
SUBSTITUTE HOUSE BILL 2531

State of Washington 58th Legislature 2004 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Murray, Wallace, McIntire, Dickerson, Hatfield, Rockefeller, Schual-Berke, Moeller, Chase, Conway and Wood)

READ FIRST TIME 01/28/04.

1 AN ACT Relating to regional transportation investment districts;
2 amending RCW 36.120.010, 36.120.020, 36.120.030, 36.120.040,
3 36.120.050, 36.120.060, 36.120.070, 36.120.090, 36.120.140, 36.120.190,
4 36.120.200, 47.56.076, 82.80.010, 82.80.110, and 82.80.120; adding a
5 new section to chapter 36.120 RCW; adding a new section to chapter
6 47.56 RCW; adding a new section to chapter 82.14 RCW; and adding a new
7 section to chapter 82.80 RCW.

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

9 **Sec. 1.** RCW 36.120.010 and 2002 c 56 s 101 are each amended to
10 read as follows:

11 The legislature finds that:

12 (1) The capacity of many of Washington state's transportation
13 facilities have failed to keep up with the state's growth, particularly
14 in major urban regions;

15 (2) The state cannot by itself fund, in a timely way, many of the
16 major capacity and other improvements required on highways of statewide
17 significance in the state's largest urbanized area;

18 (3) Providing a transportation system that provides efficient

1 mobility for persons and freight requires a shared partnership and
2 responsibility between the state, local, and regional governments and
3 the private sector; and

4 (4) Timely construction and development of significant
5 transportation improvement projects can best be achieved through
6 enhanced funding options for governments at the county and regional
7 levels, using already existing tax authority to address roadway and
8 multimodal needs and new authority for regions to address critical
9 transportation projects (~~(of statewide significance)~~).

10 **Sec. 2.** RCW 36.120.020 and 2002 c 56 s 102 are each amended to
11 read as follows:

12 The definitions in this section apply throughout this chapter
13 unless the context clearly requires otherwise.

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

16 (2) "Department" means the Washington state department of
17 transportation.

18 (3) "Highway of statewide significance" means an existing or
19 proposed state route or federal interstate designated as a highway of
20 statewide significance by the transportation commission, its successor
21 entity, or the legislature.

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

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

30 (6) "Regional transportation investment district planning
31 committee" or "planning committee" means the advisory committee created
32 under RCW 36.120.030 to create and propose to county legislative
33 authorities a regional transportation investment plan to develop,
34 finance, and construct transportation projects. For counties specified
35 under RCW 36.120.030(2), the district may be less than county-wide;
36 however, a city must be wholly inside or outside the boundaries of the
37 district.

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

4 (8) "Transportation project" means(~~(+~~

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

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

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

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

15 ~~(i) Approaches to highways of statewide significance;~~

16 ~~(ii) High occupancy vehicle lanes;~~

17 ~~(iii) Flyover ramps;~~

18 ~~(iv) Park and ride lots;~~

19 ~~(v) Bus pullouts;~~

20 ~~(vi) Vans for vanpools;~~

21 ~~(vii) Buses; and~~

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

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

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

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

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

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

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

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

10 ~~(d))~~ a project or program contained in the transportation plan of
11 the state or of a regional transportation planning organization,
12 including operations, preservation, and maintenance ((are excluded from
13 this definition and may not be included in a regional transportation
14 investment plan)) of the projects or programs.

15 (9) "Weighted vote" means a vote that reflects the population each
16 board or planning committee member represents relative to the
17 population represented by the total membership of the board or planning
18 committee. Population will be determined using the federal 2000 census
19 or subsequent federal census data.

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

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

24 (1) A county with a population over one million five hundred
25 thousand persons and any adjoining counties with a population over five
26 hundred thousand persons may create a regional transportation
27 investment district and shall convene a regional transportation
28 investment district planning committee. To proceed with developing a
29 plan, including submission of a plan to county legislative authorities
30 for placement on a ballot, at least two contiguous counties must be
31 included in the plan.

32 (2) For counties other than those counties specified in subsection
33 (1) of this section, the county legislative authority may create a
34 regional transportation investment district and shall convene a
35 regional transportation investment planning committee. Counties may by
36 resolution of each county's legislative authority create a district to
37 include more than one county.

