

**ESHB 2228** - S COMM AMD

By Committee on Highways & Transportation

ADOPTED AS AMENDED 04/15/2003

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

3 "NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this  
4 section apply throughout this chapter and section 9 of this act unless  
5 the context clearly requires otherwise.

6 (1) "Public agency" means any county, city, or other local  
7 government agency or any state government agency, board, or commission.

8 (2) "Public transportation" means the same as "public  
9 transportation service" as defined in RCW 36.57A.010 and includes  
10 passenger services of the Washington state ferries.

11 (3) "Nonmotorized commuting" means commuting to and from the  
12 workplace by an employee by walking or running or by riding a bicycle  
13 or other device not powered by a motor.

14 (4) "Ride sharing" means the same as "flexible commuter ride  
15 sharing" as defined in RCW 46.74.010, including ride sharing on  
16 Washington state ferries.

17 (5) "Car sharing" means a membership program intended to offer an  
18 alternative to car ownership under which persons or entities that  
19 become members are permitted to use vehicles from a fleet on an hourly  
20 basis.

21 (6) "Telework" means a program where work functions that are  
22 normally performed at a traditional workplace are instead performed by  
23 an employee at his or her home at least one day a week for the purpose  
24 of reducing the number of trips to the employee's workplace.

25 NEW SECTION. **Sec. 2.** TAX CREDITS--BUSINESS AND OCCUPATION AND  
26 PUBLIC UTILITY TAXES. (1) Employers in this state who are taxable  
27 under chapter 82.04 or 82.16 RCW and provide financial incentives to  
28 their own or other employees for ride sharing, for using public  
29 transportation, for using car sharing, or for using nonmotorized

1 commuting before July 1, 2013, are allowed a credit against taxes  
2 payable under chapters 82.04 and 82.16 RCW for amounts paid to or on  
3 behalf of employees for ride sharing in vehicles carrying two or more  
4 persons, for using public transportation, for using car sharing, or for  
5 using nonmotorized commuting, not to exceed sixty dollars per employee  
6 per year.

7 (2) Property managers who are taxable under chapter 82.04 or 82.16  
8 RCW and provide financial incentives to persons employed at a worksite  
9 in this state managed by the property manager for ride sharing, for  
10 using public transportation, for using car sharing, or for using  
11 nonmotorized commuting before July 1, 2013, are allowed a credit  
12 against taxes payable under chapters 82.04 and 82.16 RCW for amounts  
13 paid to or on behalf of these persons for ride sharing in vehicles  
14 carrying two or more persons, for using public transportation, for  
15 using car sharing, or for using nonmotorized commuting, not to exceed  
16 sixty dollars per person per year.

17 (3) The credit under this section is equal to the amount paid to or  
18 on behalf of each employee multiplied by fifty percent, but may not  
19 exceed sixty dollars per employee per year. The credit may not exceed  
20 the amount of tax that would otherwise be due under chapters 82.04 and  
21 82.16 RCW.

22 (4) A person may not receive credit under this section for amounts  
23 paid to or on behalf of the same employee under both chapters 82.04 and  
24 82.16 RCW.

25 (5) A person may not take a credit under this section for amounts  
26 claimed for credit by other persons.

27 NEW SECTION. **Sec. 3.** TAX CREDIT FILING. (1) Application for tax  
28 credit under section 2 of this act may only be made in the form and  
29 manner prescribed in rules adopted by the department.

30 (2) The credit under this section must be taken or deferred under  
31 section 4 of this act against taxes due for the same fiscal year in  
32 which the amounts for which credit is claimed were paid to or on behalf  
33 of employees for ride sharing, for using public transportation, for  
34 using car sharing, or for using nonmotorized commuting and must be  
35 claimed by the due date of the last tax return for the fiscal year in  
36 which the payment is made.

1 (3) Any person who knowingly makes a false statement of a material  
2 fact in the application for a credit under section 2 of this act is  
3 guilty of a gross misdemeanor.

