

ESSB 6582 - CONF REPT  
By Conference Committee

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) It is the intent of the legislature to  
4 provide diversified local revenue options that may be tailored to the  
5 needs of each jurisdiction. It is also the intent that local  
6 governments provide countywide transportation planning and coordinate  
7 with other municipalities, transit systems, transportation benefit  
8 districts, planning organizations, and other transportation agencies.  
9 It is critical that all transportation infrastructure is well planned,  
10 coordinated, and maintained at the local levels to provide a seamless  
11 transportation infrastructure to enable people and goods to move safely  
12 and efficiently throughout the state and to bolster and improve the  
13 state's economy.

14 (2) The legislature finds that the purchasing power of funds to pay  
15 for local transportation needs continues to decline while costs have  
16 risen. Without additional funding, counties and cities will continue  
17 to struggle financially to preserve and maintain county roads, city  
18 streets, and bridges; pavement conditions will to continue to decline;  
19 and public transit systems will be forced to cut services at a time  
20 when demand for transit services is increasing.

21 **Sec. 2.** RCW 36.73.065 and 2007 c 329 s 1 are each amended to read  
22 as follows:

23 (1) Except as provided in subsection (~~((4))~~) (5) of this section,  
24 taxes, fees, charges, and tolls may not be imposed by a district  
25 without approval of a majority of the voters in the district voting on  
26 a proposition at a general or special election. The proposition must  
27 include a specific description of the transportation improvement or

1 improvements proposed by the district and the proposed taxes, fees,  
2 charges, and the range of tolls imposed by the district to raise  
3 revenue to fund the improvement or improvements.

4 (2) Voter approval under this section (~~shall~~) must be accorded  
5 substantial weight regarding the validity of a transportation  
6 improvement as defined in RCW 36.73.015.

7 (3) Except as provided in subsection (4) of this section, a  
8 district may not increase any taxes, fees, charges, or range of tolls  
9 imposed under this chapter once the taxes, fees, charges, or tolls take  
10 effect, unless authorized by the district voters pursuant to RCW  
11 36.73.160.

12 (4) A district, solely comprised of a city with a population of  
13 five hundred thousand or less, may impose a vehicle fee authorized in  
14 RCW 82.80.140 of up to forty dollars by a majority vote of the  
15 governing board of the district.

16 (5)(a) A district that includes all the territory within the  
17 boundaries of the jurisdiction, or jurisdictions, establishing the  
18 district, but not including territory in which a fee is currently being  
19 collected under RCW 82.80.140, may impose by a majority vote of the  
20 governing board of the district the following fees and charges:

21 (i) Up to twenty dollars of the vehicle fee authorized in RCW  
22 82.80.140; (~~or~~)

23 (ii) A district, solely comprised of a city with a population of  
24 five hundred thousand or less, up to forty dollars of the vehicle fee  
25 authorized in RCW 82.80.140; or

26 (iii) A fee or charge in accordance with RCW 36.73.120.

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

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

37 (ii) A district solely comprised of a city or cities identified in  
38 RCW 36.73.020(6)(b) (~~shall~~) may not impose the fees or charges until

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

4 ~~((+5+))~~ (6) If the interlocal agreement in RCW 82.80.140(2)(a)  
5 cannot be reached, a district that includes only the unincorporated  
6 territory of a county may impose by a majority vote of the governing  
7 body of the district up to twenty dollars of the vehicle fee authorized  
8 in RCW 82.80.140 or up to forty dollars for a district as authorized  
9 under subsection (4) of this section.

10 **Sec. 3.** RCW 36.73.040 and 2008 c 122 s 17 are each amended to read  
11 as follows:

12 (1) A transportation benefit district is a quasi-municipal  
13 corporation, an independent taxing "authority" within the meaning of  
14 Article VII, section 1 of the state Constitution, and a "taxing  
15 district" within the meaning of Article VII, section 2 of the state  
16 Constitution.