1 (3) The members of the legislative authorities participating in
2 planning under this chapter shall serve as the district planning
3 committee. In addition, for counties planning under subsection (2) of
4 this section, the planning committee must also include mayors or city
5 council members of cities within the district so that the proportional
6 membership on the planning committee in terms of members with weighted
7 votes reflects the relative population of persons living within the
8 respective jurisdictions. Members of the planning committee receive no
9 compensation, but may be reimbursed for travel and incidental expenses
10 as the planning committee deems appropriate.

11 The secretary of transportation, or the appropriate regional
12 administrator of the department, as named by the secretary, shall serve
13 on the committee as a nonvoting member.

14 ~~((3))~~ (4) A regional transportation investment district planning
15 committee may be entitled to state funding, as appropriated by the
16 legislature, for start-up funding to pay for salaries, expenses,
17 overhead, supplies, and similar expenses ordinarily and necessarily
18 incurred in selecting transportation projects and funding for those
19 transportation projects under this chapter. Upon creation of a
20 regional transportation investment district, the district shall within
21 one year reimburse the state for any sums advanced for these start-up
22 costs from the state.

23 ~~((4))~~ (5) The planning committee shall conduct its affairs and
24 formulate a regional transportation investment plan as provided under
25 RCW 36.120.040, except that ~~((it))~~ planning committees for counties
26 under subsection (1) of this section shall elect an executive board of
27 seven members to discharge the duties of the planning committee and
28 formulate a regional transportation investment plan, subject to the
29 approval of the full committee.

30 ~~((5))~~ (6) At its first meeting, a regional transportation
31 investment district planning committee may elect officers and provide
32 for the adoption of rules and other operating procedures.

33 ~~((6))~~ (7) Governance of and decisions by a regional
34 transportation investment district planning committee must be by a
35 sixty-percent weighted majority vote of the total membership.

36 ~~((7))~~ (8) The planning committee may dissolve itself at any time
37 by a two-thirds weighted majority vote of the total membership of the
38 planning committee.

1 **Sec. 4.** RCW 36.120.040 and 2003 c 194 s 1 are each amended to read
2 as follows:

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

8 (a) Land use planning criteria;

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

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

16 (2) The planning committee may coordinate its activities with the
17 department, which shall provide services, data, and personnel to assist
18 in this planning as desired by the planning committee. In addition,
19 the planning committee may coordinate with affected cities, towns, and
20 other local governments that engage in transportation planning.

21 (3) The planning committee shall:

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

24 (b) In counties identified in RCW 36.120.030(1), consult regularly
25 with, and seek input from, the county executive of each participating
26 county and the mayor and city legislative authority of the largest city
27 in each participating county and any other cities over one hundred
28 thousand in population;

29 (c) Adopt a plan proposing the:

30 (i) Creation of a regional transportation investment district; and

31 (ii) Construction of transportation projects to improve mobility
32 within each county(~~(. Operations, maintenance, and preservation of~~
33 ~~facilities or systems may not be part of the plan));~~

34 (~~(e)~~) (d) Recommend sources of revenue authorized by RCW
35 36.120.050 and a financing plan to fund selected transportation
36 projects. The overall plan of the district must leverage the
37 district's financial contributions so that the federal, state, local,
38 and other revenue sources continue to fund major congestion relief and

1 ((~~transportation capacity~~)) mobility improvement projects in each
2 county and the district. A combination of local, state, and federal
3 revenues may be necessary to pay for transportation projects, and the
4 planning committee shall consider all of these revenue sources in
5 developing a plan.

6 (4) For counties under RCW 36.120.030(1), the plan must use tax
7 revenues and related debt for projects that generally benefit a
8 participating county in proportion to the general level of tax revenues
9 generated within that participating county. This equity principle
10 applies to all modifications to the plan, appropriation of contingency
11 funds not identified within the project estimate, and future phases of
12 the plan. During implementation of the plan, the board shall retain
13 the flexibility to manage distribution of revenues, debt, and project
14 schedules so that the district may effectively implement the plan.
15 Nothing in this section should be interpreted to prevent the district
16 from pledging district-wide tax revenues for payment of any contract or
17 debt entered into under RCW 36.120.130.

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

35 (6) For counties under RCW 36.120.030(1), if a county opts not to
36 adopt the plan or participate in the regional transportation investment
37 district, but two or more contiguous counties do choose to continue to
38 participate, then the planning committee may, within ninety days,

1 redefine the regional transportation investment plan and the ballot
2 measure to be submitted to the people to reflect elimination of the
3 county, and submit the redefined plan to the legislative authorities of
4 the remaining counties for their decision as to whether to continue to
5 adopt the redefined plan and participate. This action must be
6 completed within sixty days after receipt of the redefined plan.

