
SENATE BILL 5358

State of Washington**64th Legislature****2015 Regular Session**

By Senators Lias, Pedersen, Kohl-Welles, and Chase; by request of Governor Inslee

Read first time 01/20/15. Referred to Committee on Transportation.

1 AN ACT Relating to transportation revenue; amending RCW
2 46.25.060, 46.25.100, 46.17.050, 46.17.060, 46.12.650, 46.17.400,
3 46.37.420, 46.17.355, 46.68.035, 81.77.160, 46.17.323, 46.20.202,
4 46.17.015, 46.17.025, 46.18.277, 46.19.060, 46.20.293, 46.29.050,
5 46.68.020, 46.68.041, 46.68.390, 47.60.322, 82.08.809, 82.12.809,
6 36.73.015, 36.73.020, 36.73.065, 82.80.140, 82.14.045, 81.104.140,
7 81.104.160, 84.52.043, 84.52.043, 84.52.010, 84.52.010, and
8 84.04.120; reenacting and amending RCW 46.17.220, 46.16A.200,
9 46.52.130, 43.84.092, 43.84.092, and 81.104.170; adding a new section
10 to chapter 46.16A RCW; adding new sections to chapter 46.68 RCW;
11 adding a new section to chapter 46.18 RCW; adding a new section to
12 chapter 46.04 RCW; adding a new section to chapter 46.17 RCW; adding
13 new sections to chapter 47.01 RCW; adding new sections to chapter
14 82.32 RCW; adding new sections to chapter 36.57A RCW; adding a new
15 section to chapter 82.14 RCW; adding a new section to chapter 82.80
16 RCW; adding a new section to chapter 81.104 RCW; adding a new section
17 to chapter 84.52 RCW; adding a new section to chapter 47.29 RCW;
18 adding a new section to chapter 43.135 RCW; creating new sections;
19 repealing RCW 82.38.083; repealing 2012 c 74 ss 11 and 18
20 (uncodified); providing effective dates; providing a contingent
21 effective date; providing expiration dates; providing a contingent
22 expiration date; and declaring an emergency.

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

2 **I. TRANSPORTATION - RELATED FEES**

3 **Sec. 101.** RCW 46.25.060 and 2013 c 224 s 6 are each amended to
4 read as follows:

5 (1)(a) No person may be issued a commercial driver's license
6 unless that person:

7 (i) Is a resident of this state;

8 (ii) Has successfully completed a course of instruction in the
9 operation of a commercial motor vehicle that has been approved by the
10 director or has been certified by an employer as having the skills
11 and training necessary to operate a commercial motor vehicle safely;

12 (iii) If he or she does not hold a valid commercial driver's
13 license of the appropriate classification, has been issued a
14 commercial learner's permit under RCW 46.25.052; and

15 (iv) Has passed a knowledge and skills examination for driving a
16 commercial motor vehicle that complies with minimum federal standards
17 established by federal regulation enumerated in 49 C.F.R. Part 383,
18 subparts F, G, and H, in addition to other requirements imposed by
19 state law or federal regulation. The department may not allow the
20 person to take the skills examination during the first fourteen days
21 after initial issuance of the person's commercial learner's permit.
22 The examinations must be prescribed and conducted by the department.

23 (b) In addition to the fee charged for issuance or renewal of any
24 license, the applicant shall pay a fee of no more than (~~ten~~)
25 thirty-five dollars for each classified knowledge examination,
26 classified endorsement knowledge examination, or any combination of
27 classified license and endorsement knowledge examinations. The
28 applicant shall pay a fee of no more than (~~one~~) two hundred fifty
29 dollars for each classified skill examination or combination of
30 classified skill examinations conducted by the department.

31 (c) The department may authorize a person, including an agency of
32 this or another state, an employer, a private driver training
33 facility, or other private institution, or a department, agency, or
34 instrumentality of local government, to administer the skills
35 examination specified by this section under the following conditions:

36 (i) The examination is the same which would otherwise be
37 administered by the state;

1 (ii) The third party has entered into an agreement with the state
2 that complies with the requirements of 49 C.F.R. Sec. 383.75; and

3 (iii) The director has adopted rules as to the third party
4 testing program and the development and justification for fees
5 charged by any third party.

6 (d) If the applicant's primary use of a commercial driver's
7 license is for any of the following, then the applicant shall pay a
8 fee of no more than (~~seventy-five~~) two hundred twenty-five dollars
9 for each classified skill examination or combination of classified
10 skill examinations whether conducted by the department or a third-
11 party tester:

12 (i) Public benefit not-for-profit corporations that are federally
13 supported head start programs; or

14 (ii) Public benefit not-for-profit corporations that support
15 early childhood education and assistance programs as described in RCW
16 43.215.405(2).

17 (2)(a) The department may waive the skills examination and the
18 requirement for completion of a course of instruction in the
19 operation of a commercial motor vehicle specified in this section for
20 a commercial driver's license applicant who meets the requirements of
21 49 C.F.R. Sec. 383.77.

22 (b) An applicant who operates a commercial motor vehicle for
23 agribusiness purposes is exempt from the course of instruction
24 completion and employer skills and training certification
25 requirements under this section. By January 1, 2010, the department
26 shall submit recommendations regarding the continuance of this
27 exemption to the transportation committees of the legislature. For
28 purposes of this subsection (2)(b), "agribusiness" means a private
29 carrier who in the normal course of business primarily transports:

30 (i) Farm machinery, farm equipment, implements of husbandry, farm
31 supplies, and materials used in farming;

32 (ii) Agricultural inputs, such as seed, feed, fertilizer, and
33 crop protection products;

34 (iii) Unprocessed agricultural commodities, as defined in RCW
35 17.21.020, where such commodities are produced by farmers, ranchers,
36 vineyardists, or orchardists; or

37 (iv) Any combination of (b)(i) through (iii) of this subsection.

38 The department shall notify the transportation committees of the
39 legislature if the federal government takes action affecting the
40 exemption provided in this subsection (2)(b).

1 (3) A commercial driver's license or commercial learner's permit
2 may not be issued to a person while the person is subject to a
3 disqualification from driving a commercial motor vehicle, or while
4 the person's driver's license is suspended, revoked, or canceled in
5 any state, nor may a commercial driver's license be issued to a
6 person who has a commercial driver's license issued by any other
7 state unless the person first surrenders all such licenses, which
8 must be returned to the issuing state for cancellation.

9 **Sec. 102.** RCW 46.25.100 and 2013 c 224 s 12 are each amended to
10 read as follows:

11 When a person has been disqualified from operating a commercial
12 motor vehicle, the person is not entitled to have the commercial
13 driver's license or commercial learner's permit restored until after
14 the expiration of the appropriate disqualification period required
15 under RCW 46.25.090 or until the department has received a drug and
16 alcohol assessment and evidence is presented of satisfactory
17 participation in or completion of any required drug or alcohol
18 treatment program for ending the disqualification under RCW
19 46.25.090(7). After expiration of the appropriate period and upon
20 payment of a requalification fee of (~~twenty~~) thirty-five dollars,
21 or one hundred fifty dollars if the person has been disqualified
22 under RCW 46.25.090(7), the person may apply for a new, duplicate, or
23 renewal commercial driver's license or commercial learner's permit as
24 provided by law. If the person has been disqualified for a period of
25 one year or more, the person shall demonstrate that he or she meets
26 the commercial driver's license or commercial learner's permit
27 qualification standards specified in RCW 46.25.060.

28 **Sec. 103.** RCW 46.17.050 and 2014 c 59 s 3 are each amended to
29 read as follows:

30 (1) Before accepting a report of sale filed under RCW
31 46.12.650(2), the department, county auditor or other agent or
32 subagent appointed by the director shall require the applicant to
33 pay:

34 (~~(1)~~) (a) The filing fee under RCW 46.17.005(1), the license
35 plate technology fee under RCW 46.17.015, and the license service fee
36 under RCW 46.17.025 to the county auditor or other agent; and

37 (~~(2)~~) (b) The service fee under RCW 46.17.040(1)(b) to the
38 subagent.

1 (2) The service fee collected under this section by the
2 department or county auditor or other agent appointed by the director
3 must be credited to the capital vessel replacement account created in
4 RCW 47.60.322.

5 **Sec. 104.** RCW 46.17.060 and 2014 c 59 s 4 are each amended to
6 read as follows:

7 (1) Before accepting a transitional ownership record filed under
8 RCW 46.12.660, the department, county auditor or other agent or
9 subagent appointed by the director shall require the applicant to
10 pay:

11 ~~((1))~~ (a) The filing fee under RCW 46.17.005(1), the license
12 plate technology fee under RCW 46.17.015, and the license service fee
13 under RCW 46.17.025 to the county auditor or other agent; and

14 ~~((2))~~ (b) The service fee under RCW 46.17.040(1)(b) to the
15 subagent.

16 (2) The service fee collected under this section by the
17 department or county auditor or other agent appointed by the director
18 must be credited to the capital vessel replacement account created in
19 RCW 47.60.322.

20 **Sec. 105.** RCW 46.12.650 and 2010 c 161 s 309 are each amended to
21 read as follows:

22 (1) **Releasing interest.** An owner releasing interest in a vehicle
23 shall:

24 (a) Sign the release of interest section provided on the
25 certificate of title or on a release of interest document or form
26 approved by the department;

27 (b) Give the certificate of title or most recent evidence of
28 ownership to the person gaining the interest in the vehicle;

29 (c) Give the person gaining interest in the vehicle an odometer
30 disclosure statement if one is required; and

31 (d) Report the vehicle sold as provided in subsection (2) of this
32 section.

33 (2) **Report of sale.** An owner shall notify the department, county
34 auditor or other agent, or subagent appointed by the director in
35 writing within ~~((five))~~ fifteen business days after a vehicle is or
36 has been:

37 (a) Sold;

38 (b) Given as a gift to another person;

- 1 (c) Traded, either privately or to a dealership;
- 2 (d) Donated to charity;
- 3 (e) Turned over to an insurance company or wrecking yard; or
- 4 (f) Disposed of.

5 (3) **Report of sale properly filed.** A report of sale is properly
6 filed if it is received by the department, county auditor or other
7 agent, or subagent appointed by the director within ~~((five))~~ fifteen
8 business days after the date of sale or transfer and it includes:

- 9 (a) The date of sale or transfer;
- 10 (b) The owner's name and address;
- 11 (c) The name and address of the person acquiring the vehicle;
- 12 (d) The vehicle identification number and license plate number;
- 13 (e) A date or stamp by the department showing it was received on
14 or before the ~~((fifth))~~ fifteenth business day after the date of sale
15 or transfer; and

16 (f) Payment of the fees required under RCW 46.17.050 ~~((if the
17 report of sale is processed by a county auditor or other agent or
18 subagent appointed by the director))~~.

19 (4) **Report of sale - administration.** (a) The department shall:

- 20 ~~((a))~~ (i) Provide or approve reports of sale forms;
- 21 ~~((b))~~ (ii) Provide a system enabling an owner to submit reports
22 of sale electronically;

23 ~~((c))~~ (iii) Immediately update the department's vehicle record
24 when a report of sale has been filed;

25 ~~((d))~~ (iv) Provide instructions on release of interest forms
26 that allow the seller of a vehicle to release their interest in a
27 vehicle at the same time a financial institution, as defined in RCW
28 30A.22.040, releases its lien on the vehicle; and

29 ~~((e))~~ (v) Send a report to the department of revenue that lists
30 vehicles for which a report of sale has been received but no transfer
31 of ownership has taken place. The department shall send the report
32 once each quarter.

33 (b) A report of sale that is received by the department, county
34 auditor or other agent, or subagent appointed by the director after
35 the fifteenth day becomes effective on the day it is received by the
36 department, county auditor or other agent, or subagent appointed by
37 the director.

38 (5)(a) **Transferring ownership.** A person who has recently acquired
39 a vehicle by purchase, exchange, gift, lease, inheritance, or legal
40 action shall apply to the department, county auditor or other agent,

1 or subagent appointed by the director for a new certificate of title
2 within fifteen days of delivery of the vehicle. A secured party who
3 has possession of the certificate of title shall either:

4 (i) Apply for a new certificate of title on behalf of the owner
5 and pay the fee required under RCW 46.17.100; or

6 (ii) Provide all required documents to the owner, as long as the
7 transfer was not a breach of its security agreement, to allow the
8 owner to apply for a new certificate of title.

9 (b) Compliance with this subsection does not affect the rights of
10 the secured party.

11 (6) **Certificate of title delivered to secured party.** The
12 certificate of title must be kept by or delivered to the person who
13 becomes the secured party when a security interest is reserved or
14 created at the time of the transfer of ownership. The parties must
15 comply with RCW 46.12.675.

16 (7) **Penalty for late transfer.** A person who has recently acquired
17 a motor vehicle by purchase, exchange, gift, lease, inheritance, or
18 legal action who does not apply for a new certificate of title within
19 fifteen calendar days of delivery of the vehicle is charged a
20 penalty, as described in RCW 46.17.140, when applying for a new
21 certificate of title. It is a misdemeanor to fail or neglect to apply
22 for a transfer of ownership within forty-five days after delivery of
23 the vehicle. The misdemeanor is a single continuing offense for each
24 day that passes regardless of the number of days that have elapsed
25 following the forty- five day time period.

26 (8) **Penalty for late transfer - exceptions.** The penalty is not
27 charged if the delay in application is due to at least one of the
28 following:

29 (a) The department requests additional supporting documents;

30 (b) The department, county auditor or other agent, or subagent
31 fails to perform or is neglectful;

32 (c) The owner is prevented from applying due to an illness or
33 extended hospitalization;

34 (d) The legal owner fails or neglects to release interest;

35 (e) The owner did not know of the filing of a report of sale by
36 the previous owner and signs an affidavit to the fact; or

37 (f) The department finds other conditions exist that adequately
38 explain the delay.

39 (9) **Review and issue.** The department shall review applications
40 for certificates of title and issue certificates of title when it has

1 determined that all applicable provisions of law have been complied
2 with.

3 (10) **Rules.** The department may adopt rules as necessary to
4 implement this section.

5 NEW SECTION. **Sec. 106.** A new section is added to chapter 46.16A
6 RCW to read as follows:

7 (1) The department, county auditor or other agent, or subagent
8 appointed by the director must issue a studded tire permit
9 authorizing the use of studded tires as provided under RCW 46.37.420
10 to a vehicle owner upon submittal of a proper application and payment
11 of the studded tire permit fee under RCW 46.17.400(1)(g).

12 (2) Each studded tire permit is valid on a vehicle during the
13 registration year as outlined in RCW 46.16A.020.

14 (3) The department must also issue an identifying marker that the
15 vehicle owner must place on the vehicle license plate for the studded
16 tire permit to be valid.

17 (4) Operating a vehicle on a public highway without a valid
18 studded tire permit and properly affixing the identifying marker to
19 the vehicle license plate is a traffic infraction; however, a vehicle
20 owner or the owner's authorized representative has five days from the
21 date of purchasing studded tires to apply for a studded tire permit.
22 In addition to any other penalties imposed for a traffic infraction,
23 an additional fifteen dollar penalty is assessed for a violation of
24 this section. The additional fifteen dollar penalty imposed under
25 this subsection must be forwarded to the state treasurer for deposit
26 in the motor vehicle fund created under RCW 46.68.070.

27 (5) The vehicle owner is solely responsible for obtaining a
28 studded tire permit under this section, and a tire dealer is not
29 obligated to confirm, validate, document, disclose, enforce, report,
30 or educate on the requirements of this section. This section does not
31 create a right of action, whether civil or criminal, against any tire
32 dealer.

33 (6) The department may adopt rules to implement this section.

34 **Sec. 107.** RCW 46.17.400 and 2011 c 171 s 62 are each amended to
35 read as follows:

36 (1) Before accepting an application for one of the following
37 permits, the department, county auditor or other agent, or subagent
38 appointed by the director shall require the applicant to pay the

1 following permit fee by permit type in addition to any other fee or
2 tax required by law:

3 PERMIT TYPE	FEE	AUTHORITY	DISTRIBUTION
4 (a) Dealer temporary	\$15.00	RCW 46.16A.300	RCW 46.68.030
5 (b) Department temporary	\$.50	RCW 46.16A.305	RCW 46.68.450
6 (c) Farm vehicle trip	\$6.25	RCW 46.16A.330	RCW 46.68.035
7 (d) Nonresident military	\$10.00	RCW 46.16A.340	RCW 46.68.070
8 (e) Nonresident temporary snowmobile	\$5.00	RCW 46.10.450	RCW 46.68.350
9 (f) Special fuel trip	\$30.00	RCW 82.38.100	RCW 46.68.460
10 (g) <u>Studded tire</u>	<u>\$15.00</u>	<u>Section 106 of this act</u>	<u>Section 108 of this act</u>
11 (h) Temporary ORV use	\$7.00	RCW 46.09.430	RCW 46.68.045
12 ((h)) (i) Vehicle trip	\$25.00	RCW 46.16A.320	RCW 46.68.455

13 (2) Permit fees as provided in subsection (1) of this section are
14 in addition to the filing fee required under RCW 46.17.005, except an
15 additional filing fee may not be charged for:

- 16 (a) Dealer temporary permits;
- 17 (b) Special fuel trip permits; and
- 18 (c) Vehicle trip permits.

19 (3) Five dollars of the fifteen dollar dealer temporary permit
20 fee provided in subsection (1)(a) of this section must be credited to
21 the payment of vehicle license fees at the time application for
22 registration is made. The remainder must be deposited to the state
23 patrol highway account created in RCW 46.68.030.

24 NEW SECTION. Sec. 108. A new section is added to chapter 46.68
25 RCW to read as follows:

26 The studded tire permit fee imposed under RCW 46.17.400(1)(g) for
27 studded tire permits issued under section 106 of this act must be
28 deposited into the motor vehicle fund created in RCW 46.68.070.

29 **Sec. 109.** RCW 46.37.420 and 2012 c 75 s 1 are each amended to
30 read as follows:

31 (1) It is unlawful to operate a vehicle upon the public highways
32 of this state unless it is completely equipped with pneumatic rubber
33 tires except vehicles equipped with temporary-use spare tires that

1 meet federal standards that are installed and used in accordance with
2 the manufacturer's instructions.

3 (2) Except as provided in subsection (3) of this section, no tire
4 on a vehicle moved on a highway may have on its periphery any block,
5 flange, cleat, or spike or any other protuberance of any material
6 other than rubber which projects beyond the tread of the traction
7 surface of the tire(~~(, except that)~~).

8 (3)(a) It is permissible to use: (i) Farm machinery equipped with
9 pneumatic tires or solid rubber tracks having protuberances that will
10 not injure the highway(~~(,)~~); and (~~except also that it is permissible~~
11 ~~to use~~) (ii)(A) tire chains, (B) alternative traction devices, or
12 (C) metal studs imbedded within the tire subject to studded tire
13 permit requirements under section 106 of this act, of reasonable
14 proportions and of a type conforming to rules adopted by the state
15 patrol, upon any vehicle when required for safety because of snow,
16 ice, or other conditions tending to cause a vehicle to skid.

