<u>ESHB 2871</u> - S AMD By Senator Haugen

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ADOPTED 03/07/2006

- 1 Strike everything after the enacting clause and insert the 2 following:
- "NEW SECTION. Sec. 1. The legislature finds that effective transportation planning in urbanized regions requires stronger and clearer lines of responsibility and accountability.
 - The legislature further finds that integrated, multimodal transportation planning will help reduce transportation congestion and improve safety, and that streamlined decision making will help reduce political congestion.
 - The legislature further finds that coordinated planning of, investment in, and operation of transportation systems will have significant benefit to the citizens of Washington, and that it is the will of the people to fund regional transportation solutions, including improving transit service in urbanized areas and among existing, fragmented transit agencies in the region. Although equity considerations must be respected, transportation problems are broader and deeper than the sum of geographic subareas.
 - It is therefore the policy of the state of Washington to create a regional transportation commission to develop a proposal for a regional transportation governing entity more directly accountable to the public, and to develop a comprehensive regional transportation finance plan for the citizens of the Puget Sound metropolitan region.
- NEW SECTION. Sec. 2. (1) The regional transportation commission is established.
- 25 (2) The commission shall consist of nine voting commissioners. The 26 commissioners shall be appointed by the governor by June 1, 2006. The 27 governor shall appoint four commissioners from designated lists of 28 three nominees submitted by each major party caucus of the legislature, 29 with one commissioner to be appointed from each respective list of

- nominees. The governor shall appoint the additional five commissioners 1 2 independent of the legislative caucus nominees. In addition, the secretary of transportation or the secretary's designee shall serve as 3 a nonvoting member. Appointments of commissioners must reflect 4 geographical balance and diversity of populations within the central 5 Puget Sound region and, to the extent possible, include commissioners 6 7 with special expertise in relevant fields such as funding, planning, and construction of transportation improvement projects, structural 8 9 reorganizations, and operation of transportation systems. Appointees 10 must be citizen members who do not hold public office. Vacancies for any appointed commission seat shall be filled in the same manner as the 11 original appointments were made. 12
 - (3) The term of office for a commissioner begins seven days following appointment by the governor. A commissioner must be a qualified elector under the state Constitution when his or her term of office begins.

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- (4) The commission chair presides over the commission and sets the commission agenda subject to general rules established by the commission. Except as provided otherwise in this act, the commission chair appoints all members of the committees, councils, and boards created by the rules of the commission. The commission chair shall be designated by the governor from among the commissioners appointed under subsection (2) of this section.
- (5) Each member of the commission is eligible to receive compensation in an amount not to exceed two hundred fifty dollars for each day during which the member attends an official meeting of the group or performs statutorily prescribed duties approved by the chair. A commissioner may be compensated under this subsection only if the compensation is necessarily incurred in the course of authorized business, consistent with the responsibilities of the commission established by this act.
- (6) The commission may be entitled to state funding, as appropriated by the legislature, to pay for expenses incurred by the commission and the department of transportation and through contracts in carrying out the duties authorized in this act.
- 36 (7) The department of transportation shall provide staff support to 37 the commission and, upon request of the commission, contract with other 38 parties for staff support to the commission.

NEW SECTION. Sec. 3. The regional transportation commission has the following duties:

- (1) Evaluate transportation governance in the central Puget Sound area within the jurisdiction of the Puget Sound regional council. This evaluation must include an assessment of the current roles of regional transportation agencies, including regional transportation and metropolitan planning organizations, the regional transit authority, regional transportation investment districts, county and municipal agencies operating transit services, and cities, counties, and other public agencies providing transportation services or facilities, including the state department of transportation. The commission shall assess and develop recommendations for what steps should be taken to:
- (a) Consolidate governance among agencies, including changes in institutional powers, structures, and relationships and governance needed to improve accountability for transportation decisions, while enhancing the regional focus for transportation decisions and maintaining equity among citizens in the region;
- (b) Improve coordination in the planning of transportation investments and services;
 - (c) Improve investment strategies;

- (d) Coordinate transportation planning and investments with adopted land use policies within the region;
- (e) Enhance efficiency and coordination in the delivery of services provided;
 - (f) Adjust boundaries for agencies or functions within the region to address existing and future transportation and land use issues; and
 - (g) Improve coordination between regional investments and federal funds, and state funding, including those administered by the transportation improvement board, the county road administration board, and the freight mobility strategic investment board;
 - (2) Develop options for a regional transportation governance proposal that include, at a minimum, an option providing for the formation of a regional transportation governing entity, of which all of its members must be directly elected, the revenue sources that will be available to such entity, and the scope of planning authority of such entity. The commission shall consult with affected jurisdictions when developing a proposal under this subsection;

1 (3) Develop a comprehensive financing strategy and recommended 2 revenue options for improving transportation system performance within 3 the region through investments in transportation projects, including, 4 but not limited to, system-wide pricing policies and network value-5 pricing charges;

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- (4) Publicize the commission's proposal referenced in subsection (2) of this section, and the list of revenue options referenced in subsection (3) of this section, by November 15, 2006, and provide at least fifteen days for public comment;
- 10 (5) Adopt the proposal referenced in subsection (2) of this section, and the list of revenue options referenced in subsection (3) of this section, and submit them to the legislature by January 1, 2007, after which time the commission shall dissolve; and
- 14 (6) Conduct public meetings to assure active public participation 15 in the development of the recommendations, proposal, and finance plan 16 under this section.
- 17 **Sec. 4.** RCW 36.120.020 and 2002 c 56 s 102 are each amended to 18 read as follows:
- 19 The definitions in this section apply throughout this chapter 20 unless the context clearly requires otherwise.
- 21 (1) "Board" means the governing body of a regional transportation 22 investment district.
- 23 (2) "Department" means the Washington state department of transportation.
 - (3) "Highway of statewide significance" means an existing or proposed state route or federal interstate designated as a highway of statewide significance by the transportation commission, its successor entity, or the legislature.
- 29 (4) "Lead agency" means a public agency that by law can plan, 30 design, and build a transportation project and has been so designated 31 by the district.
- 32 (5) "Regional transportation investment district" or "district"
 33 means a municipal corporation ((whose boundaries are coextensive with
 34 two or more contiguous counties and)) that has been created by county
 35 legislative authorities and a vote of the people under this chapter to
 36 implement a regional transportation investment plan.

- 1 (6) "Regional transportation investment district planning 2 committee" or "planning committee" means the advisory committee created 3 under RCW 36.120.030 to create and propose to county legislative 4 authorities a regional transportation investment plan to develop, 5 finance, and construct transportation projects.
 - (7) "Regional transportation investment plan" or "plan" means a plan to develop, construct, and finance a transportation project or projects.
 - (8) "Transportation project" means:
- 10 (a) A capital improvement or improvements to a highway that has 11 been designated, in whole or in part, as a highway of statewide 12 significance, including an extension, that:
- 13 (i) Adds a lane or new lanes to an existing state or federal 14 highway; or
- 15 (ii) Repairs or replaces a lane or lanes damaged by an event 16 declared an emergency by the governor before January 1, 2002.
 - (b) A capital improvement or improvements to all or a portion of a highway of statewide significance, including an extension, and may include the following associated multimodal capital improvements:
 - (i) Approaches to highways of statewide significance;
 - (ii) High-occupancy vehicle lanes;
- 22 (iii) Flyover ramps;
- 23 (iv) Park and ride lots;
- 24 (v) Bus pullouts;

