

SSB 5585 - S AMD 260  
By Senator Swecker

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

3 "NEW SECTION. Sec. 1. A new section is added to chapter 36.73 RCW  
4 to read as follows:

5 The definitions in this section apply throughout this chapter  
6 unless the context clearly requires otherwise.

7 (1) "District" means a transportation benefit district created  
8 under this chapter.

9 (2) "City" means a city or town.

10 (3) "Transportation improvements" means:

11 (a) Capital improvements relating to, or in support of, all or a  
12 portion of highways that have been designated, in whole or in part, as  
13 highways of statewide significance; or

14 (b) Capital improvements to a city street, county road, existing  
15 highway, or the creation of a new highway that intersects with a  
16 highway of statewide significance, but only if the cumulative  
17 transportation benefit district contribution to all projects  
18 constructed under this subsection (3)(b) does not exceed twenty percent  
19 of the revenues generated by the district, or forty percent of the  
20 revenues generated by the district for projects in rural counties. For  
21 purposes of this subsection (3)(b), "rural counties" means counties  
22 smaller than two hundred twenty-five square miles or as defined in RCW  
23 43.168.020.

24 However, operations, preservation, and maintenance are excluded  
25 from the definition of transportation improvements under this  
26 subsection (3), except for operation, preservation, and maintenance  
27 costs of tolled facilities, including the costs of collecting the  
28 tolls, if toll revenues have been pledged for the payment of contracts.

1           **Sec. 2.** RCW 36.73.020 and 1989 c 53 s 1 are each amended to read  
2 as follows:

3           (1) Subject to subsection (6) of this section, the legislative  
4 authority of a county or city may establish ~~((one or more))~~ a  
5 transportation benefit district~~((s))~~ within the ~~((county))~~ area  
6 specified in subsection (2) of this section, for the purpose of  
7 acquiring, constructing, improving, providing, and funding ~~((any city~~  
8 street, county road, or state highway)) transportation improvements  
9 within the district that ~~((is (1)))~~ are: (a) Consistent with any  
10 existing state, regional, and local transportation plans~~((, (2)))~~; (b)  
11 necessitated by existing or reasonably foreseeable congestion levels  
12 attributable to economic growth~~((, and (3)))~~; and (c) partially funded  
13 by local government or private developer contributions, or a  
14 combination of ~~((such))~~ these contributions. ~~((Such))~~ The  
15 transportation improvements shall be owned by the county of  
16 jurisdiction if located in an unincorporated area, by the city of  
17 jurisdiction if located in an incorporated area, or by the state in  
18 cases where the transportation improvement is or becomes a state  
19 highway~~((, and all such))~~. Transportation improvements shall be  
20 administered and maintained as other public streets, roads, ~~((and))~~  
21 highways, and capital improvements. ~~((The district may not include any~~  
22 area within the corporate limits of a city unless the city legislative  
23 authority has agreed to the inclusion pursuant to chapter 39.34 RCW.  
24 The agreement shall specify the area and such powers as may be granted  
25 to the benefit district.))

26           (2) Subject to subsection (6) of this section, the district may  
27 include area within more than one county, city, port district, county  
28 transportation authority, or public transportation benefit area, if the  
29 legislative authority of each participating jurisdiction has agreed to  
30 the inclusion as provided in an interlocal agreement adopted pursuant  
31 to chapter 39.34 RCW. However, the boundaries of the district shall  
32 include all territory within the boundaries of the participating  
33 jurisdictions comprising the district.

34           (3) The members of the ~~((county))~~ legislative authority proposing  
35 to establish the district, acting ex officio and independently, shall  
36 ~~((compose))~~ constitute the governing body of the district: PROVIDED,  
37 That where a ~~((transportation benefit))~~ district includes ~~((any portion~~  
38 of an incorporated city, town, or another county, the district may be

1 ~~governed as provided in an interlocal agreement adopted pursuant to~~  
2 ~~chapter 39.34 RCW))~~ more than one jurisdiction under subsection (2) of  
3 this section, the district shall be governed under an interlocal  
4 agreement adopted pursuant to chapter 39.34 RCW. However, the  
5 governing board shall be composed of at least five members including at  
6 least one elected official from the legislative authority of each  
7 participating jurisdiction.

8 (4) The ((county)) treasurer of the jurisdiction proposing to  
9 establish the district shall act as the ex officio treasurer of the  
10 district, unless an interlocal agreement states otherwise.

11 (5) The electors of the district shall all be registered voters  
12 residing within the district. ((For purposes of this section, the term  
13 "city" means both cities and towns.))

14 (6) The authority under this section, regarding the establishment  
15 of or the participation in a district, shall not apply to:

16 (a) Counties with a population greater than one million five  
17 hundred thousand persons and any adjoining counties with a population  
18 greater than five hundred thousand persons;

19 (b) Cities with any area within the counties under (a) of this  
20 subsection; and

21 (c) Other jurisdictions with any area within the counties under (a)  
22 of this subsection.