4 NEW SECTION. **Sec. 4.** TAX CREDIT LIMITATIONS. (1) The department  
5 shall keep a running total of all credits accrued under section 2 of  
6 this act during each fiscal year. No person is eligible for tax  
7 credits under section 2 of this act if the credits would cause the  
8 tabulation for the total amount of credits taken in any fiscal year to  
9 exceed two million two hundred fifty thousand dollars. This limitation  
10 includes any credits carried forward under subsection (2)(b) of this  
11 section from prior years.

12 (2)(a) No person is eligible for tax credits under section 2 of  
13 this act in excess of the amount of tax that would otherwise be due  
14 under chapter 82.04 or 82.16 RCW.

15 (b) A person with taxes equal to or in excess of the credit under  
16 section 2 of this act, and therefore not subject to the limitation in  
17 (a) of this subsection, may defer tax credits for a period of not more  
18 than three years after the year in which the credits accrue. A person  
19 deferring tax credits under this subsection (2)(b) must submit an  
20 application in the year in which the tax credits will be applied. This  
21 application is subject to eligibility under subsection (1) of this  
22 section for the fiscal year in which the tax credits will be applied.

23 (3) No person is eligible for tax credits under section 2 of this  
24 act in excess of two hundred thousand dollars in any fiscal year. This  
25 limitation does not apply to credits deferred in prior years under  
26 subsection (2)(b) of this section.

27 (4) No person is eligible for tax credits, including deferred  
28 credits authorized under subsection (2)(b) of this section, after June  
29 30, 2013.

30 (5) Credits may not be carried forward or carried backward other  
31 than as authorized in subsection (2)(b) of this section.

32 NEW SECTION. **Sec. 5.** FUND TRANSFER. (1) The director shall on  
33 the 25th of February, May, August, and November of each year advise the  
34 state treasurer of the amount of credit taken under section 2 of this

1 act during the preceding calendar quarter ending on the last day of  
2 December, March, June, and September, respectively.

3 (2) On the last day of March, June, September, and December of each  
4 year, the state treasurer, based upon information provided by the  
5 department, shall deposit to the general fund a sum equal to the dollar  
6 amount of the credit provided under section 2 of this act from the  
7 multimodal transportation account.

8 NEW SECTION. **Sec. 6.** COMMUTE TRIP REDUCTION REPORTING. The  
9 commute trip reduction task force shall determine the effectiveness of  
10 the tax credit under section 2 of this act, the grant program in  
11 section 9 of this act, and the relative effectiveness of the tax credit  
12 and the grant program as part of its ongoing evaluation of the commute  
13 trip reduction law and report to the legislative transportation  
14 committee and to the fiscal committees of the house of representatives  
15 and the senate. The report must include information on the amount of  
16 tax credits claimed to date and recommendations on future funding  
17 between the tax credit program and the grant program. The report must  
18 be incorporated into the recommendations required in RCW 70.94.537(5).

19 NEW SECTION. **Sec. 7.** ADMINISTRATION. Chapter 82.32 RCW applies  
20 to the administration of this chapter.

21 NEW SECTION. **Sec. 8.** EXPIRATION. This chapter expires July 1,  
22 2013, except for section 5 of this act, which expires January 1, 2014.

23 NEW SECTION. **Sec. 9.** A new section is added to chapter 70.94 RCW  
24 to read as follows:

25 (1) The department of transportation shall administer a  
26 performance-based grant program for private employers, public agencies,  
27 nonprofit organizations, developers, and property managers who provide  
28 financial incentives for ride sharing in vehicles carrying two or more  
29 persons, for using public transportation, for using car sharing, or for  
30 using nonmotorized commuting, including telework, before July 1, 2013,  
31 to their own or other employees. However, no employer is eligible for  
32 both grants provided under this section and tax credits under section  
33 2 of this act within the same fiscal year.

1 (2) The amount of the grant will be determined based on the value  
2 to the transportation system of the vehicle trips reduced. The commute  
3 trip reduction task force shall develop an award rate giving priority  
4 to applications achieving the greatest reduction in trips and commute  
5 miles per public dollar requested and considering the following  
6 criteria: The local cost of providing new highway capacity, congestion  
7 levels, and geographic distribution.

