

CERTIFICATION OF ENROLLMENT
SECOND SUBSTITUTE SENATE BILL 5433

Chapter 551, Laws of 2009

(partial veto)

61st Legislature
2009 Regular Session

LOCAL OPTION TAXES

EFFECTIVE DATE: 07/26/09

Passed by the Senate April 26, 2009
YEAS 25 NAYS 24

BRAD OWEN

President of the Senate

Passed by the House April 26, 2009
YEAS 51 NAYS 44

FRANK CHOPP

Speaker of the House of Representatives

Approved May 19, 2009, 10:45 a.m., with
the exception of Sections 8, 9, 10 and
11 which are vetoed.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of
the Senate of the State of
Washington, do hereby certify that
the attached is **SECOND SUBSTITUTE
SENATE BILL 5433** as passed by the
Senate and the House of
Representatives on the dates
hereon set forth.

THOMAS HOEMANN

Secretary

FILED

May 20, 2009

**Secretary of State
State of Washington**

SECOND SUBSTITUTE SENATE BILL 5433

AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 2009 Regular Session

State of Washington 61st Legislature 2009 Regular Session

By Senate Ways & Means (originally sponsored by Senators Regala, Swecker, Rockefeller, Morton, Fraser, Ranker, Fairley, and Shin)

READ FIRST TIME 03/02/09.

1 AN ACT Relating to modifying provisions of local option taxes;
2 amending RCW 82.14.450, 82.14.460, 84.55.050, 36.54.130, 84.52.043, and
3 84.52.010; adding a new section to chapter 84.52 RCW; adding a new
4 section to chapter 82.80 RCW; adding a new section to chapter 36.57A
5 RCW; adding a new section to chapter 35.58 RCW; adding a new section to
6 chapter 36.57 RCW; and providing an expiration date.

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

8 **Sec. 1.** RCW 82.14.450 and 2007 c 380 s 1 are each amended to read
9 as follows:

10 (1) A county legislative authority may submit an authorizing
11 proposition to the county voters at a primary or general election and,
12 if the proposition is approved by a majority of persons voting, impose
13 a sales and use tax in accordance with the terms of this chapter. The
14 title of each ballot measure must clearly state the purposes for which
15 the proposed sales and use tax will be used. Funds raised under this
16 tax shall not supplant existing funds used for these purposes, except
17 as follows: Up to one hundred percent may be used to supplant existing
18 funding in calendar year 2010; up to eighty percent may be used to
19 supplant existing funding in calendar year 2011; up to sixty percent

1 may be used to supplant existing funding in calendar year 2012; up to
2 forty percent may be used to supplant existing funding in calendar year
3 2013; and up to twenty percent may be used to supplant existing funding
4 in calendar year 2014. For purposes of this subsection, existing funds
5 means the actual operating expenditures for the calendar year in which
6 the ballot measure is approved by voters. Actual operating
7 expenditures excludes lost federal funds, lost or expired state grants
8 or loans, extraordinary events not likely to reoccur, changes in
9 contract provisions beyond the control of the county or city receiving
10 the services, and major nonrecurring capital expenditures. The rate of
11 tax under this section (~~shall~~) may not exceed three-tenths of one
12 percent of the selling price in the case of a sales tax, or value of
13 the article used, in the case of a use tax.

14 (2) The tax authorized in this section is in addition to any other
15 taxes authorized by law and (~~shall~~) must be collected from those
16 persons who are taxable by the state under chapters 82.08 and 82.12 RCW
17 upon the occurrence of any taxable event within the county.

18 (3) The retail sale or use of motor vehicles, and the lease of
19 motor vehicles for up to the first thirty-six months of the lease, are
20 exempt from tax imposed under this section.

21 (4) One-third of all money received under this section (~~shall~~)
22 must be used solely for criminal justice purposes, fire protection
23 purposes, or both. For the purposes of this subsection, "criminal
24 justice purposes" (~~means additional police protection, mitigation of~~
25 ~~congested court systems, or relief of overcrowded jails or other local~~
26 ~~correctional facilities~~) has the same meaning as provided in RCW
27 82.14.340.

28 (5) Money received under this section (~~shall~~) must be shared
29 between the county and the cities as follows: Sixty percent (~~shall~~)
30 must be retained by the county and forty percent (~~shall~~) must be
31 distributed on a per capita basis to cities in the county.

32 **Sec. 2.** RCW 82.14.460 and 2008 c 157 s 2 are each amended to read
33 as follows:

34 (1) A county legislative authority may authorize, fix, and impose
35 a sales and use tax in accordance with the terms of this chapter.