23 **Sec. 3.** RCW 36.73.040 and 1989 c 53 s 3 are each amended to read  
24 as follows:

25 (1) A transportation benefit district is a quasi-municipal  
26 corporation, an independent taxing "authority" within the meaning of  
27 Article VII, section 1 of the state Constitution, and a "taxing  
28 district" within the meaning of Article VII, section 2 of the state  
29 Constitution.

30 (2) A transportation benefit district constitutes a body corporate  
31 and possesses all the usual powers of a corporation for public purposes  
32 as well as all other powers that may now or hereafter be specifically  
33 conferred by statute, including, but not limited to, the authority to  
34 hire employees, staff, and services, to enter into contracts, to  
35 acquire, hold, and dispose of real and personal property, and to sue  
36 and be sued. Public works contract limits applicable to the

1 jurisdiction that established the district (~~shall~~) apply to the  
2 district.

3 (3) Subject to the provisions of section 18 of this act, a district  
4 is authorized to impose the following taxes, fees, and tolls:

5 (a) A sales and use tax in accordance with section 14 of this act;

6 (b) A local option fuel tax in accordance with section 15 of this  
7 act;

8 (c) A vehicle fee in accordance with section 16 of this act;

9 (d) An employer excise tax in accordance with section 17 of this  
10 act;

11 (e) A fee or charge in accordance with RCW 36.73.120. However, a  
12 district may not levy a fee or charge under RCW 36.73.120 if a county  
13 or city within the district area is levying a fee or charge under  
14 chapter 39.92 RCW. Developments consisting of less than twenty  
15 residences are exempt from the fee or charge under RCW 36.73.120; and

16 (f)(i) Vehicle tolls on state routes or federal highways, city  
17 streets, or county roads, within the boundaries of the district, unless  
18 otherwise prohibited by law. The department of transportation shall  
19 administer the collection of vehicle tolls on state routes or federal  
20 highways, unless otherwise specified in law or by contract, and the  
21 state transportation commission, or its successor, shall set and impose  
22 the tolls in amounts sufficient to implement the district's  
23 transportation improvement finance plan. The district shall administer  
24 the collection of vehicle tolls on city streets or county roads, and  
25 shall set and impose the tolls in amounts sufficient to implement the  
26 district's transportation improvement plan.

27 (ii) Tolls may only be imposed under this section on a new  
28 transportation improvement made by the district, and revenue from the  
29 tolls may only be used to support that transportation improvement.

30 **Sec. 4.** RCW 36.73.050 and 1987 c 327 s 5 are each amended to read  
31 as follows:

32 (1) (~~A city or county~~) The legislative (~~authority~~) authorities  
33 proposing to establish a (~~transportation benefit~~) district, or to  
34 modify the boundaries of an existing district, or to dissolve an  
35 existing district(~~τ~~) shall conduct a hearing at the time and place  
36 specified in a notice published at least once, not less than ten days  
37 before the hearing, in a newspaper of general circulation within the

1 proposed district. The legislative ~~((authority))~~ authorities shall  
2 make provision for a district to be automatically dissolved when all  
3 indebtedness of the district has been retired and anticipated  
4 responsibilities have been satisfied. This notice shall be in addition  
5 to any other notice required by law to be published. The notice shall,  
6 where applicable, specify the functions or activities proposed to be  
7 provided or funded, or the additional functions or activities proposed  
8 to be provided or funded, by the district. Additional notice of the  
9 hearing may be given by mail, by posting within the proposed district,  
10 or in any manner the ~~((city or county))~~ legislative ~~((authority deems))~~  
11 authorities deem necessary to notify affected persons. All hearings  
12 shall be public and the ~~((city or county))~~ legislative ~~((authority))~~  
13 authorities shall hear objections from any person affected by the  
14 formation, modification of the boundaries, or dissolution of the  
15 district.

16 (2) Following the hearing held pursuant to subsection (1) of this  
17 section, the ~~((city or county))~~ legislative ~~((authority))~~ authorities  
18 may establish a ~~((transportation benefit))~~ district, modify the  
19 boundaries or functions of an existing district, or dissolve an  
20 existing district, if the ~~((city or county))~~ legislative ~~((authority~~  
21 ~~finds))~~ authorities find the action to be in the public interest and  
22 ~~((adopts))~~ adopt an ordinance providing for the action. The ordinance  
23 establishing a district shall specify the functions or activities to be  
24 exercised or funded and establish the boundaries of the district. ~~((A~~  
25 ~~district shall include only those areas which can reasonably be~~  
26 ~~expected to benefit from improvements to be funded by the district.))~~  
27 Functions or activities proposed to be provided or funded by the  
28 district may not be expanded beyond those specified in the notice of  
29 hearing, unless additional notices are made, further hearings on the  
30 expansion are held, and further determinations are made that it is in  
31 the public interest to so expand the functions or activities proposed  
32 to be provided or funded.

