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SENATE BILL 5746

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State of Washington

57th Legislature

2001 Regular Session

By Senators Haugen, Horn and Kohl-Welles; by request of The Blue Ribbon Commission on Transportation

Read first time 02/01/2001. Referred to Committee on Transportation.

1 AN ACT Relating to transportation financing; amending RCW  
2 46.16.0621, 46.16.070, 46.68.035, 47.60.326, 82.08.020, 82.08.0255,  
3 82.80.020, 82.80.070, and 82.03.130; reenacting and amending RCW  
4 82.36.025; adding a new section to chapter 84.55 RCW; adding new  
5 sections to chapter 82.32 RCW; adding a new section to chapter 82.14  
6 RCW; adding a new section to chapter 82.80 RCW; adding a new section to  
7 chapter 82.44 RCW; adding a new section to chapter 82.04 RCW; adding a  
8 new chapter to Title 47 RCW; repealing RCW 39.88.010, 39.88.020,  
9 39.88.030, 39.88.040, 39.88.050, 39.88.060, 39.88.070, 39.88.080,  
10 39.88.090, 39.88.100, 39.88.110, 39.88.120, 39.88.130, 39.88.900,  
11 39.88.905, 39.88.910, 39.88.915, and 84.55.080; providing an effective  
12 date; and declaring an emergency.

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

14 **Sec. 1.** RCW 46.16.0621 and 2000 1st sp.s. c 1 s 1 are each amended  
15 to read as follows:

16 (1) License tab fees shall be thirty dollars per year for motor  
17 vehicles, regardless of year, value, make, or model, beginning January  
18 1, 2000.

1 (2) For the purposes of this section, "license tab fees" are  
 2 defined as the general fees paid annually for licensing motor vehicles,  
 3 including cars, sport utility vehicles, motorcycles, ~~((and))~~ motor  
 4 homes, and nonmotorized vehicles including trailers as defined in RCW  
 5 46.04.620. Trailers licensed under RCW 46.16.065, 46.16.068, or  
 6 46.16.085 shall not be required to pay license tab fees under this  
 7 section.

8 **Sec. 2.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to read  
 9 as follows:

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

DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
Less than 4,000 lbs. . . . .	\$ 36.00 . . . . .	\$ 30.00
4,000 lbs. . . . .	<del>((37.00))</del> . . . . .	37.00
	<u>43.00</u>	
6,000 lbs. . . . .	<del>((44.00))</del> . . . . .	44.00
	<u>50.00</u>	
8,000 lbs. . . . .	<del>((55.00))</del> . . . . .	55.00
	<u>61.00</u>	
10,000 lbs. . . . .	<del>((62.00))</del> . . . . .	62.00
	<u>68.00</u>	
12,000 lbs. . . . .	<del>((72.00))</del> . . . . .	72.00
	<u>78.00</u>	
14,000 lbs. . . . .	<del>((82.00))</del> . . . . .	82.00
	<u>88.00</u>	
16,000 lbs. . . . .	<del>((92.00))</del> . . . . .	92.00
	<u>98.00</u>	
18,000 lbs. . . . .	<del>((137.00))</del> . . . . .	137.00
	<u>143.00</u>	
20,000 lbs. . . . .	<del>((152.00))</del> . . . . .	152.00
	<u>158.00</u>	
22,000 lbs. . . . .	<del>((164.00))</del> . . . . .	164.00
	<u>170.00</u>	
24,000 lbs. . . . .	<del>((177.00))</del> . . . . .	177.00
	<u>183.00</u>	

1	26,000 lbs. . . . .	\$ <del>((187.00))</del> . . . . .	\$ 187.00
2		<u>193.00</u>	
3	28,000 lbs. . . . .	\$ <del>((220.00))</del> . . . . .	\$ 220.00
4		<u>226.00</u>	
5	30,000 lbs. . . . .	\$ <del>((253.00))</del> . . . . .	\$ 253.00
6		<u>259.00</u>	
7	32,000 lbs. . . . .	\$ <del>((304.00))</del> . . . . .	\$ 304.00
8		<u>310.00</u>	
9	34,000 lbs. . . . .	\$ <del>((323.00))</del> . . . . .	\$ 323.00
10		<u>329.00</u>	
11	36,000 lbs. . . . .	\$ <del>((350.00))</del> . . . . .	\$ 350.00
12		<u>356.00</u>	
13	38,000 lbs. . . . .	\$ <del>((384.00))</del> . . . . .	\$ 384.00
14		<u>390.00</u>	
15	40,000 lbs. . . . .	\$ <del>((439.00))</del> . . . . .	\$ 439.00
16		<u>445.00</u>	
17	42,000 lbs. . . . .	\$ <del>((456.00))</del> . . . . .	\$ 546.00
18		<u>462.00</u>	
19	44,000 lbs. . . . .	\$ <del>((466.00))</del> . . . . .	\$ 556.00
20		<u>472.00</u>	
21	46,000 lbs. . . . .	\$ <del>((501.00))</del> . . . . .	\$ 591.00
22		<u>507.00</u>	
23	48,000 lbs. . . . .	\$ <del>((522.00))</del> . . . . .	\$ 612.00
24		<u>528.00</u>	
25	50,000 lbs. . . . .	\$ <del>((566.00))</del> . . . . .	\$ 656.00
26		<u>572.00</u>	
27	52,000 lbs. . . . .	\$ <del>((595.00))</del> . . . . .	\$ 685.00
28		<u>601.00</u>	
29	54,000 lbs. . . . .	\$ <del>((642.00))</del> . . . . .	\$ 732.00
30		<u>648.00</u>	
31	56,000 lbs. . . . .	\$ <del>((677.00))</del> . . . . .	\$ 767.00
32		<u>683.00</u>	
33	58,000 lbs. . . . .	\$ <del>((704.00))</del> . . . . .	\$ 794.00
34		<u>710.00</u>	
35	60,000 lbs. . . . .	\$ <del>((750.00))</del> . . . . .	\$ 840.00
36		<u>756.00</u>	
37	62,000 lbs. . . . .	\$ <del>((804.00))</del> . . . . .	\$ 894.00
38		<u>810.00</u>	
39	64,000 lbs. . . . .	\$ <del>((822.00))</del> . . . . .	\$ 912.00
40		<u>828.00</u>	
41	66,000 lbs. . . . .	\$ <del>((915.00))</del> . . . . .	\$ 1,005.00
42		<u>921.00</u>	
43	68,000 lbs. . . . .	\$ <del>((954.00))</del> . . . . .	\$ 1,044.00
44		<u>960.00</u>	
45	70,000 lbs. . . . .	\$ <del>((1,027.00))</del> . . . . .	\$ 1,117.00
46		<u>1,033.00</u>	
47	72,000 lbs. . . . .	\$ <del>((1,098.00))</del> . . . . .	\$ 1,188.00

