33	4	75
34	5	67
35	6	59
36	7	52
37	8	44
38	9	36

1	10	28
2	11	21
3	12	13
4	13 or older	10

5 (2) The reissuance of title and registration for a truck-type power  
6 or trailing unit because of the installation of body or special  
7 equipment shall be treated as a sale, and the value of the truck-type  
8 power or trailing unit at that time, as determined by the department  
9 from such information as may be available, shall be considered the  
10 latest purchase price.

11 (3) For the purpose of determining the tax under this chapter, the  
12 value of a motor vehicle other than a truck-type power or trailing unit  
13 shall be the manufacturer's base suggested retail price of the vehicle  
14 when first offered for sale as a new vehicle, excluding any optional  
15 equipment, applicable federal excise taxes, state and local sales or  
16 use taxes, transportation or shipping costs, or preparatory or delivery  
17 costs, multiplied by the applicable percentage listed in this  
18 subsection based on year of service of the vehicle.

19 If the manufacturer's base suggested retail price is unavailable or  
20 otherwise unascertainable at the time of initial registration in this  
21 state, the department shall determine a value equivalent to a  
22 manufacturer's base suggested retail price as follows:

23 (a) The department shall determine a value using any information  
24 that may be available, including any guidebook, report, or compendium  
25 of recognized standing in the automotive industry or the selling price  
26 and year of sale of the vehicle. The department may use an appraisal  
27 by the county assessor. In valuing a vehicle for which the current  
28 value or selling price is not indicative of the value of similar  
29 vehicles of the same year and model, the department shall establish a  
30 value that more closely represents the average value of similar  
31 vehicles of the same year and model.

32 (b) The value determined in (a) of this subsection shall be divided  
33 by the applicable percentage listed in this subsection to establish a  
34 value equivalent to a manufacturer's base suggested retail price. The  
35 applicable percentage shall be based on the year of service of the  
36 vehicle for which the value is determined.

	YEAR OF SERVICE	PERCENTAGE
1		
2	1	100
3	2	((100)) <u>95</u>
4	3	((91)) <u>89</u>
5	4	83
6	5	74
7	6	65
8	7	57
9	8	48
10	9	40
11	10	31
12	11	22
13	12	14
14	13 or older	10

15 (4) For purposes of this chapter, value shall exclude value  
16 attributable to modifications of a motor vehicle and equipment that are  
17 designed to facilitate the use or operation of the motor vehicle by a  
18 handicapped person.

19 **Sec. 5.** RCW 82.44.110 and 1997 c 338 s 68 are each amended to read  
20 as follows:

21 The county auditor shall regularly, when remitting license fee  
22 receipts, pay over and account to the director of licensing for the  
23 excise taxes collected under the provisions of this chapter. The  
24 director shall forthwith transmit the excise taxes to the state  
25 treasurer.

26 (1) The state treasurer shall deposit the excise taxes collected  
27 under RCW 82.44.020(1) as follows:

28 (a) ((1.60)) 1.455 percent into the motor vehicle fund through June  
29 30, 1999, and 1.71 percent beginning July 1, 1999, to defray  
30 administrative and other expenses incurred by the department in the  
31 collection of the excise tax.

32 (b) ((8.15)) 7.409 percent into the Puget Sound capital  
33 construction account in the motor vehicle fund through June 30, 1999,  
34 and 8.712 percent beginning July 1, 1999.

35 (c) ((4.07)) 3.70 percent into the Puget Sound ferry operations  
36 account in the motor vehicle fund through June 30, 1999, and 4.351  
37 percent beginning July 1, 1999.

1 (d) (~~(5.88)~~) 5.345 percent into the (~~general fund to be~~  
2 ~~distributed~~) city police and fire protection assistance account under  
3 RCW 82.44.155 through June 30, 1999, and 6.286 percent beginning July  
4 1, 1999.

5 (e) (~~(4.75)~~) 4.318 percent into the municipal sales and use tax  
6 equalization account (~~in the general fund~~) created in RCW 82.14.210  
7 through June 30, 1999, and 5.628 percent beginning July 1, 1999.

8 (f) (~~(1.60)~~) 1.455 percent into the county sales and use tax  
9 equalization account (~~in the general fund~~) created in RCW 82.14.200  
10 through June 30, 1999, and 1.71 percent beginning July 1, 1999.

11 (g) (~~(62.6440)~~) 13.573 percent into the general fund through June  
12 30, (~~1995, and 57.6440 percent into the general fund beginning July 1,~~  
13 ~~1995~~) 1999.

14 (h) (~~(5)~~) 43.605 percent into the transportation fund created in  
15 RCW 82.44.180 through June 30, 1999, and 51.203 percent beginning July  
16 1, (~~1995~~) 1999.

17 (i) (~~(5.968)~~) 5.426 percent into the county criminal justice  
18 assistance account created in RCW 82.14.310 through June 30, 1999, and  
19 3.892 percent beginning July 1, 1999.

20 (j) (~~(1.1937)~~) 1.085 percent into the municipal criminal justice  
21 assistance account for distribution under RCW 82.14.320 through June  
22 30, 1999, and 0.778 percent beginning July 1, 1999.

23 (k) (~~(1.1937)~~) 1.085 percent into the municipal criminal justice  
24 assistance account for distribution under RCW 82.14.330 through June  
25 30, 1999, and 0.778 percent beginning July 1, 1999.

26 (l) (~~(2.95)~~) 2.682 percent into the county public health account  
27 created in RCW 70.05.125 through June 30, 1999, and 3.153 percent  
28 beginning July 1, 1999.

29 (m) 8.862 percent into the motor vehicle fund through June 30,  
30 1999, and 10.422 percent beginning July 1, 1999.

31 (n) 1.377 percent into the distressed county assistance account  
32 under section 10 of this act beginning July 1, 1999.

33 Notwithstanding (i) through (k) of this subsection, (~~no more than~~  
34 ~~sixty million dollars shall be deposited into the accounts specified in~~  
35 ~~(i) through (k) of this subsection for the period January 1, 1994,~~  
36 ~~through June 30, 1995. Not more than five percent of the funds~~  
37 ~~deposited to these accounts shall be available for appropriations for~~  
38 ~~enhancements to the state patrol crime laboratory system and the~~  
39 ~~continuing costs related to these enhancements. Motor vehicle excise~~

1 tax funds appropriated for such enhancements shall not supplant  
2 existing funds from the state general fund. For the fiscal year ending  
3 June 30, 1998, and)) for each fiscal year ((thereafter)) through fiscal  
4 year 1999, the amounts deposited into the accounts specified in (i)  
5 through (k) of this subsection shall not increase by more than the  
6 amounts deposited into those accounts in the previous fiscal year  
7 increased by the implicit price deflator for the previous fiscal year.  
8 Any revenues in excess of this amount shall be deposited into the  
9 violence reduction and drug enforcement account.

10 (2) (~~The state treasurer shall deposit the excise taxes collected~~  
11 ~~under RCW 82.44.020(2) into the transportation fund.~~

12 (+3)) The state treasurer shall deposit the excise tax imposed by  
13 RCW 82.44.020(~~(+3)~~) (2) into the air pollution control account created  
14 by RCW 70.94.015.

15 **Sec. 6.** RCW 82.44.150 and 1995 2nd sp.s. c 14 s 538 are each  
16 amended to read as follows:

17 (1) The director of licensing shall, on the twenty-fifth day of  
18 February, May, August, and November of each year, advise the state  
19 treasurer of the total amount of motor vehicle excise taxes imposed by  
20 RCW 82.44.020 (1) (~~and (2)~~) remitted to the department during the  
21 preceding calendar quarter ending on the last day of March, June,  
22 September, and December, respectively, except for those payable under  
23 RCW 82.44.030, from motor vehicle owners residing within each  
24 municipality which has levied a tax under RCW 35.58.273, which amount  
25 of excise taxes shall be determined by the director as follows:

26 The total amount of motor vehicle excise taxes remitted to the  
27 department, except those payable under RCW 82.44.020(~~(+3)~~) (2) and  
28 82.44.030, from each county shall be multiplied by a fraction, the  
29 numerator of which is the population of the municipality residing in  
30 such county, and the denominator of which is the total population of  
31 the county in which such municipality or portion thereof is located.  
32 The product of this computation shall be the amount of excise taxes  
33 from motor vehicle owners residing within such municipality or portion  
34 thereof. Where the municipality levying a tax under RCW 35.58.273 is  
35 located in more than one county, the above computation shall be made by  
36 county, and the combined products shall provide the total amount of  
37 motor vehicle excise taxes from motor vehicle owners residing in the  
38 municipality as a whole. Population figures required for these

1 computations shall be supplied to the director by the office of  
2 financial management, who shall adjust the fraction annually.

3 (2) On the first day of the months of January, April, July, and  
4 October of each year, the state treasurer based upon information  
5 provided by the department shall, from motor vehicle excise taxes  
6 deposited in the ~~((general fund, under RCW 82.44.110(1)(g))~~  
7 transportation fund under RCW 82.44.110, make the following deposits:

8 (a) To the high capacity transportation account created in RCW  
9 47.78.010, a sum equal to four and five-tenths percent of the special  
10 excise tax levied under RCW 35.58.273 by those municipalities  
11 authorized to levy a special excise tax within each county that has a  
12 population of one hundred seventy-five thousand or more and has an  
13 interstate highway within its borders; except that in a case of a  
14 municipality located in a county that has a population of one hundred  
15 seventy-five thousand or more that does not have an interstate highway  
16 located within its borders, that sum shall be deposited in the  
17 passenger ferry account;

18 (b) To the central Puget Sound public transportation account  
19 created in RCW 82.44.180, ~~((for revenues distributed after December 31,~~  
20 ~~1992,))~~ within a county with a population of one million or more and a  
21 county with a population of from two hundred thousand to less than one  
22 million bordering a county with a population of one million or more, a  
23 sum equal to the difference between (i) the special excise tax levied  
24 and collected under RCW 35.58.273 by those municipalities authorized to  
25 levy and collect a special excise tax subject to the requirements of  
26 subsections (3) and (4) of this section and (ii) the special excise tax  
27 that the municipality would otherwise have been eligible to levy and  
28 collect at a tax rate of .815 percent and been able to match with  
29 locally generated tax revenues, other than the excise tax imposed under  
30 RCW 35.58.273, budgeted for any public transportation purpose. Before  
31 this deposit, the sum shall be reduced by an amount equal to the amount  
32 distributed under (a) of this subsection for each of the municipalities  
33 within the counties to which this subsection (2)(b) applies; however,  
34 any transfer under this subsection (2)(b) must be greater than zero;  
35 and

36 (c) To the public transportation systems account created in RCW  
37 82.44.180, ~~((for revenues distributed after December 31, 1992,))~~ within  
38 counties not described in (b) of this subsection, a sum equal to the  
39 difference between (i) the special excise tax levied and collected



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

13 ~~(d) To the general fund, for revenues distributed after June 30,~~  
14 ~~1993, and to the transportation fund, for revenues distributed after~~  
15 ~~June 30, 1995, a sum equal to the difference between (i) the special~~  
16 ~~excise tax levied and collected under RCW 35.58.273 by those~~  
17 ~~municipalities authorized to levy and collect a special excise tax~~  
18 ~~subject to the requirements of subsections (3) and (4) of this section~~  
19 ~~and (ii) the special excise tax that the municipality would otherwise~~  
20 ~~have been eligible to levy and collect at a tax rate of .815 percent~~  
21 ~~notwithstanding the requirements set forth in subsections (3) through~~  
22 ~~(6) of this section, reduced by an amount equal to distributions made~~  
23 ~~under (a), (b), and (c) of this subsection and RCW 82.14.046)).~~

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

28 (a) The amount required to be remitted by the state treasurer to  
29 the treasurer of any municipality levying the tax shall not exceed in  
30 any calendar year the amount of locally-generated tax revenues,  
31 excluding (i) the excise tax imposed under RCW 35.58.273 for the  
32 purposes of this section, which shall have been budgeted by the  
33 municipality to be collected in such calendar year for any public  
34 transportation purposes including but not limited to operating costs,  
35 capital costs, and debt service on general obligation or revenue bonds  
36 issued for these purposes; and (ii) the sales and use tax equalization  
37 distributions provided under RCW 82.14.046; and

38 (b) In no event may the amount remitted in a single calendar  
39 quarter exceed the amount collected on behalf of the municipality under

1 RCW 35.58.273 during the calendar quarter next preceding the  
2 immediately preceding quarter, excluding the sales and use tax  
3 equalization distributions provided under RCW 82.14.046.

