S-4845.1			
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SENATE BILL 6577

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State of Washington

63rd Legislature

2014 Regular Session

By Senators King and Tom

Read first time 03/03/14. Referred to Committee on Transportation.

- 1 AN ACT Relating to transportation revenue; amending RCW 82.36.025, 82.38.030, 82.38.030, 46.68.090, 46.68.090, 46.09.520, 46.10.530, 2. 79A.25.070, 46.17.355, 46.17.365, 46.17.323, 46.25.052, 46.25.060, 3 46.25.100, 46.20.202, 36.73.015, 36.73.020, 36.73.065, 82.14.045, 4 82.80.140, and 81.77.170; reenacting and amending RCW 43.84.092, 5 6 43.84.092, and 46.09.520; adding a new section to chapter 46.68 RCW; adding a new section to chapter 46.37 RCW; adding a new section to 7 chapter 82.80 RCW; adding a new section to chapter 47.29 RCW; creating 8 new sections; repealing RCW 82.36.029 and 82.38.083; prescribing 9 penalties; providing contingent effective dates; providing 10 11 expiration date; and providing contingent expiration dates.
- 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 13 MOTOR VEHICLE AND SPECIAL FUEL TAXES
- 14 **Sec. 101.** RCW 82.36.025 and 2007 c 515 s 3 are each amended to 15 read as follows:
- 16 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon 17 on motor vehicle fuel shall be imposed on motor vehicle fuel licensees,
- 18 other than motor vehicle fuel distributors.

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

- (3) Beginning July 1, 2005, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- 10 (4) Beginning July 1, 2006, an additional and cumulative motor 11 vehicle fuel tax rate of three cents per gallon on motor vehicle fuel 12 shall be imposed on motor vehicle fuel licensees, other than motor 13 vehicle fuel distributors.
 - (5) Beginning July 1, 2007, an additional and cumulative motor vehicle fuel tax rate of two cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
 - (6) Beginning July 1, 2008, an additional and cumulative motor vehicle fuel tax rate of one and one-half cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
- 22 (7) Beginning July 1, 2014, an additional and cumulative motor 23 vehicle fuel tax rate of four cents per gallon on motor vehicle fuel 24 shall be imposed on motor vehicle fuel licensees, other than motor 25 vehicle fuel distributors.
- **Sec. 102.** RCW 82.38.030 and 2007 c 515 s 21 are each amended to 27 read as follows:
 - (1) There is hereby levied and imposed upon special fuel licensees, other than special fuel distributors, a tax at the rate of twenty-three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature.
 - (2) Beginning July 1, 2003, an additional and cumulative tax rate of five cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

- (3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
- (7) <u>Beginning July 1, 2014, an additional and cumulative tax rate</u> of four cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
 - (8) Taxes are imposed when:

- (a) Special fuel is removed in this state from a terminal if the special fuel is removed at the rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state, or the removal is by a special fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
- (b) Special fuel is removed in this state from a refinery if either of the following applies:
- (i) The removal is by bulk transfer and the refiner or the owner of the special fuel immediately before the removal is not a licensee; or
- 36 (ii) The removal is at the refinery rack unless the removal is to 37 a licensed exporter for direct delivery to a destination outside of the

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- state, or the removal is to a special fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
 - (c) Special fuel enters into this state for sale, consumption, use, or storage, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320, if either of the following applies:
- 7 (i) The entry is by bulk transfer and the importer is not a 8 licensee; or
 - (ii) The entry is not by bulk transfer;

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- 10 (d) Special fuel is sold or removed in this state to an unlicensed 11 entity unless there was a prior taxable removal, entry, or sale of the 12 special fuel;
 - (e) Blended special fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended special fuel subject to tax is the difference between the total number of gallons of blended special fuel removed or sold and the number of gallons of previously taxed special fuel used to produce the blended special fuel;
 - (f) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the special fuel tax;
- 21 (g) Dyed special fuel is held for sale, sold, used, or is intended 22 to be used in violation of this chapter;
- 23 (h) Special fuel purchased by an international fuel tax agreement 24 licensee under RCW 82.38.320 is used on a highway; and
- 25 (i) Special fuel is sold by a licensed special fuel supplier to a 26 special fuel distributor, special fuel importer, or special fuel 27 blender and the special fuel is not removed from the bulk transfer-28 terminal system.
- 29 **Sec. 103.** RCW 82.38.030 and 2013 c 225 s 103 are each amended to 30 read as follows:
- 31 (1) There is levied and imposed upon fuel licensees a tax at the 32 rate of twenty-three cents per gallon of fuel, or each one hundred 33 cubic feet of compressed natural gas, measured at standard pressure and 34 temperature.
- 35 (2) Beginning July 1, 2003, an additional and cumulative tax rate 36 of five cents per gallon of fuel, or each one hundred cubic feet of

- compressed natural gas, measured at standard pressure and temperature is imposed on fuel licensees. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.
 - (3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature is imposed on fuel licensees.
 - (4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature is imposed on fuel licensees.
 - (5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature is imposed on fuel licensees.
 - (6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature is imposed on fuel licensees.
 - (7) <u>Beginning July 1, 2014, an additional and cumulative tax rate</u> of four cents per gallon of fuel, or each one hundred cubic feet of <u>compressed natural gas, measured at standard pressure and temperature</u> is imposed on fuel licensees.
 - (8) Beginning July 1, 2015, an additional and cumulative tax rate of four cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature is imposed on fuel licensees.
 - (9) Beginning July 1, 2016, an additional and cumulative motor vehicle fuel tax rate of three and one-half cents per gallon of fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature is imposed on fuel licensees.
 - (10) Taxes are imposed when:

(a) Fuel is removed in this state from a terminal if the fuel is removed at the rack unless the removal is by a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is by a fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

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- 1 (b) Fuel is removed in this state from a refinery if either of the following applies:
 - (i) The removal is by bulk transfer and the refiner or the owner of the fuel immediately before the removal is not a licensed supplier; or
 - (ii) The removal is at the refinery rack unless the removal is to a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is to a licensed supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
- 10 (c) Fuel enters into this state for sale, consumption, use, or 11 storage, unless the fuel enters this state for direct delivery to an 12 international fuel tax agreement licensee under RCW 82.38.320, if 13 either of the following applies:
- 14 (i) The entry is by bulk transfer and the importer is not a licensed supplier; or
 - (ii) The entry is not by bulk transfer;

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- 17 (d) Fuel enters this state by means outside the bulk transfer-18 terminal system and is delivered directly to a licensed terminal unless 19 the owner is a licensed distributor or supplier;
 - (e) Fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the fuel;
 - (f) Blended fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended fuel subject to tax is the difference between the total number of gallons of blended fuel removed or sold and the number of gallons of previously taxed fuel used to produce the blended fuel;
 - (g) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the fuel tax;
- 29 (h) Dyed special fuel is held for sale, sold, used, or is intended 30 to be used in violation of this chapter;
- 31 (i) Special fuel purchased by an international fuel tax agreement 32 licensee under RCW 82.38.320 is used on a highway; and
- (j) Fuel is sold by a licensed fuel supplier to a fuel distributor or fuel blender and the fuel is not removed from the bulk transferterminal system.
- 36 **Sec. 104.** RCW 46.68.090 and 2011 c 120 s 4 are each amended to read as follows:

- (1) All moneys that have accrued or may accrue to the motor vehicle fund from the motor vehicle fuel tax and special fuel tax shall be first expended for purposes enumerated in (a) and (b) of this subsection. The remaining net tax amount shall be distributed monthly by the state treasurer in accordance with subsections (2) through $((\frac{1}{1}))$ (8) of this section.
- (a) For payment of refunds of motor vehicle fuel tax and special fuel tax that has been paid and is refundable as provided by law;
- (b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the motor vehicle fuel tax and the special fuel tax, which sums shall be distributed monthly.
- 14 (2) All of the remaining net tax amount collected under RCW 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a) through (j) of this <u>sub</u>section.
 - (a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;
 - (b) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.

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

(i) Accident experience;

- (ii) Fatal accident experience;
- 30 (iii) Capacity to move people and goods safely and at reasonable 31 speeds without undue congestion; and
- 32 (iv) Continuity of development of the highway transportation 33 network.

