
SENATE BILL 6748

State of Washington

60th Legislature

2008 Regular Session

By Senator Kastama

Read first time 01/23/08. Referred to Committee on Transportation.

1 AN ACT Relating to funding certain transportation benefit district
2 highway projects; amending RCW 82.14.0455 and 82.80.120; and adding a
3 new section to chapter 82.32 RCW.

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

5 **Sec. 1.** RCW 82.14.0455 and 2006 c 311 s 16 are each amended to
6 read as follows:

7 (1) Subject to the provisions in RCW 36.73.065, a transportation
8 benefit district under chapter 36.73 RCW may fix and impose a sales and
9 use tax in accordance with the terms of this chapter. The tax
10 authorized in this section is in addition to any other taxes authorized
11 by law and shall be collected from those persons who are taxable by the
12 state under chapters 82.08 and 82.12 RCW upon the occurrence of any
13 taxable event within the boundaries of the district. The rate of tax
14 shall not exceed two-tenths of one percent of the selling price in the
15 case of a sales tax, or value of the article used, in the case of a use
16 tax. The tax may not be imposed for a period exceeding ten years.
17 This tax may be extended for a period not exceeding ten years with an
18 affirmative vote of the voters voting at the election. If the
19 transportation benefit district is located in either a county that

1 borders another state and has a population of more than four hundred
2 thousand or a county with a population of more than seven hundred
3 thousand persons and less than one million persons, and a portion of
4 the sales tax is used to fund initial construction on a highway of
5 statewide significance within the county, the sales tax may be imposed
6 for more than ten years.

7 (2) Money received from the tax imposed under this section must be
8 spent in accordance with the requirements of chapter 36.73 RCW.

9 NEW SECTION. Sec. 2. A new section is added to chapter 82.32 RCW
10 to read as follows:

11 (1) The tax imposed and collected under chapters 82.08 and 82.12
12 RCW, less any credits allowed under chapter 82.14 RCW, on initial
13 construction for a highway of statewide significance to be constructed
14 under chapter 36.73 RCW in either a county that borders another state
15 and has a population of more than four hundred thousand or a county
16 that has a population of more than seven hundred thousand persons and
17 less than one million persons, must be transferred to the highway
18 project to defray the costs or pay debt service on that project. In
19 the case of a toll project, this transfer or credit must be used to
20 lower the overall cost of the project and thereby the corresponding
21 tolls.

22 (2) This transaction is exempt from the requirements in RCW
23 43.135.035(4).

24 (3) Government entities constructing highway projects under chapter
25 36.73 RCW shall report to the department the amount of state sales or
26 use tax covered under this section.

27 **Sec. 3.** RCW 82.80.120 and 2006 c 311 s 18 are each amended to read
28 as follows:

29 (1) For purposes of this section:

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

34 (b) "Person" has the same meaning as in RCW 82.04.030;

35 (c) "District" means a transportation benefit district under

1 chapter 36.73 RCW that is authorized to fix and impose a sales and use
2 tax under RCW 82.14.0455 or a regional transportation investment
3 district under chapter 36.120 RCW.

4 (2) (~~A regional transportation investment district under chapter~~
5 ~~36.120 RCW,~~) Subject to the conditions of this section, a
6 transportation benefit district under chapter 36.73 RCW that is
7 authorized to fix and impose a sales and use tax under RCW 82.14.0455
8 or a regional transportation investment district under chapter 36.120
9 RCW, may levy additional excise taxes equal to ten percent of the
10 statewide motor vehicle fuel tax rate under RCW 82.36.025 on each
11 gallon of motor vehicle fuel as defined in RCW 82.36.010 and on each
12 gallon of special fuel as defined in RCW 82.38.020 sold within the
13 boundaries of the district. The additional excise tax is subject to
14 the approval of a majority of the voters within the district
15 boundaries. Vehicles paying an annual license fee under RCW 82.38.075
16 are exempt from the district's fuel excise tax. The additional excise
17 taxes are subject to the same exceptions and rights of refund as
18 applicable to other motor vehicle fuel and special fuel excise taxes
19 levied under chapters 82.36 and 82.38 RCW. The proposed tax may not be
20 levied less than one month from the date the election results are
21 certified. The commencement date for the levy of any tax under this
22 section will be the first day of January, April, July, or October.

23 (3) The local option motor vehicle fuel tax on each gallon of motor
24 vehicle fuel and on each gallon of special fuel is imposed upon the
25 distributor of the fuel.

26 (4) A taxable event for the purposes of this section occurs upon
27 the first distribution of the fuel within the boundaries of the
28 district to a retail outlet, bulk fuel user, or ultimate user of the
29 fuel.

30 (5) All administrative provisions in chapters 82.01, 82.03, and
31 82.32 RCW, insofar as they are applicable, apply to local option fuel
32 taxes imposed under this section.

33 (6) Before the effective date of the imposition of the fuel taxes
34 under this section, a district shall contract with the department of
35 licensing for the administration and collection of the taxes. The
36 contract must provide that a percentage amount, not to exceed one
37 percent of the taxes imposed under this section, will be deposited into
38 the local tax administration account created in the custody of the

1 state treasurer. The department of licensing may spend money from this
2 account, upon appropriation, for the administration of the local taxes
3 imposed under this section.

4 (7) The state treasurer shall distribute monthly to the district
5 levying the tax as part of the regional transportation investment
6 district plan or the plan of a transportation benefit district under
7 chapter 36.73 RCW that is authorized to fix and impose a sales and use
8 tax under RCW 82.14.0455, after the deductions for payments and
9 expenditures as provided in RCW 46.68.090(1) (a) and (b).

10 (8) The proceeds of the additional taxes levied by a district in
11 this section, to be used as a part of a regional transportation
12 investment district plan or the plan of a transportation benefit
13 district under chapter 36.73 RCW that is authorized to fix and impose
14 a sales and use tax under RCW 82.14.0455, must be used in accordance
15 with chapter 36.120 RCW, but only for those areas that are considered
16 "highway purposes" as that term is construed in Article II, section 40
17 of the state Constitution.

18 (9) A district may only levy the tax under this section if the
19 district is comprised of boundaries identical to the boundaries of a
20 county or counties. A district may not levy the tax in this section if
21 a member county is levying the tax in RCW 82.80.010 or 82.80.110.

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