17 (b) It is unlawful to use metal studs imbedded within the tire
18 between April 1st and November 1st, except that a vehicle may be
19 equipped year-round with tires that have retractable studs if:
20 (~~(a)~~) (i) The studs retract pneumatically or mechanically to below
21 the wear bar of the tire when not in use; and (~~(b)~~) (ii) the
22 retractable studs are engaged only between November 1st and April
23 1st. Retractable studs may be made of metal or other material and are
24 not subject to the lightweight stud weight requirements under RCW
25 46.04.272. The state department of transportation may, from time to
26 time, determine additional periods in which the use of tires with
27 metal studs imbedded therein is lawful.

28 (~~(3)~~) (4) The state department of transportation and local
29 authorities in their respective jurisdictions may issue special
30 permits authorizing the operation upon a highway of traction engines
31 or tractors having movable tracks with transverse corrugations upon
32 the periphery of the movable tracks or farm tractors or other farm
33 machinery, the operation of which upon a highway would otherwise be
34 prohibited under this section.

35 (~~(4)~~) (5) Tires with metal studs imbedded therein may be used
36 between November 1st and April 1st upon school buses and fire
37 department vehicles, any law or regulation to the contrary
38 notwithstanding.

1 **Sec. 110.** RCW 46.17.355 and 2011 c 171 s 61 are each amended to
2 read as follows:

3 (1) In lieu of the vehicle license fee required under RCW
4 46.17.350 and before accepting an application for a vehicle
5 registration for motor vehicles described in RCW 46.16A.455, the
6 department, county auditor or other agent, or subagent appointed by
7 the director shall require the applicant, unless specifically exempt,
8 to pay the following license fee by weight:

9	WEIGHT	SCHEDULE A	SCHEDULE B
10	4,000 pounds	(\$38.00) <u>\$ 53.00</u>	(\$38.00) <u>\$ 53.00</u>
11	6,000 pounds	(\$48.00) <u>\$ 73.00</u>	(\$48.00) <u>\$ 73.00</u>
12	8,000 pounds	(\$58.00) <u>\$ 93.00</u>	(\$58.00) <u>\$ 93.00</u>
13	10,000 pounds	(\$60.00) <u>\$ 95.00</u>	(\$60.00) <u>\$ 95.00</u>
14	12,000 pounds	(\$77.00) <u>\$ 112.00</u>	(\$77.00) <u>\$ 112.00</u>
15	14,000 pounds	(\$88.00) <u>\$ 123.00</u>	(\$88.00) <u>\$ 123.00</u>
16	16,000 pounds	(\$100.00) <u>\$ 135.00</u>	(\$100.00) <u>\$ 135.00</u>
17	18,000 pounds	\$ 152.00	\$ 152.00
18	20,000 pounds	\$ 169.00	\$ 169.00
19	22,000 pounds	\$ 183.00	\$ 183.00
20	24,000 pounds	\$ 198.00	\$ 198.00
21	26,000 pounds	\$ 209.00	\$ 209.00
22	28,000 pounds	\$ 247.00	\$ 247.00
23	30,000 pounds	\$ 285.00	\$ 285.00
24	32,000 pounds	\$ 344.00	\$ 344.00
25	34,000 pounds	\$ 366.00	\$ 366.00
26	36,000 pounds	\$ 397.00	\$ 397.00
27	38,000 pounds	\$ 436.00	\$ 436.00
28	40,000 pounds	\$ 499.00	\$ 499.00
29	42,000 pounds	\$ 519.00	\$ 609.00
30	44,000 pounds	\$ 530.00	\$ 620.00
31	46,000 pounds	\$ 570.00	\$ 660.00
32	48,000 pounds	\$ 594.00	\$ 684.00
33	50,000 pounds	\$ 645.00	\$ 735.00

1	52,000 pounds	\$ 678.00	\$ 768.00
2	54,000 pounds	\$ 732.00	\$ 822.00
3	56,000 pounds	\$ 773.00	\$ 863.00
4	58,000 pounds	\$ 804.00	\$ 894.00
5	60,000 pounds	\$ 857.00	\$ 947.00
6	62,000 pounds	\$ 919.00	\$ 1,009.00
7	64,000 pounds	\$ 939.00	\$ 1,029.00
8	66,000 pounds	\$ 1,046.00	\$ 1,136.00
9	68,000 pounds	\$ 1,091.00	\$ 1,181.00
10	70,000 pounds	\$ 1,175.00	\$ 1,265.00
11	72,000 pounds	\$ 1,257.00	\$ 1,347.00
12	74,000 pounds	\$ 1,366.00	\$ 1,456.00
13	76,000 pounds	\$ 1,476.00	\$ 1,566.00
14	78,000 pounds	\$ 1,612.00	\$ 1,702.00
15	80,000 pounds	\$ 1,740.00	\$ 1,830.00
16	82,000 pounds	\$ 1,861.00	\$ 1,951.00
17	84,000 pounds	\$ 1,981.00	\$ 2,071.00
18	86,000 pounds	\$ 2,102.00	\$ 2,192.00
19	88,000 pounds	\$ 2,223.00	\$ 2,313.00
20	90,000 pounds	\$ 2,344.00	\$ 2,434.00
21	92,000 pounds	\$ 2,464.00	\$ 2,554.00
22	94,000 pounds	\$ 2,585.00	\$ 2,675.00
23	96,000 pounds	\$ 2,706.00	\$ 2,796.00
24	98,000 pounds	\$ 2,827.00	\$ 2,917.00
25	100,000 pounds	\$ 2,947.00	\$ 3,037.00
26	102,000 pounds	\$ 3,068.00	\$ 3,158.00
27	104,000 pounds	\$ 3,189.00	\$ 3,279.00
28	105,500 pounds	\$ 3,310.00	\$ 3,400.00

29 (2) Schedule A applies to vehicles either used exclusively for
30 hauling logs or that do not tow trailers. Schedule B applies to
31 vehicles that tow trailers and are not covered under Schedule A.

1 (3) If the resultant gross weight is not listed in the table
2 provided in subsection (1) of this section, it must be increased to
3 the next higher weight.

4 (4) The license fees provided in subsection (1) of this section
5 and the freight project fee provided in subsection (6) of this
6 section are in addition to the filing fee required under RCW
7 46.17.005 and any other fee or tax required by law.

8 (5) Except as provided otherwise in this section, the license fee
9 based on declared gross weight as provided in subsection (1) of this
10 section must be distributed under RCW 46.68.035.

11 (6) In addition to the license fee based on declared gross weight
12 as provided in subsection (1) of this section, the department, county
13 auditor or other agent, or subagent appointed by the director must
14 require an applicant with a vehicle with a declared gross weight of
15 more than 10,000 pounds, unless specifically exempt, to pay a freight
16 project fee equal to fifteen percent of the license fee provided in
17 subsection (1) of this section, rounded to the nearest whole dollar,
18 which must be deposited in the highway safety fund created in RCW
19 46.68.060.

20 (7)(a) Fifteen dollars of each license fee based on declared
21 gross weight, as provided in subsection (1) of this section, paid by
22 an applicant with a vehicle with a declared gross weight of 4,000
23 pounds or less must be deposited in the motor vehicle fund created in
24 RCW 46.68.070.

25 (b) Twenty-five dollars of each license fee based on declared
26 gross weight, as provided in subsection (1) of this section, paid by
27 an applicant with a vehicle with a declared gross weight of 6,000
28 pounds or less, but more than 4,000 pounds, must be deposited in the
29 motor vehicle fund created in RCW 46.68.070.

30 (c) Thirty-five dollars of each license fee based on declared
31 gross weight, as provided in subsection (1) of this section, paid by
32 an applicant with a vehicle with a declared gross weight of 16,000
33 pounds or less, but more than 6,000 pounds, must be deposited in the
34 motor vehicle fund created in RCW 46.68.070.

35 **Sec. 111.** RCW 46.68.035 and 2010 c 161 s 804 are each amended to
36 read as follows:

37 Except as provided in RCW 46.17.355 (6) and (7), the director
38 shall forward all proceeds from vehicle license fees received by the
39 director for vehicles registered under RCW 46.17.350(1) (c) and (k),

1 46.17.355, and 46.17.400(1)(c) to the state treasurer to be
2 distributed into accounts according to the following method:

3 (1) 22.36 percent must be deposited into the state patrol highway
4 account of the motor vehicle fund;

5 (2) 1.375 percent must be deposited into the Puget Sound ferry
6 operations account of the motor vehicle fund;

7 (3) 5.237 percent must be deposited into the transportation 2003
8 account (nickel account);

9 (4) 11.533 percent must be deposited into the transportation
10 partnership account created in RCW 46.68.290; and

11 (5) The remaining proceeds must be deposited into the motor
12 vehicle fund.

13 **Sec. 112.** RCW 81.77.160 and 1997 c 434 s 1 are each amended to
14 read as follows:

15 (1) The commission, in fixing and altering collection rates
16 charged by every solid waste collection company under this section,
17 shall include in the base for the collection rates:

18 (a) All charges for the disposal of solid waste at the facility
19 or facilities designated by a local jurisdiction under a local
20 comprehensive solid waste management plan or ordinance; (~~and~~)

21 (b) All known and measurable costs related to implementation of
22 the approved county or city comprehensive solid waste management
23 plan; and

24 (c) All taxes and fees imposed or increased under this act.

25 (2) If a solid waste collection company files a tariff to recover
26 the costs specified under this section, and the commission suspends
27 the tariff, the portion of the tariff covering costs specified in
28 this section shall be placed in effect by the commission at the
29 request of the company on an interim basis as of the originally filed
30 effective date, subject to refund, pending the commission's final
31 order. The commission may adopt rules to implement this section.

32 (3) This section applies to a solid waste collection company that
33 has an affiliated interest under chapter 81.16 RCW with a facility,
34 if the total cost of disposal, including waste transfer, transport,
35 and disposal charges, at the facility is equal to or lower than any
36 other reasonable and currently available option.

37 **Sec. 113.** RCW 46.17.323 and 2012 c 74 s 10 are each amended to
38 read as follows:

1 (1) Before accepting an application for an annual vehicle
2 registration renewal for ~~((an electric))~~ a vehicle that uses
3 ~~((propulsion units powered solely by))~~ at least one method of
4 propulsion that is capable of being reenergized by an external source
5 of electricity, the department, county auditor or other agent, or
6 subagent appointed by the director must require the applicant to pay
7 a one hundred dollar fee in addition to any other fees and taxes
8 required by law. The one hundred dollar fee is due only at the time
9 of annual registration renewal.

10 (2) This section only applies to:

11 (a) A vehicle that is designed to have the capability to drive at
12 a speed of more than thirty-five miles per hour; and

13 (b) An annual vehicle registration renewal that is due on or
14 after ~~((February 1, 2013))~~ July 1, 2016.

15 (3)~~((a))~~ The fee under this section is imposed to provide funds
16 to mitigate the impact of vehicles on state roads and highways and
17 for the purpose of evaluating the feasibility of transitioning from a
18 revenue collection system based on fuel taxes to a road user
19 assessment system, and is separate and distinct from other vehicle
20 license fees. Proceeds from the fee must be ~~((used for highway~~
21 ~~purposes, and))~~ deposited into the transportation innovative
22 partnership account created in RCW 47.29.230 for the purpose of
23 creating and funding the Washington electric vehicle infrastructure
24 bank as provided in section 601 of this act. Once the total number of
25 electric vehicles subject to this fee has reached one-half of one
26 percent of the state's total registered vehicle fleet, proceeds must
27 be deposited in the motor vehicle fund created in RCW 46.68.070~~((~~
28 ~~subject to (b) of this subsection.~~

29 ~~(b) If in any year the amount of proceeds from the fee collected~~
30 ~~under this section exceeds one million dollars, the excess amount~~
31 ~~over one million dollars must be deposited as follows:~~

32 ~~(i) Seventy percent to the motor vehicle fund created in RCW~~
33 ~~46.68.070;~~

34 ~~(ii) Fifteen percent to the transportation improvement account~~
35 ~~created in RCW 47.26.084; and~~

36 ~~(iii) Fifteen percent to the rural arterial trust account created~~
37 ~~in RCW 36.79.020)).~~

38 **Sec. 114.** RCW 46.20.202 and 2007 c 7 s 1 are each amended to
39 read as follows:

1 (1) The department may enter into a memorandum of understanding
2 with any federal agency for the purposes of facilitating the crossing
3 of the border between the state of Washington and the Canadian
4 province of British Columbia.

5 (2) The department may enter into an agreement with the Canadian
6 province of British Columbia for the purposes of implementing a
7 border- crossing initiative.

8 (3)(a) The department may issue an enhanced driver's license or
9 identicard for the purposes of crossing the border between the state
10 of Washington and the Canadian province of British Columbia to an
11 applicant who provides the department with proof of: United States
12 citizenship, identity, and state residency. The department shall
13 continue to offer a standard driver's license and identicard. If the
14 department chooses to issue an enhanced driver's license, the
15 department must allow each applicant to choose between a standard
16 driver's license or identicard, or an enhanced driver's license or
17 identicard.

18 (b) The department shall implement a one-to-many biometric
19 matching system for the enhanced driver's license or identicard. An
20 applicant for an enhanced driver's license or identicard shall submit
21 a biometric identifier as designated by the department. The biometric
22 identifier must be used solely for the purpose of verifying the
23 identity of the holders and for any purpose set out in RCW 46.20.037.
24 Applicants are required to sign a declaration acknowledging their
25 understanding of the one-to-many biometric match.

26 (c) The enhanced driver's license or identicard must include
27 reasonable security measures to protect the privacy of Washington
28 state residents, including reasonable safeguards to protect against
29 unauthorized disclosure of data about Washington state residents. If
30 the enhanced driver's license or identicard includes a radio
31 frequency identification chip, or similar technology, the department
32 shall ensure that the technology is encrypted or otherwise secure
33 from unauthorized data access.

34 (d) The requirements of this subsection are in addition to the
35 requirements otherwise imposed on applicants for a driver's license
36 or identicard. The department shall adopt such rules as necessary to
37 meet the requirements of this subsection. From time to time the
38 department shall review technological innovations related to the
39 security of identity cards and amend the rules related to enhanced
40 driver's licenses and identicards as the director deems consistent

1 with this section and appropriate to protect the privacy of
2 Washington state residents.

3 (e) Notwithstanding RCW 46.20.118, the department may make images
4 associated with enhanced drivers' licenses or identicards from the
5 negative file available to United States customs and border agents
6 for the purposes of verifying identity.

7 (4) (~~The department may set a fee for the issuance of enhanced~~
8 ~~drivers' licenses and identicards under this section.~~) (a) The fee
9 for an enhanced driver's license or enhanced identicard is fifty-four
10 dollars, which is in addition to the fees for any regular driver's
11 license or identicard. If the enhanced driver's license or enhanced
12 identicard is issued, renewed, or extended for a period other than
13 six years, the fee for each class is nine dollars for each year that
14 the enhanced driver's license or enhanced identicard is issued,
15 renewed, or extended.

16 (b) Thirty-six dollars of each enhanced driver's license or
17 identicard fee, or six dollars of the fee for each class for each
18 year if the enhanced driver's license or enhanced identicard is
19 issued, renewed, or extended for a period other than six years, must
20 be deposited in the multimodal transportation account created in RCW
21 47.66.070.

22 **Sec. 115.** RCW 46.17.015 and 2010 c 161 s 502 are each amended to
23 read as follows:

24 (1) A person who applies for a vehicle registration or for any
25 other right to operate a vehicle on the highways of this state shall
26 pay a (~~twenty-five cent~~) one dollar license plate technology fee in
27 addition to any other fees and taxes required by law. The license
28 plate technology fee must be distributed under RCW 46.68.370.

29 (2) A vehicle registered under RCW 46.16A.455(1) or 46.17.330 is
30 not subject to the license plate technology fee.

31 **Sec. 116.** RCW 46.17.025 and 2010 c 161 s 503 are each amended to
32 read as follows:

33 (1) A person who applies for a vehicle registration or for any
34 other right to operate a vehicle on the highways of this state shall
35 pay a (~~fifty-cent~~) two dollar license service fee in addition to
36 any other fees and taxes required by law. The license service fee
37 must be distributed under RCW 46.68.220.

1 (2) A vehicle registered under RCW 46.16A.455(1) or 46.17.330 is
2 not subject to the license service fee.

3 NEW SECTION. **Sec. 117.** A new section is added to chapter 46.18
4 RCW to read as follows:

5 (1) A registered owner may apply to the department, county
6 auditor or other agent, or subagent appointed by the director for an
7 intermittent-use trailer license plate for an intermittent-use
8 trailer. The applicant for the intermittent-use trailer license plate
9 must:

10 (a) Purchase a registration for the intermittent-use trailer as
11 required under chapters 46.16A and 46.17 RCW; and

12 (b) Pay the special license plate fee established under RCW
13 46.17.220(1)(1).

14 (2) A person applying for an intermittent-use trailer license
15 plate may:

16 (a) Receive an intermittent-use trailer license plate assigned by
17 the department; or

18 (b) Provide an actual Washington state issued license plate
19 designated for general use in the year of the intermittent-use
20 trailer's manufacture.

21 (3) Intermittent-use trailer license plates:

22 (a) Are not required to be renewed; and

23 (b) Must be displayed on the rear of the intermittent-use
24 trailer.

25 (4) If the owner of an intermittent-use trailer obtains an
26 intermittent-use trailer license plate and then sells, transfers, or
27 otherwise conveys the intermittent-use trailer to another individual
28 or entity, the intermittent-use trailer license plate must be removed
29 prior to the sale, transfer, or conveyance and the new owner of the
30 intermittent-use trailer must obtain a new registration and
31 appropriate license plate.

32 (5) Any person who knowingly provides a false or facsimile
33 license plate under subsection (2)(b) of this section is subject to a
34 traffic infraction and fine in an amount equal to the monetary
35 penalty for a violation of RCW 46.16A.200(7)(b). Additionally, the
36 person must pay for the cost of an intermittent-use trailer license
37 plate as listed under RCW 46.17.220(1)(1), unless already paid.

38 (6) A person that is determined to be in violation of this
39 section is subject to a traffic infraction of a maximum fine of one

1 hundred fifty dollars including all other applicable assessments and
2 fees.

3 NEW SECTION. **Sec. 118.** A new section is added to chapter 46.04
4 RCW to read as follows:

5 "Intermittent-use trailer" means a trailer in good working order
6 that is used only for participation in club activities, exhibitions,
7 tours, and parades, and for occasional pleasure use. For purposes of
8 this section, "occasional pleasure use" means use of an intermittent
9 trailer that is not general or daily, but seasonal or sporadic and
10 not more than once per week on average.

11 **Sec. 119.** RCW 46.17.220 and 2014 c 77 s 2 and 2014 c 6 s 2 are
12 each reenacted and amended to read as follows:

13 (1) In addition to all fees and taxes required to be paid upon
14 application for a vehicle registration in chapter 46.16A RCW, the
15 holder of a special license plate shall pay the appropriate special
16 license plate fee as listed in this section.