36 (2) The tax authorized in this section shall be in addition to any
37 other taxes authorized by law and shall be collected from those persons

1 who are taxable by the state under chapters 82.08 and 82.12 RCW upon
2 the occurrence of any taxable event within the county. The rate of tax
3 shall equal one-tenth of one percent of the selling price in the case
4 of a sales tax, or value of the article used, in the case of a use tax.

5 (3) Moneys collected under this section shall be used solely for
6 the purpose of providing for the operation or delivery of (~~new-or-~~
7 ~~expanded~~) chemical dependency or mental health treatment programs and
8 services and for the operation or delivery of (~~new-or-expanded~~)
9 therapeutic court programs and services. For the purposes of this
10 section, "programs and services" includes, but is not limited to,
11 treatment services, case management, and housing that are a component
12 of a coordinated chemical dependency or mental health treatment program
13 or service.

14 (4) All moneys collected under this section must be used solely for
15 the purpose of providing new or expanded programs and services as
16 provided in this section, except a portion of moneys collected under
17 this section (~~shall not~~) may be used to supplant existing funding for
18 these purposes(~~, provided that~~) in any county as follows: Up to
19 fifty percent may be used to supplant existing funding in calendar year
20 2010; up to forty percent may be used to supplant existing funding in
21 calendar year 2011; up to thirty percent may be used to supplant
22 existing funding in calendar year 2012; up to twenty percent may be
23 used to supplant existing funding in calendar year 2013; and up to ten
24 percent may be used to supplant existing funding in calendar year 2014.

25 (5) Nothing in this section (~~shall~~) may be interpreted to
26 prohibit the use of moneys collected under this section for the
27 replacement of lapsed federal funding previously provided for the
28 operation or delivery of services and programs as provided in this
29 section.

30 **Sec. 3.** RCW 84.55.050 and 2008 c 319 s 1 are each amended to read
31 as follows:

32 (1) Subject to any otherwise applicable statutory dollar rate
33 limitations, regular property taxes may be levied by or for a taxing
34 district in an amount exceeding the limitations provided for in this
35 chapter if such levy is authorized by a proposition approved by a
36 majority of the voters of the taxing district voting on the proposition
37 at a general election held within the district or at a special election

1 within the taxing district called by the district for the purpose of
2 submitting such proposition to the voters. Any election held pursuant
3 to this section shall be held not more than twelve months prior to the
4 date on which the proposed levy is to be made, except as provided in
5 subsection (2) of this section. The ballot of the proposition shall
6 state the dollar rate proposed and shall clearly state the conditions,
7 if any, which are applicable under subsection (4) of this section.

8 (2)(a) Subject to statutory dollar limitations, a proposition
9 placed before the voters under this section may authorize annual
10 increases in levies for multiple consecutive years, up to six
11 consecutive years, during which period each year's authorized maximum
12 legal levy shall be used as the base upon which an increased levy limit
13 for the succeeding year is computed, but the ballot proposition must
14 state the dollar rate proposed only for the first year of the
15 consecutive years and must state the limit factor, or a specified index
16 to be used for determining a limit factor, such as the consumer price
17 index, which need not be the same for all years, by which the regular
18 tax levy for the district may be increased in each of the subsequent
19 consecutive years. Elections for this purpose must be held at a
20 primary or general election. The title of each ballot measure must
21 state the limited purposes for which the proposed annual increases
22 during the specified period of up to six consecutive years shall be
23 used(~~(, and funds raised under the levy shall not supplant existing~~
24 ~~funds used for these purposes)~~).

25 (b)(i) Except as otherwise provided in this subsection (2)(b),
26 funds raised by a levy under this subsection may not supplant existing
27 funds used for the limited purpose specified in the ballot title. For
28 purposes of this subsection, existing funds means the actual operating
29 expenditures for the calendar year in which the ballot measure is
30 approved by voters. Actual operating expenditures excludes lost
31 federal funds, lost or expired state grants or loans, extraordinary
32 events not likely to reoccur, changes in contract provisions beyond the
33 control of the taxing district receiving the services, and major
34 nonrecurring capital expenditures.

35 (ii) The supplanting limitations in (b)(i) of this subsection do
36 not apply to levies approved by the voters in calendar years 2009,
37 2010, and 2011, in any county with a population of one million five

1 hundred thousand or more. This subsection (2)(b)(ii) only applies to
2 levies approved by the voters after the effective date of this act.