4 (4) At the close of each calendar year accounting period, but not  
5 later than April 1, each municipality that has received motor vehicle  
6 excise taxes under subsection (3) of this section shall transmit to the  
7 director of licensing and the state auditor a written report showing by  
8 source the previous year's budgeted tax revenues for public  
9 transportation purposes as compared to actual collections. Any  
10 municipality that has not submitted the report by April 1 shall cease  
11 to be eligible to receive motor vehicle excise taxes under subsection  
12 (3) of this section until the report is received by the director of  
13 licensing. If a municipality has received more or less money under  
14 subsection (3) of this section for the period covered by the report  
15 than it is entitled to receive by reason of its locally-generated  
16 collected tax revenues, the director of licensing shall, during the  
17 next ensuing quarter that the municipality is eligible to receive motor  
18 vehicle excise tax funds, increase or decrease the amount to be  
19 remitted in an amount equal to the difference between the locally-  
20 generated budgeted tax revenues and the locally-generated collected tax  
21 revenues. In no event may the amount remitted for a calendar year  
22 exceed the amount collected on behalf of the municipality under RCW  
23 35.58.273 during that same calendar year excluding the sales and use  
24 tax equalization distributions provided under RCW 82.14.046. At the  
25 time of the next fiscal audit of each municipality, the state auditor  
26 shall verify the accuracy of the report submitted and notify the  
27 director of licensing of any discrepancies.

28 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and  
29 required to be remitted under this section and RCW 82.14.046 shall be  
30 remitted without legislative appropriation.

31 (6) Any municipality levying and collecting a tax under RCW  
32 35.58.273 which does not have an operating, public transit system or a  
33 contract for public transportation services in effect within one year  
34 from the initial effective date of the tax shall return to the state  
35 treasurer all motor vehicle excise taxes received under subsection (3)  
36 of this section.

37 **Sec. 7.** RCW 82.14.045 and 1991 c 363 s 158 are each amended to  
38 read as follows:

1 (1) The legislative body of any city pursuant to RCW 35.92.060, of  
2 any county which has created an unincorporated transportation benefit  
3 area pursuant to RCW 36.57.100 and 36.57.110, of any public  
4 transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090,  
5 of any county transportation authority established pursuant to chapter  
6 36.57 RCW, and of any metropolitan municipal corporation within a  
7 county with a population of one million or more pursuant to chapter  
8 35.58 RCW, may, by resolution or ordinance for the sole purpose of  
9 providing funds for the operation, maintenance, or capital needs of  
10 public transportation systems and in lieu of the excise taxes  
11 authorized by RCW 35.95.040, submit an authorizing proposition to the  
12 voters or include such authorization in a proposition to perform the  
13 function of public transportation and if approved by a majority of  
14 persons voting thereon, fix and impose a sales and use tax in  
15 accordance with the terms of this chapter: PROVIDED, That no such  
16 legislative body shall impose such a sales and use tax without  
17 submitting such an authorizing proposition to the voters and obtaining  
18 the approval of a majority of persons voting thereon: PROVIDED  
19 FURTHER, That where such a proposition is submitted by a county on  
20 behalf of an unincorporated transportation benefit area, it shall be  
21 voted upon by the voters residing within the boundaries of such  
22 unincorporated transportation benefit area and, if approved, the sales  
23 and use tax shall be imposed only within such area. Notwithstanding  
24 any provisions of this section to the contrary, any county in which a  
25 county public transportation plan has been adopted pursuant to RCW  
26 36.57.070 and the voters of such county have authorized the imposition  
27 of a sales and use tax pursuant to the provisions of section 10,  
28 chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be  
29 authorized to fix and impose a sales and use tax as provided in this  
30 section at not to exceed the rate so authorized without additional  
31 approval of the voters of such county as otherwise required by this  
32 section.

33 The tax authorized pursuant to this section shall be in addition to  
34 the tax authorized by RCW 82.14.030 and shall be collected from those  
35 persons who are taxable by the state pursuant to chapters 82.08 and  
36 82.12 RCW upon the occurrence of any taxable event within such city,  
37 public transportation benefit area, county, or metropolitan municipal  
38 corporation as the case may be. The rate of such tax shall be one-  
39 tenth, two-tenths, three-tenths, four-tenths, five-tenths, or six-

1 tenths of one percent of the selling price (in the case of a sales tax)  
2 or value of the article used (in the case of a use tax). The rate of  
3 such tax shall not exceed the rate authorized by the voters unless such  
4 increase shall be similarly approved.

5 (2)(a) In the event a metropolitan municipal corporation shall  
6 impose a sales and use tax pursuant to this chapter no city, county  
7 which has created an unincorporated transportation benefit area, public  
8 transportation benefit area authority, or county transportation  
9 authority wholly within such metropolitan municipal corporation shall  
10 be empowered to levy and/or collect taxes pursuant to RCW 35.58.273,  
11 35.95.040, and/or 82.14.045, but nothing herein shall prevent such city  
12 or county from imposing sales and use taxes pursuant to any other  
13 authorization.

14 (b) In the event a county transportation authority shall impose a  
15 sales and use tax pursuant to this section, no city, county which has  
16 created an unincorporated transportation benefit area, public  
17 transportation benefit area, or metropolitan municipal corporation,  
18 located within the territory of the authority, shall be empowered to  
19 levy or collect taxes pursuant to RCW 35.58.273, 35.95.040, or  
20 82.14.045.

21 (c) In the event a public transportation benefit area shall impose  
22 a sales and use tax pursuant to this section, no city, county which has  
23 created an unincorporated transportation benefit area, or metropolitan  
24 municipal corporation, located wholly or partly within the territory of  
25 the public transportation benefit area, shall be empowered to levy or  
26 collect taxes pursuant to RCW 35.58.273, 35.95.040, or 82.14.045.

27 (3) Any local sales and use tax revenue collected pursuant to this  
28 section by any city or by any county for transportation purposes  
29 pursuant to RCW 36.57.100 and 36.57.110 shall not be counted as locally  
30 generated tax revenues for the purposes of apportionment and  
31 distribution, in the manner prescribed by chapter 82.44 RCW, of the  
32 proceeds of the motor vehicle excise tax authorized pursuant to RCW  
33 35.58.273, except that the local sales and use tax revenue collected  
34 under this section by a city with a population greater than sixty  
35 thousand that as of January 1, 1998, owns and operates a municipal  
36 public transportation system shall be counted as locally generated tax  
37 revenues for the purposes of apportionment and distribution, in the  
38 manner prescribed by chapter 82.44 RCW, of the proceeds of the motor  
39 vehicle excise tax authorized under RCW 35.58.273 as follows:

1 (a) For fiscal year 2000, revenues collected under this section  
2 shall be counted as locally generated tax revenues for up to 25 percent  
3 of the tax collected under RCW 35.58.273;

4 (b) For fiscal year 2001, revenues collected under this section  
5 shall be counted as locally generated tax revenues for up to 50 percent  
6 of the tax collected under RCW 35.58.273;

7 (c) For fiscal year 2002, revenues collected under this section  
8 shall be counted as locally generated tax revenues for up to 75 percent  
9 of the tax collected under RCW 35.58.273; and

10 (d) For fiscal year 2003 and thereafter, revenues collected under  
11 this section shall be counted as locally generated tax revenues for up  
12 to 100 percent of the tax collected under RCW 35.58.273.

13 **Sec. 8.** RCW 82.14.200 and 1997 c 333 s 2 are each amended to read  
14 as follows:

15 There is created in the state treasury a special account to be  
16 known as the "county sales and use tax equalization account." Into  
17 this account shall be placed a portion of all motor vehicle excise tax  
18 receipts as provided in RCW 82.44.110(~~((1)(f))~~). Funds in this account  
19 shall be allocated by the state treasurer according to the following  
20 procedure:

21 (1) Prior to April 1st of each year the director of revenue shall  
22 inform the state treasurer of the total and the per capita levels of  
23 revenues for the unincorporated area of each county and the state-wide  
24 weighted average per capita level of revenues for the unincorporated  
25 areas of all counties imposing the sales and use tax authorized under  
26 RCW 82.14.030(1) for the previous calendar year.

27 (2) At such times as distributions are made under RCW 82.44.150,  
28 (~~(as now or hereafter amended,~~) the state treasurer shall apportion to  
29 each county imposing the sales and use tax under RCW 82.14.030(1) at  
30 the maximum rate and receiving less than one hundred fifty thousand  
31 dollars from the tax for the previous calendar year, an amount from the  
32 county sales and use tax equalization account sufficient, when added to  
33 the amount of revenues received the previous calendar year by the  
34 county, to equal one hundred fifty thousand dollars.

35 The department of revenue shall establish a governmental price  
36 index as provided in this subsection. The base year for the index  
37 shall be the end of the third quarter of 1982. Prior to November 1,  
38 1983, and prior to each November 1st thereafter, the department of

1 revenue shall establish another index figure for the third quarter of  
2 that year. The department of revenue may use the implicit price  
3 deflators for state and local government purchases of goods and  
4 services calculated by the United States department of commerce to  
5 establish the governmental price index. Beginning on January 1, 1984,  
6 and each January 1st thereafter, the one hundred fifty thousand dollar  
7 base figure in this subsection shall be adjusted in direct proportion  
8 to the percentage change in the governmental price index from 1982  
9 until the year before the adjustment. Distributions made under this  
10 subsection for 1984 and thereafter shall use this adjusted base amount  
11 figure.