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

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

22 **Sec. 5.** RCW 36.120.050 and 2003 c 350 s 4 are each amended to read
23 as follows:

24 (1) A regional transportation investment district planning
25 committee may, as part of a regional transportation investment plan,
26 recommend the imposition of some or all of the following revenue
27 sources, which a regional transportation investment district may impose
28 upon approval of the voters as provided in this chapter:

29 (a) A regional sales and use tax, as specified in RCW 82.14.430, of
30 up to ((0.5)) 0.2 percent of the selling price, in the case of a sales
31 tax, or value of the article used, in the case of a use tax, upon the
32 occurrence of any taxable event in the regional transportation
33 investment district. The proceeds of this tax may be spent only for
34 public transportation purposes, high-occupancy vehicle systems as
35 defined in RCW 81.100.020, and commute trip reduction programs;

36 (b) A local option vehicle license fee, as specified under RCW
37 82.80.100, of up to one hundred dollars per vehicle registered in the

1 district. As used in this subsection, "vehicle" means motor vehicle as
2 defined in RCW 46.04.320. Certain classes of vehicles, as defined
3 under chapter 46.04 RCW, may be exempted from this fee;

4 (c) A parking tax under RCW 82.80.030;

5 (d) A local motor vehicle excise tax under RCW 81.100.060 and
6 chapter 81.104 RCW;

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

8 (f) A local option sales and use tax on fuel under section 15 of
9 this act;

10 (g) a mileage charge under section 19 of this act;

11 (h) An employer excise tax under RCW 81.100.030; and

12 (~~(g)~~) (i) With the approval of the transportation commission, or
13 its successor, vehicle tolls on (~~new or reconstructed facilities~~) a
14 local or regional arterial or state or federal highway within the
15 boundaries of the district. The plan must identify the facilities to
16 be tolled and the purpose of the toll. Unless otherwise specified by
17 law or contract, the department shall administer the collection of
18 vehicle tolls on designated facilities, and the state transportation
19 commission, or its successor, shall be the tolling authority.

20 (2) Taxes, fees, and tolls may not be imposed without an
21 affirmative vote of the majority of the voters within the boundaries of
22 the district voting on a ballot proposition as set forth in RCW
23 36.120.070. Revenues from these taxes and fees may be used only to
24 implement the plan as set forth in this chapter. A district may
25 contract with the state department of revenue or other appropriate
26 entities for administration and collection of any of the taxes or fees
27 authorized in this section. In authorizing these revenue sources, it
28 is the intent of the legislature to provide a range of options that can
29 be tailored to meet the transportation needs identified by local
30 elected officials, with voter approval. The legislature does not
31 intend that all local option tax sources will be used by a single
32 district, nor that each revenue source will necessarily be imposed to
33 its maximum limit.

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

1 **Sec. 6.** RCW 36.120.060 and 2002 c 56 s 106 are each amended to
2 read as follows:

3 (1) The planning committee shall consider the following criteria
4 for selecting transportation projects to improve corridor performance:

5 (a) Reduced level of congestion and improved safety;

6 (b) Improved travel time;

7 (c) Improved air quality;

8 (d) Increases in daily and peak period person and vehicle trip
9 capacity;

10 (e) Reductions in person and vehicle delay;

11 (f) Improved personal mobility;

12 (g) Improved freight mobility; and

13 ~~((g))~~ (h) Cost-effectiveness of the investment.

14 (2) These criteria represent only minimum standards that must be
15 considered in selecting transportation improvement projects. The board
16 shall also consider rules and standards for benchmarks adopted by the
17 transportation commission or its successor.

18 **Sec. 7.** RCW 36.120.070 and 2002 c 56 s 107 are each amended to
19 read as follows:

20 Two or more contiguous county legislative authorities under RCW
21 36.120.030(1) and a county or county legislative authorities under RCW
22 36.120.030(2), upon receipt of the regional transportation investment
23 plan under RCW 36.120.040, may ~~((certify the plan to the ballot,~~
24 ~~including identification of the tax options))~~ submit to the voters of
25 the proposed district a single ballot measure that approves formation
26 of the district, approves the regional transportation investment plan,
27 and approves the revenue sources necessary to ~~((fund))~~ finance the
28 plan. ~~((County legislative authorities))~~ The planning committee may
29 draft ~~((a ballot title,))~~ the ballot measure on behalf of the county
30 legislative authorities, and the county legislative authorities may
31 give notice as required by law for ballot measures, and perform other
32 duties as required to ~~((put the plan before))~~ submit the measure to the
33 voters of the proposed district for their approval or rejection ~~((as a~~
34 ~~single ballot measure that both approves formation of the district and~~
35 ~~approves the plan))~~. Counties may negotiate interlocal agreements
36 necessary to implement the plan. The electorate will be the voters
37 voting within the boundaries of the participating counties. A simple

1 majority of the total persons voting on the single ballot measure (~~to~~
2 ~~approve the plan, establish the district, and approve the taxes and~~
3 ~~fees~~) is required for approval of the measure.