1		<u>1,104.00</u>	
2	74,000 lbs. ....	\$ <del>((1,193.00))</del> .....	\$ 1,283.00
3		<u>1,199.00</u>	
4	76,000 lbs. ....	\$ <del>((1,289.00))</del> .....	\$ 1,379.00
5		<u>1,295.00</u>	
6	78,000 lbs. ....	\$ <del>((1,407.00))</del> .....	\$ 1,497.00
7		<u>1,413.00</u>	
8	80,000 lbs. ....	\$ <del>((1,518.00))</del> .....	\$ 1,608.00
9		<u>1,524.00</u>	
10	82,000 lbs. ....	\$ <del>((1,623.00))</del> .....	\$ 1,713.00
11		<u>1,629.00</u>	
12	84,000 lbs. ....	\$ <del>((1,728.00))</del> .....	\$ 1,818.00
13		<u>1,734.00</u>	
14	86,000 lbs. ....	\$ <del>((1,833.00))</del> .....	\$ 1,923.00
15		<u>1,839.00</u>	
16	88,000 lbs. ....	\$ <del>((1,938.00))</del> .....	\$ 2,028.00
17		<u>1,944.00</u>	
18	90,000 lbs. ....	\$ <del>((2,043.00))</del> .....	\$ 2,133.00
19		<u>2,049.00</u>	
20	92,000 lbs. ....	\$ <del>((2,148.00))</del> .....	\$ 2,238.00
21		<u>2,154.00</u>	
22	94,000 lbs. ....	\$ <del>((2,253.00))</del> .....	\$ 2,343.00
23		<u>2,259.00</u>	
24	96,000 lbs. ....	\$ <del>((2,358.00))</del> .....	\$ 2,448.00
25		<u>2,364.00</u>	
26	98,000 lbs. ....	\$ <del>((2,463.00))</del> .....	\$ 2,553.00
27		<u>2,469.00</u>	
28	100,000 lbs. ....	\$ <del>((2,568.00))</del> .....	\$ 2,658.00
29		<u>2,574.00</u>	
30	102,000 lbs. ....	\$ <del>((2,673.00))</del> .....	\$ 2,763.00
31		<u>2,679.00</u>	
32	104,000 lbs. ....	\$ <del>((2,778.00))</del> .....	\$ 2,868.00
33		<u>2,784.00</u>	
34	105,500 lbs. ....	\$ <del>((2,883.00))</del> .....	\$ 2,973.00
35		<u>2,889.000</u>	

36 Schedule A applies to vehicles either used exclusively for hauling  
37 logs or that do not tow trailers. Schedule B applies to vehicles that  
38 tow trailers and are not covered under Schedule A.

39 (2) Every truck, motor truck, truck tractor, and tractor exceeding  
40 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,  
41 or 46.88 RCW shall be licensed for not less than one hundred fifty  
42 percent of its empty weight unless the amount would be in excess of the  
43 legal limits prescribed for such a vehicle in RCW 46.44.041 or  
44 46.44.042, in which event the vehicle shall be licensed for the maximum  
45 weight authorized for such a vehicle or unless the vehicle is used only

1 for the purpose of transporting any well drilling machine, air  
2 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,  
3 tool house, bunk house, or similar machine or structure attached to or  
4 made a part of such vehicle.

5 (3) Beginning with all motor vehicle registrations that are due or  
6 become due on November 1, 2002, and thereafter, there shall be paid and  
7 collected annually a twenty-five percent surcharge on the gross weight  
8 portion of the current combined licensing fees for all trucks, motor  
9 trucks, truck tractors, and tractors. The proceeds from the surcharge  
10 shall be deposited into the motor vehicle fund for use on projects  
11 dealing with freight mobility.

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

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

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

22 ~~((+2))~~ (5) The proceeds from the fees collected under subsections  
23 (1), (2), and (4) of this section shall be distributed in accordance  
24 with RCW 46.68.035.

25 **Sec. 3.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each amended  
26 to read as follows:

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

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

36 (2) The remainder shall be distributed as follows, except the  
37 twenty-five percent surcharge:

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

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

5 (c) The remaining proceeds shall be deposited into the motor  
6 vehicle fund.

7 (3) The proceeds from the twenty-five percent surcharge on the  
8 gross weight of trucks, motor trucks, truck trailers, and tractors  
9 shall be deposited into the motor vehicle fund pursuant to RCW  
10 46.16.070(3).

11 **Sec. 4.** RCW 47.60.326 and 1999 c 94 s 27 are each amended to read  
12 as follows:

13 (1) In order to maintain an adequate, fair, and economically sound  
14 schedule of charges for the transportation of passengers, vehicles, and  
15 commodities on the Washington state ferries, the department of  
16 transportation each year shall conduct a full review of such charges.

17 (2) Prior to February 1st of each odd-numbered year the department  
18 shall transmit to the transportation commission a report of its review  
19 together with its recommendations for the revision of a schedule of  
20 charges for the ensuing biennium. The commission on or before July 1st  
21 of that year shall adopt as a rule, in the manner provided by the  
22 Washington administrative procedure act, a schedule of charges for the  
23 Washington state ferries for the ensuing biennium commencing July 1st.  
24 The schedule may initially be adopted as an emergency rule if necessary  
25 to take effect on, or as near as possible to, July 1st.

26 (3) The department in making its review and formulating  
27 recommendations and the commission in adopting a schedule of charges  
28 may consider any of the following factors:

29 (a) The amount of subsidy available to the ferry system for  
30 maintenance and operation;

31 (b) The time and distance of ferry runs;

32 (c) The maintenance and operation costs for ferry runs with a  
33 proper adjustment for higher costs of operating outmoded or less  
34 efficient equipment;

35 (d) The efficient distribution of traffic between cross-sound  
36 routes;

37 (e) The desirability of reasonable commutation rates for persons  
38 using the ferry system to commute daily to work;

1 (f) The effect of proposed fares in increasing walk-on and  
2 vehicular passenger use;

3 (g) The effect of proposed fares in promoting all types of ferry  
4 use during nonpeak periods;

5 (h) Such other factors as prudent managers of a major ferry system  
6 would consider.

7 (4) The commission shall adopt a schedule of charges that will  
8 produce revenues equal to or greater than:

9 (a) Eighty percent of the total cost of maintenance and operation  
10 of the Washington state ferries by July 1, 2007; and

11 (b) Ninety percent of the total cost of maintenance and operation  
12 of the Washington state ferries by July 1, 2021.

13 (5) The commission's adoption of a schedule of charges sufficient  
14 to meet the revenue targets of subsection (4) of this section is  
15 subject to the following conditions:

16 (a) Increases to the schedule of charges shall be phased in over  
17 time to mitigate the impact to ferry dependant communities while still  
18 ensuring that the revenue targets are met by the deadline established  
19 in subsection (4) of this section;

20 (b) The department shall annually evaluate the impact on the volume  
21 of ridership of any increases to the schedule of charges. The  
22 department and commission shall consider revising future increases in  
23 the schedule of charges based upon that impact; and

24 (c) The commission may incorporate changes to its schedule of  
25 charges designed to meet other policy goals as allowed under subsection  
26 (3) of this section as part of the changes to the schedule of charges  
27 implemented under subsection (4) of this section.