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- 25 (vi) Vans for vanpools;
- 26 (vii) Buses; and
- (viii) Signalization, ramp metering, and other transportation system management improvements.
- (c) A capital improvement or improvements to all or a portion of a city street, county road, or existing highway or the creation of a new highway that intersects with a highway of statewide significance, if all of the following conditions are met:
- (i) The project is included in a plan that makes highway improvement projects that add capacity to a highway or highways of statewide significance;
- (ii) The secretary of transportation determines that the project would better relieve traffic congestion than investing that same money in adding capacity to a highway of statewide significance;

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

- (iv) In no case may the cumulative regional transportation investment district contribution to all projects constructed under this subsection (8)(c) exceed ten percent of the revenues generated by the district;
- (v) In no case may the cumulative regional transportation investment district contribution to all projects constructed under this subsection (8)(c) exceed one billion dollars; and
- (vi) The specific projects are included within the plan and submitted as part of the plan to a vote of the people.
 - (d) Except as otherwise provided in this subsection, operations, preservation, and maintenance are excluded from this definition and may not be included in a regional transportation investment plan. However, operations, preservation, and maintenance of tolled facilities where toll revenues have been pledged for the payment of contracts is expressly authorized and may be included in a regional transportation investment plan. The authority under this subsection includes operational expenses for toll enforcement.
- (e) Operational expenses for traffic mitigation provided solely for transportation project construction mitigation directly related to specific projects as outlined in the plan shall be included in a regional transportation investment plan. Construction mitigation strategies may include, but are not limited to, funding for increased transit service hours, trip reduction incentives, nonmotorized mode support, and ridematching services. Prior to construction of any project, corridor mitigation plans must be developed in conjunction with the department and partner transit agencies, including local transit agencies and the regional transit authority serving the counties, with the following goals: (i) Reducing drive alone trips in affected corridors; (ii) reducing delay per person and delay per unit of goods in affected corridors; and (iii) improving levels of service that improve system performance for all transportation users in affected corridors. The regional transportation commission established

under section 2 of this act, or a successor regional governing entity,
shall review transit investments according to these performance
measures to determine whether to continue funding for successful and
effective operations after the construction period is completed.

- (9) "Weighted vote" means a vote that reflects the population each board or planning committee member represents relative to the population represented by the total membership of the board or planning committee. Population will be determined using the federal 2000 census or subsequent federal census data.
- **Sec. 5.** RCW 36.120.030 and 2002 c 56 s 103 are each amended to 11 read as follows:

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

- (1) A county with a population over one million five hundred thousand persons and any adjoining counties with a population over five hundred thousand persons may create a regional transportation investment district and shall convene a regional transportation investment district planning committee.
- (a) The boundaries of the district should include at least the contiguous areas within the regional transit authority serving the counties. The boundaries must be proposed by the planning committee and approved by the county legislative authorities by ordinance before or in conjunction with approval of a regional transportation investment plan. Boundaries must follow complete parcels of land. However, any portion of a county that is located on a peninsula shall be exempt from a regional transportation investment district in which more than one county is included if (i) the portion of the county located on the peninsula is connected to the other portion of the county by a bridge improved under chapter 47.46 RCW, and (ii) the county has a national park and a population of more than five hundred thousand persons, but less than one million five hundred thousand persons.
- (b) After voters within the district boundaries have approved a plan under RCW 36.120.070, elections to add areas to the district boundaries may be called by a resolution of the board, after consultation with the regional transportation planning organization and affected transit agencies and with the concurrence of the legislative authority of the city or town if the area is incorporated or with the

concurrence of the county legislative authority if the area is unincorporated. The election may include a single ballot measure providing annexation to the district, approval of the plan, and approval of revenue sources necessary to finance the plan. The electorate are the voters voting within the proposed area to be annexed. A simple majority of the persons voting on the single ballot measure is required for approval of the measure.

(2) The members of the legislative authorities participating in planning under this chapter shall serve as the district planning committee. Members of the planning committee receive no compensation, but may be reimbursed for travel and incidental expenses as the planning committee deems appropriate.

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

- (3) A regional transportation investment district planning committee may be entitled to state funding, as appropriated by the legislature, for start-up funding to pay for salaries, expenses, overhead, supplies, and similar expenses ordinarily and necessarily incurred in selecting transportation projects and funding for those transportation projects under this chapter. Upon creation of a regional transportation investment district, the district shall within one year reimburse the state for any sums advanced for these start-up costs from the state.
- (4) The planning committee shall conduct its affairs and formulate a regional transportation investment plan as provided under RCW 36.120.040, except that it shall elect an executive board of seven members to discharge the duties of the planning committee and formulate a regional transportation investment plan, subject to the approval of the full committee.
- 31 (5) At its first meeting, a regional transportation investment 32 district planning committee may elect officers and provide for the 33 adoption of rules and other operating procedures.
 - (6) Governance of and decisions by a regional transportation investment district planning committee must be by a sixty-percent weighted majority vote of the total membership.
- 37 (7) The planning committee may dissolve itself at any time by a

- two-thirds weighted majority vote of the total membership of the planning committee.
- 3 (8) If a multicounty regional transportation investment district is
 4 not formed by December 1, 2007, through approval by the voters voting
 5 on a regional transportation investment plan, then the authority under
 6 this chapter to create a district, and to fund and construct
 7 transportation projects, shall be available to each of the eligible
 8 counties described in subsection (1) of this section on an individual
- 9 <u>and independent basis.</u>

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- 10 **Sec. 6.** RCW 36.120.040 and 2003 c 194 s 1 are each amended to read 11 as follows:
 - (1) A regional transportation investment district planning committee shall adopt a regional transportation investment plan providing for the development, construction, and financing of transportation projects. The planning committee may consider the following factors in formulating its plan:
 - (a) Land use planning criteria;
 - (b) The input of cities located within a participating county; and
- (c) The input of regional transportation planning organizations ((in)) of which a participating county is ((located)) a member. A regional transportation planning organization in which a participating county is located shall review its adopted regional transportation plan and submit, for the planning committee's consideration, its list of transportation improvement priorities.
 - (2) The planning committee may coordinate its activities with the department, which shall provide services, data, and personnel to assist in this planning as desired by the planning committee. In addition, the planning committee may coordinate its activities with affected cities, towns, and other local governments, including any regional transit authority existing within the participating counties' boundaries, that engage in transportation planning.
 - (3) The planning committee shall:
- 33 (a) Conduct public meetings that are needed to assure active public participation in the development of the plan;
 - (b) Adopt a plan proposing the:
- (i) Creation of a regional transportation investment district, including district boundaries; and

(ii) Construction of transportation projects to improve mobility within each county and within the region. Operations, maintenance, and preservation of facilities or systems may not be part of the plan, except for the limited purposes provided under RCW 36.120.020(8); and

