
SUBSTITUTE HOUSE BILL 2751

State of Washington 62nd Legislature 2012 Regular Session

By House Transportation (originally sponsored by Representatives
Clibborn, Liiias, Pollet, and Ryu)

READ FIRST TIME 02/07/12.

1 AN ACT Relating to local transportation revenue; amending RCW
2 36.73.065 and 82.80.010; adding a new section to chapter 82.80 RCW;
3 creating a new section; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** (1) It is the intent of the legislature to
6 provide diversified local revenue options that may be tailored to the
7 needs of each jurisdiction. It is also the intent that local
8 governments provide countywide transportation planning and coordinate
9 with other municipalities, transit systems, transportation benefit
10 districts, planning organizations, and other transportation agencies.
11 It is critical that all transportation infrastructure is well planned,
12 coordinated, and maintained at the local levels to provide a seamless
13 transportation infrastructure to enable people and goods to move safely
14 and efficiently throughout the state and to bolster and improve the
15 state's economy.

16 (2) The legislature finds that the purchasing power of funds to pay
17 for local transportation needs continues to decline while costs have
18 risen. Without additional funding, counties and cities will continue
19 to struggle financially to preserve and maintain county roads, city

1 streets, and bridges; pavement conditions will to continue to decline;
2 and public transit systems will be forced to cut services at a time
3 when demand for transit services is increasing.

4 **Sec. 2.** RCW 36.73.065 and 2007 c 329 s 1 are each amended to read
5 as follows:

6 (1) Except as provided in subsection (4) of this section, taxes,
7 fees, charges, and tolls may not be imposed by a district without
8 approval of a majority of the voters in the district voting on a
9 proposition at a general or special election. The proposition must
10 include a specific description of the transportation improvement or
11 improvements proposed by the district and the proposed taxes, fees,
12 charges, and the range of tolls imposed by the district to raise
13 revenue to fund the improvement or improvements.

14 (2) Voter approval under this section (~~shall~~) must be accorded
15 substantial weight regarding the validity of a transportation
16 improvement as defined in RCW 36.73.015.

17 (3) A district may not increase any taxes, fees, charges, or range
18 of tolls imposed under this chapter once the taxes, fees, charges, or
19 tolls take effect, unless authorized by the district voters pursuant to
20 RCW 36.73.160 or up to forty dollars of the vehicle fee authorized in
21 RCW 82.80.140 by the governing board of the district.

22 (4)(a) A district that includes all the territory within the
23 boundaries of the jurisdiction, or jurisdictions, establishing the
24 district may impose by a majority vote of the governing board of the
25 district the following fees and charges:

26 (i) Up to (~~twenty~~) forty dollars of the vehicle fee authorized in
27 RCW 82.80.140; or

28 (ii) A fee or charge in accordance with RCW 36.73.120.

29 (b) The vehicle fee authorized in (a) of this subsection may only
30 be imposed for a passenger-only ferry transportation improvement if the
31 vehicle fee is first approved by a majority of the voters within the
32 jurisdiction of the district.

33 (c)(i) A district solely comprised of a city or cities (~~shall~~)
34 may not impose the fees or charges identified in (a) of this subsection
35 within one hundred eighty days after July 22, 2007, unless the county
36 in which the city or cities reside, by resolution, declares that it

1 will not impose the fees or charges identified in (a) of this
2 subsection within the one hundred eighty-day period; or

3 (ii) A district solely comprised of a city or cities identified in
4 RCW 36.73.020(6)(b) (~~shall~~) may not impose the fees or charges until
5 after May 22, 2008, unless the county in which the city or cities
6 reside, by resolution, declares that it will not impose the fees or
7 charges identified in (a) of this subsection through May 22, 2008.

8 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
9 reached, a district that includes only the unincorporated territory of
10 a county may impose by a majority vote of the governing body of the
11 district up to (~~twenty~~) forty dollars of the vehicle fee authorized
12 in RCW 82.80.140.

