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SENATE BILL 5861

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State of Washington

63rd Legislature

2013 Regular Session

By Senators Murray, Kohl-Welles, Nelson, Eide, and Frockt

1 AN ACT Relating to local transportation revenue; amending RCW  
2 36.73.065 and 82.80.140; adding a new section to chapter 82.80 RCW; and  
3 creating a new section.

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

5 NEW SECTION. **Sec. 1.** (1) It is the intent of the legislature to  
6 provide diversified local revenue options that may be tailored to the  
7 needs of each jurisdiction, in addition to any increases in funding  
8 provided through already existing partnerships between the state and  
9 local communities, such as the motor vehicle fuel taxes. In the case  
10 of public transit systems in particular, there is a need for additional  
11 revenue sources beyond the current sales and use tax options, which  
12 may, on their own, not be sufficient to meet the funding challenges of  
13 a particular system.

14 (2) It is also the intent that local governments provide countywide  
15 transportation planning and coordinate with other municipalities,  
16 transit systems, transportation benefit districts, planning  
17 organizations, and other transportation agencies. It is critical that  
18 all transportation infrastructure is well planned, coordinated, and  
19 maintained at the local levels to provide a seamless transportation

1 infrastructure to enable people and goods to move safely and  
2 efficiently throughout the state and to bolster and improve the state's  
3 economy.

4 (3) The legislature finds that the purchasing power of funds to pay  
5 for local transportation needs continues to decline while costs have  
6 risen. Without additional funding, counties and cities will continue  
7 to struggle financially to preserve and maintain county roads, city  
8 streets, and bridges; pavement conditions will to continue to decline;  
9 and public transit systems will be forced to cut services at a time  
10 when demand for transit services is increasing.

11 **Sec. 2.** RCW 36.73.065 and 2012 c 152 s 3 are each amended to read  
12 as follows:

13 (1) Except as provided in subsection (4) of this section, taxes,  
14 fees, charges, and tolls may not be imposed by a district without  
15 approval of a majority of the voters in the district voting on a  
16 proposition at a general or special election. The proposition must  
17 include a specific description of: (a) The transportation improvement  
18 or improvements proposed by the district; (b) any rebate program  
19 proposed to be established under RCW 36.73.067; and (c) the proposed  
20 taxes, fees, charges, and the range of tolls imposed by the district to  
21 raise revenue to fund the improvement or improvements or rebate  
22 program, as applicable.

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

26 (3) A district may not increase any taxes, fees, charges, or range  
27 of tolls imposed or change a rebate program under this chapter once the  
28 taxes, fees, charges, tolls, or rebate program takes effect, unless  
29 authorized by the district voters pursuant to RCW 36.73.160 or up to  
30 forty dollars of the vehicle fee authorized in RCW 82.80.140 by the  
31 governing board of the district.

32 (4)(a) A district that includes all the territory within the  
33 boundaries of the jurisdiction, or jurisdictions, establishing the  
34 district may impose by a majority vote of the governing board of the  
35 district the following fees and charges:

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

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

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

6 (c)(i) A district solely comprised of a city or cities (~~shall~~)  
7 may not impose the fees or charges identified in (a) of this subsection  
8 within one hundred eighty days after July 22, 2007, unless the county  
9 in which the city or cities reside, by resolution, declares that it  
10 will not impose the fees or charges identified in (a) of this  
11 subsection within the one hundred eighty-day period; or

12 (ii) A district solely comprised of a city or cities identified in  
13 RCW 36.73.020(6)(b) may not impose the fees or charges until after May  
14 22, 2008, unless the county in which the city or cities reside, by  
15 resolution, declares that it will not impose the fees or charges  
16 identified in (a) of this subsection through May 22, 2008.

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

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

24 (1) A county with a population of one million or more may impose,  
25 by a majority of persons voting on the proposition or by a majority  
26 vote of the county council, a local motor vehicle excise tax of up to  
27 one and one-half percent annually on the value of every motor vehicle  
28 registered to a person residing within the county based on the  
29 valuation schedules in RCW 82.44.035. A motor vehicle excise tax may  
30 not be imposed on vehicles licensed under RCW 46.17.355, except for  
31 motor vehicles with an unladen weight of six thousand pounds or less,  
32 RCW 46.16A.425, 46.17.335, or 46.17.350(1)(c).

33 (2) A county imposing a tax under this section must contract,  
34 before the effective date of the resolution or ordinance imposing the  
35 local motor vehicle excise tax, administration and collection to the  
36 department of licensing, as appropriate, which must deduct an amount,

1 as provided by contract, for administration and collection expenses  
2 incurred by the department.

3 (3)(a) A county imposing a tax under this section must use sixty  
4 percent of the net funds, after any deductions pursuant to subsection  
5 (2) of this section, for the operation, maintenance, or capital needs  
6 of public transportation systems.

7 (b) The remaining forty percent of the net funds, after any  
8 deductions pursuant to subsection (2) of this section, must be used for  
9 the operations and maintenance of local roads and must be distributed  
10 on a pro rata basis to the county imposing the local motor vehicle  
11 excise tax and to incorporated cities and towns within the county based  
12 upon the population of the unincorporated portion of the county, the  
13 population of an incorporated city, or the population of an  
14 incorporated town as a percentage of the total population of the  
15 county.

16 (4) For purposes of this section, the population of an incorporated  
17 city or town is the most recent population determined by the office of  
18 financial management.

19 **Sec. 4.** RCW 82.80.140 and 2010 c 161 s 917 are each amended to  
20 read as follows:

21 (1) Subject to the provisions of RCW 36.73.065, a transportation  
22 benefit district under chapter 36.73 RCW may fix and impose an annual  
23 vehicle fee, not to exceed one hundred dollars per vehicle registered  
24 in the district, for each vehicle subject to vehicle license fees under  
25 RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q)  
26 and for each vehicle subject to gross weight license fees under RCW  
27 46.17.355 with a scale weight of six thousand pounds or less.

28 (2)(a) A district that includes all the territory within the  
29 boundaries of the jurisdiction, or jurisdictions, establishing the  
30 district may impose by a majority vote of the governing board of the  
31 district up to (~~twenty~~) forty dollars of the vehicle fee authorized  
32 in subsection (1) of this section. If the district is countywide, the  
33 revenues of the fee shall be distributed to each city within the county  
34 by interlocal agreement. The interlocal agreement is effective when  
35 approved by the county and sixty percent of the cities representing  
36 seventy-five percent of the population of the cities within the county  
37 in which the countywide fee is collected.

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

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

5 (ii) That, if combined with the fees previously imposed by another  
6 district within its boundaries under RCW 36.73.065(4)(a)(i), exceeds  
7 (~~twenty~~) forty dollars.

8 If a district imposes or increases a fee under this subsection (2)  
9 that, if combined with the fees previously imposed by another district  
10 within its boundaries, exceeds (~~twenty~~) forty dollars, the district  
11 shall provide a credit for the previously imposed fees so that the  
12 combined vehicle fee does not exceed (~~twenty~~) forty dollars.

13 (3) The department of licensing shall administer and collect the  
14 fee. The department shall deduct a percentage amount, as provided by  
15 contract, not to exceed one percent of the fees collected, for  
16 administration and collection expenses incurred by it. The department  
17 shall remit remaining proceeds to the custody of the state treasurer.  
18 The state treasurer shall distribute the proceeds to the district on a  
19 monthly basis.

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

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

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

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

28 (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and  
29 46.04.181;

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

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

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

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

34 (g) Vehicles registered under chapter 46.87 RCW and the  
35 international registration plan.

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