4 **Sec. 8.** RCW 36.120.090 and 2002 c 56 s 109 are each amended to
5 read as follows:

6 (1) The governing board of a district consists of the members of
7 the legislative authority of each member county, acting ex officio and
8 independently. The secretary of transportation or the appropriate
9 regional administrator of the department, as named by the secretary,
10 shall also serve as a nonvoting member of the board. For districts in
11 counties under RCW 36.120.030(1), the governing board may elect an
12 executive board of seven members to discharge the duties of the
13 governing board subject to the approval of the full governing board.

14 (2) A sixty-percent majority of the weighted votes of the total
15 board membership is required to submit to the county or counties a
16 modified plan under RCW 36.120.140 or any other proposal to be
17 submitted to the voters. The county or counties may, with majority
18 vote of each county legislative authority, submit a modified plan or
19 proposal to the voters.

20 **Sec. 9.** RCW 36.120.140 and 2003 c 194 s 2 are each amended to read
21 as follows:

22 (1) The board may modify the plan to change transportation projects
23 or revenue sources if:

24 (a) For districts in counties under RCW 36.120.030(1), two or more
25 participating counties adopt a resolution to modify the plan(~~(+)~~) and
26 (~~(+)~~) the counties submit to the voters in the district a ballot
27 measure that redefines the scope of the plan, its projects, its
28 schedule, its costs, or the revenue sources;

29 (b) For districts in counties under RCW 36.120.030(2), the board
30 adopts a resolution to modify the plan and the county or counties
31 submit to the voters in the district a ballot measure that redefines
32 the scope of the plan, its projects, its schedule, its costs, or the
33 revenue sources.

34 If the voters of either type of district fail to approve the
35 redefined plan, the district shall continue to work on and complete the

1 plan, and the projects in it, that was originally approved by the
2 voters. If the voters approve the redefined plan, the district shall
3 work on and complete the projects under the redefined plan.

4 (2) The board may modify the plan to change transportation projects
5 within a participating county if:

6 (a) A majority of the board approves the change;

7 (b) The modifications are limited to projects within the county;

8 (c) The county submits to the voters in the county a ballot measure
9 that redefines:

10 (i) Projects;

11 (ii) Scopes of projects; or

12 (iii) Costs; and

13 (iv) The financial plan for the county;

14 (d) The proposed modifications maintain the equity of the plan and
15 (~~does not~~) do not increase the total level of plan expenditure for
16 the county.

17 If the voters fail to approve the modified plan, the district shall
18 continue to work on and complete the plan, and the projects in it, that
19 was originally approved by the voters. If the voters approve the
20 redefined plan, the district shall work on and complete the projects
21 under the redefined plan.

22 (3) If a transportation project cost exceeds its original cost by
23 more than twenty percent as identified in the plan:

24 (a) The board shall, in coordination with the county legislative
25 authorities, submit to the voters in the district or county a ballot
26 measure that redefines the scope of the transportation project, its
27 schedule, or its costs. If the voters fail to approve the redefined
28 transportation project, the district shall terminate work on that
29 transportation project, except that the district may take reasonable
30 steps to use, preserve, or connect any improvement already constructed.
31 The remainder of any funds that would otherwise have been expended on
32 the terminated transportation project must first be used to retire any
33 outstanding debt attributable to the plan and then may be used to
34 implement the remainder of the plan.

35 (b) Alternatively for districts in counties under RCW
36 36.120.030(1), upon adoption of a resolution by two or more
37 participating counties:

1 (i) The counties shall submit to the voters in the district a
2 ballot measure that redefines the scope of the plan, its transportation
3 projects, its schedule, or its costs. If the voters fail to approve
4 the redefined plan, the district shall terminate work on that plan,
5 except that the district may take reasonable steps to use, preserve, or
6 connect any improvement already constructed. The remainder of any
7 funds must be used to retire any outstanding debt attributable to the
8 plan; or

9 (ii) The counties may elect to have the district continue the
10 transportation project without submitting an additional ballot proposal
11 to the voters.