17 (2) A transportation benefit district constitutes a body corporate  
18 and possesses all the usual powers of a corporation for public purposes  
19 as well as all other powers that may now or hereafter be specifically  
20 conferred by statute, including, but not limited to, the authority to  
21 hire employees, staff, and services, to enter into contracts, to  
22 acquire, hold, and dispose of real and personal property, and to sue  
23 and be sued. Public works contract limits applicable to the  
24 jurisdiction that established the district apply to the district.

25 (3) To carry out the purposes of this chapter, and subject to the  
26 provisions of RCW 36.73.065, a district is authorized to impose the  
27 following taxes, fees, charges, and tolls:

28 (a) A sales and use tax in accordance with RCW 82.14.0455;

29 (b) A vehicle fee in accordance with RCW 82.80.140;

30 (c) A fee or charge in accordance with RCW 36.73.120. However, if  
31 a county or city within the district area is levying a fee or charge  
32 for a transportation improvement, the fee or charge ~~((shall))~~ must be  
33 credited against the amount of the fee or charge imposed by the  
34 district. Developments consisting of less than twenty residences are  
35 exempt from the fee or charge under RCW 36.73.120; ~~((and))~~

36 (d) A motor vehicle excise tax in accordance with section 5 of this  
37 act; and

1        (e) Vehicle tolls on state routes, city streets, or county roads,  
2 within the boundaries of the district, unless otherwise prohibited by  
3 law. However, consistent with RCW 47.56.820, the vehicle toll must  
4 first be authorized by the legislature if the toll is imposed on a  
5 state route. The department of transportation (~~(shall)~~) must  
6 administer the collection of vehicle tolls authorized on state routes,  
7 unless otherwise specified in law or by contract, and the state  
8 transportation commission, or its successor, may approve, set, and  
9 impose the tolls in amounts sufficient to implement the district's  
10 transportation improvement finance plan. The district (~~(shall)~~) must  
11 administer the collection of vehicle tolls authorized on city streets  
12 or county roads, and (~~(shall)~~) must set and impose the tolls in amounts  
13 sufficient to implement the district's transportation improvement plan.  
14 However, consistent with RCW 47.56.850, the vehicle toll, including any  
15 change in an existing toll rate, must first be reviewed and approved by  
16 the tolling authority designated in RCW 47.56.850 if the toll, or  
17 change in toll rate, would have a significant impact, as determined by  
18 the tolling authority, on the operation of any state facility.

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, but not including territory in which a fee is currently being  
31 collected under this section, may impose by a majority vote of the  
32 governing board of the district up to twenty dollars of the vehicle fee  
33 authorized in subsection (1) of this section. A district, solely  
34 comprised of a city with a population of five hundred thousand or less,  
35 may impose by a majority vote of the governing board of the district up  
36 to forty dollars of the vehicle fee authorized in subsection (1) of  
37 this section.

1 (i) If the district is countywide, the revenues of the fee  
2 (~~shall~~) must be distributed to each city within the (~~county~~)  
3 district by interlocal agreement that must be effective prior to  
4 imposition of the fee. The interlocal agreement is effective when  
5 approved by the (~~county~~) district and sixty percent of the cities  
6 representing seventy-five percent of the population of the cities  
7 within the (~~county~~) district in which the countywide fee is  
8 collected.

9 (ii) If the district is less than countywide, the revenues of the  
10 fee must be distributed to each city within the district by interlocal  
11 agreement that must be effective prior to imposition of the fee.

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

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

16 (ii) That, if combined with the fees previously imposed by another  
17 district within its boundaries under RCW 36.73.065(~~(+4)~~) (5)(a)(i),  
18 exceeds twenty dollars or for a district, solely comprised of a city  
19 with a population of five hundred thousand or less, exceeds forty  
20 dollars.

21 (c) If a district imposes or increases a fee under this subsection  
22 (2) that, if combined with the fees previously imposed by another  
23 district within its boundaries, exceeds twenty dollars or for a  
24 district, solely comprised of a city with a population of five hundred  
25 thousand or less, exceeds forty dollars, the district shall provide a  
26 credit for the previously imposed fees so that the combined vehicle fee  
27 does not exceed twenty dollars or, for a district solely comprised of  
28 a city with a population of five hundred thousand or less, forty  
29 dollars.