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

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

- (d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;
- (e) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 7.5597 percent;
- (f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;
- (g) For distribution to the cities and towns from the motor vehicle fund an amount equal to 10.6961 percent in accordance with RCW 46.68.110;
 - (h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there shall be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;
 - (i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds shall be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and shall be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board shall adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;
 - (j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in 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).

1 (4) The remaining net tax amount collected under RCW 82.36.025(3) 2 and 82.38.030(3) shall be distributed as follows:

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- (a) 8.3333 percent shall be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;
 - (b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and
- (c) The remainder shall be distributed to the transportation partnership account created in RCW 46.68.290.
- 9 (5) The remaining net tax amount collected under RCW 82.36.025(4) and 82.38.030(4) shall be distributed as follows:
- 11 (a) 8.3333 percent shall be distributed to the incorporated cities 12 and towns of the state in accordance with RCW 46.68.110;
 - (b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and
- 15 (c) The remainder shall be distributed to the transportation 16 partnership account created in RCW 46.68.290.
- 17 (6) The remaining net tax amount collected under RCW 82.36.025 (5) 18 and (6) and 82.38.030 (5) and (6) shall be distributed to the 19 transportation partnership account created in RCW 46.68.290.
- 20 (7) The remaining net tax amount collected under RCW 82.36.025(7)
 21 and 82.38.030(7) shall be distributed to the connecting
 22 Washington account created in section 106 of this act.
 - (8) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on motor vehicle fuel and special fuels.
- 28 **Sec. 105.** RCW 46.68.090 and 2013 c 225 s 645 are each amended to 29 read as follows:
- 30 (1) All moneys that have accrued or may accrue to the motor vehicle 31 fund from the motor vehicle fuel tax and special fuel tax must be first 32 expended for purposes enumerated in (a) and (b) of this subsection. 33 The remaining net tax amount must be distributed monthly by the state 34 treasurer in accordance with subsections (2) through $((\frac{1}{1}))$ (8) of 35 this section.
- 36 (a) For payment of refunds of motor vehicle fuel tax and special 37 fuel tax that has been paid and is refundable as provided by law;

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- (b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the motor vehicle fuel tax and the special fuel tax, which sums must be distributed monthly.
 - (2) All of the remaining net tax amount collected under RCW 82.38.030(1) must be distributed as set forth in (a) through (j) of this subsection.
- 9 (a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;
 - (b)(i) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.
 - (ii) The following criteria, listed in order of priority, must be used in determining which special category C projects have the highest priority:
 - (A) Accident experience;

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- (B) Fatal accident experience;
- (C) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and
 - (D) Continuity of development of the highway transportation network.
 - (iii) Moneys deposited in the special category C account in the motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2)(b);
- 30 (c) For distribution to the Puget Sound ferry operations account in the motor vehicle fund an amount equal to 2.3283 percent;
 - (d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;
 - (e) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 7.5597 percent;
- 36 (f) For distribution to the transportation improvement account in 37 the motor vehicle fund an amount equal to 5.6739 percent and expended 38 in accordance with RCW 47.26.086;

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

- (h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there must be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;
- (i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds must be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and must be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board must adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;
- (j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.
- (3) The remaining net tax amount collected under RCW 82.38.030(2) must be distributed to the transportation 2003 account (nickel account).
- 29 (4) The remaining net tax amount collected under RCW 82.38.030(3) 30 must be distributed as follows:
- 31 (a) 8.3333 percent must be distributed to the incorporated cities 32 and towns of the state in accordance with RCW 46.68.110;
 - (b) 8.3333 percent must be distributed to counties of the state in accordance with RCW 46.68.120; and
- 35 (c) The remainder must be distributed to the transportation 36 partnership account created in RCW 46.68.290.
- 37 (5) The remaining net tax amount collected under RCW 82.38.030(4) must be distributed as follows:

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

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- (b) 8.3333 percent must be distributed to counties of the state in accordance with RCW 46.68.120; and
- (c) The remainder must be distributed to the transportation partnership account created in RCW 46.68.290.
- (6) The remaining net tax amount collected under <u>RCW</u> 82.38.030 (5) and (6) must be distributed to the transportation partnership account created in RCW 46.68.290.
- 10 (7) The remaining net tax amount collected under RCW 82.38.030 (7),
 11 (8), and (9) must be distributed to the connecting Washington account
 12 created in section 106 of this act.
- 13 (8) Nothing in this section or in RCW 46.68.130 may be construed so
 14 as to violate any terms or conditions contained in any highway
 15 construction bond issues now or hereafter authorized by statute and
 16 whose payment is by such statute pledged to be paid from any excise
 17 taxes on motor vehicle fuel and special fuels.
- NEW SECTION. Sec. 106. A new section is added to chapter 46.68 19 RCW to read as follows:

The connecting Washington account is created in the motor vehicle fund. Moneys in the account may be spent only after appropriation. Expenditures from the account must be used only for: (1) Salary increases for members of the Washington state patrol troopers association and the Washington state patrol lieutenants association pursuant to chapter ... (Substitute Senate Bill No. 6102) (sales tax on transportation construction), Laws of 2014; and (2) projects or improvements identified as connecting Washington projects or improvements in a transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements.

- 31 **Sec. 107.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 24, 2013 2nd sp.s. c 11 s 15, and 2013 2nd sp.s. c 1 s 15 are each reenacted and amended to read as follows:
- 34 (1) All earnings of investments of surplus balances in the state 35 treasury shall be deposited to the treasury income account, which 36 account is hereby established in the state treasury.

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

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- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- following accounts and (a) The funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia

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river basin taxable bond water supply development account, the Columbia 1 2 river basin water supply revenue recovery account, the common school construction fund, the connecting Washington account, the county 3 4 arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred 5 compensation principal account, the department of licensing services 6 7 account, the department of retirement systems expense account, the 8 developmental disabilities community trust account, the drinking water 9 assistance account, the drinking water assistance administrative 10 account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 11 12 express toll lanes operations account, the education construction fund, 13 the education legacy trust account, the election account, the energy 14 freedom account, the energy recovery act account, the essential rail 15 assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond 16 17 retirement fund, the freight mobility investment account, the freight 18 mobility multimodal account, the grade crossing protective fund, the 19 public health services account, the high capacity transportation account, the state higher education construction account, the higher 20 21 education construction account, the highway bond retirement fund, the 22 highway infrastructure account, the highway safety fund, the high 23 occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the 24 judges' retirement account, the judicial retirement administrative 25 26 account, the judicial retirement principal account, the local leasehold 27 excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust 28 29 account, the medical aid account, the mobile home park relocation fund, 30 the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, 31 32 the municipal criminal justice assistance account, the natural 33 resources deposit account, the oyster reserve land account, the pension stabilization account, the perpetual surveillance 34 35 maintenance account, the public employees' retirement system plan 1 36 account, the public employees' retirement system combined plan 2 and 37 plan 3 account, the public facilities construction loan revolving 38 account beginning July 1, 2004, the public health supplemental account,

the public works assistance account, the Puget Sound capital 1 construction account, the Puget Sound ferry operations account, the 2 real estate appraiser commission account, the recreational vehicle 3 4 account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural 5 6 mobility grant program account, the rural Washington loan fund, the 7 site closure account, the skilled nursing facility safety net trust 8 fund, the small city pavement and sidewalk account, the special 9 category C account, the special wildlife account, the state employees' 10 insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board 11 12 commingled trust fund accounts, the state patrol highway account, the 13 state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental 14 pension account, the Tacoma Narrows toll bridge account, the teachers' 15 retirement system plan 1 account, the teachers' retirement system 16 combined plan 2 and plan 3 account, the tobacco prevention and control 17 18 account, the tobacco settlement account, the toll facility bond 19 retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the 20 21 transportation improvement account, the transportation improvement 22 board bond retirement account, the transportation infrastructure 23 account, the transportation partnership account, the traumatic brain 24 injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building 25 26 account, the volunteer firefighters' and reserve officers' relief and 27 pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement 28 29 system account, the Washington law enforcement officers' 30 firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement 31 32 account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined 33 plan 2 and 3 account, the Washington state economic development 34 35 commission account, the Washington state health insurance pool account, 36 the Washington state patrol retirement account, the Washington State 37 University building account, the Washington State University bond retirement fund, the water pollution control revolving administration 38

