
SUBSTITUTE HOUSE BILL 3205

State of Washington 58th Legislature 2004 Regular Session

By House Committee on Transportation (originally sponsored by Representative Murray)

READ FIRST TIME 02/27/04.

1 AN ACT Relating to a homeland transportation security surcharge;
2 amending RCW 46.01.140 and 46.16.071; reenacting and amending RCW
3 43.84.092 and 43.84.092; adding a new section to chapter 46.68 RCW;
4 creating new sections; making appropriations; providing an effective
5 date; and providing an expiration date.

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

7 **Sec. 1.** RCW 46.01.140 and 2003 c 370 s 3 are each amended to read
8 as follows:

9 (1) The county auditor, if appointed by the director of licensing
10 shall carry out the provisions of this title relating to the licensing
11 of vehicles and the issuance of vehicle license number plates under the
12 direction and supervision of the director and may with the approval of
13 the director appoint assistants as special deputies and recommend
14 subagents to accept applications and collect fees for vehicle licenses
15 and transfers and to deliver vehicle license number plates.

16 (2) A county auditor appointed by the director may request that the
17 director appoint subagencies within the county.

18 (a) Upon authorization of the director, the auditor shall use an

1 open competitive process including, but not limited to, a written
2 business proposal and oral interview to determine the qualifications of
3 all interested applicants.

4 (b) A subagent may recommend a successor who is either the
5 subagent's sibling, spouse, or child, or a subagency employee, as long
6 as the recommended successor participates in the open, competitive
7 process used to select an applicant. In making successor
8 recommendation and appointment determinations, the following provisions
9 apply:

10 (i) If a subagency is held by a partnership or corporate entity,
11 the nomination must be submitted on behalf of, and agreed to by, all
12 partners or corporate officers.

13 (ii) No subagent may receive any direct or indirect compensation or
14 remuneration from any party or entity in recognition of a successor
15 nomination. A subagent may not receive any financial benefit from the
16 transfer or termination of an appointment.

17 (iii) (a) and (b) of this subsection are intended to assist in the
18 efficient transfer of appointments in order to minimize public
19 inconvenience. They do not create a proprietary or property interest
20 in the appointment.

21 (c) The auditor shall submit all proposals to the director, and
22 shall recommend the appointment of one or more subagents who have
23 applied through the open competitive process. The auditor shall
24 include in his or her recommendation to the director, not only the name
25 of the successor who is a relative or employee, if applicable and if
26 otherwise qualified, but also the name of one other applicant who is
27 qualified and was chosen through the open competitive process. The
28 director has final appointment authority.

29 (3)(a) A county auditor who is appointed as an agent by the
30 department shall enter into a standard contract provided by the
31 director, developed with the advice of the title and registration
32 advisory committee.

33 (b) A subagent appointed under subsection (2) of this section shall
34 enter into a standard contract with the county auditor, developed with
35 the advice of the title and registration advisory committee. The
36 director shall provide the standard contract to county auditors.

37 (c) The contracts provided for in (a) and (b) of this subsection
38 must contain at a minimum provisions that:

1 (i) Describe the responsibilities, and where applicable, the
2 liability, of each party relating to the service expectations and
3 levels, equipment to be supplied by the department, and equipment
4 maintenance;

5 (ii) Require the specific type of insurance or bonds so that the
6 state is protected against any loss of collected motor vehicle tax
7 revenues or loss of equipment;

8 (iii) Specify the amount of training that will be provided by the
9 state, the county auditor, or subagents;

10 (iv) Describe allowable costs that may be charged to vehicle
11 licensing activities as provided for in (d) of this subsection;

12 (v) Describe the causes and procedures for termination of the
13 contract, which may include mediation and binding arbitration.

14 (d) The department shall develop procedures that will standardize
15 and prescribe allowable costs that may be assigned to vehicle licensing
16 and vessel registration and title activities performed by county
17 auditors.

