
SENATE BILL 6420

State of Washington 61st Legislature 2010 Regular Session

By Senators Kastama, Berkey, Brandland, Hobbs, Shin, Carrell, and Regala

Read first time 01/14/10. Referred to Committee on Transportation.

1 AN ACT Relating to authorizing various local transportation revenue
2 options in order to cover certain transportation project cost overruns;
3 amending RCW 82.14.430, 82.80.100, 82.80.010, and 81.100.030;
4 reenacting and amending RCW 81.100.060; adding a new section to chapter
5 82.80 RCW; and adding a new section to chapter 47.01 RCW.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.80 RCW
8 to read as follows:

9 (1) The legislative authority of a city with a population greater
10 than five hundred thousand may, by simple majority vote, impose or
11 authorize some or all of the following revenue sources in order to fund
12 a highway improvement as defined in this section:

13 (a) A sales and use tax, as specified in RCW 82.14.430, of up to
14 0.1 percent of the selling price, in the case of a sales tax, or value
15 of the article used, in the case of a use tax, upon the occurrence of
16 any taxable event in the city;

17 (b) A local option vehicle license fee, as specified under RCW
18 82.80.100, of up to one hundred dollars per vehicle registered in the

1 city. As used in this subsection, "vehicle" means motor vehicle as
2 defined in RCW 46.04.320. Certain classes of vehicles, as defined
3 under chapter 46.04 RCW, may be exempted from this fee;

4 (c) A parking tax under RCW 82.80.030;

5 (d) A local motor vehicle excise tax under RCW 81.100.060;

6 (e) A local option fuel tax under RCW 82.80.010; and

7 (f) An employer excise tax under RCW 81.100.030.

8 (2) The city legislative authority may contract with the department
9 of revenue or other appropriate entities for administration and
10 collection of any of the taxes or fees authorized in this section.

11 (3) Existing statewide motor vehicle fuel and special fuel taxes,
12 at the distribution rates in effect on January 1, 2001, are not
13 intended to be altered by this section.

14 (4) For purposes of this section, "highway improvement" means a
15 deep bore tunnel highway project with project costs in excess of one
16 billion dollars.

17 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.01 RCW
18 to read as follows:

19 The department may not enter into contracts applicable to the deep
20 bore tunnel project identified in RCW 47.01.402, unless project cost
21 overruns are secured through action by a legislative authority
22 authorizing or imposing revenue sources under section 1 of this act
23 that are directed toward covering the excess costs.

24 **Sec. 3.** RCW 82.14.430 and 2006 c 311 s 17 are each amended to read
25 as follows:

26 (1) If approved by the majority of the voters within its boundaries
27 voting on the ballot proposition, a regional transportation investment
28 district may impose a sales and use tax of up to 0.1 percent of the
29 selling price or value of the article used in the case of a use tax.
30 The tax authorized by this section is in addition to the tax authorized
31 by RCW 82.14.030 and must be collected from those persons who are
32 taxable by the state under chapters 82.08 and 82.12 RCW upon the
33 occurrence of any taxable event within the taxing district. Motor
34 vehicles are exempt from the sales and use tax imposed under this
35 subsection.

1 (2) If approved by the majority of the voters within its boundaries
2 voting on the ballot proposition, a regional transportation investment
3 district may impose a tax on the use of a motor vehicle within a
4 regional transportation investment district. The tax applies to those
5 persons who reside within the regional transportation investment
6 district. The rate of the tax may not exceed 0.1 percent of the value
7 of the motor vehicle. The tax authorized by this subsection is in
8 addition to the tax authorized under RCW 82.14.030 and must be imposed
9 and collected at the time a taxable event under RCW 82.08.020(1) or
10 82.12.020 takes place. All revenue received under this subsection must
11 be deposited in the local sales and use tax account and distributed to
12 the regional transportation investment district according to RCW
13 82.14.050. The following provisions apply to the use tax in this
14 subsection:

15 (a) Where persons are taxable under chapter 82.08 RCW, the seller
16 shall collect the use tax from the buyer using the collection
17 provisions of RCW 82.08.050.