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- account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.
 - (b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.
- 16 (5) In conformance with Article II, section 37 of the state 17 Constitution, no treasury accounts or funds shall be allocated earnings 18 without the specific affirmative directive of this section.
- **Sec. 108.** RCW 43.84.092 and 2013 2nd sp.s. c 23 s 25, 2013 2nd sp.s. c 11 s 16, and 2013 2nd sp.s. c 1 s 16 are each reenacted and 21 amended to read as follows:
 - (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
 - (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the

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cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

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- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- The following accounts and funds shall receive their (a) proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll

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

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

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that

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- deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.
- 5 (5) In conformance with Article II, section 37 of the state 6 Constitution, no treasury accounts or funds shall be allocated earnings 7 without the specific affirmative directive of this section.
- 8 **Sec. 109.** RCW 46.09.520 and 2010 1st sp.s. c 37 s 936 and 2010 c 9 161 s 222 are each reenacted and amended to read as follows:
- 10 (1) From time to time, but at least once each year, the state 11 treasurer shall refund from the motor vehicle fund one percent of the 12 motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle 13 14 fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; 15 16 (c) twenty-one cents per gallon of motor vehicle fuel from July 1, 17 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; ((and)) (e) 18 twenty-three cents per gallon of motor vehicle fuel beginning July 1, 19 20 2011; and (f) twenty-seven cents per gallon of motor vehicle fuel beginning July 1, 2014, and thereafter, less proper deductions for 21 22 refunds and costs of collection as provided in RCW 46.68.090.
- 23 (2) The treasurer shall place these funds in the general fund as 24 follows:
 - (a) Thirty-six percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;
 - (b) Three and one-half percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;
- 36 (c) Two percent shall be credited to the ORV and nonhighway vehicle

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account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and

- (d) Fifty-eight and one-half percent shall be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:
- (i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;
- (ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:
- (A) Not less than thirty percent, together with the funds the board receives under RCW 46.68.045, may be expended for ORV recreation facilities;
- (B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation facilities funds; and
- 23 (C) Not less than thirty percent may be expended for nonhighway 24 road recreation facilities;
 - (iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.
 - (3) On a yearly basis an agency may not, except as provided in RCW 46.68.045, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.
 - (4) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources to install consistent off-road vehicle signage at department-managed recreation sites, and to implement the recreation opportunities on department-managed lands in the Reiter block and Ahtanum state forest, and to the state parks and

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- 1 recreation commission. The legislature finds that the appropriation of
- 2 funds from the NOVA account during the 2009-2011 fiscal biennium for
- 3 maintenance and operation of state parks or to improve accessibility
- 4 for boaters and off-road vehicle users at state parks will benefit
- 5 boaters and off-road vehicle users and others who use nonhighway and
- 6 nonmotorized recreational facilities. The appropriations under this
- 7 subsection are not required to follow the specific distribution
- 8 specified in subsection (2) of this section.
- 9 **Sec. 110.** RCW 46.09.520 and 2014 c . . . s 109 (section 109 of this act) are each amended to read as follows:
- 11 (1) From time to time, but at least once each year, the state
- 12 treasurer must refund from the motor vehicle fund one percent of the
- 13 motor vehicle fuel tax revenues collected under chapter 82.38 RCW,
- 14 based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle
- 15 fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per
- 16 gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007;
- 17 (c) twenty-one cents per gallon of motor vehicle fuel from July 1,
- 18 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor
- 19 vehicle fuel from July 1, 2009, through June 30, 2011; (e) twenty-three
- 20 cents per gallon of motor vehicle fuel beginning July 1, 2011; ((and))
- 21 (f) twenty-seven cents per gallon of motor vehicle fuel beginning July
- 22 1, 2014; (g) thirty-one cents per gallon of motor vehicle fuel
- 23 <u>beginning July 1, 2015; and (h) thirty-four and one-half cents per</u>
- 24 gallon of motor vehicle fuel beginning July 1, 2016, and thereafter,
- less proper deductions for refunds and costs of collection as provided
- 26 in RCW 46.68.090.
- 27 (2) The treasurer must place these funds in the general fund as 28 follows:
- 29 (a) Thirty-six percent must be credited to the ORV and nonhighway
- 30 vehicle account and administered by the department of natural resources
- 31 solely for acquisition, planning, development, maintenance, and
- 32 management of ORV, nonmotorized, and nonhighway road recreation
- 33 facilities, and information programs and maintenance of nonhighway
- 34 roads;
- 35 (b) Three and one-half percent must be credited to the ORV and 36 nonhighway vehicle account and administered by the department of fish

and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;

- (c) Two percent must be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and
- (d) Fifty-eight and one-half percent must be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection must be expended in accordance with the following limitations:
- 15 (i) Not more than thirty percent may be expended for education, 16 information, and law enforcement programs under this chapter;
 - (ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:
 - (A) Not less than thirty percent, together with the funds the board receives under RCW 46.68.045, may be expended for ORV recreation facilities;
 - (B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) are known as Ira Spring outdoor recreation facilities funds; and
 - (C) Not less than thirty percent may be expended for nonhighway road recreation facilities;
 - (iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.
 - (3) On a yearly basis an agency may not, except as provided in RCW 46.68.045, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.
- 37 (4) During the 2009-2011 fiscal biennium, the legislature may 38 appropriate such amounts as reflect the excess fund balance in the NOVA

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account to the department of natural resources to install consistent 1 2 off-road vehicle signage at department-managed recreation sites, and to 3 implement the recreation opportunities on department-managed lands in 4 the Reiter block and Ahtanum state forest, and to the state parks and 5 recreation commission. The legislature finds that the appropriation of funds from the NOVA account during the 2009-2011 fiscal biennium for 6 7 maintenance and operation of state parks or to improve accessibility 8 for boaters and off-road vehicle users at state parks will benefit 9 boaters and off-road vehicle users and others who use nonhighway and 10 nonmotorized recreational facilities. The appropriations under this 11 subsection are not required to follow the specific distribution 12 specified in subsection (2) of this section.

13 **Sec. 111.** RCW 46.10.530 and 2003 c 361 s 408 are each amended to 14 read as follows:

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 vehicle fuel tax that is tax on snowmobile fuel. Such determination 17 shall use one hundred thirty-five gallons as the average yearly fuel 18 usage per snowmobile, the number of registered snowmobiles during the 19 20 calendar year under determination, and a fuel tax rate of: (1) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, 22 through June 30, 2005; (2) twenty cents per gallon of motor vehicle 23 fuel from July 1, 2005, through June 30, 2007; (3) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; 24 25 (4) twenty-two cents per gallon of motor vehicle fuel from July 1, 26 2009, through June 30, 2011; ((and)) (5) twenty-three cents per gallon of motor vehicle fuel beginning July 1, 2011; (6) twenty-seven cents 27 per gallon of motor vehicle fuel beginning July 1, 2014; (7) thirty-one 28 29 cents per gallon of motor vehicle fuel beginning July 1, 2015; and (8) thirty-four and one-half cents per gallon of motor vehicle fuel 30 beginning July 1, 2016, and thereafter. 31

Sec. 112. RCW 79A.25.070 and 2010 c 23 s 3 are each amended to 32 33 read as follows:

Upon expiration of the time limited by RCW 82.36.330 for claiming of refunds of tax on marine fuel, the state of Washington shall succeed to the right to such refunds. The director of licensing, after taking

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into account past and anticipated claims for refunds from and deposits 1 2 to the marine fuel tax refund account, shall request the state treasurer to transfer monthly from the marine fuel tax refund account 3 4 an amount equal to the proportion of the moneys in the account representing a motor vehicle fuel tax rate of: (1) Nineteen cents per 5 6 gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (2) twenty cents per gallon of motor vehicle fuel from July 1, 2005, 7 8 through June 30, 2007; (3) twenty-one cents per gallon of motor vehicle 9 fuel from July 1, 2007, through June 30, 2009; (4) twenty-two cents per 10 gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; 11 ((and)) (5) twenty-three cents per gallon of motor vehicle fuel 12 beginning July 1, 2011; (6) twenty-seven cents per gallon of motor vehicle fuel beginning July 1, 2014; (7) thirty-one cents per gallon of 13 motor vehicle fuel beginning July 1, 2015; and (8) thirty-four and one-14 half cents per gallon of motor vehicle fuel beginning July 1, 2016, and 15 16 thereafter, to the recreation resource account and the remainder to the 17 motor vehicle fund.