18 (e) The contracts may include any provision that the director deems
19 necessary to ensure acceptable service and the full collection of
20 vehicle and vessel tax revenues.

21 (f) The director may waive any provisions of the contract deemed
22 necessary in order to ensure that readily accessible service is
23 provided to the citizens of the state.

24 (4)(a) At any time any application is made to the director, the
25 county auditor, or other agent pursuant to any law dealing with
26 licenses, registration, or the right to operate any vehicle or vessel
27 upon the public highways or waters of this state, excluding applicants
28 already paying such fee under RCW 46.16.070 or 46.16.085, the applicant
29 shall pay to the director, county auditor, or other agent a fee of
30 three dollars for each application in addition to any other fees
31 required by law.

32 (b) Counties that do not cover the expenses of vehicle licensing
33 and vessel registration and title activities may submit to the
34 department a request for cost-coverage moneys. The request must be
35 submitted on a form developed by the department. The department shall
36 develop procedures to verify whether a request is reasonable. Payment
37 shall be made on requests found to be allowable from the licensing
38 services account.

1 (c) Applicants for certificates of ownership, including applicants
2 paying fees under RCW 46.16.070 or 46.16.085, shall pay to the
3 director, county auditor, or other agent a fee of four dollars in
4 addition to any other fees required by law.

5 (d) The fees under (a) and (c) of this subsection, if paid to the
6 county auditor as agent of the director, or if paid to a subagent of
7 the county auditor, shall be paid to the county treasurer in the same
8 manner as other fees collected by the county auditor and credited to
9 the county current expense fund. If the fee is paid to another agent
10 of the director, the fee shall be used by the agent to defray his or
11 her expenses in handling the application.

12 (e) Applicants required to pay the three-dollar fee established
13 under (a) of this subsection, must pay an additional seventy-five
14 cents, which must be collected and remitted to the state treasurer and
15 distributed as follows:

16 (i) Fifty cents must be deposited into the department of licensing
17 services account of the motor vehicle fund and must be used for agent
18 and subagent support, which is to include but not be limited to the
19 replacement of department-owned equipment in the possession of agents
20 and subagents.

21 (ii) Twenty-five cents must be deposited into the license plate
22 technology account created under RCW 46.16.685.

23 (f) Except for applicants registering a new vehicle for the first
24 time in Washington, applicants required to pay the three-dollar fee
25 established under (a) of this subsection, must pay an additional
26 seventy-five cents, which must be collected and remitted to the state
27 treasurer and distributed to the homeland transportation security
28 account created in section 4 of this act.

29 (5) A subagent shall collect a service fee of (a) eight dollars and
30 fifty cents for changes in a certificate of ownership, with or without
31 registration renewal, or verification of record and preparation of an
32 affidavit of lost title other than at the time of the title application
33 or transfer and (b) three dollars and fifty cents for registration
34 renewal only, issuing a transit permit, or any other service under this
35 section.

36 (6) If the fee is collected by the state patrol as agent for the
37 director, the fee so collected shall be certified to the state
38 treasurer and deposited to the credit of the state patrol highway

1 account. If the fee is collected by the department of transportation
2 as agent for the director, the fee shall be certified to the state
3 treasurer and deposited to the credit of the motor vehicle fund. All
4 such fees collected by the director or branches of his office shall be
5 certified to the state treasurer and deposited to the credit of the
6 highway safety fund.

7 (7) Any county revenues that exceed the cost of providing vehicle
8 licensing and vessel registration and title activities in a county,
9 calculated in accordance with the procedures in subsection (3)(d) of
10 this section, shall be expended as determined by the county legislative
11 authority during the process established by law for adoption of county
12 budgets.

13 (8) The director may adopt rules to implement this section.