12 (3) Subsequent to the distributions under subsection (2) of this  
13 section and at such times as distributions are made under RCW  
14 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall  
15 apportion to each county imposing the sales and use tax under RCW  
16 82.14.030(1) at the maximum rate and receiving less than seventy  
17 percent of the state-wide weighted average per capita level of revenues  
18 for the unincorporated areas of all counties as determined by the  
19 department of revenue under subsection (1) of this section, an amount  
20 from the county sales and use tax equalization account sufficient, when  
21 added to the per capita level of revenues for the unincorporated area  
22 received the previous calendar year by the county, to equal seventy  
23 percent of the state-wide weighted average per capita level of revenues  
24 for the unincorporated areas of all counties determined under  
25 subsection (1) of this section, subject to reduction under subsections  
26 (6) and (7) of this section. When computing distributions under this  
27 section, any distribution under subsection (2) of this section shall be  
28 considered revenues received from the tax imposed under RCW  
29 82.14.030(1) for the previous calendar year.

30 (4) Subsequent to the distributions under subsection (3) of this  
31 section and at such times as distributions are made under RCW  
32 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall  
33 apportion to each county imposing the sales and use tax under RCW  
34 82.14.030(2) at the maximum rate and receiving a distribution under  
35 subsection (2) of this section, a third distribution from the county  
36 sales and use tax equalization account. The distribution to each  
37 qualifying county shall be equal to the distribution to the county  
38 under subsection (2) of this section, subject to the reduction under  
39 subsections (6) and (7) of this section. To qualify for the total

1 distribution under this subsection, the county must impose the tax  
2 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
3 the tax for less than the full year shall qualify for prorated  
4 allocations under this subsection proportionate to the number of months  
5 of the year during which the tax is imposed.

6 (5) Subsequent to the distributions under subsection (4) of this  
7 section and at such times as distributions are made under RCW  
8 82.44.150, (~~as now or hereafter amended,~~) the state treasurer shall  
9 apportion to each county imposing the sales and use tax under RCW  
10 82.14.030(2) at the maximum rate and receiving a distribution under  
11 subsection (3) of this section, a fourth distribution from the county  
12 sales and use tax equalization account. The distribution to each  
13 qualifying county shall be equal to the distribution to the county  
14 under subsection (3) of this section, subject to the reduction under  
15 subsections (6) and (7) of this section. To qualify for the  
16 distributions under this subsection, the county must impose the tax  
17 under RCW 82.14.030(2) for the entire calendar year. Counties imposing  
18 the tax for less than the full year shall qualify for prorated  
19 allocations under this subsection proportionate to the number of months  
20 of the year during which the tax is imposed.

21 (6) Revenues distributed under subsections (2) through (5) of this  
22 section in any calendar year shall not exceed an amount equal to  
23 seventy percent of the state-wide weighted average per capita level of  
24 revenues for the unincorporated areas of all counties during the  
25 previous calendar year. If distributions under subsections (3) through  
26 (5) of this section cannot be made because of this limitation, then  
27 distributions under subsections (3) through (5) of this section shall  
28 be reduced ratably among the qualifying counties.

29 (7) If inadequate revenues exist in the county sales and use tax  
30 equalization account to make the distributions under subsections (3)  
31 through (5) of this section, then the distributions under subsections  
32 (3) through (5) of this section shall be reduced ratably among the  
33 qualifying counties. At such time during the year as additional funds  
34 accrue to the county sales and use tax equalization account, additional  
35 distributions shall be made under subsections (3) through (5) of this  
36 section to the counties.

37 (8) If the level of revenues in the county sales and use tax  
38 equalization account exceeds the amount necessary to make the  
39 distributions under subsections (2) through (5) of this section, at

1 such times as distributions are made under RCW 82.44.150, the state  
2 treasurer shall apportion an amount to the county public health account  
3 created in RCW 70.05.125 equal to the adjustment under RCW  
4 70.05.125(2)(b).

5 (9) If the level of revenues in the county sales and use tax  
6 equalization account exceeds the amount necessary to make the  
7 distributions under subsections (2) through (5) and (8) of this  
8 section, then the additional revenues shall be credited and transferred  
9 (~~to the state general fund~~) as follows:

10 (a) Fifty percent to the public facilities construction loan  
11 revolving account under RCW 43.160.080; and

12 (b) Fifty percent to the distressed county public facilities  
13 construction loan account under section 9 of this act, or so much  
14 thereof as will not cause the balance in the account to exceed twenty-  
15 five million dollars. Any remaining funds shall be deposited into the  
16 public facilities construction loan revolving account.

17 NEW SECTION. Sec. 9. A new section is added to chapter 43.160  
18 RCW to read as follows:

19 The distressed county public facilities construction loan account  
20 is created in the state treasury. All funds provided under RCW  
21 82.14.200 shall be deposited in the account. Moneys in the account may  
22 be spent only after appropriation. Moneys in the account shall only be  
23 used to provide financial assistance under this chapter to distressed  
24 counties that have experienced extraordinary costs due to the location  
25 of a major new business facility or the substantial expansion of an  
26 existing business facility in the county.

27 For purposes of this section, the term "distressed counties"  
28 includes any county in which the average level of unemployment for the  
29 three years before the year in which an application for financial  
30 assistance is filed exceeds the average state employment for those  
31 years by twenty percent.

32 NEW SECTION. Sec. 10. A new section is added to chapter 82.14 RCW  
33 to read as follows:

34 (1) The distressed county assistance account is created in the  
35 state treasury. Into this account shall be placed a portion of all  
36 motor vehicle excise tax receipts as provided in RCW 82.44.110. At  
37 such times as distributions are made under RCW 82.44.150, the state



1 treasurer shall distribute the funds in the distressed county  
2 assistance account to each county imposing the sales and use tax  
3 authorized under RCW 82.14.370 in the same proportions as distributions  
4 of the tax imposed under RCW 82.14.370 for the previous quarter.

5 (2) Funds distributed from the distressed county assistance account  
6 shall be expended by the counties for criminal justice and other  
7 purposes.

8 **Sec. 11.** RCW 82.14.310 and 1995 c 398 s 11 are each amended to  
9 read as follows:

10 (1) The county criminal justice assistance account is created in  
11 the state treasury. Beginning in fiscal year 2000, the state treasurer  
12 shall transfer into the county criminal justice assistance account from  
13 the general fund the sum of twenty-three million two hundred thousand  
14 dollars divided into four equal deposits occurring on July 1, October  
15 1, January 1, and April 1. For each fiscal year thereafter, the state  
16 treasurer shall increase the total transfer by the fiscal growth  
17 factor, as defined in RCW 43.135.025, forecast for that fiscal year by  
18 the office of financial management in November of the preceding year.

19 (2) The moneys deposited in the county criminal justice assistance  
20 account for distribution under this section, less any moneys  
21 appropriated for purposes under ((RCW 82.44.110)) subsection (4) of  
22 this section, shall be distributed at such times as distributions are  
23 made under RCW 82.44.150 and on the relative basis of each county's  
24 funding factor as determined under this subsection.

25 (a) A county's funding factor is the sum of:

26 (i) The population of the county, divided by one thousand, and  
27 multiplied by two-tenths;

28 (ii) The crime rate of the county, multiplied by three-tenths; and

29 (iii) The annual number of criminal cases filed in the county  
30 superior court, for each one thousand in population, multiplied by  
31 five-tenths.

32 (b) Under this section and RCW 82.14.320 and 82.14.330:

33 (i) The population of the county or city shall be as last  
34 determined by the office of financial management;

35 (ii) The crime rate of the county or city is the annual occurrence  
36 of specified criminal offenses, as calculated in the most recent annual  
37 report on crime in Washington state as published by the Washington

1 association of sheriffs and police chiefs, for each one thousand in  
2 population;

3 (iii) The annual number of criminal cases filed in the county  
4 superior court shall be determined by the most recent annual report of  
5 the courts of Washington, as published by the office of the  
6 administrator for the courts;

7 (iv) Distributions and eligibility for distributions in the 1989-91  
8 biennium shall be based on 1988 figures for both the crime rate as  
9 described under (ii) of this subsection and the annual number of  
10 criminal cases that are filed as described under (iii) of this  
11 subsection. Future distributions shall be based on the most recent  
12 figures for both the crime rate as described under (ii) of this  
13 subsection and the annual number of criminal cases that are filed as  
14 described under (iii) of this subsection.

15 (3) Moneys distributed under this section shall be expended  
16 exclusively for criminal justice purposes and shall not be used to  
17 replace or supplant existing funding. Criminal justice purposes are  
18 defined as activities that substantially assist the criminal justice  
19 system, which may include circumstances where ancillary benefit to the  
20 civil justice system occurs, and which includes domestic violence  
21 services such as those provided by domestic violence programs,  
22 community advocates, and legal advocates, as defined in RCW 70.123.020.  
23 Existing funding for purposes of this subsection is defined as calendar  
24 year 1989 actual operating expenditures for criminal justice purposes.  
25 Calendar year 1989 actual operating expenditures for criminal justice  
26 purposes exclude the following: Expenditures for extraordinary events  
27 not likely to reoccur, changes in contract provisions for criminal  
28 justice services, beyond the control of the local jurisdiction  
29 receiving the services, and major nonrecurring capital expenditures.

30 (4) Not more than five percent of the funds deposited to the county  
31 criminal justice assistance account shall be available for  
32 appropriations for enhancements to the state patrol crime laboratory  
33 system and the continuing costs related to these enhancements. Funds  
34 appropriated from this account for such enhancements shall not supplant  
35 existing funds from the state general fund.

36 **Sec. 12.** RCW 82.14.320 and 1995 c 398 s 12 and 1995 c 312 s 84 are  
37 each reenacted and amended to read as follows:

1 (1) The municipal criminal justice assistance account is created in  
2 the state treasury. Beginning in fiscal year 2000, the state treasurer  
3 shall transfer into the municipal criminal justice assistance account  
4 for distribution under this section from the general fund the sum of  
5 four million six hundred thousand dollars divided into four equal  
6 deposits occurring on July 1, October 1, January 1, and April 1. For  
7 each fiscal year thereafter, the state treasurer shall increase the  
8 total transfer by the fiscal growth factor, as defined in RCW  
9 43.135.025, forecast for that fiscal year by the office of financial  
10 management in November of the preceding year.

11 (2) No city may receive a distribution under this section from the  
12 municipal criminal justice assistance account unless:

13 (a) The city has a crime rate in excess of one hundred twenty-five  
14 percent of the state-wide average as calculated in the most recent  
15 annual report on crime in Washington state as published by the  
16 Washington association of sheriffs and police chiefs;

17 (b) The city has levied the tax authorized in RCW 82.14.030(2) at  
18 the maximum rate or the tax authorized in RCW 82.46.010(3) at the  
19 maximum rate; and

20 (c) The city has a per capita yield from the tax imposed under RCW  
21 82.14.030(1) at the maximum rate of less than one hundred fifty percent  
22 of the state-wide average per capita yield for all cities from such  
23 local sales and use tax.