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- (c) Recommend sources of revenue authorized by RCW 36.120.050 and a financing plan to fund selected transportation projects. The overall plan of the district must leverage the district's financial contributions so that the federal, state, local, and other revenue sources continue to fund major congestion relief and transportation capacity improvement projects in each county and the district. A combination of local, state, and federal revenues may be necessary to pay for transportation projects, and the planning committee shall consider all of these revenue sources in developing a plan.
- (4) The plan must use tax revenues and related debt for projects that generally benefit a participating county in proportion to the general level of tax revenues generated within that participating This equity principle applies to all modifications to the plan, appropriation of contingency funds not identified within the project estimate, and future phases of the plan. Per agreement with a regional transit authority serving the counties participating in a district, the equity principle identified under this subsection may include using the combined district and regional transit authority revenues generated within a participating county to determine the distribution that proportionally benefits the county. For purposes of the transportation subarea equity principle established under this subsection, a district may use the five subareas within a regional transit authority's boundaries as identified in an authority's system plan adopted in May 1996. During implementation of the plan, the board shall retain the flexibility to manage distribution of revenues, debt, and project schedules so that the district may effectively implement the plan. Nothing in this section should be interpreted to prevent the district from pledging district- wide tax revenues for payment of any contract or debt entered into under RCW 36.120.130.
- (5) Before adopting the plan, the planning committee, with assistance from the department, shall work with the lead agency to develop accurate cost forecasts for transportation projects. This project costing methodology must be integrated with revenue forecasts in developing the plan and must at a minimum include estimated project

costs in constant dollars as well as year of expenditure dollars, the range of project costs reflected by the level of project design, project contingencies, identification of mitigation costs, the range of revenue forecasts, and project and plan cash flow and bond analysis. The plan submitted to the voters must provide cost estimates for each project, including reasonable contingency costs. Plans submitted to the voters must provide that the maximum amount possible of the funds raised will be used to fund projects in the plan, environmental improvements and mitigation, and that administrative costs be minimized. If actual revenue exceeds actual plan costs, the excess revenues must be used to retire any outstanding debt associated with the plan.

- (6) If a county opts not to adopt the plan or participate in the regional transportation investment district, but two or more contiguous counties do choose to continue to participate, then the planning committee may, within ninety days, redefine the regional transportation investment plan and the ballot measure to be submitted to the people to reflect elimination of the county, and submit the redefined plan to the legislative authorities of the remaining counties for their decision as to whether to continue to adopt the redefined plan and participate. This action must be completed within sixty days after receipt of the redefined plan.
- (7) Once adopted by the planning committee, the plan must be forwarded to the participating county legislative authorities to initiate the election process under RCW 36.120.070. The planning committee shall at the same time provide notice to each city and town within the district, the governor, the chairs of the transportation committees of the legislature, the secretary of transportation, and each legislator whose legislative district is partially or wholly within the boundaries of the district.
- (8) If the ballot measure is not approved, the planning committee may redefine the selected transportation projects, financing plan, and the ballot measure. The county legislative authorities may approve the new plan and ballot measure, and may then submit the revised proposition to the voters at the next election or a special election. If no ballot measure is approved by the voters by the third vote, the planning committee is dissolved.

NEW SECTION. Sec. 7. A new section is added to chapter 36.120 RCW to read as follows:

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The planning committee must develop and include in the regional transportation investment plan a funding proposal for the state route number 520 bridge replacement and HOV project that assures full project funding for seismic safety and corridor connectivity on state route number 520 between Interstate 5 and Interstate 405.

8 **Sec. 8.** RCW 36.120.070 and 2002 c 56 s 107 are each amended to 9 read as follows:

(1) Beginning no sooner than the 2007 general election, two or more contiguous county legislative authorities, or a single county <u>legislative authority as provided under RCW 36.120.030(8)</u>, upon receipt of the regional transportation investment plan under RCW 36.120.040, may ((certify the plan to the ballot, including identification of the tax options)) submit to the voters of the proposed district a single ballot measure that approves formation of the district, approves the regional transportation investment plan, and approves the revenue sources necessary to ((fund)) finance the plan. ((County legislative authorities)) For a county to participate in the plan, the county legislative authority shall, within ninety days after receiving the plan, adopt an ordinance indicating the county's participation. The planning committee may draft ((a ballot title,)) the ballot measure on behalf of the county legislative authorities, and the county legislative authorities may give notice as required by law for ballot measures, and perform other duties as required to ((put the plan before)) submit the measure to the voters of the proposed district for their approval or rejection ((as a single ballot measure that both approves formation of the district and approves the plan)). Counties may negotiate interlocal agreements necessary to implement the plan. The electorate will be the voters voting within the boundaries of the ((participating counties)) proposed district. A simple majority of the total persons voting on the single ballot measure ((to approve the plan, establish the district, and approve the taxes and fees)) is required for approval.

(2) In conjunction with RCW 81.112.030(10), at the 2007 general election the participating counties shall submit a regional transportation investment plan on the same ballot along with a

- 1 proposition to support additional implementation phases of the
- 2 <u>authority's system and financing plan developed under chapter 81.112</u>
- 3 RCW. The plan shall not be considered approved unless voters also
- 4 approve the proposition to support additional implementation phases of
- 5 the authority's system and financing plan.
- 6 **Sec. 9.** RCW 29A.36.071 and 2004 c 271 s 169 are each amended to 7 read as follows:
- (1) Except as provided to the contrary in RCW 82.14.036, 82.46.021, 8 or 82.80.090, the ballot title of any referendum filed on an enactment 9 or portion of an enactment of a local government and any other question 10 11 submitted to the voters of a local government consists of three elements: (a) An identification of the enacting legislative body and 12 a statement of the subject matter; (b) a concise description of the 13 measure; and (c) a question. The ballot title must conform with the 14 requirements and be displayed substantially as provided under RCW 15 16 29A.72.050, except that the concise description must not exceed seventy-five words; however, a concise description submitted on behalf 17 of a proposed or existing regional transportation investment district 18 may exceed seventy- five words. If the local governmental unit is a 19 20 city or a town, the concise statement shall be prepared by the city or 21 town attorney. If the local governmental unit is a county, the concise 22 statement shall be prepared by the prosecuting attorney of the county. If the unit is a unit of local government other than a city, town, or 23 24 county, the concise statement shall be prepared by the prosecuting attorney of the county within which the majority area of the unit is 25 26 located.
- 27 (2) A referendum measure on the enactment of a unit of local 28 government shall be advertised in the manner provided for nominees for 29 elective office.
- 30 (3) Subsection (1) of this section does not apply if another 31 provision of law specifies the ballot title for a specific type of 32 ballot question or proposition.
- 33 **Sec. 10.** RCW 36.120.080 and 2002 c 56 s 108 are each amended to read as follows:
- If the voters approve the plan, including creation of a regional transportation investment district and imposition of taxes and fees,

the district will be declared formed. The county election officials of 1 2 participating counties shall, within fifteen days of the final certification of the election results, publish a notice in a newspaper 3 or newspapers of general circulation in the district declaring the 4 district formed, and mail copies of the notice to the governor, the 5 secretary of transportation, the executive director of the regional 6 7 transit authority in which any part of the district is located, and the executive director of the regional transportation planning organization 8 in which any part of the district is located. A party challenging the 9 procedure or the formation of a voter-approved district must file the 10 challenge in writing by serving the prosecuting attorney of the 11 participating counties and the attorney general within thirty days 12 13 after the final certification of the election. Failure to challenge within that time forever bars further challenge of the district's valid 14 formation. 15

- 16 **Sec. 11.** RCW 36.120.110 and 2002 c 56 s 111 are each amended to read as follows:
 - (1) The governing board of the district is responsible for the execution of the voter-approved plan. The board shall:
 - (a) Impose taxes and fees authorized by district voters;

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- (b) Enter into agreements with state, local, and regional agencies and departments as necessary to accomplish district purposes and protect the district's investment in transportation projects;
- (c) Accept gifts, grants, or other contributions of funds that will support the purposes and programs of the district;
- (d) Monitor and audit the progress and execution of transportation projects to protect the investment of the public and annually make public its findings;
- (e) Pay for services and enter into leases and contracts, including professional service contracts;
- (f) Hire no more than ten employees, including a director or executive officer, a treasurer or financial officer, a project manager or engineer, a project permit coordinator, and clerical staff; and
- 34 (g) Coordinate its activities with affected cities, towns, and 35 other local governments, including any regional transit authority 36 existing either partially or entirely within the district area, that 37 engage in transportation planning; and

1 (h) Exercise other powers and duties as may be reasonable to carry 2 out the purposes of the district.