33 ~~((3) At any time before the city or county legislative authority~~  
34 ~~establishes a transportation benefit district pursuant to this section,~~  
35 ~~all further proceedings shall be terminated upon the filing of a~~  
36 ~~verified declaration of termination signed by the owners of real~~  
37 ~~property consisting of at least sixty percent of the assessed valuation~~  
38 ~~in the proposed district.))~~

1       **Sec. 5.** RCW 36.73.060 and 1987 c 327 s 6 are each amended to read  
2 as follows:

3       (1) A (~~transportation benefit~~) district may levy an ad valorem  
4 property tax in excess of the one percent limitation upon the property  
5 within the district for a one-year period whenever authorized by the  
6 voters of the district pursuant to RCW 84.52.052 and Article VII,  
7 section 2(a) of the state Constitution.

8       (2) A district may provide for the retirement of voter-approved  
9 general obligation bonds, issued for capital purposes only, by levying  
10 bond retirement ad valorem property tax levies in excess of the one  
11 percent limitation whenever authorized by the voters of the district  
12 pursuant to Article VII, section 2(b) of the state Constitution and RCW  
13 84.52.056.

14       **Sec. 6.** RCW 36.73.070 and 1987 c 327 s 7 are each amended to read  
15 as follows:

16       (1) To carry out the purpose of this chapter, a (~~transportation~~  
17 ~~benefit~~) district may issue general obligation bonds, not to exceed an  
18 amount, together with any other outstanding nonvoter-approved general  
19 obligation indebtedness, equal to three-eighths of one percent of the  
20 value of taxable property within the district, as the term "value of  
21 taxable property" is defined in RCW 39.36.015. A district may  
22 additionally issue general obligation bonds for capital purposes only,  
23 together with any outstanding general obligation indebtedness, not to  
24 exceed an amount equal to one and one-fourth percent of the value of  
25 the taxable property within the district, as the term "value of taxable  
26 property" is defined in RCW 39.36.015, when authorized by the voters of  
27 the district pursuant to Article VIII, section 6 of the state  
28 Constitution, and to provide for the retirement thereof by excess  
29 property tax levies as provided in RCW 36.73.060(2). The district may  
30 submit a single proposition to the voters that, if approved, authorizes  
31 both the issuance of the bonds and the bond retirement property tax  
32 levies.

33       (2) General obligation bonds with a maturity in excess of forty  
34 years shall not be issued. The governing body of the (~~transportation~~  
35 ~~benefit~~) district shall by resolution determine for each general  
36 obligation bond issue the amount, date, terms, conditions,  
37 denominations, maximum fixed or variable interest rate or rates,

1 maturity or maturities, redemption rights, registration privileges,  
2 manner of execution, manner of sale, callable provisions, if any,  
3 covenants, and form, including registration as to principal and  
4 interest, registration as to principal only, or bearer. Registration  
5 may include, but not be limited to: (a) A book entry system of  
6 recording the ownership of a bond whether or not physical bonds are  
7 issued; or (b) recording the ownership of a bond together with the  
8 requirement that the transfer of ownership may only be effected by the  
9 surrender of the old bond and either the reissuance of the old bond or  
10 the issuance of a new bond to the new owner. Facsimile signatures may  
11 be used on the bonds and any coupons. Refunding general obligation  
12 bonds may be issued in the same manner as general obligation bonds are  
13 issued.

14 (3) Whenever general obligation bonds are issued to fund specific  
15 projects or enterprises that generate revenues, charges, user fees, or  
16 special assessments, the (~~transportation benefit~~) district (~~which~~  
17 ~~issues the bonds~~) may specifically pledge all or a portion of the  
18 revenues, charges, user fees, or special assessments to refund the  
19 general obligation bonds. The district may also pledge any other  
20 revenues that may be available to the district.

21 (4) The issuance of bonds under this section is subject to the  
22 provisions in section 18 of this act.

23 **Sec. 7.** RCW 36.73.080 and 1987 c 327 s 8 are each amended to read  
24 as follows:

25 (1) A (~~transportation benefit~~) district may form a local  
26 improvement district to provide any transportation improvement it has  
27 the authority to provide, impose special assessments on all property  
28 specially benefited by the transportation improvements, and issue  
29 special assessment bonds or revenue bonds to fund the costs of the  
30 transportation improvement. Local improvement districts shall be  
31 created and assessments shall be made and collected pursuant to  
32 chapters 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW.  
33 Special assessments imposed under this subsection must be approved by  
34 the voters within the boundaries of the local improvement district.

35 (2) The governing body of a (~~transportation benefit~~) district  
36 shall by resolution establish for each special assessment bond issue  
37 the amount, date, terms, conditions, denominations, maximum fixed or