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

15 (1) A county may impose a local motor vehicle excise tax of up to
16 one percent annually on the value of every motor vehicle registered to
17 a person residing within the county based on the valuation schedules in
18 RCW 82.44.035. No motor vehicle excise tax may be imposed on vehicles
19 licensed under RCW 46.17.355, except for motor vehicles with an unladen
20 weight of six thousand pounds or less, RCW 46.16A.425, 46.17.335, or
21 46.17.350(1)(c).

22 (2) Counties imposing a tax under this section shall contract,
23 before the effective date of the resolution or ordinance imposing a
24 surcharge, administration and collection to the department of
25 licensing, as appropriate, which must deduct an amount, as provided by
26 contract, for administration and collection expenses incurred by the
27 department.

28 (3) Counties imposing a tax under this section must use the funds
29 for transportation projects, which may include investment in new or
30 existing highways of statewide significance, principal arterials of
31 regional significance, high capacity transportation, public
32 transportation, or other transportation projects and programs of
33 regional or statewide significance, including transportation demand
34 management. Projects may also include the operation, preservation, or
35 maintenance of these facilities or programs.

36 (4) Counties imposing a tax under this section must negotiate an
37 interlocal agreement with cities and the transit agencies within the

1 county to distribute a portion of the revenues to the cities and
2 transit agencies. The interlocal agreement must require that the
3 county distribute a maximum of twenty dollars per vehicle in each city
4 to the cities within the county for the cities to use on local road
5 operations and maintenance needs. The interlocal agreement must be
6 effective prior to the imposition of the tax. The interlocal agreement
7 is effective when:

8 (a) Approved by the county and approved by sixty percent of the
9 cities in the county; or

10 (b) Approved by the county and approved by the cities that
11 represent seventy-five percent of the population of the cities within
12 the county.

13 (5)(a) A county has one year from the effective date of this
14 section to impose a local motor vehicle tax of up to one percent, as
15 authorized in this section. If a county does not impose the full one
16 percent of the local motor vehicle excise tax authorized under this
17 section within the year, the transit systems within that county may
18 impose up to one-half of the county's one percent local motor vehicle
19 excise tax.

20 (b) If there is more than one transit system within the county, all
21 of the transit systems within that county must impose the local motor
22 vehicle excise tax under this subsection (5) in order to be authorized
23 to impose such tax. If all of the transit systems within the county do
24 not impose such tax, none of the transit systems may impose the tax
25 under this subsection (5).

26 (c) If the transit system or systems within the county impose any
27 local motor vehicle excise tax under this subsection (5), the county
28 may only impose the local motor vehicle excise tax to the extent that
29 the county-imposed tax when combined with the transit system-imposed
30 tax is one percent or less.

31 **Sec. 4.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read
32 as follows:

33 (1) For purposes of this section:

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

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

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

24 (3) The local option motor vehicle fuel tax on each gallon of motor
25 vehicle fuel and on each gallon of special fuel is imposed upon the
26 distributor of the fuel.

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

30 (5) All administrative provisions in chapters 82.01, 82.03, and
31 82.32 RCW, insofar as they are applicable, apply to local option fuel
32 taxes imposed under this section.

33 (6) Before the effective date of the imposition of the fuel taxes
34 under this section, a county (~~shall~~) must contract with the
35 department of revenue for the administration and collection of the
36 taxes. The contract must provide that a percentage amount, not to
37 exceed one percent of the taxes imposed under this section, will be
38 deposited into the local tax administration account created in the

1 custody of the state treasurer. The department of revenue may spend
2 money from this account, upon appropriation, for the administration of
3 the local taxes imposed under this section.

4 (7) The state treasurer (~~shall~~) must distribute monthly to the
5 levying county and cities contained therein the proceeds of the
6 additional excise taxes collected under this section, after the
7 deductions for payments and expenditures as provided in RCW
8 46.68.090(1) (a) and (b) and under the conditions and limitations
9 provided in RCW 82.80.080.

10 (8) The proceeds of the additional excise taxes levied under this
11 section (~~shall~~) must be used strictly for transportation purposes in
12 accordance with RCW 82.80.070.

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

16 NEW SECTION. **Sec. 5.** This act takes effect January 1, 2013.

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