14 **Sec. 2.** RCW 46.16.071 and 1996 c 315 s 4 are each amended to read
15 as follows:

16 (1) In addition to the fees set forth in RCW 46.16.070, there shall
17 be paid and collected annually upon registration, a fee of one dollar
18 for each truck, motor truck, truck tractor, road tractor, tractor, bus,
19 auto stage, or for hire vehicle with seating capacity of more than six,
20 notwithstanding the provisions of RCW 46.16.070.

21 (2) In addition to the fees set forth in RCW 46.16.085, there shall
22 be paid and collected annually upon registration, a fee of one dollar
23 for each trailer, semitrailer, and pole trailer, notwithstanding the
24 provisions of RCW 46.16.085.

25 (3) The proceeds from the fees collected under subsections (1) and
26 (2) of this section shall be deposited into the highway safety fund,
27 except that for each vehicle registered by a county auditor or agent to
28 a county auditor under RCW 46.01.140, the proceeds shall be credited to
29 the current county expense fund.

30 (4)(a) In addition to the fees set forth in RCW 46.16.070, there
31 shall be paid and collected annually upon registration, excluding new
32 vehicles that are registered for the first time in Washington, a fee of
33 seventy-five cents for each truck, motor truck, truck tractor, road
34 tractor, tractor, bus, auto stage, or for hire vehicle with seating
35 capacity of more than six, notwithstanding the provisions of RCW
36 46.16.070.

1 (b) The additional fee under (a) of this subsection shall be
2 deposited into the homeland transportation security account, created in
3 section 4 of this act, to be used solely for homeland transportation
4 security funding.

5 NEW SECTION. Sec. 3. (1) The appropriations in this subsection
6 shall be used for homeland security for transportation Washington state
7 and to ensure compliance with coast guard maritime security level 2
8 regulations. The appropriations in this subsection take effect July 1,
9 2004, and expire June 30, 2005.

10 **For the Department of Transportation--Program X**
11 Homeland Transportation Security Account--
12 State Appropriation \$1,246,000
13 **For the Department of Transportation--Program C**
14 Homeland Transportation Security Account--
15 State Appropriation \$655,000
16 **For the Washington State Patrol--Field Operations**
17 Homeland Transportation Security Account--
18 State Appropriation \$2,419,000
19 **For the Department of Transportation--Program M**
20 Homeland Transportation Security Account--State
21 Appropriation \$145,000
22 Total Appropriation \$4,465,000

23 (2) The Washington state patrol will reassign twelve existing
24 vessel and terminal security positions to K-9 positions. When a
25 maritime security level 2 is announced the Washington state patrol will
26 transfer twelve existing highway troopers to the vessel and terminal
27 security program until the maritime security level 2 is returned to
28 level 1. \$281,000 of the \$2,419,000 state patrol highway account--
29 state appropriation is to be used solely for the state match for MCSAP
30 new entrants program and northern border program.

31 (3) The department of transportation is provided \$1,901,000 for
32 ferry security and safety management systems.

33 (4) \$145,000 for the department of transportation--program M is to
34 be used solely for phase 1 of the vulnerability survey of
35 transportation assets and emergency training.

1 NEW SECTION. **Sec. 4.** A new section is added to chapter 46.68 RCW
2 to read as follows:

3 The homeland transportation security account is created in the
4 state treasury. All receipts from RCW 46.01.140(4)(f) and 46.16.071
5 must be deposited into the account. Money in the account may be spent
6 only after appropriation. Expenditures from the account may be used
7 only for homeland transportation security funding.

