

CERTIFICATION OF ENROLLMENT

SECOND ENGROSSED SUBSTITUTE SENATE BILL 5987

Chapter 44, Laws of 2015

64th Legislature
2015 3rd Special Session

TRANSPORTATION REVENUE

EFFECTIVE DATE: 7/15/2015 - Except for Sections 103, 105, and 110, which become effective 7/1/2016; Section 108, which is contingent; and Sections 323 and 325, which become effective 1/1/2018.

Passed by the Senate July 1, 2015
Yeas 37 Nays 7

BRAD OWEN

President of the Senate

Passed by the House July 1, 2015
Yeas 54 Nays 44

FRANK CHOPP

Speaker of the House of Representatives

Approved July 15, 2015 4:12 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Pablo G. Campos, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SECOND ENGROSSED SUBSTITUTE SENATE BILL 5987** as passed by Senate and the House of Representatives on the dates hereon set forth.

PABLO G. CAMPOS

Deputy Secretary

FILED

July 16, 2015

**Secretary of State
State of Washington**

SECOND ENGROSSED SUBSTITUTE SENATE BILL 5987

AS AMENDED BY THE HOUSE

Passed Legislature - 2015 3rd Special Session

State of Washington **64th Legislature** **2015 Regular Session**

By Senate Transportation (originally sponsored by Senators King, Hobbs, Fain, Lias, and Litzow)

READ FIRST TIME 02/24/15.

1 AN ACT Relating to transportation revenue; amending RCW
2 82.36.025, 82.38.030, 82.38.030, 46.68.090, 46.68.090, 46.10.530,
3 79A.25.070, 46.17.355, 46.17.365, 46.17.323, 46.25.052, 46.25.060,
4 46.25.100, 46.20.202, 46.17.050, 46.17.060, 47.60.322, 46.12.650,
5 88.02.560, 88.02.640, 36.73.065, 82.80.140, 36.73.015, 82.14.045,
6 81.104.140, 81.104.160, 84.52.043, 84.52.043, 84.52.010, 84.52.010,
7 84.04.120, 81.104.180, 81.112.050, 81.112.210, 47.04.320, 47.04.325,
8 47.46.060, 46.63.170, 82.08.809, 82.12.809, 82.70.020, 82.70.040,
9 82.70.050, 82.70.900, 82.70.025, 82.70.060, 43.135.034, and
10 81.77.170; reenacting and amending RCW 43.84.092, 43.84.092,
11 46.09.520, and 81.104.170; reenacting RCW 46.09.520; adding new
12 sections to chapter 46.68 RCW; adding a new section to chapter 46.37
13 RCW; adding new sections to chapter 36.57A RCW; adding a new section
14 to chapter 82.14 RCW; adding a new section to chapter 82.80 RCW;
15 adding new sections to chapter 81.104 RCW; adding a new section to
16 chapter 47.04 RCW; adding a new section to chapter 82.44 RCW; adding
17 a new section to chapter 82.04 RCW; adding a new section to chapter
18 82.16 RCW; adding a new section to chapter 82.32 RCW; adding a new
19 section to chapter 81.112 RCW; adding a new section to chapter 43.79
20 RCW; adding a new chapter to Title 36 RCW; creating new sections;
21 repealing RCW 82.36.029 and 82.38.083; repealing 2015 2nd sp.s.
22 c . . . (SHB 1738) ss 2, 3, and 4; repealing 2012 c 74 s 11
23 (uncodified); prescribing penalties; providing effective dates;

1 providing a contingent effective date; providing expiration dates;
2 providing contingent expiration dates; and declaring an emergency.

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

4 **PART I**
5 **MOTOR VEHICLE FUEL TAXES**

6 **Sec. 101.** RCW 82.36.025 and 2007 c 515 s 3 are each amended to
7 read as follows:

8 (1) A motor vehicle fuel tax rate of twenty-three cents per
9 gallon on motor vehicle fuel shall be imposed on motor vehicle fuel
10 licensees, other than motor vehicle fuel distributors.

11 (2) Beginning July 1, 2003, an additional and cumulative motor
12 vehicle fuel tax rate of five cents per gallon on motor vehicle fuel
13 shall be imposed on motor vehicle fuel licensees, other than motor
14 vehicle fuel distributors. This subsection (2) expires when the bonds
15 issued for transportation 2003 projects are retired.

16 (3) Beginning July 1, 2005, an additional and cumulative motor
17 vehicle fuel tax rate of three cents per gallon on motor vehicle fuel
18 shall be imposed on motor vehicle fuel licensees, other than motor
19 vehicle fuel distributors.

20 (4) Beginning July 1, 2006, an additional and cumulative motor
21 vehicle fuel tax rate of three cents per gallon on motor vehicle fuel
22 shall be imposed on motor vehicle fuel licensees, other than motor
23 vehicle fuel distributors.

24 (5) Beginning July 1, 2007, an additional and cumulative motor
25 vehicle fuel tax rate of two cents per gallon on motor vehicle fuel
26 shall be imposed on motor vehicle fuel licensees, other than motor
27 vehicle fuel distributors.

28 (6) Beginning July 1, 2008, an additional and cumulative motor
29 vehicle fuel tax rate of one and one-half cents per gallon on motor
30 vehicle fuel shall be imposed on motor vehicle fuel licensees, other
31 than motor vehicle fuel distributors.

32 (7) Beginning August 1, 2015, an additional and cumulative motor
33 vehicle fuel tax rate of seven cents per gallon on motor vehicle fuel
34 shall be imposed on motor vehicle fuel licensees, other than motor
35 vehicle fuel distributors.

36 (8) Beginning July 1, 2016, an additional and cumulative motor
37 vehicle fuel tax rate of four and nine-tenths cents per gallon on

1 motor vehicle fuel shall be imposed on motor vehicle fuel licensees,
2 other than motor vehicle fuel distributors.

3 **Sec. 102.** RCW 82.38.030 and 2007 c 515 s 21 are each amended to
4 read as follows:

5 (1) There is hereby levied and imposed upon special fuel
6 licensees, other than special fuel distributors, a tax at the rate of
7 twenty-three cents per gallon of special fuel, or each one hundred
8 cubic feet of compressed natural gas, measured at standard pressure
9 and temperature.

10 (2) Beginning July 1, 2003, an additional and cumulative tax rate
11 of five cents per gallon of special fuel, or each one hundred cubic
12 feet of compressed natural gas, measured at standard pressure and
13 temperature shall be imposed on special fuel licensees, other than
14 special fuel distributors. This subsection (2) expires when the bonds
15 issued for transportation 2003 projects are retired.

16 (3) Beginning July 1, 2005, an additional and cumulative tax rate
17 of three cents per gallon of special fuel, or each one hundred cubic
18 feet of compressed natural gas, measured at standard pressure and
19 temperature shall be imposed on special fuel licensees, other than
20 special fuel distributors.

21 (4) Beginning July 1, 2006, an additional and cumulative tax rate
22 of three cents per gallon of special fuel, or each one hundred cubic
23 feet of compressed natural gas, measured at standard pressure and
24 temperature shall be imposed on special fuel licensees, other than
25 special fuel distributors.

26 (5) Beginning July 1, 2007, an additional and cumulative tax rate
27 of two cents per gallon of special fuel, or each one hundred cubic
28 feet of compressed natural gas, measured at standard pressure and
29 temperature shall be imposed on special fuel licensees, other than
30 special fuel distributors.

31 (6) Beginning July 1, 2008, an additional and cumulative tax rate
32 of one and one-half cents per gallon of special fuel, or each one
33 hundred cubic feet of compressed natural gas, measured at standard
34 pressure and temperature shall be imposed on special fuel licensees,
35 other than special fuel distributors.

36 (7) Beginning August 1, 2015, an additional and cumulative tax
37 rate of seven cents per gallon of special fuel shall be imposed on
38 special fuel licensees, other than special fuel distributors.

1 (8) Beginning July 1, 2016, an additional and cumulative tax rate
2 of four and nine-tenths cents per gallon of special fuel shall be
3 imposed on special fuel licensees, other than special fuel
4 distributors.

5 (9) Taxes are imposed when:

6 (a) Special fuel is removed in this state from a terminal if the
7 special fuel is removed at the rack unless the removal is to a
8 licensed exporter for direct delivery to a destination outside of the
9 state, or the removal is by a special fuel supplier for direct
10 delivery to an international fuel tax agreement licensee under RCW
11 82.38.320;

12 (b) Special fuel is removed in this state from a refinery if
13 either of the following applies:

14 (i) The removal is by bulk transfer and the refiner or the owner
15 of the special fuel immediately before the removal is not a licensee;
16 or

17 (ii) The removal is at the refinery rack unless the removal is to
18 a licensed exporter for direct delivery to a destination outside of
19 the state, or the removal is to a special fuel supplier for direct
20 delivery to an international fuel tax agreement licensee under RCW
21 82.38.320;

22 (c) Special fuel enters into this state for sale, consumption,
23 use, or storage, unless the fuel enters this state for direct
24 delivery to an international fuel tax agreement licensee under RCW
25 82.38.320, if either of the following applies:

26 (i) The entry is by bulk transfer and the importer is not a
27 licensee; or

28 (ii) The entry is not by bulk transfer;

29 (d) Special fuel is sold or removed in this state to an
30 unlicensed entity unless there was a prior taxable removal, entry, or
31 sale of the special fuel;

32 (e) Blended special fuel is removed or sold in this state by the
33 blender of the fuel. The number of gallons of blended special fuel
34 subject to tax is the difference between the total number of gallons
35 of blended special fuel removed or sold and the number of gallons of
36 previously taxed special fuel used to produce the blended special
37 fuel;

38 (f) Dyed special fuel is used on a highway, as authorized by the
39 internal revenue code, unless the use is exempt from the special fuel
40 tax;

1 (g) Dyed special fuel is held for sale, sold, used, or is
2 intended to be used in violation of this chapter;

3 (h) Special fuel purchased by an international fuel tax agreement
4 licensee under RCW 82.38.320 is used on a highway; and

5 (i) Special fuel is sold by a licensed special fuel supplier to a
6 special fuel distributor, special fuel importer, or special fuel
7 blender and the special fuel is not removed from the bulk transfer-
8 terminal system.

9 **Sec. 103.** RCW 82.38.030 and 2014 c 216 s 201 are each amended to
10 read as follows:

11 (1) There is levied and imposed upon fuel licensees a tax at the
12 rate of twenty-three cents per ((each)) gallon of fuel(~~(, measured at~~
13 ~~standard pressure and temperature))~~).

14 (2) Beginning July 1, 2003, an additional and cumulative tax rate
15 of five cents per ((each)) gallon of fuel(~~(, measured at standard~~
16 ~~pressure and temperature))~~ is imposed on fuel licensees. This
17 subsection (2) expires when the bonds issued for transportation 2003
18 projects are retired.

19 (3) Beginning July 1, 2005, an additional and cumulative tax rate
20 of three cents per ((each)) gallon of fuel(~~(, measured at standard~~
21 ~~pressure and temperature))~~ is imposed on fuel licensees.

22 (4) Beginning July 1, 2006, an additional and cumulative tax rate
23 of three cents per ((each)) gallon of fuel(~~(, measured at standard~~
24 ~~pressure and temperature))~~ is imposed on fuel licensees.

25 (5) Beginning July 1, 2007, an additional and cumulative tax rate
26 of two cents per ((each)) gallon of fuel(~~(, measured at standard~~
27 ~~pressure and temperature))~~ is imposed on fuel licensees.

28 (6) Beginning July 1, 2008, an additional and cumulative tax rate
29 of one and one-half cents per ((each)) gallon of fuel(~~(, measured at~~
30 ~~standard pressure and temperature))~~ is imposed on fuel licensees.

31 (7) Beginning August 1, 2015, an additional and cumulative tax
32 rate of seven cents per gallon of fuel is imposed on fuel licensees.

33 (8) Beginning July 1, 2016, an additional and cumulative tax rate
34 of four and nine-tenths cents per gallon of fuel is imposed on fuel
35 licensees.

36 (9) Taxes are imposed when:

37 (a) Fuel is removed in this state from a terminal if the fuel is
38 removed at the rack unless the removal is by a licensed supplier or
39 distributor for direct delivery to a destination outside of the

1 state, or the removal is by a fuel supplier for direct delivery to an
2 international fuel tax agreement licensee under RCW 82.38.320;

3 (b) Fuel is removed in this state from a refinery if either of
4 the following applies:

5 (i) The removal is by bulk transfer and the refiner or the owner
6 of the fuel immediately before the removal is not a licensed
7 supplier; or

8 (ii) The removal is at the refinery rack unless the removal is to
9 a licensed supplier or distributor for direct delivery to a
10 destination outside of the state, or the removal is to a licensed
11 supplier for direct delivery to an international fuel tax agreement
12 licensee under RCW 82.38.320;

13 (c) Fuel enters into this state for sale, consumption, use, or
14 storage, unless the fuel enters this state for direct delivery to an
15 international fuel tax agreement licensee under RCW 82.38.320, if
16 either of the following applies:

17 (i) The entry is by bulk transfer and the importer is not a
18 licensed supplier; or

19 (ii) The entry is not by bulk transfer;

20 (d) Fuel enters this state by means outside the bulk transfer-
21 terminal system and is delivered directly to a licensed terminal
22 unless the owner is a licensed distributor or supplier;

23 (e) Fuel is sold or removed in this state to an unlicensed entity
24 unless there was a prior taxable removal, entry, or sale of the fuel;

25 (f) Blended fuel is removed or sold in this state by the blender
26 of the fuel. The number of gallons of blended fuel subject to tax is
27 the difference between the total number of gallons of blended fuel
28 removed or sold and the number of gallons of previously taxed fuel
29 used to produce the blended fuel;

30 (g) Dyed special fuel is used on a highway, as authorized by the
31 internal revenue code, unless the use is exempt from the fuel tax;

32 (h) Dyed special fuel is held for sale, sold, used, or is
33 intended to be used in violation of this chapter;

34 (i) Special fuel purchased by an international fuel tax agreement
35 licensee under RCW 82.38.320 is used on a highway; and

36 (j) Fuel is sold by a licensed fuel supplier to a fuel
37 distributor or fuel blender and the fuel is not removed from the bulk
38 transfer-terminal system.

1 **Sec. 104.** RCW 46.68.090 and 2011 c 120 s 4 are each amended to
2 read as follows:

3 (1) All moneys that have accrued or may accrue to the motor
4 vehicle fund from the motor vehicle fuel tax and special fuel tax
5 shall be first expended for purposes enumerated in (a) and (b) of
6 this subsection. The remaining net tax amount shall be distributed
7 monthly by the state treasurer in accordance with subsections (2)
8 through ~~((+7))~~ (8) of this section.

9 (a) For payment of refunds of motor vehicle fuel tax and special
10 fuel tax that has been paid and is refundable as provided by law;

11 (b) For payment of amounts to be expended pursuant to
12 appropriations for the administrative expenses of the offices of
13 state treasurer, state auditor, and the department of licensing of
14 the state of Washington in the administration of the motor vehicle
15 fuel tax and the special fuel tax, which sums shall be distributed
16 monthly.

17 (2) All of the remaining net tax amount collected under RCW
18 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in
19 (a) through (j) of this subsection.

20 (a) For distribution to the motor vehicle fund an amount equal to
21 44.387 percent to be expended for highway purposes of the state as
22 defined in RCW 46.68.130;

23 (b) For distribution to the special category C account, hereby
24 created in the motor vehicle fund, an amount equal to 3.2609 percent
25 to be expended for special category C projects. Special category C
26 projects are category C projects that, due to high cost only, will
27 require bond financing to complete construction.

28 The following criteria, listed in order of priority, shall be
29 used in determining which special category C projects have the
30 highest priority:

31 (i) Accident experience;

32 (ii) Fatal accident experience;

33 (iii) Capacity to move people and goods safely and at reasonable
34 speeds without undue congestion; and

35 (iv) Continuity of development of the highway transportation
36 network.

37 Moneys deposited in the special category C account in the motor
38 vehicle fund may be used for payment of debt service on bonds the
39 proceeds of which are used to finance special category C projects
40 under this subsection (2)(b);

1 (c) For distribution to the Puget Sound ferry operations account
2 in the motor vehicle fund an amount equal to 2.3283 percent;

3 (d) For distribution to the Puget Sound capital construction
4 account in the motor vehicle fund an amount equal to 2.3726 percent;

5 (e) For distribution to the transportation improvement account in
6 the motor vehicle fund an amount equal to 7.5597 percent;

7 (f) For distribution to the transportation improvement account in
8 the motor vehicle fund an amount equal to 5.6739 percent and expended
9 in accordance with RCW 47.26.086;

10 (g) For distribution to the cities and towns from the motor
11 vehicle fund an amount equal to 10.6961 percent in accordance with
12 RCW 46.68.110;

13 (h) For distribution to the counties from the motor vehicle fund
14 an amount equal to 19.2287 percent: (i) Out of which there shall be
15 distributed from time to time, as directed by the department of
16 transportation, those sums as may be necessary to carry out the
17 provisions of RCW 47.56.725; and (ii) less any amounts appropriated
18 to the county road administration board to implement the provisions
19 of RCW 47.56.725(4), with the balance of such county share to be
20 distributed monthly as the same accrues for distribution in
21 accordance with RCW 46.68.120;

22 (i) For distribution to the county arterial preservation account,
23 hereby created in the motor vehicle fund an amount equal to 1.9565
24 percent. These funds shall be distributed by the county road
25 administration board to counties in proportions corresponding to the
26 number of paved arterial lane miles in the unincorporated area of
27 each county and shall be used for improvements to sustain the
28 structural, safety, and operational integrity of county arterials.
29 The county road administration board shall adopt reasonable rules and
30 develop policies to implement this program and to assure that a
31 pavement management system is used;

32 (j) For distribution to the rural arterial trust account in the
33 motor vehicle fund an amount equal to 2.5363 percent and expended in
34 accordance with RCW 36.79.020.

35 (3) The remaining net tax amount collected under RCW 82.36.025(2)
36 and 82.38.030(2) shall be distributed to the transportation 2003
37 account (nickel account).

38 (4) The remaining net tax amount collected under RCW 82.36.025(3)
39 and 82.38.030(3) shall be distributed as follows:

1 (a) 8.3333 percent shall be distributed to the incorporated
2 cities and towns of the state in accordance with RCW 46.68.110;

3 (b) 8.3333 percent shall be distributed to counties of the state
4 in accordance with RCW 46.68.120; and

5 (c) The remainder shall be distributed to the transportation
6 partnership account created in RCW 46.68.290.

7 (5) The remaining net tax amount collected under RCW 82.36.025(4)
8 and 82.38.030(4) shall be distributed as follows:

9 (a) 8.3333 percent shall be distributed to the incorporated
10 cities and towns of the state in accordance with RCW 46.68.110;

11 (b) 8.3333 percent shall be distributed to counties of the state
12 in accordance with RCW 46.68.120; and

13 (c) The remainder shall be distributed to the transportation
14 partnership account created in RCW 46.68.290.

15 (6) The remaining net tax amount collected under RCW 82.36.025
16 (5) and (6) and 82.38.030 (5) and (6) shall be distributed to the
17 transportation partnership account created in RCW 46.68.290.

18 (7) The remaining net tax amount collected under RCW 82.36.025
19 (7) and (8) and 82.38.030 (7) and (8) shall be distributed to the
20 connecting Washington account created in section 106 of this act.

21 (8) Nothing in this section or in RCW 46.68.130 may be construed
22 so as to violate any terms or conditions contained in any highway
23 construction bond issues now or hereafter authorized by statute and
24 whose payment is by such statute pledged to be paid from any excise
25 taxes on (~~motor vehicle fuel and special~~) fuel(~~s~~).

26 **Sec. 105.** RCW 46.68.090 and 2013 c 225 s 645 are each amended to
27 read as follows:

28 (1) All moneys that have accrued or may accrue to the motor
29 vehicle fund from the (~~motor vehicle fuel tax and special~~) fuel tax
30 must be first expended for purposes enumerated in (a) and (b) of this
31 subsection. The remaining net tax amount must be distributed monthly
32 by the state treasurer in accordance with subsections (2) through
33 (~~(7)~~) (8) of this section.

34 (a) For payment of refunds of (~~motor vehicle fuel tax and~~
35 ~~special~~) fuel tax that has been paid and is refundable as provided
36 by law;

37 (b) For payment of amounts to be expended pursuant to
38 appropriations for the administrative expenses of the offices of
39 state treasurer, state auditor, and the department of licensing of

1 the state of Washington in the administration of the (~~motor vehicle~~
2 ~~fuel tax and the special~~) fuel tax, which sums must be distributed
3 monthly.

4 (2) All of the remaining net tax amount collected under RCW
5 82.38.030(1) must be distributed as set forth in (a) through (j) of
6 this subsection.

7 (a) For distribution to the motor vehicle fund an amount equal to
8 44.387 percent to be expended for highway purposes of the state as
9 defined in RCW 46.68.130;

10 (b)(i) For distribution to the special category C account, hereby
11 created in the motor vehicle fund, an amount equal to 3.2609 percent
12 to be expended for special category C projects. Special category C
13 projects are category C projects that, due to high cost only, will
14 require bond financing to complete construction.

15 (ii) The following criteria, listed in order of priority, must be
16 used in determining which special category C projects have the
17 highest priority:

18 (A) Accident experience;

19 (B) Fatal accident experience;

20 (C) Capacity to move people and goods safely and at reasonable
21 speeds without undue congestion; and

22 (D) Continuity of development of the highway transportation
23 network.

24 (iii) Moneys deposited in the special category C account in the
25 motor vehicle fund may be used for payment of debt service on bonds
26 the proceeds of which are used to finance special category C projects
27 under this subsection (2)(b);

28 (c) For distribution to the Puget Sound ferry operations account
29 in the motor vehicle fund an amount equal to 2.3283 percent;

30 (d) For distribution to the Puget Sound capital construction
31 account in the motor vehicle fund an amount equal to 2.3726 percent;

32 (e) For distribution to the transportation improvement account in
33 the motor vehicle fund an amount equal to 7.5597 percent;

34 (f) For distribution to the transportation improvement account in
35 the motor vehicle fund an amount equal to 5.6739 percent and expended
36 in accordance with RCW 47.26.086;

37 (g) For distribution to the cities and towns from the motor
38 vehicle fund an amount equal to 10.6961 percent in accordance with
39 RCW 46.68.110;

1 (h) For distribution to the counties from the motor vehicle fund
2 an amount equal to 19.2287 percent: (i) Out of which there must be
3 distributed from time to time, as directed by the department of
4 transportation, those sums as may be necessary to carry out the
5 provisions of RCW 47.56.725; and (ii) less any amounts appropriated
6 to the county road administration board to implement the provisions
7 of RCW 47.56.725(4), with the balance of such county share to be
8 distributed monthly as the same accrues for distribution in
9 accordance with RCW 46.68.120;

10 (i) For distribution to the county arterial preservation account,
11 hereby created in the motor vehicle fund an amount equal to 1.9565
12 percent. These funds must be distributed by the county road
13 administration board to counties in proportions corresponding to the
14 number of paved arterial lane miles in the unincorporated area of
15 each county and must be used for improvements to sustain the
16 structural, safety, and operational integrity of county arterials.
17 The county road administration board must adopt reasonable rules and
18 develop policies to implement this program and to assure that a
19 pavement management system is used;

20 (j) For distribution to the rural arterial trust account in the
21 motor vehicle fund an amount equal to 2.5363 percent and expended in
22 accordance with RCW 36.79.020.

23 (3) The remaining net tax amount collected under RCW 82.38.030(2)
24 must be distributed to the transportation 2003 account (nickel
25 account).

26 (4) The remaining net tax amount collected under RCW 82.38.030(3)
27 must be distributed as follows:

28 (a) 8.3333 percent must be distributed to the incorporated cities
29 and towns of the state in accordance with RCW 46.68.110;

30 (b) 8.3333 percent must be distributed to counties of the state
31 in accordance with RCW 46.68.120; and

32 (c) The remainder must be distributed to the transportation
33 partnership account created in RCW 46.68.290.

34 (5) The remaining net tax amount collected under RCW 82.38.030(4)
35 must be distributed as follows:

36 (a) 8.3333 percent must be distributed to the incorporated cities
37 and towns of the state in accordance with RCW 46.68.110;

38 (b) 8.3333 percent must be distributed to counties of the state
39 in accordance with RCW 46.68.120; and

1 (c) The remainder must be distributed to the transportation
2 partnership account created in RCW 46.68.290.

3 (6) The remaining net tax amount collected under RCW 82.38.030
4 (5) and (6) must be distributed to the transportation partnership
5 account created in RCW 46.68.290.

6 (7) The remaining net tax amount collected under RCW 82.38.030
7 (7) and (8) must be distributed to the connecting Washington account
8 created in section 106 of this act.

9 (8) Nothing in this section or in RCW 46.68.130 may be construed
10 so as to violate any terms or conditions contained in any highway
11 construction bond issues now or hereafter authorized by statute and
12 whose payment is by such statute pledged to be paid from any excise
13 taxes on ((~~motor vehicle fuel and special~~)) fuel((s)).

14 NEW SECTION. Sec. 106. A new section is added to chapter 46.68
15 RCW to read as follows:

16 (1) The connecting Washington account is created in the motor
17 vehicle fund. Moneys in the account may be spent only after
18 appropriation. Expenditures from the account must be used only for
19 projects or improvements identified as connecting Washington projects
20 or improvements in a transportation appropriations act, including any
21 principal and interest on bonds authorized for the projects or
22 improvements.

23 (2) Moneys in the connecting Washington account may not be
24 expended on the state route number 99 Alaskan Way viaduct replacement
25 project.

26 **Sec. 107.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and
27 2014 c 32 s 6 are each reenacted and amended to read as follows:

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

31 (2) The treasury income account shall be utilized to pay or
32 receive funds associated with federal programs as required by the
33 federal cash management improvement act of 1990. The treasury income
34 account is subject in all respects to chapter 43.88 RCW, but no
35 appropriation is required for refunds or allocations of interest
36 earnings required by the cash management improvement act. Refunds of
37 interest to the federal treasury required under the cash management
38 improvement act fall under RCW 43.88.180 and shall not require

1 appropriation. The office of financial management shall determine the
2 amounts due to or from the federal government pursuant to the cash
3 management improvement act. The office of financial management may
4 direct transfers of funds between accounts as deemed necessary to
5 implement the provisions of the cash management improvement act, and
6 this subsection. Refunds or allocations shall occur prior to the
7 distributions of earnings set forth in subsection (4) of this
8 section.

9 (3) Except for the provisions of RCW 43.84.160, the treasury
10 income account may be utilized for the payment of purchased banking
11 services on behalf of treasury funds including, but not limited to,
12 depository, safekeeping, and disbursement functions for the state
13 treasury and affected state agencies. The treasury income account is
14 subject in all respects to chapter 43.88 RCW, but no appropriation is
15 required for payments to financial institutions. Payments shall occur
16 prior to distribution of earnings set forth in subsection (4) of this
17 section.