PLATE TYPE	INITIAL FEE	RENEWAL FEE	DISTRIBUTED UNDER
(a) 4-H	\$ 40.00	\$ 30.00	RCW 46.68.420
(b) Amateur radio license	\$ 5.00	N/A	RCW 46.68.070
(c) Armed forces	\$ 40.00	\$ 30.00	RCW 46.68.425
(d) Baseball stadium	\$ 40.00	\$ 30.00	Subsection (2) of this section
(e) Breast cancer awareness	\$ 40.00	\$ 30.00	RCW 46.68.425
(f) Collector vehicle	\$ 35.00	N/A	RCW 46.68.030
(g) Collegiate	\$ 40.00	\$ 30.00	RCW 46.68.430
(h) Endangered wildlife	\$ 40.00	\$ 30.00	RCW 46.68.425
(i) Gonzaga University alumni association	\$ 40.00	\$ 30.00	RCW 46.68.420
(j) Helping kids speak	\$ 40.00	\$ 30.00	RCW 46.68.420
(k) Horseless carriage	\$ 35.00	N/A	RCW 46.68.030
(l) <u>Intermittent-use trailer</u>	<u>\$ 187.50</u>	<u>N/A</u>	<u>RCW 46.68.030</u>
(m) Keep kids safe	\$ 45.00	\$ 30.00	RCW 46.68.425

1	((m)) <u>(n)</u> Law enforcement	\$ 40.00	\$ 30.00	RCW 46.68.420
2	memorial			
3	((n)) <u>(o)</u> Military affiliate	\$ 5.00	N/A	RCW 46.68.070
4	radio system			
5	((o)) <u>(p)</u> Music matters	\$ 40.00	\$ 30.00	RCW 46.68.420
6	((p)) <u>(q)</u> Professional	\$ 40.00	\$ 30.00	RCW 46.68.420
7	firefighters and			
8	paramedics			
9	((q)) <u>(r)</u> Ride share	\$ 25.00	N/A	RCW 46.68.030
10	((r)) <u>(s)</u> Seattle Seahawks	\$ 40.00	\$ 30.00	RCW 46.68.420
11	((s)) <u>(t)</u> Seattle Sounders	\$ 40.00	\$ 30.00	RCW 46.68.420
12	FC			
13	((t)) <u>(u)</u> Seattle University	\$ 40.00	\$ 30.00	RCW 46.68.420
14	((u)) <u>(v)</u> Share the road	\$ 40.00	\$ 30.00	RCW 46.68.420
15	((v)) <u>(w)</u> Ski & ride	\$ 40.00	\$ 30.00	RCW 46.68.420
16	Washington			
17	((w)) <u>(x)</u> Square dancer	\$ 40.00	N/A	RCW 46.68.070
18	((x)) <u>(y)</u> State flower	\$ 40.00	\$ 30.00	RCW 46.68.420
19	((y)) <u>(z)</u> Volunteer	\$ 40.00	\$ 30.00	RCW 46.68.420
20	firefighters			
21	((z)) <u>(aa)</u> Washington	\$ 40.00	\$ 30.00	RCW 46.68.420
22	lighthouses			
23	((aa)) <u>(bb)</u> Washington	\$ 40.00	\$ 30.00	RCW 46.68.425
24	state parks			
25	((bb)) <u>(cc)</u> Washington's	\$ 40.00	\$ 30.00	RCW 46.68.420
26	national parks			
27	((cc)) <u>(dd)</u> Washington's	\$ 40.00	\$ 30.00	RCW 46.68.425
28	wildlife collection			
29	((dd)) <u>(ee)</u> We love our	\$ 40.00	\$ 30.00	RCW 46.68.420
30	pets			
31	((ee)) <u>(ff)</u> Wild on	\$ 40.00	\$ 30.00	RCW 46.68.425
32	Washington			

33 (2) After deducting administration and collection expenses for
34 the sale of baseball stadium license plates, the remaining proceeds
35 must be distributed to a county for the purpose of paying the

1 principal and interest payments on bonds issued by the county to
2 construct a baseball stadium, as defined in RCW 82.14.0485, including
3 reasonably necessary preconstruction costs, while the taxes are being
4 collected under RCW 82.14.360. After this date, the state treasurer
5 shall credit the funds to the state general fund.

6 **Sec. 120.** RCW 46.16A.200 and 2014 c 181 s 2 and 2014 c 80 s 1
7 are each reenacted and amended to read as follows:

8 (1) **Design.** All license plates may be obtained by the director
9 from the metal working plant of a state correctional facility or from
10 any source in accordance with existing state of Washington purchasing
11 procedures. License plates:

12 (a) May vary in background, color, and design;

13 (b) Must be legible and clearly identifiable as a Washington
14 state license plate;

15 (c) Must designate the name of the state of Washington without
16 abbreviation;

17 (d) Must be treated with fully reflectorized materials designed
18 to increase visibility and legibility at night;

19 (e) Must be of a size and color and show the registration period
20 as determined by the director; and

21 (f) Before July 1, 2010, may display a symbol or artwork approved
22 by the former special license plate review board and the legislature.
23 Beginning July 1, 2010, special license plate series approved by the
24 department and enacted into law by the legislature may display a
25 symbol or artwork approved by the department.

26 (2) **Exceptions to reflectorized materials.** License plates issued
27 before January 1, 1968, are not required to be treated with
28 reflectorized materials.

29 (3) **Dealer license plates.** License plates issued to a dealer must
30 contain an indication that the license plates have been issued to a
31 vehicle dealer.

32 (4)(a) **Furnished.** The director shall furnish to all persons
33 making satisfactory application for a vehicle registration:

34 (i) Two identical license plates each containing the license
35 plate number; or

36 (ii) One license plate if the vehicle is a trailer, semitrailer,
37 intermittent-use trailer, camper, moped, collector vehicle, horseless
38 carriage, or motorcycle.

1 (b) The director may adopt types of license plates to be used as
2 long as the license plates are legible.

3 (5)(a) **Display.** License plates must be:

4 (i) Attached conspicuously at the front and rear of each vehicle
5 if two license plates have been issued;

6 (ii) Attached to the rear of the vehicle if one license plate has
7 been issued;

8 (iii) Kept clean and be able to be plainly seen and read at all
9 times; and

10 (iv) Attached in a horizontal position at a distance of not more
11 than four feet from the ground.

12 (b) The Washington state patrol may grant exceptions to this
13 subsection if the body construction of the vehicle makes compliance
14 with this section impossible.

15 (6) **Change of license classification.** A person who has altered a
16 vehicle that makes the current license plate or plates invalid for
17 the vehicle's use shall:

18 (a) Surrender the current license plate or plates to the
19 department, county auditor or other agent, or subagent appointed by
20 the director;

21 (b) Apply for a new license plate or plates; and

22 (c) Pay a change of classification fee required under RCW
23 46.17.310.

24 (7) **Unlawful acts.** It is unlawful to:

25 (a) Display a license plate or plates on the front or rear of any
26 vehicle that were not issued by the director for the vehicle;

27 (b) Display a license plate or plates on any vehicle that have
28 been changed, altered, or disfigured, or have become illegible;

29 (c) Use holders, frames, or other materials that change, alter,
30 or make a license plate or plates illegible. License plate frames may
31 be used on license plates only if the frames do not obscure license
32 tabs or identifying letters or numbers on the plates and the license
33 plates can be plainly seen and read at all times;

34 (d) Operate a vehicle unless a valid license plate or plates are
35 attached as required under this section;

36 (e) Transfer a license plate or plates issued under this chapter
37 between two or more vehicles without first making application to
38 transfer the license plates. A violation of this subsection (7)(e) is
39 a traffic infraction subject to a fine not to exceed five hundred
40 dollars. Any law enforcement agency that determines that a license

1 plate or plates have been transferred between two or more vehicles
2 shall confiscate the license plate or plates and return them to the
3 department for nullification along with full details of the reasons
4 for confiscation. Each vehicle identified in the transfer will be
5 issued a new license plate or plates upon application by the owner or
6 owners and the payment of full fees and taxes; or

7 (f) Fail, neglect, or refuse to endorse the registration
8 certificate, except as authorized under this section.

9 (8) **Transfer.** (a) Standard issue license plates must be replaced
10 when ownership of the vehicle changes, pursuant to subsection
11 (9)(a)(i) of this section, but the registered owner may retain the
12 license plates and transfer them to a replacement vehicle of the same
13 use. In addition to all other taxes and fees due upon change in
14 ownership, a registered owner wishing to keep standard issue license
15 plates shall pay the license plate transfer fee required under RCW
16 46.17.200(1)(c) when applying for license plate transfer.

17 (b) Special license plates and personalized license plates may be
18 treated in the same manner as described in (a) of this subsection
19 unless otherwise limited by law.

20 (c) License plates issued to the state or any county, city, town,
21 school district, or other political subdivision entitled to exemption
22 as provided by law may be treated in the same manner as described in
23 (a) of this subsection.

24 (d) License plate replacement is not required when a change in
25 vehicle ownership is the result of one or more of the following
26 circumstances:

27 (i) When adding a lien holder to the certificate of title or
28 removing a lien holder from the certificate of title;

29 (ii) When a vehicle is transferred from one spouse or registered
30 domestic partner to another;

31 (iii) When removing a deceased spouse or registered domestic
32 partner from the certificate of title;

33 (iv) When a vehicle is transferred by gift or inheritance to one
34 or more members of the registered owner's immediate family;

35 (v) When a vehicle is transferred into or out of a trust in which
36 the registered owner or one or more immediate family members of the
37 registered owner is the beneficiary;

38 (vi) When a leaseholder buys out the leased vehicle; or

39 (vii) When a person changes his or her name.

1 (9) **Replacement.** (a) Except as provided in subsection (8)(a) of
2 this section, an owner or the owner's authorized representative must
3 apply for a replacement license plate or plates: (i) When taking
4 ownership of the vehicle; (ii) if the current license plate or plates
5 assigned to the vehicle have been lost, defaced, or destroyed; or
6 (iii) if one or both plates have become so illegible or are in such a
7 condition as to be difficult to distinguish. An owner or the owner's
8 authorized representative may apply for a replacement license plate
9 or plates at any time the owner chooses. The department shall offer
10 to owners the option of retaining the current license plate number
11 when obtaining replacement license plates for the fee required in RCW
12 46.17.200(1)(b).

13 (b) The application for a replacement license plate or plates
14 must:

15 (i) Be on a form furnished or approved by the director; and

16 (ii) Be accompanied by the fee required under RCW
17 46.17.200(1)(a).

18 (c) When a vehicle is sold to a vehicle dealer for resale, the
19 application for a replacement plate or plates need not be made until
20 the vehicle is sold by the vehicle dealer.

21 (d) The department shall not require the payment of any fee to
22 replace a license plate or plates for vehicles owned, rented, or
23 leased by foreign countries or international bodies to which the
24 United States government is a signatory by treaty.

25 (10) **Replacement—Exceptions.** The following license plates are not
26 required to be replaced as required in subsection (9) of this
27 section:

28 (a) Horseless carriage license plates issued under RCW 46.18.255
29 before January 1, 1987;

30 (b) Medal of Honor license plates issued under RCW 46.18.230;

31 (c) License plates for commercial motor vehicles with a gross
32 weight greater than twenty-six thousand pounds.

33 (11) **Rules.** The department may adopt rules to implement this
34 section.

35 (12) **Tabs or emblems.** The director may issue tabs or emblems to
36 be attached to license plates or elsewhere on the vehicle to signify
37 initial registration and renewals. Renewals become effective when
38 tabs or emblems have been issued and properly displayed.

1 **Sec. 121.** RCW 46.18.277 and 2014 c 181 s 3 are each amended to
2 read as follows:

3 (1) A registered owner may purchase personalized license plates
4 with a special license plate background for any vehicle required to
5 display one or two vehicle license plates, excluding:

- 6 (a) Amateur radio license plates;
- 7 (b) Collector vehicle license plates;
- 8 (c) Disabled American veteran license plates;
- 9 (d) Former prisoner of war license plates;
- 10 (e) Horseless carriage license plates;
- 11 (f) Intermittent-use trailer license plates;
- 12 (g) Medal of Honor license plates;
- 13 (~~(g)~~) (h) Military affiliate radio system license plates;
- 14 (~~(h)~~) (i) Pearl Harbor survivor license plates;
- 15 (~~(i)~~) (j) Restored license plates; and
- 16 (~~(j)~~) (k) Vehicles registered under chapter 46.87 RCW.

17 (2) Personalized special license plates issued under this section
18 must:

- 19 (a) Consist of numbers or letters or any combination of numbers
20 or letters;
- 21 (b) Not exceed seven characters; and
- 22 (c) Not contain less than one character.

23 (3) The department may not issue or may refuse to issue
24 personalized special license plates that:

- 25 (a) Duplicate or conflict with existing or projected vehicle
26 license plate series or other numbering systems for records kept by
27 the department; or
- 28 (b) May carry connotations offensive to good taste and decency or
29 which would be misleading.

30 (4) Personalized special license plates must be issued only to
31 the registered owner of the vehicle on which they are to be
32 displayed. The registered owner must:

- 33 (a) Pay both the personalized license plate fee required under
34 RCW 46.17.210 and the special license plate fee required under the
35 applicable special license plate provision, in addition to any other
36 fee or taxes due. License plate fees must be distributed as provided
37 in chapter 46.68 RCW;
- 38 (b) Renew personalized special license plates annually,
39 regardless of whether or not the vehicle on which the personalized

1 special license plates are displayed will be driven on the public
2 highways;

3 (c) Surrender personalized special license plates that have not
4 been renewed to the department. The failure to surrender expired
5 personalized special license plates is a traffic infraction; and

6 (d) Immediately report to the department when personalized
7 special license plates have been transferred to another vehicle or
8 another owner.

9 (5) The department may establish rules as necessary to carry out
10 this section including, but not limited to, identifying the maximum
11 number of positions on personalized special license plates for
12 motorcycles.

13 **Sec. 122.** RCW 46.19.060 and 2012 c 71 s 1 are each amended to
14 read as follows:

15 (1) An additional fee may not be charged for special license
16 plates for persons with disabilities except for any other fees and
17 taxes required to be paid upon registration of a motor vehicle.

18 (2) A registered owner who qualifies for special parking
19 privileges as described in RCW 46.19.010 may apply to the department
20 for special license plates for persons with disabilities or special
21 license plates with a special year tab for persons with disabilities.
22 Special license plates with a special year tab for persons with
23 disabilities are available on any special license plate created under
24 chapter 46.18 RCW, except ((the)) collector vehicle license plates,
25 horseless carriage license plates, intermittent-use trailer license
26 plates, and ride share ((special)) license plates.

27 (3) A registered owner who chooses to purchase special license
28 plates as described in subsection (2) of this section shall pay the
29 applicable special license plate fee, in addition to any other fees
30 or taxes required for registering a motor vehicle.

31 (4) Special license plates for persons with disabilities or
32 special license plates with a special year tab for persons with
33 disabilities must be renewed in the same manner and at the time
34 required for the renewal of standard motor vehicle license plates
35 under chapter 46.16A RCW.

36 (5) Special license plates for persons with disabilities or
37 special license plates with a special year tab for persons with
38 disabilities may be transferred from one motor vehicle to another
39 motor vehicle owned by the person with the parking privilege upon

1 application to the department, county auditor or other agent, or
2 subagent appointed by the director.

3 (6) Special license plates for persons with disabilities or
4 special license plates with a special year tab for persons with
5 disabilities must be removed from the motor vehicle when the person
6 with disabilities transfers or assigns his or her interest in the
7 motor vehicle.

8 NEW SECTION. **Sec. 123.** A new section is added to chapter 46.17
9 RCW to read as follows:

10 Before accepting an application for a vehicle registration, the
11 department, county auditor or other agent, or subagent appointed by
12 the director must require the applicant, unless specifically exempt,
13 to pay an annual congestion reduction charge of twenty dollars for
14 each vehicle subject to vehicle license fees under RCW 46.17.350(1)
15 (a), (c), (d), (e), (g), (h), (j), (n), (o), (p), or (q) and for each
16 vehicle subject to gross weight license fees under RCW 46.17.355 with
17 an unladen weight of six thousand pounds or less. The congestion
18 reduction charge must be deposited into the motor vehicle fund
19 created in RCW 46.68.070.

20 NEW SECTION. **Sec. 124.** 2012 c 74 s 11 (uncodified) is repealed.

21 **II. DISTRIBUTION OF REVENUES**

22 NEW SECTION. **Sec. 201.** A new section is added to chapter 46.68
23 RCW to read as follows:

24 SUSTAINABILITY ACCOUNT DISTRIBUTIONS. (1) Beginning July 2016, by
25 the last day of July of each year, the state treasurer shall transfer
26 from the sustainability account to the bicycle and pedestrian grant
27 program account twelve million five hundred thousand dollars.

28 (2) Beginning July 2016, by the last day of July of each year,
29 the state treasurer shall transfer from the sustainability account to
30 the complete streets grant program account nine million seven hundred
31 fifty thousand dollars.

32 (3) Beginning July 2016, by the last day of July of each year,
33 the state treasurer shall transfer from the sustainability account to
34 the multimodal transportation account six million dollars for the
35 purpose of enhancing commute trip reduction efforts.

1 (4) Beginning July 1, 2016, and each biennium thereafter, the
2 state treasurer shall transfer from the sustainability account to the
3 Tacoma Narrows toll bridge account, state route number 520 corridor
4 account, high occupancy toll lanes operations account, and Interstate
5 405 express toll lanes operations account an amount up to two million
6 eighty-three thousand dollars or the amount necessary to compensate
7 each account its equivalent value of the exemptions provided to
8 electric vehicle cars by each facility.

9 (5) Beginning July 1, 2016, and each biennium thereafter, the
10 state treasurer shall transfer from the sustainability account to the
11 Puget Sound ferry operations account an amount up to two million
12 eighty-three thousand dollars or the amount necessary to compensate
13 the Puget Sound ferry operations account for the equivalent value of
14 the exemptions provided to electric vehicle car and driver fares
15 aboard Washington state ferries during the prior fiscal year.

16 (6) Beginning July 1, 2016, and each year thereafter, the state
17 treasurer shall transfer from the sustainability account to the local
18 green initiatives account three million seven hundred fifty thousand
19 dollars.

20 (7) Beginning September 2017, by the last day of September,
21 December, March, and June of each year, the state treasurer shall
22 transfer from the sustainability account to the Puget Sound capital
23 construction account thirteen million six hundred twenty-five
24 thousand dollars.

25 (8) Beginning September 2016, by the last day of September,
26 December, March, and June of each year, the state treasurer shall
27 transfer from the sustainability account to the Puget Sound ferry
28 operations account two million seven hundred fifty thousand dollars.

29 (9) Beginning September 2016, by the last day of September,
30 December, March, and June of each year, the state treasurer shall
31 transfer from the sustainability account to the state patrol highway
32 account two million two hundred fifty thousand dollars. Beginning
33 September 2017, by the last day of September, December, March, and
34 June of each year, the state treasurer shall transfer from the
35 sustainability account to the state patrol highway account one
36 million one hundred twenty-five thousand dollars.

37 (10) Beginning July 2016, by the last day of July of each year,
38 the state treasurer shall transfer six million six hundred sixty-
39 seven thousand dollars from the sustainability account to the safe
40 routes to school grant program account.

1 (11) Beginning September 2016, by the last day of September,
2 December, March, and June of each year, the state treasurer shall
3 transfer from the sustainability account to the transportation
4 improvement account four hundred twenty thousand dollars.

5 (12) Beginning September 2016, by the last day of September,
6 December, March, and June of each year, the state treasurer shall
7 transfer from the sustainability account to the freight mobility
8 multimodal account one million eight hundred thousand dollars.

9 (13) Beginning July 2016, by the last day of July of each year,
10 the state treasurer shall transfer from the sustainability account to
11 the essential rail assistance account one million two hundred
12 thousand dollars.

