SENATE BILL 6816

State of Washington56th Legislature2000 Regular SessionBy Senators Haugen, Goings, Gardner, Costa and KlineRead first time 02/01/2000.Referred to Committee on Transportation.

AN ACT Relating to transportation funding; amending RCW 82.08.020, 43.89.010, 46.12.040, 46.68.035, 82.36.380, and 82.38.270; reenacting and amending RCW 43.84.092, 43.84.092, and 43.84.092; adding a new chapter to Title 82 RCW; repealing RCW 82.44.180; providing effective dates; providing a retroactive effective date; providing an expiration date; and declaring an emergency.

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

8 <u>NEW SECTION.</u> Sec. 1. The multimodal fund is created in the state 9 treasury. Revenues under RCW 82.08.020 must be deposited into the fund 10 as provided in that section.

11 Moneys in the fund may be spent only after appropriation. 12 Expenditures from the fund may be used only for transportation 13 purposes.

14 <u>NEW SECTION.</u> **Sec. 2.** Section 1 of this act constitutes a new 15 chapter in Title 82 RCW.

Sec. 3. RCW 82.08.020 and 1998 c 321 s 36 (Referendum Bill No. 49) are each amended to read as follows:

1 (1) There is levied and there shall be collected a tax on each 2 retail sale in this state equal to six and five-tenths percent of the 3 selling price.

4 (2) There is levied and there shall be collected an additional tax 5 on each retail car rental, regardless of whether the vehicle is 6 licensed in this state, equal to five and nine-tenths percent of the 7 selling price. The revenue collected under this subsection shall be 8 deposited ((and distributed in the same manner as motor vehicle excise 9 tax revenue collected under RCW 82.44.020(1))) into the multimodal fund 10 established by section 1 of this act.

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

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

Sec. 4. RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999 c 268 s 4, and 1999 c 94 s 2 are each reenacted and amended to read as follows:

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

(2) The treasury income account shall be utilized to pay or receive 21 22 funds associated with federal programs as required by the federal cash 23 management improvement act of 1990. The treasury income account is 24 subject in all respects to chapter 43.88 RCW, but no appropriation is 25 required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the 26 27 federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. 28 The 29 office of financial management shall determine the amounts due to or 30 from the federal government pursuant to the cash management improvement The office of financial management may direct transfers of funds 31 act. 32 between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or 33 34 allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section. 35

36 (3) Except for the provisions of RCW 43.84.160, the treasury income
37 account may be utilized for the payment of purchased banking services
38 on behalf of treasury funds including, but not limited to, depository,

1 safekeeping, and disbursement functions for the state treasury and 2 affected state agencies. The treasury income account is subject in all 3 respects to chapter 43.88 RCW, but no appropriation is required for 4 payments to financial institutions. Payments shall occur prior to 5 distribution of earnings set forth in subsection (4) of this section.

6 (4) Monthly, the state treasurer shall distribute the earnings 7 credited to the treasury income account. The state treasurer shall 8 credit the general fund with all the earnings credited to the treasury 9 income account except:

10 (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's 11 12 average daily balance for the period: The capitol building 13 construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects 14 15 account, the charitable, educational, penal and reformatory 16 institutions account, the common school construction fund, the county 17 criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction 18 19 account, the deferred compensation administrative account, the deferred 20 compensation principal account, the department of retirement systems expense account, the drinking water assistance account, the Eastern 21 22 Washington University capital projects account, the education construction fund, the emergency reserve fund, the federal forest 23 24 revolving account, the health services account, the public health 25 services account, the health system capacity account, the personal health services account, the state higher education construction 26 account, the higher education construction account, the highway 27 28 infrastructure account, the industrial insurance premium refund 29 account, the judges' retirement account, the judicial retirement 30 administrative account, the judicial retirement principal account, the 31 local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, 32 33 the mobile home park relocation fund, the municipal criminal justice 34 assistance account, the municipal sales and use tax equalization 35 account, the natural resources deposit account, the perpetual surveillance and maintenance account, the public employees' retirement 36 37 system plan 1 account, the public employees' retirement system plan 2 38 account, the Puyallup tribal settlement account, the resource 39 management cost account, the site closure account, the special wildlife

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

27 (b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or 28 29 fund's average daily balance for the period: The aeronautics account, 30 the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the 31 essential rail assistance account, the ferry bond retirement fund, the 32 grade crossing protective fund, the high capacity transportation 33 34 account, the highway bond retirement fund, the highway safety account, 35 the marine operating fund, the motor vehicle fund, the motorcycle safety education account, the multimodal fund, the pilotage account, 36 37 ((the public transportation systems account,)) the Puget Sound capital construction account, the Puget Sound ferry operations account, the 38 39 recreational vehicle account, the rural arterial trust account, the

1 safety and education account, the special category C account, the state 2 patrol highway account, the transportation equipment fund, ((the 3 transportation fund,)) the transportation improvement account, the 4 transportation improvement board bond retirement account, and the urban 5 arterial trust account.