18 (b) Where persons are taxable under chapter 82.12 RCW, the use tax
19 must be collected using the provisions of RCW 82.12.045.

20 (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but
21 does not include farm tractors or farm vehicles as defined in RCW
22 46.04.180 and 46.04.181, off-road and nonhighway vehicles as defined in
23 RCW 46.09.020, and snowmobiles as defined in RCW 46.10.010.

24 (d) "Person" has the meaning given in RCW 82.04.030.

25 (e) The value of a motor vehicle must be determined under RCW
26 82.12.010.

27 (f) Except as specifically stated in this subsection (2), chapters
28 82.12 and 82.32 RCW apply to the use tax. The use tax is a local tax
29 imposed under the authority of chapter 82.14 RCW, and chapter 82.14 RCW
30 applies fully to the use tax.

31 (3) In addition to fulfilling the notice requirements under RCW
32 82.14.055(1), and unless waived by the department, a regional
33 transportation investment district (~~shall~~) must provide the
34 department (~~of revenue~~) with digital mapping and legal descriptions
35 of areas in which the tax will be collected.

36 (4) The authority to impose taxes under this section, along with
37 the administrative provisions of this section, also applies to a city

1 legislative authority acting by simple majority vote under section 1 of
2 this act.

3 **Sec. 4.** RCW 82.80.100 and 2002 c 56 s 408 are each amended to read
4 as follows:

5 (1) Upon approval of a majority of the voters within its boundaries
6 voting on the ballot proposition, a regional transportation investment
7 district may set and impose an annual local option vehicle license fee,
8 or a schedule of fees based upon the age of the vehicle, of up to one
9 hundred dollars per motor vehicle registered within the boundaries of
10 the region on every motor vehicle. As used in this section "motor
11 vehicle" has the meaning provided in RCW 46.04.320, but does not
12 include farm tractors or farm vehicles as defined in RCW 46.04.180 and
13 46.04.181, off-road and nonhighway vehicles as defined in RCW
14 46.09.020, and snowmobiles as defined in RCW 46.10.010. Vehicles
15 registered under chapter 46.87 RCW and the international registration
16 plan are exempt from the annual local option vehicle license fee set
17 forth in this section. The department of licensing (~~shall~~) must
18 administer and collect this fee on behalf of regional transportation
19 investment districts and remit this fee to the custody of the state
20 treasurer for monthly distribution under RCW 82.80.080.

21 (2) The local option vehicle license fee applies only when renewing
22 a vehicle registration, and is effective upon the registration renewal
23 date as provided by the department of licensing.

24 (3) A regional transportation investment district imposing the
25 local option vehicle license fee or initiating an exemption process
26 (~~shall~~) must enter into a contract with the department of licensing.
27 The contract must contain provisions that fully recover the costs to
28 the department of licensing for collection and administration of the
29 fee.

30 (4) A regional transportation investment district imposing the
31 local option fee (~~shall~~) must delay the effective date of the local
32 option vehicle license fee imposed by this section at least six months
33 from the date of the final certification of the approval election to
34 allow the department of licensing to implement the administration and
35 collection of or exemption from the fee.

36 (5) The authority to impose taxes under this section, along with

1 the administrative provisions of this section, also applies to a city
2 legislative authority acting by simple majority vote under section 1 of
3 this act.