8 (3) No private employer, public agency, nonprofit organization,  
9 developer, or property manager is eligible for grants under this  
10 section in excess of one hundred thousand dollars in any fiscal year.

11 (4) The total of grants provided under this section may not exceed  
12 seven hundred fifty thousand dollars in any fiscal year.

13 (5) The department of transportation shall report to the department  
14 of revenue by the 15th day of each month the aggregate monetary amount  
15 of grants provided under this section in the prior month and the  
16 identity of the recipients of those grants.

17 (6) The source of funds for this grant program is the multimodal  
18 transportation account.

19 (7) This section expires January 1, 2014.

20 NEW SECTION. **Sec. 10.** The following acts or parts of acts are  
21 each repealed:

22 (1) RCW 82.04.4453 (Credit--Ride-sharing, public transportation, or  
23 nonmotorized commuting incentives--Penalty--Report to legislature) and  
24 1999 c 402 s 1, 1996 c 128 s 1, & 1994 c 270 s 2;

25 (2) RCW 82.04.4454 (Credit--Ride-sharing, public transportation, or  
26 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 3, 1996 c  
27 128 s 2, & 1994 c 270 s 3;

28 (3) RCW 82.16.048 (Credit--Ride-sharing, public transportation, or  
29 nonmotorized commuting incentives--Penalty--Report to legislature) and  
30 1999 c 402 s 2, 1996 c 128 s 3, & 1994 c 270 s 4;

31 (4) RCW 82.16.049 (Credit--Ride-sharing, public transportation, or  
32 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 4, 1996 c  
33 128 s 4, & 1994 c 270 s 5; and

34 (5) RCW 47.01.900 (Commute trip reduction program--Transfer from  
35 state energy office--References to director or state energy office) and  
36 1998 c 245 s 93 & 1996 c 186 s 301.

1           **Sec. 11.** RCW 70.94.527 and 1997 c 250 s 2 are each amended to read  
2 as follows:

3           (1) Each county with a population over one hundred fifty thousand,  
4 and each city or town within those counties containing a major employer  
5 (~~(shall, by October 1, 1992,)~~) may adopt by ordinance and implement a  
6 commute trip reduction plan for all major employers. The plan shall be  
7 developed in cooperation with local transit agencies, regional  
8 transportation planning organizations as established in RCW 47.80.020,  
9 major employers, and the owners of and employers at major worksites.  
10 The plan shall be designed to achieve reductions in the proportion of  
11 single-occupant vehicle commute trips and the commute trip vehicle  
12 miles traveled per employee by employees of major public and private  
13 sector employers in the jurisdiction.

14           (2) All other counties, and cities and towns in those counties, may  
15 adopt and implement a commute trip reduction plan.

16           (3) The department of ecology may, after consultation with the  
17 department of transportation, as part of the state implementation plan  
18 for areas that do not attain the national ambient air quality standards  
19 for carbon monoxide or ozone, require municipalities other than those  
20 identified in subsection (1) of this section to adopt and implement  
21 commute trip reduction plans if the department determines that such  
22 plans are necessary for attainment of said standards.

23           (4) A commute trip reduction plan shall be consistent with the  
24 guidelines established under RCW 70.94.537 and shall include but is not  
25 limited to (a) goals for reductions in the proportion of single-  
26 occupant vehicle commute trips and the commute trip vehicle miles  
27 traveled per employee; (b) designation of commute trip reduction zones;  
28 (c) requirements for major public and private sector employers to  
29 implement commute trip reduction programs; (d) a commute trip reduction  
30 program for employees of the county, city, or town; (e) a review of  
31 local parking policies and ordinances as they relate to employers and  
32 major worksites and any revisions necessary to comply with commute trip  
33 reduction goals and guidelines; (f) an appeals process by which major  
34 employers, who as a result of special characteristics of their business  
35 or its locations would be unable to meet the requirements of a commute  
36 trip reduction plan, may obtain waiver or modification of those  
37 requirements; and (g) means for determining base year values of the