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

9 Sec. 5. RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309, s 928, 1999 10 c 268 s 4, 1999 c 94 s 3, and 1999 c 94 s 2 are each reenacted and 11 amended to read as follows:

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

15 (2) The treasury income account shall be utilized to pay or receive 16 funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is 17 18 subject in all respects to chapter 43.88 RCW, but no appropriation is 19 required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the 20 federal treasury required under the cash management improvement act 21 fall under RCW 43.88.180 and shall not require appropriation. 22 The 23 office of financial management shall determine the amounts due to or 24 from the federal government pursuant to the cash management improvement 25 act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the 26 cash management improvement act, and this subsection. 27 Refunds or allocations shall occur prior to the distributions of earnings set 28 29 forth in subsection (4) of this section.

30 (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services 31 on behalf of treasury funds including, but not limited to, depository, 32 33 safekeeping, and disbursement functions for the state treasury and 34 affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for 35 36 payments to financial institutions. Payments shall occur prior to 37 distribution of earnings set forth in subsection (4) of this section.

1 (4) Monthly, the state treasurer shall distribute the earnings 2 credited to the treasury income account. The state treasurer shall 3 credit the general fund with all the earnings credited to the treasury 4 income account except:

5 The following accounts and funds shall receive their (a) proportionate share of earnings based upon each account's and fund's 6 7 average daily balance for the period: The capitol building 8 construction account, the Cedar River channel construction and 9 operation account, the Central Washington University capital projects 10 account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county 11 criminal justice assistance account, the county sales and use tax 12 13 equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred 14 15 compensation principal account, the department of retirement systems 16 expense account, the drinking water assistance account, the Eastern 17 Washington University capital projects account, the education construction fund, the emergency reserve fund, the federal forest 18 19 revolving account, the health services account, the public health services account, the health system capacity account, the personal 20 health services account, the state higher education construction 21 account, the higher education construction account, the highway 22 23 infrastructure account, the industrial insurance premium refund 24 account, the judges' retirement account, the judicial retirement 25 administrative account, the judicial retirement principal account, the 26 local leasehold excise tax account, the local real estate excise tax 27 account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the municipal criminal justice 28 29 assistance account, the municipal sales and use tax equalization 30 account, the natural resources deposit account, the perpetual 31 surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system plan 2 32 33 account, the Puyallup tribal settlement account, the resource 34 management cost account, the site closure account, the special wildlife 35 account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, 36 37 the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan 1 38 39 account, the teachers' retirement system plan 2 account, the tobacco

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prevention and control account, the tobacco settlement account, the 1 2 transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of 3 4 Washington building account, the volunteer fire fighters' and reserve 5 officers' relief and pension principal ((account)) fund, the volunteer 6 fire fighters' ((relief)) and ((pension)) reserve officers' 7 administrative ((account)) fund, the Washington judicial retirement 8 system account, the Washington law enforcement officers' and fire 9 fighters' system plan 1 retirement account, the Washington law 10 enforcement officers' and fire fighters' system plan 2 retirement account, the Washington state patrol retirement account, the Washington 11 State University building account, the Washington State University bond 12 13 retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. 14 Earnings 15 derived from investing balances of the agricultural permanent fund, the 16 normal school permanent fund, the permanent common school fund, the 17 scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. 18 All 19 earnings to be distributed under this subsection (4)(a) shall first be 20 reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190. 21

22 (b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or 23 24 fund's average daily balance for the period: The aeronautics account, 25 the aircraft search and rescue account, the county arterial 26 preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the 27 grade crossing protective fund, the high capacity transportation 28 account, the highway bond retirement fund, the highway safety account, 29 30 the motor vehicle fund, the motorcycle safety education account, the 31 multimodal fund, the pilotage account, ((the public transportation systems account,)) the Puget Sound capital construction account, the 32 33 Puget Sound ferry operations account, the recreational vehicle account, 34 the rural arterial trust account, the safety and education account, the 35 special category C account, the state patrol highway account, the transportation equipment fund, ((the transportation fund,)) the 36 37 transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account. 38