12 (4) To assure accountability to the public for the timely
13 construction of the transportation improvement project or projects
14 within cost projections, the district shall issue a report, at least
15 annually, to the public and copies of the report to newspapers of
16 record in the district. In the report, the district shall indicate the
17 status of transportation project costs, transportation project
18 expenditures, revenues, and construction schedules. The report may
19 also include progress towards meeting the performance criteria provided
20 under this chapter.

21 **Sec. 10.** RCW 36.120.190 and 2002 c 56 s 201 are each amended to
22 read as follows:

23 For districts in counties under RCW 36.120.030(1), at the option of
24 the planning committee, and with the explicit approval of the regional
25 transit authority, the participating counties may choose to impose any
26 remaining high capacity transportation taxes under chapter 81.104 RCW
27 that have not otherwise been used by a regional transit authority and
28 submit to the voters a common ballot measure that creates the district,
29 approves the regional transportation investment plan, implements the
30 taxes, and implements any remaining high capacity transportation taxes
31 within the boundaries of the regional transportation investment
32 district. Collection and expenditures of any high capacity
33 transportation taxes implemented under this section must be determined
34 by agreement between the participating counties or district and the
35 regional transit authority electing to submit high capacity
36 transportation taxes to the voters under a common ballot measure as
37 provided in this section. If the measure fails, all such unused high

1 capacity transportation taxes revert back to and remain with the
2 regional transit authority. A project constructed with this funding is
3 not considered a "transportation project" under RCW 36.120.020.

4 **Sec. 11.** RCW 36.120.200 and 2002 c 56 s 401 are each amended to
5 read as follows:

6 The regional transportation investment district account is created
7 in the custody of the state treasurer. The purpose of this account is
8 to act as an account into which may be deposited state money, if any,
9 that may be used in conjunction with district money to fund
10 transportation projects. Additionally, (~~the~~) districts may deposit
11 funds into this account for disbursement, as appropriate, on
12 transportation projects. Nothing in this section requires any state
13 matching money. All money deposited in the regional transportation
14 investment district account will be used for design, right of way
15 acquisition, capital acquisition, and construction, or for the payment
16 of debt service associated with these activities, for regionally funded
17 transportation projects developed under this chapter. Only the
18 district may authorize expenditures from the account. The account is
19 subject to allotment procedures under chapter 43.88 RCW. An
20 appropriation is not required for expenditures from this account.

21 NEW SECTION. **Sec. 12.** A new section is added to chapter 36.120
22 RCW to read as follows:

23 Notwithstanding any provision to the contrary in this chapter, a
24 regional transportation investment district may impose vehicle tolls on
25 local and regional arterials with the approval of the transportation
26 commission, or its successor, and upon approval of a majority of the
27 voters voting on a regional transportation investment plan ballot
28 measure within its boundaries as authorized in this chapter. These
29 tolls may be imposed to generate revenue to fund the regional
30 transportation investment plan.

31 **Sec. 13.** RCW 47.56.076 and 2002 c 56 s 403 are each amended to
32 read as follows:

33 With the approval of the transportation commission, or its
34 successor, and upon approval of a majority of the voters within its
35 boundaries voting on the ballot proposition, and only for the purposes

1 authorized in RCW 36.120.050(1)((+f)) (h), a regional transportation
2 investment district may impose vehicle tolls on a state (~~routes where~~
3 ~~improvements financed in whole or in part by a regional transportation~~
4 ~~investment district add additional lanes to, or reconstruct lanes on,~~
5 ~~a highway of statewide significance)) or federal highway within the
6 boundaries of the district. The department shall administer the
7 collection of vehicle tolls on designated facilities unless otherwise
8 specified in law or by contract, and the state transportation
9 commission, or its successor, shall (~~be the tolling authority~~) set
10 and impose the tolls in amounts sufficient to implement the regional
11 transportation investment plan.~~

12 NEW SECTION. Sec. 14. A new section is added to chapter 47.56 RCW
13 to read as follows:

14 Notwithstanding any provision to the contrary in this chapter, a
15 regional transportation investment district may impose vehicle tolls on
16 either Lake Washington bridge upon approval of a majority of the voters
17 voting on a regional transportation investment plan ballot measure
18 within its boundaries as authorized in chapter 36.120 RCW and RCW
19 47.56.076.

