
HOUSE BILL 3051

State of Washington

61st Legislature

2010 Regular Session

By Representative Kirby

Read first time 01/21/10. Referred to Committee on Transportation.

1 AN ACT Relating to authorizing various local transportation revenue
2 options in order to cover certain transportation project cost overruns;
3 amending RCW 82.14.430, 82.80.100, 82.80.010, and 81.100.030;
4 reenacting and amending RCW 81.100.060; adding a new section to chapter
5 82.80 RCW; and adding a new section to chapter 47.01 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.80 RCW
8 to read as follows:

9 (1) The legislative authority of a city with a population greater
10 than five hundred thousand may, by simple majority vote, impose or
11 authorize some or all of the following revenue sources in order to fund
12 a highway improvement as defined in this section:

13 (a) A sales and use tax, as specified in RCW 82.14.430, of up to
14 0.1 percent of the selling price, in the case of a sales tax, or value
15 of the article used, in the case of a use tax, upon the occurrence of
16 any taxable event in the city;

17 (b) A local option vehicle license fee, as specified under RCW
18 82.80.100, of up to one hundred dollars per vehicle registered in the

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

4 (c) A parking tax under RCW 82.80.030;

5 (d) A local motor vehicle excise tax under RCW 81.100.060;

6 (e) A local option fuel tax under RCW 82.80.010; and

7 (f) An employer excise tax under RCW 81.100.030.

8 (2) The city legislative authority may contract with the department
9 of revenue or other appropriate entities for administration and
10 collection of any of the taxes or fees authorized in this section.

11 (3) Existing statewide motor vehicle fuel and special fuel taxes,
12 at the distribution rates in effect on January 1, 2001, are not
13 intended to be altered by this section.

14 (4) For purposes of this section and section 2 of this act,
15 "highway improvement" means a highway project for which the legislature
16 has declared a maximum state contribution and that is estimated to cost
17 in excess of one billion dollars.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01 RCW
19 to read as follows:

20 (1) The department may not enter into contracts applicable to a
21 highway improvement as defined in section 1 of this act, unless all
22 project cost overruns in excess of the state's declared maximum
23 contribution are fully funded and secured by the legislative authority
24 of the city in which the highway improvement is located.

25 (2) For purposes of this section "secured" means that the
26 legislative authority has:

27 (a) Authorized or imposed revenue sources under section 1 of this
28 act that are directed solely towards covering the project cost
29 overruns; and

30 (b) Executed any contracts, instruments, and writings necessary to
31 obligate the legislative authority to fully fund all project cost
32 overruns and to provide funding in a manner that meets project
33 construction schedule requirements, as determined by the department.

34 **Sec. 3.** RCW 82.14.430 and 2006 c 311 s 17 are each amended to read
35 as follows:

36 (1) If approved by the majority of the voters within its boundaries

1 voting on the ballot proposition, a regional transportation investment
2 district may impose a sales and use tax of up to 0.1 percent of the
3 selling price or value of the article used in the case of a use tax.
4 The tax authorized by this section is in addition to the tax authorized
5 by RCW 82.14.030 and must be collected from those persons who are
6 taxable by the state under chapters 82.08 and 82.12 RCW upon the
7 occurrence of any taxable event within the taxing district. Motor
8 vehicles are exempt from the sales and use tax imposed under this
9 subsection.

10 (2) If approved by the majority of the voters within its boundaries
11 voting on the ballot proposition, a regional transportation investment
12 district may impose a tax on the use of a motor vehicle within a
13 regional transportation investment district. The tax applies to those
14 persons who reside within the regional transportation investment
15 district. The rate of the tax may not exceed 0.1 percent of the value
16 of the motor vehicle. The tax authorized by this subsection is in
17 addition to the tax authorized under RCW 82.14.030 and must be imposed
18 and collected at the time a taxable event under RCW 82.08.020(1) or
19 82.12.020 takes place. All revenue received under this subsection must
20 be deposited in the local sales and use tax account and distributed to
21 the regional transportation investment district according to RCW
22 82.14.050. The following provisions apply to the use tax in this
23 subsection:

24 (a) Where persons are taxable under chapter 82.08 RCW, the seller
25 shall collect the use tax from the buyer using the collection
26 provisions of RCW 82.08.050.

27 (b) Where persons are taxable under chapter 82.12 RCW, the use tax
28 must be collected using the provisions of RCW 82.12.045.

29 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but
30 does not include farm tractors or farm vehicles as defined in RCW
31 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
32 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

33 (d) "Person" has the meaning given in RCW 82.04.030.

34 (e) The value of a motor vehicle must be determined under RCW
35 82.12.010.

36 (f) Except as specifically stated in this subsection (2), chapters
37 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax

1 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW
2 applies fully to the use tax.

3 (3) In addition to fulfilling the notice requirements under RCW
4 82.14.055(1), and unless waived by the department, a regional
5 transportation investment district (~~shall~~) must provide the
6 department (~~of revenue~~) with digital mapping and legal descriptions
7 of areas in which the tax will be collected.