- (2) It is the intent of the legislature that existing staff resources of lead agencies be used in implementing this chapter. A district may coordinate its activities with the department, which shall provide services, data, and personnel to assist as desired by the regional transportation investment district. Lead agencies for transportation projects that are not state facilities shall also provide staff support for the board.
 - (3) A district may not acquire, hold, or dispose of real property.
- 11 (4) Except for the limited purposes provided under RCW 36.120.020(8), a district may not own, operate, or maintain an ongoing facility, road, or transportation system.
- 14 (5) A district may accept and expend or use gifts, grants, or donations.
 - (6) It is the intent of the legislature that administrative and overhead costs of a regional transportation investment district be minimized. For transportation projects costing up to fifty million dollars, administrative and overhead costs may not exceed three percent of the total construction and design project costs per year. For transportation projects costing more than fifty million dollars, administrative and overhead costs may not exceed three percent of the first fifty million dollars in costs, plus an additional one-tenth of one percent of each additional dollar above fifty million. These limitations apply only to the district, and do not limit the administration or expenditures of the department.
 - (7) A district may use the design-build procedure for transportation projects developed by it. As used in this section "design-build procedure" means a method of contracting under which the district contracts with another party for that party to both design and build the structures, facilities, and other items specified in the contract. The requirements and limitations of RCW 47.20.780 and 47.20.785 do not apply to the transportation projects under this chapter.
- **Sec. 12.** RCW 81.112.030 and 1994 c 44 s 1 are each amended to read as follows:
- 37 Two or more contiguous counties each having a population of four

hundred thousand persons or more may establish a regional transit authority to develop and operate a high capacity transportation system as defined in chapter 81.104 RCW.

The authority shall be formed in the following manner:

- (1) The joint regional policy committee created pursuant to RCW 81.104.040 shall adopt a system and financing plan, including the definition of the service area. This action shall be completed by September 1, 1992, contingent upon satisfactory completion of the planning process defined in RCW 81.104.100. The final system plan shall be adopted no later than June 30, 1993. In addition to the requirements of RCW 81.104.100, the plan for the proposed system shall provide explicitly for a minimum portion of new tax revenues to be allocated to local transit agencies for interim express services. Upon adoption the joint regional policy committee shall immediately transmit the plan to the county legislative authorities within the adopted service area.
 - (2) The legislative authorities of the counties within the service area shall decide by resolution whether to participate in the authority. This action shall be completed within forty-five days following receipt of the adopted plan or by August 13, 1993, whichever comes first.
 - (3) Each county that chooses to participate in the authority shall appoint its board members as set forth in RCW 81.112.040 and shall submit its list of members to the secretary of the Washington state department of transportation. These actions must be completed within thirty days following each county's decision to participate in the authority.
 - (4) The secretary shall call the first meeting of the authority, to be held within thirty days following receipt of the appointments. At its first meeting, the authority shall elect officers and provide for the adoption of rules and other operating procedures.
- (5) The authority is formally constituted at its first meeting and the board shall begin taking steps toward implementation of the system and financing plan adopted by the joint regional policy committee. If the joint regional policy committee fails to adopt a plan by June 30, 1993, the authority shall proceed to do so based on the work completed by that date by the joint regional policy committee. Upon formation of the authority, the joint regional policy committee shall cease to

exist. The authority may make minor modifications to the plan as deemed necessary and shall at a minimum review local transit agencies' plans to ensure feeder service/high capacity transit service integration, ensure fare integration, and ensure avoidance of parallel competitive services. The authority shall also conduct a minimum thirty-day public comment period.

- (6) If the authority determines that major modifications to the plan are necessary before the initial ballot proposition is submitted to the voters, the authority may make those modifications with a favorable vote of two-thirds of the entire membership. Any such modification shall be subject to the review process set forth in RCW 81.104.110. The modified plan shall be transmitted to the legislative authorities of the participating counties. The legislative authorities shall have forty-five days following receipt to act by motion or ordinance to confirm or rescind their continued participation in the authority.
- (7) If any county opts to not participate in the authority, but two or more contiguous counties do choose to continue to participate, the authority's board shall be revised accordingly. The authority shall, within forty-five days, redefine the system and financing plan to reflect elimination of one or more counties, and submit the redefined plan to the legislative authorities of the remaining counties for their decision as to whether to continue to participate. This action shall be completed within forty-five days following receipt of the redefined plan.
- (8) The authority shall place on the ballot within two years of the authority's formation, a single ballot proposition to authorize the imposition of taxes to support the implementation of an appropriate phase of the plan within its service area. In addition to the system plan requirements contained in RCW 81.104.100(2)(d), the system plan approved by the authority's board before the submittal of a proposition to the voters shall contain an equity element which:
- (a) Identifies revenues anticipated to be generated by corridor and by county within the authority's boundaries;
- 35 (b) Identifies the phasing of construction and operation of high 36 capacity system facilities, services, and benefits in each corridor. 37 Phasing decisions should give priority to jurisdictions which have 38 adopted transit-supportive land use plans; and

(c) Identifies the degree to which revenues generated within each county will benefit the residents of that county, and identifies when such benefits will accrue.

A simple majority of those voting within the boundaries of the authority is required for approval. If the vote is affirmative, the authority shall begin implementation of the projects identified in the proposition. However, the authority may not submit any authorizing proposition for voter-approved taxes prior to July 1, 1993; nor may the authority issue bonds or form any local improvement district prior to July 1, 1993.

- (9) If the vote on a proposition fails, the board may redefine the proposition, make changes to the authority boundaries, and make corresponding changes to the composition of the board. If the composition of the board is changed, the participating counties shall revise the membership of the board accordingly. The board may then submit the revised proposition or a different proposition to the voters. No single proposition may be submitted to the voters more than twice. Beginning no sooner than the 2007 general election, the authority may place additional propositions on the ballot to impose taxes to support additional phases of plan implementation.
- (10) In conjunction with RCW 36.120.070, at the 2007 general election the authority shall submit a proposition to support additional implementation phases of the authority's system and financing plan on the same ballot along with a regional transportation investment plan developed under chapter 36.120 RCW. The proposition shall not be considered approved unless voters also approve the regional transportation investment plan.
- transportation subarea equity element which (a) identifies the combined authority and regional transportation investment district revenues anticipated to be generated by corridor and by county within the authority's boundaries, and (b) identifies the degree to which the combined authority and regional transportation investment district revenues generated within each county will benefit the residents of that county, and identifies when such benefits will accrue. For purposes of the transportation subarea equity principle established under this subsection, the authority may use the five subareas within

the authority's boundaries as identified in the authority's system plan adopted in May 1996.