- NEW SECTION. Sec. 113. The following acts or parts of acts are each repealed:
- 20 (1) RCW 82.36.029 (Deductions--Handling losses--Reports) and 1998 21 c 176 s 10; and
- 22 (2) RCW 82.38.083 and 2013 c 225 s 205.

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- 24 **Sec. 201.** RCW 46.17.355 and 2011 c 171 s 61 are each amended to 25 read as follows:
 - (1) In lieu of the vehicle license fee required under RCW 46.17.350 and before accepting an application for a vehicle registration for motor vehicles described in RCW 46.16A.455, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant, unless specifically exempt, to pay the following license fee by weight:

32 WEIGHT SCHEDULE A SCHEDULE B

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1	4,000 pounds	((\$38.00)) <u>\$53.00</u>	((\$38.00)) $$53.00$
2	6,000 pounds	((\$48.00)) $$73.00$	((\$48.00)) <u>\$73.00</u>
3	8,000 pounds	((\$ 58.00)) <u>\$ 93.00</u>	((\$ 58.00)) <u>\$ 93.00</u>
4	10,000 pounds	((\$ 60.00)) <u>\$ 93.00</u>	((\$ 60.00)) <u>\$ 93.00</u>
5	12,000 pounds	((\$77.00)) <u>\$81.00</u>	((\$ 77.00)) <u>\$ 81.00</u>
6	14,000 pounds	\$88.00	\$88.00
7	16,000 pounds	\$ 100.00	\$ 100.00
8	18,000 pounds	\$ 152.00	\$ 152.00
9	20,000 pounds	\$ 169.00	\$ 169.00
10	22,000 pounds	\$ 183.00	\$ 183.00
11	24,000 pounds	\$ 198.00	\$ 198.00
12	26,000 pounds	\$ 209.00	\$ 209.00
13	28,000 pounds	\$ 247.00	\$ 247.00
14	30,000 pounds	\$ 285.00	\$ 285.00
15	32,000 pounds	\$ 344.00	\$ 344.00
16	34,000 pounds	\$ 366.00	\$ 366.00
17	36,000 pounds	\$ 397.00	\$ 397.00
18	38,000 pounds	\$ 436.00	\$436.00
19	40,000 pounds	\$499.00	\$499.00
20	42,000 pounds	\$ 519.00	\$ 609.00
21	44,000 pounds	\$ 530.00	\$ 620.00
22	46,000 pounds	\$ 570.00	\$ 660.00
23	48,000 pounds	\$ 594.00	\$ 684.00
24	50,000 pounds	\$ 645.00	\$735.00
25	52,000 pounds	\$ 678.00	\$768.00
26	54,000 pounds	\$732.00	\$822.00
27	56,000 pounds	\$773.00	\$ 863.00
28	58,000 pounds	\$ 804.00	\$ 894.00
29	60,000 pounds	\$ 857.00	\$ 947.00
30	62,000 pounds	\$ 919.00	\$ 1,009.00
31	64,000 pounds	\$ 939.00	\$ 1,029.00
32	66,000 pounds	\$ 1,046.00	\$ 1,136.00
33	68,000 pounds	\$ 1,091.00	\$1,181.00
34	70,000 pounds	\$ 1,175.00	\$ 1,265.00
35	72,000 pounds	\$ 1,257.00	\$ 1,347.00
36	74,000 pounds	\$ 1,366.00	\$ 1,456.00
37	76,000 pounds	\$ 1,476.00	\$ 1,566.00

1	78,000 pounds	\$ 1,612.00	\$ 1,702.00
2	80,000 pounds	\$ 1,740.00	\$ 1,830.00
3	82,000 pounds	\$ 1,861.00	\$ 1,951.00
4	84,000 pounds	\$ 1,981.00	\$ 2,071.00
5	86,000 pounds	\$ 2,102.00	\$ 2,192.00
6	88,000 pounds	\$ 2,223.00	\$ 2,313.00
7	90,000 pounds	\$ 2,344.00	\$ 2,434.00
8	92,000 pounds	\$ 2,464.00	\$ 2,554.00
9	94,000 pounds	\$ 2,585.00	\$ 2,675.00
10	96,000 pounds	\$ 2,706.00	\$ 2,796.00
11	98,000 pounds	\$ 2,827.00	\$ 2,917.00
12	100,000 pounds	\$ 2,947.00	\$3,037.00
13	102,000 pounds	\$ 3,068.00	\$3,158.00
14	104,000 pounds	\$3,189.00	\$3,279.00
15	105,500 pounds	\$3,310.00	\$ 3,400.00

- (2) Schedule A applies to vehicles either used exclusively for hauling logs or that do not tow trailers. Schedule B applies to vehicles that tow trailers and are not covered under Schedule A.
- (3) If the resultant gross weight is not listed in the table provided in subsection (1) of this section, it must be increased to the next higher weight.
- (4) The license fees provided in subsection (1) of this section and the freight project fee provided in subsection (6) of this section are in addition to the filing fee required under RCW 46.17.005 and any other fee or tax required by law.
- (5) The license fee based on declared gross weight as provided in subsection (1) of this section must be distributed under RCW 46.68.035.
- (6) In addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must require an applicant with a vehicle with a declared gross weight of more than 10,000 pounds, unless specifically exempt, to pay a freight project fee equal to fifteen percent of the license fee provided in subsection (1) of this section, rounded to the nearest whole dollar,

which must be distributed under RCW 46.68.035.

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- **Sec. 202.** RCW 46.17.365 and 2010 c 161 s 533 are each amended to read as follows:
 - (1) A person applying for a motor vehicle registration and paying the vehicle license fee required in RCW 46.17.350(1) (a), (d), (e), (h), (j), (n), and (o) shall pay a motor vehicle weight fee in addition to all other fees and taxes required by law. The motor vehicle weight fee:
 - (a) Must be based on the motor vehicle scale weight as follows:

9	<u>WEIGHT</u>	<u>FEE</u>
10	<u>4,000 pounds</u>	<u>\$25.00</u>
11	<u>6,000 pounds</u>	\$45.00
12	8,000 pounds to 14,000 pounds	<u>\$65.00</u>
13	16,000 pounds and over	\$72.00;

- (b) ((Is the difference determined by subtracting the vehicle license fee required in RCW 46.17.350 from the license fee in Schedule B of RCW 46.17.355, plus two dollars)) If the resultant motor vehicle scale weight is not listed in the table provided in (a) of this subsection, must be increased to the next highest weight; and
 - (c) Must be distributed under RCW 46.68.415.
- (2) A person applying for a motor home vehicle registration shall, in lieu of the motor vehicle weight fee required in subsection (1) of this section, pay a motor home vehicle weight fee of seventy-five dollars in addition to all other fees and taxes required by law. The motor home vehicle weight fee must be distributed under RCW 46.68.415.
 - (3) The department shall:

- (a) Rely on motor vehicle empty scale weights provided by vehicle manufacturers, or other sources defined by the department, to determine the weight of each motor vehicle; and
- 29 (b) Adopt rules for determining weight for vehicles without 30 manufacturer empty scale weights.
- NEW SECTION. Sec. 203. Sections 201 and 202 of this act apply to vehicle registrations that are due or become due on or after November 1, 2014.

