
SUBSTITUTE HOUSE BILL 1677

State of Washington 52nd Legislature 1991 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Cooper, R. Fisher, Peery, Ogden, H. Myers, Morris, Jacobsen and Winsley).

Read first time March 5, 1991.

1 AN ACT Relating to high capacity transportation funding and
2 planning; amending RCW 35.58.273, 81.104.030, 81.104.110, 81.104.140,
3 and 82.44.150; and creating a new section.

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

5 **Sec. 1.** RCW 35.58.273 and 1990 c 42 s 316 are each amended to read
6 as follows:

7 (1) Through June 30, 1992, any municipality (~~within a class AA~~
8 ~~county, or within a class A county contiguous to a class AA county, or~~
9 ~~within a second class county contiguous to a class A county that is~~
10 ~~contiguous to a class AA county)), as defined in this subsection, is
11 authorized to levy and collect a special excise tax not exceeding .7824
12 percent and beginning July 1, 1992, .725 percent on the fair market
13 value of every motor vehicle owned by a resident of such municipality
14 for the privilege of using such motor vehicle provided that in no event
15 shall the tax be less than one dollar and, subject to RCW 82.44.150~~

1 ((+5) and (6)) (3) and (4), the amount of such tax shall be credited
2 against the amount of the excise tax levied by the state under RCW
3 82.44.020. As used in this subsection, the term "municipality" means
4 a municipality that is located within (a) each county with a population
5 of two hundred ten thousand or more and (b) each county with a
6 population of from one hundred twenty-five thousand to less than two
7 hundred ten thousand.

8 (2) Through June 30, 1992, any other municipality is authorized to
9 levy and collect a special excise tax not exceeding .815 percent, and
10 beginning July 1, 1992, .725 percent on the fair market value of every
11 motor vehicle owned by a resident of such municipality for the
12 privilege of using such motor vehicle provided that in no event shall
13 the tax be less than one dollar and, subject to RCW 82.44.150 (3) and
14 (4), the amount of such tax shall be credited against the amount of the
15 excise tax levied by the state under RCW 82.44.020. Before utilization
16 of any excise tax moneys collected under authorization of this section
17 for acquisition of right of way or construction of a mass transit
18 facility on a separate right of way the municipality shall adopt rules
19 affording the public an opportunity for "corridor public hearings" and
20 "design public hearings" as herein defined, which rule shall provide in
21 detail the procedures necessary for public participation in the
22 following instances: (a) prior to adoption of location and design
23 plans having a substantial social, economic or environmental effect
24 upon the locality upon which they are to be constructed or (b) on such
25 mass rapid transit systems operating on a separate right of way
26 whenever a substantial change is proposed relating to location or
27 design in the adopted plan. In adopting rules the municipality shall
28 adhere to the provisions of the Administrative Procedure Act.

29 (3) A "corridor public hearing" is a public hearing that: (a) is
30 held before the municipality is committed to a specific mass transit

1 route proposal, and before a route location is established; (b) is held
2 to afford an opportunity for participation by those interested in the
3 determination of the need for, and the location of, the mass rapid
4 transit system; (c) provides a public forum that affords a full
5 opportunity for presenting views on the mass rapid transit system route
6 location, and the social, economic and environmental effects on that
7 location and alternate locations: PROVIDED, That such hearing shall
8 not be deemed to be necessary before adoption of an overall mass rapid
9 transit system plan by a vote of the electorate of the municipality.

10 (4) A "design public hearing" is a public hearing that: (a) is
11 held after the location is established but before the design is
12 adopted; and (b) is held to afford an opportunity for participation by
13 those interested in the determination of major design features of the
14 mass rapid transit system; and (c) provides a public forum to afford a
15 full opportunity for presenting views on the mass rapid transit system
16 design, and the social, economic, environmental effects of that design
17 and alternate designs.

18 **Sec. 2.** RCW 81.104.030 and 1990 c 43 s 24 are each amended to read
19 as follows:

20 (1) In any ~~((class A))~~ county with a population of from two hundred
21 ten thousand to less than one million that is not bordered by a ~~((class~~
22 ~~AA))~~ county with a population of one million or more, and in ~~((counties~~
23 ~~of the first class and smaller))~~ each county with a population of less
24 than two hundred ten thousand, city-owned transit systems, county
25 transportation authorities, metropolitan municipal corporations, and
26 public transportation benefit areas may elect to establish high
27 capacity transportation service. Such agencies shall form a regional
28 policy committee with proportional representation based upon population
29 distribution within the designated service area and a representative of

1 the department of transportation, or such agencies may use the
2 designated metropolitan planning organization as the regional policy
3 committee.