24 (3) The moneys deposited in the municipal criminal justice  
25 assistance account for distribution under this section, less any moneys  
26 appropriated for purposes under (~~RCW 82.44.110~~) subsection (7) of  
27 this section, shall be distributed at such times as distributions are  
28 made under RCW 82.44.150. The distributions shall be made as follows:

29 (a) Unless reduced by this subsection, thirty percent of the moneys  
30 shall be distributed ratably based on population as last determined by  
31 the office of financial management to those cities eligible under  
32 subsection (2) of this section that have a crime rate determined under  
33 subsection (2)(a) of this section which is greater than one hundred  
34 seventy-five percent of the state-wide average crime rate. No city may  
35 receive more than fifty percent of any moneys distributed under this  
36 subsection (a) but, if a city distribution is reduced as a result of  
37 exceeding the fifty percent limitation, the amount not distributed  
38 shall be distributed under (b) of this subsection.

1 (b) The remainder of the moneys, including any moneys not  
2 distributed in subsection (2)(a) of this section, shall be distributed  
3 to all cities eligible under subsection (2) of this section ratably  
4 based on population as last determined by the office of financial  
5 management.

6 (4) No city may receive more than thirty percent of all moneys  
7 distributed under subsection (3) of this section.

8 (5) Notwithstanding other provisions of this section, the  
9 distributions to any city that substantially decriminalizes or repeals  
10 its criminal code after July 1, 1990, and that does not reimburse the  
11 county for costs associated with criminal cases under RCW 3.50.800 or  
12 3.50.805(2), shall be made to the county in which the city is located.

13 (6) Moneys distributed under this section shall be expended  
14 exclusively for criminal justice purposes and shall not be used to  
15 replace or supplant existing funding. Criminal justice purposes are  
16 defined as activities that substantially assist the criminal justice  
17 system, which may include circumstances where ancillary benefit to the  
18 civil justice system occurs, and which includes domestic violence  
19 services such as those provided by domestic violence programs,  
20 community advocates, and legal advocates, as defined in RCW 70.123.020,  
21 and publications and public educational efforts designed to provide  
22 information and assistance to parents in dealing with runaway or at-  
23 risk youth. Existing funding for purposes of this subsection is  
24 defined as calendar year 1989 actual operating expenditures for  
25 criminal justice purposes. Calendar year 1989 actual operating  
26 expenditures for criminal justice purposes exclude the following:  
27 Expenditures for extraordinary events not likely to reoccur, changes in  
28 contract provisions for criminal justice services, beyond the control  
29 of the local jurisdiction receiving the services, and major  
30 nonrecurring capital expenditures.

31 (7) Not more than five percent of the funds deposited to the  
32 municipal criminal justice assistance account shall be available for  
33 appropriations for enhancements to the state patrol crime laboratory  
34 system and the continuing costs related to these enhancements. Funds  
35 appropriated from this account for such enhancements shall not supplant  
36 existing funds from the state general fund.

37 **Sec. 13.** RCW 82.14.330 and 1995 c 398 s 13 are each amended to  
38 read as follows:

1       (1) Beginning in fiscal year 2000, the state treasurer shall  
2 transfer into the municipal criminal justice assistance account for  
3 distribution under this section from the general fund the sum of four  
4 million six hundred thousand dollars divided into four equal deposits  
5 occurring on July 1, September 1, January 1, and March 1. For each  
6 fiscal year thereafter, the state treasurer shall increase the total  
7 transfer by the fiscal growth factor, as defined in RCW 43.135.025,  
8 forecast for that fiscal year by the office of financial management in  
9 November of the preceding year. The moneys deposited in the municipal  
10 criminal justice assistance account for distribution under this  
11 section, less any moneys appropriated for purposes under ((RCW  
12 82.44.110)) subsection (4) of this section, shall be distributed to the  
13 cities of the state as follows:

14       (a) Twenty percent appropriated for distribution shall be  
15 distributed to cities with a three-year average violent crime rate for  
16 each one thousand in population in excess of one hundred fifty percent  
17 of the state-wide three-year average violent crime rate for each one  
18 thousand in population. The three-year average violent crime rate  
19 shall be calculated using the violent crime rates for each of the  
20 preceding three years from the annual reports on crime in Washington  
21 state as published by the Washington association of sheriffs and police  
22 chiefs. Moneys shall be distributed under this subsection (1)(a)  
23 ratably based on population as last determined by the office of  
24 financial management, but no city may receive more than one dollar per  
25 capita. Moneys remaining undistributed under this subsection at the  
26 end of each calendar year shall be distributed to the criminal justice  
27 training commission to reimburse participating city law enforcement  
28 agencies with ten or fewer full-time commissioned patrol officers the  
29 cost of temporary replacement of each officer who is enrolled in basic  
30 law enforcement training, as provided in RCW 43.101.200.

31       (b) Sixteen percent shall be distributed to cities ratably based on  
32 population as last determined by the office of financial management,  
33 but no city may receive less than one thousand dollars.

34       The moneys deposited in the municipal criminal justice assistance  
35 account for distribution under this subsection shall be distributed at  
36 such times as distributions are made under RCW 82.44.150.

37       Moneys distributed under this subsection shall be expended  
38 exclusively for criminal justice purposes and shall not be used to  
39 replace or supplant existing funding. Criminal justice purposes are

1 defined as activities that substantially assist the criminal justice  
2 system, which may include circumstances where ancillary benefit to the  
3 civil justice system occurs, and which includes domestic violence  
4 services such as those provided by domestic violence programs,  
5 community advocates, and legal advocates, as defined in RCW 70.123.020.  
6 Existing funding for purposes of this subsection is defined as calendar  
7 year 1989 actual operating expenditures for criminal justice purposes.  
8 Calendar year 1989 actual operating expenditures for criminal justice  
9 purposes exclude the following: Expenditures for extraordinary events  
10 not likely to reoccur, changes in contract provisions for criminal  
11 justice services, beyond the control of the local jurisdiction  
12 receiving the services, and major nonrecurring capital expenditures.

13 (2) In addition to the distributions under subsection (1) of this  
14 section:

15 (a) Fourteen percent shall be distributed to cities that have  
16 initiated innovative law enforcement strategies, including alternative  
17 sentencing and crime prevention programs. No city may receive more  
18 than one dollar per capita under this subsection (2)(a).

19 (b) Twenty percent shall be distributed to cities that have  
20 initiated programs to help at-risk children or child abuse victim  
21 response programs. No city may receive more than fifty cents per  
22 capita under this subsection (2)(b).

23 (c) Twenty percent shall be distributed to cities that have  
24 initiated programs designed to reduce the level of domestic violence  
25 within their jurisdictions or to provide counseling for domestic  
26 violence victims. No city may receive more than fifty cents per capita  
27 under this subsection (2)(c).

28 (d) Ten percent shall be distributed to cities that contract with  
29 another governmental agency for a majority of the city's law  
30 enforcement services.

31 Moneys distributed under this subsection shall be distributed to  
32 those cities that submit funding requests under this subsection to the  
33 department of community, trade, and economic development based on  
34 criteria developed under RCW 82.14.335. Allocation of funds shall be  
35 in proportion to the population of qualified jurisdictions, but the  
36 distribution to a city shall not exceed the amount of funds requested.  
37 Cities shall submit requests for program funding to the department of  
38 community, trade, and economic development by November 1 of each year  
39 for funding the following year. The department shall certify to the

1 state treasurer the cities eligible for funding under this subsection  
2 and the amount of each allocation.

3 The moneys deposited in the municipal criminal justice assistance  
4 account for distribution under this subsection, less any moneys  
5 appropriated for purposes under (~~RCW 82.44.110~~) subsection (4) of  
6 this section, shall be distributed at the times as distributions are  
7 made under RCW 82.44.150. Moneys remaining undistributed under this  
8 subsection at the end of each calendar year shall be distributed to the  
9 criminal justice training commission to reimburse participating city  
10 law enforcement agencies with ten or fewer full-time commissioned  
11 patrol officers the cost of temporary replacement of each officer who  
12 is enrolled in basic law enforcement training, as provided in RCW  
13 43.101.200.

14 If a city is found by the state auditor to have expended funds  
15 received under this subsection in a manner that does not comply with  
16 the criteria under which the moneys were received, the city shall be  
17 ineligible to receive future distributions under this subsection until  
18 the use of the moneys are justified to the satisfaction of the director  
19 or are repaid to the state general fund. The director may allow  
20 noncomplying use of moneys received under this subsection upon a  
21 showing of hardship or other emergent need.

22 (3) Notwithstanding other provisions of this section, the  
23 distributions to any city that substantially decriminalizes or repeals  
24 its criminal code after July 1, 1990, and that does not reimburse the  
25 county for costs associated with criminal cases under RCW 3.50.800 or  
26 3.50.805(2), shall be made to the county in which the city is located.

27 (4) Not more than five percent of the funds deposited to the  
28 municipal criminal justice assistance account shall be available for  
29 appropriations for enhancements to the state patrol crime laboratory  
30 system and the continuing costs related to these enhancements. Funds  
31 appropriated from this account for such enhancements shall not supplant  
32 existing funds from the state general fund.

33 NEW SECTION. Sec. 14. A new section is added to chapter 43.135  
34 RCW to read as follows:

35 (1) Initiative Measure No. 601 (chapter 43.135 RCW, as amended by  
36 chapter . . ., Laws of 1998 (this act) and the amendatory changes  
37 enacted by section 6, chapter 2, Laws of 1994) is hereby reenacted and  
38 reaffirmed. The legislature also adopts this act to continue the

1 general fund revenue and expenditure limitations contained in this  
2 chapter 43.135 RCW after this one-time transfer of funds.

3 (2) RCW 43.135.035(4) does not apply to sections 5 through 13,  
4 chapter . . . , Laws of 1998 (sections 5 through 13 of this act).

5 **Sec. 15.** RCW 43.135.060 and 1994 c 2 s 5 are each amended to read  
6 as follows:

7 (1) After July 1, 1995, the legislature shall not impose  
8 responsibility for new programs or increased levels of service under  
9 existing programs on any political subdivision of the state unless the  
10 subdivision is fully reimbursed (~~((by specific appropriation))~~) by the  
11 state for the costs of the new programs or increases in service levels.  
12 Reimbursement by the state may be made by: (a) A specific  
13 appropriation; or (b) increases in state distributions of revenue to  
14 political subdivisions occurring after January 1, 1998.

15 (2) If by order of any court, or legislative enactment, the costs  
16 of a federal or local government program are transferred to or from the  
17 state, the otherwise applicable state expenditure limit shall be  
18 increased or decreased, as the case may be, by the dollar amount of the  
19 costs of the program.

20 (3) The legislature, in consultation with the office of financial  
21 management or its successor agency, shall determine the costs of any  
22 new programs or increased levels of service under existing programs  
23 imposed on any political subdivision or transferred to or from the  
24 state.

25 (4) Subsection (1) of this section does not apply to the costs  
26 incurred for voting devices or machines under RCW 29.04.200.

27 NEW SECTION. **Sec. 16.** In order to provide funds necessary for the  
28 location, design, right of way, and construction of state and local  
29 highway improvements, there shall be issued and sold upon the request  
30 of the Washington state transportation commission a maximum of one  
31 billion nine hundred million dollars of general obligation bonds of the  
32 state of Washington.