- **Sec. 204.** RCW 46.17.323 and 2012 c 74 s 10 are each amended to read as follows:
 - (1) Before accepting an application for an annual vehicle registration renewal for ((an electric)) a vehicle that uses ((propulsion units powered solely by)) at least one method of propulsion that is capable of being reenergized by an external source of electricity, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a one hundred dollar fee in addition to any other fees and taxes required by law. The one hundred dollar fee is due only at the time of annual registration renewal.
 - (2) This section only applies to:

- 13 (a) A vehicle that is designed to have the capability to drive at 14 a speed of more than thirty-five miles per hour; and
- 15 (b) An annual vehicle registration renewal that is due on or after 16 February 1, 2013.
 - (3)(a) The fee under this section is imposed to provide funds to mitigate the impact of vehicles on state roads and highways and for the purpose of evaluating the feasibility of transitioning from a revenue collection system based on fuel taxes to a road user assessment system, and is separate and distinct from other vehicle license fees. Proceeds from the fee must be ((used for highway purposes, and)) deposited into the transportation innovative partnership account created in RCW 47.29.230 for the purpose of creating and funding the Washington electric vehicle infrastructure bank as provided in section 401 of this act. Once the total number of electric vehicles subject to this fee has reached one-half of one percent of the state's total registered vehicle fleet, proceeds must be deposited in the motor vehicle fund created in RCW 46.68.070((, subject to)) and distributed in the manner provided in (b) of this subsection.
 - (b) ((If in any year the amount of proceeds from the fee collected under this section exceeds one million dollars, the excess amount over one million dollars must be deposited)) Any fee proceeds eligible for deposit in the motor vehicle fund must be distributed as follows:
- 35 (i) Seventy percent to the motor vehicle fund created in RCW 36 46.68.070;
- 37 (ii) Fifteen percent to the transportation improvement account 38 created in RCW 47.26.084; and

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- 1 (iii) Fifteen percent to the rural arterial trust account created 2 in RCW 36.79.020.
- 3 **Sec. 205.** RCW 46.25.052 and 2013 c 224 s 5 are each amended to 4 read as follows:

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- (1) The department may issue a CLP to an applicant who is at least eighteen years of age and holds a valid Washington state driver's license and who has:
- 8 (a) Submitted an application on a form or in a format provided by 9 the department;
- 10 (b) Passed the general knowledge examination required for issuance 11 of a CDL under RCW 46.25.060 for the commercial motor vehicle 12 classification in which the applicant operates or expects to operate; 13 and
- 14 (c) Paid the appropriate examination fee or fees and an application 15 fee of ((ten)) forty dollars.
 - (2) A CLP must be marked "commercial learner's permit" or "CLP," and must be, to the maximum extent practicable, tamperproof. Other than a photograph of the applicant, it must include, but not be limited to, the information required on a CDL under RCW 46.25.080(1).
 - (3) The holder of a CLP may drive a commercial motor vehicle on a highway only when in possession of a valid driver's license and accompanied by the holder of a valid CDL who has the proper CDL classification and endorsement or endorsements necessary to operate the commercial motor vehicle. The CDL holder must at all times be physically present in the front seat of the vehicle next to the CLP holder or, in the case of a passenger vehicle, directly behind or in the first row behind the driver and must have the CLP holder under observation and direct supervision.
- 29 (4) A CLP may be classified in the same manner as a CDL under RCW 46.25.080(2)(a).
 - (5) CLPs may be issued with only P, S, or N endorsements as described in RCW 46.25.080(2)(b).
 - (a) The holder of a CLP with a P endorsement must have taken and passed the P endorsement knowledge examination. The holder of a CLP with a P endorsement is prohibited from operating a commercial motor vehicle carrying passengers other than authorized employees or representatives of the department and the federal motor carrier safety

administration, examiners, other trainees, and the CDL holder accompanying the CLP holder as required under subsection (2) of this section. The P endorsement must be class specific.

- (b) The holder of a CLP with an S endorsement must have taken and passed the S endorsement knowledge examination. The holder of a CLP with an S endorsement is prohibited from operating a school bus with passengers other than authorized employees or representatives of the department and the federal motor carrier safety administration, examiners, other trainees, and the CDL holder accompanying the CLP holder as required under subsection (2) of this section.
- (c) The holder of a CLP with an N endorsement must have taken and passed the N endorsement knowledge examination. The holder of a CLP with an N endorsement may only operate an empty tank vehicle and is prohibited from operating any tank vehicle that previously contained hazardous materials and has not been purged of any residue.
- (6) A CLP may be issued with appropriate restrictions as described in RCW 46.25.080(2)(c). In addition, a CLP may be issued with the following restrictions:
 - (a) "P" restricts the driver from operating a bus with passengers;
- (b) "X" restricts the driver from operating a tank vehicle that contains cargo; and
 - (c) Any restriction as established by rule of the department.
- 23 (7) The holder of a CLP is not authorized to operate a commercial 24 motor vehicle transporting hazardous materials.
 - (8) A CLP may not be issued for a period to exceed one hundred eighty days. The department may renew the CLP for one additional one hundred eighty-day period without requiring the CLP holder to retake the general and endorsement knowledge examinations.
- 29 (9) The department must transmit the fees collected for CLPs to the 30 state treasurer for deposit in the highway safety fund.
- **Sec. 206.** RCW 46.25.060 and 2013 c 224 s 6 are each amended to 32 read as follows:
- 33 (1)(a) No person may be issued a commercial driver's license unless 34 that person:
 - (i) Is a resident of this state;
- 36 (ii) Has successfully completed a course of instruction in the

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operation of a commercial motor vehicle that has been approved by the director or has been certified by an employer as having the skills and training necessary to operate a commercial motor vehicle safely;

- (iii) If he or she does not hold a valid commercial driver's license of the appropriate classification, has been issued a commercial learner's permit under RCW 46.25.052; and
- (iv) Has passed a knowledge and skills examination for driving a commercial motor vehicle that complies with minimum federal standards established by federal regulation enumerated in 49 C.F.R. Part 383, subparts F, G, and H, in addition to other requirements imposed by state law or federal regulation. The department may not allow the person to take the skills examination during the first fourteen days after initial issuance of the person's commercial learner's permit. The examinations must be prescribed and conducted by the department.
- (b) In addition to the fee charged for issuance or renewal of any license, the applicant shall pay a fee of no more than ((ten)) thirty-five dollars for ((each)) the classified knowledge examination, classified endorsement knowledge examination, or any combination of classified license and endorsement knowledge examinations. The applicant shall pay a fee of no more than ((one)) two hundred fifty dollars for each classified skill examination or combination of classified skill examinations conducted by the department.
- (c) The department may authorize a person, including an agency of this or another state, an employer, a private driver training facility, or other private institution, or a department, agency, or instrumentality of local government, to administer the skills examination specified by this section under the following conditions:
- (i) The examination is the same which would otherwise be administered by the state;
- (ii) The third party has entered into an agreement with the state that complies with the requirements of 49 C.F.R. Sec. 383.75; and
- (iii) The director has adopted rules as to the third party testing program and the development and justification for fees charged by any third party.
- (d) If the applicant's primary use of a commercial driver's license is for any of the following, then the applicant shall pay a fee of no more than ((seventy-five)) two hundred twenty-five dollars for ((each))

the classified skill examination or combination of classified skill examinations whether conducted by the department or a third-party tester:

- (i) Public benefit not-for-profit corporations that are federally supported head start programs; or
- (ii) Public benefit not-for-profit corporations that support early childhood education and assistance programs as described in RCW 43.215.405(2).
- (e) If the applicant's primary use of a commercial driver's license is to drive a school bus, the applicant shall pay a fee of no more than one hundred dollars for the classified skill examination or combination of classified skill examinations conducted by the department.
 - (f) Payment of the examination fees under this subsection entitles the applicant to take the examination up to two times in order to pass.
 - (2)(a) The department may waive the skills examination and the requirement for completion of a course of instruction in the operation of a commercial motor vehicle specified in this section for a commercial driver's license applicant who meets the requirements of 49 C.F.R. Sec. 383.77.
 - (b) An applicant who operates a commercial motor vehicle for agribusiness purposes is exempt from the course of instruction completion and employer skills and training certification requirements under this section. By January 1, 2010, the department shall submit recommendations regarding the continuance of this exemption to the transportation committees of the legislature. For purposes of this subsection (2)(b), "agribusiness" means a private carrier who in the normal course of business primarily transports:
- (i) Farm machinery, farm equipment, implements of husbandry, farm supplies, and materials used in farming;
- (ii) Agricultural inputs, such as seed, feed, fertilizer, and crop protection products;
- (iii) Unprocessed agricultural commodities, as defined in RCW 17.21.020, where such commodities are produced by farmers, ranchers, vineyardists, or orchardists; or
- 35 (iv) Any combination of (b)(i) through (iii) of this subsection.

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

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

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9 **Sec. 207.** RCW 46.25.100 and 2013 c 224 s 12 are each amended to read as follows:

When a person has been disqualified from operating a commercial motor vehicle, the person is not entitled to have the commercial driver's license or commercial learner's permit restored until after the expiration of the appropriate disqualification period required under RCW 46.25.090 or until the department has received a drug and assessment and evidence is presented of participation in or completion of any required drug or alcohol treatment program for ending the disqualification under RCW 46.25.090(7). After expiration of the appropriate period and upon payment of a requalification fee of ((twenty)) thirty-five dollars, or one hundred fifty dollars if the person has been disqualified under RCW 46.25.090(7), the person may apply for a new, duplicate, or renewal commercial driver's license or commercial learner's permit as provided by law. If the person has been disqualified for a period of one year or more, the person shall demonstrate that he or she meets the driver's commercial license or commercial learner's permit qualification standards specified in RCW 46.25.060.