4 (a) City-owned transit systems, county transportation authorities,
5 metropolitan municipal corporations, and public transportation benefit
6 areas participating in joint regional policy committees shall seek
7 voter approval within their own service boundaries of a high capacity
8 transportation system plan and an implementation program including a
9 financing program.

10 (b) An interim regional authority may be formed pursuant to RCW
11 81.104.040(2) and shall seek voter approval of a high capacity
12 transportation plan and financing program within its proposed service
13 boundaries.

14 (2) City-owned transit systems, county transportation authorities,
15 metropolitan municipal corporations, and public transportation benefit
16 areas in counties adjoining state or international boundaries are
17 authorized to participate in the regional high capacity transportation
18 programs of an adjoining state or nation.

19 **Sec. 3.** RCW 81.104.110 and 1990 c 43 s 32 are each amended to read
20 as follows:

21 The legislature recognizes that the planning process described in
22 RCW 81.104.100 provides a recognized framework for guiding high
23 capacity transportation studies. However, the process cannot guarantee
24 appropriate transit decisions unless key study assumptions are
25 reasonable.

26 To assure appropriate project assumptions and to provide for review
27 of project results, the department of transportation shall develop
28 independent oversight procedures which are appropriate to the scope of

1 any project for which high capacity transportation account funds are
2 requested.

3 An expert review panel shall be appointed to provide independent
4 technical review for any project which is to be funded in whole or in
5 part by the imposition of any voter-approved local option funding
6 sources enumerated in RCW 81.104.140.

7 (1) The expert review panel shall consist of five to ten members
8 who are recognized experts in relevant fields, such as transit
9 operations, planning, emerging transportation technologies,
10 engineering, finance, law, the environment, geography, economics, and
11 political science.

12 (2) The expert review panel shall be selected cooperatively by the
13 chair of the legislative transportation committee, the secretary of the
14 department of transportation, and the governor to assure a balance of
15 disciplines. In the case of counties adjoining another state or nation
16 the expert review panel membership shall be selected cooperatively with
17 representatives of the adjoining state or nation.

18 (3) The chair of the expert review panel shall be designated by the
19 appointing body.

20 (4) The expert review panel shall serve without compensation but
21 shall be reimbursed for expenses according to chapter 43.03 RCW.

22 (5) Funds appropriated for expenses of the expert panel shall be
23 administered by the department of transportation.

24 (6) The expert panel shall review all reports required in RCW
25 81.104.100(2)(b)(vi) but shall concentrate on service modes and
26 concepts, costs, patronage, financing, and project evaluation.

27 (7) The expert panel shall provide timely reviews and comments on
28 individual project reports and study conclusions to the governor, the
29 legislative transportation committee, the department of transportation,
30 and the submitting lead transit agency. In the case of counties

1 adjoining another state or nation, the expert review panel shall
2 provide its reviews, comments, and conclusions to the representatives
3 of the adjoining state or nation.

4 (8) The legislative transportation committee shall contract for
5 consulting services for expert review panels. The amount of consultant
6 support shall be negotiated with each expert review panel by the
7 legislative transportation committee and shall be paid from the high
8 capacity transportation account.

9 **Sec. 4.** RCW 81.104.140 and 1990 c 43 s 35 are each amended to read
10 as follows:

11 (1) Agencies authorized to provide high capacity transportation
12 service, including city-owned transit systems, county transportation
13 authorities, metropolitan municipal corporations and public
14 transportation benefit areas, are hereby granted dedicated funding
15 sources for such systems. These dedicated funding sources, as set
16 forth in RCW 81.104.150, 81.104.160, and 81.104.170, are authorized
17 only for agencies located in (~~class AA counties, class A counties,~~
18 ~~counties of the first class which border another state, and counties~~
19 ~~which, on March 14, 1990, are of the second class and which adjoin~~
20 ~~class A counties~~)) (a) each county with a population of two hundred ten
21 thousand or more and (b) each county with a population of from one
22 hundred twenty-five thousand to less than two hundred ten thousand.

23 (2) Agencies providing high capacity transportation service should
24 also seek other funds, including federal, state, local, and private
25 sector assistance.

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

28 (a) Acceptability;

29 (b) Ease of administration;

- 1 (c) Equity;
- 2 (d) Implementation feasibility;
- 3 (e) Revenue reliability; and
- 4 (f) Revenue yield.