1 variable interest rate or rates, maturity or maturities, redemption  
2 rights, registration privileges, if any, covenants, and form, including  
3 registration as to principal and interest, registration as to principal  
4 only, or bearer. Registration may include, but not be limited to: (a)  
5 A book entry system of recording the ownership of a bond whether or not  
6 physical bonds are issued; or (b) recording the ownership of a bond  
7 together with the requirement that the transfer of ownership may only  
8 be effected by the surrender of the old bond and either the reissuance  
9 of the old bond or the issuance of a new bond to the new owner.  
10 Facsimile signatures may be used on the bonds and any coupons. The  
11 maximum term of any special assessment bonds shall not exceed thirty  
12 years beyond the date of issue. Special assessment bonds issued  
13 pursuant to this section shall not be an indebtedness of the  
14 (~~transportation benefit~~) district issuing the bonds, and the interest  
15 and principal on the bonds shall only be payable from special  
16 assessments made for the improvement for which the bonds were issued  
17 and any local improvement guaranty fund that the (~~transportation~~  
18 ~~benefit~~) district has created. The owner or bearer of a special  
19 assessment bond or any interest coupon issued pursuant to this section  
20 shall not have any claim against the (~~transportation benefit~~)  
21 district arising from the bond or coupon except for the payment from  
22 special assessments made for the improvement for which the bonds were  
23 issued and any local improvement guaranty fund the (~~transportation~~  
24 ~~benefit~~) district has created. The district issuing the special  
25 assessment bonds is not liable to the owner or bearer of any special  
26 assessment bond or any interest coupon issued pursuant to this section  
27 for any loss occurring in the lawful operation of its local improvement  
28 guaranty fund. The substance of the limitations included in this  
29 subsection (2) shall be plainly printed, written, or engraved on each  
30 special assessment bond issued pursuant to this section.

31 (3) Assessments shall reflect any credits given by a  
32 (~~transportation benefit~~) district for real property or property right  
33 donations made pursuant to RCW 47.14.030.

34 (4) The governing body may establish and pay (~~moneys~~) money into  
35 a local improvement guaranty fund to guarantee special assessment bonds  
36 issued by the (~~transportation benefit~~) district.



1       **Sec. 8.** RCW 36.73.100 and 1987 c 327 s 10 are each amended to read  
2 as follows:

3       (1) The proceeds of any bond issued pursuant to RCW 36.73.070 or  
4 36.73.080 may be used to pay costs incurred on ~~((such))~~ a bond issue  
5 related to the sale and issuance of the bonds. ~~((Such))~~ These costs  
6 include payments for fiscal and legal expenses, obtaining bond ratings,  
7 printing, engraving, advertising, and other similar activities.

8       (2) In addition, proceeds of bonds used to fund capital projects  
9 may be used to pay the necessary and related engineering,  
10 architectural, planning, and inspection costs.

11       **Sec. 9.** RCW 36.73.110 and 1987 c 327 s 11 are each amended to read  
12 as follows:

13       A ~~((transportation benefit))~~ district may accept and expend or use  
14 gifts, grants, and donations.

15       **Sec. 10.** RCW 36.73.120 and 1988 c 179 s 7 are each amended to read  
16 as follows:

17       (1) ~~((A transportation benefit))~~ Subject to the provisions in  
18 section 18 of this act, a district may impose a fee or charge on the  
19 construction or reconstruction of residential buildings, commercial  
20 buildings, industrial buildings, or on any other building or building  
21 space or appurtenance ~~((thereto))~~, or on the development, subdivision,  
22 classification, or reclassification of land only if done in accordance  
23 with chapter 39.92 RCW.

24       (2) Any fee or charge imposed under this section shall be used  
25 exclusively for transportation improvements constructed by a  
26 ~~((transportation benefit))~~ district. The fees or charges ~~((se))~~  
27 imposed must be reasonably necessary as a result of the impact of  
28 development, construction, or classification or reclassification of  
29 land on identified transportation needs.

30       (3) ~~((When fees or charges are imposed by a district within which~~  
31 ~~there is more than one city or both incorporated and unincorporated~~  
32 ~~areas, the legislative authority for each city in the district and the~~  
33 ~~county legislative authority for the unincorporated area must approve~~  
34 ~~the imposition of such fees or charges before they take effect.))~~ A  
35 district may not levy a fee or charge under this section if a county or

1 city within the district area is levying a fee or charge under chapter  
2 39.92 RCW.

3 (4) Developments consisting of less than twenty residences are  
4 exempt from the fee or charge under this section.

5 **Sec. 11.** RCW 36.73.130 and 1987 c 327 s 13 are each amended to  
6 read as follows:

7 A (~~(transportation benefit)~~) district may exercise the power of  
8 eminent domain to obtain property for its authorized purposes in the  
9 same manner as authorized for the city or county legislative authority  
10 that established the district.

11 **Sec. 12.** RCW 36.73.140 and 1987 c 327 s 14 are each amended to  
12 read as follows:

13 A (~~(transportation benefit)~~) district has the same powers as a  
14 county or city to contract for street, road, or state highway  
15 improvement projects and to enter into reimbursement contracts provided  
16 for in chapter 35.72 RCW.

17 **Sec. 13.** RCW 36.73.150 and 1987 c 327 s 15 are each amended to  
18 read as follows:

19 The department of transportation, counties, (~~(and)~~) cities, and  
20 other jurisdictions may give funds to (~~(transportation benefit)~~)  
21 districts for the purposes of financing (~~(street, road, or highway)~~)  
22 transportation improvements (~~(projects)~~) under this chapter.