13 (14) Beginning September 2016, by the last day of September,
14 December, March, and June of each year, the state treasurer shall
15 transfer from the sustainability account to the regional mobility
16 grant program account six million two hundred fifty thousand dollars.

17 NEW SECTION. **Sec. 202.** A new section is added to chapter 46.68
18 RCW to read as follows:

19 MULTIMODAL TRANSPORTATION ACCOUNT. (1)(a) Beginning September
20 2016, by the last day of September, December, March, and June of each
21 year, the state treasurer shall transfer three million three hundred
22 seventy-five thousand dollars from the multimodal transportation
23 account to the public transportation grant program account for
24 transit operations. Distributions must be based on the following
25 conditions and limitations:

26 (i) One-third must be distributed based on vehicle miles of
27 service provided;

28 (ii) One-third must be distributed based on the number of vehicle
29 hours of service provided; and

30 (iii) One-third must be distributed based on the number of
31 passenger trips.

32 (b) For purposes of this subsection, "vehicle miles of service,"
33 "vehicle hours of service," and "passenger trips" are transit service
34 metrics as reported by the public transportation grant program of the
35 department of transportation in the annual report required in RCW
36 35.58.2796 for calendar year 2011.

37 (2) Beginning June 2016, by the last day of June of each year,
38 the state treasurer shall transfer twenty-five million dollars from

1 the multimodal transportation account to the public transportation
2 grant program account for transit capital investments.

3 **Sec. 203.** RCW 46.20.293 and 2012 c 74 s 4 are each amended to
4 read as follows:

5 The department is authorized to provide juvenile courts with the
6 department's record of traffic charges compiled under RCW 46.52.101
7 and 13.50.200, against any minor upon the request of any state
8 juvenile court or duly authorized officer of any juvenile court of
9 this state. Further, the department is authorized to provide any
10 juvenile court with any requested service which the department can
11 reasonably perform which is not inconsistent with its legal authority
12 which substantially aids juvenile courts in handling traffic cases
13 and which promotes highway safety.

14 The department is authorized to furnish to the parent, parents,
15 or guardian of any person under eighteen years of age who is not
16 emancipated from such parent, parents, or guardian, the department
17 records of traffic charges compiled against the person and shall
18 collect for the copy a fee of thirteen dollars, (~~(fifty)~~) thirty-
19 eight and one-half percent of which must be deposited in the highway
20 safety fund and (~~(fifty)~~) sixty-one and one-half percent of which
21 must be deposited according to RCW 46.68.038.

22 **Sec. 204.** RCW 46.29.050 and 2012 c 74 s 5 are each amended to
23 read as follows:

24 (1) The department shall upon request furnish any person or his
25 or her attorney a certified abstract of his or her driving record,
26 which abstract shall include enumeration of any motor vehicle
27 accidents in which such person has been involved. Such abstract shall
28 (a) indicate the total number of vehicles involved, whether the
29 vehicles were legally parked or moving, and whether the vehicles were
30 occupied at the time of the accident; and (b) contain reference to
31 any convictions of the person for violation of the motor vehicle laws
32 as reported to the department, reference to any findings that the
33 person has committed a traffic infraction which have been reported to
34 the department, and a record of any vehicles registered in the name
35 of the person. The department shall collect for each abstract the sum
36 of thirteen dollars, (~~(fifty)~~) thirty-eight and one-half percent of
37 which shall be deposited in the highway safety fund and (~~(fifty)~~)

1 sixty-one and one-half percent of which must be deposited according
2 to RCW 46.68.038.

3 (2) The department shall upon request furnish any person who may
4 have been injured in person or property by any motor vehicle, with an
5 abstract of all information of record in the department pertaining to
6 the evidence of the ability of any driver or owner of any motor
7 vehicle to respond in damages. The department shall collect for each
8 abstract the sum of thirteen dollars, (~~fifty~~) thirty-eight and one-
9 half percent of which shall be deposited in the highway safety fund
10 and (~~fifty~~) sixty-one and one-half percent of which must be
11 deposited according to RCW 46.68.038.

12 **Sec. 205.** RCW 46.52.130 and 2012 c 74 s 6 and 2012 c 73 s 1 are
13 each reenacted and amended to read as follows:

14 Upon a proper request, the department may furnish an abstract of
15 a person's driving record as permitted under this section.

16 (1) **Contents of abstract of driving record.** An abstract of a
17 person's driving record, whenever possible, must include:

18 (a) An enumeration of motor vehicle accidents in which the person
19 was driving, including:

20 (i) The total number of vehicles involved;

21 (ii) Whether the vehicles were legally parked or moving;

22 (iii) Whether the vehicles were occupied at the time of the
23 accident; and

24 (iv) Whether the accident resulted in a fatality;

25 (b) Any reported convictions, forfeitures of bail, or findings
26 that an infraction was committed based upon a violation of any motor
27 vehicle law;

28 (c) The status of the person's driving privilege in this state;
29 and

30 (d) Any reports of failure to appear in response to a traffic
31 citation or failure to respond to a notice of infraction served upon
32 the named individual by an arresting officer.

33 (2) **Release of abstract of driving record.** An abstract of a
34 person's driving record may be furnished to the following persons or
35 entities:

36 (a) **Named individuals.** (i) An abstract of the full driving record
37 maintained by the department may be furnished to the individual named
38 in the abstract.

1 (ii) Nothing in this section prevents a court from providing a
2 copy of the driver's abstract to the individual named in the
3 abstract, provided that the named individual has a pending or open
4 infraction or criminal case in that court. A pending case includes
5 criminal cases that have not reached a disposition by plea,
6 stipulation, trial, or amended charge. An open infraction or criminal
7 case includes cases on probation, payment agreement or subject to, or
8 in collections. Courts may charge a reasonable fee for the production
9 and copying of the abstract for the individual.

10 (b) **Employers or prospective employers.** (i)(A) An abstract of the
11 full driving record maintained by the department may be furnished to
12 an employer or prospective employer or an agent acting on behalf of
13 an employer or prospective employer of the named individual for
14 purposes related to driving by the individual as a condition of
15 employment or otherwise at the direction of the employer.

16 (B) Release of an abstract of the driving record of an employee
17 or prospective employee requires a statement signed by: (I) The
18 employee or prospective employee that authorizes the release of the
19 record; and (II) the employer attesting that the information is
20 necessary for employment purposes related to driving by the
21 individual as a condition of employment or otherwise at the direction
22 of the employer. If the employer or prospective employer authorizes
23 an agent to obtain this information on their behalf, this must be
24 noted in the statement.

25 (C) Upon request of the person named in the abstract provided
26 under this subsection, and upon that same person furnishing copies of
27 court records ruling that the person was not at fault in a motor
28 vehicle accident, the department must indicate on any abstract
29 provided under this subsection that the person was not at fault in
30 the motor vehicle accident.

31 (ii) In addition to the methods described in (b)(i) of this
32 subsection, the director may enter into a contractual agreement with
33 an employer or its agent for the purpose of reviewing the driving
34 records of existing employees for changes to the record during
35 specified periods of time. The department shall establish a fee for
36 this service, which must be deposited in the highway safety fund. The
37 fee for this service must be set at a level that will not result in a
38 net revenue loss to the state. Any information provided under this
39 subsection must be treated in the same manner and is subject to the
40 same restrictions as driving record abstracts.

1 (c) **Volunteer organizations.** (i) An abstract of the full driving
2 record maintained by the department may be furnished to a volunteer
3 organization or an agent for a volunteer organization for which the
4 named individual has submitted an application for a position that
5 would require driving by the individual at the direction of the
6 volunteer organization.

7 (ii) Release of an abstract of the driving record of a
8 prospective volunteer requires a statement signed by: (A) The
9 prospective volunteer that authorizes the release of the record; and
10 (B) the volunteer organization attesting that the information is
11 necessary for purposes related to driving by the individual at the
12 direction of the volunteer organization. If the volunteer
13 organization authorizes an agent to obtain this information on their
14 behalf, this must be noted in the statement.

15 (d) **Transit authorities.** An abstract of the full driving record
16 maintained by the department may be furnished to an employee or agent
17 of a transit authority checking prospective volunteer vanpool drivers
18 for insurance and risk management needs.

19 (e) **Insurance carriers.** (i) An abstract of the driving record
20 maintained by the department covering the period of not more than the
21 last three years may be furnished to an insurance company or its
22 agent:

23 (A) That has motor vehicle or life insurance in effect covering
24 the named individual;

25 (B) To which the named individual has applied; or

26 (C) That has insurance in effect covering the employer or a
27 prospective employer of the named individual.

28 (ii) The abstract provided to the insurance company must:

29 (A) Not contain any information related to actions committed by
30 law enforcement officers or firefighters, as both terms are defined
31 in RCW 41.26.030, or by Washington state patrol officers, while
32 driving official vehicles in the performance of their occupational
33 duty. This does not apply to any situation where the vehicle was used
34 in the commission of a misdemeanor or felony;

35 (B) Include convictions under RCW 46.61.5249 and 46.61.525,
36 except that the abstract must report the convictions only as
37 negligent driving without reference to whether they are for first or
38 second degree negligent driving; and

39 (C) Exclude any deferred prosecution under RCW 10.05.060, except
40 that if a person is removed from a deferred prosecution under RCW

1 10.05.090, the abstract must show the deferred prosecution as well as
2 the removal.

3 (iii) Any policy of insurance may not be canceled, nonrenewed,
4 denied, or have the rate increased on the basis of information
5 regarding an accident included in the abstract of a driving record,
6 unless the policyholder was determined to be at fault.

7 (iv) Any insurance company or its agent, for underwriting
8 purposes relating to the operation of commercial motor vehicles, may
9 not use any information contained in the abstract relative to any
10 person's operation of motor vehicles while not engaged in such
11 employment. Any insurance company or its agent, for underwriting
12 purposes relating to the operation of noncommercial motor vehicles,
13 may not use any information contained in the abstract relative to any
14 person's operation of commercial motor vehicles.

15 (v) The director may enter into a contractual agreement with an
16 insurance company or its agent for the limited purpose of reviewing
17 the driving records of existing policyholders for changes to the
18 record during specified periods of time. The department shall
19 establish a fee for this service, which must be deposited in the
20 highway safety fund. The fee for this service must be set at a level
21 that will not result in a net revenue loss to the state. Any
22 information provided under this subsection must be treated in the
23 same manner and is subject to the same restrictions as driving record
24 abstracts.

25 (f) **Alcohol/drug assessment or treatment agencies.** An abstract of
26 the driving record maintained by the department covering the period
27 of not more than the last five years may be furnished to an alcohol/
28 drug assessment or treatment agency approved by the department of
29 social and health services to which the named individual has applied
30 or been assigned for evaluation or treatment, for purposes of
31 assisting employees in making a determination as to what level of
32 treatment, if any, is appropriate, except that the abstract must:

33 (i) Also include records of alcohol-related offenses, as defined
34 in RCW 46.01.260(2), covering a period of not more than the last ten
35 years; and

36 (ii) Indicate whether an alcohol-related offense was originally
37 charged as a violation of either RCW 46.61.502 or 46.61.504.

38 (g) **City attorneys and county prosecuting attorneys.** An abstract
39 of the full driving record maintained by the department, including
40 whether a recorded violation is an alcohol-related offense, as

1 defined in RCW 46.01.260(2), that was originally charged as a
2 violation of either RCW 46.61.502 or 46.61.504, may be furnished to
3 city attorneys or county prosecuting attorneys. City attorneys and
4 county prosecuting attorneys may provide the driving record to
5 alcohol/drug assessment or treatment agencies approved by the
6 department of social and health services to which the named
7 individual has applied or been assigned for evaluation or treatment.

8 (h) **State colleges, universities, or agencies, or units of local**
9 **government.** An abstract of the full driving record maintained by the
10 department may be furnished to (i) state colleges, universities, or
11 agencies for employment and risk management purposes or (ii) units of
12 local government authorized to self-insure under RCW 48.62.031 for
13 employment and risk management purposes.

14 (i) **Superintendent of public instruction.** An abstract of the full
15 driving record maintained by the department may be furnished to the
16 superintendent of public instruction for review of public school bus
17 driver records. The superintendent or superintendent's designee may
18 discuss information on the driving record with an authorized
19 representative of the employing school district for employment and
20 risk management purposes.

21 (3) **Release to third parties prohibited.** Any person or entity
22 receiving an abstract of a person's driving record under subsection
23 (2)(b) through (i) of this section shall use the abstract exclusively
24 for his, her, or its own purposes or as otherwise expressly permitted
25 under this section, and shall not divulge any information contained
26 in the abstract to a third party.

27 (4) **Fee.** The director shall collect a thirteen dollar fee for
28 each abstract of a person's driving record furnished by the
29 department. (~~Fifty~~) Thirty-eight and one-half percent of the fee
30 must be deposited in the highway safety fund, and (~~fifty~~) sixty-one
31 and one-half percent of the fee must be deposited according to RCW
32 46.68.038.

33 (5) **Violation.** (a) Any negligent violation of this section is a
34 gross misdemeanor.

35 (b) Any intentional violation of this section is a class C
36 felony.

37 **Sec. 206.** RCW 46.68.020 and 2011 c 171 s 84 are each amended to
38 read as follows:

1 The director shall forward all fees for certificates of title or
 2 other moneys accruing under chapters 46.12 and 46.17 RCW to the state
 3 treasurer, together with a proper identifying detailed report. The
 4 state treasurer shall credit these moneys as follows:

5 FEE	REQUIRED IN	ESTABLISHED IN	DISTRIBUTION
6 ORV certificate of title fee	RCW 46.09.320	RCW 46.17.100	RCW 47.66.070
7 Original certificate of title	RCW 46.12.530	RCW 46.17.100	RCW 47.66.070
8 Penalty for late transfer	RCW 46.12.650	RCW 46.17.140	RCW 47.66.070
9 Motor change	RCW 46.12.590	RCW 46.17.100	RCW ((46.68.280)) 10 <u>47.66.070</u>
11 Transfer certificate of title	RCW 46.12.650	RCW 46.17.100	RCW ((46.68.280)) 12 <u>47.66.070</u>
13 Security interest changes	RCW 46.12.675	RCW 46.17.100	RCW ((46.68.280)) 14 <u>47.66.070</u>
15 Duplicate certificate of title	RCW 46.12.580	RCW 46.17.100	RCW ((46.68.280)) 16 <u>47.66.070</u>
17 Stolen vehicle check	RCW 46.12.570	RCW 46.17.120	RCW 46.68.070
18 Vehicle identification 19 number assignment	RCW 46.12.560	RCW 46.17.135	RCW 46.68.070

20 NEW SECTION. **Sec. 207.** A new section is added to chapter 46.68
 21 RCW to read as follows:

22 LOCAL OPTIONS. (1) Beginning September 2016, by the last day of
 23 September, December, March, and June of each year, the state
 24 treasurer shall transfer two million dollars from the multimodal
 25 transportation account to cities ratably on the basis of population
 26 last determined by the office of financial management, for a biennial
 27 total of sixteen million dollars.

28 (2) Beginning September 2016, by the last day of September,
 29 December, March, and June of each year, the state treasurer shall
 30 transfer two million dollars from the multimodal transportation
 31 account to counties based upon the criteria set forth under RCW
 32 46.68.124, for a biennial total of sixteen million dollars.

33 **DISTRIBUTION OF DRIVER'S LICENSE FEES**

1 **Sec. 208.** RCW 46.68.041 and 2004 c 95 s 15 are each amended to
2 read as follows:

3 (1) Except as provided in subsection (2) of this section, the
4 department (~~shall~~) must forward all funds accruing under (~~the~~
5 ~~provisions of~~) chapter 46.20 RCW together with a proper identifying,
6 detailed report to the state treasurer who (~~shall~~) must deposit
7 such moneys to the credit of the highway safety fund.

8 (2)(a) Sixty-three percent of each fee collected by the
9 department under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b)
10 (~~shall~~) must be deposited in the impaired driving safety account.

11 (b)(i) Twenty-four dollars of each driver's license issuance fee
12 paid under RCW 46.20.161 must be deposited in the Puget Sound ferry
13 operations account.

14 (ii) If the driver's license issuance fee paid under RCW
15 46.20.161 is for a driver's license with a term of less than six
16 years, the amount to be deposited in the Puget Sound ferry operations
17 account is four dollars multiplied by the number of years in the term
18 of the driver's license.

19 (c)(i)(A) Six dollars of each driver's license renewal fee paid
20 under RCW 46.20.181(2) is for the sole use of the department of
21 transportation for local programs.

22 (B)(I) Twenty-five percent of moneys received under this
23 subsection (2)(c)(i) must be deposited in the freight mobility
24 multimodal account for the freight mobility strategic investment
25 board to meet urgent freight corridor improvement and preservation
26 needs.

27 (II) Seventy-five percent of moneys received under this
28 subsection (2)(c)(i) must be deposited in the safe routes to school
29 grant program account created in section 303 of this act for safe
30 routes to school grant program projects.

31 (ii) Twelve dollars of each driver's license renewal fee paid
32 under RCW 46.20.181(2) must be deposited in the Puget Sound ferry
33 operations account.

34 (iii) Three dollars of each driver's license renewal fee paid
35 under RCW 46.20.181(2) must be deposited in the county arterial
36 preservation account for the county road administration board for the
37 county arterial preservation program.

38 (iv) Three dollars of each driver's license renewal fee paid
39 under RCW 46.20.181(2) must be deposited into the state patrol
40 highway account.

1 (d) Thirty dollars of each identicard fee paid under RCW
2 46.20.117 must be deposited in the transportation improvement account
3 for the transportation improvement board.

4 (e)(i) Two dollars and fifty cents of each driver's instruction
5 permit fee paid under RCW 46.20.055 must be deposited in the state
6 patrol highway account.

7 (ii) Two dollars and fifty cents of each driver's instruction
8 permit fee paid under RCW 46.20.055 must be deposited in the small
9 city pavement and sidewalk account for the transportation improvement
10 board small city pavement and sidewalk program.

11 (f) Fifteen dollars of each driver's licensing examination fee
12 paid under RCW 46.20.120(2) must be deposited in the state patrol
13 highway account.

14 (g) Five dollars of each duplicate or replacement fee paid under
15 RCW 46.20.200 must be deposited in the state patrol highway account.

16 (h) One hundred seventy-five dollars of each hearing request fee
17 paid under RCW 46.20.308 must be deposited in the state patrol
18 highway account.

19 III. ACCOUNTS

20 NEW SECTION. Sec. 301. A new section is added to chapter 46.68
21 RCW to read as follows:

22 The sustainability account is created in the multimodal
23 transportation account. Expenditures from the account may be used
24 only for transportation purposes.

25 NEW SECTION. Sec. 302. A new section is added to chapter 47.01
26 RCW to read as follows:

27 The bicycle and pedestrian grant program account is created in
28 the state treasury. Moneys in the account may be spent only after
29 appropriation. Expenditures from the account may be used only for
30 bicycle and pedestrian grants.

31 NEW SECTION. Sec. 303. A new section is added to chapter 46.68
32 RCW to read as follows:

33 The safe routes to school grant program account is created in the
34 state treasury. Moneys in the account may be spent only after
35 appropriation. Expenditures from the account may be used only for
36 safe routes to school grants.

1 NEW SECTION. **Sec. 304.** A new section is added to chapter 47.01
2 RCW to read as follows:

3 (1) The local green initiatives account is created in the state
4 treasury. Moneys in the account may be spent only after
5 appropriation. Expenditures from the account may be used only for the
6 purposes set forth in subsection (2) of this section.