28 (6) If at any time during the biennium it appears that projected  
29 revenues from the Puget Sound ferry operations account and any other  
30 operating subsidy available to the Washington state ferries will be  
31 less than the projected total cost of maintenance and operation of the  
32 Washington state ferries for the biennium, the department shall  
33 forthwith undertake a review of its schedule of charges to ascertain  
34 whether or not the schedule of charges should be revised. The  
35 department shall, upon completion of its review report, submit its  
36 recommendation to the transportation commission which may in its sound  
37 discretion revise the schedule of charges as required to meet necessary  
38 maintenance and operation expenditures of the ferry system for the  
39 biennium or may defer action until the regular annual review and

1 revision of ferry charges as provided in subsection (2) of this  
2 section.

3 ~~((+5))~~ (7) The provisions of RCW 47.60.330 relating to public  
4 participation shall apply to the process of revising ferry tolls under  
5 this section.

6 (8) Under RCW 43.135.055, the transportation commission may  
7 increase ferry tolls included in the schedule of charges adopted under  
8 this section by a percentage that exceeds the fiscal growth factor.

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

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

14 (2) The tax on motor vehicle fuel shall be based upon the commodity  
15 price of the fuel up to a cap of eighty cents and shall be collected at  
16 the rack as that term is defined in RCW 82.36.010(23).

17 (3) There is levied and there shall be collected an additional tax  
18 on each retail car rental, regardless of whether the vehicle is  
19 licensed in this state, equal to five and nine-tenths percent of the  
20 selling price. The revenue collected under this subsection shall be  
21 deposited in the multimodal transportation account created in RCW  
22 47.66.070.

23 ~~((+3))~~ (4) The taxes imposed under this chapter shall apply to  
24 successive retail sales of the same property.

25 ~~((+4))~~ (5) The rates provided in this section apply to taxes  
26 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

27 **Sec. 6.** RCW 82.08.0255 and 1998 c 176 s 4 are each amended to read  
28 as follows:

29 (1) The tax levied by RCW 82.08.020 shall not apply to sales of:

30 (a) Motor vehicle fuel used in aircraft by the manufacturer  
31 ~~((thereof))~~ for research, development, and testing purposes; and

32 (b) Motor vehicle and special fuel if:

33 (i) The fuel is purchased for the purpose of public transportation  
34 and the purchaser is entitled to a refund or an exemption under RCW  
35 82.36.275 or 82.38.080(3); or

36 (ii) The fuel is purchased by a private, nonprofit transportation  
37 provider certified under chapter 81.66 RCW and the purchaser is



1 entitled to a refund or an exemption under RCW 82.36.285 or  
2 82.38.080(1)(h)(~~or~~  
3 ~~(iii) The fuel is taxable under chapter 82.36 or 82.38 RCW~~)).

4 (2) Any person who has paid the tax imposed by RCW 82.08.020 on the  
5 sale of special fuel delivered in this state shall be entitled to a  
6 credit or refund of such tax with respect to fuel subsequently  
7 established to have been actually transported and used outside this  
8 state by persons engaged in interstate commerce. The tax shall be  
9 claimed as a credit or refunded through the tax reports required under  
10 RCW 82.38.150.

11 **Sec. 7.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are  
12 each reenacted and amended to read as follows:

13 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon  
14 shall apply to the sale, distribution, or use of motor vehicle fuel.

15 (2) Beginning July 1, 2001, an additional motor fuel tax rate of  
16 six cents per gallon shall apply to the sale, distribution, or use of  
17 motor vehicle fuel, and the proceeds from this additional tax rate  
18 shall be deposited in the motor vehicle account of the motor vehicle  
19 fund.

20 **Sec. 8.** RCW 82.80.020 and 2000 c 103 s 20 are each amended to read  
21 as follows:

22 (1) The legislative authority of a county, or (~~subject to~~  
23 ~~subsection (7) of this section,~~) a (~~qualifying~~) city or town located  
24 in a county that has not imposed (~~a fifteen-dollar~~) the maximum fee  
25 under this section, may fix and impose an additional fee, not to exceed  
26 (~~fifteen~~) fifty dollars per vehicle, for each vehicle that is subject  
27 to license fees under RCW 46.16.060 and for each vehicle that is  
28 subject to RCW 46.16.070 with an unladen weight of six thousand pounds  
29 or less, and that is determined by the department of licensing to be  
30 registered within the boundaries of the county.

31 (2) The department of licensing shall administer and collect the  
32 fee. The department shall deduct a percentage amount, as provided by  
33 contract, not to exceed two percent of the taxes collected, for  
34 administration and collection expenses incurred by it. The remaining  
35 proceeds shall be remitted to the custody of the state treasurer for  
36 monthly distribution under RCW 82.80.080.

1 (3) The proceeds of this fee shall be used strictly for  
2 transportation purposes in accordance with RCW 82.80.070.

3 (4) A county (~~(or qualifying))~~ city, or town imposing this fee or  
4 initiating an exemption process shall delay the effective date at least  
5 six months from the date the ordinance is enacted to allow the  
6 department of licensing to implement administration and collection of  
7 or exemption from the fee.

8 (5) The legislative authority of a county (~~(or qualifying))~~ city,  
9 or town may develop and initiate an exemption process of the (~~fifteen~~  
10 ~~dollar~~) fee for the registered owners of vehicles residing within the  
11 boundaries of the county (~~(or qualifying))~~ city, or town: (a) Who are  
12 sixty-one years old or older at the time payment of the fee is due and  
13 whose household income for the previous calendar year is less than an  
14 amount prescribed by the county (~~(or qualifying))~~ city, or town  
15 legislative authority; or (b) who have a physical disability.

16 (6) The legislative authority of a county (~~(or qualifying))~~ city,  
17 or town shall develop and initiate an exemption process of the  
18 (~~fifteen-dollar~~) fee for vehicles registered within the boundaries of  
19 the county that are licensed under RCW 46.16.374.

20 (7) (~~For purposes of this section, a "qualifying city or town"~~  
21 ~~means a city or town residing within a county having a population of~~  
22 ~~greater than seventy five thousand in which is located all or part of~~  
23 ~~a national monument.)) A (~~qualifying~~) city or town may impose the  
24 fee authorized in subsection (1) of this section subject to the  
25 following conditions and limitations:~~

26 (a) The city or town may impose the fee only if authorized to do so  
27 by a majority (~~of voters voting at a general or special election on a~~  
28 ~~proposition for that purpose. At a minimum, the ballot measure shall~~  
29 ~~contain: (i) A description of the transportation project proposed for~~  
30 ~~funding, properly identified by mileposts or other designations that~~  
31 ~~specify the project parameters; (ii) the proposed number of months or~~  
32 ~~years necessary to fund the city or town's share of the project cost;~~  
33 ~~and (iii) the amount of fee to be imposed for the project)) vote of the  
34 legislative authority.~~

35 (b) The city or town may not impose a fee that, if combined with  
36 the county fee, exceeds (~~fifteen~~) fifty dollars. If a county imposes  
37 or increases a fee under this section that, if combined with the fee  
38 imposed by a city or town, exceeds (~~fifteen~~) fifty dollars, the city  
39 or town fee shall be reduced or eliminated as needed so that in no city

1 or town does the combined fee exceed ((fifteen)) fifty dollars. All  
2 revenues from county-imposed fees shall be distributed as called for in  
3 RCW 82.80.080.