- (12) If the authority is unable to achieve a positive vote on a proposition within two years from the date of the first election on a proposition, the board may, by resolution, reconstitute the authority as a single-county body. With a two-thirds vote of the entire membership of the voting members, the board may also dissolve the authority.
- **Sec. 13.** RCW 36.120.050 and 2003 c 350 s 4 are each amended to 10 read as follows:
 - (1) A regional transportation investment district planning committee may, as part of a regional transportation investment plan, recommend the imposition or authorization of some or all of the following revenue sources, which a regional transportation investment district may impose or authorize upon approval of the voters as provided in this chapter:
 - (a) A regional sales and use tax, as specified in RCW 82.14.430, of up to ((0.5)) 0.1 percent of the selling price, in the case of a sales tax, or value of the article used, in the case of a use tax, upon the occurrence of any taxable event in the regional transportation investment district;
 - (b) A local option vehicle license fee, as specified under RCW 82.80.100, of up to one hundred dollars per vehicle registered in the district. As used in this subsection, "vehicle" means motor vehicle as defined in RCW 46.04.320. Certain classes of vehicles, as defined under chapter 46.04 RCW, may be exempted from this fee;
 - (c) A parking tax under RCW 82.80.030;
- 28 (d) A local motor vehicle excise tax under RCW 81.100.060 ((and chapter 81.104 RCW));
 - (e) A local option fuel tax under RCW 82.80.120;
 - (f) An employer excise tax under RCW 81.100.030; and
- (g) Vehicle tolls on new or reconstructed ((facilities.)) local or regional arterials or state or federal highways within the boundaries of the district, if the following conditions are met:
- (i) Any such toll must be approved by the state transportation
 commission or its successor statewide tolling authority;

1 <u>(ii) The regional transportation investment plan must identify the</u> 2 <u>facilities that may be tolled; and</u>

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- (iii) Unless otherwise specified by law, the department shall administer the collection of vehicle tolls on designated facilities, and the state transportation commission, or its successor, shall be the tolling authority.
- (2) Taxes, fees, and tolls may not be imposed <u>or authorized</u> without an affirmative vote of the majority of the voters within the boundaries of the district voting on a ballot proposition as set forth in RCW 36.120.070. Revenues from these taxes and fees may be used only to implement the plan as set forth in this chapter. A district may contract with the state department of revenue or other appropriate entities for administration and collection of any of the taxes or fees authorized in this section.
- 15 (3) Existing statewide motor vehicle fuel and special fuel taxes, 16 at the distribution rates in effect on January 1, 2001, are not 17 intended to be altered by this chapter.
- 18 **Sec. 14.** RCW 81.100.080 and 1990 c 43 s 19 are each amended to 19 read as follows:
- 20 (1) Funds collected under RCW 81.100.030 or 81.100.060 and any 21 investment earnings accruing thereon shall be used by the county or the regional transportation investment district in a manner consistent with 22 23 the regional transportation plan only for costs of collection, costs of 24 preparing, adopting, and enforcing agreements under RCW 81.100.030(3), for construction of high occupancy vehicle lanes and related 25 26 facilities, mitigation of environmental concerns that result from construction or use of high occupancy vehicle lanes and related 27 facilities, payment of principal and interest on bonds issued for the 28 purposes of this section, for high occupancy vehicle programs as 29 30 defined in RCW 81.100.020(5), ((and)) or for commuter rail projects in 31 accordance with RCW 81.104.120. Except for funds raised by an investment district, no funds collected under RCW 81.100.030 32 81.100.060 after June 30, 2000, may be pledged for the payment or 33 34 security of the principal or interest on any bonds issued for the 35 purposes of this section. Not more than ten percent of the funds may 36 be used for transit agency high occupancy vehicle programs.

- (2) Notwithstanding the limitations in this chapter, a regional transportation investment district may use funds collected under RCW 81.100.030 or 81.100.060 and any investment earnings accruing thereon for projects contained in a plan developed under chapter 36.120 RCW. These expenditures shall not be limited to high occupancy vehicle systems.
 - (3) Priorities for construction of high occupancy vehicle lanes and related facilities shall be as follows:
- 9 ((\(\frac{(1)}{(1)}\))(a)(i) To accelerate construction of high occupancy vehicle
 10 lanes on the interstate highway system, as well as related facilities;
 11 ((\(\frac{(b)}{(b)}\)) (ii) To finance or accelerate construction of high
 12 occupancy vehicle lanes on the noninterstate state highway system, as
- 13 well as related facilities.

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- 14 $((\frac{(2)}{(2)}))$ (b) To finance construction of high occupancy vehicle lanes 15 on local arterials, as well as related facilities.
- 16 <u>(4)</u> Moneys received by ((an agency)) a county under this chapter 17 shall be used in addition to, and not as a substitute for, moneys 18 currently used by the ((agency)) county for the purposes specified in 19 this section.
 - (5) Counties and investment districts may contract with cities or the state department of transportation for construction of high occupancy vehicle lanes and related facilities, and may issue general obligation bonds to fund such construction and use funds received under this chapter to pay the principal and interest on such bonds.
- 25 **Sec. 15.** RCW 81.100.060 and 2002 c 56 s 411 are each amended to 26 read as follows:

A county with a population of one million or more and a county with a population of from two hundred ten thousand to less than one million that is adjoining a county with a population of one million or more, having within their boundaries existing or planned high-occupancy vehicle lanes on the state highway system, or a regional transportation investment district ((for capital improvements)), but only to the extent that the surcharge has not already been imposed by the county, may, with voter approval, impose a local surcharge of not more than three-tenths of one percent in the case of a county, or eight-tenths of one percent in the case of a regional transportation investment district, of the value on vehicles registered to a person residing

within the county or investment district and not more than 13.64 1 2 percent on the state sales and use taxes paid under the rate in RCW 82.08.020(2) on retail car rentals within the county or investment 3 district. A county may impose the surcharge only to the extent that it 4 5 has not been imposed by the district. No surcharge may be imposed on vehicles licensed under RCW 46.16.070 except vehicles with an unladen 6 7 weight of six thousand pounds or less, RCW 46.16.079, 46.16.085, or 8 46.16.090.

Counties or investment districts imposing a ((tax)) surcharge under 9 this section shall contract, before the effective date of the 10 resolution or ordinance imposing a surcharge, administration and 11 collection to the state department of licensing, and department of 12 13 revenue, as appropriate, which shall deduct ((an)) a percentage amount, 14 as provided by contract, not to exceed two percent of the taxes, for administration and collection expenses incurred by the department. All 15 16 administrative provisions in chapters 82.03, 82.32, and 82.44 RCW 17 shall, insofar as they are applicable to motor vehicle excise taxes, be to surcharges imposed under this section. 18 applicable All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 19 20 RCW shall, insofar as they are applicable to state sales and use taxes, 21 be applicable to surcharges imposed under this section. A surcharge 22 imposed under this section, or a change to the surcharge, shall take effect no sooner than seventy-five days after the department of 23 24 licensing or the department of revenue receives notice of the surcharge or change to the surcharge, and shall take effect only on the first day 25 of January, April, July, or October. Unless waived by the department 26 27 of licensing or the department of revenue, notice includes providing the appropriate department with digital mapping and legal descriptions 28 of areas in which the tax will be collected. 29

If the tax authorized in RCW 81.100.030 is also imposed, the total proceeds from tax sources imposed under this section and RCW 81.100.030 each year shall not exceed the maximum amount which could be collected under this section.

- 34 **Sec. 16.** RCW 82.14.0455 and 2005 c 336 s 15 are each amended to read as follows:
- 36 (1) Subject to the provisions in RCW 36.73.065, a transportation 37 benefit district under chapter 36.73 RCW may fix and impose a sales and

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- use tax in accordance with the terms of this chapter. authorized in this section is in addition to any other taxes authorized by law and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the boundaries of the district. The rate of tax shall not exceed two-tenths of one percent of the selling price in the case of a sales tax, or value of the article used, in the case of a use The tax may not be imposed for a period exceeding ten years. This tax may be extended for a period not exceeding ten years with an affirmative vote of the voters voting at the election.
 - (2) Money received from the tax imposed under this section must be spent in accordance with the requirements of chapter 36.73 RCW.