- 28 **Sec. 208.** RCW 46.20.202 and 2007 c 7 s 1 are each amended to read 29 as follows:
- 30 (1) The department may enter into a memorandum of understanding 31 with any federal agency for the purposes of facilitating the crossing 32 of the border between the state of Washington and the Canadian province 33 of British Columbia.
- 34 (2) The department may enter into an agreement with the Canadian 35 province of British Columbia for the purposes of implementing a border-36 crossing initiative.

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

- (b) The department shall implement a one-to-many biometric matching system for the enhanced driver's license or identicard. An applicant for an enhanced driver's license or identicard shall submit a biometric identifier as designated by the department. The biometric identifier must be used solely for the purpose of verifying the identity of the holders and for any purpose set out in RCW 46.20.037. Applicants are required to sign a declaration acknowledging their understanding of the one-to-many biometric match.
- (c) The enhanced driver's license or identicard must include reasonable security measures to protect the privacy of Washington state residents, including reasonable safeguards to protect against unauthorized disclosure of data about Washington state residents. If the enhanced driver's license or identicard includes a radio frequency identification chip, or similar technology, the department shall ensure that the technology is encrypted or otherwise secure from unauthorized data access.
- (d) The requirements of this subsection are in addition to the requirements otherwise imposed on applicants for a driver's license or identicard. The department shall adopt such rules as necessary to meet the requirements of this subsection. From time to time the department shall review technological innovations related to the security of identity cards and amend the rules related to enhanced driver's licenses and identicards as the director deems consistent with this section and appropriate to protect the privacy of Washington state residents.
- (e) Notwithstanding RCW 46.20.118, the department may make images associated with enhanced drivers' licenses or identicards from the

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negative file available to United States customs and border agents for the purposes of verifying identity.

- (4) ((The department may set a fee for the issuance of enhanced drivers' licenses and identicards under this section.)) The fee for an enhanced driver's license or enhanced identicard is fifty-four dollars, which is in addition to the fees for any regular driver's license or identicard. If the enhanced driver's license or enhanced identicard is issued, renewed, or extended for a period other than six years, the fee for each class is nine dollars for each year that the enhanced driver's license or enhanced identicard is issued, renewed, or extended.
- NEW SECTION. Sec. 209. A new section is added to chapter 46.37
 RCW to read as follows:
 - (1)(a) In addition to all other fees imposed on the retail sale of tires, a five dollar fee is imposed on the retail sale of each new tire sold that contains studs. For the purposes of this subsection, "new tire sold that contains studs" means a tire that is manufactured for vehicle purposes and contains metal studs, and does not include bicycle tires or retreaded vehicle tires.
 - (b) The five dollar fee must be paid by the buyer to the seller, and each seller must collect from the buyer the full amount of the fee. The fee collected from the buyer by the seller must be paid to the department of revenue in accordance with RCW 82.32.045; however, the seller retains ten percent of the fee collected.
 - (c) The portion of the fee paid to the department of revenue under (b) of this subsection must be deposited in the motor vehicle fund created under RCW 46.68.070.
 - (2) The fee to be collected by the seller, less the ten percent that the seller retains as specified in subsection (1)(b) of this section, must be held in trust by the seller until paid to the department of revenue, and any seller who appropriates or converts the fee collected to any use other than the payment of the fee on the due date is guilty of a gross misdemeanor.
 - (3) Any seller that fails to collect the fee imposed under this section or, having collected the fee, fails to pay it to the department of revenue by the date due, whether such failure is the result of the seller or the result of acts or conditions beyond the seller's control, is personally liable to the state for the amount of the fee.

- (4) The amount of the fee, until paid by the buyer to the seller or to the department of revenue, constitutes a debt from the buyer to the seller. Any seller who fails or refuses to collect the fee as required with the intent to violate this section or to gain some advantage or benefit and any buyer who refuses to pay the fee due is guilty of a misdemeanor.
- (5) The department of revenue must collect on the business excise tax return from the businesses selling new tires that contain studs at retail the number of tires sold and the fee imposed under this section. The department of revenue must incorporate into its audit cycle a reconciliation of the number of tires sold and the amount of revenue collected by the businesses selling new tires that contain studs.
- 13 (6) All other applicable provisions of chapter 82.32 RCW have full 14 force and application with respect to the fee imposed under this 15 section.
 - (7) The department of revenue must administer this section.

17 LOCAL REVENUE OPTIONS

Sec. 301. RCW 36.73.015 and 2012 c 152 s 1 are each amended to 19 read as follows:

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

- (1) "City" means a city or town.
- (2) "District" means a transportation benefit district created under this chapter.
- (3) "Low-income" means household income that is at or below forty-five percent of the median household income, adjusted for household size, for the district in which the fees, taxes, or tolls were imposed.
- (4) "Rebate program" means an optional program established by a transportation benefit district that includes a city with a population of five hundred thousand persons or more for the purpose of providing rebates to low-income individuals for fees, taxes, and/or tolls imposed by such transportation benefit district for: (a) Vehicle fees imposed under RCW 36.73.040(3)(b); (b) sales and use taxes imposed under RCW 36.73.040(3)(d).
- (5) "Supplemental transportation improvement" or "supplemental improvement" means any project, work, or undertaking to provide public

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

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- (6) "Transportation improvement" means a project contained in the transportation plan of the state, a regional transportation planning organization, city, county, or eligible jurisdiction as identified in RCW 36.73.020(2). A project may include, but is not limited to, investment in new or existing highways of statewide significance, regional principal arterials of significance, high transportation, public transportation, and other transportation projects and programs of local, regional, or statewide significance including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.
- 15 **Sec. 302.** RCW 36.73.020 and 2010 c 250 s 1 are each amended to 16 read as follows:
 - (1) The legislative authority of a county or city may establish a transportation benefit district within the county or city area or within the area specified in subsection (2) of this section, for the purpose of acquiring, constructing, improving, providing, and funding a transportation improvement within the district that is consistent with any existing state, regional, or local transportation plans and necessitated by existing or reasonably foreseeable congestion levels. The transportation improvements shall be owned by the county of jurisdiction if located in an unincorporated area, by the city of jurisdiction if located in an incorporated area, or by the state in cases where the transportation improvement is or becomes a state highway. However, if deemed appropriate by the governing body of the transportation benefit district, a transportation improvement may be owned by a participating port district or transit district, unless otherwise prohibited by law. Transportation improvements shall be administered and maintained as other public streets, roads, highways, and transportation improvements. To the extent practicable, the district shall consider the following criteria when selecting transportation improvements:
- 36 (a) Reduced risk of transportation facility failure and improved 37 safety;

- 1 (b) Improved travel time;
- 2 (c) Improved air quality;

- 3 (d) Increases in daily and peak period trip capacity;
 - (e) Improved modal connectivity;
 - (f) Improved freight mobility;
 - (g) Cost-effectiveness of the investment;
 - (h) Optimal performance of the system through time;
- 8 (i) Improved accessibility for, or other benefits to, persons with 9 special transportation needs as defined in RCW 47.06B.012; and
 - (j) Other criteria, as adopted by the governing body.
 - (2) Subject to subsection (6) of this section, the district may include area within more than one county, city, port district, county transportation authority, reservation of a federally recognized tribe, or public transportation benefit area, if the legislative authority of each participating jurisdiction has agreed to the inclusion as provided in an interlocal agreement adopted pursuant to chapter 39.34 RCW. However, the boundaries of the district need not include all territory within the boundaries of the participating jurisdictions comprising the district.
 - (3) The members of the legislative authority proposing to establish the district, acting ex officio and independently, shall constitute the governing body of the district: PROVIDED, That where a district includes area within more than one jurisdiction under subsection (2) of this section, the district shall be governed under an interlocal agreement adopted pursuant to chapter 39.34 RCW, with the governing body being composed of (a) at least five members including at least one elected official from the legislative authority of each participating jurisdiction or (b) the governing body of the metropolitan planning organization serving the district, but only if the district boundaries are identical to the boundaries of the metropolitan planning organization serving the district.
 - (4) The treasurer of the jurisdiction proposing to establish the district shall act as the ex officio treasurer of the district, unless an interlocal agreement states otherwise.
 - (5) The electors of the district shall all be registered voters residing within the district.
 - (6) Prior to December 1, 2007, the authority under this section,