18 (4) Monthly, the state treasurer shall distribute the earnings
19 credited to the treasury income account. The state treasurer shall
20 credit the general fund with all the earnings credited to the
21 treasury income account except:

22 (a) The following accounts and funds shall receive their
23 proportionate share of earnings based upon each account's and fund's
24 average daily balance for the period: The aeronautics account, the
25 aircraft search and rescue account, the Alaskan Way viaduct
26 replacement project account, the brownfield redevelopment trust fund
27 account, the budget stabilization account, the capital vessel
28 replacement account, the capitol building construction account, the
29 Cedar River channel construction and operation account, the Central
30 Washington University capital projects account, the charitable,
31 educational, penal and reformatory institutions account, the cleanup
32 settlement account, the Columbia river basin water supply development
33 account, the Columbia river basin taxable bond water supply
34 development account, the Columbia river basin water supply revenue
35 recovery account, the common school construction fund, the community
36 forest trust account, the connecting Washington account, the county
37 arterial preservation account, the county criminal justice assistance
38 account, the deferred compensation administrative account, the
39 deferred compensation principal account, the department of licensing
40 services account, the department of retirement systems expense

1 account, the developmental disabilities community trust account, the
2 diesel idle reduction account, the drinking water assistance account,
3 the drinking water assistance administrative account, the drinking
4 water assistance repayment account, the Eastern Washington University
5 capital projects account, the Interstate 405 express toll lanes
6 operations account, the education construction fund, the education
7 legacy trust account, the election account, the electric vehicle
8 charging infrastructure account, the energy freedom account, the
9 energy recovery act account, the essential rail assistance account,
10 The Evergreen State College capital projects account, the federal
11 forest revolving account, the ferry bond retirement fund, the freight
12 mobility investment account, the freight mobility multimodal account,
13 the grade crossing protective fund, the public health services
14 account, the high capacity transportation account, the state higher
15 education construction account, the higher education construction
16 account, the highway bond retirement fund, the highway infrastructure
17 account, the highway safety fund, the high occupancy toll lanes
18 operations account, the hospital safety net assessment fund, the
19 industrial insurance premium refund account, the judges' retirement
20 account, the judicial retirement administrative account, the judicial
21 retirement principal account, the local leasehold excise tax account,
22 the local real estate excise tax account, the local sales and use tax
23 account, the marine resources stewardship trust account, the medical
24 aid account, the mobile home park relocation fund, the motor vehicle
25 fund, the motorcycle safety education account, the multimodal
26 transportation account, the multiuse roadway safety account, the
27 municipal criminal justice assistance account, the natural resources
28 deposit account, the oyster reserve land account, the pension funding
29 stabilization account, the perpetual surveillance and maintenance
30 account, the public employees' retirement system plan 1 account, the
31 public employees' retirement system combined plan 2 and plan 3
32 account, the public facilities construction loan revolving account
33 beginning July 1, 2004, the public health supplemental account, the
34 public works assistance account, the Puget Sound capital construction
35 account, the Puget Sound ferry operations account, the Puget Sound
36 taxpayer accountability account, the real estate appraiser commission
37 account, the recreational vehicle account, the regional mobility
38 grant program account, the resource management cost account, the
39 rural arterial trust account, the rural mobility grant program
40 account, the rural Washington loan fund, the site closure account,

1 the skilled nursing facility safety net trust fund, the small city
2 pavement and sidewalk account, the special category C account, the
3 special wildlife account, the state employees' insurance account, the
4 state employees' insurance reserve account, the state investment
5 board expense account, the state investment board commingled trust
6 fund accounts, the state patrol highway account, the state route
7 number 520 civil penalties account, the state route number 520
8 corridor account, the state wildlife account, the supplemental
9 pension account, the Tacoma Narrows toll bridge account, the
10 teachers' retirement system plan 1 account, the teachers' retirement
11 system combined plan 2 and plan 3 account, the tobacco prevention and
12 control account, the tobacco settlement account, the toll facility
13 bond retirement account, the transportation 2003 account (nickel
14 account), the transportation equipment fund, the transportation fund,
15 the transportation improvement account, the transportation
16 improvement board bond retirement account, the transportation
17 infrastructure account, the transportation partnership account, the
18 traumatic brain injury account, the tuition recovery trust fund, the
19 University of Washington bond retirement fund, the University of
20 Washington building account, the volunteer firefighters' and reserve
21 officers' relief and pension principal fund, the volunteer
22 firefighters' and reserve officers' administrative fund, the
23 Washington judicial retirement system account, the Washington law
24 enforcement officers' and firefighters' system plan 1 retirement
25 account, the Washington law enforcement officers' and firefighters'
26 system plan 2 retirement account, the Washington public safety
27 employees' plan 2 retirement account, the Washington school
28 employees' retirement system combined plan 2 and 3 account, the
29 Washington state health insurance pool account, the Washington state
30 patrol retirement account, the Washington State University building
31 account, the Washington State University bond retirement fund, the
32 water pollution control revolving administration account, the water
33 pollution control revolving fund, the Western Washington University
34 capital projects account, the Yakima integrated plan implementation
35 account, the Yakima integrated plan implementation revenue recovery
36 account, and the Yakima integrated plan implementation taxable bond
37 account. Earnings derived from investing balances of the agricultural
38 permanent fund, the normal school permanent fund, the permanent
39 common school fund, the scientific permanent fund, the state

1 university permanent fund, and the state reclamation revolving
2 account shall be allocated to their respective beneficiary accounts.

3 (b) Any state agency that has independent authority over accounts
4 or funds not statutorily required to be held in the state treasury
5 that deposits funds into a fund or account in the state treasury
6 pursuant to an agreement with the office of the state treasurer shall
7 receive its proportionate share of earnings based upon each account's
8 or fund's average daily balance for the period.

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

12 **Sec. 108.** RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and
13 2014 c 32 s 7 are each reenacted and amended to read as follows:

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

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

33 (3) Except for the provisions of RCW 43.84.160, the treasury
34 income account may be utilized for the payment of purchased banking
35 services on behalf of treasury funds including, but not limited to,
36 depository, safekeeping, and disbursement functions for the state
37 treasury and affected state agencies. The treasury income account is
38 subject in all respects to chapter 43.88 RCW, but no appropriation is
39 required for payments to financial institutions. Payments shall occur

1 prior to distribution of earnings set forth in subsection (4) of this
2 section.

3 (4) Monthly, the state treasurer shall distribute the earnings
4 credited to the treasury income account. The state treasurer shall
5 credit the general fund with all the earnings credited to the
6 treasury income account except:

7 (a) The following accounts and funds shall receive their
8 proportionate share of earnings based upon each account's and fund's
9 average daily balance for the period: The aeronautics account, the
10 aircraft search and rescue account, the Alaskan Way viaduct
11 replacement project account, the brownfield redevelopment trust fund
12 account, the budget stabilization account, the capital vessel
13 replacement account, the capitol building construction account, the
14 Cedar River channel construction and operation account, the Central
15 Washington University capital projects account, the charitable,
16 educational, penal and reformatory institutions account, the cleanup
17 settlement account, the Columbia river basin water supply development
18 account, the Columbia river basin taxable bond water supply
19 development account, the Columbia river basin water supply revenue
20 recovery account, the Columbia river crossing project account, the
21 common school construction fund, the community forest trust account,
22 the connecting Washington account, the county arterial preservation
23 account, the county criminal justice assistance account, the deferred
24 compensation administrative account, the deferred compensation
25 principal account, the department of licensing services account, the
26 department of retirement systems expense account, the developmental
27 disabilities community trust account, the diesel idle reduction
28 account, the drinking water assistance account, the drinking water
29 assistance administrative account, the drinking water assistance
30 repayment account, the Eastern Washington University capital projects
31 account, the Interstate 405 express toll lanes operations account,
32 the education construction fund, the education legacy trust account,
33 the election account, the electric vehicle charging infrastructure
34 account, the energy freedom account, the energy recovery act account,
35 the essential rail assistance account, The Evergreen State College
36 capital projects account, the federal forest revolving account, the
37 ferry bond retirement fund, the freight mobility investment account,
38 the freight mobility multimodal account, the grade crossing
39 protective fund, the public health services account, the high
40 capacity transportation account, the state higher education

1 construction account, the higher education construction account, the
2 highway bond retirement fund, the highway infrastructure account, the
3 highway safety fund, the high occupancy toll lanes operations
4 account, the hospital safety net assessment fund, the industrial
5 insurance premium refund account, the judges' retirement account, the
6 judicial retirement administrative account, the judicial retirement
7 principal account, the local leasehold excise tax account, the local
8 real estate excise tax account, the local sales and use tax account,
9 the marine resources stewardship trust account, the medical aid
10 account, the mobile home park relocation fund, the motor vehicle
11 fund, the motorcycle safety education account, the multimodal
12 transportation account, the multiuse roadway safety account, the
13 municipal criminal justice assistance account, the natural resources
14 deposit account, the oyster reserve land account, the pension funding
15 stabilization account, the perpetual surveillance and maintenance
16 account, the public employees' retirement system plan 1 account, the
17 public employees' retirement system combined plan 2 and plan 3
18 account, the public facilities construction loan revolving account
19 beginning July 1, 2004, the public health supplemental account, the
20 public works assistance account, the Puget Sound capital construction
21 account, the Puget Sound ferry operations account, the Puget Sound
22 taxpayer accountability account, the real estate appraiser commission
23 account, the recreational vehicle account, the regional mobility
24 grant program account, the resource management cost account, the
25 rural arterial trust account, the rural mobility grant program
26 account, the rural Washington loan fund, the site closure account,
27 the skilled nursing facility safety net trust fund, the small city
28 pavement and sidewalk account, the special category C account, the
29 special wildlife account, the state employees' insurance account, the
30 state employees' insurance reserve account, the state investment
31 board expense account, the state investment board commingled trust
32 fund accounts, the state patrol highway account, the state route
33 number 520 civil penalties account, the state route number 520
34 corridor account, the state wildlife account, the supplemental
35 pension account, the Tacoma Narrows toll bridge account, the
36 teachers' retirement system plan 1 account, the teachers' retirement
37 system combined plan 2 and plan 3 account, the tobacco prevention and
38 control account, the tobacco settlement account, the toll facility
39 bond retirement account, the transportation 2003 account (nickel
40 account), the transportation equipment fund, the transportation fund,

1 the transportation improvement account, the transportation
2 improvement board bond retirement account, the transportation
3 infrastructure account, the transportation partnership account, the
4 traumatic brain injury account, the tuition recovery trust fund, the
5 University of Washington bond retirement fund, the University of
6 Washington building account, the volunteer firefighters' and reserve
7 officers' relief and pension principal fund, the volunteer
8 firefighters' and reserve officers' administrative fund, the
9 Washington judicial retirement system account, the Washington law
10 enforcement officers' and firefighters' system plan 1 retirement
11 account, the Washington law enforcement officers' and firefighters'
12 system plan 2 retirement account, the Washington public safety
13 employees' plan 2 retirement account, the Washington school
14 employees' retirement system combined plan 2 and 3 account, the
15 Washington state health insurance pool account, the Washington state
16 patrol retirement account, the Washington State University building
17 account, the Washington State University bond retirement fund, the
18 water pollution control revolving administration account, the water
19 pollution control revolving fund, the Western Washington University
20 capital projects account, the Yakima integrated plan implementation
21 account, the Yakima integrated plan implementation revenue recovery
22 account, and the Yakima integrated plan implementation taxable bond
23 account. Earnings derived from investing balances of the agricultural
24 permanent fund, the normal school permanent fund, the permanent
25 common school fund, the scientific permanent fund, the state
26 university permanent fund, and the state reclamation revolving
27 account shall be allocated to their respective beneficiary accounts.

28 (b) Any state agency that has independent authority over accounts
29 or funds not statutorily required to be held in the state treasury
30 that deposits funds into a fund or account in the state treasury
31 pursuant to an agreement with the office of the state treasurer shall
32 receive its proportionate share of earnings based upon each account's
33 or fund's average daily balance for the period.

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

37

Nonhighway Refunds

1 **Sec. 109.** RCW 46.09.520 and 2010 1st sp.s. c 37 s 936 and 2010 c
2 161 s 222 are each reenacted and amended to read as follows:

3 (1) From time to time, but at least once each year, the state
4 treasurer shall refund from the motor vehicle fund one percent of the
5 motor vehicle fuel tax revenues collected under chapter 82.36 RCW,
6 based on: (a) A tax rate of: ((+a+)) (i) Nineteen cents per gallon of
7 motor vehicle fuel from July 1, 2003, through June 30, 2005; ((+b+))
8 (ii) twenty cents per gallon of motor vehicle fuel from July 1, 2005,
9 through June 30, 2007; ((+c+)) (iii) twenty-one cents per gallon of
10 motor vehicle fuel from July 1, 2007, through June 30, 2009; ((+d+))
11 (iv) twenty-two cents per gallon of motor vehicle fuel from July 1,
12 2009, through June 30, 2011; ((and+e+)) (v) twenty-three cents per
13 gallon of motor vehicle fuel ((beginning)) from July 1, 2011, through
14 July 31, 2015; (vi) thirty cents per gallon of motor vehicle fuel
15 from August 1, 2015, through June 30, 2016; and (vii) thirty-four and
16 nine-tenths cents per gallon of motor vehicle fuel from July 1, 2016,
17 through June 30, 2031; and (b) beginning July 1, 2031, and
18 thereafter, the state's motor vehicle fuel tax rate in existence at
19 the time of the fuel purchase, ((and+thereafter+)) less proper
20 deductions for refunds and costs of collection as provided in RCW
21 46.68.090.

22 (2) The treasurer shall place these funds in the general fund as
23 follows:

24 (a) Thirty-six percent shall be credited to the ORV and
25 nonhighway vehicle account and administered by the department of
26 natural resources solely for acquisition, planning, development,
27 maintenance, and management of ORV, nonmotorized, and nonhighway road
28 recreation facilities, and information programs and maintenance of
29 nonhighway roads;

30 (b) Three and one-half percent shall be credited to the ORV and
31 nonhighway vehicle account and administered by the department of fish
32 and wildlife solely for the acquisition, planning, development,
33 maintenance, and management of ORV, nonmotorized, and nonhighway road
34 recreation facilities and the maintenance of nonhighway roads;

35 (c) Two percent shall be credited to the ORV and nonhighway
36 vehicle account and administered by the parks and recreation
37 commission solely for the acquisition, planning, development,
38 maintenance, and management of ORV, nonmotorized, and nonhighway road
39 recreation facilities; and

1 (d) Fifty-eight and one-half percent shall be credited to the
2 nonhighway and off-road vehicle activities program account to be
3 administered by the board for planning, acquisition, development,
4 maintenance, and management of ORV, nonmotorized, and nonhighway road
5 recreation facilities and for education, information, and law
6 enforcement programs. The funds under this subsection shall be
7 expended in accordance with the following limitations:

8 (i) Not more than thirty percent may be expended for education,
9 information, and law enforcement programs under this chapter;

10 (ii) Not less than seventy percent may be expended for ORV,
11 nonmotorized, and nonhighway road recreation facilities. Except as
12 provided in (d)(iii) of this subsection, of this amount:

13 (A) Not less than thirty percent, together with the funds the
14 board receives under RCW 46.68.045, may be expended for ORV
15 recreation facilities;

16 (B) Not less than thirty percent may be expended for nonmotorized
17 recreation facilities. Funds expended under this subsection
18 (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation
19 facilities funds; and

20 (C) Not less than thirty percent may be expended for nonhighway
21 road recreation facilities;

22 (iii) The board may waive the minimum percentage cited in (d)(ii)
23 of this subsection due to insufficient requests for funds or projects
24 that score low in the board's project evaluation. Funds remaining
25 after such a waiver must be allocated in accordance with board
26 policy.

27 (3) On a yearly basis an agency may not, except as provided in
28 RCW 46.68.045, expend more than ten percent of the funds it receives
29 under this chapter for general administration expenses incurred in
30 carrying out this chapter.

31 (4) During the 2009-2011 fiscal biennium, the legislature may
32 appropriate such amounts as reflect the excess fund balance in the
33 NOVA account to the department of natural resources to install
34 consistent off-road vehicle signage at department-managed recreation
35 sites, and to implement the recreation opportunities on department-
36 managed lands in the Reiter block and Ahtanum state forest, and to
37 the state parks and recreation commission. The legislature finds that
38 the appropriation of funds from the NOVA account during the 2009-2011
39 fiscal biennium for maintenance and operation of state parks or to
40 improve accessibility for boaters and off-road vehicle users at state

1 parks will benefit boaters and off-road vehicle users and others who
2 use nonhighway and nonmotorized recreational facilities. The
3 appropriations under this subsection are not required to follow the
4 specific distribution specified in subsection (2) of this section.

5 **Sec. 110.** RCW 46.09.520 and 2015 2nd sp.s. c ... s 109 (section
6 109 of this act) and 2013 c 225 s 608 are each reenacted to read as
7 follows:

8 (1) From time to time, but at least once each year, the state
9 treasurer must refund from the motor vehicle fund one percent of the
10 motor vehicle fuel tax revenues collected under chapter 82.38 RCW,
11 based on: (a) A tax rate of: (i) Nineteen cents per gallon of motor
12 vehicle fuel from July 1, 2003, through June 30, 2005; (ii) twenty
13 cents per gallon of motor vehicle fuel from July 1, 2005, through
14 June 30, 2007; (iii) twenty-one cents per gallon of motor vehicle
15 fuel from July 1, 2007, through June 30, 2009; (iv) twenty-two cents
16 per gallon of motor vehicle fuel from July 1, 2009, through June 30,
17 2011; (v) twenty-three cents per gallon of motor vehicle fuel from
18 July 1, 2011, through July 31, 2015; (vi) thirty cents per gallon of
19 motor vehicle fuel from August 1, 2015, through June 30, 2016; and
20 (vii) thirty-four and nine-tenths cents per gallon of motor vehicle
21 fuel from July 1, 2016, through June 30, 2031; and (b) beginning July
22 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in
23 existence at the time of the fuel purchase, less proper deductions
24 for refunds and costs of collection as provided in RCW 46.68.090.

25 (2) The treasurer must place these funds in the general fund as
26 follows:

27 (a) Thirty-six percent must be credited to the ORV and nonhighway
28 vehicle account and administered by the department of natural
29 resources solely for acquisition, planning, development, maintenance,
30 and management of ORV, nonmotorized, and nonhighway road recreation
31 facilities, and information programs and maintenance of nonhighway
32 roads;

33 (b) Three and one-half percent must be credited to the ORV and
34 nonhighway vehicle account and administered by the department of fish
35 and wildlife solely for the acquisition, planning, development,
36 maintenance, and management of ORV, nonmotorized, and nonhighway road
37 recreation facilities and the maintenance of nonhighway roads;

38 (c) Two percent must be credited to the ORV and nonhighway
39 vehicle account and administered by the parks and recreation

1 commission solely for the acquisition, planning, development,
2 maintenance, and management of ORV, nonmotorized, and nonhighway road
3 recreation facilities; and

4 (d) Fifty-eight and one-half percent must be credited to the
5 nonhighway and off-road vehicle activities program account to be
6 administered by the board for planning, acquisition, development,
7 maintenance, and management of ORV, nonmotorized, and nonhighway road
8 recreation facilities and for education, information, and law
9 enforcement programs. The funds under this subsection must be
10 expended in accordance with the following limitations:

11 (i) Not more than thirty percent may be expended for education,
12 information, and law enforcement programs under this chapter;

13 (ii) Not less than seventy percent may be expended for ORV,
14 nonmotorized, and nonhighway road recreation facilities. Except as
15 provided in (d)(iii) of this subsection, of this amount:

16 (A) Not less than thirty percent, together with the funds the
17 board receives under RCW 46.68.045, may be expended for ORV
18 recreation facilities;

19 (B) Not less than thirty percent may be expended for nonmotorized
20 recreation facilities. Funds expended under this subsection
21 (2)(d)(ii)(B) are known as Ira Spring outdoor recreation facilities
22 funds; and

23 (C) Not less than thirty percent may be expended for nonhighway
24 road recreation facilities;

25 (iii) The board may waive the minimum percentage cited in (d)(ii)
26 of this subsection due to insufficient requests for funds or projects
27 that score low in the board's project evaluation. Funds remaining
28 after such a waiver must be allocated in accordance with board
29 policy.

30 (3) On a yearly basis an agency may not, except as provided in
31 RCW 46.68.045, expend more than ten percent of the funds it receives
32 under this chapter for general administration expenses incurred in
33 carrying out this chapter.

34 (4) During the 2009-2011 fiscal biennium, the legislature may
35 appropriate such amounts as reflect the excess fund balance in the
36 NOVA account to the department of natural resources to install
37 consistent off-road vehicle signage at department-managed recreation
38 sites, and to implement the recreation opportunities on department-
39 managed lands in the Reiter block and Ahtanum state forest, and to
40 the state parks and recreation commission. The legislature finds that

1 the appropriation of funds from the NOVA account during the 2009-2011
2 fiscal biennium for maintenance and operation of state parks or to
3 improve accessibility for boaters and off-road vehicle users at state
4 parks will benefit boaters and off-road vehicle users and others who
5 use nonhighway and nonmotorized recreational facilities. The
6 appropriations under this subsection are not required to follow the
7 specific distribution specified in subsection (2) of this section.

8 NEW SECTION. **Sec. 111.** The following acts or parts of acts are
9 each repealed:

- 10 (1) 2015 2nd sp.s. c ... (SHB 1738) s 2;
11 (2) 2015 2nd sp.s. c ... (SHB 1738) s 3; and
12 (3) 2015 2nd sp.s. c ... (SHB 1738) s 4.

13 **Sec. 112.** RCW 46.10.530 and 2003 c 361 s 408 are each amended to
14 read as follows:

15 From time to time, but at least once each four years, the
16 department shall determine the amount of moneys paid to it as motor
17 vehicle fuel tax that is tax on snowmobile fuel. Such determination
18 shall use one hundred thirty-five gallons as the average yearly fuel
19 usage per snowmobile, the number of registered snowmobiles during the
20 calendar year under determination, and: (1) A fuel tax rate of:
21 ~~((+1))~~ (a) Nineteen cents per gallon of motor vehicle fuel from July
22 1, 2003, through June 30, 2005; ((+2)) (b) twenty cents per gallon
23 of motor vehicle fuel from July 1, 2005, through June 30, 2007;
24 ~~((+3))~~ (c) twenty-one cents per gallon of motor vehicle fuel from
25 July 1, 2007, through June 30, 2009; ((+4)) (d) twenty-two cents per
26 gallon of motor vehicle fuel from July 1, 2009, through June 30,
27 2011; ((and +5)) (e) twenty-three cents per gallon of motor vehicle
28 fuel ((beginning)) from July 1, 2011((, and thereafter)), through
29 July 31, 2015; (f) thirty cents per gallon of motor vehicle fuel from
30 August 1, 2015, through June 30, 2016; and (g) thirty-four and nine-
31 tenths cents per gallon of motor vehicle fuel from July 1, 2016,
32 through June 30, 2031; and (2) beginning July 1, 2031, and
33 thereafter, the state's motor vehicle fuel tax rate in existence at
34 the time of the fuel purchase.

35 **Sec. 113.** RCW 79A.25.070 and 2010 c 23 s 3 are each amended to
36 read as follows:

1 Upon expiration of the time limited by RCW 82.36.330 for claiming
2 of refunds of tax on marine fuel, the state of Washington shall
3 succeed to the right to such refunds. The director of licensing,
4 after taking into account past and anticipated claims for refunds
5 from and deposits to the marine fuel tax refund account, shall
6 request the state treasurer to transfer monthly from the marine fuel
7 tax refund account an amount equal to the proportion of the moneys in
8 the account representing: (1) A motor vehicle fuel tax rate of:
9 ~~((+1))~~ (a) Nineteen cents per gallon of motor vehicle fuel from July
10 1, 2003, through June 30, 2005; ~~((+2))~~ (b) twenty cents per gallon
11 of motor vehicle fuel from July 1, 2005, through June 30, 2007;
12 ~~((+3))~~ (c) twenty-one cents per gallon of motor vehicle fuel from
13 July 1, 2007, through June 30, 2009; ~~((+4))~~ (d) twenty-two cents per
14 gallon of motor vehicle fuel from July 1, 2009, through June 30,
15 2011; ~~(and +5))~~ (e) twenty-three cents per gallon of motor vehicle
16 fuel ~~((beginning))~~ from July 1, 2011~~((, and thereafter)), through~~
17 July 31, 2015; (f) thirty cents per gallon of motor vehicle fuel from
18 August 1, 2015, through June 30, 2016; and (g) thirty-four and nine-
19 tenths cents per gallon of motor vehicle fuel from July 1, 2016,
20 through June 30, 2031; and (2) beginning July 1, 2031, and
21 thereafter, the state's motor vehicle fuel tax rate in existence at
22 the time of the fuel purchase, to the recreation resource account and
23 the remainder to the motor vehicle fund.

24 **Handling Loss Deduction**

25 NEW SECTION. Sec. 114. The following acts or parts of acts are
26 each repealed:

27 (1) RCW 82.36.029 (Deductions—Handling losses—Reports) and 1998
28 c 176 s 10; and

29 (2) RCW 82.38.083 (Deductions—Handling losses—Reports) and 2013
30 c 225 s 205.

31 **PART II**

32 **FEES**

33 **License Fees By Weight & Freight Project Fee**

34 **Sec. 201.** RCW 46.17.355 and 2011 c 171 s 61 are each amended to
35 read as follows:

1 (1)(a) For vehicle registrations that are due or become due
2 before July 1, 2016, in lieu of the vehicle license fee required
3 under RCW 46.17.350 and before accepting an application for a vehicle
4 registration for motor vehicles described in RCW 46.16A.455, the
5 department, county auditor or other agent, or subagent appointed by
6 the director shall require the applicant, unless specifically exempt,
7 to pay the following license fee by weight:

8	WEIGHT	SCHEDULE A	SCHEDULE B
9	4,000 pounds	\$ 38.00	\$ 38.00
10	6,000 pounds	\$ 48.00	\$ 48.00
11	8,000 pounds	\$ 58.00	\$ 58.00
12	10,000 pounds	\$ 60.00	\$ 60.00
13	12,000 pounds	\$ 77.00	\$ 77.00
14	14,000 pounds	\$ 88.00	\$ 88.00
15	16,000 pounds	\$ 100.00	\$ 100.00
16	18,000 pounds	\$ 152.00	\$ 152.00
17	20,000 pounds	\$ 169.00	\$ 169.00
18	22,000 pounds	\$ 183.00	\$ 183.00
19	24,000 pounds	\$ 198.00	\$ 198.00
20	26,000 pounds	\$ 209.00	\$ 209.00
21	28,000 pounds	\$ 247.00	\$ 247.00
22	30,000 pounds	\$ 285.00	\$ 285.00
23	32,000 pounds	\$ 344.00	\$ 344.00
24	34,000 pounds	\$ 366.00	\$ 366.00
25	36,000 pounds	\$ 397.00	\$ 397.00
26	38,000 pounds	\$ 436.00	\$ 436.00
27	40,000 pounds	\$ 499.00	\$ 499.00
28	42,000 pounds	\$ 519.00	\$ 609.00
29	44,000 pounds	\$ 530.00	\$ 620.00
30	46,000 pounds	\$ 570.00	\$ 660.00
31	48,000 pounds	\$ 594.00	\$ 684.00
32	50,000 pounds	\$ 645.00	\$ 735.00
33	52,000 pounds	\$ 678.00	\$ 768.00

1	54,000 pounds	\$ 732.00	\$ 822.00
2	56,000 pounds	\$ 773.00	\$ 863.00
3	58,000 pounds	\$ 804.00	\$ 894.00
4	60,000 pounds	\$ 857.00	\$ 947.00
5	62,000 pounds	\$ 919.00	\$ 1,009.00
6	64,000 pounds	\$ 939.00	\$ 1,029.00
7	66,000 pounds	\$ 1,046.00	\$ 1,136.00
8	68,000 pounds	\$ 1,091.00	\$ 1,181.00
9	70,000 pounds	\$ 1,175.00	\$ 1,265.00
10	72,000 pounds	\$ 1,257.00	\$ 1,347.00
11	74,000 pounds	\$ 1,366.00	\$ 1,456.00
12	76,000 pounds	\$ 1,476.00	\$ 1,566.00
13	78,000 pounds	\$ 1,612.00	\$ 1,702.00
14	80,000 pounds	\$ 1,740.00	\$ 1,830.00
15	82,000 pounds	\$ 1,861.00	\$ 1,951.00
16	84,000 pounds	\$ 1,981.00	\$ 2,071.00
17	86,000 pounds	\$ 2,102.00	\$ 2,192.00
18	88,000 pounds	\$ 2,223.00	\$ 2,313.00
19	90,000 pounds	\$ 2,344.00	\$ 2,434.00
20	92,000 pounds	\$ 2,464.00	\$ 2,554.00
21	94,000 pounds	\$ 2,585.00	\$ 2,675.00
22	96,000 pounds	\$ 2,706.00	\$ 2,796.00
23	98,000 pounds	\$ 2,827.00	\$ 2,917.00
24	100,000 pounds	\$ 2,947.00	\$ 3,037.00
25	102,000 pounds	\$ 3,068.00	\$ 3,158.00
26	104,000 pounds	\$ 3,189.00	\$ 3,279.00
27	105,500 pounds	\$ 3,310.00	\$ 3,400.00

28 (b) For vehicle registrations that are due or become due on or
29 after July 1, 2016, in lieu of the vehicle license fee required under
30 RCW 46.17.350 and before accepting an application for a vehicle
31 registration for motor vehicles described in RCW 46.16A.455, the
32 department, county auditor or other agent, or subagent appointed by

1 the director shall require the applicant, unless specifically exempt,
2 to pay the following license fee by weight:

	<u>WEIGHT</u>	<u>SCHEDULE A</u>	<u>SCHEDULE B</u>
3			
4	<u>4,000 pounds</u>	<u>\$ 53.00</u>	<u>\$ 53.00</u>
5	<u>6,000 pounds</u>	<u>\$ 73.00</u>	<u>\$ 73.00</u>
6	<u>8,000 pounds</u>	<u>\$ 93.00</u>	<u>\$ 93.00</u>
7	<u>10,000 pounds</u>	<u>\$ 93.00</u>	<u>\$ 93.00</u>
8	<u>12,000 pounds</u>	<u>\$ 81.00</u>	<u>\$ 81.00</u>
9	<u>14,000 pounds</u>	<u>\$ 88.00</u>	<u>\$ 88.00</u>
10	<u>16,000 pounds</u>	<u>\$ 100.00</u>	<u>\$ 100.00</u>
11	<u>18,000 pounds</u>	<u>\$ 152.00</u>	<u>\$ 152.00</u>
12	<u>20,000 pounds</u>	<u>\$ 169.00</u>	<u>\$ 169.00</u>
13	<u>22,000 pounds</u>	<u>\$ 183.00</u>	<u>\$ 183.00</u>
14	<u>24,000 pounds</u>	<u>\$ 198.00</u>	<u>\$ 198.00</u>
15	<u>26,000 pounds</u>	<u>\$ 209.00</u>	<u>\$ 209.00</u>
16	<u>28,000 pounds</u>	<u>\$ 247.00</u>	<u>\$ 247.00</u>
17	<u>30,000 pounds</u>	<u>\$ 285.00</u>	<u>\$ 285.00</u>
18	<u>32,000 pounds</u>	<u>\$ 344.00</u>	<u>\$ 344.00</u>
19	<u>34,000 pounds</u>	<u>\$ 366.00</u>	<u>\$ 366.00</u>
20	<u>36,000 pounds</u>	<u>\$ 397.00</u>	<u>\$ 397.00</u>
21	<u>38,000 pounds</u>	<u>\$ 436.00</u>	<u>\$ 436.00</u>
22	<u>40,000 pounds</u>	<u>\$ 499.00</u>	<u>\$ 499.00</u>
23	<u>42,000 pounds</u>	<u>\$ 519.00</u>	<u>\$ 609.00</u>
24	<u>44,000 pounds</u>	<u>\$ 530.00</u>	<u>\$ 620.00</u>
25	<u>46,000 pounds</u>	<u>\$ 570.00</u>	<u>\$ 660.00</u>
26	<u>48,000 pounds</u>	<u>\$ 594.00</u>	<u>\$ 684.00</u>
27	<u>50,000 pounds</u>	<u>\$ 645.00</u>	<u>\$ 735.00</u>
28	<u>52,000 pounds</u>	<u>\$ 678.00</u>	<u>\$ 768.00</u>
29	<u>54,000 pounds</u>	<u>\$ 732.00</u>	<u>\$ 822.00</u>
30	<u>56,000 pounds</u>	<u>\$ 773.00</u>	<u>\$ 863.00</u>
31	<u>58,000 pounds</u>	<u>\$ 804.00</u>	<u>\$ 894.00</u>
32	<u>60,000 pounds</u>	<u>\$ 857.00</u>	<u>\$ 947.00</u>

1	<u>62,000 pounds</u>	<u>\$ 919.00</u>	<u>\$ 1,009.00</u>
2	<u>64,000 pounds</u>	<u>\$ 939.00</u>	<u>\$ 1,029.00</u>
3	<u>66,000 pounds</u>	<u>\$ 1,046.00</u>	<u>\$ 1,136.00</u>
4	<u>68,000 pounds</u>	<u>\$ 1,091.00</u>	<u>\$ 1,181.00</u>
5	<u>70,000 pounds</u>	<u>\$ 1,175.00</u>	<u>\$ 1,265.00</u>
6	<u>72,000 pounds</u>	<u>\$ 1,257.00</u>	<u>\$ 1,347.00</u>
7	<u>74,000 pounds</u>	<u>\$ 1,366.00</u>	<u>\$ 1,456.00</u>
8	<u>76,000 pounds</u>	<u>\$ 1,476.00</u>	<u>\$ 1,566.00</u>
9	<u>78,000 pounds</u>	<u>\$ 1,612.00</u>	<u>\$ 1,702.00</u>
10	<u>80,000 pounds</u>	<u>\$ 1,740.00</u>	<u>\$ 1,830.00</u>
11	<u>82,000 pounds</u>	<u>\$ 1,861.00</u>	<u>\$ 1,951.00</u>
12	<u>84,000 pounds</u>	<u>\$ 1,981.00</u>	<u>\$ 2,071.00</u>
13	<u>86,000 pounds</u>	<u>\$ 2,102.00</u>	<u>\$ 2,192.00</u>
14	<u>88,000 pounds</u>	<u>\$ 2,223.00</u>	<u>\$ 2,313.00</u>
15	<u>90,000 pounds</u>	<u>\$ 2,344.00</u>	<u>\$ 2,434.00</u>
16	<u>92,000 pounds</u>	<u>\$ 2,464.00</u>	<u>\$ 2,554.00</u>
17	<u>94,000 pounds</u>	<u>\$ 2,585.00</u>	<u>\$ 2,675.00</u>
18	<u>96,000 pounds</u>	<u>\$ 2,706.00</u>	<u>\$ 2,796.00</u>
19	<u>98,000 pounds</u>	<u>\$ 2,827.00</u>	<u>\$ 2,917.00</u>
20	<u>100,000 pounds</u>	<u>\$ 2,947.00</u>	<u>\$ 3,037.00</u>
21	<u>102,000 pounds</u>	<u>\$ 3,068.00</u>	<u>\$ 3,158.00</u>
22	<u>104,000 pounds</u>	<u>\$ 3,189.00</u>	<u>\$ 3,279.00</u>
23	<u>105,500 pounds</u>	<u>\$ 3,310.00</u>	<u>\$ 3,400.00</u>

24 (2) Schedule A applies to vehicles either used exclusively for
25 hauling logs or that do not tow trailers. Schedule B applies to
26 vehicles that tow trailers and are not covered under Schedule A.