33 NEW SECTION. **Sec. 17.** Upon the request of the transportation  
34 commission, the state finance committee shall supervise and provide for  
35 the issuance, sale, and retirement of the bonds authorized by sections  
36 16 through 21 of this act in accordance with chapter 39.42 RCW. Bonds



1 authorized by sections 16 through 21 of this act shall be sold in such  
2 manner, at such time or times, in such amounts, and at such price as  
3 the state finance committee shall determine. No such bonds may be  
4 offered for sale without prior legislative appropriation of the net  
5 proceeds of the sale of the bonds.

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

11 NEW SECTION. **Sec. 18.** The proceeds from the sale of bonds  
12 authorized by sections 16 through 21 of this act shall be deposited in  
13 the motor vehicle fund. The proceeds shall be available only for the  
14 purposes enumerated in section 16 of this act, for the payment of bond  
15 anticipation notes, if any, and for the payment of bond issuance costs,  
16 including the costs of underwriting.

17 NEW SECTION. **Sec. 19.** Bonds issued under the authority of  
18 sections 16 through 21 of this act shall distinctly state that they are  
19 a general obligation of the state of Washington, shall pledge the full  
20 faith and credit of the state to the payment of the principal thereof  
21 and the interest thereon, and shall contain an unconditional promise to  
22 pay such principal and interest as the same shall become due. The  
23 principal and interest on the bonds shall be first payable in the  
24 manner provided in sections 16 through 21 of this act from the proceeds  
25 of the state excise taxes on motor vehicle and special fuels imposed by  
26 chapters 82.36 and 82.38 RCW. Proceeds of such excise taxes are hereby  
27 pledged to the payment of any bonds and the interest thereon issued  
28 under the authority of sections 16 through 21 of this act, and the  
29 legislature agrees to continue to impose these excise taxes on motor  
30 vehicle and special fuels in amounts sufficient to pay, when due, the  
31 principal and interest on all bonds issued under the authority of  
32 sections 16 through 21 of this act.

33 NEW SECTION. **Sec. 20.** Both principal and interest on the bonds  
34 issued for the purposes of sections 16 through 21 of this act shall be  
35 payable from the highway bond retirement fund. The state finance  
36 committee may provide that a special account be created in the fund to

1 facilitate payment of the principal and interest. The state finance  
2 committee shall, on or before June 30th of each year, certify to the  
3 state treasurer the amount required for principal and interest on the  
4 bonds in accordance with the bond proceedings. The state treasurer  
5 shall withdraw revenues from the motor vehicle fund and deposit in the  
6 highway bond retirement fund, or a special account in the fund, such  
7 amounts, and at such times, as are required by the bond proceedings.

8 Any funds required for bond retirement or interest on the bonds  
9 authorized by sections 16 through 21 of this act shall be taken from  
10 that portion of the motor vehicle fund that results from the imposition  
11 of excise taxes on motor vehicle and special fuels and which is, or may  
12 be, appropriated to the department of transportation for state highway  
13 purposes. Funds required shall never constitute a charge against any  
14 other allocations of motor vehicle fuel and special fuel tax revenues  
15 to the state, counties, cities and towns unless the amount arising from  
16 excise taxes on motor vehicle and special fuels distributed to the  
17 state in the motor vehicle fund proves insufficient to meet the  
18 requirements for bond retirement or interest on any such bonds.

19 Any payments for bond retirement or interest on the bonds taken  
20 from other revenues from the motor vehicle fuel or special fuel taxes  
21 that are distributable to the state, counties, cities and towns, shall  
22 be repaid from the first revenues from the motor vehicle fuel or  
23 special fuel taxes distributed to the motor vehicle fund not required  
24 for bond retirement or interest on the bonds.

25 NEW SECTION. **Sec. 21.** Bonds issued under the authority of  
26 sections 16 through 20 of this act and this section and any other  
27 general obligation bonds of the state of Washington that have been or  
28 that may be authorized and that pledge motor vehicle and special fuels  
29 excise taxes for the payment of principal and interest thereon shall be  
30 an equal charge against the revenues from such motor vehicle and  
31 special fuels excise taxes.

32 NEW SECTION. **Sec. 22.** (1) A joint committee is created to study  
33 the long-term transportation funding needs in the state. The committee  
34 shall consist of twenty members as follows:

35 (a) The chairpersons of the house transportation policy and budget  
36 committee and the senate transportation committee shall each appoint  
37 four of the members of their respective committees to serve on the

1 joint committee. Of these, the chairpersons shall each appoint two  
2 members to represent the majority caucus and two members to represent  
3 the minority caucus. The chairpersons of the senate ways and means  
4 committee and the house appropriations committee shall each appoint one  
5 of the members of their respective committees to serve on the joint  
6 committee.

7 (b) The governor shall appoint one member to serve on the joint  
8 committee.

9 (c) The association of Washington counties shall appoint two  
10 members to the committee. One member shall be appointed to represent  
11 small counties and one member shall be appointed to represent large  
12 counties.

13 (d) The association of Washington cities shall appoint two members  
14 to the committee. One member shall be appointed to represent small  
15 cities and towns and one member shall be appointed to represent large  
16 cities.

17 (e) The majority and minority leaders of the house of  
18 representatives and the senate shall each appoint one member to  
19 represent business and the governor shall appoint one member to  
20 represent business for a total of five members representing business.

21 The members of the joint committee shall elect a chairperson from  
22 the membership of the committee.

23 (2) The committee shall study the transportation needs of state and  
24 local government with the objective of developing a fair and  
25 predictable long-term funding system for state and local transportation  
26 needs, including any appropriate reforms and reprioritizations. The  
27 study may address differential funding sources for urban congestion  
28 districts, local option funding including possible modifications to the  
29 current local option taxing authority of counties and cities, public-  
30 private partnerships for new transportation projects, improvements to  
31 freight mobility, streamlining categorical funding mechanisms to  
32 emphasize high priority projects, and increased certainty from setting  
33 time limits on permitting processes.

34 (3) The office of financial management, the department of  
35 licensing, the department of community, trade and economic development,  
36 and the department of transportation shall provide assistance to the  
37 joint committee as needed.

38 (4) The joint committee shall provide an interim progress report to  
39 the governor and the house and senate fiscal committees by December 1,

1 1998. The joint committee shall provide a final report of its findings  
2 and recommendations to the governor and the house and senate fiscal  
3 committees by December 1, 1999.

4 **Sec. 23.** RCW 82.50.410 and 1991 c 199 s 225 are each amended to  
5 read as follows:

6 The rate and measure of tax imposed by RCW 82.50.400 for each  
7 registration year shall be one and one-tenth percent(~~(, and a surcharge~~  
8 ~~of one-tenth of one percent,~~) of the value of the travel trailer or  
9 camper, as determined in the manner provided in this chapter:  
10 PROVIDED, That the excise tax upon a travel trailer or camper licensed  
11 for the first time in this state after the last day of any registration  
12 month may only be levied for the remaining months of the registration  
13 year including the month in which the travel trailer or camper is first  
14 licensed: PROVIDED FURTHER, That the minimum amount of tax payable  
15 shall be two dollars: PROVIDED FURTHER, That every dealer in mobile  
16 homes or travel trailers, for the privilege of using any mobile home or  
17 travel trailer eligible to be used under a dealer's license plate,  
18 shall pay an excise tax of two dollars, and such tax shall be collected  
19 upon the issuance of each original dealer's license plate, and also a  
20 similar tax shall be collected upon the issuance of each dealer's  
21 duplicate license plate, which taxes shall be in addition to any tax  
22 otherwise payable under this chapter.

23 A travel trailer or camper shall be deemed licensed for the first  
24 time in this state when such vehicle was not previously licensed by  
25 this state for the registration year or any part thereof immediately  
26 preceding the registration year in which application for license is  
27 made or when it has been registered in another jurisdiction subsequent  
28 to any prior registration in this state.

29 **Sec. 24.** RCW 82.50.510 and 1991 c 199 s 227 are each amended to  
30 read as follows:

31 The county auditor shall regularly, when remitting motor vehicle  
32 excise taxes, pay to the state treasurer the excise taxes imposed by  
33 RCW 82.50.400. The treasurer shall then distribute such funds  
34 quarterly on the first day of the month of January, April, July and  
35 October of each year in the following amount:

36 (1) (~~For the one percent tax imposed under RCW 82.50.410,~~  
37 ~~fifteen~~) 13.64 percent to cities and towns for the use thereof

1 apportioned ratably among such cities and towns on the basis of  
2 population; (~~(fifteen)~~)

3 (2) 13.64 percent to counties for the use thereof to be apportioned  
4 ratably among such counties on the basis of moneys collected in such  
5 counties from the excise taxes imposed under this chapter; (~~and~~  
6 ~~seventy~~)

7 (3) 63.64 percent for schools to be deposited in the state general  
8 fund; and

9 (~~((2) for the one-tenth of one percent surcharge imposed under RCW~~  
10 ~~82.50.410, one hundred)~~) (4) 9.08 percent to the transportation fund  
11 created in RCW 82.44.180.

12 **Sec. 25.** RCW 35.58.273 and 1992 c 194 s 11 are each amended to  
13 read as follows:

14 (1) (~~(Through June 30, 1992, any municipality, as defined in this~~  
15 ~~subsection, is authorized to levy and collect a special excise tax not~~  
16 ~~exceeding .7824 percent and beginning July 1, 1992, .725 percent on the~~  
17 ~~value, as determined under chapter 82.44 RCW, of every motor vehicle~~  
18 ~~owned by a resident of such municipality for the privilege of using~~  
19 ~~such motor vehicle provided that in no event shall the tax be less than~~  
20 ~~one dollar and, subject to RCW 82.44.150 (3) and (4), the amount of~~  
21 ~~such tax shall be credited against the amount of the excise tax levied~~  
22 ~~by the state under RCW 82.44.020(1). As used in this subsection, the~~  
23 ~~term "municipality" means a municipality that is located within (a)~~  
24 ~~each county with a population of two hundred ten thousand or more and~~  
25 ~~(b) each county with a population of from one hundred twenty five~~  
26 ~~thousand to less than two hundred ten thousand except for those~~  
27 ~~counties that do not border a county with a population as described~~  
28 ~~under subsection (a) of this subsection.~~

29 ~~(2) Through June 30, 1992, any other)~~ A municipality is authorized  
30 to levy and collect a special excise tax not exceeding (~~(.815 percent,~~  
31 ~~and beginning July 1, 1992,)~~) .725 percent on the value, as determined  
32 under chapter 82.44 RCW, of every motor vehicle owned by a resident of  
33 such municipality for the privilege of using such motor vehicle  
34 provided that in no event shall the tax be less than one dollar and,  
35 subject to RCW 82.44.150 (3) and (4), the amount of such tax shall be  
36 credited against the amount of the excise tax levied by the state under  
37 RCW 82.44.020(1). Before utilization of any excise tax moneys  
38 collected under authorization of this section for acquisition of right

1 of way or construction of a mass transit facility on a separate right  
2 of way the municipality shall adopt rules affording the public an  
3 opportunity for "corridor public hearings" and "design public hearings"  
4 as herein defined, which rule shall provide in detail the procedures  
5 necessary for public participation in the following instances: (a)  
6 Prior to adoption of location and design plans having a substantial  
7 social, economic or environmental effect upon the locality upon which  
8 they are to be constructed or (b) on such mass rapid transit systems  
9 operating on a separate right of way whenever a substantial change is  
10 proposed relating to location or design in the adopted plan. In  
11 adopting rules the municipality shall adhere to the provisions of the  
12 Administrative Procedure Act.