23 **NEW SECTION.** **Sec. 14.** A new section is added to chapter 82.14 RCW  
24 to read as follows:

25 (1) Subject to the provisions in section 18 of this act, a  
26 transportation benefit district under chapter 36.73 RCW may fix and  
27 impose a sales and use tax in accordance with the terms of this  
28 chapter. The tax authorized in this section is in addition to any  
29 other taxes authorized by law and shall be collected from those persons  
30 who are taxable by the state under chapters 82.08 and 82.12 RCW upon  
31 the occurrence of any taxable event within the boundaries of the  
32 district. The rate of tax shall not exceed five-tenths of one percent  
33 of the selling price in the case of a sales tax, or value of the  
34 article used, in the case of a use tax.

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

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

5 (1) For purposes of this section:

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

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

11 (c) "District" means a transportation benefit district under  
12 chapter 36.73 RCW.

13 (2) A transportation benefit district under chapter 36.73 RCW,  
14 subject to the conditions of this section, may levy additional excise  
15 taxes equal to ten percent of the statewide motor vehicle fuel tax rate  
16 under RCW 82.36.025 on each gallon of motor vehicle fuel as defined in  
17 RCW 82.36.010 and on each gallon of special fuel as defined in RCW  
18 82.38.020 sold within the boundaries of the district. Vehicles paying  
19 an annual license fee under RCW 82.38.075 are exempt from the  
20 district's fuel excise tax. The additional excise taxes are subject to  
21 the same exceptions and rights of refund as applicable to other motor  
22 vehicle fuel and special fuel excise taxes levied under chapters 82.36  
23 and 82.38 RCW. The proposed tax may not be levied less than one month  
24 from the date the election results are certified. The commencement  
25 date for the levy of any tax under this section will be the first day  
26 of January, April, July, or October.

27 (3) The local option motor vehicle fuel tax under this section on  
28 each gallon of motor vehicle fuel and on each gallon of special fuel is  
29 imposed upon the distributor of the fuel.

30 (4) A taxable event for the purposes of this section occurs upon  
31 the first distribution of the fuel within the boundaries of the  
32 district to a retail outlet, bulk fuel user, or ultimate user of the  
33 fuel.

34 (5) All administrative provisions in chapters 82.01, 82.03, and  
35 82.32 RCW, insofar as they are applicable, apply to local option fuel  
36 taxes imposed under this section.

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

10 (7) The state treasurer shall distribute the proceeds of the  
11 additional taxes under this section on a monthly basis to the district  
12 levying the tax, after the deductions for payments and expenditures as  
13 provided in RCW 46.68.090(1) (a) and (b).

14 (8) The proceeds of the additional taxes levied by a district under  
15 this section must be used in accordance with chapter 36.73 RCW, but  
16 only for those areas that are considered "highway purposes" as that  
17 term is construed in Article II, section 40 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 under this section  
21 if a member county is levying the tax under RCW 82.80.010.

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

24 (1) Subject to the provisions of section 18 of this act, a  
25 transportation benefit district under chapter 36.73 RCW may fix and  
26 impose an annual fee, not to exceed one hundred dollars per vehicle,  
27 for each vehicle subject to license tab fees under RCW 46.16.0621 and  
28 for each vehicle subject to gross weight fees under RCW 46.16.070 with  
29 an unladen weight of six thousand pounds or less, from registered  
30 owners whose primary place of domicile is within the boundaries of the  
31 district.

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

1 The state treasurer shall distribute the proceeds to the district on a  
2 monthly basis.

3 (3) No fee under this section may be collected until six months  
4 after approval by the district.

5 (4) "Registered owner" has the same meaning as provided in chapter  
6 46.04 RCW.

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

10 (6) The following vehicles are exempt from the fee under this  
11 section:

12 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 and  
13 46.04.181;

14 (b) Off-road and nonhighway vehicles as defined in RCW 46.09.020;

15 (c) Vehicles registered under chapter 46.87 RCW and the  
16 international registration plan; and

17 (d) Snowmobiles as defined in RCW 46.10.010.

18 NEW SECTION. **Sec. 17.** A new section is added to chapter 82.80 RCW  
19 to read as follows:

20 (1)(a) Subject to the provisions of section 18 of this act, a  
21 transportation benefit district under chapter 36.73 RCW may impose an  
22 excise tax, for the privilege of engaging in business, of up to two  
23 dollars per employee per month on all employers or any class or classes  
24 of employers, public and private, including the state located in the  
25 agency's jurisdiction, measured by the number of full-time equivalent  
26 employees. In no event may the total taxes imposed under this section  
27 exceed two dollars per employee per month for any single employer. The  
28 district imposing the tax authorized in this section may provide for  
29 exemptions from the tax for such educational, cultural, health,  
30 charitable, or religious organizations as it deems appropriate.

31 (b) Transportation benefit districts may contract with the state  
32 department of revenue or other appropriate entities for administration  
33 and collection of the tax. Such contract shall provide for deduction  
34 of an amount for administration and collection expenses, not to exceed  
35 one percent of the fees collected.