20 NEW SECTION. Sec. 15. A new section is added to chapter 82.14 RCW
21 to read as follows:

22 (1) A regional transportation investment district may impose a
23 sales and use tax on motor vehicle fuel and special fuel as defined in
24 RCW 82.36.010 and 82.36.020 in accordance with this chapter and with
25 RCW 36.120.050. The tax is in addition to other taxes authorized by
26 law upon the occurrence of any taxable event within the county. The
27 tax may not be collected from those persons who are taxable by the
28 state under chapters 82.08 and 82.12 RCW. The rate of tax may not
29 exceed 7.5 percent of the selling price in the case of a sales tax or
30 value of the article used in the case of a use tax and must be in one-
31 tenth percent increments. The tax is subject to the approval of a
32 majority of the voters voting on the tax.

33 (2) Before the effective date of the imposition of the fuel taxes
34 under this section, a district shall contract with the department of
35 revenue for the administration and collection of the taxes. The
36 contract must provide that a percentage amount, not to exceed one

1 percent of the taxes imposed under this section, will be deposited into
2 the local tax administration account created in the custody of the
3 state treasurer. The department of revenue may spend money from this
4 account, upon appropriation, for the administration of the local taxes
5 imposed under this section.

6 (3) The state treasurer shall distribute revenues monthly to the
7 district levying the tax as part of the regional transportation
8 investment district plan.

9 (4) The proceeds of the additional taxes levied by a district in
10 this section, to be used as a part of a regional transportation
11 investment district plan, must be used in accordance with chapter
12 36.120 RCW.

13 **Sec. 16.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read
14 as follows:

15 (1) For purposes of this section:

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

20 (b) "Person" has the same meaning as in RCW 82.04.030.

21 (2) Subject to the conditions of this section, any county may levy,
22 by approval of its legislative body and a majority of the registered
23 voters of the county voting on the proposition at a general or special
24 election, additional excise taxes equal to ten percent of the statewide
25 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
26 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
27 fuel as defined in RCW 82.38.020 sold within the boundaries of the
28 county. Vehicles paying an annual license fee under RCW 82.38.075 are
29 exempt from the county fuel excise tax. An election held under this
30 section must be held not more than twelve months before the date on
31 which the proposed tax is to be levied. The ballot setting forth the
32 proposition shall state the tax rate that is proposed. The county's
33 authority to levy additional excise taxes under this section includes
34 the incorporated and unincorporated areas of the county. The
35 additional excise taxes are subject to the same exceptions and rights
36 of refund as applicable to other motor vehicle fuel and special fuel
37 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed

1 tax shall not be levied less than one month from the date the election
2 results are certified by the county election officer. The commencement
3 date for the levy of any tax under this section shall be the first day
4 of January, April, July, or October.

5 (3) The local option motor vehicle fuel tax on each gallon of motor
6 vehicle fuel and on each gallon of special fuel is imposed upon the
7 distributor of the fuel.

8 (4) A taxable event for the purposes of this section occurs upon
9 the first distribution of the fuel within the boundaries of a county to
10 a retail outlet, bulk fuel user, or ultimate user of the fuel.

11 (5) All administrative provisions in chapters 82.01, 82.03, and
12 82.32 RCW, insofar as they are applicable, apply to local option fuel
13 taxes imposed under this section.

14 (6) Before the effective date of the imposition of the fuel taxes
15 under this section, a county shall contract with the department of
16 revenue for the administration and collection of the taxes. The
17 contract must provide that a percentage amount, not to exceed one
18 percent of the taxes imposed under this section, will be deposited into
19 the local tax administration account created in the custody of the
20 state treasurer. The department of revenue may spend money from this
21 account, upon appropriation, for the administration of the local taxes
22 imposed under this section.

23 (7) The state treasurer shall distribute monthly to the levying
24 county and cities contained therein the proceeds of the additional
25 excise taxes collected under this section, after the deductions for
26 payments and expenditures as provided in RCW 46.68.090(1) (a) and (b)
27 and under the conditions and limitations provided in RCW 82.80.080.

28 (8) The proceeds of the additional excise taxes levied under this
29 section shall be used strictly for transportation purposes in
30 accordance with RCW 82.80.070.

31 ~~((9) A county may not levy the tax under this section if they are
32 levying the tax in RCW 82.80.110 or if they are a member of a regional
33 transportation investment district levying the tax in RCW 82.80.120.))~~

34 **Sec. 17.** RCW 82.80.110 and 2003 c 350 s 2 are each amended to read
35 as follows:

36 (1) For purposes of this section:

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

5 (b) "Person" has the same meaning as in RCW 82.04.030.