27 (3) If the resultant gross weight is not listed in the table
28 provided in subsection (1) of this section, it must be increased to
29 the next higher weight.

30 (4) The license fees provided in subsection (1) of this section
31 and the freight project fee provided in subsection (6) of this
32 section are in addition to the filing fee required under RCW
33 46.17.005 and any other fee or tax required by law.

1 (5) The license fee based on declared gross weight as provided in
2 subsection (1) of this section must be distributed under RCW
3 46.68.035.

4 (6) For vehicle registrations that are due or become due on or
5 after July 1, 2016, in addition to the license fee based on declared
6 gross weight as provided in subsection (1) of this section, the
7 department, county auditor or other agent, or subagent appointed by
8 the director must require an applicant with a vehicle with a declared
9 gross weight of more than 10,000 pounds, unless specifically exempt,
10 to pay a freight project fee equal to fifteen percent of the license
11 fee provided in subsection (1) of this section, rounded to the
12 nearest whole dollar, which must be distributed under RCW 46.68.035.

13 (7) For vehicle registrations that are due or become due on or
14 after July 1, 2022, in addition to the license fee based on declared
15 gross weight as provided in subsection (1) of this section, the
16 department, county auditor or other agent, or subagent appointed by
17 the director must require an applicant with a vehicle with a declared
18 gross weight of less than or equal to 12,000 pounds, unless
19 specifically exempt, to pay an additional weight fee of ten dollars,
20 which must be distributed under RCW 46.68.035.

21 **Passenger Vehicle Weight Fees**

22 **Sec. 202.** RCW 46.17.365 and 2010 c 161 s 533 are each amended to
23 read as follows:

24 (1) A person applying for a motor vehicle registration and paying
25 the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e),
26 (h), (j), (n), and (o) shall pay a motor vehicle weight fee in
27 addition to all other fees and taxes required by law.

28 (a) For vehicle registrations that are due or become due before
29 July 1, 2016, the motor vehicle weight fee:

30 ~~((a))~~ (i) Must be based on the motor vehicle scale weight;

31 ~~((b))~~ (ii) Is the difference determined by subtracting the
32 vehicle license fee required in RCW 46.17.350 from the license fee in
33 Schedule B of RCW 46.17.355, plus two dollars; and

34 ~~((c))~~ (iii) Must be distributed under RCW 46.68.415.

35 (b) For vehicle registrations that are due or become due on or
36 after July 1, 2016, the motor vehicle weight fee:

37 (i) Must be based on the motor vehicle scale weight as follows:

	<u>WEIGHT</u>	<u>FEE</u>
1		
2	<u>4,000 pounds</u>	<u>\$ 25.00</u>
3	<u>6,000 pounds</u>	<u>\$ 45.00</u>
4	<u>8,000 pounds</u>	<u>\$ 65.00</u>
5	<u>16,000 pounds and over</u>	<u>\$ 72.00;</u>

6 (ii) If the resultant motor vehicle scale weight is not listed in
7 the table provided in (b)(i) of this subsection, must be increased to
8 the next highest weight; and

9 (iii) Must be distributed under RCW 46.68.415 unless prior to
10 July 1, 2023, the actions described in (b)(iii)(A) or (B) of this
11 subsection occur, in which case the portion of the revenue that is
12 the result of the fee increased in this subsection must be
13 distributed to the connecting Washington account created under
14 section 106 of this act.

15 (A) Any state agency files a notice of rule making under chapter
16 34.05 RCW for a rule regarding a fuel standard based upon or defined
17 by the carbon intensity of fuel, including a low carbon fuel standard
18 or clean fuel standard.

19 (B) Any state agency otherwise enacts, adopts, orders, or in any
20 way implements a fuel standard based upon or defined by the carbon
21 intensity of fuel, including a low carbon fuel standard or clean fuel
22 standard.

23 (C) Nothing in this subsection acknowledges, establishes, or
24 creates legal authority for the department of ecology or any other
25 state agency to enact, adopt, order, or in any way implement a fuel
26 standard based upon or defined by the carbon intensity of fuel,
27 including a low carbon fuel standard or clean fuel standard.

28 (2) A person applying for a motor home vehicle registration
29 shall, in lieu of the motor vehicle weight fee required in subsection
30 (1) of this section, pay a motor home vehicle weight fee of seventy-
31 five dollars in addition to all other fees and taxes required by law.
32 The motor home vehicle weight fee must be distributed under RCW
33 46.68.415.

34 (3) Beginning July 1, 2022, in addition to the motor vehicle
35 weight fee as provided in subsection (1) of this section, the
36 department, county auditor or other agent, or subagent appointed by
37 the director must require an applicant to pay an additional weight
38 fee of ten dollars, which must be distributed to the multimodal

1 transportation account under RCW 47.66.070 unless prior to July 1,
2 2023, the actions described in (a) or (b) of this subsection occur,
3 in which case the portion of the revenue that is the result of the
4 fee increased in this subsection must be distributed to the
5 connecting Washington account created under section 106 of this act.

6 (a) Any state agency files a notice of rule making under chapter
7 34.05 RCW for a rule regarding a fuel standard based upon or defined
8 by the carbon intensity of fuel, including a low carbon fuel standard
9 or clean fuel standard.

10 (b) Any state agency otherwise enacts, adopts, orders, or in any
11 way implements a fuel standard based upon or defined by the carbon
12 intensity of fuel, including a low carbon fuel standard or clean fuel
13 standard.

14 (c) Nothing in this subsection acknowledges, establishes, or
15 creates legal authority for the department of ecology or any other
16 state agency to enact, adopt, order, or in any way implement a fuel
17 standard based upon or defined by the carbon intensity of fuel,
18 including a low carbon fuel standard or clean fuel standard.

19 (4) The department shall:

20 (a) Rely on motor vehicle empty scale weights provided by vehicle
21 manufacturers, or other sources defined by the department, to
22 determine the weight of each motor vehicle; and

23 (b) Adopt rules for determining weight for vehicles without
24 manufacturer empty scale weights.

25 **Electric Vehicle Fee**

26 **Sec. 203.** RCW 46.17.323 and 2012 c 74 s 10 are each amended to
27 read as follows:

28 (1) Before accepting an application for an annual vehicle
29 registration renewal for ~~((an electric))~~ a vehicle that both (a) uses
30 ~~((propulsion units powered solely by))~~ at least one method of
31 propulsion that is capable of being reenergized by an external source
32 of electricity and (b) is capable of traveling at least thirty miles
33 using only battery power, the department, county auditor or other
34 agent, or subagent appointed by the director must require the
35 applicant to pay a one hundred dollar fee in addition to any other
36 fees and taxes required by law. The one hundred dollar fee is due
37 only at the time of annual registration renewal.

38 (2) This section only applies to~~((+))~~

1 ~~((a))~~ a vehicle that is designed to have the capability to
2 drive at a speed of more than thirty-five miles per hour(~~(; and~~
3 ~~(b) An annual vehicle registration renewal that is due on or~~
4 ~~after February 1, 2013)~~).

5 (3)(a) The fee under this section is imposed to provide funds to
6 mitigate the impact of vehicles on state roads and highways and for
7 the purpose of evaluating the feasibility of transitioning from a
8 revenue collection system based on fuel taxes to a road user
9 assessment system, and is separate and distinct from other vehicle
10 license fees. Proceeds from the fee must be used for highway
11 purposes, and must be deposited in the motor vehicle fund created in
12 RCW 46.68.070, subject to (b) of this subsection.

13 (b) If in any year the amount of proceeds from the fee collected
14 under this section exceeds one million dollars, the excess amount
15 over one million dollars must be deposited as follows:

16 (i) Seventy percent to the motor vehicle fund created in RCW
17 46.68.070;

18 (ii) Fifteen percent to the transportation improvement account
19 created in RCW 47.26.084; and

20 (iii) Fifteen percent to the rural arterial trust account created
21 in RCW 36.79.020.

22 (4)(a) In addition to the fee established in subsection (1) of
23 this section, before accepting an application for an annual vehicle
24 registration renewal for a vehicle that both (i) uses at least one
25 method of propulsion that is capable of being reenergized by an
26 external source of electricity and (ii) is capable of traveling at
27 least thirty miles using only battery power, the department, county
28 auditor or other agent, or subagent appointed by the director must
29 require the applicant to pay a fifty dollar fee.

30 (b) The fee required under (a) of this subsection must be
31 distributed as follows:

32 (i) The first one million dollars raised by the fee must be
33 deposited into the multimodal transportation account created in RCW
34 47.66.070; and

35 (ii) Any remaining amounts must be deposited into the motor
36 vehicle fund created in RCW 46.68.070.

37 (5) This section applies to annual vehicle registration renewals
38 until the effective date of enacted legislation that imposes a
39 vehicle miles traveled fee or tax.

1 NEW SECTION. **Sec. 204.** Section 203 of this act applies to
 2 vehicle registrations that are due or become due on or after July 1,
 3 2016.

4 NEW SECTION. **Sec. 205.** 2012 c 74 s 11 (uncodified) is repealed.

5 **Commercial Driver's License Fees**

6 **Sec. 206.** RCW 46.25.052 and 2013 c 224 s 5 are each amended to
 7 read as follows:

8 (1) The department may issue a CLP to an applicant who is at
 9 least eighteen years of age and holds a valid Washington state
 10 driver's license and who has:

11 (a) Submitted an application on a form or in a format provided by
 12 the department;

13 (b) Passed the general knowledge examination required for
 14 issuance of a CDL under RCW 46.25.060 for the commercial motor
 15 vehicle classification in which the applicant operates or expects to
 16 operate; and

17 (c) Paid the appropriate examination fee or fees and an
 18 application fee of ten dollars until June 30, 2016, and forty dollars
 19 beginning July 1, 2016.

20 (2) A CLP must be marked "commercial learner's permit" or "CLP,"
 21 and must be, to the maximum extent practicable, tamperproof. Other
 22 than a photograph of the applicant, it must include, but not be
 23 limited to, the information required on a CDL under RCW 46.25.080(1).

24 (3) The holder of a CLP may drive a commercial motor vehicle on a
 25 highway only when in possession of a valid driver's license and
 26 accompanied by the holder of a valid CDL who has the proper CDL
 27 classification and endorsement or endorsements necessary to operate
 28 the commercial motor vehicle. The CDL holder must at all times be
 29 physically present in the front seat of the vehicle next to the CLP
 30 holder or, in the case of a passenger vehicle, directly behind or in
 31 the first row behind the driver and must have the CLP holder under
 32 observation and direct supervision.

33 (4) A CLP may be classified in the same manner as a CDL under RCW
 34 46.25.080(2)(a).

35 (5) CLPs may be issued with only P, S, or N endorsements as
 36 described in RCW 46.25.080(2)(b).

1 (a) The holder of a CLP with a P endorsement must have taken and
2 passed the P endorsement knowledge examination. The holder of a CLP
3 with a P endorsement is prohibited from operating a commercial motor
4 vehicle carrying passengers other than authorized employees or
5 representatives of the department and the federal motor carrier
6 safety administration, examiners, other trainees, and the CDL holder
7 accompanying the CLP holder as required under subsection (2) of this
8 section. The P endorsement must be class specific.

9 (b) The holder of a CLP with an S endorsement must have taken and
10 passed the S endorsement knowledge examination. The holder of a CLP
11 with an S endorsement is prohibited from operating a school bus with
12 passengers other than authorized employees or representatives of the
13 department and the federal motor carrier safety administration,
14 examiners, other trainees, and the CDL holder accompanying the CLP
15 holder as required under subsection (2) of this section.

16 (c) The holder of a CLP with an N endorsement must have taken and
17 passed the N endorsement knowledge examination. The holder of a CLP
18 with an N endorsement may only operate an empty tank vehicle and is
19 prohibited from operating any tank vehicle that previously contained
20 hazardous materials and has not been purged of any residue.

21 (6) A CLP may be issued with appropriate restrictions as
22 described in RCW 46.25.080(2)(c). In addition, a CLP may be issued
23 with the following restrictions:

24 (a) "P" restricts the driver from operating a bus with
25 passengers;

26 (b) "X" restricts the driver from operating a tank vehicle that
27 contains cargo; and

28 (c) Any restriction as established by rule of the department.

29 (7) The holder of a CLP is not authorized to operate a commercial
30 motor vehicle transporting hazardous materials.

31 (8) A CLP may not be issued for a period to exceed one hundred
32 eighty days. The department may renew the CLP for one additional one
33 hundred eighty-day period without requiring the CLP holder to retake
34 the general and endorsement knowledge examinations.

35 (9) The department must transmit the fees collected for CLPs to
36 the state treasurer for deposit in the highway safety fund unless
37 prior to July 1, 2023, the actions described in (a) or (b) of this
38 subsection occur, in which case the portion of the revenue that is
39 the result of the fee increased in this section (section 206 of this

1 act) must be distributed to the connecting Washington account created
2 under section 106 of this act.

3 (a) Any state agency files a notice of rule making under chapter
4 34.05 RCW for a rule regarding a fuel standard based upon or defined
5 by the carbon intensity of fuel, including a low carbon fuel standard
6 or clean fuel standard.

7 (b) Any state agency otherwise enacts, adopts, orders, or in any
8 way implements a fuel standard based upon or defined by the carbon
9 intensity of fuel, including a low carbon fuel standard or clean fuel
10 standard.

11 (c) Nothing in this subsection acknowledges, establishes, or
12 creates legal authority for the department of ecology or any other
13 state agency to enact, adopt, order, or in any way implement a fuel
14 standard based upon or defined by the carbon intensity of fuel,
15 including a low carbon fuel standard or clean fuel standard.

16 **Sec. 207.** RCW 46.25.060 and 2013 c 224 s 6 are each amended to
17 read as follows:

18 (1)(a) No person may be issued a commercial driver's license
19 unless that person:

20 (i) Is a resident of this state;

21 (ii) Has successfully completed a course of instruction in the
22 operation of a commercial motor vehicle that has been approved by the
23 director or has been certified by an employer as having the skills
24 and training necessary to operate a commercial motor vehicle safely;

25 (iii) If he or she does not hold a valid commercial driver's
26 license of the appropriate classification, has been issued a
27 commercial learner's permit under RCW 46.25.052; and

28 (iv) Has passed a knowledge and skills examination for driving a
29 commercial motor vehicle that complies with minimum federal standards
30 established by federal regulation enumerated in 49 C.F.R. Part 383,
31 subparts F, G, and H, in addition to other requirements imposed by
32 state law or federal regulation. The department may not allow the
33 person to take the skills examination during the first fourteen days
34 after initial issuance of the person's commercial learner's permit.
35 The examinations must be prescribed and conducted by the department.

36 (b) In addition to the fee charged for issuance or renewal of any
37 license, the applicant shall pay a fee of no more than ten dollars
38 until June 30, 2016, and thirty-five dollars beginning July 1, 2016,
39 for ((each)) the classified knowledge examination, classified

1 endorsement knowledge examination, or any combination of classified
2 license and endorsement knowledge examinations. The applicant shall
3 pay a fee of no more than one hundred dollars until June 30, 2016,
4 and two hundred fifty dollars beginning July 1, 2016, for each
5 classified skill examination or combination of classified skill
6 examinations conducted by the department.

7 (c) The department may authorize a person, including an agency of
8 this or another state, an employer, a private driver training
9 facility, or other private institution, or a department, agency, or
10 instrumentality of local government, to administer the skills
11 examination specified by this section under the following conditions:

12 (i) The examination is the same which would otherwise be
13 administered by the state;

14 (ii) The third party has entered into an agreement with the state
15 that complies with the requirements of 49 C.F.R. Sec. 383.75; and

16 (iii) The director has adopted rules as to the third party
17 testing program and the development and justification for fees
18 charged by any third party.

19 (d) If the applicant's primary use of a commercial driver's
20 license is for any of the following, then the applicant shall pay a
21 fee of no more than seventy-five dollars until June 30, 2016, and two
22 hundred twenty-five dollars beginning July 1, 2016, for ~~((each))~~ the
23 classified skill examination or combination of classified skill
24 examinations whether conducted by the department or a third-party
25 tester:

26 (i) Public benefit not-for-profit corporations that are federally
27 supported head start programs; or

28 (ii) Public benefit not-for-profit corporations that support
29 early childhood education and assistance programs as described in RCW
30 43.215.405(2).

31 (e) Beginning July 1, 2016, if the applicant's primary use of a
32 commercial driver's license is to drive a school bus, the applicant
33 shall pay a fee of no more than one hundred dollars for the
34 classified skill examination or combination of classified skill
35 examinations conducted by the department.

36 (f) Beginning July 1, 2016, payment of the examination fees under
37 this subsection entitles the applicant to take the examination up to
38 two times in order to pass.

39 (2)(a) The department may waive the skills examination and the
40 requirement for completion of a course of instruction in the

1 operation of a commercial motor vehicle specified in this section for
2 a commercial driver's license applicant who meets the requirements of
3 49 C.F.R. Sec. 383.77.

4 (b) An applicant who operates a commercial motor vehicle for
5 agribusiness purposes is exempt from the course of instruction
6 completion and employer skills and training certification
7 requirements under this section. By January 1, 2010, the department
8 shall submit recommendations regarding the continuance of this
9 exemption to the transportation committees of the legislature. For
10 purposes of this subsection (2)(b), "agribusiness" means a private
11 carrier who in the normal course of business primarily transports:

12 (i) Farm machinery, farm equipment, implements of husbandry, farm
13 supplies, and materials used in farming;

14 (ii) Agricultural inputs, such as seed, feed, fertilizer, and
15 crop protection products;

16 (iii) Unprocessed agricultural commodities, as defined in RCW
17 17.21.020, where such commodities are produced by farmers, ranchers,
18 vineyardists, or orchardists; or

19 (iv) Any combination of (b)(i) through (iii) of this subsection.

20 The department shall notify the transportation committees of the
21 legislature if the federal government takes action affecting the
22 exemption provided in this subsection (2)(b).

23 (3) A commercial driver's license or commercial learner's permit
24 may not be issued to a person while the person is subject to a
25 disqualification from driving a commercial motor vehicle, or while
26 the person's driver's license is suspended, revoked, or canceled in
27 any state, nor may a commercial driver's license be issued to a
28 person who has a commercial driver's license issued by any other
29 state unless the person first surrenders all such licenses, which
30 must be returned to the issuing state for cancellation.

31 (4) The fees under this section must be deposited into the
32 highway safety fund unless prior to July 1, 2023, the actions
33 described in (a) or (b) of this subsection occur, in which case the
34 portion of the revenue that is the result of the fee increased in
35 this section (section 207 of this act) must be distributed to the
36 connecting Washington account created under section 106 of this act.

37 (a) Any state agency files a notice of rule making under chapter
38 34.05 RCW for a rule regarding a fuel standard based upon or defined
39 by the carbon intensity of fuel, including a low carbon fuel standard
40 or clean fuel standard.

1 (b) Any state agency otherwise enacts, adopts, orders, or in any
2 way implements a fuel standard based upon or defined by the carbon
3 intensity of fuel, including a low carbon fuel standard or clean fuel
4 standard.

5 (c) Nothing in this subsection acknowledges, establishes, or
6 creates legal authority for the department of ecology or any other
7 state agency to enact, adopt, order, or in any way implement a fuel
8 standard based upon or defined by the carbon intensity of fuel,
9 including a low carbon fuel standard or clean fuel standard.

10 **Sec. 208.** RCW 46.25.100 and 2013 c 224 s 12 are each amended to
11 read as follows:

12 (1) When a person has been disqualified from operating a
13 commercial motor vehicle, the person is not entitled to have the
14 commercial driver's license or commercial learner's permit restored
15 until after the expiration of the appropriate disqualification period
16 required under RCW 46.25.090 or until the department has received a
17 drug and alcohol assessment and evidence is presented of satisfactory
18 participation in or completion of any required drug or alcohol
19 treatment program for ending the disqualification under RCW
20 46.25.090(7). After expiration of the appropriate period and upon
21 payment of a requalification fee of twenty dollars until June 30,
22 2016, and thirty-five dollars beginning July 1, 2016, or one hundred
23 fifty dollars if the person has been disqualified under RCW
24 46.25.090(7), the person may apply for a new, duplicate, or renewal
25 commercial driver's license or commercial learner's permit as
26 provided by law. If the person has been disqualified for a period of
27 one year or more, the person shall demonstrate that he or she meets
28 the commercial driver's license or commercial learner's permit
29 qualification standards specified in RCW 46.25.060.

30 (2) The fees under this section must be deposited into the
31 highway safety fund unless prior to July 1, 2023, the actions
32 described in (a) or (b) of this subsection occur, in which case the
33 portion of the revenue that is the result of the fee increased in
34 this section (section 208 of this act) must be distributed to the
35 connecting Washington account created under section 106 of this act.

36 (a) Any state agency files a notice of rule making under chapter
37 34.05 RCW for a rule regarding a fuel standard based upon or defined
38 by the carbon intensity of fuel, including a low carbon fuel standard
39 or clean fuel standard.

1 (b) Any state agency otherwise enacts, adopts, orders, or in any
2 way implements a fuel standard based upon or defined by the carbon
3 intensity of fuel, including a low carbon fuel standard or clean fuel
4 standard.

5 (c) Nothing in this subsection acknowledges, establishes, or
6 creates legal authority for the department of ecology or any other
7 state agency to enact, adopt, order, or in any way implement a fuel
8 standard based upon or defined by the carbon intensity of fuel,
9 including a low carbon fuel standard or clean fuel standard.

10 **Enhanced Driver's License & Identocard Fees**

11 **Sec. 209.** RCW 46.20.202 and 2007 c 7 s 1 are each amended to
12 read as follows:

13 (1) The department may enter into a memorandum of understanding
14 with any federal agency for the purposes of facilitating the crossing
15 of the border between the state of Washington and the Canadian
16 province of British Columbia.

17 (2) The department may enter into an agreement with the Canadian
18 province of British Columbia for the purposes of implementing a
19 border-crossing initiative.

20 (3)(a) The department may issue an enhanced driver's license or
21 identocard for the purposes of crossing the border between the state
22 of Washington and the Canadian province of British Columbia to an
23 applicant who provides the department with proof of: United States
24 citizenship, identity, and state residency. The department shall
25 continue to offer a standard driver's license and identocard. If the
26 department chooses to issue an enhanced driver's license, the
27 department must allow each applicant to choose between a standard
28 driver's license or identocard, or an enhanced driver's license or
29 identocard.

30 (b) The department shall implement a one-to-many biometric
31 matching system for the enhanced driver's license or identocard. An
32 applicant for an enhanced driver's license or identocard shall submit
33 a biometric identifier as designated by the department. The biometric
34 identifier must be used solely for the purpose of verifying the
35 identity of the holders and for any purpose set out in RCW 46.20.037.
36 Applicants are required to sign a declaration acknowledging their
37 understanding of the one-to-many biometric match.

1 (c) The enhanced driver's license or identicard must include
2 reasonable security measures to protect the privacy of Washington
3 state residents, including reasonable safeguards to protect against
4 unauthorized disclosure of data about Washington state residents. If
5 the enhanced driver's license or identicard includes a radio
6 frequency identification chip, or similar technology, the department
7 shall ensure that the technology is encrypted or otherwise secure
8 from unauthorized data access.

9 (d) The requirements of this subsection are in addition to the
10 requirements otherwise imposed on applicants for a driver's license
11 or identicard. The department shall adopt such rules as necessary to
12 meet the requirements of this subsection. From time to time the
13 department shall review technological innovations related to the
14 security of identity cards and amend the rules related to enhanced
15 driver's licenses and identicards as the director deems consistent
16 with this section and appropriate to protect the privacy of
17 Washington state residents.

18 (e) Notwithstanding RCW 46.20.118, the department may make images
19 associated with enhanced drivers' licenses or identicards from the
20 negative file available to United States customs and border agents
21 for the purposes of verifying identity.

22 ~~(4) ((The department may set a fee for the issuance of enhanced~~
23 ~~drivers' licenses and identicards under this section.))~~ Beginning
24 July 1, 2016, the fee for an enhanced driver's license or enhanced
25 identicard is fifty-four dollars, which is in addition to the fees
26 for any regular driver's license or identicard. If the enhanced
27 driver's license or enhanced identicard is issued, renewed, or
28 extended for a period other than six years, the fee for each class is
29 nine dollars for each year that the enhanced driver's license or
30 enhanced identicard is issued, renewed, or extended.

31 (5) The enhanced driver's license and enhanced identicard fee
32 under this section must be deposited into the highway safety fund
33 unless prior to July 1, 2023, the actions described in (a) or (b) of
34 this subsection occur, in which case the portion of the revenue that
35 is the result of the fee increased in this section (section 209 of
36 this act) must be distributed to the connecting Washington account
37 created under section 106 of this act.

38 (a) Any state agency files a notice of rule making under chapter
39 34.05 RCW for a rule regarding a fuel standard based upon or defined

1 by the carbon intensity of fuel, including a low carbon fuel standard
2 or clean fuel standard.

3 (b) Any state agency otherwise enacts, adopts, orders, or in any
4 way implements a fuel standard based upon or defined by the carbon
5 intensity of fuel, including a low carbon fuel standard or clean fuel
6 standard.