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

Sec. 6. RCW 43.84.092 and 1999 c 380 s 9, 1999 c 309 s 929, 1999
c 268 s 5, and 1999 c 94 s 4 are each reenacted and amended to read as
f follows:

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

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

25 (3) Except for the provisions of RCW 43.84.160, the treasury income 26 account may be utilized for the payment of purchased banking services 27 on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and 28 29 affected state agencies. The treasury income account is subject in all 30 respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to 31 distribution of earnings set forth in subsection (4) of this section. 32 33 (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall 34 credit the general fund with all the earnings credited to the treasury 35 36 income account except:

37 (a) The following accounts and funds shall receive their38 proportionate share of earnings based upon each account's and fund's

average daily balance for the period: The capitol building 1 construction account, the Cedar River channel construction and 2 3 operation account, the Central Washington University capital projects 4 account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county 5 criminal justice assistance account, the county sales and use tax 6 7 equalization account, the data processing building construction 8 account, the deferred compensation administrative account, the deferred 9 compensation principal account, the department of retirement systems 10 expense account, the drinking water assistance account, the Eastern Washington University capital projects account, the education 11 construction fund, the emergency reserve fund, the federal forest 12 revolving account, the health services account, the public health 13 14 services account, the health system capacity account, the personal 15 health services account, the state higher education construction account, the higher education construction account, the highway 16 17 infrastructure account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement 18 19 administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax 20 account, the local sales and use tax account, the medical aid account, 21 22 the mobile home park relocation fund, the municipal criminal justice 23 assistance account, the municipal sales and use tax equalization 24 account, the natural resources deposit account, the perpetual 25 surveillance and maintenance account, the public employees' retirement 26 system plan 1 account, the public employees' retirement system plan 2 27 account, the Puyallup tribal settlement account, the resource management cost account, the site closure account, the special wildlife 28 29 account, the state employees' insurance account, the state employees' 30 insurance reserve account, the state investment board expense account, 31 the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan 1 32 33 account, the teachers' retirement system combined plan 2 and plan 3 34 account, the tobacco prevention and control account, the tobacco 35 settlement account, the transportation infrastructure account, the tuition recovery trust fund, the University of Washington bond 36 37 retirement fund, the University of Washington building account, the 38 volunteer fire fighters' and reserve officers' relief and pension 39 principal ((account)) fund, the volunteer fire fighters' ((relief)) and

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

(b) The following accounts and funds shall receive eighty percent 18 19 of their proportionate share of earnings based upon each account's or 20 fund's average daily balance for the period: The aeronautics account, search and rescue account, the county arterial 21 the aircraft preservation account, the department of licensing services account, the 22 essential rail assistance account, the ferry bond retirement fund, the 23 24 grade crossing protective fund, the high capacity transportation 25 account, the highway bond retirement fund, the highway safety account, 26 the motor vehicle fund, the motorcycle safety education account, the multimodal fund, the pilotage account, ((the public transportation 27 systems account,)) the Puget Sound capital construction account, the 28 29 Puget Sound ferry operations account, the recreational vehicle account, 30 the rural arterial trust account, the safety and education account, the 31 special category C account, the state patrol highway account, the transportation equipment fund, ((the transportation fund,)) the 32 transportation improvement account, the transportation improvement 33 board bond retirement account, and the urban arterial trust account. 34 (5) In conformance with Article II, section 37 of the state 35

36 Constitution, no treasury accounts or funds shall be allocated earnings 37 without the specific affirmative directive of this section. 1 Sec. 7. RCW 43.89.010 and 1993 sp.s. c 23 s 63 are each amended to 2 read as follows:

3 The chief of the Washington state patrol is hereby authorized to 4 establish a teletypewriter communications network which will inter-5 connect the law enforcement agencies of the state and its political 6 subdivisions into a unified written communications system. The chief 7 of the Washington state patrol is authorized to lease or purchase such 8 facilities and equipment as may be necessary to establish and maintain 9 such teletypewriter communications network.

(1) The communications network shall be used exclusively for the
official business of the state, and the official business of any city,
county, city and county, or other public agency.

13 (2) This section does not prohibit the occasional use of the 14 state's communications network by any other state or public agency 15 thereof when the messages transmitted relate to the enforcement of the 16 criminal laws of the state.

17 (3) The chief of the Washington state patrol shall fix the monthly operational charge to be paid by any department or agency of state 18 19 government, or any city, county, city and county, or other public 20 agency participating in the communications network: PROVIDED, That in computing charges to be made against a city, county, or city and county 21 the state shall bear at least fifty percent of the costs of such 22 23 service as its share in providing a modern unified communications 24 network to the law enforcement agencies of the state. Of the fees 25 collected pursuant to this section, one-half shall be deposited in the 26 motor vehicle fund and one-half shall be deposited in the 27 ((transportation)) multimodal fund.