4 ~~((c) Any fee imposed by a city or town under this section shall  
5 expire at the end of the term of months or years provided in the ballot  
6 measure, or when the city or town's bonded indebtedness on the project  
7 is retired, whichever is sooner.))~~

8 (8) The fee imposed under subsection (7) of this section shall  
9 apply only to renewals and shall not apply to ownership transfer  
10 transactions.

11 **Sec. 9.** RCW 82.80.070 and 1991 c 141 s 4 are each amended to read  
12 as follows:

13 (1) The proceeds collected pursuant to the exercise of the local  
14 option authority of RCW 82.80.010, 82.80.020, 82.80.030, ((and))  
15 82.80.050, and section 8 of this act (hereafter called "local option  
16 transportation revenues") shall be used for transportation purposes  
17 only, including but not limited to the following: The operation and  
18 preservation of roads, streets, and other transportation improvements;  
19 new construction, reconstruction, and expansion of city streets, county  
20 roads, and state highways and other transportation improvements;  
21 development and implementation of public transportation and high-  
22 capacity transit improvements and programs; and planning, design, and  
23 acquisition of right of way and sites for such transportation purposes.  
24 The proceeds collected from excise taxes on the sale, distribution, or  
25 use of motor vehicle fuel and special fuel under RCW 82.80.010 shall be  
26 used exclusively for "highway purposes" as that term is construed in  
27 Article II, section 40 of the state Constitution.

28 (2) The local option transportation revenues shall be expended for  
29 transportation uses consistent with the adopted transportation and land  
30 use plans of the jurisdiction expending the funds and consistent with  
31 any applicable and adopted regional transportation plan for  
32 metropolitan planning areas.

33 (3) Each local government with a population greater than eight  
34 thousand that levies or expends local option transportation funds, is  
35 also required to develop and adopt a specific transportation program  
36 that contains the following elements:

1 (a) The program shall identify the geographic boundaries of the  
2 entire area or areas within which local option transportation revenues  
3 will be levied and expended.

4 (b) The program shall be based on an adopted transportation plan  
5 for the geographic areas covered and shall identify the proposed  
6 operation and construction of transportation improvements and services  
7 in the designated plan area intended to be funded in whole or in part  
8 by local option transportation revenues and shall identify the annual  
9 costs applicable to the program.

10 (c) The program shall indicate how the local transportation plan is  
11 coordinated with applicable transportation plans for the region and for  
12 adjacent jurisdictions.

13 (d) The program shall include at least a six-year funding plan,  
14 updated annually, identifying the specific public and private sources  
15 and amounts of revenue necessary to fund the program. The program  
16 shall include a proposed schedule for construction of projects and  
17 expenditure of revenues. The funding plan shall consider the  
18 additional local tax revenue estimated to be generated by new  
19 development within the plan area if all or a portion of the additional  
20 revenue is proposed to be earmarked as future appropriations for  
21 transportation improvements in the program.

22 (4) Local governments with a population greater than eight thousand  
23 exercising the authority for local option transportation funds shall  
24 periodically review and update their transportation program to ensure  
25 that it is consistent with applicable local and regional transportation  
26 and land use plans and within the means of estimated public and private  
27 revenue available.

28 (5) In the case of expenditure for new or expanded transportation  
29 facilities, improvements, and services, priorities in the use of local  
30 option transportation revenues shall be identified in the  
31 transportation program and expenditures shall be made based upon the  
32 following criteria, which are stated in descending order of weight to  
33 be attributed:

34 (a) First, the project serves a multijurisdictional function;

35 (b) Second, it is necessitated by existing or reasonably  
36 foreseeable congestion;

37 (c) Third, it has the greatest person-carrying capacity;

38 (d) Fourth, it is partially funded by other government funds, such  
39 as from the state transportation improvement board, or by private

1 sector contributions, such as those from the local transportation act,  
2 chapter 39.92 RCW; and

3 (e) Fifth, it meets such other criteria as the local government  
4 determines is appropriate.

5 (6) It is the intent of the legislature that as a condition of  
6 levying, receiving, and expending local option transportation revenues,  
7 no local government agency use the revenues to replace, divert, or loan  
8 any revenues currently being used for transportation purposes to  
9 nontransportation purposes. (~~The association of Washington cities and  
10 the Washington state association of counties, in consultation with the  
11 legislative transportation committee, shall study the issue of  
12 nondiversion and make recommendations to the legislative transportation  
13 committee for language implementing the intent of this section by  
14 December 1, 1990.~~)

15 (7) Local governments are encouraged to enter into interlocal  
16 agreements to jointly develop and adopt with other local governments  
17 the transportation programs required by this section for the purpose of  
18 accomplishing regional transportation planning and development.

19 (8) Local governments may use all or a part of the local option  
20 transportation revenues for the amortization of local government  
21 general obligation and revenue bonds issued for transportation purposes  
22 consistent with the requirements of this section.

23 NEW SECTION. **Sec. 10.** It is declared to be the public policy of  
24 the state of Washington to encourage and facilitate the improvement of  
25 transportation infrastructure. The construction of necessary  
26 transportation improvements in accordance with local community planning  
27 will encourage investment in job-producing economic development and  
28 will expand the public tax base.

29 It is the purpose of this chapter to allocate a portion of regular  
30 property taxes for limited periods of time to assist in the financing  
31 of transportation improvements which are needed to encourage economic  
32 development of urban areas; to improve transportation mobility in  
33 congested urban areas due to the inability of existing financing  
34 methods to provide needed transportation improvements; to encourage  
35 local taxing districts to cooperate in the allocation of future tax  
36 revenues arising in urban areas in order to facilitate the long-term  
37 growth of their common tax base; and to encourage private investment  
38 within congested urban areas.

1        NEW SECTION.    **Sec. 11.**    The definitions in this section apply

2 throughout this chapter unless the context clearly requires otherwise.

3        (1) "Apportionment district" means the geographic area, within an  
4 urban area, from which regular property taxes are to be apportioned to  
5 finance a transportation improvement contained therein.

6        (2) "Assessed value of real property" means the valuation of real  
7 property as placed on the last completed assessment roll of the county.

8        (3) "City" means any city or town.

9        (4) "Ordinance" means any appropriate method of taking a  
10 legislative action by a county or city, whether known as a statute,  
11 resolution, ordinance, or otherwise.

12        (5) "Transportation improvement" means an undertaking to provide  
13 transportation facilities in an urban area which the sponsor has  
14 authority to provide.