36 (2) The tax shall not apply to employment of a person when the

1 employer has paid for at least half of the cost of a transit pass  
2 issued by a transit agency for that employee, valid for the period for  
3 which the tax would otherwise be owed.

4 (3)(a) A transportation benefit district shall adopt rules that  
5 exempt an employer, who enters into an agreement under (b) of this  
6 subsection, from all or a portion of the tax under subsection (1)(a) of  
7 this section.

8 (b) A transportation benefit district may enter into an agreement,  
9 designed to reduce the number of employees who drive in single-occupant  
10 vehicles during peak commuting periods, with employers subject to the  
11 tax under subsection (1)(a) of this section. The agreement shall  
12 include a list of specific actions that the employer will undertake to  
13 be entitled to the exemption. Employers having an exemption from all  
14 or part of the tax through this subsection shall annually certify to  
15 the district that the employer is fulfilling the terms of the  
16 agreement. The exemption continues as long as the employer is in  
17 compliance with the agreement.

18 (4) The tax under this section may be imposed only to the extent  
19 the tax has not been imposed by a county within the district area.

20 NEW SECTION. Sec. 18. A new section is added to chapter 36.73 RCW  
21 to read as follows:

22 (1) Taxes, fees, and tolls may not be imposed, nor may any debt be  
23 incurred, by a district without approval of a majority of the voters in  
24 the district voting on a proposition at a general or special election.  
25 The proposition must include a specific description of the  
26 transportation improvement or improvements proposed by the district and  
27 the proposed taxes, fees, and tolls imposed by the district to raise  
28 revenue to fund the improvement or improvements.

29 (2) A district may not increase any taxes, fees, or tolls imposed  
30 under this chapter once the taxes, fees, or tolls take effect.

31 NEW SECTION. Sec. 19. A new section is added to chapter 36.73 RCW  
32 to read as follows:

33 (1) If a transportation improvement cost exceeds its original cost  
34 by more than twenty percent as identified in a district's original  
35 finance plan, the district governing board shall submit to the voters  
36 in the district a ballot measure that redefines the scope of the

1 transportation improvement, its schedule, or its costs. If the voters  
2 fail to approve the redefined transportation improvement, the district  
3 shall terminate work on the transportation improvement, except that the  
4 district may take reasonable steps to use, preserve, or connect any  
5 improvement already constructed. The remainder of any funds that would  
6 otherwise have been expended on the terminated transportation  
7 improvement must first be used to retire any outstanding debt  
8 attributable to the improvement.

9 (2) A district shall issue an annual report, indicating the status  
10 of transportation improvement costs, transportation improvement  
11 expenditures, revenues, and construction schedules, to the public and  
12 to newspapers of record in the district.

13 NEW SECTION. **Sec. 20.** A new section is added to chapter 36.73 RCW  
14 to read as follows:

15 Within thirty days of the completion of the construction of the  
16 transportation improvement or series of improvements authorized by a  
17 district, the district shall terminate day-to-day operations and exist  
18 solely as a limited entity that oversees the collection of revenue and  
19 the payment of debt service or financing still in effect, if any. The  
20 district shall accordingly adjust downward its employees,  
21 administration, and overhead expenses. Any taxes, fees, or tolls  
22 imposed by the district terminate when the financing or debt service on  
23 the transportation improvement or series of improvements constructed is  
24 completed and paid, thirty days from which point the district shall  
25 dissolve itself and cease to exist. If there is no debt outstanding,  
26 then the district shall dissolve within thirty days from completion of  
27 construction of the transportation improvement or series of  
28 improvements authorized by the district. Notice of dissolution must be  
29 published in newspapers of general circulation within the district at  
30 least three times in a period of thirty days. Creditors must file  
31 claims for payment of claims due within thirty days of the last  
32 published notice or the claim is extinguished.

33 **Sec. 21.** RCW 82.14.050 and 2002 c 56 s 406 are each amended to  
34 read as follows:

35 The counties, cities, and transportation authorities under RCW  
36 82.14.045, public facilities districts under chapters 36.100 and 35.57

1 RCW, (~~and~~) regional transportation investment districts, and  
2 transportation benefit districts under chapter 36.73 RCW shall  
3 contract, prior to the effective date of a resolution or ordinance  
4 imposing a sales and use tax, the administration and collection to the  
5 state department of revenue, which shall deduct a percentage amount, as  
6 provided by contract, not to exceed two percent of the taxes collected  
7 for administration and collection expenses incurred by the department.  
8 The remainder of any portion of any tax authorized by this chapter that  
9 is collected by the department of revenue shall be deposited by the  
10 state department of revenue in the local sales and use tax account  
11 hereby created in the state treasury. Moneys in the local sales and  
12 use tax account may be spent only for distribution to counties, cities,  
13 transportation authorities, public facilities districts, (~~and~~)  
14 regional transportation investment districts, and transportation  
15 benefit districts imposing a sales and use tax. All administrative  
16 provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now  
17 exist or may hereafter be amended, shall, insofar as they are  
18 applicable to state sales and use taxes, be applicable to taxes imposed  
19 pursuant to this chapter. Except as provided in RCW 43.08.190, all  
20 earnings of investments of balances in the local sales and use tax  
21 account shall be credited to the local sales and use tax account and  
22 distributed to the counties, cities, transportation authorities, public  
23 facilities districts, (~~and~~) regional transportation investment  
24 districts, and transportation benefit districts monthly.