3 (iii) The supplanting limitations in (b)(i) of this subsection do
4 not apply to levies approved by the voters in calendar year 2009 and
5 thereafter in any county with a population less than one million five
6 hundred thousand. This subsection (2)(b)(iii) only applies to levies
7 approved by the voters after the effective date of this act.

8 (3) After a levy authorized pursuant to this section is made, the
9 dollar amount of such levy may not be used for the purpose of computing
10 the limitations for subsequent levies provided for in this chapter,
11 unless the ballot proposition expressly states that the levy made under
12 this section will be used for this purpose.

13 (4) If expressly stated, a proposition placed before the voters
14 under subsection (1) or (2) of this section may:

15 (a) Use the dollar amount of a levy under subsection (1) of this
16 section, or the dollar amount of the final levy under subsection (2) of
17 this section, for the purpose of computing the limitations for
18 subsequent levies provided for in this chapter;

19 (b) Limit the period for which the increased levy is to be made
20 under (a) of this subsection;

21 (c) Limit the purpose for which the increased levy is to be made
22 under (a) of this subsection, but if the limited purpose includes
23 making redemption payments on bonds, the period for which the increased
24 levies are made shall not exceed nine years;

25 (d) Set the levy or levies at a rate less than the maximum rate
26 allowed for the district; or

27 (e) Include any combination of the conditions in this subsection.

28 (5) Except as otherwise expressly stated in an approved ballot
29 measure under this section, subsequent levies shall be computed as if:

30 (a) The proposition under this section had not been approved; and

31 (b) The taxing district had made levies at the maximum rates which
32 would otherwise have been allowed under this chapter during the years
33 levies were made under the proposition.

34 **Sec. 4.** RCW 36.54.130 and 2007 c 223 s 6 are each amended to read
35 as follows:

36 (1) To carry out the purposes for which ferry districts are
37 created, the governing body of a ferry district may levy each year an

1 ad valorem tax on all taxable property located in the district not to
2 exceed seventy-five cents per thousand dollars of assessed value,
3 except a ferry district in a county with a population of one million
4 five hundred thousand or more may not levy at a rate that exceeds seven
5 and one-half cents per thousand dollars of assessed value. The levy
6 must be sufficient for the provision of ferry services as shown to be
7 required by the budget prepared by the governing body of the ferry
8 district.

- 9 (2) A tax imposed under this section may be used only for:
- 10 (a) Providing ferry services, including the purchase, lease, or
 - 11 rental of ferry vessels and dock facilities;
 - 12 (b) The operation, maintenance, and improvement of ferry vessels
 - 13 and dock facilities;
 - 14 (c) Providing shuttle services between the ferry terminal and
 - 15 passenger parking facilities, and other landside improvements directly
 - 16 related to the provision of passenger-only ferry service; and
 - 17 (d) Related personnel costs.

18 NEW SECTION. Sec. 5. A new section is added to chapter 84.52 RCW
19 to read as follows:

- 20 (1) A county with a population of one million five hundred thousand
21 or more may impose an additional regular property tax levy in an amount
22 not to exceed seven and one-half cents per thousand dollars of the
23 assessed value of property in the county in accordance with the terms
24 of this section.
- 25 (2) Any tax imposed under this section shall be used as follows:
- 26 (a) The first one cent for expanding transit capacity along state
 - 27 route number 520 by adding core and other supporting bus routes;
 - 28 (b) The remainder for transit-related expenditures.
- 29 (3) The limitations in RCW 84.52.043 do not apply to the tax
30 authorized in this section.
- 31 (4) The limitation in RCW 84.55.010 does not apply to the first tax
32 levy imposed under this section.

33 **Sec. 6.** RCW 84.52.043 and 2005 c 122 s 3 are each amended to read
34 as follows:

35 Within and subject to the limitations imposed by RCW 84.52.050 as

1 amended, the regular ad valorem tax levies upon real and personal
2 property by the taxing districts hereafter named shall be as follows:

3 (1) Levies of the senior taxing districts shall be as follows: (a)
4 The levy by the state shall not exceed three dollars and sixty cents
5 per thousand dollars of assessed value adjusted to the state equalized
6 value in accordance with the indicated ratio fixed by the state
7 department of revenue to be used exclusively for the support of the
8 common schools; (b) the levy by any county shall not exceed one dollar
9 and eighty cents per thousand dollars of assessed value; (c) the levy
10 by any road district shall not exceed two dollars and twenty-five cents
11 per thousand dollars of assessed value; and (d) the levy by any city or
12 town shall not exceed three dollars and thirty-seven and one-half cents
13 per thousand dollars of assessed value. However any county is hereby
14 authorized to increase its levy from one dollar and eighty cents to a
15 rate not to exceed two dollars and forty-seven and one-half cents per
16 thousand dollars of assessed value for general county purposes if the
17 total levies for both the county and any road district within the
18 county do not exceed four dollars and five cents per thousand dollars
19 of assessed value, and no other taxing district has its levy reduced as
20 a result of the increased county levy.