1 proportion of single-occupant vehicle commute trips and the commute  
2 trip vehicle miles traveled per employee and progress toward meeting  
3 commute trip reduction plan goals on an annual basis. Goals which are  
4 established shall take into account existing transportation demand  
5 management efforts which are made by major employers. Each  
6 jurisdiction shall ensure that employers shall receive full credit for  
7 the results of transportation demand management efforts and commute  
8 trip reduction programs which have been implemented by major employers  
9 prior to the base year. The goals for miles traveled per employee for  
10 all major employers shall not be less than a fifteen percent reduction  
11 from the worksite base year value or the base year value for the  
12 commute trip reduction zone in which their worksite is located by  
13 January 1, 1995, twenty percent reduction from the base year values by  
14 January 1, 1997, twenty-five percent reduction from the base year  
15 values by January 1, 1999, and a thirty-five percent reduction from the  
16 base year values by January 1, 2005.

17 (5) A county, city, or town may, as part of its commute trip  
18 reduction plan, require commute trip reduction programs for employers  
19 with ten or more full time employees at major worksites in federally  
20 designated nonattainment areas for carbon monoxide and ozone. The  
21 county, city or town shall develop the programs in cooperation with  
22 affected employers and provide technical assistance to the employers in  
23 implementing such programs.

24 (6) The commute trip reduction plans adopted by counties, cities,  
25 and towns under this chapter shall be consistent with and may be  
26 incorporated in applicable state or regional transportation plans and  
27 local comprehensive plans and shall be coordinated, and consistent  
28 with, the commute trip reduction plans of counties, cities, or towns  
29 with which the county, city, or town has, in part, common borders or  
30 related regional issues. Such regional issues shall include assuring  
31 consistency in the treatment of employers who have worksites subject to  
32 the requirements of this chapter in more than one jurisdiction.  
33 Counties, cities, or towns adopting commute trip reduction plans may  
34 enter into agreements through the interlocal cooperation act or by  
35 resolution or ordinance as appropriate with other jurisdictions, local  
36 transit agencies, or regional transportation planning organizations to  
37 coordinate the development and implementation of such plans. Transit

1 agencies shall work with counties, cities, and towns to take into  
2 account the location of major employer worksites when planning transit  
3 service changes or the expansion of public transportation services.  
4 Counties, cities, or towns adopting a commute trip reduction plan shall  
5 review it annually and revise it as necessary to be consistent with  
6 applicable plans developed under RCW 36.70A.070.

7 (7) Each county, city, or town implementing a commute trip  
8 reduction program shall, within thirty days submit a summary of its  
9 plan along with certification of adoption to the commute trip reduction  
10 task force established under RCW 70.94.537.

11 (8) Each county, city, or town implementing a commute trip  
12 reduction program shall submit an annual progress report to the commute  
13 trip reduction task force established under RCW 70.94.537. The report  
14 shall be due July 1, 1994, and each July 1st thereafter through July 1,  
15 2006. The report shall describe progress in attaining the applicable  
16 commute trip reduction goals for each commute trip reduction zone and  
17 shall highlight any problems being encountered in achieving the goals.  
18 The information shall be reported in a form established by the commute  
19 trip reduction task force.

20 (9) Any waivers or modifications of the requirements of a commute  
21 trip reduction plan granted by a jurisdiction shall be submitted for  
22 review to the commute trip reduction task force established under RCW  
23 70.94.537. The commute trip reduction task force may not deny the  
24 granting of a waiver or modification of the requirements of a commute  
25 trip reduction plan by a jurisdiction but they may notify the  
26 jurisdiction of any comments or objections.

27 (10) Each county, city, or town implementing a commute trip  
28 reduction program shall count commute trips eliminated through work-at-  
29 home options or alternate work schedules as one and two-tenths vehicle  
30 trips eliminated for the purpose of meeting trip reduction goals.