7 (2) The department must establish a green initiatives grant
8 program to assist cities, counties, tribes, transit, and nonprofit
9 transportation providers to enhance their energy efficient efforts
10 including, but not limited to, such things as conversion to electric
11 vehicle fleets, establishment of electric vehicle charging stations,
12 practical design training, conversion to LED lights, energy efficient
13 research, establishing green building codes, and other energy
14 efficient uses.

15 **Sec. 305.** RCW 46.68.390 and 2012 c 74 s 9 are each amended to
16 read as follows:

17 (1) The public transportation grant program account is created in
18 the state treasury. Moneys in the account may be spent only after
19 appropriation. Expenditures from the account may be used only for
20 grants to aid transit authorities with operations and capital
21 investments.

22 (2) The department of transportation shall create a new transit
23 capital grant program for the purpose of assisting local governments
24 achieve transit capital investment goals. Project awards must be made
25 no later than October of each year.

26 (3) For purposes of this section, "transit authorities" has the
27 same meaning as defined in RCW 9.91.025(2)(c).

28 **Sec. 306.** RCW 47.60.322 and 2014 c 59 s 1 are each amended to
29 read as follows:

30 (1) The capital vessel replacement account is created in the
31 motor vehicle fund. All revenues generated from the vessel
32 replacement surcharge under RCW 47.60.315(7) and service fees
33 collected by the department of licensing or county auditor or other
34 agent appointed by the director under RCW 46.17.040 must be deposited
35 into the account. Moneys in the account may be spent only after
36 appropriation. Expenditures from the account may be used only for the
37 construction or purchase of ferry vessels or terminals, and to pay
38 the principal and interest on bonds authorized for the construction

1 or purchase of ferry vessels or terminals. ((However, expenditures
2 from the account must first be used to support the construction or
3 purchase, including any applicable financing costs, of a ferry vessel
4 with a carrying capacity of at least one hundred forty four cars.))

5 (2) The state treasurer may not transfer any moneys from the
6 capital vessel replacement account except to the transportation 2003
7 account (nickel account) and transportation partnership account for
8 debt service on bonds issued for the construction of 144-car class
9 ferry vessels or terminals.

10 **Sec. 307.** RCW 43.84.092 and 2014 c 112 s 106, 2014 c 74 s 5, and
11 2014 c 32 s 6 are each reenacted and amended to read as follows:

12 (1) All earnings of investments of surplus balances in the state
13 treasury shall be deposited to the treasury income account, which
14 account is hereby established in the state treasury.

15 (2) The treasury income account shall be utilized to pay or
16 receive funds associated with federal programs as required by the
17 federal cash management improvement act of 1990. The treasury income
18 account is subject in all respects to chapter 43.88 RCW, but no
19 appropriation is required for refunds or allocations of interest
20 earnings required by the cash management improvement act. Refunds of
21 interest to the federal treasury required under the cash management
22 improvement act fall under RCW 43.88.180 and shall not require
23 appropriation. The office of financial management shall determine the
24 amounts due to or from the federal government pursuant to the cash
25 management improvement act. The office of financial management may
26 direct transfers of funds between accounts as deemed necessary to
27 implement the provisions of the cash management improvement act, and
28 this subsection. Refunds or allocations shall occur prior to the
29 distributions of earnings set forth in subsection (4) of this
30 section.

31 (3) Except for the provisions of RCW 43.84.160, the treasury
32 income account may be utilized for the payment of purchased banking
33 services on behalf of treasury funds including, but not limited to,
34 depository, safekeeping, and disbursement functions for the state
35 treasury and affected state agencies. The treasury income account is
36 subject in all respects to chapter 43.88 RCW, but no appropriation is
37 required for payments to financial institutions. Payments shall occur
38 prior to distribution of earnings set forth in subsection (4) of this
39 section.

1 (4) Monthly, the state treasurer shall distribute the earnings
2 credited to the treasury income account. The state treasurer shall
3 credit the general fund with all the earnings credited to the
4 treasury income account except:

5 (a) The following accounts and funds shall receive their
6 proportionate share of earnings based upon each account's and fund's
7 average daily balance for the period: The aeronautics account, the
8 aircraft search and rescue account, the Alaskan Way viaduct
9 replacement project account, the bicycle and pedestrian grant program
10 account, the brownfield redevelopment trust fund account, the budget
11 stabilization account, the capital vessel replacement account, the
12 capitol building construction account, the Cedar River channel
13 construction and operation account, the Central Washington University
14 capital projects account, the charitable, educational, penal and
15 reformatory institutions account, the cleanup settlement account, the
16 Columbia river basin water supply development account, the Columbia
17 river basin taxable bond water supply development account, the
18 Columbia river basin water supply revenue recovery account, the
19 common school construction fund, the community forest trust account,
20 the complete streets grant program account, the county arterial
21 preservation account, the county criminal justice assistance account,
22 the deferred compensation administrative account, the deferred
23 compensation principal account, the department of licensing services
24 account, the department of retirement systems expense account, the
25 developmental disabilities community trust account, the diesel idle
26 reduction account, the drinking water assistance account, the
27 drinking water assistance administrative account, the drinking water
28 assistance repayment account, the Eastern Washington University
29 capital projects account, the Interstate 405 express toll lanes
30 operations account, the education construction fund, the education
31 legacy trust account, the election account, the energy freedom
32 account, the energy recovery act account, the essential rail
33 assistance account, The Evergreen State College capital projects
34 account, the federal forest revolving account, the ferry bond
35 retirement fund, the freight mobility investment account, the freight
36 mobility multimodal account, the grade crossing protective fund, the
37 public health services account, the high capacity transportation
38 account, the state higher education construction account, the higher
39 education construction account, the highway bond retirement fund, the
40 highway infrastructure account, the highway safety fund, the high

1 occupancy toll lanes operations account, the hospital safety net
2 assessment fund, the industrial insurance premium refund account, the
3 judges' retirement account, the judicial retirement administrative
4 account, the judicial retirement principal account, the local green
5 initiatives account, the local leasehold excise tax account, the
6 local real estate excise tax account, the local sales and use tax
7 account, the marine resources stewardship trust account, the medical
8 aid account, the mobile home park relocation fund, the motor vehicle
9 fund, the motorcycle safety education account, the multimodal
10 transportation account, the multiuse roadway safety account, the
11 municipal criminal justice assistance account, the natural resources
12 deposit account, the oyster reserve land account, the pension funding
13 stabilization account, the perpetual surveillance and maintenance
14 account, the public employees' retirement system plan 1 account, the
15 public employees' retirement system combined plan 2 and plan 3
16 account, the public facilities construction loan revolving account
17 beginning July 1, 2004, the public health supplemental account, the
18 public transportation grant program account, the public works
19 assistance account, the Puget Sound capital construction account, the
20 Puget Sound ferry operations account, the real estate appraiser
21 commission account, the recreational vehicle account, the regional
22 mobility grant program account, the resource management cost account,
23 the rural arterial trust account, the rural mobility grant program
24 account, the rural Washington loan fund, the safe routes to school
25 grant program account, the site closure account, the skilled nursing
26 facility safety net trust fund, the small city pavement and sidewalk
27 account, the special category C account, the special wildlife
28 account, the state employees' insurance account, the state employees'
29 insurance reserve account, the state investment board expense
30 account, the state investment board commingled trust fund accounts,
31 the state patrol highway account, the state route number 520 civil
32 penalties account, the state route number 520 corridor account, the
33 state wildlife account, the supplemental pension account, the
34 sustainability account, the Tacoma Narrows toll bridge account, the
35 teachers' retirement system plan 1 account, the teachers' retirement
36 system combined plan 2 and plan 3 account, the tobacco prevention and
37 control account, the tobacco settlement account, the toll facility
38 bond retirement account, the transportation 2003 account (nickel
39 account), the transportation equipment fund, the transportation fund,
40 the transportation improvement account, the transportation

1 improvement board bond retirement account, the transportation
2 infrastructure account, the transportation partnership account, the
3 traumatic brain injury account, the tuition recovery trust fund, the
4 University of Washington bond retirement fund, the University of
5 Washington building account, the volunteer firefighters' and reserve
6 officers' relief and pension principal fund, the volunteer
7 firefighters' and reserve officers' administrative fund, the
8 Washington judicial retirement system account, the Washington law
9 enforcement officers' and firefighters' system plan 1 retirement
10 account, the Washington law enforcement officers' and firefighters'
11 system plan 2 retirement account, the Washington public safety
12 employees' plan 2 retirement account, the Washington school
13 employees' retirement system combined plan 2 and 3 account, the
14 Washington state health insurance pool account, the Washington state
15 patrol retirement account, the Washington State University building
16 account, the Washington State University bond retirement fund, the
17 water pollution control revolving administration account, the water
18 pollution control revolving fund, the Western Washington University
19 capital projects account, the Yakima integrated plan implementation
20 account, the Yakima integrated plan implementation revenue recovery
21 account, and the Yakima integrated plan implementation taxable bond
22 account. Earnings derived from investing balances of the agricultural
23 permanent fund, the normal school permanent fund, the permanent
24 common school fund, the scientific permanent fund, the state
25 university permanent fund, and the state reclamation revolving
26 account shall be allocated to their respective beneficiary accounts.

27 (b) Any state agency that has independent authority over accounts
28 or funds not statutorily required to be held in the state treasury
29 that deposits funds into a fund or account in the state treasury
30 pursuant to an agreement with the office of the state treasurer shall
31 receive its proportionate share of earnings based upon each account's
32 or fund's average daily balance for the period.

33 (5) In conformance with Article II, section 37 of the state
34 Constitution, no treasury accounts or funds shall be allocated
35 earnings without the specific affirmative directive of this section.

36 **Sec. 308.** RCW 43.84.092 and 2014 c 112 s 107, 2014 c 74 s 6, and
37 2014 c 32 s 7 are each reenacted and amended to read as follows:

1 (1) All earnings of investments of surplus balances in the state
2 treasury shall be deposited to the treasury income account, which
3 account is hereby established in the state treasury.

4 (2) The treasury income account shall be utilized to pay or
5 receive funds associated with federal programs as required by the
6 federal cash management improvement act of 1990. The treasury income
7 account is subject in all respects to chapter 43.88 RCW, but no
8 appropriation is required for refunds or allocations of interest
9 earnings required by the cash management improvement act. Refunds of
10 interest to the federal treasury required under the cash management
11 improvement act fall under RCW 43.88.180 and shall not require
12 appropriation. The office of financial management shall determine the
13 amounts due to or from the federal government pursuant to the cash
14 management improvement act. The office of financial management may
15 direct transfers of funds between accounts as deemed necessary to
16 implement the provisions of the cash management improvement act, and
17 this subsection. Refunds or allocations shall occur prior to the
18 distributions of earnings set forth in subsection (4) of this
19 section.

20 (3) Except for the provisions of RCW 43.84.160, the treasury
21 income account may be utilized for the payment of purchased banking
22 services on behalf of treasury funds including, but not limited to,
23 depository, safekeeping, and disbursement functions for the state
24 treasury and affected state agencies. The treasury income account is
25 subject in all respects to chapter 43.88 RCW, but no appropriation is
26 required for payments to financial institutions. Payments shall occur
27 prior to distribution of earnings set forth in subsection (4) of this
28 section.

29 (4) Monthly, the state treasurer shall distribute the earnings
30 credited to the treasury income account. The state treasurer shall
31 credit the general fund with all the earnings credited to the
32 treasury income account except:

33 (a) The following accounts and funds shall receive their
34 proportionate share of earnings based upon each account's and fund's
35 average daily balance for the period: The aeronautics account, the
36 aircraft search and rescue account, the Alaskan Way viaduct
37 replacement project account, the bicycle and pedestrian grant program
38 account, the brownfield redevelopment trust fund account, the budget
39 stabilization account, the capital vessel replacement account, the
40 capitol building construction account, the Cedar River channel

1 construction and operation account, the Central Washington University
2 capital projects account, the charitable, educational, penal and
3 reformatory institutions account, the cleanup settlement account, the
4 Columbia river basin water supply development account, the Columbia
5 river basin taxable bond water supply development account, the
6 Columbia river basin water supply revenue recovery account, the
7 Columbia river crossing project account, the common school
8 construction fund, the community forest trust account, the complete
9 streets grant program account, the county arterial preservation
10 account, the county criminal justice assistance account, the deferred
11 compensation administrative account, the deferred compensation
12 principal account, the department of licensing services account, the
13 department of retirement systems expense account, the developmental
14 disabilities community trust account, the diesel idle reduction
15 account, the drinking water assistance account, the drinking water
16 assistance administrative account, the drinking water assistance
17 repayment account, the Eastern Washington University capital projects
18 account, the Interstate 405 express toll lanes operations account,
19 the education construction fund, the education legacy trust account,
20 the election account, the energy freedom account, the energy recovery
21 act account, the essential rail assistance account, The Evergreen
22 State College capital projects account, the federal forest revolving
23 account, the ferry bond retirement fund, the freight mobility
24 investment account, the freight mobility multimodal account, the
25 grade crossing protective fund, the public health services account,
26 the high capacity transportation account, the state higher education
27 construction account, the higher education construction account, the
28 highway bond retirement fund, the highway infrastructure account, the
29 highway safety fund, the high occupancy toll lanes operations
30 account, the hospital safety net assessment fund, the industrial
31 insurance premium refund account, the judges' retirement account, the
32 judicial retirement administrative account, the judicial retirement
33 principal account, the local green initiatives account, the local
34 leasehold excise tax account, the local real estate excise tax
35 account, the local sales and use tax account, the marine resources
36 stewardship trust account, the medical aid account, the mobile home
37 park relocation fund, the motor vehicle fund, the motorcycle safety
38 education account, the multimodal transportation account, the
39 multiuse roadway safety account, the municipal criminal justice
40 assistance account, the natural resources deposit account, the oyster

1 reserve land account, the pension funding stabilization account, the
2 perpetual surveillance and maintenance account, the public employees'
3 retirement system plan 1 account, the public employees' retirement
4 system combined plan 2 and plan 3 account, the public facilities
5 construction loan revolving account beginning July 1, 2004, the
6 public health supplemental account, the public transportation grant
7 program account, the public works assistance account, the Puget Sound
8 capital construction account, the Puget Sound ferry operations
9 account, the real estate appraiser commission account, the
10 recreational vehicle account, the regional mobility grant program
11 account, the resource management cost account, the rural arterial
12 trust account, the rural mobility grant program account, the rural
13 Washington loan fund, the safe routes to school grant program
14 account, the site closure account, the skilled nursing facility
15 safety net trust fund, the small city pavement and sidewalk account,
16 the special category C account, the special wildlife account, the
17 state employees' insurance account, the state employees' insurance
18 reserve account, the state investment board expense account, the
19 state investment board commingled trust fund accounts, the state
20 patrol highway account, the state route number 520 civil penalties
21 account, the state route number 520 corridor account, the state
22 wildlife account, the supplemental pension account, the
23 sustainability account, the Tacoma Narrows toll bridge account, the
24 teachers' retirement system plan 1 account, the teachers' retirement
25 system combined plan 2 and plan 3 account, the tobacco prevention and
26 control account, the tobacco settlement account, the toll facility
27 bond retirement account, the transportation 2003 account (nickel
28 account), the transportation equipment fund, the transportation fund,
29 the transportation improvement account, the transportation
30 improvement board bond retirement account, the transportation
31 infrastructure account, the transportation partnership account, the
32 traumatic brain injury account, the tuition recovery trust fund, the
33 University of Washington bond retirement fund, the University of
34 Washington building account, the volunteer firefighters' and reserve
35 officers' relief and pension principal fund, the volunteer
36 firefighters' and reserve officers' administrative fund, the
37 Washington judicial retirement system account, the Washington law
38 enforcement officers' and firefighters' system plan 1 retirement
39 account, the Washington law enforcement officers' and firefighters'
40 system plan 2 retirement account, the Washington public safety

1 employees' plan 2 retirement account, the Washington school
2 employees' retirement system combined plan 2 and 3 account, the
3 Washington state health insurance pool account, the Washington state
4 patrol retirement account, the Washington State University building
5 account, the Washington State University bond retirement fund, the
6 water pollution control revolving administration account, the water
7 pollution control revolving fund, the Western Washington University
8 capital projects account, the Yakima integrated plan implementation
9 account, the Yakima integrated plan implementation revenue recovery
10 account, and the Yakima integrated plan implementation taxable bond
11 account. Earnings derived from investing balances of the agricultural
12 permanent fund, the normal school permanent fund, the permanent
13 common school fund, the scientific permanent fund, the state
14 university permanent fund, and the state reclamation revolving
15 account shall be allocated to their respective beneficiary accounts.

16 (b) Any state agency that has independent authority over accounts
17 or funds not statutorily required to be held in the state treasury
18 that deposits funds into a fund or account in the state treasury
19 pursuant to an agreement with the office of the state treasurer shall
20 receive its proportionate share of earnings based upon each account's
21 or fund's average daily balance for the period.

22 (5) In conformance with Article II, section 37 of the state
23 Constitution, no treasury accounts or funds shall be allocated
24 earnings without the specific affirmative directive of this section.

25 NEW SECTION. **Sec. 309.** 2012 c 74 s 18 (uncodified) is repealed.

26 **IV. TAX EXEMPTION/REVENUE SHIFT**

27 NEW SECTION. **Sec. 401.** (1) The legislature finds that the
28 higher cost of alternative fuel vehicles incentivize consumers to
29 purchase comparable models of conventional fuel vehicles. The
30 legislature further finds the federal government provides federal tax
31 credits and, under current law, Washington provides a retail sales
32 and use tax exemption on the purchase of new and qualifying used
33 alternative fuel vehicles to incentivize consumers to purchase
34 alternative fuel vehicles. The legislature further finds
35 incentivizing consumers to purchase alternative fuel vehicles is an
36 important step to reduce vehicle greenhouse gas emissions.

1 (2)(a) This subsection is the tax preference performance
2 statement for the alternative fuel vehicle tax exemptions provided in
3 RCW 82.08.809 and 82.12.809. The performance statement is only
4 intended to be used for subsequent evaluation of the tax preference.
5 It is not intended to create a private right of action by any party
6 or be used to determine eligibility for preferential tax treatment.

7 (b) The legislature categorizes the tax preference as one
8 intended to induce certain designated behavior by taxpayers and to
9 improve industry competitiveness indicated in RCW 82.32.808(2) (a)
10 and (b).

11 (c) It is the legislature's specific public policy objective to
12 provide a sales and use tax exemption to increase sales of
13 alternative fuel vehicles to fifty thousand by the year 2020 and
14 reduce the difference of average cost between comparable models of
15 alternative fuel vehicles and conventional fuel vehicles.

16 (d) To measure the effectiveness of the exemption provided in
17 this act in achieving the specific public policy objective described
18 in (c) of this subsection, the joint legislative audit and review
19 committee must, at minimum, evaluate the following:

20 (i) Changes in number of alternative fuel vehicles registered in
21 Washington;

22 (ii) Changes in the cost of alternative fuel vehicles;

23 (iii) Changes in the difference of average cost between
24 comparable models of alternative fuel vehicles and conventional fuel
25 vehicles.

26 (e)(i) The department of licensing and department of revenue must
27 provide data needed for the joint legislative audit and review
28 committee analysis in (d) of this subsection.