25 **Sec. 22.** RCW 82.14.060 and 1991 c 207 s 3 are each amended to read  
26 as follows:

27 Monthly the state treasurer shall make distribution from the local  
28 sales and use tax account to the counties, cities, transportation  
29 authorities, (~~and~~) public facilities districts, and transportation  
30 benefit districts the amount of tax collected on behalf of each taxing  
31 authority, less the deduction provided for in RCW 82.14.050. The state  
32 treasurer shall make the distribution under this section without  
33 appropriation.

34 In the event that any ordinance or resolution imposes a sales and  
35 use tax at a rate in excess of the applicable limits contained herein,  
36 such ordinance or resolution shall not be considered void in toto, but



1 only with respect to that portion of the rate which is in excess of the  
2 applicable limits contained herein.

3 **Sec. 23.** RCW 35.21.225 and 1989 c 53 s 2 are each amended to read  
4 as follows:

5 The legislative authority of a city may establish (~~one or more~~  
6 ~~transportation benefit districts within a city for the purpose of~~  
7 ~~acquiring, constructing, improving, providing, and funding any city~~  
8 ~~street, county road, or state highway improvement that is (1)~~  
9 ~~consistent with state, regional, and local transportation plans, (2)~~  
10 ~~necessitated by existing or reasonably foreseeable congestion levels~~  
11 ~~attributable to economic growth, and (3) partially funded by local~~  
12 ~~government or private developer contributions, or a combination of such~~  
13 ~~contributions. Such transportation improvements shall be owned by the~~  
14 ~~city of jurisdiction if located in an incorporated area, by the county~~  
15 ~~of jurisdiction if located in an unincorporated area, or by the state~~  
16 ~~in cases where the transportation improvement is or becomes a state~~  
17 ~~highway; and all such transportation improvements shall be administered~~  
18 ~~as other public streets, roads, and highways. The district may include~~  
19 ~~any area within the corporate limits of another city if that city has~~  
20 ~~agreed to the inclusion pursuant to chapter 39.34 RCW. The district~~  
21 ~~may include any unincorporated area if the county legislative authority~~  
22 ~~has agreed to the inclusion pursuant to chapter 39.34 RCW. The~~  
23 ~~agreement shall specify the area and such other powers as may be~~  
24 ~~granted to the benefit district.~~

25 The members of the city legislative authority, acting ex officio  
26 and independently, shall compose the governing body of the district.  
27 The city treasurer shall act as the ex officio treasurer of the  
28 district: PROVIDED, That where a transportation benefit district  
29 includes any unincorporated area or portion of another city, the  
30 district may be governed as provided in an interlocal agreement adopted  
31 pursuant to chapter 39.34 RCW. The electors of the district shall all  
32 be registered voters residing within the district. For the purposes of  
33 this section, the term "city" means both cities and towns)) a  
34 transportation benefit district subject to the provisions of chapter  
35 36.73 RCW.

1       **Sec. 24.** RCW 47.56.075 and 2002 c 56 s 404 are each amended to  
2 read as follows:

3       The department shall approve for construction only such toll roads  
4 as the legislature specifically authorizes or such toll facilities as  
5 are specifically sponsored by a regional transportation investment  
6 district, transportation benefit district, city, town, or county.

7       **Sec. 25.** RCW 82.36.440 and 1991 c 173 s 4 are each amended to read  
8 as follows:

9       The tax levied in this chapter is in lieu of any excise, privilege,  
10 or occupational tax upon the business of manufacturing, selling, or  
11 distributing motor vehicle fuel, and no city, town, county, township or  
12 other subdivision or municipal corporation of the state shall levy or  
13 collect any excise tax upon or measured by the sale, receipt,  
14 distribution, or use of motor vehicle fuel, except as provided in RCW  
15 82.80.010, section 15 of this act, and 82.47.020.

16       **Sec. 26.** RCW 82.38.280 and 1991 c 173 s 5 are each amended to read  
17 as follows:

18       The tax levied in this chapter is in lieu of any excise, privilege,  
19 or occupational tax upon the business of manufacturing, selling, or  
20 distributing special fuel, and no city, town, county, township or other  
21 subdivision or municipal corporation of the state shall levy or collect  
22 any excise tax upon or measured by the sale, receipt, distribution, or  
23 use of special fuel, except as provided in RCW 82.80.010, section 15 of  
24 this act, and 82.47.020.

25       **Sec. 27.** RCW 82.80.030 and 2002 c 56 s 412 are each amended to  
26 read as follows:

27       (1) Subject to the conditions of this section, the legislative  
28 authority of a county, city, or district may fix and impose a parking  
29 tax on all persons engaged in a commercial parking business within its  
30 respective jurisdiction. A city or county may impose the tax only to  
31 the extent that it has not been imposed by the district, and a district  
32 may impose the tax only to the extent that it has not been imposed by  
33 a city or county. The jurisdiction of a county, for purposes of this  
34 section, includes only the unincorporated area of the county. The

1 jurisdiction of a city or district includes only the area within its  
2 boundaries.