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

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

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

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

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

7 (b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and  
8 46.04.181;

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

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

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

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

13 (g) Vehicles registered under chapter 46.87 RCW and the  
14 international registration plan.

15 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.80 RCW  
16 to read as follows:

17 (1) Subject to the provisions of RCW 36.73.065, a transportation  
18 benefit district under chapter 36.73 RCW, created by a county with a  
19 population between four hundred thousand and one million five hundred  
20 thousand, where the majority of the district is comprised of  
21 incorporated area within the county, may impose a motor vehicle excise  
22 tax of up to one percent annually on the value of every motor vehicle  
23 owned by a resident of the district based on the valuation schedules in  
24 RCW 82.44.035.

25 (2) The tax under this section may not be imposed on vehicles  
26 licensed under RCW 46.17.355, except vehicles with an unladen weight of  
27 six thousand pounds or less, RCW 46.16A.425, 46.17.335, or  
28 46.17.350(1)(c).

29 (3) The department of licensing must administer and collect the  
30 tax. The department must deduct a percentage amount, as provided by  
31 contract, not to exceed one percent of the taxes collected, for  
32 administration and collection expenses incurred by the department. The  
33 department must remit the remaining proceeds to the custody of the  
34 state treasurer. The state treasurer must distribute the proceeds to  
35 the district on a monthly basis.

36 (4) No tax imposed under this section may be collected until six  
37 months after approval under RCW 36.73.065.

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

4 (6) The proceeds from a motor vehicle excise tax imposed under this  
5 section may only be used to support the operations, maintenance, and  
6 capital investments for public transportation.

7 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.80 RCW  
8 to read as follows:

9 (1) A county with a population of one million five hundred thousand  
10 or more may impose, by approval of a majority of the registered voters  
11 of the county voting on the proposition at a general or special  
12 election, a motor vehicle excise tax of up to one percent annually on  
13 the value of every motor vehicle owned by a resident of the county  
14 based on the valuation schedules in RCW 82.44.035.

15 (2) The tax under this section may not be imposed on vehicles  
16 licensed under RCW 46.17.355, except vehicles with an unladen weight of  
17 six thousand pounds or less, RCW 46.16A.425, 46.17.335, or  
18 46.17.350(1)(c).

19 (3) Counties imposing a tax under this section shall contract,  
20 before the effective date of the resolution or ordinance imposing a  
21 motor vehicle excise tax, with the department of licensing. The  
22 department of licensing must administer and collect the tax. The  
23 department must deduct a percentage amount, as provided by contract,  
24 not to exceed one percent of the taxes collected, for administration  
25 and collection expenses incurred by the department. The department  
26 must remit the remaining proceeds to the custody of the state  
27 treasurer. The state treasurer must distribute the proceeds to the  
28 county on a monthly basis.

29 (4) No tax imposed under this section may be collected until six  
30 months after approval.

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

34 (6) Counties imposing a tax under this section must use the funds  
35 in a manner consistent with RCW 35.58.2795, 36.70A.070, and 36.70.330,  
36 and chapters 36.73 and 47.80 RCW.

1 (7)(a) The legislative authority of each county shall convene a  
2 meeting with representatives of each city and town located within the  
3 county for the purpose of establishing a collaborative process that  
4 will provide a framework for the adoption of a ballot measure pursuant  
5 to chapter 29A.36 RCW.

6 (b) The legislative authority of each county that includes a public  
7 transit system under chapter 36.57A RCW, 36.56, 35.95A, or 36.57 RCW,  
8 or RCW 35.58.2721 or 36.57.100, shall convene a meeting with  
9 representatives of the respective transit system for the purpose of  
10 establishing a collaborative process that will provide a framework for  
11 the adoption of a ballot measure pursuant to chapter 29A.36 RCW.

12 (8) Any county that has implemented a congestion reduction charge  
13 under RCW 82.80.055 must sunset the congestion reduction charge prior  
14 to the implementation date of the county motor vehicle excise tax  
15 imposed in accordance with this section.