21 (2) The aggregate levies of junior taxing districts and senior
22 taxing districts, other than the state, shall not exceed five dollars
23 and ninety cents per thousand dollars of assessed valuation. The term
24 "junior taxing districts" includes all taxing districts other than the
25 state, counties, road districts, cities, towns, port districts, and
26 public utility districts. The limitations provided in this subsection
27 shall not apply to: (a) Levies at the rates provided by existing law
28 by or for any port or public utility district; (b) excess property tax
29 levies authorized in Article VII, section 2 of the state Constitution;
30 (c) levies for acquiring conservation futures as authorized under RCW
31 84.34.230; (d) levies for emergency medical care or emergency medical
32 services imposed under RCW 84.52.069; (e) levies to finance affordable
33 housing for very low-income housing imposed under RCW 84.52.105; (f)
34 the portions of levies by metropolitan park districts that are
35 protected under RCW 84.52.120; (g) levies imposed by ferry districts
36 under RCW 36.54.130; (h) levies for criminal justice purposes under RCW
37 84.52.135; (~~and~~) (i) the portions of levies by fire protection

1 districts that are protected under RCW 84.52.125; and (j) levies by
2 counties for transit-related purposes under section 5 of this act.

3 **Sec. 7.** RCW 84.52.010 and 2007 c 54 s 26 are each amended to read
4 as follows:

5 Except as is permitted under RCW 84.55.050, all taxes shall be
6 levied or voted in specific amounts.

7 The rate percent of all taxes for state and county purposes, and
8 purposes of taxing districts coextensive with the county, shall be
9 determined, calculated and fixed by the county assessors of the
10 respective counties, within the limitations provided by law, upon the
11 assessed valuation of the property of the county, as shown by the
12 completed tax rolls of the county, and the rate percent of all taxes
13 levied for purposes of taxing districts within any county shall be
14 determined, calculated and fixed by the county assessors of the
15 respective counties, within the limitations provided by law, upon the
16 assessed valuation of the property of the taxing districts
17 respectively.

18 When a county assessor finds that the aggregate rate of tax levy on
19 any property, that is subject to the limitations set forth in RCW
20 84.52.043 or 84.52.050, exceeds the limitations provided in either of
21 these sections, the assessor shall recompute and establish a
22 consolidated levy in the following manner:

23 (1) The full certified rates of tax levy for state, county, county
24 road district, and city or town purposes shall be extended on the tax
25 rolls in amounts not exceeding the limitations established by law;
26 however any state levy shall take precedence over all other levies and
27 shall not be reduced for any purpose other than that required by RCW
28 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
29 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
30 metropolitan park district that was protected under RCW 84.52.120,
31 84.52.125, (~~and~~) 84.52.135, and section 5 of this act, the combined
32 rate of regular property tax levies that are subject to the one percent
33 limitation exceeds one percent of the true and fair value of any
34 property, then these levies shall be reduced as follows:

35 (a) The levy imposed by a county under section 5 of this act shall
36 be reduced until the combined rate no longer exceeds one percent of the
37 true and fair value of any property or shall be eliminated;

1 (b) If the combined rate of regular property tax levies that are
2 subject to the one percent limitation still exceeds one percent of the
3 true and fair value of any property, the portion of the levy by a fire
4 protection district that is protected under RCW 84.52.125 shall be
5 reduced until the combined rate no longer exceeds one percent of the
6 true and fair value of any property or shall be eliminated;

7 ~~((b))~~ (c) If the combined rate of regular property tax levies
8 that are subject to the one percent limitation still exceeds one
9 percent of the true and fair value of any property, the levy imposed by
10 a county under RCW 84.52.135 must be reduced until the combined rate no
11 longer exceeds one percent of the true and fair value of any property
12 or must be eliminated;

13 ~~((c))~~ (d) If the combined rate of regular property tax levies
14 that are subject to the one percent limitation still exceeds one
15 percent of the true and fair value of any property, the levy imposed by
16 a ferry district under RCW 36.54.130 must be reduced until the combined
17 rate no longer exceeds one percent of the true and fair value of any
18 property or must be eliminated;