13 ~~((+3))~~ (2) A "corridor public hearing" is a public hearing that:  
14 (a) Is held before the municipality is committed to a specific mass  
15 transit route proposal, and before a route location is established; (b)  
16 is held to afford an opportunity for participation by those interested  
17 in the determination of the need for, and the location of, the mass  
18 rapid transit system; (c) provides a public forum that affords a full  
19 opportunity for presenting views on the mass rapid transit system route  
20 location, and the social, economic and environmental effects on that  
21 location and alternate locations: PROVIDED, That such hearing shall  
22 not be deemed to be necessary before adoption of an overall mass rapid  
23 transit system plan by a vote of the electorate of the municipality.

24 ~~((+4))~~ (3) A "design public hearing" is a public hearing that:  
25 (a) Is held after the location is established but before the design is  
26 adopted; and (b) is held to afford an opportunity for participation by  
27 those interested in the determination of major design features of the  
28 mass rapid transit system; and (c) provides a public forum to afford a  
29 full opportunity for presenting views on the mass rapid transit system  
30 design, and the social, economic, environmental effects of that design  
31 and alternate designs.

32 ~~((+5))~~ (4) A municipality imposing a tax under subsection (1) ~~((or~~  
33 ~~(+2))~~ of this section may also impose a sales and use tax, in addition  
34 to the tax authorized by RCW 82.14.030, upon retail car rentals within  
35 the municipality that are taxable by the state under chapters 82.08 and  
36 82.12 RCW. The rate of tax shall not exceed 1.944 percent. The rate  
37 of tax imposed under this subsection shall bear the same ratio to the  
38 1.944 percent rate authorized that the rate imposed under ~~((RCW~~  
39 ~~82.08.020(2) as the excise tax rate imposed under))~~ subsection (1) of

1 this section bears to the (~~excise tax~~) rate (~~imposed under RCW~~  
2 ~~82.44.020 (1) and (2)~~) authorized under subsection (1) of this  
3 section. The base of the tax shall be the selling price in the case of  
4 a sales tax or the rental value of the vehicle used in the case of a  
5 use tax. The tax imposed under this section shall be deducted from the  
6 amount of tax otherwise due under RCW 82.08.020(2). The revenue  
7 collected under this subsection shall be distributed in the same manner  
8 as special excise taxes under subsection(~~s~~) (1) (~~and (2)~~) of this  
9 section.

10 **Sec. 26.** RCW 35.58.410 and 1993 c 240 s 11 are each amended to  
11 read as follows:

12 (1) On or before the third Monday in June of each year, each  
13 metropolitan municipal corporation shall adopt a budget for the  
14 following calendar year. Such budget shall include a separate section  
15 for each authorized metropolitan function. Expenditures shall be  
16 segregated as to operation and maintenance expenses and capital and  
17 betterment outlays. Administrative and other expense general to the  
18 corporation shall be allocated between the authorized metropolitan  
19 functions. The budget shall contain an estimate of all revenues to be  
20 collected during the following budget year, including any surplus funds  
21 remaining unexpended from the preceding year. The metropolitan council  
22 shall not be required to confine capital or betterment expenditures  
23 made from bond proceeds or emergency expenditures to items provided in  
24 the budget. The affirmative vote of three-fourths of all members of  
25 the metropolitan council shall be required to authorize emergency  
26 expenditures.

27 (2) Subsection (1) of this section shall not apply to a county that  
28 has assumed the rights, powers, functions, and obligations of a  
29 metropolitan municipal corporation under chapter 36.56 RCW. This  
30 subsection (2) shall apply only to each county that has assumed the  
31 rights, powers, functions, and obligations of a metropolitan municipal  
32 corporation under chapter 36.56 RCW.

33 Each county that has assumed the rights, powers, functions, and  
34 obligations of a metropolitan municipal corporation under chapter 36.56  
35 RCW shall, on or before the third Monday in June of each year, prepare  
36 an estimate of all revenues to be collected during the following  
37 calendar year, including any surplus funds remaining unexpended from  
38 the preceding year for each authorized metropolitan function.

1 By June 30 of each year, the county shall adopt the rate for sewage  
2 disposal that will be charged to component cities and sewer districts  
3 during the following budget year.

4 As long as any general obligation indebtedness remains outstanding  
5 that was issued by the metropolitan municipal corporation prior to the  
6 assumption by the county, the county shall continue to impose the taxes  
7 authorized by RCW 82.14.045 and 35.58.273(~~(+5)~~) (4) at the maximum  
8 rates and on all of the taxable events authorized by law. If, despite  
9 the continued imposition of those taxes, the estimate of revenues made  
10 on or before the third Monday in June shows that estimated revenues  
11 will be insufficient to make all debt service payments falling due in  
12 the following calendar year on all general obligation indebtedness  
13 issued by the metropolitan municipal corporation prior to the  
14 assumption by the county of the rights, powers, functions, and  
15 obligations of the metropolitan municipal corporation, the remaining  
16 amount required to make the debt service payments shall be designated  
17 as "supplemental income" and shall be obtained from component cities  
18 and component counties as provided under RCW 35.58.420.

19 The county shall prepare and adopt a budget each year in accordance  
20 with applicable general law or county charter. If supplemental income  
21 has been designated under this subsection, the supplemental income  
22 shall be reflected in the budget that is adopted. If during the budget  
23 year the actual tax revenues from the taxes imposed under the authority  
24 of RCW 82.14.045 and 35.58.273(~~(+5)~~) (4) exceed the estimates upon  
25 which the supplemental income was based, the difference shall be  
26 refunded to the component cities and component counties in proportion  
27 to their payments promptly after the end of the budget year. A county  
28 that has assumed the rights, powers, functions, and obligations of a  
29 metropolitan municipal corporation under chapter 36.56 RCW shall not be  
30 required to confine capital or betterment expenditures for authorized  
31 metropolitan functions from bond proceeds or emergency expenditures to  
32 items provided in the budget.

33 **Sec. 27.** RCW 43.160.070 and 1997 c 235 s 721 are each amended to  
34 read as follows:

35 Public facilities financial assistance, when authorized by the  
36 board, is subject to the following conditions:

37 (1) The moneys in the public facilities construction loan revolving  
38 (~~(fund)~~) account and the distressed county public facilities



1 construction loan account shall be used solely to fulfill commitments  
2 arising from financial assistance authorized in this chapter or, during  
3 the 1989-91 fiscal biennium, for economic development purposes as  
4 appropriated by the legislature. The total outstanding amount which  
5 the board shall dispense at any time pursuant to this section shall not  
6 exceed the moneys available from the funds. The total amount of  
7 outstanding financial assistance in Pierce, King, and Snohomish  
8 counties shall never exceed sixty percent of the total amount of  
9 outstanding financial assistance disbursed by the board under this  
10 chapter without reference to financial assistance provided under  
11 section 9 of this act.

12 (2) On contracts made for public facilities loans the board shall  
13 determine the interest rate which loans shall bear. The interest rate  
14 shall not exceed ten percent per annum. The board may provide  
15 reasonable terms and conditions for repayment for loans as the board  
16 determines. The loans shall not exceed twenty years in duration.

17 (3) Repayments of loans made from the public facilities  
18 construction loan revolving account under the contracts for public  
19 facilities construction loans shall be paid into the public facilities  
20 construction loan revolving ((fund)) account. Repayments of loans made  
21 from the distressed county public facilities construction loan account  
22 under the contracts for public facilities construction loans shall be  
23 paid into the distressed county public facilities construction loan  
24 account. Repayments of loans from moneys from the new appropriation  
25 from the public works assistance account for the fiscal biennium ending  
26 June 30, 1999, shall be paid into the public works assistance account.

27 (4) When every feasible effort has been made to provide loans and  
28 loans are not possible, the board may provide grants upon finding that  
29 unique circumstances exist.

30 **Sec. 28.** RCW 43.160.076 and 1997 c 367 s 9 are each amended to  
31 read as follows:

32 (1) Except as authorized to the contrary under subsection (2) of  
33 this section, from all funds available to the board for financial  
34 assistance in a biennium under this chapter without reference to  
35 financial assistance provided under section 9 of this act, the board  
36 shall spend at least seventy-five percent for financial assistance for  
37 projects in distressed counties or rural natural resources impact  
38 areas. For purposes of this section, the term "distressed counties"

1 includes any county, in which the average level of unemployment for the  
2 three years before the year in which an application for financial  
3 assistance is filed, exceeds the average state employment for those  
4 years by twenty percent.

5 (2) If at any time during the last six months of a biennium the  
6 board finds that the actual and anticipated applications for qualified  
7 projects in distressed counties or rural natural resources impact areas  
8 are clearly insufficient to use up the seventy-five percent allocation  
9 under subsection (1) of this section, then the board shall estimate the  
10 amount of the insufficiency and during the remainder of the biennium  
11 may use that amount of the allocation for financial assistance to  
12 projects not located in distressed counties or rural natural resources  
13 impact areas.

14 **Sec. 29.** 1997 c 367 s 10 (uncodified) is each amended to read as  
15 follows:

16 RCW 43.160.076 and section 28 of this act, 1997 c 367 s 10, 1991 c  
17 314 24, & 1985 c 446 s 6 are each repealed effective June 30, 2000.

18 **Sec. 30.** RCW 43.160.080 and 1992 c 235 s 10 are each amended to  
19 read as follows:

20 There shall be a fund in the state treasury known as the public  
21 facilities construction loan revolving account, which shall consist of  
22 all moneys collected under this chapter, except moneys of the board  
23 collected in connection with the issuance of industrial development  
24 revenue bonds and moneys deposited in the distressed county public  
25 facilities construction loan account under section 9 of this act, and  
26 any moneys appropriated to it by law: PROVIDED, That seventy-five  
27 percent of all principal and interest payments on loans made with the  
28 proceeds deposited in the account under section 901, chapter 57, Laws  
29 of 1983 1st ex. sess. shall be deposited in the general fund as  
30 reimbursement for debt service payments on the bonds authorized in RCW  
31 43.83.184. Disbursements from the revolving account shall be on  
32 authorization of the board. In order to maintain an effective  
33 expenditure and revenue control, the public facilities construction  
34 loan revolving account shall be subject in all respects to chapter  
35 43.88 RCW.

1       **Sec. 31.** RCW 43.160.210 and 1996 c 290 s 1 and 1996 c 51 s 10 are  
2 each reenacted and amended to read as follows:

3       (1) Except as authorized to the contrary under subsection (2) of  
4 this section, from all funds available to the board for financial  
5 assistance under this chapter without reference to financial assistance  
6 provided under section 9 of this act, the board shall designate at  
7 least twenty percent for financial assistance for projects in  
8 distressed counties. For purposes of this section, the term  
9 "distressed counties" includes any county, in which: (a) The average  
10 level of unemployment for the three years before the year in which an  
11 application for financial assistance is filed, exceeds the average  
12 state employment for those years by twenty percent; or (b) a county  
13 that has a median household income that is less than seventy-five  
14 percent of the state median household income for the previous three  
15 years.