15        (6) "Transportation improvement costs" means the costs of design,  
16 planning, right of way acquisition, site preparation, construction,  
17 reconstruction, rehabilitation, maintenance, preservation, and  
18 installation of the transportation improvement; costs of relocation,  
19 maintenance, and operation of property pending construction of the  
20 transportation improvement; costs of utilities relocated as a result of  
21 the transportation improvement; costs of financing, including interest  
22 during construction, legal and other professional services, taxes, and  
23 insurance; costs incurred by the assessor to revalue real property for  
24 the purpose of determining the tax allocation base value that are in  
25 excess of costs incurred by the assessor in accordance with his or her  
26 revaluation plan under chapter 84.41 RCW, and the costs of apportioning  
27 the taxes and complying with this chapter and other applicable law; and  
28 administrative costs reasonably necessary and related to these costs.  
29 These costs may include costs incurred prior to the adoption of the  
30 transportation improvement ordinance, but subsequent to the effective  
31 date of this section.

32        (7) "Transportation improvement ordinance" means the ordinance  
33 passed under section 13(4) of this act.

34        (8) "Regular property taxes" means regular property taxes as now or  
35 hereafter defined in RCW 84.04.140, except: (a) Regular property taxes  
36 levied by port districts or public utility districts specifically for  
37 the purpose of making required payments of principal and interest on  
38 general indebtedness; and (b) regular property taxes levied by the  
39 state for the support of the common schools under RCW 84.52.065.

1 (9) "Sponsor" means the legislative authority of any county or city  
2 initiating and undertaking a transportation improvement.

3 (10) "Tax allocation base value of real property" means the true  
4 and fair value of real property within an apportionment district for  
5 the year in which the apportionment district was established.

6 (11) "Tax allocation bonds" means any bonds, notes, or other  
7 obligations issued by a sponsor under section 19 of this act.

8 (12) "Tax allocation revenues" means those tax revenues allocated  
9 to a sponsor under section 16(1)(b) of this act.

10 (13) "Taxing districts" means any governmental entity which levies  
11 or has levied for it regular property taxes upon real property located  
12 within a proposed or approved apportionment district.

13 (14) "Vacant land" means land that is not used for any purpose.  
14 "Vacant land" does not include paved or unpaved revenue-generating  
15 motor vehicle parking lots.

16 (15) "Value of taxable property" means value of taxable property as  
17 defined in RCW 39.36.015.

18 (16) "Urban area" means an urban growth area designated under RCW  
19 36.70A.110, a new fully contained community designated under RCW  
20 36.70A.350, a major industrial development designated under RCW  
21 36.70A.365, or a master planned location for major industrial  
22 developments designated under RCW 36.70A.367.

23 NEW SECTION. **Sec. 12.** (1) Only transportation improvements which  
24 are determined by the legislative authority of the sponsor to meet the  
25 following criteria are eligible to be financed under this chapter:

26 (a) The transportation improvement is located within an urban area;

27 (b) The transportation improvement will stimulate economic  
28 development within the apportionment district;

29 (c) The economic development within the apportionment district will  
30 increase the assessed value of the apportionment district;

31 (d) The economic development which is anticipated to occur within  
32 the apportionment district as a result of the transportation  
33 improvement is consistent with an existing comprehensive land use plan  
34 and approved growth policies of the jurisdiction within which it is  
35 located;

36 (e) A transportation improvement located within a city has been  
37 approved by the legislative authority of such city; and

1 (f) A transportation improvement located within an urban area in an  
2 unincorporated area has been approved by the legislative authority of  
3 the county within whose boundaries the area lies.

4 (2) Apportionment of regular property tax revenues to finance the  
5 transportation improvements is subject to the following limitations:

6 (a) No apportionment of regular property tax revenues may take  
7 place within a previously established apportionment district where  
8 regular property taxes are still apportioned to finance public or  
9 transportation improvements without the concurrence of the sponsor  
10 which established the district;

11 (b) No apportionment district may be established which includes any  
12 geographic area included within a previously established apportionment  
13 district which has outstanding bonds payable in whole or in part from  
14 tax allocation revenues;

15 (c) The total amount of outstanding bonds payable in whole or in  
16 part from tax allocation revenues arising from property located within  
17 a city shall not exceed two percent of the value of taxable property  
18 within the city, and the total amount of outstanding bonds payable in  
19 whole or in part from tax allocation revenues arising from property  
20 located within the unincorporated areas of a county shall not exceed  
21 two percent of the value of taxable property within the entire  
22 unincorporated area of the county; and

23 (d) No taxes other than regular property taxes may be apportioned  
24 under this chapter.

25 (3) Transportation improvements may be undertaken and coordinated  
26 with other programs or efforts undertaken by the sponsor or others and  
27 may be funded in whole or in part from sources other than those  
28 provided by this chapter.

29 NEW SECTION. **Sec. 13.** Transportation improvements funded by tax  
30 allocation revenues may only be located within an urban area. In order  
31 to secure an allocation of regular property taxes to finance a  
32 transportation improvement, a sponsor shall:

33 (1) Propose by ordinance a plan for the transportation improvement  
34 which includes a description of the contemplated transportation  
35 improvement, the estimated cost thereof, the boundaries of the  
36 apportionment district, the estimated period during which tax revenue  
37 apportionment is contemplated, and the ways in which the sponsor plans  
38 to use tax allocation revenues to finance the transportation



1 improvement, and which sets at least three public hearings thereon  
2 before the legislative authority of the sponsor or a committee thereof:  
3 PROVIDED, That public hearings for the transportation improvement that  
4 is undertaken in combination or coordination by two or more sponsors  
5 may be held jointly; and public hearings, held before the legislative  
6 authority or a committee of a majority thereof may be combined with  
7 public hearings held for other purposes;

8 (2) At least fifteen days in advance of the hearing:

9 (a) Deliver notice of the hearing to all taxing districts, the  
10 county treasurer, and the county assessor, which notice includes a map  
11 or drawing showing the location of the contemplated transportation  
12 improvement and the boundaries of the proposed apportionment district,  
13 a brief description of the transportation improvement, the estimated  
14 cost thereof, the anticipated increase in property values within the  
15 apportionment district, the location of the sponsor's principal  
16 business office where it will maintain information concerning the  
17 transportation improvement for public inspection, and the date and  
18 place of hearing; and

19 (b) Post notice in at least six public places located in the  
20 proposed apportionment district and publish notice in a legal newspaper  
21 of general circulation within the sponsor's jurisdiction briefly  
22 describing the transportation improvement, the proposed apportionment,  
23 the boundaries of the proposed apportionment district, the location  
24 where additional information concerning the transportation improvement  
25 may be inspected, and the date and place of hearing;

26 (3) At the time and place fixed for the hearing under subsection  
27 (1) of this section, and at such times to which the hearing may be  
28 adjourned, receive and consider all statements and materials as may be  
29 submitted, and objections and letters filed before or within ten days  
30 thereafter;

31 (4) Within one hundred twenty days after completion of the public  
32 hearings, pass an ordinance establishing the apportionment district and  
33 authorizing the proposed transportation improvement, including any  
34 modifications which in the sponsor's opinion the hearings indicated  
35 should be made, which includes the boundaries of the apportionment  
36 district, a description of the transportation improvement, the  
37 estimated cost thereof, the portion of the estimated cost thereof to be  
38 reimbursed from tax allocation revenues, the estimated time during  
39 which regular property taxes are to be apportioned, the date upon which

1 apportionment of the regular property taxes will commence, and a  
2 finding that the transportation improvement meets the conditions of  
3 section 12 of this act.