3 (2) In lieu of the tax in subsection (1) of this section, a city,  
4 a county in its unincorporated area, or a district may fix and impose  
5 a tax for the act or privilege of parking a motor vehicle in a facility  
6 operated by a commercial parking business.

7 The city, county, or district may provide that:

8 (a) The tax is paid by the operator or owner of the motor vehicle;

9 (b) The tax applies to all parking for which a fee is paid, whether  
10 paid or leased, including parking supplied with a lease of  
11 nonresidential space;

12 (c) The tax is collected by the operator of the facility and  
13 remitted to the city, county, or district;

14 (d) The tax is a fee per vehicle or is measured by the parking  
15 charge;

16 (e) The tax rate varies with zoning or location of the facility,  
17 the duration of the parking, the time of entry or exit, the type or use  
18 of the vehicle, or other reasonable factors; and

19 (f) Tax exempt carpools, vehicles with handicapped decals, or  
20 government vehicles are exempt from the tax.

21 (3) "Commercial parking business" as used in this section, means  
22 the ownership, lease, operation, or management of a commercial parking  
23 lot in which fees are charged. "Commercial parking lot" means a  
24 covered or uncovered area with stalls for the purpose of parking motor  
25 vehicles.

26 (4) The rate of the tax under subsection (1) of this section may be  
27 based either upon gross proceeds or the number of vehicle stalls  
28 available for commercial parking use. The rates charged must be  
29 uniform for the same class or type of commercial parking business.

30 (5) The county, city, or district levying the tax provided for in  
31 subsection (1) or (2) of this section may provide for its payment on a  
32 monthly, quarterly, or annual basis. Each local government may develop  
33 by ordinance or resolution rules for administering the tax, including  
34 provisions for reporting by commercial parking businesses, collection,  
35 and enforcement.

36 (6) The proceeds of the commercial parking tax fixed and imposed by  
37 a city or county under subsection (1) or (2) of this section shall be  
38 used ((strictly)) for transportation purposes in accordance with RCW

1 82.80.070 or for transportation improvements in accordance with chapter  
2 36.73 RCW. The proceeds of the parking tax imposed by a district must  
3 be used as provided in chapter 36.120 RCW.

4 NEW SECTION. **Sec. 28.** A new section is added to chapter 47.56 RCW  
5 to read as follows:

6 Subject to the provisions under chapter 36.73 RCW, a transportation  
7 benefit district may impose vehicle tolls on state routes or federal  
8 highways, city streets, or county roads, within the boundaries of the  
9 district, unless otherwise prohibited by law. The department of  
10 transportation shall administer the collection of vehicle tolls on  
11 state routes or federal highways, unless otherwise specified in law or  
12 by contract, and the state transportation commission, or its successor,  
13 shall set and impose the tolls in amounts sufficient to implement the  
14 district's transportation improvement finance plan. The district shall  
15 administer the collection of vehicle tolls on city streets or county  
16 roads, and shall set and impose the tolls in amounts sufficient to  
17 implement the district's transportation improvement plan."

**SSB 5585 - S AMD 260**

By Senator Swecker

18 On page 1, line 1 of the title, after "districts;" strike the  
19 remainder of the title and insert "amending RCW 36.73.020, 36.73.040,  
20 36.73.050, 36.73.060, 36.73.070, 36.73.080, 36.73.100, 36.73.110,  
21 36.73.120, 36.73.130, 36.73.140, 36.73.150, 82.14.050, 82.14.060,  
22 35.21.225, 47.56.075, 82.36.440, 82.38.280, and 82.80.030; adding new  
23 sections to chapter 36.73 RCW; adding a new section to chapter 82.14  
24 RCW; adding new sections to chapter 82.80 RCW; and adding a new section  
25 to chapter 47.56 RCW."

EFFECT: 1. Transportation benefit districts may only impose a

local fuel tax if the district boundaries are identical to that of a county or counties.

2. Transportation benefit districts may not impose a commercial parking tax, however cities and counties imposing a commercial parking tax may use the revenue for transportation benefit district improvements.

3. Any special assessment imposed by a transportation benefit district forming a local improvement district must go to a vote of the people within the local improvement district.

4. A technical correction is made to allow the imposition of the local fuel tax.

5. Requires tolls to be imposed only on new transportation improvements made by the district and toll revenue must be used specifically for these transportation improvements.

6. Eliminates the option of imposing nonvoter-approved taxes, fees, tolls, or debt and instead requires all taxes, fees, tolls, or debt to be approved by the voters.

7. Eliminates referendum provisions to repeal ordinance authorizing taxes, fees, or tolls since voters are now required to approve taxes, fees, and tolls initially.

8. Requires ballot proposition submitted to voters to include a specific description of the transportation improvement and the taxes, fees, and tolls to be imposed to fund the improvement.

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