16       (2) If at any time during the last six months of a biennium the  
17 board finds that the actual and anticipated applications for qualified  
18 projects in distressed counties are clearly insufficient to use up the  
19 twenty percent allocation under subsection (1) of this section, then  
20 the board shall estimate the amount of the insufficiency and during the  
21 remainder of the biennium may use that amount of the allocation for  
22 financial assistance for projects not located in distressed counties.

23       **Sec. 32.** RCW 46.16.068 and 1993 c 123 s 4 are each amended to read  
24 as follows:

25       Trailing units which are subject to RCW 82.44.020(~~((+5))~~) (4) shall,  
26 upon application, be issued a permanent license plate that is valid  
27 until the vehicle is sold, permanently removed from the state, or  
28 otherwise disposed of by the registered owner. The fee for this  
29 license plate is thirty-six dollars. Upon the sale, permanent removal  
30 from the state, or other disposition of a trailing unit bearing a  
31 permanent license plate the registered owner is required to return the  
32 license plate and registration certificate to the department.  
33 Violations of this section or misuse of a permanent license plate may  
34 subject the registered owner to prosecution or denial, or both, of  
35 future permanent registration of any trailing units. This section does  
36 not apply to any trailing units subject to the annual excise taxes  
37 prescribed in RCW 82.44.020. The department is authorized to adopt

1 rules to implement this section for leased vehicles and other  
2 applications as necessary.

3 **Sec. 33.** RCW 70.94.015 and 1993 c 252 s 1 are each amended to read  
4 as follows:

5 (1) The air pollution control account is established in the state  
6 treasury. All receipts collected by or on behalf of the department  
7 from RCW 70.94.151(2), and receipts from nonpermit program sources  
8 under RCW 70.94.152(1) and 70.94.154(7), and all receipts from RCW  
9 70.94.650, 70.94.660, 82.44.020(~~(+3)~~) (2), and 82.50.405 shall be  
10 deposited into the account. Moneys in the account may be spent only  
11 after appropriation. Expenditures from the account may be used only to  
12 develop and implement the provisions of chapters 70.94 and 70.120 RCW.

13 (2) The amounts collected and allocated in accordance with this  
14 section shall be expended upon appropriation except as otherwise  
15 provided in this section and in accordance with the following  
16 limitations:

17 Portions of moneys received by the department of ecology from the  
18 air pollution control account shall be distributed by the department to  
19 local authorities based on:

20 (a) The level and extent of air quality problems within such  
21 authority's jurisdiction;

22 (b) The costs associated with implementing air pollution regulatory  
23 programs by such authority; and

24 (c) The amount of funding available to such authority from other  
25 sources, whether state, federal, or local, that could be used to  
26 implement such programs.

27 (3) The air operating permit account is created in the custody of  
28 the state treasurer. All receipts collected by or on behalf of the  
29 department from permit program sources under RCW 70.94.152(1),  
30 70.94.161, 70.94.162, and 70.94.154(7) shall be deposited into the  
31 account. Expenditures from the account may be used only for the  
32 activities described in RCW 70.94.152(1), 70.94.161, 70.94.162, and  
33 70.94.154(7). Moneys in the account may be spent only after  
34 appropriation.

35 **Sec. 34.** RCW 81.100.060 and 1992 c 194 s 12 are each amended to  
36 read as follows:

1 A county with a population of one million or more and a county with  
2 a population of from two hundred ten thousand to less than one million  
3 that is adjoining a county with a population of one million or more,  
4 having within their boundaries existing or planned high occupancy  
5 vehicle lanes on the state highway system may, with voter approval,  
6 impose a local surcharge of not more than (~~fifteen~~) 13.64 percent on  
7 the state motor vehicle excise tax paid under RCW 82.44.020(1) on  
8 vehicles registered to a person residing within the county and on the  
9 state sales and use taxes paid under the rate in RCW 82.08.020(2) on  
10 retail car rentals within the county. No surcharge may be imposed on  
11 vehicles licensed under RCW 46.16.070 except vehicles with an unladen  
12 weight of six thousand pounds or less, RCW 46.16.079, (~~46.16.080,~~)  
13 46.16.085, or 46.16.090.

14 Counties imposing a tax under this section shall contract, before  
15 the effective date of the resolution or ordinance imposing a surcharge,  
16 administration and collection to the state department of licensing, and  
17 department of revenue, as appropriate, which shall deduct an amount, as  
18 provided by contract, for administration and collection expenses  
19 incurred by the department. All administrative provisions in chapters  
20 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to  
21 state motor vehicle excise taxes, be applicable to surcharges imposed  
22 under this section. All administrative provisions in chapters 82.03,  
23 82.08, 82.12, and 82.32 RCW shall, insofar as they are applicable to  
24 state sales and use taxes, be applicable to surcharges imposed under  
25 this section.

26 If the tax authorized in RCW 81.100.030 is also imposed by the  
27 county, the total proceeds from tax sources imposed under this section  
28 and RCW 81.100.030 each year shall not exceed the maximum amount which  
29 could be collected under this section.

30 **Sec. 35.** RCW 81.104.160 and 1992 c 194 s 13 and 1992 c 101 s 27  
31 are each reenacted and amended to read as follows:

32 (1) Cities that operate transit systems, county transportation  
33 authorities, metropolitan municipal corporations, public transportation  
34 benefit areas, and regional transit authorities may submit an  
35 authorizing proposition to the voters, and if approved, may levy and  
36 collect an excise tax, at a rate approved by the voters, but not  
37 exceeding eighty one-hundredths of one percent on the value, under  
38 chapter 82.44 RCW, of every motor vehicle owned by a resident of the

1 taxing district, solely for the purpose of providing high capacity  
2 transportation service. In any county imposing a motor vehicle excise  
3 tax surcharge pursuant to RCW 81.100.060, the maximum tax rate under  
4 this section shall be reduced to a rate equal to eighty one-hundredths  
5 of one percent on the value less the equivalent motor vehicle excise  
6 tax rate of the surcharge imposed pursuant to RCW 81.100.060. This  
7 rate shall not apply to vehicles licensed under RCW 46.16.070 except  
8 vehicles with an unladen weight of six thousand pounds or less, RCW  
9 46.16.079, (~~46.16.080~~) 46.16.085, or 46.16.090.

10 (2) An agency imposing a tax under subsection (1) of this section  
11 may also impose a sales and use tax solely for the purpose of providing  
12 high capacity transportation service, in addition to the tax authorized  
13 by RCW 82.14.030, upon retail car rentals within the agency's  
14 jurisdiction that are taxable by the state under chapters 82.08 and  
15 82.12 RCW. The rate of tax shall not exceed 2.172 percent. The rate  
16 of tax imposed under this subsection shall bear the same ratio to the  
17 2.172 percent rate authorized that the rate imposed under (~~RCW~~  
18 ~~82.08.020(2) as the excise tax rate imposed under~~) subsection (1) of  
19 this section bears to the (~~excise tax~~) rate (~~imposed under RCW~~  
20 ~~82.44.020 (1) and (2)~~) authorized under subsection (1) of this  
21 section. The base of the tax shall be the selling price in the case of  
22 a sales tax or the rental value of the vehicle used in the case of a  
23 use tax. The revenue collected under this subsection shall be used in  
24 the same manner as excise taxes under subsection (1) of this section.

25 **Sec. 36.** RCW 82.08.020 and 1992 c 194 s 9 are each amended to read  
26 as follows:

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

30 (2) There is levied and there shall be collected an additional tax  
31 on each retail car rental, regardless of whether the vehicle is  
32 licensed in this state, equal to five and nine-tenths percent of the  
33 selling price. (~~Ninety one percent of~~) The revenue collected under  
34 this subsection shall be deposited and distributed in the same manner  
35 as motor vehicle excise tax revenue collected under RCW 82.44.020(1).  
36 (~~Nine percent of the revenue collected under this subsection shall be~~  
37 ~~deposited in the transportation fund and distributed in the same manner~~  
38 ~~as motor vehicle excise tax revenue collected under RCW 82.44.020(2).~~)

1 (3) The taxes imposed under this chapter shall apply to successive  
2 retail sales of the same property.

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

5 **Sec. 37.** RCW 82.14.046 and 1995 c 298 s 1 are each amended to read  
6 as follows:

7 Beginning with distributions made to municipalities under RCW  
8 82.44.150 on January 1, 1996, municipalities as defined in RCW  
9 35.58.272 imposing local transit taxes, which for purposes of this  
10 section include the sales and use tax under RCW 82.14.045, the business  
11 and occupation tax under RCW 35.95.040, and excise taxes under RCW  
12 35.95.040, shall be eligible for sales and use tax equalization  
13 payments from motor vehicle excise taxes distributed under RCW  
14 82.44.150 as follows:

15 (1) Prior to January 1st of each year the department of revenue  
16 shall determine the total and the per capita levels of revenues for  
17 each municipality imposing local transit taxes and the state-wide  
18 weighted average per capita level of sales and use tax revenues imposed  
19 under chapters 82.08 and 82.12 RCW for the previous calendar year  
20 calculated for a sales and use tax rate of one-tenth percent. For  
21 purposes of this section, the department of revenue shall determine a  
22 local transit tax rate for each municipality for the previous calendar  
23 year. The tax rate shall be equivalent to the sales and use tax rate  
24 for the municipality that would have generated an amount of revenue  
25 equal to the amount of local transit taxes collected by the  
26 municipality.

27 (2) For each tenth of one percent of the local transit tax rate,  
28 the state treasurer shall apportion to each municipality receiving less  
29 than eighty percent of the state-wide weighted average per capita level  
30 of sales and use tax revenues imposed under chapters 82.08 and 82.12  
31 RCW as determined by the department of revenue under subsection (1) of  
32 this section, an amount when added to the per capita level of revenues  
33 received the previous calendar year by the municipality, to equal  
34 eighty percent of the state-wide weighted average per capita level of  
35 revenues determined under subsection (1) of this section. In no event  
36 may the sales and use tax equalization distribution to a municipality  
37 in a single calendar year exceed: (a) Fifty percent of the amount of  
38 local transit taxes collected during the prior calendar year; or (b)

1 the maximum amount of revenue that could have been collected at a local  
2 transit tax rate of three-tenths percent in the prior calendar year.

3 (3) For a municipality established after January 1, 1995, sales and  
4 use tax equalization distributions shall be made according to the  
5 procedures in this subsection. Sales and use tax equalization  
6 distributions to eligible new municipalities shall be made at the same  
7 time as distributions are made under subsection (2) of this section.  
8 The department of revenue shall follow the estimating procedures  
9 outlined in this subsection until the new municipality has received a  
10 full year's worth of local transit tax revenues as of the January sales  
11 and use tax equalization distribution.

12 (a) Whether a newly established municipality determined to receive  
13 funds under this subsection receives its first equalization payment at  
14 the January, April, July, or October sales and use tax equalization  
15 distribution shall depend on the date the system first imposes local  
16 transit taxes.

17 (i) A newly established municipality imposing local transit taxes  
18 taking effect during the first calendar quarter shall be eligible to  
19 receive funds under this subsection beginning with the July sales and  
20 use tax equalization distribution of that year.