8 **Sec. 5.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, and
9 2003 c 48 s 2 are each reenacted and amended to read as follows:

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

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

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

36 (4) Monthly, the state treasurer shall distribute the earnings

1 credited to the treasury income account. The state treasurer shall
2 credit the general fund with all the earnings credited to the treasury
3 income account except:

4 (a) The following accounts and funds shall receive their
5 proportionate share of earnings based upon each account's and fund's
6 average daily balance for the period: The capitol building
7 construction account, the Cedar River channel construction and
8 operation account, the Central Washington University capital projects
9 account, the charitable, educational, penal and reformatory
10 institutions account, the common school construction fund, the county
11 criminal justice assistance account, the county sales and use tax
12 equalization account, the data processing building construction
13 account, the deferred compensation administrative account, the deferred
14 compensation principal account, the department of retirement systems
15 expense account, the drinking water assistance account, the drinking
16 water assistance administrative account, the drinking water assistance
17 repayment account, the Eastern Washington University capital projects
18 account, the education construction fund, the election account, the
19 emergency reserve fund, The Evergreen State College capital projects
20 account, the federal forest revolving account, the health services
21 account, the public health services account, the health system capacity
22 account, the personal health services account, the state higher
23 education construction account, the higher education construction
24 account, the highway infrastructure account, the homeland
25 transportation security account, the industrial insurance premium
26 refund account, the judges' retirement account, the judicial retirement
27 administrative account, the judicial retirement principal account, the
28 local leasehold excise tax account, the local real estate excise tax
29 account, the local sales and use tax account, the medical aid account,
30 the mobile home park relocation fund, the multimodal transportation
31 account, the municipal criminal justice assistance account, the
32 municipal sales and use tax equalization account, the natural resources
33 deposit account, the oyster reserve land account, the perpetual
34 surveillance and maintenance account, the public employees' retirement
35 system plan 1 account, the public employees' retirement system combined
36 plan 2 and plan 3 account, the public facilities construction loan
37 revolving account beginning July 1, 2004, the public health
38 supplemental account, the Puyallup tribal settlement account, the

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

32 (b) The following accounts and funds shall receive eighty percent
33 of their proportionate share of earnings based upon each account's or
34 fund's average daily balance for the period: The aeronautics account,
35 the aircraft search and rescue account, the county arterial
36 preservation account, the department of licensing services account, the
37 essential rail assistance account, the ferry bond retirement fund, the
38 grade crossing protective fund, the high capacity transportation

1 account, the highway bond retirement fund, the highway safety account,
2 the motor vehicle fund, the motorcycle safety education account, the
3 pilotage account, the public transportation systems account, the Puget
4 Sound capital construction account, the Puget Sound ferry operations
5 account, the recreational vehicle account, the rural arterial trust
6 account, the safety and education account, the special category C
7 account, the state patrol highway account, the transportation 2003
8 account (nickel account), the transportation equipment fund, the
9 transportation fund, the transportation improvement account, the
10 transportation improvement board bond retirement account, and the urban
11 arterial trust account.

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

15 **Sec. 6.** RCW 43.84.092 and 2003 c 361 s 602, 2003 c 324 s 1, 2003
16 c 150 s 2, and 2003 c 48 s 2 are each reenacted and amended to read as
17 follows:

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

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

36 (3) Except for the provisions of RCW 43.84.160, the treasury income
37 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,
2 safekeeping, and disbursement functions for the state treasury and
3 affected state agencies. The treasury income account is subject in all
4 respects to chapter 43.88 RCW, but no appropriation is required for
5 payments to financial institutions. Payments shall occur prior to
6 distribution of earnings set forth in subsection (4) of this section.

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

11 (a) The following accounts and funds shall receive their
12 proportionate share of earnings based upon each account's and fund's
13 average daily balance for the period: The capitol building
14 construction account, the Cedar River channel construction and
15 operation account, the Central Washington University capital projects
16 account, the charitable, educational, penal and reformatory
17 institutions account, the common school construction fund, the county
18 criminal justice assistance account, the county sales and use tax
19 equalization account, the data processing building construction
20 account, the deferred compensation administrative account, the deferred
21 compensation principal account, the department of retirement systems
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23 water assistance administrative account, the drinking water assistance
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26 emergency reserve fund, The Evergreen State College capital projects
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29 account, the personal health services account, the state higher
30 education construction account, the higher education construction
31 account, the highway infrastructure account, the homeland
32 transportation security account, the industrial insurance premium
33 refund account, the judges' retirement account, the judicial retirement
34 administrative account, the judicial retirement principal account, the
35 local leasehold excise tax account, the local real estate excise tax
36 account, the local sales and use tax account, the medical aid account,
37 the mobile home park relocation fund, the multimodal transportation
38 account, the municipal criminal justice assistance account, the