8 (4) The authority to impose taxes under this section, along with
9 the administrative provisions of this section, also applies to a city
10 legislative authority acting by simple majority vote under section 1 of
11 this act.

12 **Sec. 4.** RCW 82.80.100 and 2002 c 56 s 408 are each amended to read
13 as follows:

14 (1) Upon approval of a majority of the voters within its boundaries
15 voting on the ballot proposition, a regional transportation investment
16 district may set and impose an annual local option vehicle license fee,
17 or a schedule of fees based upon the age of the vehicle, of up to one
18 hundred dollars per motor vehicle registered within the boundaries of
19 the region on every motor vehicle. As used in this section "motor
20 vehicle" has the meaning provided in RCW 46.04.320, but does not
21 include farm tractors or farm vehicles as defined in RCW 46.04.180 and
22 46.04.181, off-road and nonhighway vehicles as defined in RCW
23 46.09.020, and snowmobiles as defined in RCW 46.10.010. Vehicles
24 registered under chapter 46.87 RCW and the international registration
25 plan are exempt from the annual local option vehicle license fee set
26 forth in this section. The department of licensing (~~shall~~) must
27 administer and collect this fee on behalf of regional transportation
28 investment districts and remit this fee to the custody of the state
29 treasurer for monthly distribution under RCW 82.80.080.

30 (2) The local option vehicle license fee applies only when renewing
31 a vehicle registration, and is effective upon the registration renewal
32 date as provided by the department of licensing.

33 (3) A regional transportation investment district imposing the
34 local option vehicle license fee or initiating an exemption process
35 (~~shall~~) must enter into a contract with the department of licensing.
36 The contract must contain provisions that fully recover the costs to

1 the department of licensing for collection and administration of the
2 fee.

3 (4) A regional transportation investment district imposing the
4 local option fee (~~shall~~) must delay the effective date of the local
5 option vehicle license fee imposed by this section at least six months
6 from the date of the final certification of the approval election to
7 allow the department of licensing to implement the administration and
8 collection of or exemption from the fee.

9 (5) The authority to impose taxes under this section, along with
10 the administrative provisions of this section, also applies to a city
11 legislative authority acting by simple majority vote under section 1 of
12 this act.

13 **Sec. 5.** RCW 81.100.060 and 2006 c 318 s 2 and 2006 c 311 s 15 are
14 each reenacted and amended to read as follows:

15 (1) A county with a population of one million or more and a county
16 with a population of from two hundred ten thousand to less than one
17 million that is adjoining a county with a population of one million or
18 more, having within their boundaries existing or planned high occupancy
19 vehicle lanes on the state highway system, or a regional transportation
20 investment district, but only to the extent that the surcharge has not
21 already been imposed by the county, may, with voter approval, impose a
22 local surcharge of not more than three-tenths of one percent in the
23 case of a county, or eight-tenths of one percent in the case of a
24 regional transportation investment district, of the value on vehicles
25 registered to a person residing within the county or investment
26 district and not more than 13.64 percent on the state sales and use
27 taxes paid under the rate in RCW 82.08.020(2) on retail car rentals
28 within the county or investment district. A county may impose the
29 surcharge only to the extent that it has not been imposed by the
30 district. No surcharge may be imposed on vehicles licensed under RCW
31 46.16.070 except vehicles with an unladen weight of six thousand pounds
32 or less, RCW 46.16.079, 46.16.085, or 46.16.090.

33 (2) Counties or investment districts imposing a surcharge under
34 this section (~~shall~~) must contract, before the effective date of the
35 resolution or ordinance imposing a surcharge, administration and
36 collection to the state department of licensing, and department of
37 revenue, as appropriate, which (~~shall~~) must deduct an amount, as

1 provided by contract, for administration and collection expenses
2 incurred by the department. All administrative provisions in chapters
3 82.03, 82.32, and 82.44 RCW, as existing on January 1, 2006, (~~shall~~)
4 are, insofar as they are applicable to motor vehicle excise taxes,
5 (~~be~~) applicable to surcharges imposed under this section before June
6 7, 2006. Motor vehicles subject to the local surcharge authorized in
7 this section (~~shall~~) must be administered in accordance with (~~this~~
8 ~~act~~) chapter 318, Laws of 2006 if the surcharge is first imposed on or
9 after June 7, 2006. All administrative provisions in chapters 82.03,
10 82.08, 82.12, and 82.32 RCW (~~shall~~) are, insofar as they are
11 applicable to state sales and use taxes, (~~be~~) applicable to
12 surcharges imposed under this section.

13 (3) If the tax authorized in RCW 81.100.030 is also imposed, the
14 total proceeds from tax sources imposed under this section and RCW
15 81.100.030 each year (~~shall~~) may not exceed the maximum amount which
16 could be collected under this section.

17 (4) The authority to impose taxes by a regional transportation
18 investment district under this section, along with the administrative
19 provisions of this section, also applies to a city legislative
20 authority acting by simple majority vote under section 1 of this act.