5 (4) Agencies participating in regional high capacity transportation
6 system development through interlocal agreements or a conference-
7 approved interim regional rail authority or subregional process as
8 defined in RCW 81.104.040 are authorized to levy and collect the
9 following voter-approved local option funding sources:

- 10 (a) Employer tax as provided in RCW 81.104.150;
- 11 (b) Special motor vehicle excise tax as provided in RCW 81.104.160;
- 12 and
- 13 (c) Sales and use tax as provided in RCW 81.104.170.

14 Revenues from these taxes may be used only to support those
15 purposes prescribed in subsection (8) of this section. Before an
16 agency may impose any of the taxes enumerated in this section and
17 authorized in RCW 81.104.150, 81.104.160, and 81.104.170, it must
18 comply with the process prescribed in RCW 81.104.100 and 81.104.110.

19 (5) Authorization in subsection (4) of this section shall not
20 adversely affect the funding authority of existing transit agencies.
21 Local option funds may be used to support implementation of interlocal
22 agreements with respect to the establishment of regional high capacity
23 transportation service. Local jurisdictions shall retain control over
24 moneys generated within their boundaries, although funds may be
25 commingled for planning, construction, and operation of high capacity
26 transportation systems as set forth in the agreements.

27 (6) Agencies providing high capacity transportation service may
28 contract with the state for collection and transference of local option
29 revenue.

1 (7) Dedicated high capacity transportation funding shall be subject
2 to voter approval by a simple majority.

3 (8) Agencies providing high capacity transportation service shall
4 retain responsibility for revenue encumbrance, disbursement, and
5 bonding. Funds may be used for any purpose relating to planning,
6 construction, and operation of high capacity transportation, commuter
7 rail, and feeder transportation systems.

8 **Sec. 5.** RCW 82.44.150 and 1990 c 42 s 308 are each amended to read
9 as follows:

10 (1) The director of licensing shall, on the twenty-fifth day of
11 February, May, August, and November of each year, advise the state
12 treasurer of the total amount of motor vehicle excise taxes remitted to
13 the department during the preceding calendar quarter ending on the last
14 day of March, June, September, and December, respectively, except for
15 those payable under RCW 82.44.030, from motor vehicle owners residing
16 within each municipality which has levied a tax under RCW 35.58.273,
17 which amount of excise taxes shall be determined by the director as
18 follows:

19 The total amount of motor vehicle excise taxes remitted to the
20 department, except those payable under RCW 82.44.030, from each county
21 shall be multiplied by a fraction, the numerator of which is the
22 population of the municipality residing in such county, and the
23 denominator of which is the total population of the county in which
24 such municipality or portion thereof is located. The product of this
25 computation shall be the amount of excise taxes from motor vehicle
26 owners residing within such municipality or portion thereof. Where the
27 municipality levying a tax under RCW 35.58.273 is located in more than
28 one county, the above computation shall be made by county, and the
29 combined products shall provide the total amount of motor vehicle

1 excise taxes from motor vehicle owners residing in the municipality as
2 a whole. Population figures required for these computations shall be
3 supplied to the director by the office of financial management, who
4 shall adjust the fraction annually.

5 (2) On the first day of the months of January, April, July, and
6 October of each year, the state treasurer based upon information
7 provided by the department shall, from motor vehicle excise taxes
8 deposited in the general fund, under RCW 82.44.110(7), make the
9 following deposits:

10 (a) To the high capacity transportation account created in RCW
11 47.78.010, a sum equal to four and five-tenths percent of the special
12 excise tax levied under RCW 35.58.273 by those municipalities
13 authorized to levy a special excise tax within ~~((a class AA county, or
14 within a class A county contiguous to a class AA county, or within a
15 second class county contiguous to a class A county that is contiguous
16 to a class AA county))~~ (i) each county with a population of two hundred
17 ten thousand or more and (ii) each county with a population of from one
18 hundred twenty-five thousand to less than two hundred ten thousand;

19 (b) To the central Puget Sound public transportation account
20 created in RCW 82.44.180, for revenues distributed after December 31,
21 1992, within a ~~((class AA county or within a class A county contiguous
22 to a class AA))~~ county with a population of one million or more and a
23 county with a population of from two hundred thousand to less than one
24 million bordering a county with a population of one million or more, a
25 sum equal to the difference between (i) the special excise tax levied
26 and collected under RCW 35.58.273 by those municipalities authorized to
27 levy and collect a special excise tax subject to the requirements of
28 subsections (3) and (4) of this section and (ii) the special excise tax
29 that the municipality would otherwise have been eligible to levy and
30 collect at a tax rate of .815 percent and been able to match with

1 locally generated tax revenues, other than the excise tax imposed under
2 RCW 35.58.273, budgeted for any public transportation purpose. Before
3 this deposit, the sum shall be reduced by an amount equal to the amount
4 distributed under (a) of this subsection for each of the municipalities
5 within the counties to which this subsection (2)(b) applies; however,
6 any transfer under this subsection (2)(b) must be greater than zero;