6 (2) For purposes of dedication to a regional transportation
7 investment district plan under chapter 36.120 RCW, subject to the
8 conditions of this section, a county may levy additional excise taxes
9 equal to ten percent of the statewide motor vehicle fuel tax rate under
10 RCW 82.36.025 on each gallon of motor vehicle fuel as defined in RCW
11 82.36.010 and on each gallon of special fuel as defined in RCW
12 82.38.020 sold within the boundaries of the county. The additional
13 excise tax is subject to the approval of the county's legislative body
14 and a majority of the registered voters of the county voting on the
15 proposition at a general or special election. An election held under
16 this section must be held not more than twelve months before the date
17 on which the proposed tax is to be levied. The ballot setting forth
18 the proposition must state that the revenues from the tax will be used
19 for a regional transportation investment district plan. The county's
20 authority to levy additional excise taxes under this section includes
21 the incorporated and unincorporated areas of the county. Vehicles
22 paying an annual license fee under RCW 82.38.075 are exempt from the
23 county fuel excise tax. The additional excise taxes are subject to the
24 same exceptions and rights of refund as applicable to other motor
25 vehicle fuel and special fuel excise taxes levied under chapters 82.36
26 and 82.38 RCW. The proposed tax may not be levied less than one month
27 from the date the election results are certified by the county election
28 officer. The commencement date for the levy of any tax under this
29 section will be the first day of January, April, July, or October.

30 (3) The local option motor vehicle fuel tax on each gallon of motor
31 vehicle fuel and on each gallon of special fuel is imposed upon the
32 distributor of the fuel.

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

36 (5) All administrative provisions in chapters 82.01, 82.03, and
37 82.32 RCW, insofar as they are applicable, apply to local option fuel
38 taxes imposed under this section.

1 (6) Before the effective date of the imposition of the fuel taxes
2 under this section, a county shall contract with the department of
3 revenue for the administration and collection of the taxes. The
4 contract must provide that a percentage amount, not to exceed one
5 percent of the taxes imposed under this section, will be deposited into
6 the local tax administration account created in the custody of the
7 state treasurer. The department of revenue may spend money from this
8 account, upon appropriation, for the administration of the local taxes
9 imposed under this section.

10 (7) The state treasurer shall distribute monthly to the county
11 levying the tax as part of a regional transportation investment plan,
12 after the deductions for payments and expenditures as provided in RCW
13 46.68.090(1) (a) and (b).

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

19 (9) A county may not levy the tax under this section if they are a
20 member of a regional transportation investment district that is levying
21 the tax in RCW 82.80.120 (~~or the county is levying the tax in RCW~~
22 ~~82.80.010~~) if that tax is imposed at a rate exceeding three cents per
23 gallon plus increases as provided for in RCW 82.80.120(3).

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

26 (1) For purposes of this section:

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

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

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

34 (2) (~~A regional transportation investment district under chapter~~
35 ~~36.120 RCW, subject to the conditions of this section, may levy~~
36 ~~additional excise taxes equal to ten percent of the statewide motor~~
37 ~~vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor~~

1 ~~vehicle fuel as defined in RCW 82.36.010 and on each gallon of special~~
2 ~~fuel as defined in RCW 82.38.020 sold within the boundaries of the~~
3 ~~district. The additional excise tax is subject to the approval of a~~
4 ~~majority of the voters within the district boundaries.)) Subject to the~~
5 conditions of this section, any district may levy, by inclusion within
6 a district plan and approval of a majority of the registered voters of
7 the district voting on the plan at a general or special election,
8 additional excise taxes on each gallon of motor vehicle fuel as defined
9 in RCW 82.36.010 and on each gallon of special fuel as defined in RCW
10 82.38.020 sold within the boundaries of the district. The initial fuel
11 tax imposed by the district may not exceed six cents per gallon;
12 however, the tax rate may be increased each calendar year as provided
13 in subsection (3) of this section without further voter approval.
14 Vehicles paying an annual license fee under RCW 82.38.075 are exempt
15 from the district's fuel excise tax. The additional excise taxes are
16 subject to the same exceptions and rights of refund as applicable to
17 other motor vehicle fuel and special fuel excise taxes levied under
18 chapters 82.36 and 82.38 RCW. The proposed tax may not be levied less
19 than one month from the date the election results are certified. The
20 commencement date for the levy of any tax under this section will be
21 the first day of January, April, July, or October.