21 **Sec. 6.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read
22 as follows:

23 (1) For purposes of this section:

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

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

29 (2) Subject to the conditions of this section, any county may levy,
30 by approval of its legislative body and a majority of the registered
31 voters of the county voting on the proposition at a general or special
32 election, additional excise taxes equal to ten percent of the statewide
33 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
34 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
35 fuel as defined in RCW 82.38.020 sold within the boundaries of the
36 county. Vehicles paying an annual license fee under RCW 82.38.075 are
37 exempt from the county fuel excise tax. An election held under this

1 section must be held not more than twelve months before the date on
2 which the proposed tax is to be levied. The ballot setting forth the
3 proposition (~~shall~~) must state the tax rate that is proposed. The
4 county's authority to levy additional excise taxes under this section
5 includes the incorporated and unincorporated areas of the county. The
6 additional excise taxes are subject to the same exceptions and rights
7 of refund as applicable to other motor vehicle fuel and special fuel
8 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
9 tax (~~shall~~) may not be levied less than one month from the date the
10 election results are certified by the county election officer. The
11 commencement date for the levy of any tax under this section (~~shall~~
12 ~~be~~) is the first day of January, April, July, or October.

13 (3) The local option motor vehicle fuel tax on each gallon of motor
14 vehicle fuel and on each gallon of special fuel is imposed upon the
15 distributor of the fuel.

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

19 (5) All administrative provisions in chapters 82.01, 82.03, and
20 82.32 RCW, insofar as they are applicable, apply to local option fuel
21 taxes imposed under this section.

22 (6) Before the effective date of the imposition of the fuel taxes
23 under this section, a county (~~shall~~) must contract with the
24 department (~~of revenue~~) for the administration and collection of the
25 taxes. The contract must provide that a percentage amount, not to
26 exceed one percent of the taxes imposed under this section, will be
27 deposited into the local tax administration account created in the
28 custody of the state treasurer. The department (~~of revenue~~) may
29 spend money from this account, upon appropriation, for the
30 administration of the local taxes imposed under this section.

31 (7) The state treasurer (~~shall~~) must distribute monthly to the
32 levying county and cities contained therein the proceeds of the
33 additional excise taxes collected under this section, after the
34 deductions for payments and expenditures as provided in RCW
35 46.68.090(1) (a) and (b) and under the conditions and limitations
36 provided in RCW 82.80.080.

37 (8) The proceeds of the additional excise taxes levied under this

1 section (~~shall~~) must be used strictly for transportation purposes in
2 accordance with RCW 82.80.070.

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

6 (10) The authority to impose taxes under this section, along with
7 the administrative provisions of this section, also applies to a city
8 legislative authority acting by simple majority vote under section 1 of
9 this act.

10 **Sec. 7.** RCW 81.100.030 and 2002 c 56 s 410 are each amended to
11 read as follows:

12 (1)(a) A county with a population of one million or more, or a
13 county with a population of from two hundred ten thousand to less than
14 one million that is adjoining a county with a population of one million
15 or more, and having within its boundaries existing or planned high
16 occupancy vehicle lanes on the state highway system, or a regional
17 transportation investment district for capital improvements, but only
18 to the extent that the tax has not already been imposed by the county,
19 may, with voter approval impose an excise tax of up to two dollars per
20 employee per month on all employers or any class or classes of
21 employers, public and private, including the state located in the
22 agency's jurisdiction, measured by the number of full-time equivalent
23 employees. In no event may the total taxes imposed under this section
24 exceed two dollars per employee per month for any single employer. The
25 county or investment district imposing the tax authorized in this
26 section may provide for exemptions from the tax to such educational,
27 cultural, health, charitable, or religious organizations as it deems
28 appropriate.

29 (b) Counties or investment districts may contract with the state
30 department of revenue or other appropriate entities for administration
31 and collection of the tax. (~~Such~~) The contract (~~shall~~) must
32 provide for deduction of an amount for administration and collection
33 expenses.

34 (2) The tax (~~shall~~) does not apply to employment of a person when
35 the employer has paid for at least half of the cost of a transit pass
36 issued by a transit agency for that employee, valid for the period for
37 which the tax would otherwise be owed.

1 (3)(a) A county or investment district (~~shall~~) must adopt rules
2 that exempt from all or a portion of the tax any employer that has
3 entered into an agreement with the county or investment district that
4 is designed to reduce the proportion of employees who drive in single-
5 occupant vehicles during peak commuting periods in proportion to the
6 degree that the agreement is designed to meet the goals for the
7 employer's location adopted under RCW 81.100.040.

8 (b) The agreement (~~shall~~) must include a list of specific actions
9 that the employer will undertake to be entitled to the exemption.
10 Employers having an exemption from all or part of the tax through this
11 subsection (~~shall~~) must annually certify to the county or investment
12 district that the employer is fulfilling the terms of the agreement.
13 The exemption continues as long as the employer is in compliance with
14 the agreement.

15 (c) If the tax authorized in RCW 81.100.060 is also imposed, the
16 total proceeds from both tax sources each year (~~shall~~) may not exceed
17 the maximum amount which could be collected under RCW 81.100.060.

18 (4) The authority to impose taxes under this section, along with
19 the administrative provisions of this section, also applies to a city
20 legislative authority acting by simple majority vote under section 1 of
21 this act.

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