31 (11) Each county, city, or town implementing a commute trip  
32 reduction program shall ensure that employers that have modified their  
33 employees' work schedules so that some or all employees are not  
34 scheduled to arrive at work between 6:00 a.m. and 9:00 a.m. are  
35 provided credit when calculating single-occupancy vehicle use and  
36 vehicle miles traveled at that worksite. This credit shall be awarded  
37 if implementation of the schedule change was an identified element in



1 that worksite's approved commute trip reduction program or if the  
2 schedule change occurred because of impacts associated with chapter  
3 36.70A RCW, the growth management act.

4 (12) Plans implemented under this section shall not apply to  
5 commute trips for seasonal agricultural employees.

6 (13) Plans implemented under this section shall not apply to  
7 construction worksites when the expected duration of the construction  
8 project is less than two years.

9 **Sec. 12.** RCW 82.08.0287 and 2001 c 320 s 4 are each amended to  
10 read as follows:

11 The tax imposed by this chapter shall not apply to sales of  
12 passenger motor vehicles which are to be used for commuter ride sharing  
13 or ride sharing for persons with special transportation needs, as  
14 defined in RCW 46.74.010, if the vehicles are used as ride-sharing  
15 vehicles for thirty-six consecutive months beginning from the date of  
16 purchase.

17 To qualify for the tax exemption, those passenger motor vehicles  
18 with five or six passengers, including the driver, used for commuter  
19 ride-sharing, must be operated (~~((either))~~) within (~~((the state's eight~~  
20 ~~largest))~~) counties that (~~((are required to))~~) develop commute trip  
21 reduction plans as directed by chapter 70.94 RCW or in other counties,  
22 or cities and towns within those counties, that elect to adopt and  
23 implement a commute trip reduction plan. Additionally at least one of  
24 the following conditions must apply: (1) The vehicle must be operated  
25 by a public transportation agency for the general public; or (2) the  
26 vehicle must be used by a major employer, as defined in RCW 70.94.524  
27 as an element of its commute trip reduction program for their  
28 employees; or (3) the vehicle must be owned and operated by individual  
29 employees and must be registered either with the employer as part of  
30 its commute trip reduction program or with a public transportation  
31 agency serving the area where the employees live or work. Individual  
32 employee owned and operated motor vehicles will require certification  
33 that the vehicle is registered with a major employer or a public  
34 transportation agency. Major employers who own and operate motor  
35 vehicles for their employees must certify that the commuter ride-

1 sharing arrangement conforms to a carpool/vanpool element contained  
2 within their commute trip reduction program or used primarily for van  
3 or car pooling purposes.

4 **Sec. 13.** RCW 82.12.0282 and 2001 c 320 s 5 are each amended to  
5 read as follows:

6 The tax imposed by this chapter shall not apply with respect to the  
7 use of passenger motor vehicles used as ride-sharing vehicles by not  
8 less than five persons, including the driver, with a gross vehicle  
9 weight not to exceed 10,000 pounds where the primary usage is for  
10 commuter ride-sharing, as defined in RCW 46.74.010, by not less than  
11 four persons including the driver when at least two of those persons  
12 are confined to wheelchairs when riding, or passenger motor vehicles  
13 where the primary usage is for ride-sharing for persons with special  
14 transportation needs, as defined in RCW 46.74.010, if the vehicles are  
15 used as ride-sharing vehicles for thirty-six consecutive months  
16 beginning with the date of first use.

17 To qualify for the tax exemption, those passenger motor vehicles  
18 with five or six passengers, including the driver, used for commuter  
19 ride-sharing, must be operated (~~((either))~~) within (~~((the state's eight~~  
20 ~~largest))~~) counties that (~~((are required to))~~) develop commute trip  
21 reduction plans as directed by chapter 70.94 RCW or in other counties,  
22 or cities and towns within those counties, that elect to adopt and  
23 implement a commute trip reduction plan. Additionally at least one of  
24 the following conditions must apply: (1) The vehicle must be operated  
25 by a public transportation agency for the general public; or (2) the  
26 vehicle must be used by a major employer, as defined in RCW 70.94.524  
27 as an element of its commute trip reduction program for their  
28 employees; or (3) the vehicle must be owned and operated by individual  
29 employees and must be registered either with the employer as part of  
30 its commute trip reduction program or with a public transportation  
31 agency serving the area where the employees live or work. Individual  
32 employee owned and operated motor vehicles will require certification  
33 that the vehicle is registered with a major employer or a public  
34 transportation agency. Major employers who own and operate motor  
35 vehicles for their employees must certify that the commuter ride-

1 sharing arrangement conforms to a carpool/vanpool element contained  
2 within their commute trip reduction program or used primarily for van  
3 or car pooling purposes.