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regarding the establishment of or the participation in a district, shall not apply to:

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- (a) Counties with a population greater than one million five hundred thousand persons and any adjoining counties with a population greater than five hundred thousand persons;
- 6 (b) Cities with any area within the counties under (a) of this 7 subsection; and
- 8 (c) Other jurisdictions with any area within the counties under (a) of this subsection.
- 10 **Sec. 303.** RCW 36.73.065 and 2012 c 152 s 3 are each amended to 11 read as follows:
 - (1) Except as provided in subsection (4) of this section, taxes, fees, charges, and tolls may not be imposed by a district without approval of a majority of the voters in the district voting on a proposition at a general or special election. The proposition must include a specific description of: (a) The transportation improvement or improvements proposed by the district; (b) any rebate program proposed to be established under RCW 36.73.067; and (c) the proposed taxes, fees, charges, and the range of tolls imposed by the district to raise revenue to fund the improvement or improvements or rebate program, as applicable.
 - (2) Voter approval under this section must be accorded substantial weight regarding the validity of a transportation improvement as defined in RCW 36.73.015.
 - (3) A district may not increase any taxes, fees, charges, or range of tolls imposed or change a rebate program under this chapter once the taxes, fees, charges, tolls, or rebate program takes effect, ((unless)) except:
- 29 (a) If authorized by the district voters pursuant to RCW 36.73.160 $\underline{\cdot}$ 30 or
- 31 (b) For up to forty dollars of the vehicle fee authorized in RCW 32 82.80.140 by the governing board of the district if a vehicle fee of 33 twenty dollars has been imposed for at least twenty-four months.
- 34 (4)(a) A district that includes all the territory within the 35 boundaries of the jurisdiction, or jurisdictions, establishing the 36 district, but not including territory in which a fee is currently being

- collected under RCW 82.80.140, may impose by a majority vote of the governing board of the district the following fees and charges:
- 3 (i) Up to twenty dollars of the vehicle fee authorized in RCW 4 82.80.140; ($\frac{1}{1}$)
 - (ii) <u>Up to forty dollars of the vehicle fee authorized in RCW 82.80.140 if a vehicle fee of twenty dollars has been imposed for at least twenty-four months;</u> or
 - (iii) A fee or charge in accordance with RCW 36.73.120.

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- (b) The vehicle fee authorized in (a) of this subsection may only be imposed for a passenger-only ferry transportation improvement if the vehicle fee is first approved by a majority of the voters within the jurisdiction of the district.
- (c)(i) A district solely comprised of a city or cities ((shall)) may not impose the fees or charges identified in (a) of this subsection within one hundred eighty days after July 22, 2007, unless the county in which the city or cities reside, by resolution, declares that it will not impose the fees or charges identified in (a) of this subsection within the one hundred eighty-day period; or
- (ii) A district solely comprised of a city or cities identified in RCW 36.73.020(6)(b) may not impose the fees or charges until after May 22, 2008, unless the county in which the city or cities reside, by resolution, declares that it will not impose the fees or charges identified in (a) of this subsection through May 22, 2008.
- (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be reached, a district that includes only the unincorporated territory of a county may impose by a majority vote of the governing body of the district up to: (a) Twenty dollars of the vehicle fee authorized in RCW 82.80.140; or (b) forty dollars of the vehicle fee authorized in RCW 82.80.140 if a fee of twenty dollars has been imposed for at least twenty-four months.
- NEW SECTION. Sec. 304. A new section is added to chapter 82.80 RCW to read as follows:
- 33 (1) A county with a population of one million or more may impose, 34 by approval of a majority of the registered voters of the county voting 35 on the proposition at a general or special election, a local motor 36 vehicle excise tax of up to one and one-half percent annually on the 37 value of every motor vehicle registered to a person residing within the

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county based on a guidebook as determined by the department. A motor vehicle excise tax may not be imposed on vehicles licensed under RCW 46.17.355, except for motor vehicles with an unladen weight of six thousand pounds or less, RCW 46.16A.425, 46.17.335, or 46.17.350(1)(c).

- (2) A county imposing a tax under this section must contract, before the effective date of the resolution or ordinance imposing the local motor vehicle excise tax, administration and collection to the department of licensing, as appropriate, which must deduct an amount, as provided by contract, for administration and collection expenses incurred by the department.
- (3) If the department of licensing determines a value for a vehicle pursuant to subsection (1) of this section, any person who pays a locally imposed motor vehicle excise tax for that vehicle may appeal the valuation to the department of licensing under chapter 34.05 RCW. If the taxpayer is successful on appeal, the department must refund the excess tax.
- (4) The tax imposed under this section applies only when renewing a vehicle registration, and is effective upon the registration renewal date as provided by the department of licensing.
- (5)(a) A county imposing a tax under this section must use forty percent of the net funds, after any deductions pursuant to subsection (2) of this section, for the operation, maintenance, or capital needs of public transportation systems.
- (b) The remaining sixty percent of the net funds, after any deductions pursuant to subsection (2) of this section, must be used for the operations and maintenance of local roads and must be distributed on a pro rata basis to the county imposing the local motor vehicle excise tax and to incorporated cities and towns within the county based upon the population of the unincorporated portion of the county, the population of an incorporated city, or the population of an incorporated town as a percentage of the total population of the county.
- 33 (6) For purposes of this section, the population of an incorporated 34 city or town is the most recent population determined by the office of 35 financial management.
- **Sec. 305.** RCW 82.14.045 and 2008 c 86 s 102 are each amended to read as follows:

(1) The legislative body of any city pursuant to RCW 35.92.060, of any county which has created an unincorporated transportation benefit area pursuant to RCW 36.57.100 and 36.57.110, of any public transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090, of any county transportation authority established pursuant to chapter 36.57 RCW, and of any metropolitan municipal corporation within a county with a population of one million or more pursuant to chapter 35.58 RCW, may, by resolution or ordinance for the sole purpose of providing funds for the operation, maintenance, or capital needs of public transportation systems or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized by RCW 35.95.040, submit authorizing proposition to the voters or include such authorization in a proposition to perform the function of public transportation or public transportation limited to persons with special needs under RCW 36.57.130 and 36.57A.180, and if approved by a majority of persons voting thereon, impose a sales and use tax in accordance with the terms of this chapter. Where an authorizing proposition is submitted by a county on behalf of an unincorporated transportation benefit area, it shall be voted upon by the voters residing within the boundaries of such unincorporated transportation benefit area and, if approved, the use tax shall be imposed only within Notwithstanding any provisions of this section to the contrary, any county in which a county public transportation plan has been adopted pursuant to RCW 36.57.070 and the voters of such county have authorized the imposition of a sales and use tax pursuant to the provisions of section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975, shall be authorized to fix and impose a sales and use tax as provided in this section at not to exceed the rate so authorized without additional approval of the voters of such county as otherwise required by this section.

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The tax authorized by this section shall be in addition to the tax authorized by RCW 82.14.030 and shall be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within such city, public transportation benefit area, county, or metropolitan municipal corporation as the case may be. The rate of such tax shall be one-tenth, two-tenths, three-tenths, four-tenths, five-tenths, six-tenths,

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seven-tenths, eight-tenths, or nine-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The rate of such tax shall not exceed the rate authorized by the voters unless such increase shall be similarly approved.