1 municipal sales and use tax equalization account, the natural resources
2 deposit account, the oyster reserve land account, the perpetual
3 surveillance and maintenance account, the public employees' retirement
4 system plan 1 account, the public employees' retirement system combined
5 plan 2 and plan 3 account, the public facilities construction loan
6 revolving account beginning July 1, 2004, the public health
7 supplemental account, the public works assistance account, the Puyallup
8 tribal settlement account, the regional transportation investment
9 district account, the resource management cost account, the site
10 closure account, the special wildlife account, the state employees'
11 insurance account, the state employees' insurance reserve account, the
12 state investment board expense account, the state investment board
13 commingled trust fund accounts, the supplemental pension account, the
14 Tacoma Narrows toll bridge account, the teachers' retirement system
15 plan 1 account, the teachers' retirement system combined plan 2 and
16 plan 3 account, the tobacco prevention and control account, the tobacco
17 settlement account, the transportation infrastructure account, the
18 tuition recovery trust fund, the University of Washington bond
19 retirement fund, the University of Washington building account, the
20 volunteer fire fighters' and reserve officers' relief and pension
21 principal fund, the volunteer fire fighters' and reserve officers'
22 administrative fund, the Washington fruit express account, the
23 Washington judicial retirement system account, the Washington law
24 enforcement officers' and fire fighters' system plan 1 retirement
25 account, the Washington law enforcement officers' and fire fighters'
26 system plan 2 retirement account, the Washington school employees'
27 retirement system combined plan 2 and 3 account, the Washington state
28 health insurance pool account, the Washington state patrol retirement
29 account, the Washington State University building account, the
30 Washington State University bond retirement fund, the water pollution
31 control revolving fund, and the Western Washington University capital
32 projects account. Earnings derived from investing balances of the
33 agricultural permanent fund, the normal school permanent fund, the
34 permanent common school fund, the scientific permanent fund, and the
35 state university permanent fund shall be allocated to their respective
36 beneficiary accounts. All earnings to be distributed under this
37 subsection (4)(a) shall first be reduced by the allocation to the state
38 treasurer's service fund pursuant to RCW 43.08.190.

1 (b) The following accounts and funds shall receive eighty percent
2 of their proportionate share of earnings based upon each account's or
3 fund's average daily balance for the period: The aeronautics account,
4 the aircraft search and rescue account, the county arterial
5 preservation account, the department of licensing services account, the
6 essential rail assistance account, the ferry bond retirement fund, the
7 grade crossing protective fund, the high capacity transportation
8 account, the highway bond retirement fund, the highway safety account,
9 the motor vehicle fund, the motorcycle safety education account, the
10 pilotage account, the public transportation systems account, the Puget
11 Sound capital construction account, the Puget Sound ferry operations
12 account, the recreational vehicle account, the rural arterial trust
13 account, the safety and education account, the special category C
14 account, the state patrol highway account, the transportation 2003
15 account (nickel account), the transportation equipment fund, the
16 transportation fund, the transportation improvement account, the
17 transportation improvement board bond retirement account, and the urban
18 arterial trust account.

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

22 NEW SECTION. **Sec. 7.** Section 5 of this act expires July 1, 2005.

23 NEW SECTION. **Sec. 8.** Section 6 of this act takes effect July 1,
24 2005.

25 NEW SECTION. **Sec. 9.** Sections 1 and 2 of this act apply to
26 registrations that are due or become due on or after September 1, 2004.

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