4 **Sec. 14.** RCW 82.44.015 and 1996 c 244 s 7 are each amended to read  
5 as follows:

6 For the purposes of this chapter, in addition to the exclusions  
7 under RCW 82.44.010, "motor vehicle" shall not include passenger motor  
8 vehicles used primarily for commuter ride sharing and ride sharing for  
9 persons with special transportation needs, as defined in RCW 46.74.010.  
10 The registered owner of one of these vehicles shall notify the  
11 department of licensing upon termination of primary use of the vehicle  
12 in commuter ride sharing or ride sharing for persons with special  
13 transportation needs and shall be liable for the tax imposed by this  
14 chapter, prorated on the remaining months for which the vehicle is  
15 licensed.

16 To qualify for the tax exemption, those passenger motor vehicles  
17 with five or six passengers, including the driver, used for commuter  
18 ride-sharing, must be operated (~~((either))~~) within (~~((the state's eight~~  
19 ~~largest))~~) counties that (~~((are required to))~~) develop commute trip  
20 reduction plans as directed by chapter 70.94 RCW or in other counties,  
21 or cities and towns within those counties, that elect to adopt and  
22 implement a commute trip reduction plan. Additionally at least one of  
23 the following conditions must apply: (1) The vehicle must be operated  
24 by a public transportation agency for the general public; or (2) the  
25 vehicle must be used by a major employer, as defined in RCW 70.94.524  
26 as an element of its commute trip reduction program for their  
27 employees; or (3) the vehicle must be owned and operated by individual  
28 employees and must be registered either with the employer as part of  
29 its commute trip reduction program or with a public transportation  
30 agency serving the area where the employees live or work. Individual  
31 employee owned and operated motor vehicles will require certification  
32 that the vehicle is registered with a major employer or a public  
33 transportation agency. Major employers who own and operate motor  
34 vehicles for their employees must certify that the commuter ride-  
35 sharing arrangement conforms to a carpool/vanpool element contained

1 within their commute trip reduction program or used primarily for van  
2 or car pooling purposes.

3 NEW SECTION. Sec. 15. Sections 1 through 8 of this act constitute  
4 a new chapter in Title 82 RCW.

5 NEW SECTION. Sec. 16. The code reviser shall place cross-  
6 reference sections to chapter 82.-- RCW (sections 1 through 8 of this  
7 act) in chapters 82.04 and 82.16 RCW.

8 NEW SECTION. Sec. 17. (1) Sections 1 through 10, 15, and 16 of  
9 this act take effect July 1, 2004, but only if legislation that  
10 provides additional revenues, excluding transfers, for the multimodal  
11 transportation account is in effect on that date.

12 (2) Sections 11 through 14 of this act are necessary for the  
13 immediate preservation of the public peace, health, or safety, or  
14 support of the state government and its existing public institutions,  
15 and take effect July 1, 2003.

16 NEW SECTION. Sec. 18. Captions used in this act are not part of  
17 the law."

**ESHB 2228** - S COMM AMD  
By Committee on Highways & Transportation

**ADOPTED AS AMENDED 04/15/2003**

18 On page 1, line 1 of the title, after "incentives;" strike the  
19 remainder of the title and insert "amending RCW 70.94.527, 82.08.0287,  
20 82.12.0282, and 82.44.015; adding a new section to chapter 70.94 RCW;  
21 adding a new chapter to Title 82 RCW; creating new sections; repealing  
22 RCW 82.04.4453, 82.04.4454, 82.16.048, 82.16.049, and 47.01.900;  
23 prescribing penalties; providing an effective date; providing a  
24 contingent effective date; providing expiration dates; and declaring an  
25 emergency."

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