- (((3) A district may only levy the tax under this section if the district is comprised of boundaries coextensive with the boundaries of a county, counties, city or cities, a county transportation authority or authorities, a public transportation benefit area or areas, or any combination of these jurisdictions.))
- **Sec. 17.** RCW 82.14.430 and 2002 c 56 s 405 are each amended to 19 read as follows:
 - (1) If approved by the majority of the voters within its boundaries voting on the ballot proposition, a regional transportation investment district may impose a sales and use tax of up to ((0.5)) 0.1 percent of the selling price or value of the article used in the case of a use tax. The tax authorized by this section is in addition to the tax authorized by RCW 82.14.030 and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the taxing district. Motor vehicles are exempt from the sales and use tax imposed under this subsection.
 - (2) If approved by the majority of the voters within its boundaries voting on the ballot proposition, a regional transportation investment district may impose a tax on the use of a motor vehicle within a regional transportation investment district. The tax applies to those persons who reside within the regional transportation investment district. The rate of the tax may not exceed ((0.5)) 0.1 percent of the value of the motor vehicle. The tax authorized by this subsection is in addition to the tax authorized under RCW 82.14.030 and must be

- 1 imposed and collected at the time a taxable event under ${\tt RCW}$
- 2 82.08.020(1) or 82.12.020 takes place. All revenue received under this
- 3 subsection must be deposited in the local sales and use tax account and
- 4 distributed to the regional transportation investment district
- $\,$ 5 $\,$ according to RCW 82.14.050. The following provisions apply to the use
- 6 tax in this subsection:
- 7 (a) Where persons are taxable under chapter 82.08 RCW, the seller 8 shall collect the use tax from the buyer using the collection 9 provisions of RCW 82.08.050.
- 10 (b) Where persons are taxable under chapter 82.12 RCW, the use tax 11 must be collected using the provisions of RCW 82.12.045.
- 12 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but 13 does not include farm tractors or farm vehicles as defined in RCW
- 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
- 15 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.
- 16 (d) "Person" has the meaning given in RCW 82.04.030.
- 17 (e) The value of a motor vehicle must be determined under RCW 82.12.010.
- 19 (f) Except as specifically stated in this subsection (2), chapters
- 20 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax
- 21 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW
- 22 applies fully to the use tax.
- 23 (3) In addition to fulfilling the notice requirements under RCW
- 24 82.14.055(1), and unless waived by the department, a regional
- 25 <u>transportation investment district shall provide the department of</u>
- 26 revenue with digital mapping and legal descriptions of areas in which
- 27 <u>the tax will be collected.</u>
- 28 **Sec. 18.** RCW 82.80.120 and 2003 c 350 s 3 are each amended to read 29 as follows:
- 30 (1) For purposes of this section:
- 31 (a) "Distributor" means every person who imports, refines,
- 32 manufactures, produces, or compounds motor vehicle fuel and special
- 33 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
- 34 or distributes the fuel into a county;
- 35 (b) "Person" has the same meaning as in RCW 82.04.030;
- 36 (c) "District" means a regional transportation investment district
- under chapter 36.120 RCW.

- (2) A regional transportation investment district under chapter 1 36.120 RCW, subject to the conditions of this section, may levy 2 additional excise taxes equal to ten percent of the statewide motor 3 vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor 4 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special 5 fuel as defined in RCW 82.38.020 sold within the boundaries of the 6 district. The additional excise tax is subject to the approval of a 7 majority of the voters within the district boundaries. Vehicles paying 8 an annual license fee under RCW 82.38.075 are exempt from the 9 district's fuel excise tax. The additional excise taxes are subject to 10 the same exceptions and rights of refund as applicable to other motor 11 vehicle fuel and special fuel excise taxes levied under chapters 82.36 12 13 and 82.38 RCW. The proposed tax may not be levied less than one month from the date the election results are certified. The commencement 14 date for the levy of any tax under this section will be the first day 15 of January, April, July, or October. 16
- 17 (3) The local option motor vehicle fuel tax on each gallon of motor 18 vehicle fuel and on each gallon of special fuel is imposed upon the 19 distributor of the fuel.

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- (4) A taxable event for the purposes of this section occurs upon the first distribution of the fuel within the boundaries of the district to a retail outlet, bulk fuel user, or ultimate user of the fuel.
- (5) All administrative provisions in chapters 82.01, 82.03, and 82.32 RCW, insofar as they are applicable, apply to local option fuel taxes imposed under this section.
- (6) Before the effective date of the imposition of the fuel taxes under this section, a district shall contract with the department of ((revenue)) licensing for the administration and collection of the taxes. The contract must provide that a percentage amount, not to exceed one percent of the taxes imposed under this section, will be deposited into the local tax administration account created in the custody of the state treasurer. The department of ((revenue)) licensing may spend money from this account, upon appropriation, for the administration of the local taxes imposed under this section.
- 36 (7) The state treasurer shall distribute monthly to the district 37 levying the tax as part of the regional transportation investment

district plan, after the deductions for payments and expenditures as provided in RCW 46.68.090(1) (a) and (b).

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- (8) The proceeds of the additional taxes levied by a district in this section, to be used as a part of a regional transportation investment district plan, must be used in accordance with chapter 36.120 RCW, but only for those areas that are considered "highway purposes" as that term is construed in Article II, section 40 of the state Constitution.
- 9 (9) A district may only levy the tax under this section if the
 10 district is comprised of boundaries identical to the boundaries of a
 11 county or counties. A district may not levy the tax in this section if
 12 a member county is levying the tax in RCW 82.80.010 or 82.80.110.
- 13 **Sec. 19.** RCW 47.56.076 and 2005 c 335 s 3 are each amended to read 14 as follows:
- Upon approval of a majority of the voters within its boundaries 15 16 voting on the ballot proposition, and ((only for the purposes authorized in RCW 36.120.050(1)(g))) with the approval of the state 17 transportation commission or its successor statewide tolling authority, 18 a regional transportation investment district may authorize vehicle 19 20 tolls on a local or regional arterial or a state ((routes where improvements financed in whole or in part by a regional transportation 21 investment district add additional lanes to, or reconstruct lanes on, 22 23 a highway of statewide significance)) or federal highway within the 24 boundaries of the district. The department shall administer the 25 collection of vehicle tolls authorized on designated facilities unless otherwise specified in law or by contract, and the ((state 26 $\frac{\text{transportation}}{\text{transportation}}$) commission($(\frac{1}{2})$) or its $\text{successor}((\frac{1}{2}))$ $\frac{\text{statewide}}{\text{successor}}$ 27 tolling authority shall ((be the tolling authority)) set and impose the 28 tolls in amounts sufficient to implement the regional transportation 29 investment plan under RCW 36.120.020. 30
- NEW SECTION. Sec. 20. A new section is added to chapter 47.56 RCW to read as follows:
- Notwithstanding any provision to the contrary in this chapter, a regional transportation investment district may authorize vehicle tolls on either Lake Washington bridge within its boundaries to implement a

- 1 regional transportation investment plan as authorized in chapter 36.120
- 2 RCW and RCW 47.56.076.