22 (3) The tax rate implemented by the district may be increased
23 annually on the first day of January of each year in an amount not to
24 exceed the tax rate in effect multiplied by the forecast of the annual
25 United States implicit price deflator for personal consumption for the
26 year the tax rate is to be increased, as adopted and published by the
27 Washington state economic and revenue forecast council in September of
28 the year before the increase of the tax rate. The resultant tax rate
29 must be rounded to the nearest one-tenth of one percent.

30 (4) The local option motor vehicle fuel tax on each gallon of motor
31 vehicle fuel and on each gallon of special fuel is imposed upon the
32 distributor of the fuel.

33 ((4) A taxable event for the purposes of this section)) (5) The
34 incidence of the tax occurs upon the first distribution of the fuel
35 within the boundaries of the district to a retail outlet, bulk fuel
36 user, or ultimate user of the fuel.

37 ((5)) (6) All administrative provisions in chapters 82.01, 82.03,

1 and 82.32 RCW, insofar as they are applicable, apply to local option
2 fuel taxes imposed under this section.

3 ~~((6) Before the effective date of the imposition of the fuel taxes
4 under this section, a district shall contract with the department of
5 revenue for the administration and collection of the taxes. The
6 contract must provide that a percentage amount, not to exceed one
7 percent of the taxes imposed under this section, will be deposited into
8 the local tax administration account created in the custody of the
9 state treasurer. The department of revenue may spend money from this
10 account, upon appropriation, for the administration of the local taxes
11 imposed under this section.))~~

12 (7) A district imposing the tax authorized under this section shall
13 provide funds to distributors to offset their local fuel tax
14 administration costs. The district shall dedicate a percentage amount
15 of the tax collected under this section for that purpose. The
16 percentage amount must be equal to the amount provided for the
17 administrative expenses of the department of licensing under subsection
18 (10) of this section.

19 (8) The state treasurer shall distribute monthly to the levying
20 district ((levying the tax as part of the regional transportation
21 investment district plan)) the proceeds of the additional excise taxes
22 collected under this section, after the deductions for payments and
23 expenditures as provided in RCW 46.68.090(1) ((a) and (b)).

24 ~~((8))~~ (9) The proceeds of the additional taxes levied by a
25 district in this section((, to be used as a part of a regional
26 transportation investment district plan,)) must be used in accordance
27 with chapter 36.120 RCW((, but only for those areas that are considered
28 "highway purposes" as that term is construed in Article II, section 40
29 of the state Constitution.

30 ~~(9) A district may not levy the tax in this section if a member~~
31 ~~county is levying the tax in RCW 82.80.010 or 82.80.110)).~~

32 (10) The department of licensing shall administer and collect the
33 district fuel taxes. The department shall deduct a percentage amount,
34 as provided by contract, for administrative, collection, refund, and
35 audit expenses incurred. The remaining proceeds must be remitted to
36 the custody of the state treasurer for monthly distribution to the
37 district.

1 (11) For purposes of this section, "distributor" means every person
2 who imports, refines, manufactures, produces, or compounds motor
3 vehicle fuel and special fuel as defined in RCW 82.36.010 and
4 82.38.020, respectively, and sells or distributes the fuel into a
5 district.

6 NEW SECTION. Sec. 19. A new section is added to chapter 82.80 RCW
7 to read as follows:

8 (1) The legislative authority of a regional transportation
9 investment district may impose a charge based upon vehicle miles
10 traveled. This charge may be, but is not limited to, a charge upon the
11 vehicle miles traveled within the district by a vehicle, upon vehicle
12 miles traveled within certain corridors in the district, or upon total
13 vehicle miles traveled by a vehicle registered to a person whose legal
14 residence is within the district.

15 (2) Charges imposed may be collected either periodically in a
16 manner prescribed by the district or annually by the department of
17 licensing upon renewal of the vehicle license. The district may
18 identify categories of miles driven that are subject to or exempt from
19 the charge, including but not limited to, travel outside the district,
20 travel in specified corridors, or exempt or maximum mileage charges.

21 (3) The mileage charge under this section is subject to the
22 approval of the transportation commission or its statutory successor
23 and of a majority of the voters within the district boundaries voting
24 on formation of the district. The mileage charge must be part of the
25 investment plan of the district. A district may not simultaneously
26 impose a charge under this section and a local option fuel tax under
27 RCW 82.80.120.

28 NEW SECTION. Sec. 20. If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

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