7 (c) Nothing in this subsection acknowledges, establishes, or
8 creates legal authority for the department of ecology or any other
9 state agency to enact, adopt, order, or in any way implement a fuel
10 standard based upon or defined by the carbon intensity of fuel,
11 including a low carbon fuel standard or clean fuel standard.

12 **Studded Tire Fee**

13 NEW SECTION. Sec. 210. A new section is added to chapter 46.37
14 RCW to read as follows:

15 Beginning July 1, 2016:

16 (1)(a) In addition to all other fees imposed on the retail sale
17 of tires, a five dollar fee is imposed on the retail sale of each new
18 tire sold that contains studs. For the purposes of this subsection,
19 "new tire sold that contains studs" means a tire that is manufactured
20 for vehicle purposes and contains metal studs, and does not include
21 bicycle tires or retreaded vehicle tires.

22 (b) The five dollar fee must be paid by the buyer to the seller,
23 and each seller must collect from the buyer the full amount of the
24 fee. The fee collected from the buyer by the seller must be paid to
25 the department of revenue in accordance with RCW 82.32.045; however,
26 the seller retains ten percent of the fee collected.

27 (c) The portion of the fee paid to the department of revenue
28 under (b) of this subsection must be deposited in the motor vehicle
29 fund created under RCW 46.68.070.

30 (2) The fee to be collected by the seller, less the ten percent
31 that the seller retains as specified in subsection (1)(b) of this
32 section, must be held in trust by the seller until paid to the
33 department of revenue, and any seller who appropriates or converts
34 the fee collected to any use other than the payment of the fee on the
35 due date is guilty of a gross misdemeanor.

36 (3) Any seller that fails to collect the fee imposed under this
37 section or, having collected the fee, fails to pay it to the
38 department of revenue by the date due, whether such failure is the

1 result of the seller or the result of acts or conditions beyond the
2 seller's control, is personally liable to the state for the amount of
3 the fee.

4 (4) The amount of the fee, until paid by the buyer to the seller
5 or to the department of revenue, constitutes a debt from the buyer to
6 the seller. Any seller who fails or refuses to collect the fee as
7 required with the intent to violate this section or to gain some
8 advantage or benefit and any buyer who refuses to pay the fee due is
9 guilty of a misdemeanor.

10 (5) The department of revenue must collect on the business excise
11 tax return from the businesses selling new tires that contain studs
12 at retail the number of tires sold and the fee imposed under this
13 section. The department of revenue must incorporate into its audit
14 cycle a reconciliation of the number of tires sold and the amount of
15 revenue collected by the businesses selling new tires that contain
16 studs.

17 (6) All other applicable provisions of chapter 82.32 RCW have
18 full force and application with respect to the fee imposed under this
19 section.

20 (7) The department of revenue must administer this section.

21 **Service Fees Due on Title and Registration Transactions**

22 **Sec. 211.** RCW 46.17.050 and 2014 c 59 s 3 are each amended to
23 read as follows:

24 (1) Until June 30, 2017, before accepting a report of sale filed
25 under RCW 46.12.650(2), the county auditor or other agent or subagent
26 appointed by the director shall require the applicant to pay:

27 ~~((+1))~~ (a) The filing fee under RCW 46.17.005(1), the license
28 plate technology fee under RCW 46.17.015, and the license service fee
29 under RCW 46.17.025 to the county auditor or other agent; and

30 ~~((+2))~~ (b) The service fee under RCW 46.17.040(1)(b) to the
31 subagent.

32 (2)(a) Beginning July 1, 2017, before accepting a report of sale
33 filed under RCW 46.12.650(2), the department, county auditor or other
34 agent, or subagent appointed by the director shall require the
35 applicant to pay the filing fee under RCW 46.17.005(1), the license
36 plate technology fee under RCW 46.17.015, the license service fee
37 under RCW 46.17.025, and the service fee under RCW 46.17.040(1)(b).

1 (b) Services fees collected under (a) of this subsection by the
2 department or county auditor or other agent appointed by the director
3 must be credited to the capital vessel replacement account under RCW
4 47.60.322.

5 **Sec. 212.** RCW 46.17.060 and 2014 c 59 s 4 are each amended to
6 read as follows:

7 (1) Until June 30, 2017, before accepting a transitional
8 ownership record filed under RCW 46.12.660, the county auditor or
9 other agent or subagent appointed by the director shall require the
10 applicant to pay:

11 ~~((+1))~~ (a) The filing fee under RCW 46.17.005(1), the license
12 plate technology fee under RCW 46.17.015, and the license service fee
13 under RCW 46.17.025 to the county auditor or other agent; and

14 ~~((+2))~~ (b) The service fee under RCW 46.17.040(1)(b) to the
15 subagent.

16 (2)(a) Beginning July 1, 2017, before accepting a transitional
17 ownership record filed under RCW 46.12.660, the department, county
18 auditor or other agent, or subagent appointed by the director shall
19 require the applicant to pay the filing fee under RCW 46.17.005(1),
20 the license plate technology fee under RCW 46.17.015, the license
21 service fee under RCW 46.17.025, and the service fee under RCW
22 46.17.040(1)(b).

23 (b) Services fees collected under (a) of this subsection by the
24 department or county auditor or other agent appointed by the director
25 must be credited to the capital vessel replacement account under RCW
26 47.60.322.

27 **Sec. 213.** RCW 47.60.322 and 2014 c 59 s 1 are each amended to
28 read as follows:

29 (1) The capital vessel replacement account is created in the
30 motor vehicle fund. All revenues generated from the vessel
31 replacement surcharge under RCW 47.60.315(7) and service fees
32 collected by the department of licensing or county auditor or other
33 agent appointed by the director under RCW 46.17.040, 46.17.050, and
34 46.17.060 must be deposited into the account. Moneys in the account
35 may be spent only after appropriation. Expenditures from the account
36 may be used only for the construction or purchase of ferry vessels
37 and to pay the principal and interest on bonds authorized for the
38 construction or purchase of ferry vessels. However, expenditures from

1 the account must first be used to support the construction or
2 purchase, including any applicable financing costs, of a ferry vessel
3 with a carrying capacity of at least one hundred forty-four cars.

4 (2) The state treasurer may (~~not~~) transfer (~~any~~) moneys from
5 the capital vessel replacement account (~~except~~) to the
6 transportation 2003 account (nickel account) for debt service on
7 bonds issued for the construction of 144-car class ferry vessels.

8 (3) The legislature may transfer from the capital vessel
9 replacement account to the connecting Washington account created
10 under section 106 of this act such amounts as reflect the excess fund
11 balance of the capital vessel replacement account to be used for
12 ferry terminal construction and preservation.

13 **Sec. 214.** RCW 46.12.650 and 2010 c 161 s 309 are each amended to
14 read as follows:

15 (1) **Releasing interest.** An owner releasing interest in a vehicle
16 shall:

17 (a) Sign the release of interest section provided on the
18 certificate of title or on a release of interest document or form
19 approved by the department;

20 (b) Give the certificate of title or most recent evidence of
21 ownership to the person gaining the interest in the vehicle;

22 (c) Give the person gaining interest in the vehicle an odometer
23 disclosure statement if one is required; and

24 (d) Report the vehicle sold as provided in subsection (2) of this
25 section.

26 (2) **Report of sale.** An owner shall notify the department, county
27 auditor or other agent, or subagent appointed by the director in
28 writing within (~~five~~) twenty-one business days after a vehicle is
29 or has been:

30 (a) Sold;

31 (b) Given as a gift to another person;

32 (c) Traded, either privately or to a dealership;

33 (d) Donated to charity;

34 (e) Turned over to an insurance company or wrecking yard; or

35 (f) Disposed of.

36 (3) **Report of sale properly filed.** A report of sale is properly
37 filed if it is received by the department, county auditor or other
38 agent, or subagent appointed by the director within (~~five~~) twenty-
39 one business days after the date of sale or transfer and it includes:

- 1 (a) The date of sale or transfer;
2 (b) The owner's name and address;
3 (c) The name and address of the person acquiring the vehicle;
4 (d) The vehicle identification number and license plate number;
5 (e) A date or stamp by the department showing it was received on
6 or before the (~~five~~) twenty-first business day after the date of
7 sale or transfer; and
8 (f) Payment of the fees required under RCW 46.17.050 (~~if the~~
9 ~~report of sale is processed by a county auditor or other agent or~~
10 ~~subagent appointed by the director~~)).

- 11 (4) **Report of sale - administration.** (a) The department shall:
12 (~~(a)~~) (i) Provide or approve reports of sale forms;
13 (~~(b)~~) (ii) Provide a system enabling an owner to submit reports
14 of sale electronically;
15 (~~(c)~~) (iii) Immediately update the department's vehicle record
16 when a report of sale has been filed;
17 (~~(d)~~) (iv) Provide instructions on release of interest forms
18 that allow the seller of a vehicle to release their interest in a
19 vehicle at the same time a financial institution, as defined in RCW
20 (~~30.22.040~~) 30A.22.040, releases its lien on the vehicle; and
21 (~~(e)~~) (v) Send a report to the department of revenue that lists
22 vehicles for which a report of sale has been received but no transfer
23 of ownership has taken place. The department shall send the report
24 once each quarter.

25 (b) A report of sale that is received by the department, county
26 auditor or other agent, or subagent appointed by the director after
27 the twenty-first day becomes effective on the day it is received by
28 the department, county auditor or other agent, or subagent appointed
29 by the director.

30 (5)(a) **Transferring ownership.** A person who has recently acquired
31 a vehicle by purchase, exchange, gift, lease, inheritance, or legal
32 action shall apply to the department, county auditor or other agent,
33 or subagent appointed by the director for a new certificate of title
34 within fifteen days of delivery of the vehicle. A secured party who
35 has possession of the certificate of title shall either:

36 (i) Apply for a new certificate of title on behalf of the owner
37 and pay the fee required under RCW 46.17.100; or

38 (ii) Provide all required documents to the owner, as long as the
39 transfer was not a breach of its security agreement, to allow the
40 owner to apply for a new certificate of title.

1 (b) Compliance with this subsection does not affect the rights of
2 the secured party.

3 (6) **Certificate of title delivered to secured party.** The
4 certificate of title must be kept by or delivered to the person who
5 becomes the secured party when a security interest is reserved or
6 created at the time of the transfer of ownership. The parties must
7 comply with RCW 46.12.675.

8 (7) **Penalty for late transfer.** A person who has recently acquired
9 a motor vehicle by purchase, exchange, gift, lease, inheritance, or
10 legal action who does not apply for a new certificate of title within
11 fifteen calendar days of delivery of the vehicle is charged a
12 penalty, as described in RCW 46.17.140, when applying for a new
13 certificate of title. It is a misdemeanor to fail or neglect to apply
14 for a transfer of ownership within forty-five days after delivery of
15 the vehicle. The misdemeanor is a single continuing offense for each
16 day that passes regardless of the number of days that have elapsed
17 following the forty-five day time period.

18 (8) **Penalty for late transfer - exceptions.** The penalty is not
19 charged if the delay in application is due to at least one of the
20 following:

21 (a) The department requests additional supporting documents;

22 (b) The department, county auditor or other agent, or subagent
23 fails to perform or is neglectful;

24 (c) The owner is prevented from applying due to an illness or
25 extended hospitalization;

26 (d) The legal owner fails or neglects to release interest;

27 (e) The owner did not know of the filing of a report of sale by
28 the previous owner and signs an affidavit to the fact; or

29 (f) The department finds other conditions exist that adequately
30 explain the delay.

31 (9) **Review and issue.** The department shall review applications
32 for certificates of title and issue certificates of title when it has
33 determined that all applicable provisions of law have been complied
34 with.

35 (10) **Rules.** The department may adopt rules as necessary to
36 implement this section.

37 **Sec. 215.** RCW 88.02.560 and 2011 c 171 s 129 are each amended to
38 read as follows:

1 (1) An application for a vessel registration must be made by the
2 owner or the owner's authorized representative to the department,
3 county auditor or other agent, or subagent appointed by the director
4 on a form furnished or approved by the department. The application
5 must contain:

6 (a) The name and address of each owner of the vessel;

7 (b) Other information the department may require; and

8 (c) The signature of at least one owner.

9 (2) The application for vessel registration must be accompanied
10 by the:

11 (a) Vessel registration fee required under RCW 88.02.640(1)
12 ~~((i))~~ (k);

13 (b) Derelict vessel and invasive species removal fee under RCW
14 88.02.640~~((3))~~ (1)(b) and derelict vessel removal surcharge
15 required under RCW 88.02.640~~((4))~~ (1)(c);

16 (c) Filing fee required under RCW 88.02.640(1)~~((e))~~ (f);

17 (d) License plate technology fee required under RCW 88.02.640(1)
18 ~~((f))~~ (g);

19 (e) License service fee required under RCW 88.02.640(1)~~((g))~~
20 (h); ~~((and))~~

21 (f) Watercraft excise tax required under chapter 82.49 RCW; and

22 (g) Beginning January 1, 2016, service fee required under RCW
23 46.17.040.

24 (3) Upon receipt of an application for vessel registration and
25 the required fees and taxes, the department shall assign a
26 registration number and issue a decal for each vessel. The
27 registration number and decal must be issued and affixed to the
28 vessel in a manner prescribed by the department consistent with the
29 standard numbering system for vessels required in 33 C.F.R. Part 174.
30 A valid decal affixed as prescribed must indicate compliance with the
31 annual registration requirements of this chapter.

32 (4) Vessel registrations and decals are valid for a period of one
33 year, except that the director may extend or diminish vessel
34 registration periods and vessel decals for the purpose of staggered
35 renewal periods. For registration periods of more or less than one
36 year, the department may collect prorated annual registration fees
37 and excise taxes based upon the number of months in the registration
38 period.

39 (5) Vessel registrations are renewable every year in a manner
40 prescribed by the department upon payment of the fees and taxes

1 described in subsection (2) of this section. Upon renewing a vessel
2 registration, the department shall issue a new decal to be affixed as
3 prescribed by the department.

4 (6) When the department issues either a notice to renew a vessel
5 registration or a decal for a new or renewed vessel registration, it
6 shall also provide information on the location of marine oil
7 recycling tanks and sewage holding tank pumping stations. This
8 information must be provided to the department by the state parks and
9 recreation commission in a form ready for distribution. The form must
10 be developed and prepared by the state parks and recreation
11 commission with the cooperation of the department of ecology. The
12 department, the state parks and recreation commission, and the
13 department of ecology shall enter into a memorandum of agreement to
14 implement this process.

15 (7) A person acquiring a vessel from a dealer or a vessel already
16 validly registered under this chapter shall, within fifteen days of
17 the acquisition or purchase of the vessel, apply to the department,
18 county auditor or other agent, or subagent appointed by the director
19 for transfer of the vessel registration, and the application must be
20 accompanied by a transfer fee as required in RCW 88.02.640(1)((+1))
21 (o).

22 **Sec. 216.** RCW 88.02.640 and 2013 c 291 s 1 are each amended to
23 read as follows:

24 (1) In addition to any other fees and taxes required by law, the
25 department, county auditor or other agent, or subagent appointed by
26 the director shall charge the following vessel fees and surcharge:

27 FEE	AMOUNT	AUTHORITY	DISTRIBUTION
28 (a) Dealer temporary permit	\$5.00	RCW 88.02.800(2)	General fund
29 (b) Derelict vessel and 30 invasive species 31 removal	Subsection (3) of this section	Subsection (3) of this section	Subsection (3) of this section
32 (c) Derelict vessel removal 33 surcharge	\$1.00	Subsection (4) of this section	Subsection (4) of this section
34 (d) Duplicate certificate of 35 title	\$1.25	RCW 88.02.530(1)(c)	General fund
36 (e) Duplicate registration	\$1.25	RCW 88.02.590(1)(c)	General fund

1	(f) Filing	RCW 46.17.005	RCW 88.02.560(2)	RCW 46.68.400
2	(g) License plate technology	RCW 46.17.015	RCW 88.02.560(2)	RCW 46.68.370
3	(h) License service	RCW 46.17.025	RCW 88.02.560(2)	RCW 46.68.220
4	(i) Nonresident vessel	\$25.00	RCW 88.02.620(3)	Subsection (5) of this
5	permit			section
6	(j) Quick title service	\$50.00	RCW 88.02.540(3)	Subsection (7) of this
7				section
8	(k) Registration	\$10.50	RCW 88.02.560(2)	RCW 88.02.650
9	(l) Replacement decal	\$1.25	RCW 88.02.595(1)(c)	General fund
10	(m) <u>Service fee</u>	<u>RCW 46.17.040</u>	<u>RCW 88.02.515 and</u>	<u>RCW 46.17.040</u>
11			<u>88.02.560(2)</u>	
12	(n) Title application	\$5.00	RCW 88.02.515	General fund
13	((n)) (o) Transfer	\$1.00	RCW 88.02.560(7)	General fund
14	((o)) (p) Vessel visitor	\$30.00	RCW 88.02.610(3)	Subsection (6) of this
15	permit			section

16 (2) The five dollar dealer temporary permit fee required in
17 subsection (1) of this section must be credited to the payment of
18 registration fees at the time application for registration is made.

19 (3) The derelict vessel and invasive species removal fee required
20 in subsection (1) of this section is five dollars and must be
21 distributed as follows:

22 (a) One dollar and fifty cents must be deposited in the aquatic
23 invasive species prevention account created in RCW 77.12.879;

24 (b) One dollar must be deposited into the aquatic algae control
25 account created in RCW 43.21A.667;

26 (c) Fifty cents must be deposited into the aquatic invasive
27 species enforcement account created in RCW 43.43.400; and

28 (d) Two dollars must be deposited in the derelict vessel removal
29 account created in RCW 79.100.100.

30 (4) In addition to other fees required in this section, an annual
31 derelict vessel removal surcharge of one dollar must be charged with
32 each vessel registration. The surcharge is to address the significant
33 backlog of derelict vessels accumulated in Washington waters that
34 pose a threat to the health and safety of the people and to the
35 environment and must be deposited into the derelict vessel removal
36 account created in RCW 79.100.100.

1 (5) The twenty-five dollar nonresident vessel permit fee must be
2 paid by the vessel owner to the department for the cost of providing
3 the identification document by the department. Any moneys remaining
4 from the fee after the payment of costs must be allocated to counties
5 by the state treasurer for approved boating safety programs under RCW
6 88.02.650.

7 (6) The thirty dollar vessel visitor permit fee must be
8 distributed as follows:

9 (a) Five dollars must be deposited in the derelict vessel removal
10 account created in RCW 79.100.100;

11 (b) The department may keep an amount to cover costs for
12 providing the vessel visitor permit;

13 (c) Any moneys remaining must be allocated to counties by the
14 state treasurer for approved boating safety programs under RCW
15 88.02.650; and

16 (d) Any fees required for licensing agents under RCW 46.17.005
17 are in addition to any other fee or tax due for the titling and
18 registration of vessels.

19 (7)(a) The fifty dollar quick title service fee must be
20 distributed as follows:

21 (i) If the fee is paid to the director, the fee must be deposited
22 to the general fund.

23 (ii) If the fee is paid to the participating county auditor or
24 other agent or subagent appointed by the director, twenty-five
25 dollars must be deposited to the general fund. The remainder must be
26 retained by the county treasurer in the same manner as other fees
27 collected by the county auditor.

28 (b) For the purposes of this subsection, "quick title" has the
29 same meaning as in RCW 88.02.540.

30 (8) The department, county auditor or other agent, or subagent
31 appointed by the director shall charge the service fee under
32 subsection (1)(m) of this section beginning January 1, 2016.

33 **PART III**

34 **LOCAL TRANSPORTATION REVENUE**

35 **Transportation Benefit Districts**

36 NEW SECTION. **Sec. 301.** Any city or county in which a
37 transportation benefit district has been established pursuant to
38 chapter 36.73 RCW with boundaries coterminous with the boundaries of

1 the city or county may by ordinance or resolution of the city or
2 county legislative authority assume the rights, powers, functions,
3 and obligations of the transportation benefit district in accordance
4 with this chapter.

5 NEW SECTION. **Sec. 302.** (1) The assumption of the rights,
6 powers, functions, and obligations of a transportation benefit
7 district may be initiated by the adoption of an ordinance or a
8 resolution by the city or county legislative authority indicating its
9 intention to conduct a hearing concerning the assumption of such
10 rights, powers, functions, and obligations. If the city or county
11 legislative authority adopts such an ordinance or a resolution of
12 intention, the ordinance or resolution must set a time and place at
13 which the city or county legislative authority will consider the
14 proposed assumption of the rights, powers, functions, and obligations
15 of the transportation benefit district, and must state that all
16 persons interested may appear and be heard. The ordinance or
17 resolution of intention must be published at least two times during
18 the two weeks preceding the scheduled hearing in newspapers of daily
19 general circulation printed or published in the city or county in
20 which the transportation benefit district is to be located.

21 (2) At the time scheduled for the hearing in the ordinance or
22 resolution of intention, the city or county legislative authority
23 must consider the assumption of the rights, powers, functions, and
24 obligations of the transportation benefit district and hear those
25 appearing and all protests and objections to it. The city or county
26 legislative authority may continue the hearing from time to time, not
27 exceeding sixty days in all.

28 NEW SECTION. **Sec. 303.** (1) If, after receiving testimony, the
29 city or county legislative authority determines that the public
30 interest or welfare would be satisfied by the city or county assuming
31 the rights, powers, immunities, functions, and obligations of the
32 transportation benefit district, the city or county legislative
33 authority may declare that to be its intent and assume such rights,
34 powers, immunities, functions, and obligations by ordinance or
35 resolution, providing that the city or county is vested with every
36 right, power, immunity, function, and obligation currently granted to
37 or possessed by the transportation benefit district.

1 (2) Upon assumption of the rights, powers, immunities, functions,
2 and obligations of the transportation benefit district by the city or
3 county, the governing body established pursuant to RCW 36.73.020 must
4 be abolished and the city or county legislative authority is vested
5 with all rights, powers, immunities, functions, and obligations
6 otherwise vested by law in the governing board of the transportation
7 benefit district.

8 NEW SECTION. **Sec. 304.** No transfer of any function made
9 pursuant to this chapter may be construed to impair or alter any
10 existing rights acquired under chapter 36.73 RCW or any other
11 provision of law relating to transportation benefit districts, nor as
12 impairing or altering any actions, activities, or proceedings
13 validated thereunder, nor as impairing or altering any civil or
14 criminal proceedings instituted thereunder, nor any rule, regulation,
15 or order promulgated thereunder, nor any administrative action taken
16 thereunder; and neither the assumption of control of any
17 transportation benefit district function by a city or county, nor any
18 transfer of rights, powers, functions, and obligations as provided in
19 this chapter, may impair or alter the validity of any act performed
20 by such transportation benefit district or division thereof or any
21 officer thereof prior to the assumption of such rights, powers,
22 functions, and obligations by any city or county as authorized under
23 this chapter.

24 NEW SECTION. **Sec. 305.** (1) All rules and regulations and all
25 pending business before the board of any transportation benefit
26 district transferred pursuant to this chapter must be continued and
27 acted upon by the city or county.

28 (2) All existing contracts and obligations of the transferred
29 transportation benefit district remain in full force and effect and
30 must be performed by the city or county. A transfer authorized in
31 this chapter does not affect the validity of any official act
32 performed by any official or employee prior to the transfer
33 authorized pursuant to this chapter.

34 NEW SECTION. **Sec. 306.** (1) All reports, documents, surveys,
35 books, records, files, papers, or other writings relating to the
36 administration of the powers, duties, and functions transferred

1 pursuant to this chapter and available to the transportation benefit
2 district must be made available to the city or county.

3 (2) All funds, credits, or other assets held in connection with
4 powers, duties, and functions transferred under this chapter must be
5 assigned to the city or county.

6 (3) Any appropriations or federal grant made to the
7 transportation benefit district for the purpose of carrying out the
8 rights, powers, functions, and obligations authorized to be assumed
9 by a city or county pursuant to this chapter, on the effective date
10 of such transfer, must be credited to the city or county for the
11 purpose of carrying out such transferred rights, powers, functions,
12 and obligations.

13 NEW SECTION. **Sec. 307.** The city or county must assume and agree
14 to provide for the payment of all of the indebtedness of the
15 transportation benefit district, including the payment and retirement
16 of outstanding general obligation and revenue bonds issued by the
17 transportation benefit district.

18 NEW SECTION. **Sec. 308.** Sections 301 through 307 of this act
19 constitute a new chapter in Title 36 RCW.

20 **Sec. 309.** RCW 36.73.065 and 2012 c 152 s 3 are each amended to
21 read as follows:

22 (1) Except as provided in subsection (4) of this section, taxes,
23 fees, charges, and tolls may not be imposed by a district without
24 approval of a majority of the voters in the district voting on a
25 proposition at a general or special election. The proposition must
26 include a specific description of: (a) The transportation improvement
27 or improvements proposed by the district; (b) any rebate program
28 proposed to be established under RCW 36.73.067; and (c) the proposed
29 taxes, fees, charges, and the range of tolls imposed by the district
30 to raise revenue to fund the improvement or improvements or rebate
31 program, as applicable.

32 (2) Voter approval under this section must be accorded
33 substantial weight regarding the validity of a transportation
34 improvement as defined in RCW 36.73.015.

35 (3) A district may not increase any taxes, fees, charges, or
36 range of tolls imposed or change a rebate program under this chapter

1 once the taxes, fees, charges, tolls, or rebate program takes effect,
2 (~~unless~~) except:

3 (a) If authorized by the district voters pursuant to RCW
4 36.73.160;

5 (b) With respect to a change in a rebate program, a material
6 change policy adopted pursuant to RCW 36.73.160 is followed and the
7 change does not reduce the percentage level or rebate amount;

8 (c) For up to forty dollars of the vehicle fee authorized in RCW
9 82.80.140 by the governing board of the district if a vehicle fee of
10 twenty dollars has been imposed for at least twenty-four months; or

11 (d) For up to fifty dollars of the vehicle fee authorized in RCW
12 82.80.140 by the governing board of the district if a vehicle fee of
13 forty dollars has been imposed for at least twenty-four months and a
14 district has met the requirements of subsection (6) of this section.

15 (4)(a) A district that includes all the territory within the
16 boundaries of the jurisdiction, or jurisdictions, establishing the
17 district may impose by a majority vote of the governing board of the
18 district the following fees and charges:

19 (i) Up to twenty dollars of the vehicle fee authorized in RCW
20 82.80.140; (~~or~~)

21 (ii) Up to forty dollars of the vehicle fee authorized in RCW
22 82.80.140 if a vehicle fee of twenty dollars has been imposed for at
23 least twenty-four months;

24 (iii) Up to fifty dollars of the vehicle fee authorized in RCW
25 82.80.140 if a vehicle fee of forty dollars has been imposed for at
26 least twenty-four months and a district has met the requirements of
27 subsection (6) of this section; or

28 (iv) 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
31 the vehicle fee is first approved by a majority of the voters within
32 the 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
35 subsection within one hundred eighty days after July 22, 2007, unless
36 the county in which the city or cities reside, by resolution,
37 declares that it will not impose the fees or charges identified in
38 (a) of this subsection within the one hundred eighty-day period; or

39 (ii) A district solely comprised of a city or cities identified
40 in RCW 36.73.020(6)(b) may not impose the fees or charges until after

1 May 22, 2008, unless the county in which the city or cities reside,
2 by resolution, declares that it will not impose the fees or charges
3 identified in (a) of this subsection through May 22, 2008.

4 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
5 reached, a district that includes only the unincorporated territory
6 of a county may impose by a majority vote of the governing body of
7 the district up to: (a) Twenty dollars of the vehicle fee authorized
8 in RCW 82.80.140, (b) forty dollars of the vehicle fee authorized in
9 RCW 82.80.140 if a fee of twenty dollars has been imposed for at
10 least twenty-four months, or (c) fifty dollars of the vehicle fee
11 authorized in RCW 82.80.140 if a vehicle fee of forty dollars has
12 been imposed for at least twenty-four months and a district has met
13 the requirements of subsection (6) of this section.

14 (6) If a district intends to impose a vehicle fee of more than
15 forty dollars by a majority vote of the governing body of the
16 district, the governing body must publish notice of this intention,
17 in one or more newspapers of general circulation within the district,
18 by April 1st of the year in which the vehicle fee is to be imposed.
19 If within ninety days of the date of publication a petition is filed
20 with the county auditor containing the signatures of eight percent of
21 the number of voters registered and voting in the district for the
22 office of the governor at the last preceding gubernatorial election,
23 the county auditor must canvass the signatures in the same manner as
24 prescribed in RCW 29A.72.230 and certify their sufficiency to the
25 governing body within two weeks. The proposition to impose the
26 vehicle fee must then be submitted to the voters of the district at a
27 special election, called for this purpose, no later than the date on
28 which a primary election would be held under RCW 29A.04.311. The
29 vehicle fee may then be imposed only if approved by a majority of the
30 voters of the district voting on the proposition.

31 **Sec. 310.** RCW 82.80.140 and 2010 c 161 s 917 are each amended to
32 read as follows:

33 (1) Subject to the provisions of RCW 36.73.065, a transportation
34 benefit district under chapter 36.73 RCW may fix and impose an annual
35 vehicle fee, not to exceed one hundred dollars per vehicle registered
36 in the district, for each vehicle subject to vehicle license fees
37 under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n)
38 through (q) and for each vehicle subject to gross weight license fees

1 under RCW 46.17.355 with a scale weight of six thousand pounds or
2 less.