- **Sec. 21.** RCW 43.79A.040 and 2005 c 424 s 18, 2005 c 402 s 8, 2005 4 c 215 s 10, and 2005 c 16 s 2 are each reenacted and amended to read as follows:
 - (1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury.
 - (2) All income received from investment of the treasurer's trust fund shall be set aside in an account in the treasury trust fund to be known as the investment income account.
 - (3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
 - (4)(a) Monthly, the state treasurer shall distribute the earnings credited to the investment income account to the state general fund except under (b) and (c) of this subsection.
 - (b) The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The Washington promise scholarship account, the college savings program account, the Washington advanced college tuition payment program account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the students with dependents grant account, the basic health plan self-insurance reserve account, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the Washington international exchange scholarship endowment fund, the developmental disabilities endowment trust fund, the energy account, the fair fund, the fruit and vegetable inspection account, the future teachers

- conditional scholarship account, the game farm alternative account, the 1 2 grain inspection revolving fund, the juvenile accountability incentive account, the law enforcement officers' and fire fighters' plan 2 3 expense fund, the local tourism promotion account, the produce railcar 4 pool account, the regional transportation investment district account, 5 the rural rehabilitation account, the stadium and exhibition center 6 7 account, the youth athletic facility account, the self-insurance revolving fund, the sulfur dioxide abatement account, the children's 8 trust fund, the Washington horse racing commission Washington bred 9 owners' bonus fund account, the Washington horse racing commission 10 class C purse fund account, the individual development account program 11 account, the Washington horse racing commission operating account 12 (earnings from the Washington horse racing commission operating account 13 must be credited to the Washington horse racing commission class C 14 purse fund account), and the life sciences discovery fund. However, 15 the earnings to be distributed shall first be reduced by the allocation 16 17 to the state treasurer's service fund pursuant to RCW 43.08.190.
 - (c) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right of way revolving fund, the advanced environmental mitigation revolving account, the city and county advance right-of-way revolving fund, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

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- (5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.
- 29 Sec. 22. RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are each reenacted and amended to read as follows:
 - (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
 - (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is

subject in all respects to chapter 43.88 RCW, but no appropriation is 1 2 required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the 3 federal treasury required under the cash management improvement act 4 fall under RCW 43.88.180 and shall not require appropriation. 5 office of financial management shall determine the amounts due to or 6 7 from the federal government pursuant to the cash management improvement The office of financial management may direct transfers of funds 8 between accounts as deemed necessary to implement the provisions of the 9 10 cash management improvement act, and this subsection. allocations shall occur prior to the distributions of earnings set 11 12 forth in subsection (4) of this section.

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- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects the charitable, educational, penal and institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance

repayment account, the Eastern Washington University capital projects 1 2 account, the education construction fund, the education legacy trust account, the election account, the emergency reserve fund, 3 Evergreen State College capital projects account, the federal forest 4 5 revolving account, the freight mobility investment account, the health services account, the public health services account, the health system 6 7 capacity account, the personal health services account, the state education construction account, the 8 higher construction account, the highway infrastructure account, the high-9 10 occupancy toll lanes operations account, the industrial insurance premium refund account, the judges' retirement account, the judicial 11 12 retirement administrative account, the judicial retirement principal 13 account, the local leasehold excise tax account, the local real estate 14 excise tax account, the local sales and use tax account, the medical aid account, the mobile home park relocation fund, the multimodal 15 transportation account, the municipal criminal justice assistance 16 17 account, the municipal sales and use tax equalization account, the natural resources deposit account, the oyster reserve land account, the 18 perpetual surveillance and maintenance account, the public employees' 19 retirement system plan 1 account, the public employees' retirement 20 21 system combined plan 2 and plan 3 account, the public facilities 22 construction loan revolving account beginning July 1, 2004, the public health supplemental account, the Puyallup tribal settlement account, 23 24 estate appraiser commission account, ((the regional 25 transportation investment district account,)) the resource management cost account, the rural Washington loan fund, the site closure account, 26 27 the small city pavement and sidewalk account, the special wildlife account, the state employees' insurance account, the state employees' 28 insurance reserve account, the state investment board expense account, 29 the state investment board commingled trust fund accounts, the 30 supplemental pension account, the Tacoma Narrows toll bridge account, 31 32 the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco 33 prevention and control account, the tobacco settlement account, the 34 35 transportation infrastructure account, the transportation partnership account, the tuition recovery trust fund, the University of Washington 36 37 bond retirement fund, the University of Washington building account, 38 the volunteer fire fighters' and reserve officers' relief and pension

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

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- (b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway safety account, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the safety and education account, the special category C account, the state patrol highway account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban arterial trust account.
- 37 (5) In conformance with Article II, section 37 of the state

- 1 Constitution, no treasury accounts or funds shall be allocated earnings
- 2 without the specific affirmative directive of this section.

- - (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
 - (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
 - (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
 - (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- 36 (a) The following accounts and funds shall receive their 37 proportionate share of earnings based upon each account's and fund's

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

loan fund, the site closure account, the small city pavement and 1 2 sidewalk account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the 3 4 state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the 5 Tacoma Narrows toll bridge account, the teachers' retirement system 6 7 plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco 8 9 settlement account, the transportation infrastructure account, the 10 transportation partnership account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of 11 Washington building account, the volunteer fire fighters' and reserve 12 officers' relief and pension principal fund, the volunteer fire 13 fighters' and reserve officers' administrative fund, the Washington 14 fruit express account, the Washington judicial retirement system 15 account, the Washington law enforcement officers' and fire fighters' 16 17 system plan 1 retirement account, the Washington law enforcement officers' and fire fighters' system plan 2 retirement account, the 18 Washington public safety employees' plan 2 retirement account, the 19 Washington school employees' retirement system combined plan 2 and 3 20 21 account, the Washington state health insurance pool account, the 22 Washington state patrol retirement account, the Washington State University building account, the Washington State University bond 23 24 retirement fund, the water pollution control revolving fund, and the 25 Western Washington University capital projects account. derived from investing balances of the agricultural permanent fund, the 26 27 normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund 28 shall be allocated to their respective beneficiary accounts. 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 32 pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the county arterial preservation account, the department of licensing services account, the essential rail assistance account, the ferry bond retirement fund, the

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- grade crossing protective fund, the high capacity transportation 1 2 account, the highway bond retirement fund, the highway safety account, 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 7 account, the safety and education account, the special category C account, the state patrol highway account, the transportation 2003 8 9 account (nickel account), the transportation equipment fund, the 10 transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, and the urban 11 12 arterial trust account.
- 13 (5) In conformance with Article II, section 37 of the state 14 Constitution, no treasury accounts or funds shall be allocated earnings 15 without the specific affirmative directive of this section.
- 16 **Sec. 24.** RCW 36.73.015 and 2005 c 336 s 1 are each amended to read 17 as follows:
 - The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 20 (1) "District" means a transportation benefit district created 21 under this chapter.
- 22 (2) "City" means a city or town.

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(3) "Transportation improvement" means a project contained in the transportation plan of the state or a regional transportation planning organization ((that is of statewide or regional significance)). A project may include investment in new or existing highways of statewide significance, principal arterials of regional significance, high-capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs. ((Not more than forty percent of the revenues generated by a district may be expended on city streets, county roads, existing highways other than highways of statewide significance, and the creation of a new highway that intersects with a highway of statewide significance.))