19 ~~((d))~~ (e) If the combined rate of regular property tax levies
20 that are subject to the one percent limitation still exceeds one
21 percent of the true and fair value of any property, the portion of the
22 levy by a metropolitan park district that is protected under RCW
23 84.52.120 shall be reduced until the combined rate no longer exceeds
24 one percent of the true and fair value of any property or shall be
25 eliminated;

26 ~~((e))~~ (f) If the combined rate of regular property tax levies
27 that are subject to the one percent limitation still exceeds one
28 percent of the true and fair value of any property, then the levies
29 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
30 imposed under RCW 84.52.069 that is in excess of thirty cents per
31 thousand dollars of assessed value, shall be reduced on a pro rata
32 basis until the combined rate no longer exceeds one percent of the true
33 and fair value of any property or shall be eliminated; and

34 ~~((f))~~ (g) If the combined rate of regular property tax levies
35 that are subject to the one percent limitation still exceeds one
36 percent of the true and fair value of any property, then the thirty
37 cents per thousand dollars of assessed value of tax levy imposed under

1 RCW 84.52.069 shall be reduced until the combined rate no longer
2 exceeds one percent of the true and fair value of any property or
3 eliminated.

4 (2) The certified rates of tax levy subject to these limitations by
5 all junior taxing districts imposing taxes on such property shall be
6 reduced or eliminated as follows to bring the consolidated levy of
7 taxes on such property within the provisions of these limitations:

8 (a) First, the certified property tax levy rates of those junior
9 taxing districts authorized under RCW 36.68.525, 36.69.145, 35.95A.100,
10 and 67.38.130 shall be reduced on a pro rata basis or eliminated;

11 (b) Second, if the consolidated tax levy rate still exceeds these
12 limitations, the certified property tax levy rates of flood control
13 zone districts shall be reduced on a pro rata basis or eliminated;

14 (c) Third, if the consolidated tax levy rate still exceeds these
15 limitations, the certified property tax levy rates of all other junior
16 taxing districts, other than fire protection districts, regional fire
17 protection service authorities, library districts, the first fifty cent
18 per thousand dollars of assessed valuation levies for metropolitan park
19 districts, and the first fifty cent per thousand dollars of assessed
20 valuation levies for public hospital districts, shall be reduced on a
21 pro rata basis or eliminated;

22 (d) Fourth, if the consolidated tax levy rate still exceeds these
23 limitations, the first fifty cent per thousand dollars of assessed
24 valuation levies for metropolitan park districts created on or after
25 January 1, 2002, shall be reduced on a pro rata basis or eliminated;

26 (e) Fifth, if the consolidated tax levy rate still exceeds these
27 limitations, the certified property tax levy rates authorized to fire
28 protection districts under RCW 52.16.140 and 52.16.160 and regional
29 fire protection service authorities under RCW 52.26.140(1) (b) and (c)
30 shall be reduced on a pro rata basis or eliminated; and

31 (f) Sixth, if the consolidated tax levy rate still exceeds these
32 limitations, the certified property tax levy rates authorized for fire
33 protection districts under RCW 52.16.130, regional fire protection
34 service authorities under RCW 52.26.140(1)(a), library districts,
35 metropolitan park districts created before January 1, 2002, under their
36 first fifty cent per thousand dollars of assessed valuation levy, and
37 public hospital districts under their first fifty cent per thousand

1 dollars of assessed valuation levy, shall be reduced on a pro rata
2 basis or eliminated.

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

5 (1) Subject to voter approval, a public transportation entity may
6 fix and impose an annual congestion reduction tax, not to exceed twenty
7 dollars per vehicle registered within the boundaries of the public
8 transportation entity, for each vehicle subject to license tab fees
9 under RCW 46.16.0621 and for each vehicle subject to gross weight fees
10 under RCW 46.16.070 with an unladen weight of six thousand pounds or
11 less. For purposes of this section, a "public transportation entity"
12 includes public transportation benefit areas under chapter 36.57A RCW,
13 metropolitan municipal corporations providing public transportation
14 services under chapter 36.56 or 35.58 RCW, city-owned transit systems
15 under chapter 35.58 RCW, county public transportation authorities under
16 chapter 36.57 RCW, and unincorporated transportation benefit areas
17 under chapter 36.57 RCW.