3 (2)(a) A district that includes all the territory within the
4 boundaries of the jurisdiction, or jurisdictions, establishing the
5 district may impose by a majority vote of the governing board of the
6 district up to: (i) Twenty dollars of the vehicle fee authorized in
7 subsection (1) of this section, (ii) forty dollars of the vehicle fee
8 authorized in subsection (1) of this section if a twenty dollar
9 vehicle fee has been imposed for at least twenty-four months, or
10 (iii) fifty dollars of the vehicle fee authorized in subsection (1)
11 of this section if a vehicle fee of forty dollars has been imposed
12 for at least twenty-four months and a district has met the
13 requirements of RCW 36.73.065(6).

14 If the district is countywide, the revenues of the fee (~~shall~~)
15 must be distributed to each city within the (~~county~~) district by
16 interlocal agreement. The interlocal agreement is effective when
17 approved by the (~~county~~) district and sixty percent of the cities
18 representing seventy-five percent of the population of the cities
19 within the (~~county~~) district in which the countywide fee is
20 collected.

21 (b) A district may not impose a fee under this subsection (2):

22 (i) For a passenger-only ferry transportation improvement unless
23 the vehicle fee is first approved by a majority of the voters within
24 the jurisdiction of the district; or

25 (ii) That, if combined with the fees previously imposed by
26 another district within its boundaries under RCW 36.73.065(4)(a)(i),
27 exceeds (~~twenty~~) fifty dollars.

28 If a district imposes or increases a fee under this subsection
29 (2) that, if combined with the fees previously imposed by another
30 district within its boundaries, exceeds (~~twenty~~) fifty dollars, the
31 district shall provide a credit for the previously imposed fees so
32 that the combined vehicle fee does not exceed (~~twenty~~) fifty
33 dollars.

34 (3) The department of licensing shall administer and collect the
35 fee. The department shall deduct a percentage amount, as provided by
36 contract, not to exceed one percent of the fees collected, for
37 administration and collection expenses incurred by it. The department
38 shall remit remaining proceeds to the custody of the state treasurer.
39 The state treasurer shall distribute the proceeds to the district on
40 a monthly basis.

1 (4) No fee under this section may be collected until six months
2 after approval under RCW 36.73.065.

3 (5) The vehicle fee under this section applies only when renewing
4 a vehicle registration, and is effective upon the registration
5 renewal date as provided by the department of licensing.

6 (6) The following vehicles are exempt from the fee under this
7 section:

8 (a) Campers, as defined in RCW 46.04.085;

9 (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180
10 and 46.04.181;

11 (c) Mopeds, as defined in RCW 46.04.304;

12 (d) Off-road and nonhighway vehicles, as defined in RCW
13 46.04.365;

14 (e) Private use single-axle trailer, as defined in RCW 46.04.422;

15 (f) Snowmobiles, as defined in RCW 46.04.546; and

16 (g) Vehicles registered under chapter 46.87 RCW and the
17 international registration plan.

18 **Sec. 311.** RCW 36.73.015 and 2012 c 152 s 1 are each amended to
19 read as follows:

20 The definitions in this section apply throughout this chapter
21 unless the context clearly requires otherwise.

22 (1) "City" means a city or town.

23 (2) "District" means a transportation benefit district created
24 under this chapter.

25 (3) "Low-income" means household income set by the district
26 creating the rebate program that is at or below (~~forty-five~~)
27 seventy-five percent of the median household income, adjusted for
28 household size, for the district in which the fees, taxes, or tolls
29 were imposed.

30 (4) "Rebate program" means an optional program established by a
31 transportation benefit district that includes a city with a
32 population of five hundred thousand persons or more for the purpose
33 of providing rebates to low-income individuals for fees, taxes,
34 and/or tolls imposed by such transportation benefit district for: (a)
35 Vehicle fees imposed under RCW 36.73.040(3)(b); (b) sales and use
36 taxes imposed under RCW 36.73.040(3)(a); and/or (c) tolls imposed
37 under RCW 36.73.040(3)(d).

38 (5) "Supplemental transportation improvement" or "supplemental
39 improvement" means any project, work, or undertaking to provide

1 public transportation service, in addition to a district's existing
2 or planned voter-approved transportation improvements, proposed by a
3 participating city member of the district under RCW 36.73.180.

4 (6) "Transportation improvement" means a project contained in the
5 transportation plan of the state, a regional transportation planning
6 organization, city, county, or eligible jurisdiction as identified in
7 RCW 36.73.020(2). A project may include investment in new or existing
8 highways of statewide significance, principal arterials of regional
9 significance, high capacity transportation, public transportation,
10 and other transportation projects and programs of regional or
11 statewide significance including transportation demand management.
12 Projects may also include the operation, preservation, and
13 maintenance of these facilities or programs.

14 **Community Transit Sales Tax**

15 **Sec. 312.** RCW 82.14.045 and 2008 c 86 s 102 are each amended to
16 read as follows:

17 (1) The legislative body of any city pursuant to RCW 35.92.060,
18 of any county which has created an unincorporated transportation
19 benefit area pursuant to RCW 36.57.100 and 36.57.110, of any public
20 transportation benefit area pursuant to RCW 36.57A.080 and
21 36.57A.090, of any county transportation authority established
22 pursuant to chapter 36.57 RCW, and of any metropolitan municipal
23 corporation within a county with a population of one million or more
24 pursuant to chapter 35.58 RCW, may, by resolution or ordinance for
25 the sole purpose of providing funds for the operation, maintenance,
26 or capital needs of public transportation systems or public
27 transportation limited to persons with special needs under RCW
28 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized
29 by RCW 35.95.040, submit an authorizing proposition to the voters or
30 include such authorization in a proposition to perform the function
31 of public transportation or public transportation limited to persons
32 with special needs under RCW 36.57.130 and 36.57A.180, and if
33 approved by a majority of persons voting thereon, impose a sales and
34 use tax in accordance with the terms of this chapter. Where an
35 authorizing proposition is submitted by a county on behalf of an
36 unincorporated transportation benefit area, it shall be voted upon by
37 the voters residing within the boundaries of such unincorporated
38 transportation benefit area and, if approved, the sales and use tax

1 shall be imposed only within such area. Notwithstanding any
2 provisions of this section to the contrary, any county in which a
3 county public transportation plan has been adopted pursuant to RCW
4 36.57.070 and the voters of such county have authorized the
5 imposition of a sales and use tax pursuant to the provisions of
6 section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1,
7 1975, shall be authorized to fix and impose a sales and use tax as
8 provided in this section at not to exceed the rate so authorized
9 without additional approval of the voters of such county as otherwise
10 required by this section.

11 The tax authorized by this section shall be in addition to the
12 tax authorized by RCW 82.14.030 and shall be collected from those
13 persons who are taxable by the state under chapters 82.08 and 82.12
14 RCW upon the occurrence of any taxable event within such city, public
15 transportation benefit area, county, or metropolitan municipal
16 corporation as the case may be. The rate of such tax shall be one-
17 tenth, two-tenths, three-tenths, four-tenths, five-tenths, six-
18 tenths, seven-tenths, eight-tenths, or nine-tenths of one percent of
19 the selling price (in the case of a sales tax) or value of the
20 article used (in the case of a use tax). The rate of such tax shall
21 not exceed the rate authorized by the voters unless such increase
22 shall be similarly approved.

23 (2)(a) In the event a metropolitan municipal corporation imposes
24 a sales and use tax pursuant to this chapter no city, county which
25 has created an unincorporated transportation benefit area, public
26 transportation benefit area authority, or county transportation
27 authority wholly within such metropolitan municipal corporation shall
28 be empowered to impose and/or collect taxes under RCW 35.95.040 or
29 this section, but nothing herein shall prevent such city or county
30 from imposing sales and use taxes pursuant to any other
31 authorization.

32 (b) In the event a county transportation authority imposes a
33 sales and use tax under this section, no city, county which has
34 created an unincorporated transportation benefit area, public
35 transportation benefit area, or metropolitan municipal corporation,
36 located within the territory of the authority, shall be empowered to
37 impose or collect taxes under RCW 35.95.040 or this section.

38 (c) In the event a public transportation benefit area imposes a
39 sales and use tax under this section, no city, county which has
40 created an unincorporated transportation benefit area, or

1 metropolitan municipal corporation, located wholly or partly within
2 the territory of the public transportation benefit area, shall be
3 empowered to impose or collect taxes under RCW 35.95.040 or this
4 section.

5 (3) The legislative body of a public transportation benefit area
6 located in a county with a population of seven hundred thousand or
7 more that also contains a city with a population of seventy-five
8 thousand or more operating a transit system pursuant to chapter 35.95
9 RCW may submit an authorizing proposition to the voters and, if
10 approved by a majority of persons voting on the proposition, impose a
11 sales and use tax in accordance with the terms of this chapter of
12 one-tenth, two-tenths, or three-tenths of one percent of the selling
13 price, in the case of a sales tax, or value of the article used, in
14 the case of a use tax, in addition to the rate in subsection (1) of
15 this section.

16 **Passenger-Only Ferry Service Districts**

17 NEW SECTION. Sec. 313. A new section is added to chapter 36.57A
18 RCW to read as follows:

19 (1) A governing body of a public transportation benefit area,
20 located in a county that only borders the western side of Puget Sound
21 with a population of more than two hundred thousand and contains one
22 or more Washington state ferries terminals, may establish one or more
23 passenger-only ferry service districts within all or a portion of the
24 boundaries of the public transportation benefit area establishing the
25 passenger-only ferry service district. A passenger-only ferry service
26 district may include all or a portion of a city or town as long as
27 all or a portion of the city or town boundaries are within the
28 boundaries of the establishing public transportation benefit area.
29 The members of the public transportation benefit area governing body
30 proposing to establish the passenger-only ferry service district,
31 acting ex officio and independently, constitutes the governing body
32 of the passenger-only ferry service district.

33 (2) A passenger-only ferry service district may establish,
34 finance, and provide passenger-only ferry service, and associated
35 services to support and augment passenger-only ferry service
36 operation, within its boundaries in the same manner as authorized for
37 public transportation benefit areas under this chapter.

1 (3) A passenger-only ferry service district constitutes a body
2 corporate and possesses all the usual powers of a corporation for
3 public purposes as well as all other powers that may be conferred by
4 statute including, but not limited to, the authority to hire
5 employees, staff, and services, to enter into contracts, to acquire,
6 hold, and dispose of real and personal property, and to sue and be
7 sued. Public works contract limits applicable to the public
8 transportation benefit area that established the passenger-only ferry
9 service district apply to the district. For purposes of this section,
10 "passenger-only ferry service district" means a quasi-municipal
11 corporation and independent taxing authority within the meaning of
12 Article VII, section 1 of the state Constitution, and a taxing
13 district within the meaning of Article VII, section 2 of the state
14 Constitution, created by the legislative body of a public
15 transportation benefit area.

16 (4) Before a passenger-only ferry service district may provide
17 passenger-only ferry service, it must develop a passenger-only ferry
18 investment plan, including elements: To operate or contract for the
19 operation of passenger-only ferry services; to purchase, lease, or
20 rent ferry vessels and dock facilities for the provision of transit
21 service; and to identify other activities necessary to implement the
22 plan. The plan must set forth terminal locations to be served,
23 projected costs of providing services, and revenues to be generated
24 from tolls, locally collected tax revenues, and other revenue
25 sources. The plan must ensure that services provided under the plan
26 are for the benefit of the residents of the passenger-only ferry
27 service district. The passenger-only ferry service district may use
28 any of its powers to carry out this purpose, unless otherwise
29 prohibited by law. In addition, the passenger-only ferry service
30 district may enter into: Contracts and agreements to operate
31 passenger-only ferry service; public-private partnerships; and
32 design-build, general contractor/construction management, or other
33 alternative procurement processes substantially consistent with
34 chapter 39.10 RCW.

35 (5) A passenger-only ferry service district may be dissolved by a
36 majority vote of the governing body when all obligations under any
37 general obligation bonds issued by the passenger-only ferry service
38 district have been discharged and any other contractual obligations
39 of the passenger-only ferry service district have either been
40 discharged or assumed by another governmental entity.

1 NEW SECTION. **Sec. 314.** A new section is added to chapter 36.57A
2 RCW to read as follows:

3 (1) A passenger-only ferry service district may, as part of a
4 passenger-only ferry investment plan, recommend some or all of the
5 following revenue sources as provided in this chapter:

6 (a) A sales and use tax, as authorized in section 315 of this
7 act;

8 (b) A parking tax, as authorized in section 316 of this act;

9 (c) Tolls for passengers, packages, and, where applicable,
10 parking; and

11 (d) Charges or licensing fees for advertising, leasing space for
12 services to ferry passengers, and other revenue generating
13 activities.

14 (2) Taxes may not be imposed without an affirmative vote of the
15 majority of the voters within the boundaries of the passenger-only
16 ferry service district voting on a single ballot proposition to both
17 approve a passenger-only ferry investment plan and to approve taxes
18 to implement the plan. Revenues from these taxes and fees may be used
19 only to implement the plan and must be used for the benefit of the
20 residents of the passenger-only ferry service district. A district
21 must contract with the department of revenue for the administration
22 and collection of a sales and use tax as authorized in section 315 of
23 this act. A district may contract with other appropriate entities for
24 the administration and collection of any of the other taxes or
25 charges authorized in this section.

26 NEW SECTION. **Sec. 315.** A new section is added to chapter 82.14
27 RCW to read as follows:

28 (1) Passenger-only ferry service districts providing passenger-
29 only ferry service as provided in section 313 of this act may submit
30 an authorizing proposition to the voters and, if approved by a
31 majority of persons voting, fix and impose a sales and use tax in
32 accordance with the terms of this chapter, solely for the purpose of
33 providing passenger-only ferry service and associated services to
34 support and augment passenger-only ferry service operation.

35 (2) The tax authorized under this section is in addition to other
36 taxes authorized by law and must be collected from those persons who
37 are taxable by the state under chapters 82.08 and 82.12 RCW upon the
38 occurrence of a taxable event within the taxing district. The maximum
39 rate of the tax must be approved by the voters and may not exceed

1 three-tenths of one percent of the selling price in the case of a
2 sales tax or value of the article used in the case of a use tax.

3 NEW SECTION. **Sec. 316.** A new section is added to chapter 82.80
4 RCW to read as follows:

5 (1) Subject to the conditions of this section, a passenger-only
6 ferry service district located in a county with a population of one
7 million or less as of January 1, 2016, may fix and impose a parking
8 tax on all persons engaged in a commercial parking business within
9 its respective jurisdiction.

10 (2) In lieu of the tax in subsection (1) of this section, a
11 passenger-only ferry service district located in a county with a
12 population of one million or less as of January 1, 2016, may fix and
13 impose a tax for the act or privilege of parking a motor vehicle in a
14 facility operated by a commercial parking business. The passenger-
15 only ferry service district may provide that:

16 (a) The tax is paid by the operator or owner of the motor
17 vehicle;

18 (b) The tax applies to all parking for which a fee is paid,
19 whether paid or leased, including parking supplied with a lease of
20 nonresidential space;

21 (c) The tax is collected by the operator of the facility and
22 remitted to the city, county, or passenger-only ferry service
23 district;

24 (d) The tax is a fee per vehicle or is measured by the parking
25 charge;

26 (e) The tax rate varies with zoning or location of the facility,
27 the duration of the parking, the time of entry or exit, the type or
28 use of the vehicle, or other reasonable factors; and

29 (f) Tax exempt carpools, vehicles with special license plates and
30 parking placards for persons with disabilities, or government
31 vehicles are exempt from the tax.

32 (3) The rate of the tax under subsection (1) of this section may
33 be based either upon gross proceeds or the number of vehicle stalls
34 available for commercial parking use. The rates charged must be
35 uniform for the same class or type of commercial parking business.

36 (4) The passenger-only ferry service district levying the tax
37 provided for in subsection (1) or (2) of this section may provide for
38 its payment on a monthly, quarterly, or annual basis.

1 (5) The proceeds of the parking tax imposed by a passenger-only
2 ferry service district under subsection (1) or (2) of this section
3 must be used as provided in section 314 of this act.

4 (6) "Commercial parking business" as used in this section, means
5 the ownership, lease, operation, or management of a commercial
6 parking lot in which fees are charged. "Commercial parking lot" means
7 a covered or uncovered area with stalls for the purpose of parking
8 motor vehicles.

9 NEW SECTION. **Sec. 317.** A new section is added to chapter 36.57A
10 RCW to read as follows:

11 (1) To carry out the purposes of this chapter, a passenger-only
12 ferry service district may issue general obligation bonds, not to
13 exceed an amount, together with any other outstanding nonvoter-
14 approved general obligation indebtedness, equal to one and one-half
15 percent of the value of the taxable property within the area, as the
16 term "value of the taxable property" is defined in RCW 39.36.015. A
17 passenger-only ferry service district may also issue general
18 obligation bonds for capital purposes only, together with any
19 outstanding general obligation indebtedness, not to exceed an amount
20 equal to five percent of the value of the taxable property within the
21 area, as the term "value of the taxable property" is defined in RCW
22 39.36.015, when authorized by the voters of the area pursuant to
23 Article VIII, section 6 of the state Constitution.

24 (2) General obligation bonds with a maturity in excess of twenty-
25 five years may not be issued. The governing body of the passenger-
26 only ferry service district must by resolution determine for each
27 general obligation bond issue the amount, date, terms, conditions,
28 denominations, maximum fixed or variable interest rate or rates,
29 maturity or maturities, redemption rights, registration privileges,
30 manner of execution, manner of sale, callable provisions, if any,
31 covenants, and form, including registration as to principal and
32 interest, registration as to principal only, or bearer. Registration
33 may include, but not be limited to: (a) A book entry system of
34 recording the ownership of a bond whether or not physical bonds are
35 issued, or (b) recording the ownership of a bond together with the
36 requirement that the transfer of ownership may only be effected by
37 the surrender of the old bond and either the reissuance of the old
38 bond or the issuance of a new bond to the new owner. Facsimile
39 signatures may be used on the bonds and any coupons. Refunding

1 general obligation bonds may be issued in the same manner as general
2 obligation bonds are issued.

3 (3) Whenever general obligation bonds are issued to fund specific
4 projects or enterprises that generate revenues, charges, user fees,
5 or special assessments, the passenger-only ferry service district may
6 specifically pledge all or a portion of the revenues, charges, user
7 fees, or special assessments to refund the general obligation bonds.
8 The passenger-only ferry service district may also pledge any other
9 revenues that may be available to the district.

10 (4) In addition to general obligation bonds, a passenger-only
11 ferry service district may issue revenue bonds to be issued and sold
12 in accordance with chapter 39.46 RCW.

13 **Sound Transit Funding - ST3**

14 **Sec. 318.** RCW 81.104.140 and 2002 c 56 s 202 are each amended to
15 read as follows:

16 (1) Agencies authorized to provide high capacity transportation
17 service, including transit agencies and regional transit authorities,
18 and regional transportation investment districts acting with the
19 agreement of an agency, are hereby granted dedicated funding sources
20 for such systems. These dedicated funding sources, as set forth in
21 RCW 81.104.150, 81.104.160, (~~and~~) 81.104.170, and section 321 of
22 this act, are authorized only for agencies located in (a) each county
23 with a population of two hundred ten thousand or more and (b) each
24 county with a population of from one hundred twenty-five thousand to
25 less than two hundred ten thousand except for those counties that do
26 not border a county with a population as described under (a) of this
27 subsection. In any county with a population of one million or more or
28 in any county having a population of four hundred thousand or more
29 bordering a county with a population of one million or more, these
30 funding sources may be imposed only by a regional transit authority
31 or a regional transportation investment district. Regional
32 transportation investment districts may, with the approval of the
33 regional transit authority within its boundaries, impose the taxes
34 authorized under this chapter, but only upon approval of the voters
35 and to the extent that the maximum amount of taxes authorized under
36 this chapter have not been imposed.

1 (2) Agencies planning to construct and operate a high capacity
2 transportation system should also seek other funds, including
3 federal, state, local, and private sector assistance.

4 (3) Funding sources should satisfy each of the following criteria
5 to the greatest extent possible:

- 6 (a) Acceptability;
- 7 (b) Ease of administration;
- 8 (c) Equity;
- 9 (d) Implementation feasibility;
- 10 (e) Revenue reliability; and
- 11 (f) Revenue yield.

12 (4)(a) Agencies participating in regional high capacity
13 transportation system development are authorized to levy and collect
14 the following voter-approved local option funding sources:

15 ~~((a))~~ (i) Employer tax as provided in RCW 81.104.150, other
16 than by regional transportation investment districts;

17 ~~((b))~~ (ii) Special motor vehicle excise tax as provided in RCW
18 81.104.160; ~~((and~~

19 ~~(e))~~ (iii) Regular property tax as provided in section 321 of
20 this act; and

21 (iv) Sales and use tax as provided in RCW 81.104.170.

22 (b) Revenues from these taxes may be used only to support those
23 purposes prescribed in subsection (10) of this section. Before the
24 date of an election authorizing an agency to impose any of the taxes
25 enumerated in this section and authorized in RCW 81.104.150,
26 81.104.160, ~~((and))~~ 81.104.170, and section 321 of this act, the
27 agency must comply with the process prescribed in RCW 81.104.100 (1)
28 and (2) and 81.104.110. No construction on exclusive right-of-way may
29 occur before the requirements of RCW 81.104.100(3) are met.

30 (5) Except for the regular property tax authorized in section 321
31 of this act, the authorization in subsection (4) of this section
32 ~~((shall))~~ may not adversely affect the funding authority of transit
33 agencies not provided for in this chapter. Local option funds may be
34 used to support implementation of interlocal agreements with respect
35 to the establishment of regional high capacity transportation
36 service. Except when a regional transit authority exists, local
37 jurisdictions ~~((shall))~~ must retain control over moneys generated
38 within their boundaries, although funds may be commingled with those
39 generated in other areas for planning, construction, and operation of
40 high capacity transportation systems as set forth in the agreements.

1 (6) Except for the regular property tax authorized in section 321
2 of this act, agencies planning to construct and operate high capacity
3 transportation systems may contract with the state for collection and
4 transference of voter-approved local option revenue.

5 (7) Dedicated high capacity transportation funding sources
6 authorized in RCW 81.104.150, 81.104.160, ~~((and))~~ 81.104.170 ~~((shall~~
7 ~~be))~~, and section 321 of this act are subject to voter approval by a
8 simple majority. A single ballot proposition may seek approval for
9 one or more of the authorized taxing sources. The ballot title
10 ~~((shall))~~ must reference the document identified in subsection (8) of
11 this section.

12 (8) Agencies ~~((shall))~~ must provide to the registered voters in
13 the area a document describing the systems plan and the financing
14 plan set forth in RCW 81.104.100. It ~~((shall))~~ must also describe the
15 relationship of the system to regional issues such as development
16 density at station locations and activity centers, and the
17 interrelationship of the system to adopted land use and
18 transportation demand management goals within the region. This
19 document ~~((shall))~~ must be provided to the voters at least twenty
20 days prior to the date of the election.

21 (9) For any election in which voter approval is sought for a high
22 capacity transportation system plan and financing plan pursuant to
23 RCW 81.104.040, a local voter's pamphlet ~~((shall))~~ must be produced
24 as provided in chapter ~~((29.81A))~~ 29A.32 RCW.

25 (10)(a) Agencies providing high capacity transportation service
26 ~~((shall))~~ must retain responsibility for revenue encumbrance,
27 disbursement, and bonding. Funds may be used for any purpose relating
28 to planning, construction, and operation of high capacity
29 transportation systems and commuter rail systems, personal rapid
30 transit, busways, bus sets, and entrained and linked buses.

31 **(b) A regional transit authority that imposes a motor vehicle**
32 **excise tax after the effective date of this section, imposes a**
33 **property tax, or increases a sales and use tax to more than nine-**
34 **tenths of one percent must undertake a process in which the**
35 **authority's board formally considers inclusion of the name, Scott**
36 **White, in the naming convention associated with either the University**
37 **of Washington or Roosevelt stations.**

38 **Sec. 319.** RCW 81.104.160 and 2010 c 161 s 903 are each amended
39 to read as follows:

1 (1) Regional transit authorities that include a county with a
2 population of more than one million five hundred thousand may submit
3 an authorizing proposition to the voters, and if approved, may levy
4 and collect an excise tax, at a rate approved by the voters, but not
5 exceeding eight-tenths of one percent on the value, under chapter
6 82.44 RCW, of every motor vehicle owned by a resident of the taxing
7 district, solely for the purpose of providing high capacity
8 transportation service. The maximum tax rate under this subsection
9 does not include a motor vehicle excise tax approved before the
10 effective date of this section if the tax will terminate on the date
11 bond debt to which the tax is pledged is repaid. This tax does not
12 apply to vehicles licensed under RCW 46.16A.455 except vehicles with
13 an unladen weight of six thousand pounds or less, RCW 46.16A.425 or
14 46.17.335(2). Notwithstanding any other provision of this subsection
15 or chapter 82.44 RCW, a motor vehicle excise tax imposed by a
16 regional transit authority before or after the effective date of this
17 section must comply with chapter 82.44 RCW as it existed on January
18 1, 1996, until December 31st of the year in which the regional
19 transit authority repays bond debt to which a motor vehicle excise
20 tax was pledged before the effective date of this section. Motor
21 vehicle taxes collected by regional transit authorities after
22 December 31st of the year in which a regional transit authority
23 repays bond debt to which a motor vehicle excise tax was pledged
24 before the effective date of this section must comply with chapter
25 82.44 RCW as it existed on the date the tax was approved by voters.

26 (2) An agency and high capacity transportation corridor area may
27 impose a sales and use tax solely for the purpose of providing high
28 capacity transportation service, in addition to the tax authorized by
29 RCW 82.14.030, upon retail car rentals within the applicable
30 jurisdiction that are taxable by the state under chapters 82.08 and
31 82.12 RCW. The rate of tax (~~shall~~) may not exceed 2.172 percent.
32 The rate of tax imposed under this subsection must bear the same
33 ratio of the 2.172 percent authorized that the rate imposed under
34 subsection (1) of this section bears to the rate authorized under
35 subsection (1) of this section. The base of the tax (~~shall be~~) is
36 the selling price in the case of a sales tax or the rental value of
37 the vehicle used in the case of a use tax.

38 (3) Any motor vehicle excise tax previously imposed under the
39 provisions of RCW 81.104.160(1) shall be repealed, terminated, and
40 expire on December 5, 2002, except for a motor vehicle excise tax for

1 which revenues have been contractually pledged to repay a bonded debt
2 issued before December 5, 2002, as determined by *Pierce County et al.*
3 *v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds
4 that were previously issued, the motor vehicle excise tax must comply
5 with chapter 82.44 RCW as it existed on January 1, 1996.

6 (4) If a regional transit authority imposes the tax authorized
7 under subsection (1) of this section, the authority may not receive
8 any state grant funds provided in an omnibus transportation
9 appropriations act except transit coordination grants created in
10 chapter . . . (Substitute House Bill No. 1842), Laws of 2015 3rd sp.
11 sess.

12 **Sec. 320.** RCW 81.104.170 and 2009 c 469 s 106 and 2009 c 280 s 5
13 are each reenacted and amended to read as follows:

14 (1) Cities that operate transit systems, county transportation
15 authorities, metropolitan municipal corporations, public
16 transportation benefit areas, high capacity transportation corridor
17 areas, and regional transit authorities may submit an authorizing
18 proposition to the voters and if approved by a majority of persons
19 voting, fix and impose a sales and use tax in accordance with the
20 terms of this chapter, solely for the purpose of providing high
21 capacity transportation service.

22 (2) The tax authorized pursuant to this section (~~shall be~~) is
23 in addition to the tax authorized by RCW 82.14.030 and (~~shall~~) must
24 be collected from those persons who are taxable by the state pursuant
25 to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
26 event within the taxing district.

27 (a) Except for the tax imposed under (b) of this subsection by
28 regional transit authorities that include a county with a population
29 of more than one million five hundred thousand, the maximum rate of
30 such tax (~~shall~~) must be approved by the voters and (~~shall~~) may
31 not exceed one percent of the selling price (in the case of a sales
32 tax) or value of the article used (in the case of a use tax). The
33 maximum rate of such tax that may be imposed (~~shall~~) may not exceed
34 nine-tenths of one percent in any county that imposes a tax under RCW
35 82.14.340, or within a regional transit authority if any county
36 within the authority imposes a tax under RCW 82.14.340.

37 (b) The maximum rate of such tax that may be imposed by a
38 regional transit authority that includes a county with a population
39 of more than one million five hundred thousand must be approved by

1 the voters and may not exceed 1.4 percent. If a regional transit
2 authority imposes the tax authorized under this subsection (2)(b) in
3 excess of 0.9 percent, the authority may not receive any state grant
4 funds provided in an omnibus transportation appropriations act except
5 transit coordination grants created in chapter . . . (Substitute
6 House Bill No. 1842), Laws of 2015 3rd sp. sess.

7 (3)(a) The exemptions in RCW 82.08.820 and 82.12.820 are for the
8 state portion of the sales and use tax and do not extend to the tax
9 authorized in this section.