7 (c) To the public transportation systems account created in RCW
8 82.44.180, for revenues distributed after December 31, 1992, within
9 counties not described in (b) of this subsection, a sum equal to the
10 difference between (i) the special excise tax levied and collected
11 under RCW 35.58.273 by those municipalities authorized to levy and
12 collect a special excise tax subject to the requirements of subsections
13 (3) and (4) of this section and (ii) the special excise tax that the
14 municipality would otherwise have been eligible to levy and collect at
15 a tax rate of .815 percent and been able to match with locally
16 generated tax revenues, other than the excise tax imposed under RCW
17 35.58.273, budgeted for any public transportation purpose. Before this
18 deposit, the sum shall be reduced by an amount equal to the amount
19 distributed under (a) of this subsection for each of the municipalities
20 within the counties to which this subsection (2)(c) applies; however,
21 any transfer under this subsection (2)(c) must be greater than zero;
22 and

23 (d) To the transportation fund created in RCW 82.44.180, for
24 revenues distributed after June 30, 1991, a sum equal to the difference
25 between (i) the special excise tax levied and collected under RCW
26 35.58.273 by those municipalities authorized to levy and collect a
27 special excise tax subject to the requirements of subsections (3) and
28 (4) of this section and (ii) the special excise tax that the
29 municipality would otherwise have been eligible to levy and collect at
30 a tax rate of .815 percent notwithstanding the requirements set forth

1 in subsections (3) through (6) of this section, reduced by an amount
2 equal to distributions made under (a), (b), and (c) of this subsection.

3 (3) On the first day of the months of January, April, July, and
4 October of each year, the state treasurer, based upon information
5 provided by the department, shall remit motor vehicle excise tax
6 revenues imposed and collected under RCW 35.58.273 as follows:

7 (a) The amount required to be remitted by the state treasurer to
8 the treasurer of any municipality levying the tax shall not exceed in
9 any calendar year the amount of locally-generated tax revenues,
10 excluding the excise tax imposed under RCW 35.58.273 for the purposes
11 of this section, which shall have been budgeted by the municipality to
12 be collected in such calendar year for any public transportation
13 purposes including but not limited to operating costs, capital costs,
14 and debt service on general obligation or revenue bonds issued for
15 these purposes; and

16 (b) In no event may the amount remitted in a single calendar
17 quarter exceed the amount collected on behalf of the municipality under
18 RCW 35.58.273 during the calendar quarter next preceding the
19 immediately preceding quarter.

20 (4) At the close of each calendar year accounting period, but not
21 later than April 1, each municipality that has received motor vehicle
22 excise taxes under subsection (3) of this section shall transmit to the
23 director of licensing and the state auditor a written report showing by
24 source the previous year's budgeted tax revenues for public
25 transportation purposes as compared to actual collections. Any
26 municipality that has not submitted the report by April 1 shall cease
27 to be eligible to receive motor vehicle excise taxes under subsection
28 (3) of this section until the report is received by the director of
29 licensing. If a municipality has received more or less money under
30 subsection (3) of this section for the period covered by the report

1 than it is entitled to receive by reason of its locally-generated
2 collected tax revenues, the director of licensing shall, during the
3 next ensuing quarter that the municipality is eligible to receive motor
4 vehicle excise tax funds, increase or decrease the amount to be
5 remitted in an amount equal to the difference between the locally-
6 generated budgeted tax revenues and the locally-generated collected tax
7 revenues. In no event may the amount remitted for a calendar year
8 exceed the amount collected on behalf of the municipality under RCW
9 35.58.273 during that same calendar year. At the time of the next
10 fiscal audit of each municipality, the state auditor shall verify the
11 accuracy of the report submitted and notify the director of licensing
12 of any discrepancies.

13 (5) The motor vehicle excise taxes imposed under RCW 35.58.273 and
14 required to be remitted under this section shall be remitted without
15 legislative appropriation.

16 (6) Any municipality levying and collecting a tax under RCW
17 35.58.273 which does not have an operating, public transit system or a
18 contract for public transportation services in effect within one year
19 from the initial effective date of the tax shall return to the state
20 treasurer all motor vehicle excise taxes received under subsection (3)
21 of this section.

22 NEW SECTION. **Sec. 6.** The 1991 amendments to RCW 35.58.273,
23 81.104.030, 81.104.140, and 82.44.150 in chapter ---, Laws of 1991 (SHB
24 1201) are each repealed.