4 NEW SECTION. **Sec. 14.** Within fifteen days after enactment of the  
5 public improvement ordinance, the sponsor shall publish notice in a  
6 legal newspaper circulated within the designated apportionment district  
7 summarizing the final transportation improvement, including a brief  
8 description of the transportation improvement, the boundaries of the  
9 apportionment district, and the location where the transportation  
10 improvement ordinance and any other information concerning the  
11 transportation improvement may be inspected.

12 Within fifteen days after enactment of the transportation  
13 improvement ordinance, the sponsor shall deliver a certified copy  
14 thereof to each taxing district, the county treasurer, and the county  
15 assessor.

16 NEW SECTION. **Sec. 15.** (1) Any taxing district that objects to the  
17 apportionment district, the duration of the apportionment, the manner  
18 of apportionment, or the propriety of cost items established by the  
19 transportation improvement ordinance of the sponsor may, within thirty  
20 days after mailing of the ordinance, petition for review thereof by the  
21 state board of tax appeals. The state board of tax appeals shall meet  
22 within a reasonable time, hear all the evidence presented by the  
23 parties on matters in dispute, and determine the issues upon the  
24 evidence as may be presented to it at the hearing. The board may  
25 approve or deny the transportation improvement ordinance as enacted or  
26 may grant approval conditioned upon modification of the ordinance by  
27 the sponsor. The decision by the state board of tax appeals shall be  
28 final and conclusive but shall not preclude modification or  
29 discontinuation of the transportation improvement.

30 (2) If the sponsor modifies the transportation improvement  
31 ordinance as directed by the board, the transportation improvement  
32 ordinance shall be effective without further hearings or findings and  
33 shall not be subject to any further appeal. If the sponsor modifies  
34 the transportation improvement ordinance in a manner other than as  
35 directed by the board, the transportation improvement ordinance shall  
36 be subject to the procedures established under sections 13 and 14 of  
37 this act.

1        NEW SECTION.    **Sec. 16.**    (1) Upon the date established in the  
2 transportation improvement ordinance, but not sooner than the first day  
3 of the calendar year following the passage of the ordinance, the  
4 regular property taxes levied upon the assessed value of real property  
5 within the apportionment district shall be divided as follows:

6        (a) That portion of the regular property taxes produced by the rate  
7 of tax levied each year by or for each of the taxing districts upon the  
8 tax allocation base value of real property, or upon the assessed value  
9 of real property in each year, whichever is smaller, shall be allocated  
10 to and paid to the respective taxing districts; and

11        (b) That portion of the regular property taxes levied each year by  
12 or for each of the taxing districts upon the assessed value of real  
13 property within an apportionment district which is in excess of the tax  
14 allocation base value of real property shall be allocated and paid to  
15 the sponsor, or the sponsor's designated agent, until all  
16 transportation improvement costs to be paid from the tax allocation  
17 revenues have been paid, except that the sponsor may agree to receive  
18 less than the full amount of such portion as long as bond debt service,  
19 reserve, and other bond covenant requirements are satisfied, in which  
20 case the balance of the taxes shall be allocated to the respective  
21 taxing districts as the sponsor and the taxing districts may agree.

22        (2) The county assessor shall revalue the real property within the  
23 apportionment district for the purpose of determining the tax  
24 allocation base value for the apportionment district and shall certify  
25 to the sponsor the tax allocation base value as soon as practicable  
26 after the assessor receives notice of the transportation improvement  
27 ordinance and shall certify to the sponsor the total assessed value of  
28 real property within thirty days after the property values for each  
29 succeeding year have been established. Nothing in this section  
30 authorizes revaluations of real property by the assessor for property  
31 taxation that are not made in accordance with the assessor's  
32 revaluation plan under chapter 84.41 RCW.

33        (3) The date upon which the apportionment district was established  
34 shall be considered the date upon which the transportation improvement  
35 ordinance was enacted by the sponsor.

36        (4) The apportionment of regular property taxes under this section  
37 shall cease when tax allocation revenues are no longer necessary or  
38 obligated to pay transportation improvement costs or to pay principal  
39 of and interest on bonds issued to finance transportation improvement

1 costs and payable in whole or in part from tax allocation revenues. At  
2 the time of termination of the apportionment, any excess money and any  
3 earnings thereon held by the sponsor shall be returned to the county  
4 treasurer and distributed to the taxing districts which were subject to  
5 the allocation in proportion to their regular property tax levies due  
6 for the year in which the funds are returned.

7 NEW SECTION. **Sec. 17.** Tax allocation revenues may be applied as  
8 follows:

9 (1) To pay transportation improvement costs;

10 (2) To pay principal of and interest on, and to fund any necessary  
11 reserves for, tax allocation bonds;

12 (3) To pay into bond funds established to pay the principal of and  
13 interest on general obligation bonds issued pursuant to law to finance  
14 transportation facilities that are specified in the transportation  
15 improvement ordinance and constructed following the establishment of  
16 and within the apportionment district; or

17 (4) To pay any combination of the foregoing.

18 NEW SECTION. **Sec. 18.** General obligation bonds which are issued  
19 to finance transportation facilities that are specified in the  
20 transportation improvement ordinance, and for which part or all of the  
21 principal or interest is paid by tax allocation revenues, shall be  
22 subject to the following requirements:

23 (1) The intent to issue such bonds and the maximum amount which the  
24 sponsor contemplates issuing are specified in the transportation  
25 improvement ordinance; and

26 (2) A statement of the intent of the sponsor to issue such bonds is  
27 included in all notices required by sections 13 and 14 of this act.

28 In addition, the ordinance or resolution authorizing the issuance  
29 of such general obligation bonds shall be subject to potential  
30 referendum approval by the voters of the issuing entity when the bonds  
31 are part of the nonvoter approved indebtedness limitation established  
32 under RCW 39.36.020. If the voters of the county or city issuing such  
33 bonds otherwise possess the general power of referendum on county or  
34 city matters, the ordinance or resolution shall be subject to that  
35 procedure. If the voters of the county or city issuing such bonds do  
36 not otherwise possess the general power of referendum on county or city  
37 matters, the referendum shall conform to the requirements and

1 procedures for referendum petitions provided for code cities in RCW  
2 35A.11.100.

3 NEW SECTION. **Sec. 19.** (1) A sponsor may issue such tax allocation  
4 bonds as it may deem appropriate for the financing of transportation  
5 improvement costs and a reasonable bond reserve and for the refunding  
6 of any outstanding tax allocation bonds.

7 (2) The principal and interest of tax allocation bonds may be made  
8 payable from:

9 (a) Tax allocation revenues;

10 (b) Project revenues which may include: (i) Nontax income,  
11 revenues, fees, and rents from the transportation improvement financed  
12 with the proceeds of the bonds, or portions thereof; and (ii)  
13 contributions, grants, and nontax money available to the sponsor for  
14 payment of costs of the transportation improvement or the debt service  
15 of the bonds issued therefor;

16 (c) Any combination of the revenues under (a) and (b) of this  
17 subsection.