- 1 **Sec. 25.** RCW 36.73.020 and 2005 c 336 s 3 are each amended to read 2 as follows:
- (1) The legislative authority of a county or city may establish a 3 transportation benefit district within the county or city area or 4 within the area specified in subsection (2) of this section, for the 5 purpose of acquiring, constructing, improving, providing, and funding 6 7 a transportation improvement within the district that is consistent with any existing state, regional, and local transportation plans and 8 necessitated by existing or reasonably foreseeable congestion levels. 9 10 The transportation improvements shall be owned by the county of jurisdiction if located in an unincorporated area, by the city of 11 jurisdiction if located in an incorporated area, or by the state in 12 13 cases where the transportation improvement is or becomes a state highway. However, if deemed appropriate by the governing body of the 14 transportation benefit district, a transportation improvement may be 15 owned by a participating port district or transit district, unless 16 17 otherwise prohibited by law. Transportation improvements shall be administered and maintained as other public streets, roads, highways, 18 and transportation improvements. To the extent practicable, the 19 district shall consider the following criteria when selecting 20 21 transportation improvements:
- 22 (a) Reduced risk of transportation facility failure and improved safety;
 - (b) Improved travel time;

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- (c) Improved air quality;
- (d) Increases in daily and peak period trip capacity;
- 27 (e) Improved modal connectivity;
- 28 (f) Improved freight mobility;
- 29 (q) Cost-effectiveness of the investment;
- 30 (h) Optimal performance of the system through time; and
- 31 (i) Other criteria, as adopted by the governing body.
- 32 (2) Subject to subsection (6) of this section, the district may 33 include area within more than one county, city, port district, county 34 transportation authority, or public transportation benefit area, if the 35 legislative authority of each participating jurisdiction has agreed to 36 the inclusion as provided in an interlocal agreement adopted pursuant 37 to chapter 39.34 RCW. However, the boundaries of the district

1 ((shall)) need not include all territory within the boundaries of the participating jurisdictions comprising the district.

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- (3) The members of the legislative authority proposing to establish the district, acting ex officio and independently, shall constitute the governing body of the district: PROVIDED, That where a district includes area within more than one jurisdiction under subsection (2) of this section, the district shall be governed under an interlocal agreement adopted pursuant to chapter 39.34 RCW. However, the governing body shall be composed of at least five members including at least one elected official from the legislative authority of each participating jurisdiction.
- (4) The treasurer of the jurisdiction proposing to establish the district shall act as the ex officio treasurer of the district, unless an interlocal agreement states otherwise.
- 15 (5) The electors of the district shall all be registered voters 16 residing within the district.
- 17 (6) <u>Prior to December 1, 2007, the authority under this section,</u>
 18 regarding the establishment of or the participation in a district,
 19 shall not apply to:
 - (a) Counties with a population greater than one million five hundred thousand persons and any adjoining counties with a population greater than five hundred thousand persons;
- 23 (b) Cities with any area within the counties under (a) of this 24 subsection; and
- 25 (c) Other jurisdictions with any area within the counties under (a) of this subsection.
- NEW SECTION. Sec. 26. A new section is added to chapter 47.01 RCW to read as follows:

29 The department shall not commence construction on any part of the 30 state route number 520 bridge replacement and HOV project until a 31 record of decision has been reached providing reasonable assurance that project impacts will be avoided, minimized, or mitigated as much as 32 practicable to protect against further adverse impacts on neighborhood 33 environmental quality as a result of repairs and improvements made to 34 the state route number 520 bridge and its connecting roadways, and that 35 36 any such impacts will be addressed through engineering design choices, 37 mitigation measures, or a combination of both. The requirements of

- 1 this section shall not apply to off-site pontoon construction
- 2 supporting the state route number 520 bridge replacement and HOV
- 3 project.

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- 4 <u>NEW SECTION.</u> **Sec. 27.** A new section is added to chapter 47.01 RCW to read as follows:
- 6 (1) Prior to commencing construction on either project, the 7 department of transportation must complete all of the following requirements for both the Alaskan Way viaduct and Seattle Seawall 8 9 replacement project, and the state route number 520 bridge replacement and HOV project: (a) In accordance with the national environmental 10 11 policy act, the department must designate the preferred alternative, 12 prepare a substantial project mitigation plan, and complete a comprehensive cost estimate review using the department's cost estimate 13 validation process, for each project; (b) in accordance with all 14 applicable federal highway administration planning and project 15 16 management requirements, the department must prepare a project finance 17 plan for each project that clearly identifies secured and anticipated fund sources, cash flow timing requirements, and project staging and 18 phasing plans if applicable; and (c) the department must report these 19 20 results for each project to the joint transportation committee.
 - (2) The requirements of this section shall not apply to (a) utility relocation work, and related activities, on the Alaskan Way viaduct and Seattle Seawall replacement project and (b) off-site pontoon construction supporting the state route number 520 bridge replacement and HOV project.
- NEW SECTION. Sec. 28. A new section is added to chapter 47.01 RCW to read as follows:
- The legislature recognizes that the finance and project implementation planning processes required for the Alaskan Way viaduct and Seattle Seawall replacement project and the state route number 520 bridge replacement and HOV project cannot guarantee appropriate decisions unless key study assumptions are reasonable with respect to each project.
- To assure appropriate finance plan and project implementation plan assumptions, an expert review panel shall be appointed to provide

- independent financial and technical review for development of a finance plan and project implementation plan for the projects described in this section.
- 4 (1) The expert review panel shall consist of five to ten members 5 who are recognized experts in relevant fields, such as planning, 6 engineering, finance, law, the environment, emerging transportation 7 technologies, geography, and economics.

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- (2) The expert review panel shall be selected cooperatively by the chairs of the senate and house transportation committees, the secretary of the department of transportation, and the governor to assure a balance of disciplines.
- 12 (3) The chair of the expert review panel shall be designated by the governor.
- 14 (4) The expert review panel shall, with respect to completion of 15 the project alternatives as described in the draft environmental impact 16 statement of each project:
 - (a) Review the finance plan for the project to ensure that it clearly identifies secured and anticipated funding sources and is feasible and sufficient;
 - (b) Review the project implementation plan covering all state and local permitting and mitigation approvals that ensure the most expeditious and cost-effective delivery of the project; and
 - (c) Report its findings and recommendations on the items described in (a) and (b) of this subsection to the joint transportation committee, the office of financial management, and the governor by September 1, 2006.
 - (5) Upon receipt of the expert review panel's findings and recommendations under subsection (4)(c) of this section, the governor must make a finding of whether each finance plan is feasible and sufficient to complete the project as described in the draft environmental impact statement.
- 32 (6) Nothing in this section shall be interpreted to delay 33 construction of any of the projects referenced in this section.
- NEW SECTION. **Sec. 29.** A new section is added to chapter 36.120 RCW to read as follows:
- The most populous city, within the three-county region eligible to create a regional transportation investment district under this

- 1 chapter, shall submit an advisory ballot to the city voters at the 2006
- 2 general election regarding voter preference of the tunnel and rebuild
- 3 alternatives described in the environmental impact statement relative
- 4 to the Alaskan Way viaduct project. The results of the election shall
- 5 be advisory only and not binding regarding the final project to be
- 6 constructed.
- 7 NEW SECTION. Sec. 30. Section 22 of this act expires July 1,
- 8 2006.
- 9 <u>NEW SECTION.</u> **Sec. 31.** Section 23 of this act takes effect July 1,
- 10 2006."

<u>ESHB 2871</u> - S AMD By Senator Haugen

ADOPTED 03/07/2006

- On page 1, line 1 of the title, after "governance;" strike the
- remainder of the title and insert "amending RCW 36.120.020, 36.120.030,
- 13 36.120.040, 36.120.070, 29A.36.071, 36.120.080, 36.120.110, 81.112.030,
- 14 36.120.050, 81.100.080, 81.100.060, 82.14.0455, 82.14.430, 82.80.120,
- 15 47.56.076, 36.73.015, and 36.73.020; reenacting and amending RCW
- 16 43.79A.040, 43.84.092, and 43.84.092; adding a new section to chapter
- 17 36.120 RCW; adding a new section to chapter 47.56 RCW; adding new
- 18 sections to chapter 47.01 RCW; creating new sections; providing an
- 19 effective date; and providing an expiration date."

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