10 (b) The exemptions in RCW 82.08.962 and 82.12.962 are for the
11 state and local sales and use taxes and include the tax authorized by
12 this section.

13 NEW SECTION. Sec. 321. A new section is added to chapter 81.104
14 RCW to read as follows:

15 (1) A regional transit authority that includes a county with a
16 population of more than one million five hundred thousand may impose
17 a regular property tax levy in an amount not to exceed twenty-five
18 cents per thousand dollars of the assessed value of property in the
19 regional transit authority district in accordance with the terms of
20 this section.

21 (2) Any tax imposed under this section must be used for the
22 purpose of providing high capacity transportation service, as set
23 forth in a proposition that is approved by a majority of the
24 registered voters that vote on the proposition.

25 (3) Property taxes imposed under this section may be imposed for
26 the period of time required to pay the cost to plan, design,
27 construct, operate, and maintain the transit facilities set forth in
28 the approved proposition. Property taxes pledged to repay bonds may
29 be imposed at the pledged amount until the bonds are retired. After
30 the bonds are retired, property taxes authorized under this section
31 must be:

32 (a) Reduced to the level required to operate and maintain the
33 regional transit authority's transit facilities; or

34 (b) Terminated, unless the taxes have been extended by public
35 vote.

36 (4) The limitations in RCW 84.52.043 do not apply to the tax
37 authorized in this section.

38 (5) The limitation in RCW 84.55.010 does not apply to the first
39 levy imposed under this section.

1 (6) If a regional transit authority imposes the tax authorized
2 under subsection (1) of this section, the authority may not receive
3 any state grant funds provided in an omnibus transportation
4 appropriations act except transit coordination grants created in
5 chapter . . . (Substitute House Bill No. 1842), Laws of 2015 3rd sp.
6 sess.

7 **Sec. 322.** RCW 84.52.043 and 2011 c 275 s 2 are each amended to
8 read as follows:

9 Within and subject to the limitations imposed by RCW 84.52.050 as
10 amended, the regular ad valorem tax levies upon real and personal
11 property by the taxing districts hereafter named are as follows:

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

30 (2) The aggregate levies of junior taxing districts and senior
31 taxing districts, other than the state, may not exceed five dollars
32 and ninety cents per thousand dollars of assessed valuation. The term
33 "junior taxing districts" includes all taxing districts other than
34 the state, counties, road districts, cities, towns, port districts,
35 and public utility districts. The limitations provided in this
36 subsection do not apply to: (a) Levies at the rates provided by
37 existing law by or for any port or public utility district; (b)
38 excess property tax levies authorized in Article VII, section 2 of
39 the state Constitution; (c) levies for acquiring conservation futures

1 as authorized under RCW 84.34.230; (d) levies for emergency medical
2 care or emergency medical services imposed under RCW 84.52.069; (e)
3 levies to finance affordable housing for very low-income housing
4 imposed under RCW 84.52.105; (f) the portions of levies by
5 metropolitan park districts that are protected under RCW 84.52.120;
6 (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies
7 for criminal justice purposes under RCW 84.52.135; (i) the portions
8 of levies by fire protection districts that are protected under RCW
9 84.52.125; (j) levies by counties for transit-related purposes under
10 RCW 84.52.140; ~~((and))~~ (k) the protected portion of the levies
11 imposed under RCW 86.15.160 by flood control zone districts in a
12 county with a population of seven hundred seventy-five thousand or
13 more that are coextensive with a county; and (l) levies imposed by a
14 regional transit authority under section 321 of this act.

15 **Sec. 323.** RCW 84.52.043 and 2015 c 170 s 4 are each amended to
16 read as follows:

17 Within and subject to the limitations imposed by RCW 84.52.050 as
18 amended, the regular ad valorem tax levies upon real and personal
19 property by the taxing districts hereafter named are as follows:

20 (1) Levies of the senior taxing districts are as follows: (a) The
21 levy by the state may not exceed three dollars and sixty cents per
22 thousand dollars of assessed value adjusted to the state equalized
23 value in accordance with the indicated ratio fixed by the state
24 department of revenue to be used exclusively for the support of the
25 common schools; (b) the levy by any county may not exceed one dollar
26 and eighty cents per thousand dollars of assessed value; (c) the levy
27 by any road district may not exceed two dollars and twenty-five cents
28 per thousand dollars of assessed value; and (d) the levy by any city
29 or town may not exceed three dollars and thirty-seven and one-half
30 cents per thousand dollars of assessed value. However any county is
31 hereby authorized to increase its levy from one dollar and eighty
32 cents to a rate not to exceed two dollars and forty-seven and one-
33 half cents per thousand dollars of assessed value for general county
34 purposes if the total levies for both the county and any road
35 district within the county do not exceed four dollars and five cents
36 per thousand dollars of assessed value, and no other taxing district
37 has its levy reduced as a result of the increased county levy.

38 (2) The aggregate levies of junior taxing districts and senior
39 taxing districts, other than the state, may not exceed five dollars

1 and ninety cents per thousand dollars of assessed valuation. The term
2 "junior taxing districts" includes all taxing districts other than
3 the state, counties, road districts, cities, towns, port districts,
4 and public utility districts. The limitations provided in this
5 subsection do not apply to: (a) Levies at the rates provided by
6 existing law by or for any port or public utility district; (b)
7 excess property tax levies authorized in Article VII, section 2 of
8 the state Constitution; (c) levies for acquiring conservation futures
9 as authorized under RCW 84.34.230; (d) levies for emergency medical
10 care or emergency medical services imposed under RCW 84.52.069; (e)
11 levies to finance affordable housing for very low-income housing
12 imposed under RCW 84.52.105; (f) the portions of levies by
13 metropolitan park districts that are protected under RCW 84.52.120;
14 (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies
15 for criminal justice purposes under RCW 84.52.135; (i) the portions
16 of levies by fire protection districts that are protected under RCW
17 84.52.125; (j) levies by counties for transit-related purposes under
18 RCW 84.52.140; (~~and~~) (k) the portion of the levy by flood control
19 zone districts that are protected under RCW 84.52.--- (section 3,
20 chapter 170, Laws of 2015); and (l) levies imposed by a regional
21 transit authority under section 321 of this act.

22 **Sec. 324.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each
23 amended to read as follows:

24 (1) Except as is permitted under RCW 84.55.050, all taxes must be
25 levied or voted in specific amounts.

26 (2) The rate percent of all taxes for state and county purposes,
27 and purposes of taxing districts coextensive with the county, must be
28 determined, calculated and fixed by the county assessors of the
29 respective counties, within the limitations provided by law, upon the
30 assessed valuation of the property of the county, as shown by the
31 completed tax rolls of the county, and the rate percent of all taxes
32 levied for purposes of taxing districts within any county must be
33 determined, calculated and fixed by the county assessors of the
34 respective counties, within the limitations provided by law, upon the
35 assessed valuation of the property of the taxing districts
36 respectively.

37 (3) When a county assessor finds that the aggregate rate of tax
38 levy on any property, that is subject to the limitations set forth in
39 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in

1 either of these sections, the assessor must recompute and establish a
2 consolidated levy in the following manner:

3 (a) The full certified rates of tax levy for state, county,
4 county road district, regional transit authority, and city or town
5 purposes must be extended on the tax rolls in amounts not exceeding
6 the limitations established by law; however any state levy takes
7 precedence over all other levies and may not be reduced for any
8 purpose other than that required by RCW 84.55.010. If, as a result of
9 the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069,
10 84.52.105, the portion of the levy by a metropolitan park district
11 that was protected under RCW 84.52.120, 84.52.125, 84.52.135,
12 84.52.140, and the protected portion of the levy under RCW 86.15.160
13 by flood control zone districts in a county with a population of
14 seven hundred seventy-five thousand or more that are coextensive with
15 a county, the combined rate of regular property tax levies that are
16 subject to the one percent limitation exceeds one percent of the true
17 and fair value of any property, then these levies must be reduced as
18 follows:

19 (i) The portion of the levy by a metropolitan park district that
20 has a population of less than one hundred fifty thousand and is
21 located in a county with a population of one million five hundred
22 thousand or more that is protected under RCW 84.52.120 must be
23 reduced until the combined rate no longer exceeds one percent of the
24 true and fair value of any property or must be eliminated;

25 (ii) If the combined rate of regular property tax levies that are
26 subject to the one percent limitation still exceeds one percent of
27 the true and fair value of any property, the protected portion of the
28 levy imposed under RCW 86.15.160 by a flood control zone district in
29 a county with a population of seven hundred seventy-five thousand or
30 more that is coextensive with a county must be reduced until the
31 combined rate no longer exceeds one percent of the true and fair
32 value of any property or must be eliminated;

33 (iii) If the combined rate of regular property tax levies that
34 are subject to the one percent limitation still exceeds one percent
35 of the true and fair value of any property, the levy imposed by a
36 county under RCW 84.52.140 must be reduced until the combined rate no
37 longer exceeds one percent of the true and fair value of any property
38 or must be eliminated;

39 (iv) If the combined rate of regular property tax levies that are
40 subject to the one percent limitation still exceeds one percent of

1 the true and fair value of any property, the portion of the levy by a
2 fire protection district that is protected under RCW 84.52.125 must
3 be reduced until the combined rate no longer exceeds one percent of
4 the true and fair value of any property or must be eliminated;

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

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

17 (vii) If the combined rate of regular property tax levies that
18 are subject to the one percent limitation still exceeds one percent
19 of the true and fair value of any property, the portion of the levy
20 by a metropolitan park district with a population of one hundred
21 fifty thousand or more that is protected under RCW 84.52.120 must be
22 reduced until the combined rate no longer exceeds one percent of the
23 true and fair value of any property or must be eliminated;

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

32 (ix) If the combined rate of regular property tax levies that are
33 subject to the one percent limitation still exceeds one percent of
34 the true and fair value of any property, then the thirty cents per
35 thousand dollars of assessed value of tax levy imposed under RCW
36 84.52.069 must be reduced until the combined rate no longer exceeds
37 one percent of the true and fair value of any property or must be
38 eliminated.

39 (b) The certified rates of tax levy subject to these limitations
40 by all junior taxing districts imposing taxes on such property must

1 be reduced or eliminated as follows to bring the consolidated levy of
2 taxes on such property within the provisions of these limitations:

3 (i) First, the certified property tax levy rates of those junior
4 taxing districts authorized under RCW 36.68.525, 36.69.145,
5 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or
6 eliminated;

7 (ii) Second, if the consolidated tax levy rate still exceeds
8 these limitations, the certified property tax levy rates of flood
9 control zone districts other than the portion of a levy protected
10 under RCW 84.52.815 must be reduced on a pro rata basis or
11 eliminated;

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

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

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

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

1 **Sec. 325.** RCW 84.52.010 and 2015 c 170 s 2 are each amended to
2 read as follows:

3 (1) Except as is permitted under RCW 84.55.050, all taxes must be
4 levied or voted in specific amounts.

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

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

21 (a) The full certified rates of tax levy for state, county,
22 county road district, regional transit authority, and city or town
23 purposes must be extended on the tax rolls in amounts not exceeding
24 the limitations established by law; however any state levy takes
25 precedence over all other levies and may not be reduced for any
26 purpose other than that required by RCW 84.55.010. If, as a result of
27 the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069,
28 84.52.105, the portion of the levy by a metropolitan park district
29 that was protected under RCW 84.52.120, 84.52.125, 84.52.135, and
30 84.52.140, and the portion of the levy by a flood control zone
31 district that was protected under RCW 84.52.--- (section 3, chapter
32 170, Laws of 2015), the combined rate of regular property tax levies
33 that are subject to the one percent limitation exceeds one percent of
34 the true and fair value of any property, then these levies must be
35 reduced as follows:

36 (i) The portion of the levy by a flood control zone district that
37 was protected under RCW 84.52.--- (section 3, chapter 170, Laws of
38 2015) must be reduced until the combined rate no longer exceeds one
39 percent of the true and fair value of any property or must be
40 eliminated;

1 (ii) If the combined rate of regular property tax levies that are
2 subject to the one percent limitation still exceeds one percent of
3 the true and fair value of any property, the levy imposed by a county
4 under RCW 84.52.140 must be reduced until the combined rate no longer
5 exceeds one percent of the true and fair value of any property or
6 must be eliminated;

7 (iii) If the combined rate of regular property tax levies that
8 are subject to the one percent limitation still exceeds one percent
9 of the true and fair value of any property, the portion of the levy
10 by a fire protection district that is protected under RCW 84.52.125
11 must be reduced until the combined rate no longer exceeds one percent
12 of the true and fair value of any property or must be eliminated;

13 (iv) If the combined rate of regular property tax levies that are
14 subject to the one percent limitation still exceeds one percent of
15 the true and fair value of any property, the levy imposed by a county
16 under RCW 84.52.135 must be reduced until the combined rate no longer
17 exceeds one percent of the true and fair value of any property or
18 must be eliminated;

19 (v) If the combined rate of regular property tax levies that are
20 subject to the one percent limitation still exceeds one percent of
21 the true and fair value of any property, the levy imposed by a ferry
22 district under RCW 36.54.130 must be reduced until the combined rate
23 no longer exceeds one percent of the true and fair value of any
24 property or must be eliminated;

25 (vi) If the combined rate of regular property tax levies that are
26 subject to the one percent limitation still exceeds one percent of
27 the true and fair value of any property, the portion of the levy by a
28 metropolitan park district that is protected under RCW 84.52.120 must
29 be reduced until the combined rate no longer exceeds one percent of
30 the true and fair value of any property or must be eliminated;

31 (vii) If the combined rate of regular property tax levies that
32 are subject to the one percent limitation still exceeds one percent
33 of the true and fair value of any property, then the levies imposed
34 under RCW 84.34.230, 84.52.105, and any portion of the levy imposed
35 under RCW 84.52.069 that is in excess of thirty cents per thousand
36 dollars of assessed value, must be reduced on a pro rata basis until
37 the combined rate no longer exceeds one percent of the true and fair
38 value of any property or must be eliminated; and

39 (viii) If the combined rate of regular property tax levies that
40 are subject to the one percent limitation still exceeds one percent

1 of the true and fair value of any property, then the thirty cents per
2 thousand dollars of assessed value of tax levy imposed under RCW
3 84.52.069 must be reduced until the combined rate no longer exceeds
4 one percent of the true and fair value of any property or eliminated.

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

9 (i) First, the certified property tax levy rates of those junior
10 taxing districts authorized under RCW 36.68.525, 36.69.145,
11 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or
12 eliminated;

13 (ii) Second, if the consolidated tax levy rate still exceeds
14 these limitations, the certified property tax levy rates of flood
15 control zone districts other than the portion of a levy protected
16 under RCW 84.52.--- (section 3, chapter 170, Laws of 2015) must be
17 reduced on a pro rata basis or eliminated;

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

26 (iv) Fourth, if the consolidated tax levy rate still exceeds
27 these limitations, the first fifty cent per thousand dollars of
28 assessed valuation levies for metropolitan park districts created on
29 or after January 1, 2002, must be reduced on a pro rata basis or
30 eliminated;

31 (v) Fifth, if the consolidated tax levy rate still exceeds these
32 limitations, the certified property tax levy rates authorized to fire
33 protection districts under RCW 52.16.140 and 52.16.160 and regional
34 fire protection service authorities under RCW 52.26.140(1) (b) and
35 (c) must be reduced on a pro rata basis or eliminated; and

36 (vi) Sixth, if the consolidated tax levy rate still exceeds these
37 limitations, the certified property tax levy rates authorized for
38 fire protection districts under RCW 52.16.130, regional fire
39 protection service authorities under RCW 52.26.140(1)(a), library
40 districts, metropolitan park districts created before January 1,

1 2002, under their first fifty cent per thousand dollars of assessed
2 valuation levy, and public hospital districts under their first fifty
3 cent per thousand dollars of assessed valuation levy, must be reduced
4 on a pro rata basis or eliminated.

5 **Sec. 326.** RCW 84.04.120 and 1999 c 153 s 69 are each amended to
6 read as follows:

7 "Taxing district" (~~((shall be held and construed to mean and
8 include))~~) means the state and any county, city, town, port district,
9 school district, road district, metropolitan park district, regional
10 transit authority, water-sewer district, or other municipal
11 corporation, now or hereafter existing, having the power or
12 authorized by law to impose burdens upon property within the district
13 in proportion to the value thereof, for the purpose of obtaining
14 revenue for public purposes, as distinguished from municipal
15 corporations authorized to impose burdens, or for which burdens may
16 be imposed, for such purposes, upon property in proportion to the
17 benefits accruing thereto.

18 **Sec. 327.** RCW 81.104.180 and 2009 c 280 s 6 are each amended to
19 read as follows:

20 Cities that operate transit systems, county transportation
21 authorities, metropolitan municipal corporations, public
22 transportation benefit areas, high capacity transportation corridor
23 areas, and regional transit authorities are authorized to pledge
24 revenues from the employer tax authorized by RCW 81.104.150, the
25 taxes authorized by RCW 81.104.160, (~~and~~) the sales and use tax
26 authorized by RCW 81.104.170, and the property tax authorized by
27 section 321 of this act, to retire bonds issued solely for the
28 purpose of providing high capacity transportation service.

29 **Sec. 328.** RCW 81.112.050 and 2010 c 19 s 3 are each amended to
30 read as follows:

31 (1) At the time of formation, the area to be included within the
32 boundary of the authority shall be that area set forth in the system
33 plan adopted by the joint regional policy committee. Prior to
34 submitting the system and financing plan to the voters, the authority
35 may make adjustments to the boundaries as deemed appropriate but must
36 assure that, to the extent possible, the boundaries: (a) Include the
37 largest-population urban growth area designated by each county under

1 chapter 36.70A RCW; and (b) follow election precinct boundaries. If a
2 portion of any city is determined to be within the service area, the
3 entire city must be included within the boundaries of the authority.
4 Subsequent to formation, when territory is annexed to a city located
5 within the boundaries of the authority, the territory is
6 simultaneously included within the boundaries of the authority and
7 subject to all taxes and other liabilities and obligations applicable
8 within the city with respect to the authority as provided in RCW
9 35.13.500 and 35A.14.475, subject to RCW 84.09.030 and 82.14.055, and
10 notwithstanding any other provision of law.

11 (2) After voters within the authority boundaries have approved
12 the system and financing plan, elections to add areas contiguous to
13 the authority boundaries may be called by resolution of the regional
14 transit authority, after consultation with affected transit agencies
15 and with the concurrence of the legislative authority of the city or
16 town if the area is incorporated, or with the concurrence of the
17 county legislative authority if the area is unincorporated. Only
18 those areas that would benefit from the services provided by the
19 authority may be included and services or projects proposed for the
20 area must be consistent with the regional transportation plan. The
21 election may include a single ballot proposition providing for
22 annexation to the authority boundaries and imposition of the taxes at
23 rates already imposed within the authority boundaries, subject to RCW
24 84.09.030 and 82.14.055.

25 ~~((3) Upon receipt of a resolution requesting exclusion from the~~
26 ~~boundaries of the authority from a city whose municipal boundaries~~
27 ~~cross the boundaries of an authority and thereby result in only a~~
28 ~~portion of the city being subject to local option taxes imposed by~~
29 ~~the authority under chapters 81.104 and 81.112 RCW in order to~~
30 ~~implement a high capacity transit plan, and where the vote to approve~~
31 ~~the city's incorporation occurred simultaneously with an election~~
32 ~~approving the local option taxes, then upon a two-thirds majority~~
33 ~~vote of the governing board of the authority, the governing board~~
34 ~~shall redraw the boundaries of the authority to exclude that portion~~
35 ~~of the city that is located within the authority's boundaries, and~~
36 ~~the excluded area is no longer subject to local option taxes imposed~~
37 ~~by the authority. This subsection expires December 31, 1998.))~~

38 NEW SECTION. Sec. 329. A new section is added to chapter 81.104
39 RCW to read as follows:

1 (1) A regional transit authority that includes a county with a
2 population of more than one million five hundred thousand must
3 develop and seek voter approval for a system plan, which meets the
4 requirements of any transportation subarea equity element used by the
5 authority, to implement a regional equitable transit-oriented
6 development strategy for diverse, vibrant, mixed-use and mixed-income
7 communities consistent with transit-oriented development plans
8 developed with community input by any regional transportation
9 planning organization within the regional transit authority
10 boundaries. This system plan, which must be part of any authorizing
11 proposition submitted to the voters after the effective date of this
12 section, must include the following:

13 (a) The regional transit authority must contribute at least four
14 million dollars each year for five consecutive years beginning within
15 three years of voter approval of the system plan to a revolving loan
16 fund to support the development of affordable housing opportunities
17 related to equitable transit-oriented development within the
18 boundaries of the regional transit authority.

19 (b)(i) A requirement that when a regional transit authority
20 disposes or transfers any surplus property, including, but not
21 limited to, property acquired prior to the effective date of this
22 section, a minimum of eighty percent of the surplus property to be
23 disposed or transferred, including air rights, that is suitable for
24 development as housing, must be offered for either transfer at no
25 cost, sale, or long-term lease first to qualified entities that agree
26 to develop affordable housing on the property, consistent with local
27 land use and zoning laws.

28 (ii)(A) If a qualified entity receives surplus property from a
29 regional transit authority after being offered the property as
30 provided in (b)(i) of this subsection, the authority must require a
31 minimum of eighty percent of the housing units constructed on
32 property obtained under (b)(i) of this subsection to be dedicated to
33 affordable housing.

34 (B) If a qualified entity sells property or development rights
35 obtained through (b)(i) of this subsection, it must use the proceeds
36 from the sale to construct affordable housing within one-half mile of
37 a light rail station or transit station.

38 (c) A requirement that the regional transit authority must work
39 in good faith to implement all requirements of this section, but is
40 not required to comply with a requirement imposed by (b)(i) or (ii)

1 of this subsection if the requirement is in conflict, as determined
2 by the relevant federal agency, with provisions of the applicable
3 federal transit administration master grant agreement, federal
4 transit administration full funding grant agreement with the regional
5 transit authority, or the equivalent federal railroad administration
6 agreement necessary to establish or maintain eligibility for a
7 federal grant program.

8 (d) A requirement that (b) of this subsection does not apply to
9 property to be transferred to governments or third parties in order
10 to facilitate permitting, construction, or mitigation of high-
11 capacity transportation facilities and services.

12 (2) For the purposes of this section:

13 (a) "Affordable housing" means long-term housing for persons,
14 families, or unrelated persons living together whose adjusted income
15 is at or below eighty percent of the median income, adjusted for
16 household size, for the county where the housing is located.

17 (b) "Qualified entity" means a local government, housing
18 authority, and nonprofit developer.

19 (3) A regional transit authority implementing subsection (1)(b)
20 of this section must, at the end of each fiscal quarter, send a
21 report to the appropriate committees of the legislature and post a
22 report on its web site detailing the following activities:

23 (a) Any transfers of property that have occurred in the previous
24 fiscal quarter pursuant to subsection (1)(b) of this section; and

25 (b) Any progress in implementing any regional equitable transit-
26 oriented development strategy for diverse, vibrant, mixed-use and
27 mixed-income communities approved by the voters pursuant to this
28 section.

29 **Sec. 330.** RCW 81.112.210 and 2014 c 153 s 1 are each amended to
30 read as follows:

31 (1) An authority is authorized to establish, by resolution, a
32 schedule of fines and penalties for civil infractions established in
33 RCW 81.112.220. Fines established by an authority shall not exceed
34 those imposed for class 1 infractions under RCW 7.80.120.

35 (2)(a) An authority may designate persons to monitor fare payment
36 who are equivalent to and are authorized to exercise all the powers
37 of an enforcement officer, defined in RCW 7.80.040. An authority is
38 authorized to employ personnel to either monitor fare payment, or to
39 contract for such services, or both.

1 (b) In addition to the specific powers granted to enforcement
2 officers under RCW 7.80.050 and 7.80.060, persons designated to
3 monitor fare payment also have the authority to take the following
4 actions:

5 (i) Request proof of payment from passengers;

6 (ii) Request personal identification from a passenger who does
7 not produce proof of payment when requested;

8 (iii)(A) ~~Issue a notice of infraction ((to passengers who do not~~
9 ~~produce proof of payment when requested))~~ for a civil infraction
10 established in RCW 81.112.220.

11 (B) The notice of infraction form to be used for violations under
12 this subsection must be approved by the administrative office of the
13 courts and must not include vehicle information; and

14 (iv) Request that a passenger leave the authority facility when
15 the passenger has not produced proof of payment after being asked to
16 do so by a person designated to monitor fare payment.

17 (3) Authorities shall keep records of citations in the manner
18 prescribed by RCW 7.80.150. All civil infractions established by
19 chapter 20, Laws of 1999 shall be heard and determined by a district
20 or municipal court as provided in RCW 7.80.010 (1), (2), and (4).

21 **Transfers to Cities and Counties**

22 NEW SECTION. **Sec. 331.** A new section is added to chapter 46.68
23 RCW to read as follows:

24 (1) The state treasurer shall make four equal distributions by
25 the last day of September, December, March, and June of each fiscal
26 year to cities and counties based on the following allocations:

27 (a) For fiscal years 2016 and 2017, five million four hundred
28 sixty-nine thousand dollars from the motor vehicle fund created under
29 RCW 46.68.070 and six million two hundred fifty thousand dollars from
30 the multimodal transportation account created under RCW 47.66.070.

31 (b) For fiscal year 2018 and thereafter, eleven million seven
32 hundred nineteen thousand dollars from the motor vehicle fund created
33 under RCW 46.68.070 and thirteen million three hundred ninety-three
34 thousand dollars from the multimodal transportation account created
35 under RCW 47.66.070.

36 (2) The amounts provided in subsection (1)(a) and (b) of this
37 section must be proportioned evenly between cities and counties.

1 Funds credited to cities must be distributed under RCW 46.68.110(4).
2 Funds credited to counties must be allocated under RCW 46.68.120(4).

3 **PART IV**

4 **MISCELLANEOUS**

5 **Complete Streets Grant Program**

6 **Sec. 401.** RCW 47.04.320 and 2011 c 257 s 2 are each amended to
7 read as follows:

8 (1) The (~~department~~) transportation improvement board shall
9 establish a complete streets grant program within the department's
10 highways and local programs division, or its successor. During
11 program development, the (~~department~~) board shall include, at a
12 minimum, the department of archaeology and historic preservation,
13 local governments, and other organizations or groups that are
14 interested in the complete streets grant program. The purpose of the
15 grant program is to encourage local governments to adopt urban
16 arterial retrofit street ordinances designed to provide safe access
17 to all users, including bicyclists, pedestrians, motorists, and
18 public transportation users, with the goals of:

19 (a) Promoting healthy communities by encouraging walking,
20 bicycling, and using public transportation;

21 (b) Improving safety by designing major arterials to include
22 features such as wider sidewalks, dedicated bicycle facilities,
23 medians, and pedestrian streetscape features, including trees where
24 appropriate;

25 (c) Protecting the environment and reducing congestion by
26 providing safe alternatives to single-occupancy driving; and

27 (d) Preserving community character by involving local citizens
28 and stakeholders to participate in planning and design decisions.

29 (2) For purposes of this section:

30 (a) "Eligible project" means (i) a local government street or
31 road retrofit project that includes the addition of, or significant
32 repair to, facilities that provide street access with all users in
33 mind, including pedestrians, bicyclists, and public transportation
34 users; or (ii) a retrofit project on city streets or county roads
35 that are part of a state highway that include the addition of, or
36 significant repair to, facilities that provide (~~street~~) access with
37 all users in mind, including pedestrians, bicyclists, and public
38 transportation users.

1 (b) "Local government" means incorporated cities and towns and
2 counties that have adopted a jurisdiction-wide complete streets
3 ordinance that plans for the needs of all users and is consistent
4 with sound engineering principles.

5 (c) "Sound engineering principles" means peer-reviewed, context
6 sensitive solutions guides, reports, and publications, consistent
7 with the purposes of this section.

8 (3) In carrying out the purposes of this section, the
9 (~~department~~) transportation improvement board may award funding,
10 subject to the availability of amounts appropriated for this specific
11 purpose, only to eligible projects that are designed consistent with
12 sound engineering principles.

13 (4) The (~~department~~) transportation improvement board must
14 report annually to the transportation committees of the legislature
15 on the status of any grant projects funded by the program created
16 under this section.

17 **Sec. 402.** RCW 47.04.325 and 2011 c 257 s 3 are each amended to
18 read as follows:

19 (1) The complete streets grant program account is created in the
20 state treasury. Moneys in the account may be spent only after
21 appropriation. Only the (~~department~~) transportation improvement
22 board may authorize expenditures from the account. The (~~department~~)
23 board may use complete streets grant program funds for city streets,
24 county roads, and city streets and county roads that are part of a
25 state highway. Expenditures from the account may be used solely for
26 the grants provided under RCW 47.04.320.

27 (2) The (~~department~~) transportation improvement board may
28 solicit and receive gifts, grants, or endowments from private and
29 other sources that are made, in trust or otherwise, for the use and
30 benefit of the purposes of the complete streets grant program as
31 provided in RCW 47.04.320.

32 **Electric Vehicle Infrastructure Bank**

33 NEW SECTION. **Sec. 403.** A new section is added to chapter 47.04
34 RCW to read as follows:

35 (1) The department's public-private partnership office must
36 develop a pilot program to support the deployment of electric vehicle
37 charging infrastructure that is supported by private financing.