18 (3) Tax allocation bonds shall not be the general obligation of or  
19 guaranteed by all or any part of the full faith and credit of the  
20 sponsor or any other state or local government, or any tax revenues  
21 other than tax allocation revenues, and shall not be considered a debt  
22 of the sponsor or other state or local government for general  
23 indebtedness limitation purposes.

24 (4) The terms and conditions of tax allocation bonds may include  
25 provisions for the following matters, among others:

26 (a) The date of issuance, maturity date or dates, denominations,  
27 form, series, negotiability, registration, rank or priority, place of  
28 payment, interest rate or rates which may be fixed or may vary over the  
29 life of the tax allocation bonds, bond reserve, coverage, and such  
30 other terms related to repayment of the tax allocation bonds;

31 (b) The application of tax allocation bond proceeds; the use, sale,  
32 or disposition of property acquired; consideration or rents and fees to  
33 be charged in the sale or lease of property acquired; consideration or  
34 rents and fees to be charged in the sale or lease of property within a  
35 transportation improvement; the application of rents, fees, and  
36 revenues within a transportation improvement; the maintenance,  
37 insurance, and replacement of property within a transportation  
38 improvement; other encumbrances, if any, upon all or part of property

1 within a transportation improvement, then existing or thereafter  
2 acquired; and the type of debts that may be incurred;

3 (c) The creation of special funds; the money to be so applied; and  
4 the use and disposition of the money;

5 (d) The securing of the tax allocation bonds by a pledge of  
6 property and property rights, by assignment of income generated by the  
7 transportation improvement, or by pledging such additional specifically  
8 described resources other than tax revenues as are available to the  
9 sponsor;

10 (e) The terms and conditions for redemption;

11 (f) The replacement of lost and destroyed bond instruments;

12 (g) Procedures for amendment of the terms and conditions of the tax  
13 allocation bonds;

14 (h) The powers of a trustee to enforce covenants and take other  
15 actions in event of default; the rights, liabilities, powers, and  
16 duties arising upon the breach of any covenant, condition, or  
17 obligation; and

18 (i) When consistent with this chapter, such other terms,  
19 conditions, and provisions which may make the tax allocation bonds more  
20 marketable and further the purposes of this chapter.

21 (5) Tax allocation bonds may be issued and sold in such manner as  
22 the legislative authority of the sponsor shall determine.

23 (6) The sponsor may also issue or incur obligations in anticipation  
24 of the receipt of tax allocation bond proceeds or other money available  
25 to pay transportation improvement costs.

26 NEW SECTION. **Sec. 20.** Tax allocation bonds authorized in this  
27 chapter shall be legal investments for any of the funds of the state  
28 and of municipal corporations, for trustees, and for other fiduciaries.

29 NEW SECTION. **Sec. 21.** Whenever notice is required to be given to  
30 the state, notice shall be given to the director of revenue.

31 NEW SECTION. **Sec. 22.** No direct or collateral attack on any  
32 transportation improvement, transportation improvement ordinance, or  
33 apportionment district purported to be authorized or created in  
34 conformance with applicable legal requirements, including the  
35 requirements of this chapter, may be commenced more than thirty days  
36 after publication of notice as required by section 14 of this act.

1        NEW SECTION.    **Sec. 23.**    This chapter supplements and neither  
2 restricts nor limits any powers which the state or any municipal  
3 corporation might otherwise have under any laws of this state.

4        NEW SECTION.    **Sec. 24.**    This chapter may be known and cited as the  
5 transportation infrastructure financing act.

6        **Sec. 25.**    RCW 82.03.130 and 1998 c 54 s 1 are each amended to read  
7 as follows:

8        (1) The board shall have jurisdiction to decide the following types  
9 of appeals:

10        (a) Appeals taken pursuant to RCW 82.03.190.

11        (b) Appeals from a county board of equalization pursuant to RCW  
12 84.08.130.

13        (c) Appeals by an assessor or landowner from an order of the  
14 director of revenue made pursuant to RCW 84.08.010 and 84.08.060, if  
15 filed with the board of tax appeals within thirty days after the  
16 mailing of the order, the right to such an appeal being hereby  
17 established.

18        (d) Appeals by an assessor or owner of an intercounty public  
19 utility or private car company from determinations by the director of  
20 revenue of equalized assessed valuation of property and the  
21 apportionment thereof to a county made pursuant to chapter 84.12 and  
22 84.16 RCW, if filed with the board of tax appeals within thirty days  
23 after mailing of the determination, the right to such appeal being  
24 hereby established.

25        (e) Appeals by an assessor, landowner, or owner of an intercounty  
26 public utility or private car company from a determination of any  
27 county indicated ratio for such county compiled by the department of  
28 revenue pursuant to RCW 84.48.075: PROVIDED, That

29        (i) Said appeal be filed after review of the ratio under RCW  
30 84.48.075(3) and not later than fifteen days after the mailing of the  
31 certification; and

32        (ii) The hearing before the board shall be expeditiously held in  
33 accordance with rules prescribed by the board and shall take precedence  
34 over all matters of the same character.

35        (f) Appeals from the decisions of sale price of second class  
36 shorelands on navigable lakes by the department of natural resources  
37 pursuant to RCW 79.94.210.

1 (g) Appeals from urban redevelopment property tax apportionment  
2 district proposals established by governmental ordinances pursuant to  
3 (~~RCW 39.88.060~~) section 15 of this act.

4 (h) Appeals from interest rates as determined by the department of  
5 revenue for use in valuing farmland under current use assessment  
6 pursuant to RCW 84.34.065.

7 (i) Appeals from revisions to stumpage value tables used to  
8 determine value by the department of revenue pursuant to RCW 84.33.091.

9 (j) Appeals from denial of tax exemption application by the  
10 department of revenue pursuant to RCW 84.36.850.

11 (k) Appeals pursuant to RCW 84.40.038(3).

12 (2) Except as otherwise specifically provided by law hereafter, the  
13 provisions of RCW 1.12.070 shall apply to all notices of appeal filed  
14 with the board of tax appeals.

15 NEW SECTION. **Sec. 26.** A new section is added to chapter 84.55 RCW  
16 to read as follows:

17 Pursuant to chapter 47.-- RCW (sections 10 through 24 of this act),  
18 any increase in the assessed value of real property within an  
19 apportionment district resulting from new construction, improvements to  
20 property, or any increase in the assessed value of state-assessed  
21 property shall not be included in the increase in assessed value  
22 resulting from new construction, improvements, or any increase in the  
23 assessed value of state-assessed property for purposes of calculating  
24 any limitations upon regular property taxes under this chapter until  
25 the termination of apportionment as set forth in section 16(4) of this  
26 act, except to the extent a taxing district actually will receive the  
27 taxes levied upon this value. Tax allocation revenues, as defined in  
28 section 11 of this act, shall not be deemed to be "regular property  
29 taxes" for purposes of this chapter.