29 (ii) In addition to the data source described under (e)(i) of
30 this subsection, the joint legislative audit and review committee may
31 use any other data it deems necessary in performing the evaluation
32 under (d) of this subsection.

33 **Sec. 402.** RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each
34 amended to read as follows:

35 (1)(a) The tax levied by RCW 82.08.020 does not apply to sales of
36 new passenger cars, light duty trucks, and medium duty passenger
37 vehicles, which are exclusively powered by a clean alternative fuel.

38 (b) The tax levied by RCW 82.08.020 does not apply to sales of
39 qualifying used passenger cars, light duty trucks, and medium duty

1 passenger vehicles, which were modified after their initial purchase,
2 with an EPA certified conversion to be exclusively powered by a clean
3 alternative fuel. "Qualifying used passenger cars, light duty trucks,
4 and medium duty passenger vehicles" means vehicles that:

5 (i) Are part of a fleet of at least five vehicles, all owned by
6 the same person;

7 (ii) Have an odometer reading of less than thirty thousand miles;

8 (iii) Are less than two years past their original date of
9 manufacture; and

10 (iv) Are being sold for the first time after modification.

11 (2) The seller must keep records necessary for the department to
12 verify eligibility under this section.

13 (3) For sellers who electronically file their taxes, the
14 department must provide a separate tax reporting line for exemption
15 amounts claimed under this section.

16 (4) As used in this section, "clean alternative fuel" means
17 natural gas, propane, hydrogen, or electricity, when used as a fuel
18 in a motor vehicle that meets the California motor vehicle emission
19 standards in Title 13 of the California code of regulations,
20 effective January 1, 2005, and the rules of the Washington state
21 department of ecology.

22 ((+4)) (5) This section expires July 1, ((2015)) 2025.

23 **Sec. 403.** RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each
24 amended to read as follows:

25 (1)(a) Until July 1, ((2015)) 2025, the provisions of this
26 chapter do not apply in respect to the ((use-of)) first sixty
27 thousand dollars of the purchase price for new passenger cars, light
28 duty trucks, and medium duty passenger vehicles, which are
29 exclusively powered by a clean alternative fuel.

30 (b) Until July 1, ((2015)) 2025, the provisions of this chapter
31 do not apply to the ((use-of)) first sixty thousand dollars of the
32 purchase price for qualifying used passenger cars, light duty trucks,
33 and medium duty passenger vehicles, which were modified after their
34 initial purchase with an EPA certified conversion to be exclusively
35 powered by a clean alternative fuel. As used in this subsection,
36 "qualifying used passenger cars, light duty trucks, and medium duty
37 passenger vehicles" has the same meaning as provided in RCW
38 82.08.809.

1 (2) "Clean alternative fuel" has the same meaning as provided in
2 RCW 82.08.809.

3 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020
4 on the use, on or after July 1, (~~(2015)~~) 2025, of a passenger car,
5 light duty truck, or medium duty passenger vehicle exclusively
6 powered by a clean alternative fuel, if the taxpayer used such
7 vehicle in this state before July 1, (~~(2015)~~) 2025, and the use was
8 exempt under this section from the tax imposed in RCW 82.12.020.

9 NEW SECTION. **Sec. 404.** A new section is added to chapter 82.32
10 RCW to read as follows:

11 Beginning in the calendar quarter immediately following the
12 effective date of this section, and every quarter thereafter, the
13 department of revenue must (1) submit a report to the departments of
14 transportation and licensing summarizing the value of the exemptions
15 granted under RCW 82.08.809 and 82.12.809 to eligible vehicles
16 powered by a clean alternative fuel during the previous calendar
17 quarter and (2) advise the state treasurer to transfer an equivalent
18 amount in the months of October, January, April, and July from the
19 multimodal transportation account to the state general fund for
20 fiscal year 2016 and from the sustainability account to the state
21 general fund until July 2025.

22 NEW SECTION. **Sec. 405.** A new section is added to chapter 82.32
23 RCW to read as follows:

24 (1) The state sales and use taxes imposed on the department of
25 transportation for state transportation projects must be transferred
26 from the state general fund to the motor vehicle fund created in RCW
27 46.68.070.

28 (2) For purposes of this section, "state transportation project"
29 means a capital improvement, preservation, or construction project,
30 authorized by the legislature and specifically referenced in a line-
31 item project appropriation for the department of transportation, when
32 the primary purpose of the project is to preserve or facilitate the
33 safe and efficient transport of people or goods.

34 (3) Quarterly, beginning in the calendar quarter immediately
35 following the calendar quarter that this section is enacted into law,
36 the department of transportation must submit a report to the
37 department of revenue detailing the amount of state sales and use tax
38 paid during the previous calendar quarter on state transportation

1 projects meeting the requirements in subsections (2) and (4) of this
2 section. The quarterly reports: Must contain such other information
3 as required by the department of revenue to administer this section;
4 are due by the tenth day of March, June, September, and December; and
5 must be provided in a form and manner acceptable to the department of
6 revenue. The department of revenue must notify the state treasurer of
7 the amount of the transfer by the last working day of each calendar
8 quarter.

9 (4) The transfer required under this section applies to state
10 transportation projects when construction improvements or
11 preservation is initiated on or after the effective date of this
12 section, and the project is funded with new transportation revenues
13 adopted on or after the effective date of this section.

14 (5) For purposes of this section, "state sales and use tax" means
15 the taxes imposed under RCW 82.08.020 and 82.12.020, not reduced by
16 any sales or use taxes imposed under the authority of chapter 82.14
17 RCW that are deducted from or credited against the taxes imposed
18 under RCW 82.08.020 and 82.12.020.

19 **V. LOCAL REVENUE OPTIONS**

20 **Sec. 501.** RCW 36.73.015 and 2012 c 152 s 1 are each amended to
21 read as follows:

22 The definitions in this section apply throughout this chapter
23 unless the context clearly requires otherwise.

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

25 (2) "District" means a transportation benefit district created
26 under this chapter.

27 (3) "Low-income" means household income that is at or below
28 forty-five percent of the median household income, adjusted for
29 household size, for the district in which the fees, taxes, or tolls
30 were imposed.

31 (4) "Rebate program" means an optional program established by a
32 transportation benefit district that includes a city with a
33 population of five hundred thousand persons or more for the purpose
34 of providing rebates to low-income individuals for fees, taxes,
35 and/or tolls imposed by such transportation benefit district for: (a)
36 Vehicle fees imposed under RCW 36.73.040(3)(b); (b) sales and use
37 taxes imposed under RCW 36.73.040(3)(a); and/or (c) tolls imposed
38 under RCW 36.73.040(3)(d).

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

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

17 **Sec. 502.** RCW 36.73.020 and 2010 c 250 s 1 are each amended to
18 read as follows:

19 (1) The legislative authority of a county or city may establish a
20 transportation benefit district within the county or city area or
21 within the area specified in subsection (2) of this section, for the
22 purpose of acquiring, constructing, improving, providing, and funding
23 a transportation improvement within the district that is consistent
24 with any existing state, regional, or local transportation plans and
25 necessitated by existing or reasonably foreseeable congestion levels.
26 The transportation improvements shall be owned by the county of
27 jurisdiction if located in an unincorporated area, by the city of
28 jurisdiction if located in an incorporated area, or by the state in
29 cases where the transportation improvement is or becomes a state
30 highway. However, if deemed appropriate by the governing body of the
31 transportation benefit district, a transportation improvement may be
32 owned by a participating port district or transit district, unless
33 otherwise prohibited by law. Transportation improvements shall be
34 administered and maintained as other public streets, roads, highways,
35 and transportation improvements. To the extent practicable, the
36 district shall consider the following criteria when selecting
37 transportation improvements:

38 (a) Reduced risk of transportation facility failure and improved
39 safety;

- 1 (b) Improved travel time;
2 (c) Improved air quality;
3 (d) Increases in daily and peak period trip capacity;
4 (e) Improved modal connectivity;
5 (f) Improved freight mobility;
6 (g) Cost-effectiveness of the investment;
7 (h) Optimal performance of the system through time;
8 (i) Improved accessibility for, or other benefits to, persons
9 with special transportation needs as defined in RCW 47.06B.012; and
10 (j) Other criteria, as adopted by the governing body.

11 (2) Subject to subsection (6) of this section, the district may
12 include area within more than one county, city, port district, county
13 transportation authority, reservation of a federally recognized
14 tribe, or public transportation benefit area, if the legislative
15 authority of each participating jurisdiction has agreed to the
16 inclusion as provided in an interlocal agreement adopted pursuant to
17 chapter 39.34 RCW. However, the boundaries of the district need not
18 include all territory within the boundaries of the participating
19 jurisdictions comprising the district.

20 (3) The members of the legislative authority proposing to
21 establish the district, acting ex officio and independently, shall
22 constitute the governing body of the district: PROVIDED, That where a
23 district includes area within more than one jurisdiction under
24 subsection (2) of this section, the district shall be governed under
25 an interlocal agreement adopted pursuant to chapter 39.34 RCW, with
26 the governing body being composed of (a) at least five members
27 including at least one elected official from the legislative
28 authority of each participating jurisdiction or (b) the governing
29 body of the metropolitan planning organization serving the district,
30 but only if the district boundaries are identical to the boundaries
31 of the metropolitan planning organization serving the district.

32 (4) The treasurer of the jurisdiction proposing to establish the
33 district shall act as the ex officio treasurer of the district,
34 unless an interlocal agreement states otherwise.

35 (5) The electors of the district shall all be registered voters
36 residing within the district.

37 (6) Prior to December 1, 2007, the authority under this section,
38 regarding the establishment of or the participation in a district,
39 shall not apply to:

1 (a) Counties with a population greater than one million five
2 hundred thousand persons and any adjoining counties with a population
3 greater than five hundred thousand persons;

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

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

8 **Sec. 503.** RCW 36.73.065 and 2012 c 152 s 3 are each amended to
9 read as follows:

10 (1) Except as provided in subsection (4) of this section, taxes,
11 fees, charges, and tolls may not be imposed by a district without
12 approval of a majority of the voters in the district voting on a
13 proposition at a general or special election. The proposition must
14 include a specific description of: (a) The transportation improvement
15 or improvements proposed by the district; (b) any rebate program
16 proposed to be established under RCW 36.73.067; and (c) the proposed
17 taxes, fees, charges, and the range of tolls imposed by the district
18 to raise revenue to fund the improvement or improvements or rebate
19 program, as applicable.

20 (2) Voter approval under this section must be accorded
21 substantial weight regarding the validity of a transportation
22 improvement as defined in RCW 36.73.015.

23 (3) A district may not increase any taxes, fees, charges, or
24 range of tolls imposed or change a rebate program under this chapter
25 once the taxes, fees, charges, tolls, or rebate program takes effect,
26 unless authorized by the district voters pursuant to RCW 36.73.160 or
27 up to forty dollars of the vehicle fee authorized in RCW 82.80.140 by
28 the governing board of the district.

29 (4)(a) A district that includes all the territory within the
30 boundaries of the jurisdiction, or jurisdictions, establishing the
31 district, but not including territory in which a fee is currently
32 being collected under RCW 82.80.140, may impose by a majority vote of
33 the governing board of the district the following fees and charges:

34 (i) Up to (~~twenty~~) forty dollars of the vehicle fee authorized
35 in RCW 82.80.140; or

36 (ii) A fee or charge in accordance with RCW 36.73.120.

37 (b) The vehicle fee authorized in (a) of this subsection may only
38 be imposed for a passenger-only ferry transportation improvement if

1 the vehicle fee is first approved by a majority of the voters within
2 the jurisdiction of the district.

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

9 (ii) A district solely comprised of a city or cities identified
10 in RCW 36.73.020(6)(b) may not impose the fees or charges until after
11 May 22, 2008, unless the county in which the city or cities reside,
12 by resolution, declares that it will not impose the fees or charges
13 identified in (a) of this subsection through May 22, 2008.

14 (5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be
15 reached, a district that includes only the unincorporated territory
16 of a county may impose by a majority vote of the governing body of
17 the district up to (~~twenty~~) forty dollars of the vehicle fee
18 authorized in RCW 82.80.140.

19 **Sec. 504.** 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
25 under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n)
26 through (q) and for each vehicle subject to gross weight license fees
27 under RCW 46.17.355 with a scale weight of six thousand pounds or
28 less.

29 (2)(a) A district that includes all the territory within the
30 boundaries of the jurisdiction, or jurisdictions, establishing the
31 district, but not including territory in which a fee is currently
32 being collected under this section, may impose by a majority vote of
33 the governing board of the district up to (~~twenty~~) forty dollars of
34 the vehicle fee authorized in subsection (1) of this section.

35 (i) If the district is countywide, the revenues of the fee
36 (~~shall~~) must be distributed to each city within the (~~county~~)
37 district by interlocal agreement that must be effective prior to
38 imposition of the fee. The interlocal agreement is effective when
39 approved by the (~~county~~) district and sixty percent of the cities

1 representing seventy-five percent of the population of the cities
2 within the ((county)) district in which the countywide fee is
3 collected.

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

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

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

12 (ii) That, if combined with the fees previously imposed by
13 another district within its boundaries under RCW 36.73.065(4)(a)(i),
14 exceeds ((twenty)) forty dollars.

15 If a district imposes or increases a fee under this subsection
16 (2) that, if combined with the fees previously imposed by another
17 district within its boundaries, exceeds ((twenty)) forty dollars, the
18 district shall provide a credit for the previously imposed fees so
19 that the combined vehicle fee does not exceed ((twenty)) forty
20 dollars.

21 (3) The department of licensing shall administer and collect the
22 fee. The department shall deduct a percentage amount, as provided by
23 contract, not to exceed one percent of the fees collected, for
24 administration and collection expenses incurred by it. The department
25 shall remit remaining proceeds to the custody of the state treasurer.
26 The state treasurer shall distribute the proceeds to the district on
27 a monthly basis.

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

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

33 (6) The following vehicles are exempt from the fee under this
34 section:

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

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

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

39 (d) Off-road and nonhighway vehicles, as defined in RCW
40 46.04.365;

1 (e) Private use single-axle trailer, as defined in RCW 46.04.422;
2 (f) Snowmobiles, as defined in RCW 46.04.546; and
3 (g) Vehicles registered under chapter 46.87 RCW and the
4 international registration plan.

5 **Sec. 505.** RCW 82.14.045 and 2008 c 86 s 102 are each amended to
6 read as follows:

7 (1) The legislative body of any city pursuant to RCW 35.92.060,
8 of any county which has created an unincorporated transportation
9 benefit area pursuant to RCW 36.57.100 and 36.57.110, of any public
10 transportation benefit area pursuant to RCW 36.57A.080 and
11 36.57A.090, of any county transportation authority established
12 pursuant to chapter 36.57 RCW, and of any metropolitan municipal
13 corporation within a county with a population of one million or more
14 pursuant to chapter 35.58 RCW, may, by resolution or ordinance for
15 the sole purpose of providing funds for the operation, maintenance,
16 or capital needs of public transportation systems or public
17 transportation limited to persons with special needs under RCW
18 36.57.130 and 36.57A.180, and in lieu of the excise taxes authorized
19 by RCW 35.95.040, submit an authorizing proposition to the voters or
20 include such authorization in a proposition to perform the function
21 of public transportation or public transportation limited to persons
22 with special needs under RCW 36.57.130 and 36.57A.180, and if
23 approved by a majority of persons voting thereon, impose a sales and
24 use tax in accordance with the terms of this chapter. Where an
25 authorizing proposition is submitted by a county on behalf of an
26 unincorporated transportation benefit area, it (~~shall~~) must be
27 voted upon by the voters residing within the boundaries of such
28 unincorporated transportation benefit area and, if approved, the
29 sales and use tax (~~shall~~) may be imposed only within such area.
30 Notwithstanding any provisions of this section to the contrary, any
31 county in which a county public transportation plan has been adopted
32 pursuant to RCW 36.57.070 and the voters of such county have
33 authorized the imposition of a sales and use tax pursuant to the
34 provisions of section 10, chapter 167, Laws of 1974 ex. sess., prior
35 to July 1, 1975, (~~shall be~~) is authorized to fix and impose a sales
36 and use tax as provided in this section at not to exceed the rate so
37 authorized without additional approval of the voters of such county
38 as otherwise required by this section.

1 (2) The tax authorized by this section (~~shall be~~) is in
2 addition to the tax authorized by RCW 82.14.030 and (~~shall~~) must be
3 collected from those persons who are taxable by the state under
4 chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event
5 within such city, public transportation benefit area, county, or
6 metropolitan municipal corporation as the case may be. The rate of
7 such tax (~~shall be~~) is one-tenth, two-tenths, three-tenths,
8 four-tenths, five-tenths, six-tenths, seven-tenths, eight-tenths, or
9 nine-tenths of one percent of the selling price (in the case of a
10 sales tax) or value of the article used (in the case of a use tax).
11 The rate of such tax (~~shall~~) may not exceed the rate authorized by
12 the voters unless such increase (~~shall be~~) is similarly approved.

13 (~~(+2)~~) (3)(a) In the event a metropolitan municipal corporation
14 imposes a sales and use tax pursuant to this chapter no city, county
15 which has created an unincorporated transportation benefit area,
16 public transportation benefit area authority, or county
17 transportation authority wholly within such metropolitan municipal
18 corporation (~~shall be~~) is empowered to impose and/or collect taxes
19 under RCW 35.95.040 or this section, but nothing (~~herein shall~~) in
20 this section prevents such city or county from imposing sales and use
21 taxes pursuant to any other authorization.

22 (b) In the event a county transportation authority imposes a
23 sales and use tax under this section, no city, county which has
24 created an unincorporated transportation benefit area, public
25 transportation benefit area, or metropolitan municipal corporation,
26 located within the territory of the authority, (~~shall be~~) is
27 empowered to impose or collect taxes under RCW 35.95.040 or this
28 section.

29 (c) In the event a public transportation benefit area imposes a
30 sales and use tax under this section, no city, county which has
31 created an unincorporated transportation benefit area, or
32 metropolitan municipal corporation, located wholly or partly within
33 the territory of the public transportation benefit area, (~~shall be~~)
34 is empowered to impose or collect taxes under RCW 35.95.040 or this
35 section.

36 (4) The legislative body of a public transportation benefit area
37 located in a county with a population of seven hundred thousand or
38 more that also contains a city with a population of seventy-five
39 thousand or more operating a transit system pursuant to chapter 35.95
40 RCW may submit an authorizing proposition to the voters and, if

1 approved by a majority of persons voting on the proposition, impose a
2 sales and use tax in accordance with the terms of this chapter of
3 one-tenth, two-tenths, or three-tenths of one percent of the selling
4 price, in the case of a sales tax, or value of the article used, in
5 the case of a use tax, in addition to the rate in subsection (1) of
6 this section.

7 NEW SECTION. Sec. 506. A new section is added to chapter 36.57A
8 RCW to read as follows:

9 (1) A governing body of a public transportation benefit area may
10 establish one or more passenger-only ferry service districts within
11 all or a portion of the boundaries of the public transportation
12 benefit area establishing the passenger-only ferry service district.
13 A passenger-only ferry service district may include all or a portion
14 of a city or town as long as all or a portion of the city or town
15 boundaries are within the boundaries of the establishing public
16 transportation benefit area. The members of the public transportation
17 benefit area governing body proposing to establish the passenger-only
18 ferry service district, acting ex officio and independently, shall
19 constitute the governing body of the passenger-only ferry service
20 district.