4 **Sec. 5.** RCW 81.100.060 and 2006 c 318 s 2 and 2006 c 311 s 15 are
5 each reenacted and amended to read as follows:

6 (1) A county with a population of one million or more and a county
7 with a population of from two hundred ten thousand to less than one
8 million that is adjoining a county with a population of one million or
9 more, having within their boundaries existing or planned high occupancy
10 vehicle lanes on the state highway system, or a regional transportation
11 investment district, but only to the extent that the surcharge has not
12 already been imposed by the county, may, with voter approval, impose a
13 local surcharge of not more than three-tenths of one percent in the
14 case of a county, or eight-tenths of one percent in the case of a
15 regional transportation investment district, of the value on vehicles
16 registered to a person residing within the county or investment
17 district and not more than 13.64 percent on the state sales and use
18 taxes paid under the rate in RCW 82.08.020(2) on retail car rentals
19 within the county or investment district. A county may impose the
20 surcharge only to the extent that it has not been imposed by the
21 district. No surcharge may be imposed on vehicles licensed under RCW
22 46.16.070 except vehicles with an unladen weight of six thousand pounds
23 or less, RCW 46.16.079, 46.16.085, or 46.16.090.

24 (2) Counties or investment districts imposing a surcharge under
25 this section (~~shall~~) must contract, before the effective date of the
26 resolution or ordinance imposing a surcharge, administration and
27 collection to the state department of licensing, and department of
28 revenue, as appropriate, which (~~shall~~) must deduct an amount, as
29 provided by contract, for administration and collection expenses
30 incurred by the department. All administrative provisions in chapters
31 82.03, 82.32, and 82.44 RCW, as existing on January 1, 2006, (~~shall~~)
32 are, insofar as they are applicable to motor vehicle excise taxes,
33 (~~be~~) applicable to surcharges imposed under this section before June
34 7, 2006. Motor vehicles subject to the local surcharge authorized in
35 this section (~~shall~~) must be administered in accordance with (~~this~~
36 ~~act~~) chapter 318, Laws of 2006 if the surcharge is first imposed on or
37 after June 7, 2006. All administrative provisions in chapters 82.03,

1 82.08, 82.12, and 82.32 RCW (~~shall~~) are, insofar as they are
2 applicable to state sales and use taxes, (~~be~~) applicable to
3 surcharges imposed under this section.

4 (3) If the tax authorized in RCW 81.100.030 is also imposed, the
5 total proceeds from tax sources imposed under this section and RCW
6 81.100.030 each year (~~shall~~) may not exceed the maximum amount which
7 could be collected under this section.

8 (4) The authority to impose taxes under this section, along with
9 the administrative provisions of this section, also applies to a city
10 legislative authority acting by simple majority vote under section 1 of
11 this act.

12 **Sec. 6.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read
13 as follows:

14 (1) For purposes of this section:
15 (a) "Distributor" means every person who imports, refines,
16 manufactures, produces, or compounds motor vehicle fuel and special
17 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells
18 or distributes the fuel into a county;

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

20 (2) Subject to the conditions of this section, any county may levy,
21 by approval of its legislative body and a majority of the registered
22 voters of the county voting on the proposition at a general or special
23 election, additional excise taxes equal to ten percent of the statewide
24 motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor
25 vehicle fuel as defined in RCW 82.36.010 and on each gallon of special
26 fuel as defined in RCW 82.38.020 sold within the boundaries of the
27 county. Vehicles paying an annual license fee under RCW 82.38.075 are
28 exempt from the county fuel excise tax. An election held under this
29 section must be held not more than twelve months before the date on
30 which the proposed tax is to be levied. The ballot setting forth the
31 proposition shall state the tax rate that is proposed. The county's
32 authority to levy additional excise taxes under this section includes
33 the incorporated and unincorporated areas of the county. The
34 additional excise taxes are subject to the same exceptions and rights
35 of refund as applicable to other motor vehicle fuel and special fuel
36 excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed
37 tax shall not be levied less than one month from the date the election

1 results are certified by the county election officer. The commencement
2 date for the levy of any tax under this section shall be the first day
3 of January, April, July, or October.

4 (3) The local option motor vehicle fuel tax on each gallon of motor
5 vehicle fuel and on each gallon of special fuel is imposed upon the
6 distributor of the fuel.