1 (2) The department must define corridors in which bidders may
2 propose to install electric vehicle charging infrastructure.
3 Alternatively, a bidder may propose a corridor in which the bidder
4 proposes to install electric vehicle infrastructure if the department
5 has adopted rules allowing such a proposal and establishing
6 guidelines for how such a proposal will be considered.

7 (3)(a) For bid proposals under this section, the department must
8 require the following:

9 (i) Bidders must have private sector partners contributing to the
10 project who stand to gain indirect value from development of the
11 project, such as motor vehicle manufacturers, retail stores, or
12 tourism stakeholders;

13 (ii) Bidders must demonstrate that the proposed project will be
14 valuable to electric vehicle drivers and will address an existing gap
15 in the state's electric vehicle charging station infrastructure;

16 (iii) Projects must be expected to be profitable and sustainable
17 for the owner-operator and the private partner; and

18 (iv) Bidders must specify how the project captures the indirect
19 value of charging station deployment to the private partner.

20 (b) The department may adopt rules that require any other
21 criteria for a successful project.

22 (4) In evaluating proposals under this section, the department
23 may use the electric vehicle financial analysis tool that was
24 developed in the joint transportation committee's study into
25 financing electric vehicle charging station infrastructure.

26 (5)(a) After selecting a successful proposer under this section,
27 the department may provide a loan or grant to the proposer.

28 (b) Grants and loans issued under this subsection must be funded
29 from the electric vehicle charging infrastructure account created in
30 section 404 of this act.

31 (c) Any project selected for support under this section is
32 eligible for only one grant or loan as a part of the pilot program.

33 (6) The department may conduct preliminary workshops with
34 potential bidders and other potential private sector partners to
35 determine the best method of designing the pilot program, discuss how
36 to develop the partnerships among the private sector partners that
37 may receive indirect value, and any other issues relating to the
38 implementation of this section. The department should consider
39 regional workshops to engage potential business partners from across
40 the state.

1 (7) The department must adopt rules to implement this section.

2 NEW SECTION. **Sec. 404.** A new section is added to chapter 82.44
3 RCW to read as follows:

4 The electric vehicle charging infrastructure account is created
5 in the transportation infrastructure account. Proceeds from the
6 principal and interest payments made on loans from the account must
7 be deposited into the account. Expenditures from the account may be
8 used only for the purposes specified in section 403 of this act.
9 Moneys in the account may be spent only after appropriation.

10 **Tacoma Narrows Bridge Sales Tax Deferral**

11 **Sec. 405.** RCW 47.46.060 and 2012 c 77 s 1 are each amended to
12 read as follows:

13 (1) Any person, including the department of transportation and
14 any private entity or entities, may apply for deferral of taxes on
15 the site preparation for, the construction of, the acquisition of any
16 related machinery and equipment that becomes a part of, and the
17 rental of equipment for use in the state route number 16 corridor
18 improvements project under this chapter. Application must be made to
19 the department of revenue in a form and manner prescribed by the
20 department of revenue. The application must contain information
21 regarding estimated or actual costs, time schedules for completion
22 and operation, and other information required by the department of
23 revenue. The department of revenue must approve the application
24 within sixty days if it meets the requirements of this section.

25 (2) The department of revenue must issue a sales and use tax
26 deferral certificate for state and local sales and use taxes due
27 under chapters 82.08, 82.12, and 82.14 RCW on the project.

28 (3) The department of transportation or a private entity granted
29 a tax deferral under this section must begin paying the deferred
30 taxes in the (~~eleventh~~) twenty-fourth year after the date certified
31 by the department of revenue as the date on which the project is
32 operationally complete. The first payment is due on December 31st of
33 the (~~eleventh~~) twenty-fourth calendar year after such certified
34 date, with subsequent annual payments due on December 31st of the
35 following nine years. Each payment must equal ten percent of the
36 deferred tax. The project is operationally complete under this

1 section when the collection of tolls is commenced for the state route
2 number 16 improvements covered by the deferral.

3 (4) The department of revenue may authorize an accelerated
4 repayment schedule upon request of the department of transportation
5 or a private entity granted a deferral under this section.

6 (5) Interest may not be charged on any taxes deferred under this
7 section for the period of deferral, although all other penalties and
8 interest applicable to delinquent excise taxes may be assessed and
9 imposed for delinquent payments under this section. The debt for
10 deferred taxes is not extinguished by insolvency or other failure of
11 the private entity. Transfer of ownership does not terminate the
12 deferral.

13 (6) Applications and any other information received by the
14 department of revenue under this section are not confidential and are
15 subject to disclosure. Chapter 82.32 RCW applies to the
16 administration of this section.

17 **Traffic Safety Cameras**

18 **Sec. 406.** RCW 46.63.170 and 2015 1st sp.s. c 10 s 702 are each
19 amended to read as follows:

20 (1) The use of automated traffic safety cameras for issuance of
21 notices of infraction is subject to the following requirements:

22 (a) The appropriate local legislative authority must prepare an
23 analysis of the locations within the jurisdiction where automated
24 traffic safety cameras are proposed to be located: (i) Before
25 enacting an ordinance allowing for the initial use of automated
26 traffic safety cameras; and (ii) before adding additional cameras or
27 relocating any existing camera to a new location within the
28 jurisdiction. Automated traffic safety cameras may be used to detect
29 one or more of the following: Stoplight, railroad crossing, or school
30 speed zone violations; or speed violations subject to (c) of this
31 subsection. At a minimum, the local ordinance must contain the
32 restrictions described in this section and provisions for public
33 notice and signage. Cities and counties using automated traffic
34 safety cameras before July 24, 2005, are subject to the restrictions
35 described in this section, but are not required to enact an
36 authorizing ordinance. Beginning one year after June 7, 2012, cities
37 and counties using automated traffic safety cameras must post an
38 annual report of the number of traffic accidents that occurred at

1 each location where an automated traffic safety camera is located as
2 well as the number of notices of infraction issued for each camera
3 and any other relevant information about the automated traffic safety
4 cameras that the city or county deems appropriate on the city's or
5 county's web site.

6 (b) Except as provided in (c) of this subsection, use of
7 automated traffic safety cameras is restricted to the following
8 locations only: (i) Intersections of two arterials with traffic
9 control signals that have yellow change interval durations in
10 accordance with RCW 47.36.022, which interval durations may not be
11 reduced after placement of the camera; (ii) railroad crossings; and
12 (iii) school speed zones.

13 (c) (~~During the 2013-2015 and 2015-2017 fiscal biennia,~~
14 ~~automated traffic safety cameras may be used to detect speed~~
15 ~~violations for the purposes of section 201(4), chapter 306, Laws of~~
16 ~~2013 and section 201(1), chapter 10, Laws of 2015 1st sp. sess. if~~
17 ~~the local legislative authority first enacts an ordinance authorizing~~
18 ~~the use of cameras to detect speed violations.)) Any city west of the
19 Cascade mountains with a population of more than one hundred ninety-
20 five thousand located in a county with a population of fewer than one
21 million five hundred thousand may operate an automated traffic safety
22 camera to detect speed violations subject to the following
23 limitations:~~

24 (i) A city may only operate one such automated traffic safety
25 camera within its respective jurisdiction; and

26 (ii) The use and location of the automated traffic safety camera
27 must have first been authorized by the Washington state legislature
28 as a pilot project for at least one full year.

29 (d) Automated traffic safety cameras may only take pictures of
30 the vehicle and vehicle license plate and only while an infraction is
31 occurring. The picture must not reveal the face of the driver or of
32 passengers in the vehicle. The primary purpose of camera placement is
33 to take pictures of the vehicle and vehicle license plate when an
34 infraction is occurring. Cities and counties shall consider
35 installing cameras in a manner that minimizes the impact of camera
36 flash on drivers.

37 (e) A notice of infraction must be mailed to the registered owner
38 of the vehicle within fourteen days of the violation, or to the
39 renter of a vehicle within fourteen days of establishing the renter's
40 name and address under subsection (3)(a) of this section. The law

1 enforcement officer issuing the notice of infraction shall include
2 with it a certificate or facsimile thereof, based upon inspection of
3 photographs, microphotographs, or electronic images produced by an
4 automated traffic safety camera, stating the facts supporting the
5 notice of infraction. This certificate or facsimile is prima facie
6 evidence of the facts contained in it and is admissible in a
7 proceeding charging a violation under this chapter. The photographs,
8 microphotographs, or electronic images evidencing the violation must
9 be available for inspection and admission into evidence in a
10 proceeding to adjudicate the liability for the infraction. A person
11 receiving a notice of infraction based on evidence detected by an
12 automated traffic safety camera may respond to the notice by mail.

13 (f) The registered owner of a vehicle is responsible for an
14 infraction under RCW 46.63.030(1)(d) unless the registered owner
15 overcomes the presumption in RCW 46.63.075, or, in the case of a
16 rental car business, satisfies the conditions under subsection (3) of
17 this section. If appropriate under the circumstances, a renter
18 identified under subsection (3)(a) of this section is responsible for
19 an infraction.

20 (g) Notwithstanding any other provision of law, all photographs,
21 microphotographs, or electronic images prepared under this section
22 are for the exclusive use of law enforcement in the discharge of
23 duties under this section and are not open to the public and may not
24 be used in a court in a pending action or proceeding unless the
25 action or proceeding relates to a violation under this section. No
26 photograph, microphotograph, or electronic image may be used for any
27 purpose other than enforcement of violations under this section nor
28 retained longer than necessary to enforce this section.

29 (h) All locations where an automated traffic safety camera is
30 used must be clearly marked at least thirty days prior to activation
31 of the camera by placing signs in locations that clearly indicate to
32 a driver that he or she is entering a zone where traffic laws are
33 enforced by an automated traffic safety camera. Signs placed in
34 automated traffic safety camera locations after June 7, 2012, must
35 follow the specifications and guidelines under the manual of uniform
36 traffic control devices for streets and highways as adopted by the
37 department of transportation under chapter 47.36 RCW.

38 (i) If a county or city has established an authorized automated
39 traffic safety camera program under this section, the compensation
40 paid to the manufacturer or vendor of the equipment used must be

1 based only upon the value of the equipment and services provided or
2 rendered in support of the system, and may not be based upon a
3 portion of the fine or civil penalty imposed or the revenue generated
4 by the equipment.

5 (2) Infractions detected through the use of automated traffic
6 safety cameras are not part of the registered owner's driving record
7 under RCW 46.52.101 and 46.52.120. Additionally, infractions
8 generated by the use of automated traffic safety cameras under this
9 section shall be processed in the same manner as parking infractions,
10 including for the purposes of RCW 3.50.100, 35.20.220, 46.16A.120,
11 and 46.20.270(2). The amount of the fine issued for an infraction
12 generated through the use of an automated traffic safety camera shall
13 not exceed the amount of a fine issued for other parking infractions
14 within the jurisdiction. However, the amount of the fine issued for a
15 traffic control signal violation detected through the use of an
16 automated traffic safety camera shall not exceed the monetary penalty
17 for a violation of RCW 46.61.050 as provided under RCW 46.63.110,
18 including all applicable statutory assessments.

19 (3) If the registered owner of the vehicle is a rental car
20 business, the law enforcement agency shall, before a notice of
21 infraction being issued under this section, provide a written notice
22 to the rental car business that a notice of infraction may be issued
23 to the rental car business if the rental car business does not,
24 within eighteen days of receiving the written notice, provide to the
25 issuing agency by return mail:

26 (a) A statement under oath stating the name and known mailing
27 address of the individual driving or renting the vehicle when the
28 infraction occurred; or

29 (b) A statement under oath that the business is unable to
30 determine who was driving or renting the vehicle at the time the
31 infraction occurred because the vehicle was stolen at the time of the
32 infraction. A statement provided under this subsection must be
33 accompanied by a copy of a filed police report regarding the vehicle
34 theft; or

35 (c) In lieu of identifying the vehicle operator, the rental car
36 business may pay the applicable penalty.

37 Timely mailing of this statement to the issuing law enforcement
38 agency relieves a rental car business of any liability under this
39 chapter for the notice of infraction.

1 (4) Nothing in this section prohibits a law enforcement officer
2 from issuing a notice of traffic infraction to a person in control of
3 a vehicle at the time a violation occurs under RCW 46.63.030(1) (a),
4 (b), or (c).

5 (5) For the purposes of this section, "automated traffic safety
6 camera" means a device that uses a vehicle sensor installed to work
7 in conjunction with an intersection traffic control system, a
8 railroad grade crossing control system, or a speed measuring device,
9 and a camera synchronized to automatically record one or more
10 sequenced photographs, microphotographs, or electronic images of the
11 rear of a motor vehicle at the time the vehicle fails to stop when
12 facing a steady red traffic control signal or an activated railroad
13 grade crossing control signal, or exceeds a speed limit (~~(in a school~~
14 ~~speed zone)~~) as detected by a speed measuring device. (~~(During the~~
15 ~~2013-2015 and 2015-2017 fiscal biennia, an automated traffic safety~~
16 ~~camera includes a camera used to detect speed violations for the~~
17 ~~purposes of section 201(4), chapter 306, Laws of 2013 and section~~
18 ~~201(1), chapter 10, Laws of 2015 1st sp. sess.)~~)

19 (6) During the 2011-2013 and 2013-2015 fiscal biennia, this
20 section does not apply to automated traffic safety cameras for the
21 purposes of section 216(5), chapter 367, Laws of 2011 and section
22 216(6), chapter 306, Laws of 2013.

23 **Alternative Fuel Sales and Use Tax Exemptions**

24 NEW SECTION. **Sec. 407.** This section is the tax preference
25 performance statement for the tax preferences contained in sections
26 408 and 409 of this act. The performance statement is only intended
27 to be used for subsequent evaluation of the tax preference. It is not
28 intended to create a private right of action by any party or be used
29 to determine eligibility for preferential tax treatment.

30 (1) The legislature categorizes the tax preference as one
31 intended to induce certain designated behavior by taxpayers, as
32 indicated in RCW 82.32.808(2)(a).

33 (2) It is the legislature's specific public policy objective to
34 increase the use of clean alternative fuel vehicles in Washington. It
35 is the legislature's intent to extend the existing sales and use tax
36 exemption on certain clean alternative fuel vehicles in order to
37 reduce the price charged to customers for clean alternative fuel
38 vehicles.

1 (3) To measure the effectiveness of the tax preferences in
2 sections 408 and 409 of this act in achieving the public policy
3 objectives described in subsection (2) of this section, the joint
4 legislative audit and review committee must evaluate the number of
5 clean alternative fuel vehicles registered in the state.

6 (4) In order to obtain the data necessary to perform the review
7 in subsection (3) of this section, the department of licensing must
8 provide data needed for the joint legislative audit and review
9 committee analysis. In addition to the data source described under
10 this subsection, the joint legislative audit and review committee may
11 use any other data it deems necessary.

12 **Sec. 408.** RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each
13 amended to read as follows:

14 (1)~~((a))~~ Except as provided in subsection (4) of this section,
15 the tax levied by RCW 82.08.020 does not apply to sales of new
16 passenger cars, light duty trucks, and medium duty passenger
17 vehicles, which (a) are exclusively powered by a clean alternative
18 fuel or (b) use at least one method of propulsion that is capable of
19 being reenergized by an external source of electricity and are
20 capable of traveling at least thirty miles using only battery power.

21 ~~((b) The tax levied by RCW 82.08.020 does not apply to sales of~~
22 ~~qualifying used passenger cars, light duty trucks, and medium duty~~
23 ~~passenger vehicles, which were modified after their initial purchase,~~
24 ~~with an EPA certified conversion to be exclusively powered by a clean~~
25 ~~alternative fuel. "Qualifying used passenger cars, light duty trucks,~~
26 ~~and medium duty passenger vehicles" means vehicles that:~~

27 ~~(i) Are part of a fleet of at least five vehicles, all owned by~~
28 ~~the same person;~~

29 ~~(ii) Have an odometer reading of less than thirty thousand miles;~~

30 ~~(iii) Are less than two years past their original date of~~
31 ~~manufacture; and~~

32 ~~(iv) Are being sold for the first time after modification.)~~

33 (2) The seller must keep records necessary for the department to
34 verify eligibility under this section.

35 (3) As used in this section, "clean alternative fuel" means
36 natural gas, propane, hydrogen, or electricity, when used as a fuel
37 in a motor vehicle that meets the California motor vehicle emission
38 standards in Title 13 of the California code of regulations,

1 effective January 1, 2005, and the rules of the Washington state
2 department of ecology.

3 (4)(a) A sale, other than a lease, is not exempt from sales tax
4 as described under subsection (1) of this section if the selling
5 price of the vehicle plus trade-in property of like kind exceeds
6 thirty-five thousand dollars.

7 (b) For leased vehicles for which the lease agreement is signed
8 on or after the effective date of this section, lease payments are
9 not exempt from sales tax as described under subsection (1) of this
10 section if the fair market value of the vehicle being leased exceeds
11 thirty-five thousand dollars at the inception of the lease. For the
12 purposes of this subsection (4)(b), "fair market value" has the same
13 meaning as "value of the article used" in RCW 82.12.010.

14 (c) For leased vehicles for which the lease agreement was signed
15 before the effective date of this section, lease payments are exempt
16 from sales tax as described under subsection (1) of this section
17 regardless of the vehicle's fair market value at the inception of the
18 lease.

19 (5) On the last day of January, April, July, and October of each
20 year, the state treasurer, based upon information provided by the
21 department, must transfer from the multimodal transportation account
22 to the general fund a sum equal to the dollar amount that would
23 otherwise have been deposited into the general fund during the prior
24 calendar quarter but for the exemption provided in this section.
25 Information provided by the department to the state treasurer must be
26 based on the best available data, except that the department may
27 provide estimates of taxes exempted under this section until such
28 time as retailers are able to report such exempted amounts on their
29 tax returns. For purposes of this section, the first transfer for the
30 calendar quarter after the effective date of this section must be
31 calculated assuming only those revenues that should have been
32 deposited into the general fund beginning July 1, 2015.

33 (6) Lease payments due on or after July 1, 2019, are subject to
34 the taxes imposed under this chapter.

35 (7) This section expires July 1, ((2015)) 2019.

36 **Sec. 409.** RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each
37 amended to read as follows:

38 (1)((+a)) Except as provided in subsection (4) of this section,
39 until July 1, ((2015)) 2019, the provisions of this chapter do not

1 apply in respect to the use of new passenger cars, light duty trucks,
2 and medium duty passenger vehicles, which (a) are exclusively powered
3 by a clean alternative fuel or (b) use at least one method of
4 propulsion that is capable of being reenergized by an external source
5 of electricity and are capable of traveling at least thirty miles
6 using only battery power.

7 ~~((b) Until July 1, 2015, the provisions of this chapter do not
8 apply to the use of qualifying used passenger cars, light duty
9 trucks, and medium duty passenger vehicles, which were modified after
10 their initial purchase with an EPA certified conversion to be
11 exclusively powered by a clean alternative fuel. As used in this
12 subsection, "qualifying used passenger cars, light duty trucks, and
13 medium duty passenger vehicles" has the same meaning as provided in
14 RCW 82.08.809.))~~

15 (2) ~~("Clean alternative fuel" has the same meaning as provided
16 in RCW 82.08.809.))~~ The definitions in RCW 82.08.809 apply to this
17 section.

18 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020
19 on the use, on or after July 1, ~~((2015))~~ 2019, of a passenger car,
20 light duty truck, or medium duty passenger vehicle that is
21 exclusively powered by a clean alternative fuel or uses at least one
22 method of propulsion that is capable of being reenergized by an
23 external source of electricity and is capable of traveling at least
24 thirty miles using only battery power, if the taxpayer used such
25 vehicle in this state before July 1, ~~((2015))~~ 2019, and the use was
26 exempt under this section from the tax imposed in RCW 82.12.020.

27 (4)(a) For vehicles purchased on or after the effective date of
28 this section or for leased vehicles for which the lease agreement was
29 signed on or after the effective date of this section, a vehicle is
30 not exempt from use tax as described under subsection (1) of this
31 section if the fair market value of the vehicle exceeds thirty-five
32 thousand dollars at the time the tax is imposed for purchased
33 vehicles, or at the inception of the lease for leased vehicles.

34 (b) For leased vehicles for which the lease agreement was signed
35 before the effective date of this section, lease payments are exempt
36 from use tax as described under subsection (1) of this section
37 regardless of the vehicle's fair market value at the inception of the
38 lease.

39 (5) On the last day of January, April, July, and October of each
40 year, the state treasurer, based upon information provided by the

1 department, must transfer from the multimodal transportation account
2 to the general fund a sum equal to the dollar amount that would
3 otherwise have been deposited into the general fund during the prior
4 calendar quarter but for the exemption provided in this section.
5 Information provided by the department to the state treasurer must be
6 based on the best available data. For purposes of this section, the
7 first transfer for the calendar quarter after the effective date of
8 this section must be calculated assuming only those revenues that
9 should have been deposited into the general fund beginning July 1,
10 2015.

11 (6) Lease payments due on or after July 1, 2019, are subject to
12 the taxes imposed under this chapter.

13 **Alternative Fuel Commercial Vehicle Tax Credits**

14 NEW SECTION. Sec. 410. (1) This section and sections 411 and
15 412 of this act may be known and cited as the clean fuel vehicle
16 incentives act.

17 (2) The legislature finds that cleaner fuels reduce greenhouse
18 gas emissions in the transportation sector and lead to a more
19 sustainable environment. The legislature further finds that
20 alternative fuel vehicles cost more than comparable models of
21 conventional fuel vehicles, particularly in the commercial market.
22 The legislature further finds the higher cost of alternative fuel
23 vehicles incentivize companies to purchase comparable models of
24 conventional fuel vehicles. The legislature further finds that other
25 states provide various tax credits and exemptions. The legislature
26 further finds incentivizing businesses to purchase cleaner,
27 alternative fuel vehicles is a collaborative step toward meeting the
28 state's climate and environmental goals.

29 (3)(a) This subsection is the tax preference performance
30 statement for the clean alternative fuel vehicle tax credits provided
31 in sections 411 and 412 of this act. The performance statement is
32 only intended to be used for subsequent evaluation of the tax
33 preference. It is not intended to create a private right of action by
34 any party or be used to determine eligibility for preferential tax
35 treatment.

36 (b) The legislature categorizes the tax preference as one
37 intended to induce certain designated behavior by taxpayers.

1 (c) It is the legislature's specific public policy objective to
2 provide a credit against business and occupation and public utility
3 taxes to increase sales of commercial vehicles that use clean
4 alternative fuel to ten percent of commercial vehicle sales by 2021.

5 (d) To measure the effectiveness of the credit provided in this
6 act in achieving the specific public policy objective described in
7 (c) of this subsection, the joint legislative audit and review
8 committee must, at minimum, evaluate the changes in the number of
9 commercial vehicles that are powered by clean alternative fuel that
10 are registered in Washington state.

11 (e)(i) The department of licensing must provide data needed for
12 the joint legislative audit and review committee's analysis in (d) of
13 this subsection.

14 (ii) In addition to the data source described under (e)(i) of
15 this subsection, the joint legislative audit and review committee may
16 use any other data it deems necessary in performing the evaluation
17 under (d) of this subsection.

18 NEW SECTION. **Sec. 411.** A new section is added to chapter 82.04
19 RCW to read as follows:

20 (1)(a) A person who is taxable under this chapter is allowed a
21 credit against the tax imposed in this chapter according to the gross
22 vehicle weight rating of the vehicle and the incremental cost of the
23 vehicle purchased above the purchase price of a comparable
24 conventionally fueled vehicle. The credit is limited, as set forth in
25 the table below, to the lesser of the incremental cost amount or the
26 maximum credit amount per vehicle purchased, and subject to a maximum
27 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	50% of incremental cost	\$5,000	\$2,000,000
14,001 to 26,500 pounds	50% of incremental cost	\$10,000	\$2,000,000
Above 26,500 pounds	50% of incremental cost	\$20,000	\$2,000,000

33 (b) On September 1st of each year any unused credits from any
34 weight class identified in the table in (a) of this subsection must
35 be made available to applicants applying for credits under any other
36 weight class listed.

1 (c) The credit provided in this subsection (1) is not available
2 for the lease of a vehicle.

3 (2) A person who is taxable under this chapter is allowed,
4 subject to the maximum annual credit per vehicle class in subsection
5 (1)(a) of this section, a credit against the tax imposed in this
6 chapter for the lesser of twenty-five thousand dollars or thirty
7 percent of the costs of converting a commercial vehicle to be
8 principally powered by a clean alternative fuel with a United States
9 environmental protection agency certified conversion.

10 (3) The total credits under this section may not exceed the
11 lesser of two hundred fifty thousand dollars or twenty-five vehicles
12 per person per calendar year.

13 (4) A person may not receive credit under this section for
14 amounts claimed as credits under chapter 82.16 RCW.

15 (5) Credits are available on a first-in-time basis. The
16 department must disallow any credits, or portion thereof, that would
17 cause the total amount of credits claimed under this section, and
18 section 412 of this act, during any calendar year to exceed six
19 million dollars. The department must provide notification on its web
20 site monthly on the amount of credits that have been applied for, the
21 amount issued, and the amount remaining before the statewide annual
22 limit is reached. In addition, the department must provide written
23 notice to any person who has applied to claim tax credits in excess
24 of the limitation in this subsection.

25 (6) For the purposes of the limits provided in this section, a
26 credit must be counted against such limits for the calendar year in
27 which the credit is earned.

28 (7) To claim a credit under this section a person must
29 electronically file with the department all returns, forms, and any
30 other information required by the department, in an electronic format
31 as provided or approved by the department. No refunds may be granted
32 for credits under this section.

33 (8) To claim a credit under this section, the person applying
34 must:

35 (a) Complete an application for the credit which must include:

36 (i) The name, business address, and tax identification number of
37 the applicant;

38 (ii) A quote or unexecuted copy of the purchase requisition or
39 order for the vehicle;

40 (iii) The type of alternative fuel to be used by the vehicle;

1 (iv) The incremental cost of the alternative fuel system;
2 (v) The anticipated delivery date of the vehicle;
3 (vi) The estimated annual fuel use of the vehicle in its
4 anticipated duties;
5 (vii) The gross weight of the vehicle; and
6 (viii) Any other information deemed necessary by the department
7 to support administration or reporting of the program.
8 (b) Within fifteen days of notice of credit availability from the
9 department, provide notice of intent to claim the credit including:
10 (i) A copy of the order for the vehicle, including the total cost
11 for the vehicle;
12 (ii) The anticipated delivery date of the vehicle, which must be
13 within one hundred twenty days of acceptance of the credit; and
14 (iii) Any other information deemed necessary by the department to
15 support administration or reporting of the program.
16 (c) Provide final documentation within fifteen days of receipt of
17 the vehicle, including:
18 (i) A copy of the final invoice for the vehicle;
19 (ii) A copy of the factory build sheet or equivalent
20 documentation;
21 (iii) The vehicle identification number of the vehicle;
22 (iv) The incremental cost of the alternative fuel system;
23 (v) Attestations signed by both the seller and purchaser of the
24 vehicle attesting that the incremental cost of the alternative fuel
25 system includes only the costs necessary for the vehicle to run on
26 alternative fuel and no other vehicle options, equipment, or costs;
27 and
28 (vi) Any other information deemed necessary by the department to
29 support administration or reporting of the program.
30 (9) To administer the credits, the department must, at a minimum:
31 (a) Provide notification on its web site monthly of the amount of
32 credits that have been applied for, claimed, and the amount remaining
33 before the statewide annual limit is reached;
34 (b) Within fifteen days of receipt of the application, notify
35 persons applying of the availability of tax credits in the year in
36 which the vehicles applied for are anticipated to be delivered;
37 (c) Within fifteen days of receipt of the notice of intent to
38 claim the tax credit, notify the applicant of the approval, denial,
39 or missing information in their notice; and

1 (d) Within fifteen days of receipt of final documentation, review
2 the documentation and notify the person applying of the acceptance of
3 their final documentation.

4 (10) If a person fails to supply the information as required in
5 subsection (8) of this section, the department must deny the
6 application.

7 (11)(a) Taxpayers are only eligible for a credit under this
8 section based on:

9 (i) Sales, but not leases, of new commercial vehicles and
10 qualifying used commercial vehicles with propulsion units that are
11 principally powered by a clean alternative fuel; or

12 (ii) Costs to modify a commercial vehicle, including sales of
13 tangible personal property incorporated into the vehicle and labor or
14 service expenses incurred in modifying the vehicle, to be principally
15 powered by a clean alternative fuel.

16 (b) A credit is earned when qualifying purchases are made.

17 (12) A credit earned during one calendar year may be carried over
18 to be credited against taxes incurred in the subsequent calendar
19 year, but may not be carried over a second year.

20 (13)(a) Beginning November 25, 2015, and on the 25th of February,
21 May, August, and November of each year thereafter, the department
22 must notify the state treasurer of the amount of credits taken under
23 this section as reported on returns filed with the department during
24 the preceding calendar quarter ending on the last day of December,
25 March, June, and September, respectively.

26 (b) On the last day of March, June, September, and December of
27 each year, the state treasurer, based upon information provided by
28 the department, must transfer a sum equal to the dollar amount of the
29 credit provided under this section from the multimodal transportation
30 account to the general fund.