16 (9) The proceeds from a motor vehicle excise tax imposed under this  
17 section may only be used to support the operations, maintenance, and  
18 capital investments for public transportation.

19 (10)(a) A county that is eligible to impose a tax under this  
20 section may, as a public authority, allow the purchase of air rights  
21 and associated property interests above transit facilities that include  
22 parking facilities and ferry terminals and provide, at no or reduced  
23 costs, for nonprofit organizations or public housing authorities to  
24 provide, for purchase or lease, affordable workforce housing. For  
25 purposes of this subsection, "affordable workforce housing" means  
26 housing for a single person, family, or unrelated persons living  
27 together whose income is between thirty percent and eighty percent of  
28 the median income, adjusted for household size, for the county in which  
29 the housing is located. Any commercial use located in these facilities  
30 must pay a commercial market rate when purchasing or leasing in one of  
31 these facilities. The Washington state ferries shall not exercise the  
32 authorization under this authority until after June 30, 2013.

33 (b) In furtherance of the public health and welfare and public  
34 transportation purposes, a county with a population of one million five  
35 hundred thousand or more, a metropolitan municipal corporation, a  
36 regional transit authority, and the Washington state ferries may sell,  
37 transfer, exchange, lease, or otherwise dispose of the air rights and  
38 associated property interests in any parcel of real property owned by



1 such entities, and used and improved by those entities for public  
2 transportation facilities, for the development of and use of the air  
3 rights and associated property interests for affordable workforce  
4 housing so long as any such sale, transfer, exchange, lease, or other  
5 disposition of the air rights and associated property interests for  
6 affordable housing is compatible with the public transportation use of  
7 the underlying property or facility. The Washington state ferries  
8 shall not exercise the authorization under this authority until after  
9 June 30, 2013.

10 (c) Any sale, transfer, exchange, lease, or other disposition of  
11 air rights and associated property interests made under the authority  
12 of this section is exempt from any statutory or other requirement to  
13 obtain fair market value, and a sale, transfer, exchange, lease, or  
14 other disposition of air rights and associated property interests at  
15 less than fair market value made under this section is not invalid,  
16 provided that such sale, transfer, exchange, lease, or other  
17 disposition of air rights and associated property interests is  
18 discounted below fair market value not more than any proportional  
19 reduction in value resulting from the requirement for affordable  
20 housing.

21 (d) Any sale, transfer, exchange, lease, or other disposition of  
22 air rights and associated property interests to a private entity made  
23 under the authority of this section must include a restrictive covenant  
24 requiring that any subsequent transfer of the air rights and associated  
25 property interests be prohibited unless the property continues to be  
26 used for affordable housing purposes for the duration of the term of  
27 the restrictive covenant.

28 (e) Any sale, transfer, exchange, lease, or other disposition of  
29 air rights and associated property interests for affordable housing  
30 purposes is considered a legitimate public transportation purpose.

31 **Sec. 7.** RCW 82.80.010 and 2003 c 350 s 1 are each amended to read  
32 as follows:

33 (1) For purposes of this section:

34 (a) "Distributor" means every person who imports, refines,  
35 manufactures, produces, or compounds motor vehicle fuel and special  
36 fuel as defined in RCW 82.36.010 and 82.38.020, respectively, and sells  
37 or distributes the fuel into a county;