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

10 (5) All administrative provisions in chapters 82.01, 82.03, and
11 82.32 RCW, insofar as they are applicable, apply to local option fuel
12 taxes imposed under this section.

13 (6) Before the effective date of the imposition of the fuel taxes
14 under this section, a county shall contract with the department of
15 revenue for the administration and collection of the taxes. The
16 contract must provide that a percentage amount, not to exceed one
17 percent of the taxes imposed under this section, will be deposited into
18 the local tax administration account created in the custody of the
19 state treasurer. The department of revenue may spend money from this
20 account, upon appropriation, for the administration of the local taxes
21 imposed under this section.

22 (7) The state treasurer shall distribute monthly to the levying
23 county and cities contained therein the proceeds of the additional
24 excise taxes collected under this section, after the deductions for
25 payments and expenditures as provided in RCW 46.68.090(1) (a) and (b)
26 and under the conditions and limitations provided in RCW 82.80.080.

27 (8) The proceeds of the additional excise taxes levied under this
28 section shall be used strictly for transportation purposes in
29 accordance with RCW 82.80.070.

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

33 (10) The authority to impose taxes under this section, along with
34 the administrative provisions of this section, also applies to a city
35 legislative authority acting by simple majority vote under section 1 of
36 this act.

1 **Sec. 7.** RCW 81.100.030 and 2002 c 56 s 410 are each amended to
2 read as follows:

3 (1)(a) A county with a population of one million or more, or a
4 county with a population of from two hundred ten thousand to less than
5 one million that is adjoining a county with a population of one million
6 or more, and having within its boundaries existing or planned high
7 occupancy vehicle lanes on the state highway system, or a regional
8 transportation investment district for capital improvements, but only
9 to the extent that the tax has not already been imposed by the county,
10 may, with voter approval impose an excise tax of up to two dollars per
11 employee per month on all employers or any class or classes of
12 employers, public and private, including the state located in the
13 agency's jurisdiction, measured by the number of full-time equivalent
14 employees. In no event may the total taxes imposed under this section
15 exceed two dollars per employee per month for any single employer. The
16 county or investment district imposing the tax authorized in this
17 section may provide for exemptions from the tax to such educational,
18 cultural, health, charitable, or religious organizations as it deems
19 appropriate.

20 (b) Counties or investment districts may contract with the state
21 department of revenue or other appropriate entities for administration
22 and collection of the tax. ((Such)) The contract ((shall)) must
23 provide for deduction of an amount for administration and collection
24 expenses.

25 (2) The tax ((shall)) does not apply to employment of a person when
26 the employer has paid for at least half of the cost of a transit pass
27 issued by a transit agency for that employee, valid for the period for
28 which the tax would otherwise be owed.

29 (3)(a) A county or investment district ((shall)) must adopt rules
30 that exempt from all or a portion of the tax any employer that has
31 entered into an agreement with the county or investment district that
32 is designed to reduce the proportion of employees who drive in single-
33 occupant vehicles during peak commuting periods in proportion to the
34 degree that the agreement is designed to meet the goals for the
35 employer's location adopted under RCW 81.100.040.

36 (b) The agreement ((shall)) must include a list of specific actions
37 that the employer will undertake to be entitled to the exemption.
38 Employers having an exemption from all or part of the tax through this

1 subsection shall annually certify to the county or investment district
2 that the employer is fulfilling the terms of the agreement. The
3 exemption continues as long as the employer is in compliance with the
4 agreement.

5 (c) If the tax authorized in RCW 81.100.060 is also imposed, the
6 total proceeds from both tax sources each year (~~shall~~) may not exceed
7 the maximum amount which could be collected under RCW 81.100.060.

8 (4) The authority to impose taxes under this section, along with
9 the administrative provisions of this section, also applies to a city
10 legislative authority acting by simple majority vote under section 1 of
11 this act.

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