18 (2) The department of licensing must administer and collect the tax
19 for the relevant public transportation entity identified in subsection
20 (1) of this section. The department of licensing must deduct a
21 percentage amount, as provided by contract, not to exceed one percent
22 of the taxes collected, for administration and collection expenses
23 incurred by it. The department of licensing must remit remaining
24 proceeds to the custody of the state treasurer. The state treasurer
25 must distribute the proceeds to the public transportation entity on a
26 monthly basis.

27 (3) No tax under this section may be collected until six months
28 after it has been approved by a majority of the voters within the
29 public transportation entity's boundaries.

30 (4) The congestion reduction tax under this section applies only
31 when renewing a vehicle registration, and is effective upon the
32 registration renewal date as provided by the department of licensing.

33 (5) The following vehicles are exempt from the tax under this
34 section:

35 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and
36 46.04.181;

37 (b) Off-road and nonhighway vehicles as defined in RCW 46.09.020;

1 (c) Vehicles registered under chapter 46.87 RCW and the
2 international registration plan; and

3 (d) Snowmobiles as defined in RCW 46.10.010.
*Sec. 8 was vetoed. See message at end of chapter.

4 ***NEW SECTION.** Sec. 9. A new section is added to chapter 36.57A RCW
5 to read as follows:

6 In addition to other general and specific powers granted to a
7 public transportation benefit area authority, the legislative authority
8 of a public transportation benefit area may submit an authorizing
9 proposition to the voters and if approved may impose an annual
10 congestion reduction tax in accordance with section 8 of this act. The
11 proposition must include a specific description of the public
12 transportation services or improvements that will be funded by the
13 congestion reduction tax. A public transportation benefit area
14 authority must provide a credit against the tax imposed under this
15 section for any tax imposed by a city or metropolitan municipal
16 corporation under section 10 of this act.

*Sec. 9 was vetoed. See message at end of chapter.

17 ***NEW SECTION.** Sec. 10. A new section is added to chapter 35.58 RCW
18 to read as follows:

19 In addition to other general and specific powers granted to
20 metropolitan municipal corporations and city-owned transit systems, the
21 legislative authorities of metropolitan municipal corporations and
22 city-owned transit systems may submit an authorizing proposition to the
23 voters within their respective boundaries and if approved may impose an
24 annual congestion reduction tax in accordance with section 8 of this
25 act. The proposition must include a specific description of the public
26 transportation services or improvements that will be funded by the
27 congestion reduction tax.

*Sec. 10 was vetoed. See message at end of chapter.

28 ***NEW SECTION.** Sec. 11. A new section is added to chapter 36.57 RCW
29 to read as follows:

30 In addition to other general and specific powers granted to county
31 public transportation authorities and unincorporated transportation
32 benefit areas, the legislative authorities of a county public
33 transportation authority and an unincorporated transportation benefit
34 area may submit an authorizing proposition to the voters within their
35 respective boundaries and if approved may impose an annual congestion

1 **reduction tax in accordance with section 8 of this act. The**
2 **proposition must include a specific description of the public**
3 **transportation services or improvements that will be funded by the**
4 **congestion reduction tax.**

**Sec. 11 was vetoed. See message at end of chapter.*

5 NEW SECTION. **Sec. 12.** Sections 1 and 2 of this act expire January
6 1, 2015.

Passed by the Senate April 26, 2009.

Passed by the House April 26, 2009.

Approved by the Governor May 19, 2009, with the exception of
certain items that were vetoed.

Filed in Office of Secretary of State May 20, 2009.

Note: Governor's explanation of partial veto is as follows:

"I have approved, except for Sections 8, 9, 10 and 11, Second
Substitute Senate Bill 5433 entitled:

"AN ACT Relating to modifying provisions of local option taxes."

This bill allows local governments flexibility to better use current
revenues sources and additional options for transportation funding.
Sections 8 through 11 would have given transit agencies the option of
asking voters for up to \$20 per vehicle per year to expand local
transit capacity and fund transit-related expenses. Local entities
currently have authority under a transportation benefit district to
impose a vehicle fee that can be used for transportation operating,
maintenance and capital investments. In addition, the 2009-11
transportation budget appropriates funds to the Joint Transportation
Committee to conduct a study of alternative revenue sources of
transportation funding; so dedicating a specific revenue source now is
premature and impacts future decision-making flexibility.

For these reasons, I have vetoed Sections 8, 9, 10 and 11 of Second
Substitute Senate Bill 5433.

With the exception of Sections 8, 9, 10 and 11, Second Substitute
Senate Bill 5433 is approved."