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

2 (2) Subject to the conditions of this section(~~(7)~~): (a) Any county  
3 may levy, by approval of its legislative body and a majority of the  
4 registered voters of the county voting on the proposition at a general  
5 or special election, additional excise taxes equal to (~~ten percent of~~  
6 the statewide motor vehicle fuel tax rate under RCW 82.36.025)) one  
7 cent, two cents, or three cents on each gallon of motor vehicle fuel as  
8 defined in RCW 82.36.010 and on each gallon of special fuel as defined  
9 in RCW 82.38.020 sold within the boundaries of the county; and (b) any  
10 city with a population of over five hundred thousand may levy, by  
11 approval of its legislative body and a majority of the registered  
12 voters of the city voting on the proposition at a general or special  
13 election, additional excise taxes equal to one cent on each gallon of  
14 motor vehicle fuel as defined in RCW 82.36.010 and on each gallon of  
15 special fuel as defined in RCW 82.38.020 sold within the boundaries of  
16 the city. Vehicles paying an annual license fee under RCW 82.38.075  
17 are exempt from the county fuel excise tax. An election held under  
18 this section must be held not more than twelve months before the date  
19 on which the proposed tax is to be levied. The ballot setting forth  
20 the proposition (~~(shall)~~) must state the tax rate that is proposed.  
21 The county's authority to levy additional excise taxes under this  
22 section includes the incorporated and unincorporated areas of the  
23 county to the extent that the tax has not been imposed by the city.  
24 The additional excise taxes are subject to the same exceptions and  
25 rights of refund as applicable to other motor vehicle fuel and special  
26 fuel excise taxes levied under chapters 82.36 and 82.38 RCW. The  
27 proposed tax (~~(shall)~~) may not be levied less than one month from the  
28 date the election results are certified by the county election officer.  
29 The commencement date for the levy of any tax under this section  
30 (~~(shall be)~~) is the first day of January, April, July, or October.

31 (3) The local option motor vehicle fuel tax on each gallon of motor  
32 vehicle fuel and on each gallon of special fuel is imposed upon the  
33 distributor of the fuel.

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

37 (5) All administrative provisions in chapters 82.01, 82.03, and

1 82.32 RCW, insofar as they are applicable, apply to local option fuel  
2 taxes imposed under this section.

3 (6) Before the effective date of the imposition of the fuel taxes  
4 under this section, a county (~~shall~~) or city must contract with the  
5 department of revenue for the administration and collection of the  
6 taxes. The contract must provide that a percentage amount, not to  
7 exceed one percent of the taxes imposed under this section, will be  
8 deposited into the local tax administration account created in the  
9 custody of the state treasurer. The department of revenue may spend  
10 money from this account, upon appropriation, for the administration of  
11 the local taxes imposed under this section.

12 (7) The state treasurer (~~shall~~) must distribute monthly to the  
13 levying county and cities contained therein the proceeds of the  
14 additional excise taxes collected under this section, after the  
15 deductions for payments and expenditures as provided in RCW  
16 46.68.090(1) (a) and (b) and under the conditions and limitations  
17 provided in RCW 82.80.080.

18 (8) The proceeds of the additional excise taxes levied under this  
19 section (~~shall~~) must be used strictly for transportation purposes in  
20 accordance with RCW 82.80.070.

21 (9) A county or city may not levy the tax under this section if  
22 they are levying the additional fuel tax in RCW 82.80.110 or if they  
23 are a member of a regional transportation investment district levying  
24 the additional fuel tax in RCW 82.80.120.

25 **Sec. 8.** RCW 36.73.015 and 2010 c 251 s 2 and 2010 c 105 s 1 are  
26 each reenacted and amended to read as follows:

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

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

30 (2) "District" means a transportation benefit district created  
31 under this chapter.

32 (3) "Supplemental transportation improvement" or "supplemental  
33 improvement" means any project, work, or undertaking to provide public  
34 transportation service, in addition to a district's existing or planned  
35 voter-approved transportation improvements, proposed by a participating  
36 city member of the district under RCW 36.73.180.

1 (4) "Transportation improvement" means a project contained in the  
2 transportation plan of the state, a regional transportation planning  
3 organization, city, county, or eligible jurisdiction as identified in  
4 RCW 36.73.020(2). A project may include, but is not limited to,  
5 investment in new or existing highways of statewide significance,  
6 principal arterials of regional significance, high capacity  
7 transportation, public transportation, and other transportation  
8 projects and programs of local, regional, or statewide significance  
9 including transportation demand management. Projects may also include  
10 the operation, preservation, and maintenance of these facilities or  
11 programs."

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12 On page 1, line 1 of the title, after "options;" strike the  
13 remainder of the title and insert "amending RCW 36.73.065, 36.73.040,  
14 82.80.140, and 82.80.010; reenacting and amending RCW 36.73.015; adding  
15 new sections to chapter 82.80 RCW; and creating a new section."

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