21 (ii) A newly established municipality imposing local transit taxes  
22 taking effect during the second calendar quarter shall be eligible to  
23 receive funds under this subsection beginning with the October sales  
24 and use tax equalization distribution of that year.

25 (iii) A newly established municipality imposing local transit taxes  
26 taking effect during the third calendar quarter shall be eligible to  
27 receive funds under this subsection beginning with the January sales  
28 and use tax equalization distribution of the next year.

29 (iv) A newly established municipality imposing local transit taxes  
30 taking effect during the fourth calendar quarter shall be eligible to  
31 receive funds under this subsection beginning with the April sales and  
32 use tax equalization distribution of the next year.

33 (b) For purposes of calculating the amount of funds the new  
34 municipality should receive under this subsection, the department of  
35 revenue shall:

36 (i) Estimate the per capita amount of revenues from local transit  
37 taxes that the new municipality would have received had the  
38 municipality received revenues from the tax the entire calendar year;



1 (ii) Calculate the amount provided under subsection (2) of this  
2 section based on the per capita revenues determined under (b)(i) of  
3 this subsection;

4 (iii) Prorate the amount determined under (b)(ii) of this  
5 subsection by the number of months the local transit taxes have been  
6 imposed.

7 (c) The department of revenue shall advise the state treasurer of  
8 the amounts calculated under (b) of this subsection and the state  
9 treasurer shall distribute these amounts to the new municipality from  
10 the motor vehicle excise tax (~~((distributed under RCW 82.44.150(2)(d))~~)  
11 deposited into the transportation fund under RCW 82.44.110.

12 (4) A municipality whose governing body implements a tax change  
13 that reduces its local transit tax rate after January 1, 1994, may not  
14 receive distributions under this section.

15 **Sec. 38.** RCW 82.44.023 and 1994 c 227 s 3 are each amended to read  
16 as follows:

17 Rental cars as defined in RCW 46.04.465 are exempt from the taxes  
18 imposed in RCW 82.44.020(1) (~~((and-(2)))~~). When a rental car ceases to  
19 be used for rental car purposes and at the time of its retail sale, the  
20 excise tax imposed in RCW 82.44.020(1) (~~((and-(2)))~~) shall be imposed in  
21 an amount equal to one-twelfth of the annual excise tax then in effect,  
22 for each full month remaining in the vehicle's registration year.

23 **Sec. 39.** RCW 82.44.025 and 1996 c 139 s 3 are each amended to read  
24 as follows:

25 Motor vehicles licensed under RCW 46.16.374 are exempt from the  
26 (~~((taxes))~~) tax imposed in RCW 82.44.020(1) (~~((and-(2)))~~). When the motor  
27 vehicle ceases to be used for the purposes of RCW 46.16.374 or at the  
28 time of its retail sale, the excise tax imposed in RCW 82.44.020(1)  
29 (~~((and-(2)))~~) must be imposed for twelve full months from the date of  
30 application of the new owner.

31 **Sec. 40.** RCW 82.44.155 and 1993 c 492 s 254 are each amended to  
32 read as follows:

33 The city police and fire protection assistance account is created  
34 in the state treasury. When distributions are made under RCW  
35 82.44.150, the state treasurer shall apportion and distribute the motor  
36 vehicle excise taxes deposited into the (~~((general fund))~~) city police

1 and fire protection assistance account under RCW 82.44.110(~~((1)(d))~~) to  
2 the cities and towns ratably on the basis of population as last  
3 determined by the office of financial management. When so apportioned,  
4 the amount payable to each such city and town shall be transmitted to  
5 the city treasurer thereof, and shall be used by the city or town for  
6 the purposes of police and fire protection in the city or town, and not  
7 otherwise. If it is adjudged that revenue derived from the excise  
8 (~~(taxes)~~) tax imposed by RCW 82.44.020(1) (~~(and (2))~~) cannot lawfully  
9 be apportioned or distributed to cities or towns, all moneys directed  
10 by this section to be apportioned and distributed to cities and towns  
11 shall be credited and transferred to the state general fund.

12 **Sec. 41.** RCW 82.44.180 and 1995 c 269 s 2601 are each amended to  
13 read as follows:

14 (1) The transportation fund is created in the state treasury.  
15 Revenues under RCW (~~(82.44.020 (1) and (2),)~~) 82.44.110(~~(, 82.44.150,)~~)  
16 and (~~(the surcharge under RCW)~~) 82.50.510 shall be deposited into the  
17 fund as provided in those sections.

18 Moneys in the fund may be spent only after appropriation.  
19 Expenditures from the fund may be used only for transportation purposes  
20 and activities and operations of the Washington state patrol not  
21 directly related to the policing of public highways and that are not  
22 authorized under Article II, section 40 of the state Constitution.

23 (2) There is hereby created the central Puget Sound public  
24 transportation account within the transportation fund. Moneys  
25 deposited into the account under RCW 82.44.150(2)(b) shall be  
26 appropriated to the transportation improvement board and allocated by  
27 the transportation improvement board to public transportation projects  
28 within the region from which the funds are derived, solely for:

29 (a) Planning;

30 (b) Development of capital projects;

31 (c) Development of high capacity transportation systems as defined  
32 in RCW 81.104.015;

33 (d) Development of high occupancy vehicle lanes and related  
34 facilities as defined in RCW 81.100.020; and

35 (e) Public transportation system contributions required to fund  
36 projects under federal programs and those approved by the  
37 transportation improvement board from other fund sources.

1 (3) There is hereby created the public transportation systems  
2 account within the transportation fund. Moneys deposited into the  
3 account under RCW 82.44.150(2)(c) shall be appropriated to the  
4 transportation improvement board and allocated by the transportation  
5 improvement board to public transportation projects submitted by the  
6 public transportation systems from which the funds are derived, solely  
7 for:

8 (a) Planning;

9 (b) Development of capital projects;

10 (c) Development of high capacity transportation systems as defined  
11 in RCW 81.104.015;

12 (d) Development of high occupancy vehicle lanes and related  
13 facilities as defined in RCW 81.100.020;

14 (e) Other public transportation system-related roadway projects on  
15 state highways, county roads, or city streets; and

16 (f) Public transportation system contributions required to fund  
17 projects under federal programs and those approved by the  
18 transportation improvement board from other fund sources.

19 **Sec. 42.** RCW 84.44.050 and 1993 c 123 s 3 are each amended to read  
20 as follows:

21 The personal property of automobile transportation companies  
22 owning, controlling, operating or managing any motor propelled vehicle  
23 used in the business of transporting persons and/or property for  
24 compensation over any public highway in this state between fixed  
25 termini or over a regular route, shall be listed and assessed in the  
26 various counties where such vehicles are operated, in proportion to the  
27 mileage of their operations in such counties: PROVIDED, That vehicles  
28 subject to chapter 82.44 RCW and trailer units exempt under RCW  
29 82.44.020(~~(+5)~~) (4) shall not be listed or assessed for ad valorem  
30 taxation so long as chapter 82.44 RCW remains in effect. All vessels  
31 of every class which are by law required to be registered, licensed or  
32 enrolled, must be assessed and the taxes thereon paid only in the  
33 county of their actual situs: PROVIDED, That such interest shall be  
34 taxed but once. All boats and small craft not required to be  
35 registered must be assessed in the county of their actual situs.

36 NEW SECTION. **Sec. 43.** Within ten days of the effective date of  
37 this section, the state treasurer shall lend twenty-five million

1 dollars from the state general fund to the motor vehicle fund to be  
2 used for engineering, design, and right-of-way acquisition related to  
3 road construction projects. The loan shall be repaid by July 1, 2001,  
4 from motor vehicle excise tax revenues deposited into the motor vehicle  
5 fund.

6 NEW SECTION. **Sec. 44.** Sections 16 through 21 of this act are each  
7 added to chapter 47.10 RCW.

8 NEW SECTION. **Sec. 45.** If any provision of this act or its  
9 application to any person or circumstance is held invalid, the  
10 remainder of the act or the application of the provision to other  
11 persons or circumstances is not affected.

12 NEW SECTION. **Sec. 46.** (1) Sections 1 through 3, 5 through 21, 44,  
13 and 45 of this act take effect January 1, 1999.

14 (2) Section 4 of this act takes effect July 1, 1999, and applies to  
15 registrations that are due or become due in July 1999, and thereafter.

16 NEW SECTION. **Sec. 47.** (1) Section 22 of this act takes effect  
17 ninety days after the end of the legislative session as provided in  
18 Article 2, section 1 of the state Constitution.

19 (2) Sections 23 through 30 and 32 through 42 of this act take  
20 effect January 1, 1999, and section 31 of this act takes effect June  
21 30, 2000, if sections 1 through 21 and 44 through 46 of this act are  
22 validly submitted to and are approved and ratified by the voters at a  
23 general election held in November 1998. If sections 1 through 21 and  
24 44 through 46 of this act are not approved and ratified, sections 23  
25 through 42 of this act are null and void in their entirety.

26 NEW SECTION. **Sec. 48.** Section 43 of this act is necessary for the  
27 immediate preservation of the public peace, health, or safety, or  
28 support of the state government and its existing public institutions,  
29 and takes effect immediately.

30 NEW SECTION. **Sec. 49.** The secretary of state shall submit  
31 sections 1 through 21 and 44 through 46 of this act to the people for  
32 their adoption and ratification, or rejection, at the next general  
33 election to be held in this state, in accordance with Article II,

1 section 1 of the state Constitution and the laws adopted to facilitate  
2 its operation.

3 NEW SECTION. **Sec. 50.** Sections 23 through 42 of this act are  
4 technical only and do not result in any substantive change in the law.  
5 Therefore, to conserve costs, the secretary of state shall not publish  
6 sections 23 through 42 of this act in the voter's pamphlet in  
7 conjunction with sections 1 through 21 and 44 through 46 of this act."

8 **EHB 2894** - S AMD - 874  
9 By Senator West

10 ADOPTED 3/5/98

11 On page 1, on line 3 of the title, after "reduction;", strike the  
12 remainder of the title and insert "amending RCW 82.44.020, 82.44.041,  
13 82.44.110, 82.44.150, 82.14.045, 82.14.200, 82.14.310, 82.14.330,  
14 43.135.060, 82.50.410, 82.50.510, 35.58.273, 35.58.410, 43.160.070,  
15 43.160.076, 43.160.080, 46.16.068, 70.94.015, 81.100.060, 82.08.020,  
16 82.14.046, 82.44.023, 82.44.025, 82.44.155, 82.44.180, and 84.44.050;  
17 amending 1997 c 367 s 10 (uncodified); reenacting and amending RCW  
18 82.14.320, 43.160.210, and 81.104.160; adding a new section to chapter  
19 82.44 RCW; adding a new section to chapter 43.160 RCW; adding a new  
20 section to chapter 82.14 RCW; adding a new section to chapter 43.135  
21 RCW; adding new sections to chapter 47.10 RCW; creating new sections;  
22 providing effective dates; providing a contingent effective date;  
23 providing for submission of certain sections of this act to a vote of  
24 the people; and declaring an emergency."

--- END ---