- (2)(a) In the event a metropolitan municipal corporation imposes a sales and use tax pursuant to this chapter no city, county which has created an unincorporated transportation benefit area, public transportation benefit area authority, or county transportation authority wholly within such metropolitan municipal corporation shall be empowered to impose and/or collect taxes under RCW 35.95.040 or this section, but nothing herein shall prevent such city or county from imposing sales and use taxes pursuant to any other authorization.
- (b) In the event a county transportation authority imposes a sales and use tax under this section, no city, county which has created an unincorporated transportation benefit area, public transportation benefit area, or metropolitan municipal corporation, located within the territory of the authority, shall be empowered to impose or collect taxes under RCW 35.95.040 or this section.
- (c) In the event a public transportation benefit area imposes a sales and use tax under this section, no city, county which has created an unincorporated transportation benefit area, or metropolitan municipal corporation, located wholly or partly within the territory of the public transportation benefit area, shall be empowered to impose or collect taxes under RCW 35.95.040 or this section.
- (3) The legislative body of a public transportation benefit area located in a county with a population of seven hundred thousand or more that also contains a city with a population of seventy-five thousand or more operating a transit system pursuant to chapter 35.95 RCW may submit an authorizing proposition to the voters and, if approved by a majority of persons voting on the proposition, impose a sales and use tax in accordance with the terms of this chapter of one-tenth, two-tenths, or three-tenths of one percent of the selling price, in the case of a sales tax, or value of the article used, in the case of a use tax, in addition to the rate in subsection (1) of this section.
- **Sec. 306.** RCW 82.80.140 and 2010 c 161 s 917 are each amended to read as follows:

(1) Subject to the provisions of RCW 36.73.065, a transportation benefit district under chapter 36.73 RCW may fix and impose an annual vehicle fee, not to exceed one hundred dollars per vehicle registered in the district, for each vehicle subject to vehicle license fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q) and for each vehicle subject to gross weight license fees under RCW 46.17.355 with a scale weight of six thousand pounds or less.

- (2)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district, but not including territory in which a fee is currently being collected under this section, may impose by a majority vote of the governing board of the district up to twenty dollars of the vehicle fee authorized in subsection (1) of this section or up to forty dollars of the vehicle fee authorized in subsection (1) of this section if a twenty dollar vehicle fee has been imposed for at least twenty-four months.
- (i) If the district is countywide, the revenues of the fee ((shall)) must be distributed to each city within the ((county)) district by interlocal agreement that must be effective prior to imposition of the fee. The interlocal agreement is effective when approved by the ((county)) district and sixty percent of the cities representing seventy-five percent of the population of the cities within the ((county)) district in which the countywide fee is collected.
- (ii) If the district is less than countywide, the revenues of the fee must be distributed to each city within the district by interlocal agreement that must be effective prior to imposition of the fee.
 - (b) A district may not impose a fee under this subsection (2):
- (i) For a passenger-only ferry transportation improvement unless the vehicle fee is first approved by a majority of the voters within the jurisdiction of the district; or
- (ii) That, if combined with the fees previously imposed by another district within its boundaries under RCW 36.73.065(4)(a)(i), exceeds ((twenty)) forty dollars.
- If a district imposes or increases a fee under this subsection (2) that, if combined with the fees previously imposed by another district within its boundaries, exceeds ((twenty)) forty dollars, the district

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- shall provide a credit for the previously imposed fees so that the combined vehicle fee does not exceed ((twenty)) forty dollars.
 - (3) The department of licensing shall administer and collect the fee. The department shall deduct a percentage amount, as provided by contract, not to exceed one percent of the fees collected, for administration and collection expenses incurred by it. The department shall remit remaining proceeds to the custody of the state treasurer. The state treasurer shall distribute the proceeds to the district on a monthly basis.
- 10 (4) No fee under this section may be collected until six months 11 after approval under RCW 36.73.065.
 - (5) The vehicle fee under this section applies only when renewing a vehicle registration, and is effective upon the registration renewal date as provided by the department of licensing.
- 15 (6) The following vehicles are exempt from the fee under this 16 section:
 - (a) Campers, as defined in RCW 46.04.085;
- 18 (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and 46.04.181;
 - (c) Mopeds, as defined in RCW 46.04.304;

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- 21 (d) Off-road and nonhighway vehicles, as defined in RCW 46.04.365;
- (e) Private use single-axle trailer, as defined in RCW 46.04.422;
- 23 (f) Snowmobiles, as defined in RCW 46.04.546; and
- 24 (g) Vehicles registered under chapter 46.87 RCW and the 25 international registration plan.

26 MISCELLANEOUS

- NEW SECTION. Sec. 401. A new section is added to chapter 47.29
 RCW to read as follows:
 - (1) A Washington electric vehicle infrastructure bank is hereby established. The Washington electric vehicle infrastructure bank shall provide financial assistance for the installation of publicly accessible electric vehicle charging stations within the state.
- 33 (2) Electric vehicle infrastructure receiving financial assistance 34 must include both DC fast-charging stations and level 1 or 2 electric 35 vehicle supply equipment. The department must confer with the 36 Washington department of commerce, and seek input from experts

representing local government, public utilities, electric vehicle manufacturer representatives, and current Washington state electric vehicle drivers to review information and advise the department on policies and priorities for deployment of public charging station locations.

- (3) The department's public-private partnerships office must administer all funds dispersed and received, including any funds received under RCW 46.17.323 and deposited into the transportation innovative partnership account created under RCW 47.29.230. Prior to providing any financial assistance for electric vehicle infrastructure projects, the department must submit a business plan to the house of representatives and senate transportation committees of the legislature and to the governor's office.
- 14 (4) Annual progress reports must be transmitted to the legislature 15 and governor as of December 1st of each year.
 - (5) This section expires July 1, 2026.

- **Sec. 402.** RCW 81.77.170 and 1989 c 431 s 36 are each amended to 18 read as follows:
- For rate-making purposes, a fee, charge, or tax on the <u>collection</u> or disposal of solid waste ((shall be)) is considered a normal operating expense of the solid waste collection company, including all taxes and fees imposed or increased under this act. Filing for pass-through of any such fee, charge, or tax is not considered a general rate proceeding.
 - NEW SECTION. Sec. 403. The legislature finds that adopting a low-carbon fuel standard effectively equates to a one dollar per gallon increase in motor vehicle fuel taxes. The legislature further finds that any increase in state transportation revenues must be adopted through the legislative process in the form of duly enacted laws. The legislature further finds that adopting a low-carbon fuel standard by executive order or through the agency rule-making process would serve as an obvious circumvention of the legislative process. Therefore, it is the strong intent of the legislature that the governor not adopt a low-carbon fuel standard by executive order or through the agency rule-making process.

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- 1 <u>NEW SECTION.</u> **Sec. 404.** If any provision of this act or its
- 2 application to any person or circumstance is held invalid, the
- 3 remainder of the act or the application of the provision to other
- 4 persons or circumstances is not affected.
- 5 NEW SECTION. Sec. 405. Sections 103, 105, and 110 of this act
- 6 take effect July 1, 2015, if the conditions in section 411 of this act
- 7 are met.
- 8 NEW SECTION. Sec. 406. Section 107 of this act expires on the
- 9 date the requirements set out in section 7, chapter 36, Laws of 2012
- 10 are met, if the conditions in section 411 of this act are met.
- 11 NEW SECTION. Sec. 407. Section 108 of this act takes effect on
- 12 the date the requirements set out in section 7, chapter 36, Laws of
- 13 2012 are met, if the conditions in section 411 of this act are met.
- 14 <u>NEW SECTION.</u> **Sec. 408.** Sections 101, 102, 104, and 109 of this
- 15 act expire July 1, 2015, if the conditions in section 411 of this act
- 16 are met.
- 17 <u>NEW SECTION.</u> **Sec. 409.** Section 204 of this act expires on the
- 18 effective date of legislation enacted by the legislature that imposes
- 19 a vehicle miles traveled fee or tax, if the conditions in section 411
- 20 of this act are met.
- NEW SECTION. Sec. 410. Sections 205 through 209 of this act take
- 22 effect January 1, 2015, if the conditions in section 411 of this act
- 23 are met.
- NEW SECTION. Sec. 411. This act takes effect if chapter . . .
- 25 (Senate Bill No. 5858) (ferry capital program reforms), Laws of 2014,
- 26 chapter . . . (Senate Bill No. 6099) (storm water permit compliance
- 27 activities), Laws of 2014, chapter . . . (Substitute Senate Bill No.
- 28 6186) (labor reforms), Laws of 2014, chapter . . . (Senate Bill No.
- 29 6156) (environmental permitting), Laws of 2014, chapter . . . (Senate
- 30 Bill No. 6051) (omnibus reforms), Laws of 2014, chapter . . . (Senate
- 31 Bill No. 6224) (project delivery), Laws of 2014, chapter . .

- 1 (Substitute Senate Bill No. 6102) (sales tax on transportation
- 2 construction), Laws of 2014, and chapter . . . (Senate Bill No. 6100)
- 3 (adding congestion relief to transportation goals), Laws of 2014 are
- 4 each enacted by June 30, 2014.

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