(4) The chief of the Washington state patrol is authorized to
 arrange for the connection of the communications network with the law
 enforcement communications system of any adjacent state, or the
 Province of British Columbia, Canada.

32 **Sec. 8.** RCW 46.12.040 and 1990 c 238 s 2 are each amended to read 33 as follows:

The application accompanied by a draft, money order, certified bank check, or cash for one dollar and twenty-five cents, together with the last preceding certificates or other satisfactory evidence of ownership, shall be forwarded to the director.

1 The <u>application</u> fee shall be in addition to any other fee for the 2 license registration of the vehicle. <u>The application fee must be</u> 3 <u>deposited into the multimodal fund.</u> The certificate of ownership shall 4 not be required to be renewed annually, or at any other time, except as 5 by law provided.

6 In addition to the application fee and any other fee for the 7 license registration of a vehicle, there shall be collected from the 8 applicant an inspection fee whenever a physical examination of the 9 vehicle is required as a part of the vehicle licensing or titling 10 process.

For vehicles previously registered in any other state or country, the inspection fee shall be fifteen dollars and shall be deposited in the motor vehicle fund. For all other vehicles requiring a physical examination, the inspection fee shall be twenty dollars and shall be deposited in the motor vehicle fund.

16 **Sec. 9.** RCW 46.68.035 and 1993 c 102 s 7 are each amended to read 17 as follows:

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

(1) The sum of two dollars for each vehicle shall be deposited into the ((highway safety)) <u>multimodal</u> fund, except that for each vehicle registered by a county auditor or agent to a county auditor pursuant to RCW 46.01.140, the sum of two dollars shall be credited to the current county expense fund.

27 (2) The remainder shall be distributed as follows:

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

30 (b)) 1.521 percent shall be deposited into the Puget Sound ferry 31 operations account of the motor vehicle fund; and

32 (((-))) (b) The remaining proceeds shall be deposited into the 33 motor vehicle fund.

34 **Sec. 10.** RCW 82.36.380 and 1995 c 287 s 2 are each amended to read 35 as follows:

36 (1) It is unlawful for a person or corporation to evade a tax or37 fee imposed under this chapter.

1 (2) Evasion of taxes or fees under this chapter is a class C felony 2 under chapter 9A.20 RCW. In addition to other penalties and remedies 3 provided by law, the court shall order a person or corporation found 4 guilty of violating subsection (1) of this section to:

5 (a) Pay the tax or fee evaded plus interest, commencing at the date 6 the tax or fee was first due, at the rate of twelve percent per year, 7 compounded monthly; and

8 (b) Pay a penalty of one hundred percent of the tax evaded, to the
9 ((transportation)) multimodal fund of the state.

10 **Sec. 11.** RCW 82.38.270 and 1995 c 287 s 4 are each amended to read 11 as follows:

12 (1) It is unlawful for a person or corporation to evade a tax or13 fee imposed under this chapter.

(2) Evasion of taxes or fees under this chapter is a class C felony
under chapter 9A.20 RCW. In addition to other penalties and remedies
provided by law, the court shall order a person or corporation found
guilty of violating subsection (1) of this section to:

(a) Pay the tax or fee evaded plus interest, commencing at the date
the tax or fee was first due, at the rate of twelve percent per year,
compounded monthly; and

(b) Pay a penalty of one hundred percent of the tax evaded, to the
 ((transportation)) <u>multimodal</u> fund of the state.

23 <u>NEW SECTION.</u> Sec. 12. RCW 82.44.180 (Transportation fund--24 Deposits and distributions) and 1999 c 402 s 5, 1999 c 94 s 31, 1998 c 25 321 s 41 (Referendum Bill No. 49), & 1995 c 269 s 2601 are each 26 repealed.

27 NEW SECTION. Sec. 13. Sections 1 and 3 of this act are necessary for the immediate preservation of the public peace, health, or safety, 28 state government and its existing public 29 support of the or institutions. Section 1 of this act takes effect immediately. Section 30 3 of this act is also remedial in nature and takes effect retroactively 31 as of December 31, 1999. Section 6 of this act takes effect September 32 1, 2000. The remainder of this act takes effect July 1, 2000. 33

1 <u>NEW SECTION.</u> Sec. 14. Sections 4 and 5 of this act expire

2 September 1, 2000.

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