21 (2) A passenger-only ferry service district may establish,
22 finance, and provide passenger-only ferry service, and associated
23 services to support and augment passenger-only ferry service
24 operation, within its boundaries in the same manner as authorized for
25 public transportation benefit areas under this chapter.

26 (3) A passenger-only ferry service district constitutes a body
27 corporate and possesses all the usual powers of a corporation for
28 public purposes as well as all other powers that may be conferred by
29 statute including, but not limited to, the authority to hire
30 employees, staff, and services, to enter into contracts, to acquire,
31 hold, and dispose of real and personal property, and to sue and be
32 sued. Public works contract limits applicable to the public
33 transportation benefit area that established the passenger-only ferry
34 service district apply to the area. For purposes of this section,
35 "passenger-only ferry service district" means a quasi-municipal
36 corporation and independent taxing authority within the meaning of
37 Article VII, section 1 of the state Constitution, and a taxing
38 district within the meaning of Article VII, section 2 of the state

1 Constitution, created by the legislative body of a public
2 transportation benefit area.

3 (4) A passenger-only ferry service district may exercise the
4 power of eminent domain to obtain property for its authorized
5 purposes in the same manner as authorized for the public
6 transportation benefit area that established the passenger-only ferry
7 service district.

8 (5) Before a passenger-only ferry service district may provide
9 passenger-only ferry service, it must develop a passenger-only ferry
10 investment plan including elements: To operate or contract for the
11 operation of passenger-only ferry services; to purchase, lease, or
12 rent ferry vessels and dock facilities for the provision of transit
13 service; and to identify other activities necessary to implement the
14 plan. The plan must set forth terminal locations to be served,
15 projected costs of providing services, and revenues to be generated
16 from tolls, locally collected tax revenues, and other revenue
17 sources. The plan must ensure that services provided under the plan
18 are for the benefit of the residents of the passenger-only ferry
19 service district. The passenger-only ferry service district may use
20 any of its powers to carry out this purpose, unless otherwise
21 prohibited by law. In addition, the passenger-only ferry service
22 district may enter into contracts and agreements to operate
23 passenger-only ferry service and public-private partnerships and
24 design-build, general contractor/construction management, or other
25 alternative procurement processes substantially consistent with
26 chapter 39.10 RCW.

27 (6) A passenger-only ferry service district may be dissolved by a
28 majority vote of the governing body when all obligations under any
29 general obligation bonds issued by the passenger-only ferry service
30 district have been discharged and any other contractual obligations
31 of the passenger-only ferry service district have either been
32 discharged or assumed by another governmental entity.

33 NEW SECTION. **Sec. 507.** A new section is added to chapter 36.57A
34 RCW to read as follows:

35 (1) A passenger-only ferry service district may, as part of a
36 passenger-only ferry investment plan, recommend some or all of the
37 following revenue sources as provided in this chapter:

- 38 (a) A sales and use tax, as provided in section 508 of this act;
39 (b) A parking tax, as provided in section 509 of this act;

1 (c) Tolls for passengers and packages and, where applicable,
2 parking; and

3 (d) Charges or licensing fees for advertising, leasing space for
4 services to ferry passengers, and other revenue generating
5 activities.

6 (2) Taxes may not be imposed without an affirmative vote of the
7 majority of the voters within the boundaries of the passenger-only
8 ferry service district voting on a single ballot proposition to both
9 approve a passenger-only ferry investment plan and to approve taxes
10 to implement the plan. Revenues from these taxes and fees may be used
11 only to implement the plan and must be used for the benefit of the
12 residents of the passenger-only ferry service district. A district
13 may contract with the department of revenue or other appropriate
14 entities for administration and collection of any of the taxes or
15 charges authorized in this section.

16 NEW SECTION. **Sec. 508.** A new section is added to chapter 82.14
17 RCW to read as follows:

18 Passenger-only ferry service districts providing passenger-only
19 ferry service as provided in section 506 of this act may submit an
20 authorizing proposition to the voters and, if approved by a majority
21 of persons voting, fix and impose a sales and use tax in accordance
22 with the terms of this chapter, solely for the purpose of providing
23 passenger-only ferry service and associated services to support and
24 augment passenger-only ferry service operation.

25 The tax authorized under this section is in addition to other
26 taxes authorized by law and must be collected from those persons who
27 are taxable by the state under chapters 82.08 and 82.12 RCW upon the
28 occurrence of a taxable event within the taxing district. The maximum
29 rate of the tax must be approved by the voters and may not exceed
30 six-tenths of one percent of the selling price in the case of a
31 sales tax or value of the article used in the case of a use tax.

32 NEW SECTION. **Sec. 509.** A new section is added to chapter 82.80
33 RCW to read as follows:

34 (1) Subject to the conditions of this section, a passenger-only
35 ferry service district may fix and impose a parking tax on all
36 persons engaged in a commercial parking business within its
37 respective jurisdiction.

1 (2) In lieu of the tax in subsection (1) of this section, a
2 passenger-only ferry service district may fix and impose a tax for
3 the act or privilege of parking a motor vehicle in a facility
4 operated by a commercial parking business.

5 The passenger-only ferry service district may provide that:

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

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

11 (c) The tax is collected by the operator of the facility and
12 remitted to the city, county, or passenger-only ferry service
13 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
18 use 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
23 parking lot in which fees are charged. "Commercial parking lot" means
24 a covered or uncovered area with stalls for the purpose of parking
25 motor vehicles.

26 (4) The rate of the tax under subsection (1) of this section may
27 be 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 passenger-only ferry service district levying the tax
31 provided for in subsection (1) or (2) of this section may provide for
32 its payment on a monthly, quarterly, or annual basis.

33 NEW SECTION. **Sec. 510.** A new section is added to chapter 36.57A
34 RCW to read as follows:

35 (1) A passenger-only ferry service district may form a local
36 improvement district to provide any transportation improvement it has
37 the authority to provide, impose special assessments on all property
38 specially benefited by the transportation improvements, and issue
39 special assessment bonds or revenue bonds to fund the costs of the

1 transportation improvement. Local improvement districts must be
2 created and assessments must be made and collected pursuant to
3 chapters 35.43, 35.44, 35.49, 35.50, 35.51, 35.53, and 35.54 RCW.

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

1 (3) Assessments must reflect any credits given by the passenger-
2 only ferry service district for real property or property right
3 donations made pursuant to RCW 47.14.030.

4 (4) The governing body of the passenger-only ferry service
5 district may establish and pay moneys into a local improvement
6 guaranty fund to guarantee special assessment bonds issued by the
7 passenger-only ferry service district.

8 NEW SECTION. **Sec. 511.** A new section is added to chapter 36.57A
9 RCW to read as follows:

10 (1) To carry out the purposes of this chapter, a passenger-only
11 ferry service district may issue general obligation bonds, not to
12 exceed an amount, together with any other outstanding nonvoter-
13 approved general obligation indebtedness, equal to one and one-half
14 percent of the value of the taxable property within the area, as the
15 term "value of the taxable property" is defined in RCW 39.36.015. A
16 passenger-only ferry service district may also issue general
17 obligation bonds for capital purposes only, together with any
18 outstanding general obligation indebtedness, not to exceed an amount
19 equal to five percent of the value of the taxable property within the
20 area, as the term "value of the taxable property" is defined in RCW
21 39.36.015, when authorized by the voters of the area pursuant to
22 Article VIII, section 6 of the state Constitution.

23 (2) General obligation bonds with a maturity in excess of twenty-
24 five years may not be issued. The governing body of the passenger-
25 only ferry service district shall by resolution determine for each
26 general obligation bond issue the amount, date, terms, conditions,
27 denominations, maximum fixed or variable interest rate or rates,
28 maturity or maturities, redemption rights, registration privileges,
29 manner of execution, manner of sale, callable provisions, if any,
30 covenants, and form, including registration as to principal and
31 interest, registration as to principal only, or bearer. Registration
32 may include, but not be limited to: (a) A book entry system of
33 recording the ownership of a bond whether or not physical bonds are
34 issued; or (b) recording the ownership of a bond together with the
35 requirement that the transfer of ownership may only be effected by
36 the surrender of the old bond and either the reissuance of the old
37 bond or the issuance of a new bond to the new owner. Facsimile
38 signatures may be used on the bonds and any coupons. Refunding

1 general obligation bonds may be issued in the same manner as general
2 obligation bonds are issued.

3 (3) Whenever general obligation bonds are issued to fund specific
4 projects or enterprises that generate revenues, charges, user fees,
5 or special assessments, the passenger-only ferry service district may
6 specifically pledge all or a portion of the revenues, charges, user
7 fees, or special assessments to refund the general obligation bonds.
8 The passenger-only ferry service district may also pledge any other
9 revenues that may be available to the area.

10 (4) In addition to general obligation bonds, a passenger-only
11 ferry service district may issue revenue bonds to be issued and sold
12 in accordance with chapter 39.46 RCW.

13 **Sec. 512.** RCW 81.104.140 and 2002 c 56 s 202 are each amended to
14 read as follows:

15 (1) Agencies authorized to provide high capacity transportation
16 service, including transit agencies and regional transit authorities,
17 and regional transportation investment districts acting with the
18 agreement of an agency, are hereby granted dedicated funding sources
19 for such systems. These dedicated funding sources, as set forth in
20 RCW 81.104.150, 81.104.160, (~~and~~) 81.104.170, and section 515 of
21 this act, are authorized only for agencies located in (a) each county
22 with a population of two hundred ten thousand or more and (b) each
23 county with a population of from one hundred twenty-five thousand to
24 less than two hundred ten thousand except for those counties that do
25 not border a county with a population as described under (a) of this
26 subsection. In any county with a population of one million or more or
27 in any county having a population of four hundred thousand or more
28 bordering a county with a population of one million or more, these
29 funding sources may be imposed only by a regional transit authority
30 or a regional transportation investment district. Regional
31 transportation investment districts may, with the approval of the
32 regional transit authority within its boundaries, impose the taxes
33 authorized under this chapter, but only upon approval of the voters
34 and to the extent that the maximum amount of taxes authorized under
35 this chapter have not been imposed.

36 (2) Agencies planning to construct and operate a high capacity
37 transportation system should also seek other funds, including
38 federal, state, local, and private sector assistance.

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

- 3 (a) Acceptability;
- 4 (b) Ease of administration;
- 5 (c) Equity;
- 6 (d) Implementation feasibility;
- 7 (e) Revenue reliability; and
- 8 (f) Revenue yield.

9 (4)(a) Agencies participating in regional high capacity
10 transportation system development are authorized to levy and collect
11 the following voter-approved local option funding sources:

12 (~~(a)~~) (i) Employer tax as provided in RCW 81.104.150, other
13 than by regional transportation investment districts;

14 (~~(b)~~) (ii) Special motor vehicle excise tax as provided in RCW
15 81.104.160; (~~and~~

16 ~~(c)~~) (iii) Regular property tax as provided in section 515 of
17 this act; and

18 (iv) Sales and use tax as provided in RCW 81.104.170.

19 (b) Revenues from these taxes may be used only to support those
20 purposes prescribed in subsection (10) of this section. Before the
21 date of an election authorizing an agency to impose any of the taxes
22 enumerated in this section and authorized in RCW 81.104.150,
23 81.104.160, (~~and~~) 81.104.170, and section 515 of this act, the
24 agency must comply with the process prescribed in RCW 81.104.100 (1)
25 and (2) and 81.104.110. No construction on exclusive right-of-way may
26 occur before the requirements of RCW 81.104.100(3) are met.

27 (5) Authorization in subsection (4) of this section (~~shall~~) may
28 not adversely affect the funding authority of transit agencies not
29 provided for in this chapter. Local option funds may be used to
30 support implementation of interlocal agreements with respect to the
31 establishment of regional high capacity transportation service.
32 Except when a regional transit authority exists, local jurisdictions
33 (~~shall~~) must retain control over moneys generated within their
34 boundaries, although funds may be commingled with those generated in
35 other areas for planning, construction, and operation of high
36 capacity transportation systems as set forth in the agreements.

37 (6) Agencies planning to construct and operate high capacity
38 transportation systems may contract with the state for collection and
39 transference of voter-approved local option revenue.

1 (7) Dedicated high capacity transportation funding sources
2 authorized in RCW 81.104.150, 81.104.160, ~~((and))~~ 81.104.170 ~~((shall~~
3 ~~be))~~, and section 515 of this act are subject to voter approval by a
4 simple majority. A single ballot proposition may seek approval for
5 one or more of the authorized taxing sources. The ballot title
6 ~~((shall))~~ must reference the document identified in subsection (8) of
7 this section.

8 (8) Agencies ~~((shall))~~ must provide to the registered voters in
9 the area a document describing the systems plan and the financing
10 plan set forth in RCW 81.104.100. It ~~((shall))~~ must also describe the
11 relationship of the system to regional issues such as development
12 density at station locations and activity centers, and the
13 interrelationship of the system to adopted land use and
14 transportation demand management goals within the region. This
15 document ~~((shall))~~ must be provided to the voters at least twenty
16 days prior to the date of the election.

17 (9) For any election in which voter approval is sought for a high
18 capacity transportation system plan and financing plan pursuant to
19 RCW 81.104.040, a local voter's pamphlet ~~((shall))~~ must be produced
20 as provided in chapter ~~((29.81A))~~ 29A.32 RCW.

21 (10) Agencies providing high capacity transportation service
22 ~~((shall))~~ must retain responsibility for revenue encumbrance,
23 disbursement, and bonding. Funds may be used for any purpose relating
24 to planning, construction, and operation of high capacity
25 transportation systems and commuter rail systems, personal rapid
26 transit, busways, bus sets, and entrained and linked buses.

27 **Sec. 513.** RCW 81.104.160 and 2010 c 161 s 903 are each amended
28 to read as follows:

29 (1) Cities that operate transit systems, county transportation
30 authorities, metropolitan municipal corporations, public
31 transportation benefit areas, and regional transit authorities may
32 submit an authorizing proposition to the voters, and if approved, may
33 levy and collect an excise tax, at a rate approved by the voters, but
34 not exceeding eighty one-hundredths of one percent on the value,
35 under chapter 82.44 RCW, of every motor vehicle owned by a resident
36 of the taxing district, solely for the purpose of providing high
37 capacity transportation service. The maximum tax rate under this
38 subsection does not include a motor vehicle excise tax approved
39 before the effective date of this section if the tax will terminate

1 on the date bond debt to which the tax is pledged is repaid. In any
2 county imposing a motor vehicle excise tax surcharge pursuant to RCW
3 81.100.060, the maximum tax rate under this section must be reduced
4 to a rate equal to eighty one-hundredths of one percent on the value
5 less the equivalent motor vehicle excise tax rate of the surcharge
6 imposed pursuant to RCW 81.100.060. This rate does not apply to
7 vehicles licensed under RCW 46.16A.455 except vehicles with an
8 unladen weight of six thousand pounds or less, RCW 46.16A.425 or
9 46.17.335(2). Notwithstanding any other provision of this subsection
10 or chapter 82.44 RCW, a motor vehicle excise tax imposed by a
11 regional transit authority before or after the effective date of this
12 section must comply with chapter 82.44 RCW as it existed on January
13 1, 1996, until December 31st of the year in which the regional
14 transit authority repays bond debt to which a motor vehicle excise
15 tax was pledged before the effective date of this section. Motor
16 vehicle taxes collected by regional transit authorities after
17 December 31st of the year in which a regional transit authority
18 repays bond debt to which a motor vehicle excise tax was pledged
19 before the effective date of this section must comply with chapter
20 82.44 RCW as it existed on the date the tax was approved by voters.

21 (2) An agency and high capacity transportation corridor area
22 ((may)) imposing a tax under subsection (1) of this section may also
23 impose a sales and use tax solely for the purpose of providing high
24 capacity transportation service, in addition to the tax authorized by
25 RCW 82.14.030, upon retail car rentals within the applicable
26 jurisdiction that are taxable by the state under chapters 82.08 and
27 82.12 RCW. The rate of tax ((shall)) may not exceed 2.172 percent.
28 The rate of tax imposed under this subsection must bear the same
29 ratio of the 2.172 percent authorized that the rate imposed under
30 subsection (1) of this section bears to the rate authorized under
31 subsection (1) of this section. The base of the tax ((shall be)) is
32 the selling price in the case of a sales tax or the rental value of
33 the vehicle used in the case of a use tax.

34 ((Any motor vehicle excise tax previously imposed under the
35 provisions of RCW 81.104.160(1) shall be repealed, terminated, and
36 expire on December 5, 2002, except for a motor vehicle excise tax for
37 which revenues have been contractually pledged to repay a bonded debt
38 issued before December 5, 2002, as determined by *Pierce County et al.*
39 *v. State*, 159 Wn.2d 16, 148 P.3d 1002 (2006). In the case of bonds

1 ~~that were previously issued, the motor vehicle excise tax must comply~~
2 ~~with chapter 82.44 RCW as it existed on January 1, 1996.)~~

3 **Sec. 514.** RCW 81.104.170 and 2009 c 469 s 106 and 2009 c 280 s 5
4 are each reenacted and amended to read as follows:

5 (1) Cities that operate transit systems, county transportation
6 authorities, metropolitan municipal corporations, public
7 transportation benefit areas, high capacity transportation corridor
8 areas, and regional transit authorities may submit an authorizing
9 proposition to the voters and if approved by a majority of persons
10 voting, fix and impose a sales and use tax in accordance with the
11 terms of this chapter, solely for the purpose of providing high
12 capacity transportation service.

13 (2) The tax authorized pursuant to this section (~~shall be~~) is
14 in addition to the tax authorized by RCW 82.14.030 and (~~shall~~) must
15 be collected from those persons who are taxable by the state pursuant
16 to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable
17 event within the taxing district. The maximum rate of such tax
18 (~~shall~~) must be approved by the voters and (~~shall~~) may not exceed
19 one percent of the selling price (in the case of a sales tax) or
20 value of the article used (in the case of a use tax). The maximum
21 rate of such tax that may be imposed (~~shall~~) may not exceed
22 (~~nine-tenths of one~~) 1.4 percent in any county that imposes a tax
23 under RCW 82.14.340, or within a regional transit authority if any
24 county within the authority imposes a tax under RCW 82.14.340.

25 (3)(a) The exemptions in RCW 82.08.820 and 82.12.820 are for the
26 state portion of the sales and use tax and do not extend to the tax
27 authorized in this section.

28 (b) The exemptions in RCW 82.08.962 and 82.12.962 are for the
29 state and local sales and use taxes and include the tax authorized by
30 this section.

31 NEW SECTION. **Sec. 515.** A new section is added to chapter 81.104
32 RCW to read as follows:

33 (1) A regional transit authority may impose a regular property
34 tax levy in an amount not to exceed twenty-five cents per thousand
35 dollars of the assessed value of property in the regional transit
36 authority district in accordance with the terms of this section.

37 (2) Any tax imposed under this section must be used for the
38 purpose of providing high capacity transportation service, as set

1 forth in a proposition that is approved by a majority of the persons
2 residing within the authority that vote on the proposition.