31 (14) The definitions in this subsection apply throughout this
32 section unless the context clearly requires otherwise.

33 (a) "Commercial vehicle" means any commercial vehicle that is
34 purchased by a private business and that is used exclusively in the
35 transportation of commodities, merchandise, produce, refuse, freight,
36 or animals, and that is displaying a Washington state license plate.

37 (b) "Clean alternative fuel" means electricity, dimethyl ether,
38 hydrogen, methane, natural gas, liquefied natural gas, compressed
39 natural gas, or propane.

40 (c) "Qualifying used commercial vehicle" means vehicles that:

- 1 (i) Have an odometer reading of less than thirty thousand miles;
 2 (ii) Are less than two years past their original date of
 3 manufacture;
 4 (iii) Were modified after the initial purchase with a United
 5 States environmental protection agency certified conversion that
 6 would allow the propulsion units to be principally powered by a clean
 7 alternative fuel; and
 8 (iv) Are being sold for the first time after modification.
 9 (15) Credits may be earned under this section from January 1,
 10 2016, through January 1, 2021.
 11 (16) Credits earned under this section may not be used after
 12 January 1, 2022.

13 NEW SECTION. **Sec. 412.** A new section is added to chapter 82.16
 14 RCW to read as follows:

15 (1)(a) A person who is taxable under this chapter is allowed a
 16 credit against the tax imposed in this chapter according to the gross
 17 vehicle weight rating of the vehicle and the incremental cost of the
 18 vehicle purchased above the purchase price of a comparable
 19 conventionally fueled vehicle. The credit is limited, as set forth in
 20 the table below, to the lesser of the incremental cost amount or the
 21 maximum credit amount per vehicle purchased, and subject to a maximum
 22 annual credit amount per vehicle class.

Gross Vehicle Weight	Incremental Cost Amount	Maximum Credit Amount Per Vehicle	Maximum Annual Credit Per Vehicle Class
Up to 14,000 pounds	50% of incremental cost	\$5,000	\$2,000,000
14,001 to 26,500 pounds	50% of incremental cost	\$10,000	\$2,000,000
Above 26,500 pounds	50% of incremental cost	\$20,000	\$2,000,000

28 (b) On September 1st of each year any unused credits from any
 29 weight class identified in the table in (a) of this subsection must
 30 be made available to applicants applying for credits under any other
 31 weight class listed.

32 (c) The credit provided in this subsection (1) is not available
 33 for the lease of a vehicle.

34 (2) A person who is taxable under this chapter is allowed,
 35 subject to the maximum annual credit per vehicle class in subsection
 36 (1)(a) of this section, a credit against the tax imposed in this
 37 chapter for the lesser of twenty-five thousand dollars or thirty

1 percent of the costs of converting a commercial vehicle to be
2 principally powered by a clean alternative fuel with a United States
3 environmental protection agency certified conversion.

4 (3) The total credits under this section may not exceed two
5 hundred fifty thousand dollars or twenty-five vehicles per person per
6 calendar year.

7 (4) A person may not receive credit under this section for
8 amounts claimed as credits under chapter 82.04 RCW.

9 (5) Credits are available on a first-in-time basis. The
10 department must disallow any credits, or portion thereof, that would
11 cause the total amount of credits claimed under this section, and
12 section 411 of this act, during any calendar year to exceed six
13 million dollars. The department must provide notification on its web
14 site monthly on the amount of credits that have been applied for, the
15 amount issued, and the amount remaining before the statewide annual
16 limit is reached. In addition, the department must provide written
17 notice to any person who has applied to claim tax credits in excess
18 of the limitation in this subsection.

19 (6) For the purposes of the limits provided in this section, a
20 credit must be counted against such limits for the calendar year in
21 which the credit is earned.

22 (7) To claim a credit under this section a person must
23 electronically file with the department all returns, forms, and any
24 other information required by the department, in an electronic format
25 as provided or approved by the department. No refunds may be granted
26 for credits under this section.

27 (8) To claim a credit under this section, the person applying
28 must:

29 (a) Complete an application for the credit which must include:

30 (i) The name, business address, and tax identification number of
31 the applicant;

32 (ii) A quote or unexecuted copy of the purchase requisition or
33 order for the vehicle;

34 (iii) The type of alternative fuel to be used by the vehicle;

35 (iv) The incremental cost of the alternative fuel system;

36 (v) The anticipated delivery date of the vehicle;

37 (vi) The estimated annual fuel use of the vehicle in its
38 anticipated duties;

39 (vii) The gross weight of the vehicle; and

1 (viii) Any other information deemed necessary by the department
2 to support administration or reporting of the program.

3 (b) Within fifteen days of notice of credit availability from the
4 department, provide notice of intent to claim the credit including:

5 (i) A copy of the order for the vehicle, including the total cost
6 for the vehicle;

7 (ii) The anticipated delivery date of the vehicle, which must be
8 within one hundred twenty days of acceptance of the credit; and

9 (iii) Any other information deemed necessary by the department to
10 support administration or reporting of the program.

11 (c) Provide final documentation within fifteen days of receipt of
12 the vehicle, including:

13 (i) A copy of the final invoice for the vehicle;

14 (ii) A copy of the factory build sheet or equivalent
15 documentation;

16 (iii) The vehicle identification number of the vehicle;

17 (iv) The incremental cost of the alternative fuel system;

18 (v) Attestations signed by both the seller and purchaser of the
19 vehicle attesting that the incremental cost of the alternative fuel
20 system includes only the costs necessary for the vehicle to run on
21 alternative fuel and no other vehicle options, equipment, or costs;
22 and

23 (vi) Any other information deemed necessary by the department to
24 support administration or reporting of the program.

25 (9) To administer the credits, the department must, at a minimum:

26 (a) Provide notification on its web site monthly of the amount of
27 credits that have been applied for, claimed, and the amount remaining
28 before the statewide annual limit is reached;

29 (b) Within fifteen days of receipt of the application, notify
30 persons applying of the availability of tax credits in the year in
31 which the vehicles applied for are anticipated to be delivered;

32 (c) Within fifteen days of receipt of the notice of intent to
33 claim the tax credit, notify the applicant of the approval, denial,
34 or missing information in their notice; and

35 (d) Within fifteen days of receipt of final documentation, review
36 the documentation and notify the person applying of the acceptance of
37 their final documentation.

38 (10) If a person fails to supply the information as required in
39 subsection (8) of this section, the department must deny the
40 application.

1 (11)(a) Taxpayers are only eligible for a credit under this
2 section based on:

3 (i) Sales, but not leases, of new commercial vehicles and
4 qualifying used commercial vehicles with propulsion units that are
5 principally powered by a clean alternative fuel; or

6 (ii) Costs to modify a commercial vehicle, including sales of
7 tangible personal property incorporated into the vehicle and labor or
8 service expenses incurred in modifying the vehicle, to be principally
9 powered by a clean alternative fuel.

10 (b) A credit is earned when qualifying purchases are made.

11 (12) The definitions in section 411 of this act apply to this
12 section.

13 (13) A credit earned during one calendar year may be carried over
14 to be credited against taxes incurred in the subsequent calendar
15 year, but may not be carried over a second year.

16 (14)(a) Beginning November 25, 2015, and on the 25th of February,
17 May, August, and November of each year thereafter, the department
18 must notify the state treasurer of the amount of credits taken under
19 this section as reported on returns filed with the department during
20 the preceding calendar quarter ending on the last day of December,
21 March, June, and September, respectively.

22 (b) On the last day of March, June, September, and December of
23 each year, the state treasurer, based upon information provided by
24 the department, must transfer a sum equal to the dollar amount of the
25 credit provided under this section from the multimodal transportation
26 account to the general fund.

27 (15) Credits may be earned under this section from January 1,
28 2016, through January 1, 2021.

29 (16) Credits earned under this section may not be used after
30 January 1, 2022.

31 Commute Trip Reduction Tax Credit

32 **Sec. 413.** RCW 82.70.020 and 2015 1st sp.s. c 10 s 708 are each
33 amended to read as follows:

34 (1) Employers in this state who are taxable under chapter 82.04
35 or 82.16 RCW and provide financial incentives to their own or other
36 employees for ride sharing, for using public transportation, for
37 using car sharing, or for using nonmotorized commuting before (~~July~~
38 ~~1, 2017~~) January 1, 2024, are allowed a credit against taxes payable

1 under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf
2 of employees for ride sharing in vehicles carrying two or more
3 persons, for using public transportation, for using car sharing, or
4 for using nonmotorized commuting, not to exceed sixty dollars per
5 employee per fiscal year.

6 (2) Property managers who are taxable under chapter 82.04 or
7 82.16 RCW and provide financial incentives to persons employed at a
8 worksite in this state managed by the property manager for ride
9 sharing, for using public transportation, for using car sharing, or
10 for using nonmotorized commuting before (~~July 1, 2017~~) January 1,
11 2024, are allowed a credit against taxes payable under chapters 82.04
12 and 82.16 RCW for amounts paid to or on behalf of these persons for
13 ride sharing in vehicles carrying two or more persons, for using
14 public transportation, for using car sharing, or for using
15 nonmotorized commuting, not to exceed sixty dollars per person per
16 fiscal year.

17 (3) The credit under this section is equal to the amount paid to
18 or on behalf of each employee multiplied by fifty percent, but may
19 not exceed sixty dollars per employee per fiscal year. No refunds may
20 be granted for credits under this section.

21 (4) A person may not receive credit under this section for
22 amounts paid to or on behalf of the same employee under both chapters
23 82.04 and 82.16 RCW.

24 (5) A person may not take a credit under this section for amounts
25 claimed for credit by other persons.

26 **Sec. 414.** RCW 82.70.040 and 2015 1st sp.s. c 10 s 709 are each
27 amended to read as follows:

28 (1)(a)(i) The department (~~shall~~) must keep a running total of
29 all credits allowed under RCW 82.70.020 during each fiscal year. The
30 department (~~shall~~) may not allow any credits that would cause the
31 total amount allowed to exceed two million seven hundred fifty
32 thousand dollars in any fiscal year. (~~This limitation includes any~~
33 ~~deferred credits carried forward under subsection (2)(b)(i) of this~~
34 ~~section from prior years.))~~

35 (ii) (~~During the 2013-2015 and 2015-2017 fiscal biennia,~~) The
36 department shall not allow any credits that would cause the total
37 amount allowed to exceed one million five hundred thousand dollars in
38 any fiscal year. (~~This limitation includes any deferred credits~~

1 ~~carried forward under subsection (2)(b)(i) of this section from prior~~
2 ~~years.)~~)

3 (b) If the total amount of credit applied for by all applicants
4 in any year exceeds the limit in this subsection, the department
5 (~~shall~~) must ratably reduce the amount of credit allowed for all
6 applicants so that the limit in this subsection is not exceeded. If a
7 credit is reduced under this subsection, the amount of the reduction
8 may not be carried forward and claimed in subsequent fiscal years.

9 (2)(a) Tax credits under RCW 82.70.020 may not be claimed in
10 excess of the amount of tax otherwise due under chapter 82.04 or
11 82.16 RCW.

12 (b)(~~(i)~~) Through June 30, 2005, a person with taxes equal to or
13 in excess of the credit under RCW 82.70.020, and therefore not
14 subject to the limitation in (a) of this subsection, may elect to
15 defer tax credits for a period of not more than three years after the
16 year in which the credits accrue. (~~No credits deferred under this~~
17 ~~subsection (2)(b)(i) may be used after June 30, 2008. A person~~
18 ~~deferring tax credits under this subsection (2)(b)(i) must submit an~~
19 ~~application as provided in RCW 82.70.025 in the year in which the~~
20 ~~deferred tax credits will be used. This application is subject to the~~
21 ~~provisions of subsection (1) of this section for the year in which~~
22 ~~the tax credits will be applied. If a deferred credit is reduced~~
23 ~~under subsection (1)(b) of this section, the amount of deferred~~
24 ~~credit disallowed because of the reduction may be carried forward as~~
25 ~~long as the period of deferral does not exceed three years after the~~
26 ~~year in which the credit was earned.~~

27 (~~ii~~) For credits approved by the department (~~after~~) through
28 June 30, (~~2005~~) 2015, the approved credit may be carried forward
29 (~~to subsequent years until used~~) and used for tax reporting periods
30 through December 31, 2016. Credits approved after June 30, 2015, must
31 be used for tax reporting periods within the calendar year for which
32 they are approved by the department and may not be carried forward to
33 subsequent tax reporting periods. Credits carried forward as
34 authorized by this subsection are subject to the limitation in
35 subsection (1)(a) of this section for the fiscal year for which the
36 credits were originally approved.

37 (3) No person (~~shall~~) may be approved for tax credits under RCW
38 82.70.020 in excess of (~~two~~) one hundred thousand dollars in any
39 fiscal year. This limitation does not apply to credits carried
40 forward from prior years under subsection (2)(b) of this section.

1 (4) No person may claim tax credits after June 30, (~~(2017)~~) 2024.

2 (5) (~~Credits may not be carried forward other than as authorized~~
3 ~~in subsection (2)(b) of this section.~~

4 (~~6~~)) No person is eligible for tax credits under RCW 82.70.020
5 if the additional revenues for the multimodal transportation account
6 created by (~~Engrossed Substitute House Bill No. 2231~~) chapter 361,
7 Laws of 2003 are terminated.

8 **Sec. 415.** RCW 82.70.050 and 2015 1st sp.s. c 10 s 710 are each
9 amended to read as follows:

10 (1) (~~During the 2013-2015 and 2015-2017 fiscal biennia,~~) The
11 director (~~shall~~) must on the 25th of February, May, August, and
12 November of each year advise the state treasurer of the amount of
13 credit taken under RCW 82.70.020 during the preceding calendar
14 quarter ending on the last day of December, March, June, and
15 September, respectively.

16 (2) On the last day of March, June, September, and December of
17 each year, the state treasurer, based upon information provided by
18 the department, (~~shall~~) must deposit to the general fund a sum
19 equal to the dollar amount of the credit provided under RCW 82.70.020
20 from the multimodal transportation account.

21 (3) This section expires January 1, 2025.

22 **Sec. 416.** RCW 82.70.900 and 2015 1st sp.s. c 10 s 711 are each
23 amended to read as follows:

24 Except for RCW 82.70.050, this chapter expires (~~(June 30, 2017)~~)
25 July 1, 2024.

26 **Sec. 417.** RCW 82.70.025 and 2005 c 297 s 2 are each amended to
27 read as follows:

28 (1) Application for tax credits under this chapter must be
29 received by the department between the first day of January and the
30 31st day of January, following the calendar year in which the
31 applicant made payments to or on behalf of employees for ride sharing
32 in vehicles carrying two or more persons, for using public
33 transportation, for using car sharing, or for using nonmotorized
34 commuting. The application (~~shall~~) must be made to the department
35 in a form and manner prescribed by the department. The application
36 (~~shall~~) must contain information regarding the number of employees
37 for which incentives are paid during the calendar year, the amounts

1 paid to or on behalf of employees for ride sharing in vehicles
2 carrying two or more persons, for using public transportation, for
3 using car sharing, or for using nonmotorized commuting, (~~the amount~~
4 ~~of credit deferred under RCW 82.70.040(2)(b)(i) to be used, and other~~
5 ~~information required by the department. For applications due by~~
6 ~~January 31, 2006, the application shall not include amounts paid from~~
7 ~~January 1, 2005, through June 30, 2005, to or on behalf of employees~~
8 ~~for ride sharing in vehicles carrying two or more persons, for using~~
9 ~~public transportation, for using car sharing, or for using~~
10 ~~nonmotorized commuting)) and other information required by the
11 department.~~

12 (2) The department (~~shall~~) must rule on the application within
13 sixty days of the deadline provided in subsection (1) of this
14 section.

15 (3)(a) The department (~~shall~~) must disapprove any application
16 not received by the deadline provided in subsection (1) of this
17 section (~~regardless of the reason that the application was received~~
18 ~~after the deadline)) except that the department may accept
19 applications received up to fifteen calendar days after the deadline
20 if the application was not received by the deadline because of
21 circumstances beyond the control of the taxpayer.~~

22 (b) In making a determination whether the failure of a taxpayer
23 to file an application by the deadline was the result of
24 circumstances beyond the control of the taxpayer, the department must
25 be guided by rules adopted by the department for the waiver or
26 cancellation of penalties when the underpayment or untimely payment
27 of any tax was due to circumstances beyond the control of the
28 taxpayer.

29 (4) After an application is approved and tax credit granted, no
30 increase in the credit (~~shall be~~) is allowed.

31 (5) To claim a credit under this chapter, a person must
32 electronically file with the department all returns, forms, and other
33 information the department requires in an electronic format as
34 provided or approved by the department. Any return, form, or
35 information required to be filed in an electronic format under this
36 section is not filed until received by the department in an
37 electronic format. As used in this subsection, "returns" has the same
38 meaning as "return" in RCW 82.32.050.

1 **Sec. 418.** RCW 82.70.060 and 2005 c 319 s 138 are each amended to
2 read as follows:

3 The commute trip reduction (~~((task force shall determine the~~
4 ~~effectiveness of the tax credit under RCW 82.70.020, the grant~~
5 ~~program in RCW 70.94.996, and the relative effectiveness of the tax~~
6 ~~credit and the grant program))~~ board must determine the effectiveness
7 of the tax credit under RCW 82.70.020 as part of its ongoing
8 evaluation of the commute trip reduction law (~~(and report to the~~
9 ~~senate and house transportation committees and to the fiscal~~
10 ~~committees of the house of representatives and the senate. The report~~
11 ~~must include information on the amount of tax credits claimed to date~~
12 ~~and recommendations on future funding between the tax credit program~~
13 ~~and the grant program. The report must be incorporated into the~~
14 ~~recommendations required in RCW 70.94.537(5)).~~ The department must
15 provide requested information to the commute trip reduction board for
16 its assessment.

17 NEW SECTION. **Sec. 419.** This section is the tax preference
18 performance statement for the tax preference contained in RCW
19 82.70.020. This performance statement is only intended to be used for
20 subsequent evaluation of the tax preference. It is not intended to
21 create a private right of action by any party or be used to determine
22 eligibility for preferential tax treatment.

23 (1) The legislature categorizes this tax preference as one
24 intended to induce certain designated behavior by taxpayers as
25 indicated in RCW 82.32.808(2)(a).

26 (2) It is the legislature's specific public policy objective to
27 reduce traffic congestion, automobile-related air pollution and
28 energy use through employer-based programs that encourage the use of
29 alternatives to the single-occupant vehicle traveling during peak
30 traffic periods for the commute trip. It is the legislature's intent
31 to extend the commute trip reduction tax credit, which encourages
32 employers to provide financial incentives to their employees for
33 using ride sharing, public transportation, car sharing, or
34 nonmotorized commuting. Pursuant to chapter 43.136 RCW, the joint
35 legislative audit and review committee must review the commute trip
36 reduction tax credit established under RCW 82.70.020 by December 1,
37 2024.

38 (3) If a review finds that the percentage of Washingtonians using
39 commute alternatives is increasing, then the legislature intends for

1 the legislative auditor to recommend extending the expiration date of
2 the tax preferences.

3 (4) In order to obtain the data necessary to perform the review
4 in subsection (3) of this section, the joint legislative audit and
5 review committee should refer to the office of financial management's
6 results Washington sustainable transportation performance metric or
7 data used by the department of transportation's commute trip
8 reduction program.

9 **Transfers to the Connecting Washington Account**

10 NEW SECTION. **Sec. 420.** A new section is added to chapter 82.32
11 RCW to read as follows:

12 (1) Beginning September 2019 and ending June 2021, by the last
13 day of September, December, March, and June of each year, the state
14 treasurer must transfer from the general fund to the connecting
15 Washington account created in section 106 of this act thirteen
16 million six hundred eighty thousand dollars.

17 (2) Beginning September 2021 and ending June 2023, by the last
18 day of September, December, March, and June of each year, the state
19 treasurer must transfer from the general fund to the connecting
20 Washington account created in section 106 of this act thirteen
21 million eight hundred five thousand dollars.

22 (3) Beginning September 2023 and ending June 2025, by the last
23 day of September, December, March, and June of each year, the state
24 treasurer must transfer from the general fund to the connecting
25 Washington account created in section 106 of this act thirteen
26 million nine hundred eighty-seven thousand dollars.

27 (4) Beginning September 2025 and ending June 2027, by the last
28 day of September, December, March, and June of each year, the state
29 treasurer must transfer from the general fund to the connecting
30 Washington account created in section 106 of this act eleven million
31 six hundred fifty-eight thousand dollars.

32 (5) Beginning September 2027 and ending June 2029, by the last
33 day of September, December, March, and June of each year, the state
34 treasurer must transfer from the general fund to the connecting
35 Washington account created in section 106 of this act seven million
36 five hundred sixty-four thousand dollars.

37 (6) Beginning September 2029 and ending June 2031, by the last
38 day of September, December, March, and June of each year, the state

1 treasurer must transfer from the general fund to the connecting
2 Washington account created in section 106 of this act four million
3 fifty-six thousand dollars.

4 **Sec. 421.** RCW 43.135.034 and 2013 c 1 s 2 are each amended to
5 read as follows:

6 (1)(a) Any action or combination of actions by the legislature
7 that raises taxes may be taken only if approved by a two-thirds vote
8 in both the house of representatives and the senate. Pursuant to the
9 referendum power set forth in Article II, section 1(b) of the state
10 Constitution, tax increases may be referred to the voters for their
11 approval or rejection at an election.

12 (b) For the purposes of this chapter, "raises taxes" means any
13 action or combination of actions by the state legislature that
14 increases state tax revenue deposited in any fund, budget, or
15 account, regardless of whether the revenues are deposited into the
16 general fund.

17 (2)(a) If the legislative action under subsection (1) of this
18 section will result in expenditures in excess of the state
19 expenditure limit, then the action of the legislature (~~shall~~) may
20 not take effect until approved by a vote of the people at a November
21 general election. The state expenditure limit committee (~~shall~~)
22 must adjust the state expenditure limit by the amount of additional
23 revenue approved by the voters under this section. This adjustment
24 (~~shall~~) may not exceed the amount of revenue generated by the
25 legislative action during the first full fiscal year in which it is
26 in effect. The state expenditure limit (~~shall~~) must be adjusted
27 downward upon expiration or repeal of the legislative action.

28 (b) The ballot title for any vote of the people required under
29 this section (~~shall~~) must be substantially as follows:

30 "Shall taxes be imposed on in order to allow a
31 spending increase above last year's authorized spending adjusted for
32 personal income growth?"

33 (3)(a) The state expenditure limit may be exceeded upon
34 declaration of an emergency for a period not to exceed twenty-four
35 months by a law approved by a two-thirds vote of each house of the
36 legislature and signed by the governor. The law (~~shall~~) must set
37 forth the nature of the emergency, which is limited to natural
38 disasters that require immediate government action to alleviate human

1 suffering and provide humanitarian assistance. The state expenditure
2 limit may be exceeded for no more than twenty-four months following
3 the declaration of the emergency and only for the purposes contained
4 in the emergency declaration.

5 (b) Additional taxes required for an emergency under this section
6 may be imposed only until thirty days following the next general
7 election, unless an extension is approved at that general election.
8 The additional taxes (~~shall~~) expire upon expiration of the
9 declaration of emergency. The legislature (~~shall~~) may not impose
10 additional taxes for emergency purposes under this subsection unless
11 funds in the education construction fund have been exhausted.

12 (c) The state or any political subdivision of the state (~~shall~~)
13 may not impose any tax on intangible property listed in RCW 84.36.070
14 as that statute exists on January 1, 1993.

15 (4) If the cost of any state program or function is shifted from
16 the state general fund to another source of funding, or if moneys are
17 transferred from the state general fund to another fund or account,
18 the state expenditure limit committee, acting pursuant to RCW
19 43.135.025(5), (~~shall~~) must lower the state expenditure limit to
20 reflect the shift. For the purposes of this section, a transfer of
21 money from the state general fund to another fund or account includes
22 any state legislative action taken that has the effect of reducing
23 revenues from a particular source, where such revenues would
24 otherwise be deposited into the state general fund, while increasing
25 the revenues from that particular source to another state or local
26 government account. This subsection does not apply to: (a) The
27 dedication or use of lottery revenues under RCW 67.70.240(~~(+3)~~)
28 (1)(c), in support of education or education expenditures; (~~or~~) (b)
29 a transfer of moneys to, or an expenditure from, the budget
30 stabilization account; or (c) a transfer of money to, or an
31 expenditure from, the connecting Washington account established in
32 section 106 of this act.

33 (5) If the cost of any state program or function and the ongoing
34 revenue necessary to fund the program or function are shifted to the
35 state general fund on or after January 1, 2007, the state expenditure
36 limit committee, acting pursuant to RCW 43.135.025(5), (~~shall~~) must
37 increase the state expenditure limit to reflect the shift unless the
38 shifted revenue had previously been shifted from the general fund.

1 NEW SECTION. **Sec. 422.** A new section is added to chapter 81.112
2 RCW to read as follows:

3 (1) Beginning January 1, 2017, and until the requirements in
4 subsection (4) of this section are met, a regional transit authority
5 must pay to the department of revenue, for deposit into the Puget
6 Sound taxpayer accountability account, a sales and use tax offset
7 fee.

8 (2) A sales and use tax offset fee is three and twenty-five one-
9 hundredths percent of the total payments made by the regional transit
10 authority to construction contractors on construction contracts that
11 are (a) for new projects identified in the system plan funded by any
12 proposition approved by voters after January 1, 2015, and (b)
13 excluded from the definition of retail sale under RCW 82.04.050(10).

14 (3) Fees are due monthly by the twenty-fifth day of the month,
15 with respect to payments made to construction contractors during the
16 previous month.

17 (4) A sales and use tax offset fee is due until the regional
18 transit authority has paid five hundred eighteen million dollars.

19 (5) Except as otherwise provided in this section, the provisions
20 of chapter 82.32 RCW apply to this section.

21 (6) The department of revenue must oversee the collection of the
22 sales and use tax offset fee and may adopt rules necessary to
23 implement this section.

24 NEW SECTION. **Sec. 423.** A new section is added to chapter 43.79
25 RCW to read as follows:

26 (1) The Puget Sound taxpayer accountability account is created in
27 the state treasury. Moneys in the account may be spent only after
28 appropriation. Expenditures from the account may only be used for
29 distribution to counties where a portion of the county is within the
30 boundaries of a regional transit authority that includes a county
31 with a population of one million five hundred thousand or more.
32 Counties may use distributions from the account only for educational
33 services to improve educational outcomes in early learning, K-12, and
34 higher education including, but not limited to, for youths that are
35 low-income, homeless, or in foster care, or other vulnerable
36 populations. Counties receiving distributions under this section must
37 track all expenditures and uses of the funds. To the greatest extent
38 practicable, the expenditures of the counties must follow the

1 requirements of any transportation subarea equity element used by the
2 regional transit authority.

3 (2) Beginning September 1, 2017, and by the last day of
4 September, December, March, and June of each year thereafter, the
5 state treasurer shall distribute moneys deposited in the Puget Sound
6 taxpayer accountability account to counties for which a portion of
7 the county is within the boundaries of a regional transit authority
8 that includes a county with a population of one million five hundred
9 thousand. The treasurer must make the distribution to the counties on
10 the relative basis of that transit authority's population that lives
11 within the respective counties.

12 **Rate Setting for Garbage Companies**

13 **Sec. 424.** RCW 81.77.170 and 1989 c 431 s 36 are each amended to
14 read as follows:

15 For rate-making purposes, a fee, charge, or tax on the collection
16 or disposal of solid waste ((shall be)) is considered a normal
17 operating expense of the solid waste collection company, including
18 all taxes and fees imposed or increased under this act. Filing for
19 pass-through of any such fee, charge, or tax is not considered a
20 general rate proceeding.

21 **Effective Dates and Other Miscellaneous Provisions**

22 NEW SECTION. **Sec. 425.** If any provision of this act or its
23 application to any person or circumstance is held invalid, the
24 remainder of the act or the application of the provision to other
25 persons or circumstances is not affected.

26 NEW SECTION. **Sec. 426.** Except for sections 103, 105, 108, 110,
27 323, and 325 of this act, this act is necessary for the immediate
28 preservation of the public peace, health, or safety, or support of
29 the state government and its existing public institutions, and takes
30 effect immediately.

31 NEW SECTION. **Sec. 427.** Sections 103, 105, and 110 of this act
32 take effect July 1, 2016.

1 NEW SECTION. **Sec. 428.** Sections 101, 102, 104, and 109 of this
2 act expire July 1, 2016, if sections 103, 105, and 110 of this act
3 take effect July 1, 2016.

4 NEW SECTION. **Sec. 429.** Section 107 of this act expires on the
5 date the requirements set out in section 7, chapter 36, Laws of 2012
6 are met.

7 NEW SECTION. **Sec. 430.** Section 108 of this act takes effect on
8 the date the requirements set out in section 7, chapter 36, Laws of
9 2012 are met.

10 NEW SECTION. **Sec. 431.** Sections 322 and 324 of this act expire
11 January 1, 2018.

12 NEW SECTION. **Sec. 432.** Sections 323 and 325 of this act take
13 effect January 1, 2018.

Passed by the Senate July 1, 2015.
Passed by the House July 1, 2015.
Approved by the Governor July 15, 2015.
Filed in Office of Secretary of State July 16, 2015.