30 NEW SECTION. **Sec. 27.** The following acts or parts of acts are  
31 each repealed:

32 (1) RCW 39.88.010 (Declaration) and 1982 1st ex.s. c 42 s 2;

33 (2) RCW 39.88.020 (Definitions) and 1982 1st ex.s. c 42 s 3;

34 (3) RCW 39.88.030 (Authority--Limitations) and 1982 1st ex.s. c 42  
35 s 4;

36 (4) RCW 39.88.040 (Procedure for adoption of public improvement)  
37 and 1982 1st ex.s. c 42 s 5;



1 (5) RCW 39.88.050 (Notice of public improvement) and 1982 1st ex.s.  
2 c 42 s 6;  
3 (6) RCW 39.88.060 (Disagreements between taxing districts) and 1989  
4 c 378 s 1 & 1982 1st ex.s. c 42 s 7;  
5 (7) RCW 39.88.070 (Apportionment of taxes) and 1982 1st ex.s. c 42  
6 s 8;  
7 (8) RCW 39.88.080 (Application of tax allocation revenues) and 1982  
8 1st ex.s. c 42 s 9;  
9 (9) RCW 39.88.090 (General obligation bonds) and 1982 1st ex.s. c  
10 42 s 10;  
11 (10) RCW 39.88.100 (Tax allocation bonds) and 1982 1st ex.s. c 42  
12 s 11;  
13 (11) RCW 39.88.110 (Legal investments) and 1982 1st ex.s. c 42 s  
14 13;  
15 (12) RCW 39.88.120 (Notice to state) and 1982 1st ex.s. c 42 s 14;  
16 (13) RCW 39.88.130 (Conclusive presumption of validity) and 1982  
17 1st ex.s. c 42 s 15;  
18 (14) RCW 39.88.900 (Supplemental nature of chapter) and 1982 1st  
19 ex.s. c 42 s 16;  
20 (15) RCW 39.88.905 (Short title) and 1982 1st ex.s. c 42 s 1;  
21 (16) RCW 39.88.910 (Captions not part of law--1982 1st ex.s. c 42)  
22 and 1982 1st ex.s. c 42 s 17;  
23 (17) RCW 39.88.915 (Severability--1982 1st ex.s. c 42) and 1982 1st  
24 ex.s. c 42 s 18; and  
25 (18) RCW 84.55.080 (Adjustment to tax limitation) and 1982 1st  
26 ex.s. c 42 s 12.

27 NEW SECTION. **Sec. 28.** Sections 10 through 24 of this act  
28 constitute a new chapter in Title 47 RCW.

29 NEW SECTION. **Sec. 29.** A new section is added to chapter 82.32 RCW  
30 to read as follows:

31 It is the intent of the legislature to direct revenue collected  
32 from sales and use taxes paid on transportation-related activities into  
33 the multimodal transportation account.

34 NEW SECTION. **Sec. 30.** A new section is added to chapter 82.32 RCW  
35 to read as follows:

1 The department shall deposit into the multimodal transportation  
2 account all revenue received from taxes imposed under chapters 82.08  
3 and 82.12 RCW upon the sale of, use of, repair of, lease of, or any  
4 charge made for:

5 (1) Building, repairing, or improving of, or ingredients, including  
6 all materials, labor, equipment, contracts, and components used for,  
7 any publicly owned street, place, road, highway, easement, right of  
8 way, mass public transportation terminal or parking facility, bridge,  
9 signing, tunnel, or trestle as described in RCW 82.04.050; and

10 (2) Construction, improvement, equipment, components, or repair of  
11 a ferry, ferry terminal, or other facility operated by the Washington  
12 state ferries or a local government, or for the repair, overhaul, or  
13 dry-docking of any ferry operated by Washington state ferries or a  
14 local government.

15 NEW SECTION. **Sec. 31.** Sections 29 and 30 of this act are  
16 necessary for the immediate preservation of the public peace, health,  
17 or safety, or support of the state government and its existing public  
18 institutions, and take effect July 1, 2001.

19 NEW SECTION. **Sec. 32.** A new section is added to chapter 82.14 RCW  
20 to read as follows:

21 (1) The legislative authority of a county that is a member of the  
22 Puget Sound regional council may submit an authorizing proposition to  
23 its voters, and if approved by a majority of persons voting, fix and  
24 impose a sales and use tax in accordance with the terms of this section  
25 for the purposes designated in subsection (3) of this section.

26 (2) The tax authorized in this section shall be in addition to any  
27 other taxes authorized by law and shall be collected from those persons  
28 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
29 the occurrence of any taxable event within the county. The rate of tax  
30 shall equal two-tenths of one percent of the selling price in the case  
31 of a sales tax, or value of the article used in the case of a use tax.

32 (3) Moneys received from any tax imposed under this section shall  
33 be used solely for transportation purposes as that term is used in RCW  
34 82.80.070.

35 NEW SECTION. **Sec. 33.** A new section is added to chapter 82.80 RCW  
36 to read as follows:

1 (1) The legislative authority of a county, city, or town may impose  
2 a charge based upon the vehicle miles traveled by a person within a  
3 congested region.

4 (2) For purposes of this section, "congested region" means King,  
5 Pierce, or Snohomish counties.

6 (3) Charges imposed against a vehicle owner shall not exceed two  
7 cents per mile driven and shall be paid and collected annually by the  
8 department of licensing upon registration of the vehicle. Only the  
9 miles traveled in a congested region are subject to the charge.

10 (4) During the first year after the charge is in effect, the number  
11 of vehicle miles traveled shall be those reported by the vehicle owner.  
12 Each year thereafter, there shall be odometer checks verifying the  
13 number of vehicle miles traveled and the charge shall be based upon the  
14 number of miles traveled pursuant to the odometer check.

15 NEW SECTION. **Sec. 34.** A new section is added to chapter 82.44 RCW  
16 to read as follows:

17 There shall be paid and collected annually upon registration a  
18 traffic mitigation excise tax of twenty dollars for each motor vehicle  
19 and noncommercial truck. The excise tax shall be collected by the  
20 department of licensing. The proceeds from the excise tax collected  
21 under this section shall be deposited into the multimodal  
22 transportation account.

23 NEW SECTION. **Sec. 35.** A new section is added to chapter 82.04 RCW  
24 to read as follows:

25 (1) An additional tax is imposed on any person selling in this  
26 state motor vehicles and motor vehicle accessories at wholesale; as to  
27 such persons, the amount of the additional tax with respect to such  
28 business shall be equal to the gross proceeds of sales of the business,  
29 multiplied by the rate of two percent.

30 (2) "Motor vehicle" has the same meaning as in RCW 46.04.320.

31 (3) "Motor vehicle accessories" means items of tangible personal  
32 property which become a component part affixed to motor vehicles.

33 (4) Moneys collected under this section shall be deposited in the  
34 multimodal transportation account.

35 NEW SECTION. **Sec. 36.** If any provision of this act or its  
36 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other  
2 persons or circumstances is not affected.

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