3 (3) Property taxes imposed under this section may be imposed for
4 the period of time required to pay the cost to plan, design,
5 construct, operate, and maintain the transit facilities set forth in
6 the approved proposition. Property taxes pledged to repay bonds may
7 be imposed at the pledged amount until the bonds are retired. After
8 the bonds are retired, property taxes authorized under this section
9 must be:

10 (a) Reduced to the level required to operate and maintain the
11 regional transit authority's transit facilities; or

12 (b) Terminated, unless the taxes have been extended by public
13 vote.

14 (4) The limitations in RCW 84.52.043 do not apply to the tax
15 authorized in this section.

16 (5) The limitation in RCW 84.55.010 does not apply to the first
17 levy imposed under this section.

18 **Sec. 516.** RCW 84.52.043 and 2011 c 275 s 2 are each amended to
19 read as follows:

20 Within and subject to the limitations imposed by RCW 84.52.050 as
21 amended, the regular ad valorem tax levies upon real and personal
22 property by the taxing districts hereafter named are as follows:

23 (1) Levies of the senior taxing districts are as follows: (a) The
24 levy by the state may not exceed three dollars and sixty cents per
25 thousand dollars of assessed value adjusted to the state equalized
26 value in accordance with the indicated ratio fixed by the state
27 department of revenue to be used exclusively for the support of the
28 common schools; (b) the levy by any county may not exceed one dollar
29 and eighty cents per thousand dollars of assessed value; (c) the levy
30 by any road district may not exceed two dollars and twenty-five cents
31 per thousand dollars of assessed value; and (d) the levy by any city
32 or town may not exceed three dollars and thirty-seven and one-half
33 cents per thousand dollars of assessed value. However any county is
34 hereby authorized to increase its levy from one dollar and eighty
35 cents to a rate not to exceed two dollars and forty-seven and one-
36 half cents per thousand dollars of assessed value for general county
37 purposes if the total levies for both the county and any road
38 district within the county do not exceed four dollars and five cents

1 per thousand dollars of assessed value, and no other taxing district
2 has its levy reduced as a result of the increased county levy.

3 (2) The aggregate levies of junior taxing districts and senior
4 taxing districts, other than the state, may not exceed five dollars
5 and ninety cents per thousand dollars of assessed valuation. The term
6 "junior taxing districts" includes all taxing districts other than
7 the state, counties, road districts, cities, towns, port districts,
8 and public utility districts. The limitations provided in this
9 subsection do not apply to: (a) Levies at the rates provided by
10 existing law by or for any port or public utility district; (b)
11 excess property tax levies authorized in Article VII, section 2 of
12 the state Constitution; (c) levies for acquiring conservation futures
13 as authorized under RCW 84.34.230; (d) levies for emergency medical
14 care or emergency medical services imposed under RCW 84.52.069; (e)
15 levies to finance affordable housing for very low-income housing
16 imposed under RCW 84.52.105; (f) the portions of levies by
17 metropolitan park districts that are protected under RCW 84.52.120;
18 (g) levies imposed by ferry districts under RCW 36.54.130; (h) levies
19 for criminal justice purposes under RCW 84.52.135; (i) the portions
20 of levies by fire protection districts that are protected under RCW
21 84.52.125; (j) levies by counties for transit-related purposes under
22 RCW 84.52.140; ~~((and))~~ (k) the protected portion of the levies
23 imposed under RCW 86.15.160 by flood control zone districts in a
24 county with a population of seven hundred seventy-five thousand or
25 more that are coextensive with a county; and (l) levies imposed by a
26 regional transit authority under section 515 of this act.

27 **Sec. 517.** RCW 84.52.043 and 2009 c 551 s 6 are each amended to
28 read as follows:

29 Within and subject to the limitations imposed by RCW 84.52.050 as
30 amended, the regular ad valorem tax levies upon real and personal
31 property by the taxing districts hereafter named ~~((shall be))~~ are as
32 follows:

33 (1) Levies of the senior taxing districts ~~((shall be))~~ are as
34 follows: (a) The levy by the state ~~((shall))~~ may not exceed three
35 dollars and sixty cents per thousand dollars of assessed value
36 adjusted to the state equalized value in accordance with the
37 indicated ratio fixed by the state department of revenue to be used
38 exclusively for the support of the common schools; (b) the levy by
39 any county ~~((shall))~~ may not exceed one dollar and eighty cents per

1 thousand dollars of assessed value; (c) the levy by any road district
2 (~~shall~~) may not exceed two dollars and twenty-five cents per
3 thousand dollars of assessed value; and (d) the levy by any city or
4 town (~~shall~~) may not exceed three dollars and thirty-seven and one-
5 half cents per thousand dollars of assessed value. However any county
6 is hereby authorized to increase its levy from one dollar and eighty
7 cents to a rate not to exceed two dollars and forty-seven and one-
8 half cents per thousand dollars of assessed value for general county
9 purposes if the total levies for both the county and any road
10 district within the county do not exceed four dollars and five cents
11 per thousand dollars of assessed value, and no other taxing district
12 has its levy reduced as a result of the increased county levy.

13 (2) The aggregate levies of junior taxing districts and senior
14 taxing districts, other than the state, (~~shall~~) may not exceed five
15 dollars and ninety cents per thousand dollars of assessed valuation.
16 The term "junior taxing districts" includes all taxing districts
17 other than the state, counties, road districts, cities, towns, port
18 districts, and public utility districts. The limitations provided in
19 this subsection (~~shall~~) do not apply to: (a) Levies at the rates
20 provided by existing law by or for any port or public utility
21 district; (b) excess property tax levies authorized in Article VII,
22 section 2 of the state Constitution; (c) levies for acquiring
23 conservation futures as authorized under RCW 84.34.230; (d) levies
24 for emergency medical care or emergency medical services imposed
25 under RCW 84.52.069; (e) levies to finance affordable housing for
26 very low-income housing imposed under RCW 84.52.105; (f) the portions
27 of levies by metropolitan park districts that are protected under RCW
28 84.52.120; (g) levies imposed by ferry districts under RCW 36.54.130;
29 (h) levies for criminal justice purposes under RCW 84.52.135; (i) the
30 portions of levies by fire protection districts that are protected
31 under RCW 84.52.125; (~~and~~) (j) levies by counties for transit-
32 related purposes under RCW 84.52.140; and (k) levies imposed by a
33 regional transit authority under section 515 of this act.

34 NEW SECTION. Sec. 518. A new section is added to chapter 84.52
35 RCW to read as follows:

36 (1) A regional transit authority may impose a regular property
37 tax levy in an amount not to exceed twenty-five cents per thousand
38 dollars of the assessed value of property in the regional transit
39 authority district in accordance with the terms of this section.

1 (2) Any tax imposed under this section must be used for the
2 purpose of providing high capacity transportation service, as set
3 forth in a proposition that is approved by a majority of the persons
4 residing within the authority that vote on the proposition.

5 (3) Property taxes imposed under this section may be imposed for
6 the period of time required to pay the cost to plan, design,
7 construct, operate, and maintain the transit facilities set forth in
8 the approved proposition. Property taxes pledged to repay bonds may
9 be imposed at the pledged amount until the bonds are retired. After
10 the bonds are retired, property taxes authorized under this section
11 must be:

12 (a) Reduced to the level required to operate and maintain the
13 regional transit authority's transit facilities; or

14 (b) Terminated, unless the taxes have been extended by public
15 vote.

16 (4) The limitations in RCW 84.52.043 do not apply to the tax
17 authorized in this section.

18 (5) The limitation in RCW 84.55.010 does not apply to the first
19 levy imposed under this section.

20 **Sec. 519.** RCW 84.52.010 and 2011 1st sp.s. c 28 s 2 are each
21 amended to read as follows:

22 (1) Except as is permitted under RCW 84.55.050, all taxes must be
23 levied or voted in specific amounts.

24 (2) The rate percent of all taxes for state and county purposes,
25 and purposes of taxing districts coextensive with the county, must be
26 determined, calculated and fixed by the county assessors of the
27 respective counties, within the limitations provided by law, upon the
28 assessed valuation of the property of the county, as shown by the
29 completed tax rolls of the county, and the rate percent of all taxes
30 levied for purposes of taxing districts within any county must be
31 determined, calculated and fixed by the county assessors of the
32 respective counties, within the limitations provided by law, upon the
33 assessed valuation of the property of the taxing districts
34 respectively.

35 (3) When a county assessor finds that the aggregate rate of tax
36 levy on any property, that is subject to the limitations set forth in
37 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in
38 either of these sections, the assessor must recompute and establish a
39 consolidated levy in the following manner:

1 (a) The full certified rates of tax levy for state, county,
2 county road district, regional transit authority, and city or town
3 purposes must be extended on the tax rolls in amounts not exceeding
4 the limitations established by law; however any state levy takes
5 precedence over all other levies and may not be reduced for any
6 purpose other than that required by RCW 84.55.010. If, as a result of
7 the levies imposed under RCW 36.54.130, 84.34.230, 84.52.069,
8 84.52.105, the portion of the levy by a metropolitan park district
9 that was protected under RCW 84.52.120, 84.52.125, 84.52.135,
10 84.52.140, and the protected portion of the levy under RCW 86.15.160
11 by flood control zone districts in a county with a population of
12 seven hundred seventy-five thousand or more that are coextensive with
13 a county, the combined rate of regular property tax levies that are
14 subject to the one percent limitation exceeds one percent of the true
15 and fair value of any property, then these levies must be reduced as
16 follows:

17 (i) The portion of the levy by a metropolitan park district that
18 has a population of less than one hundred fifty thousand and is
19 located in a county with a population of one million five hundred
20 thousand or more that is protected under RCW 84.52.120 must be
21 reduced until the combined rate no longer exceeds one percent of the
22 true and fair value of any property or must be eliminated;

23 (ii) If the combined rate of regular property tax levies that are
24 subject to the one percent limitation still exceeds one percent of
25 the true and fair value of any property, the protected portion of the
26 levy imposed under RCW 86.15.160 by a flood control zone district in
27 a county with a population of seven hundred seventy-five thousand or
28 more that is coextensive with a county must be reduced until the
29 combined rate no longer exceeds one percent of the true and fair
30 value of any property or must be eliminated;

31 (iii) If the combined rate of regular property tax levies that
32 are subject to the one percent limitation still exceeds one percent
33 of the true and fair value of any property, the levy imposed by a
34 county under RCW 84.52.140 must be reduced until the combined rate no
35 longer exceeds one percent of the true and fair value of any property
36 or must be eliminated;

37 (iv) If the combined rate of regular property tax levies that are
38 subject to the one percent limitation still exceeds one percent of
39 the true and fair value of any property, the portion of the levy by a
40 fire protection district that is protected under RCW 84.52.125 must

1 be reduced until the combined rate no longer exceeds one percent of
2 the true and fair value of any property or must be eliminated;

3 (v) If the combined rate of regular property tax levies that are
4 subject to the one percent limitation still exceeds one percent of
5 the true and fair value of any property, the levy imposed by a county
6 under RCW 84.52.135 must be reduced until the combined rate no longer
7 exceeds one percent of the true and fair value of any property or
8 must be eliminated;

9 (vi) If the combined rate of regular property tax levies that are
10 subject to the one percent limitation still exceeds one percent of
11 the true and fair value of any property, the levy imposed by a ferry
12 district under RCW 36.54.130 must be reduced until the combined rate
13 no longer exceeds one percent of the true and fair value of any
14 property or must be eliminated;

15 (vii) If the combined rate of regular property tax levies that
16 are subject to the one percent limitation still exceeds one percent
17 of the true and fair value of any property, the portion of the levy
18 by a metropolitan park district with a population of one hundred
19 fifty thousand or more that is protected under RCW 84.52.120 must be
20 reduced until the combined rate no longer exceeds one percent of the
21 true and fair value of any property or must be eliminated;

22 (viii) If the combined rate of regular property tax levies that
23 are subject to the one percent limitation still exceeds one percent
24 of the true and fair value of any property, then the levies imposed
25 under RCW 84.34.230, 84.52.105, and any portion of the levy imposed
26 under RCW 84.52.069 that is in excess of thirty cents per thousand
27 dollars of assessed value, must be reduced on a pro rata basis until
28 the combined rate no longer exceeds one percent of the true and fair
29 value of any property or must be eliminated; and

30 (ix) If the combined rate of regular property tax levies that are
31 subject to the one percent limitation still exceeds one percent of
32 the true and fair value of any property, then the thirty cents per
33 thousand dollars of assessed value of tax levy imposed under RCW
34 84.52.069 must be reduced until the combined rate no longer exceeds
35 one percent of the true and fair value of any property or must be
36 eliminated.

37 (b) The certified rates of tax levy subject to these limitations
38 by all junior taxing districts imposing taxes on such property must
39 be reduced or eliminated as follows to bring the consolidated levy of
40 taxes on such property within the provisions of these limitations:

1 (i) First, the certified property tax levy rates of those junior
2 taxing districts authorized under RCW 36.68.525, 36.69.145,
3 35.95A.100, and 67.38.130 must be reduced on a pro rata basis or
4 eliminated;

5 (ii) Second, if the consolidated tax levy rate still exceeds
6 these limitations, the certified property tax levy rates of flood
7 control zone districts other than the portion of a levy protected
8 under RCW 84.52.815 must be reduced on a pro rata basis or
9 eliminated;

10 (iii) Third, if the consolidated tax levy rate still exceeds
11 these limitations, the certified property tax levy rates of all other
12 junior taxing districts, other than fire protection districts,
13 regional fire protection service authorities, library districts, the
14 first fifty cent per thousand dollars of assessed valuation levies
15 for metropolitan park districts, and the first fifty cent per
16 thousand dollars of assessed valuation levies for public hospital
17 districts, must be reduced on a pro rata basis or eliminated;

18 (iv) Fourth, if the consolidated tax levy rate still exceeds
19 these limitations, the first fifty cent per thousand dollars of
20 assessed valuation levies for metropolitan park districts created on
21 or after January 1, 2002, must be reduced on a pro rata basis or
22 eliminated;

23 (v) Fifth, if the consolidated tax levy rate still exceeds these
24 limitations, the certified property tax levy rates authorized to fire
25 protection districts under RCW 52.16.140 and 52.16.160 and regional
26 fire protection service authorities under RCW 52.26.140(1) (b) and
27 (c) must be reduced on a pro rata basis or eliminated; and

28 (vi) Sixth, if the consolidated tax levy rate still exceeds these
29 limitations, the certified property tax levy rates authorized for
30 fire protection districts under RCW 52.16.130, regional fire
31 protection service authorities under RCW 52.26.140(1)(a), library
32 districts, metropolitan park districts created before January 1,
33 2002, under their first fifty cent per thousand dollars of assessed
34 valuation levy, and public hospital districts under their first fifty
35 cent per thousand dollars of assessed valuation levy, must be reduced
36 on a pro rata basis or eliminated.

37 **Sec. 520.** RCW 84.52.010 and 2009 c 551 s 7 are each amended to
38 read as follows:

1 (1) Except as is permitted under RCW 84.55.050, all taxes
2 (~~shall~~) must be levied or voted in specific amounts.

3 (2) The rate percent of all taxes for state and county purposes,
4 and purposes of taxing districts coextensive with the county,
5 (~~shall~~) must be determined, calculated and fixed by the county
6 assessors of the respective counties, within the limitations provided
7 by law, upon the assessed valuation of the property of the county, as
8 shown by the completed tax rolls of the county, and the rate percent
9 of all taxes levied for purposes of taxing districts within any
10 county (~~shall~~) must be determined, calculated and fixed by the
11 county assessors of the respective counties, within the limitations
12 provided by law, upon the assessed valuation of the property of the
13 taxing districts respectively.

14 (3) When a county assessor finds that the aggregate rate of tax
15 levy on any property, that is subject to the limitations set forth in
16 RCW 84.52.043 or 84.52.050, exceeds the limitations provided in
17 either of these sections, the assessor (~~shall~~) must recompute and
18 establish a consolidated levy in the following manner:

19 (~~(1)~~) (a) The full certified rates of tax levy for state,
20 county, county road district, regional transit authority, and city or
21 town purposes (~~shall~~) must be extended on the tax rolls in amounts
22 not exceeding the limitations established by law; however any state
23 levy (~~shall~~) takes precedence over all other levies and (~~shall~~)
24 may not be reduced for any purpose other than that required by RCW
25 84.55.010. If, as a result of the levies imposed under RCW 36.54.130,
26 84.34.230, 84.52.069, 84.52.105, the portion of the levy by a
27 metropolitan park district that was protected under RCW 84.52.120,
28 84.52.125, 84.52.135, and 84.52.140, the combined rate of regular
29 property tax levies that are subject to the one percent limitation
30 exceeds one percent of the true and fair value of any property, then
31 these levies (~~shall~~) must be reduced as follows:

32 (~~(a)~~) (i) The levy imposed by a county under RCW 84.52.140
33 (~~shall~~) must be reduced until the combined rate no longer exceeds
34 one percent of the true and fair value of any property or (~~shall~~)
35 must be eliminated;

36 (~~(b)~~) (ii) If the combined rate of regular property tax levies
37 that are subject to the one percent limitation still exceeds one
38 percent of the true and fair value of any property, the portion of
39 the levy by a fire protection district that is protected under RCW
40 84.52.125 (~~shall~~) must be reduced until the combined rate no longer

1 exceeds one percent of the true and fair value of any property or
2 (~~shall~~) must be eliminated;

3 (~~(c)~~) (iii) If the combined rate of regular property tax levies
4 that are subject to the one percent limitation still exceeds one
5 percent of the true and fair value of any property, the levy imposed
6 by a county under RCW 84.52.135 must be reduced until the combined
7 rate no longer exceeds one percent of the true and fair value of any
8 property or must be eliminated;

9 (~~(d)~~) (iv) If the combined rate of regular property tax levies
10 that are subject to the one percent limitation still exceeds one
11 percent of the true and fair value of any property, the levy imposed
12 by a ferry district under RCW 36.54.130 must be reduced until the
13 combined rate no longer exceeds one percent of the true and fair
14 value of any property or must be eliminated;

15 (~~(e)~~) (v) If the combined rate of regular property tax levies
16 that are subject to the one percent limitation still exceeds one
17 percent of the true and fair value of any property, the portion of
18 the levy by a metropolitan park district that is protected under RCW
19 84.52.120 (~~shall~~) must be reduced until the combined rate no longer
20 exceeds one percent of the true and fair value of any property or
21 (~~shall~~) must be eliminated;

22 (~~(f)~~) (vi) If the combined rate of regular property tax levies
23 that are subject to the one percent limitation still exceeds one
24 percent of the true and fair value of any property, then the levies
25 imposed under RCW 84.34.230, 84.52.105, and any portion of the levy
26 imposed under RCW 84.52.069 that is in excess of thirty cents per
27 thousand dollars of assessed value, (~~shall~~) must be reduced on a
28 pro rata basis until the combined rate no longer exceeds one percent
29 of the true and fair value of any property or (~~shall~~) must be
30 eliminated; and

31 (~~(g)~~) (vii) If the combined rate of regular property tax levies
32 that are subject to the one percent limitation still exceeds one
33 percent of the true and fair value of any property, then the thirty
34 cents per thousand dollars of assessed value of tax levy imposed
35 under RCW 84.52.069 (~~shall~~) must be reduced until the combined rate
36 no longer exceeds one percent of the true and fair value of any
37 property or eliminated.

38 (~~(2)~~) (b) The certified rates of tax levy subject to these
39 limitations by all junior taxing districts imposing taxes on such
40 property (~~shall~~) must be reduced or eliminated as follows to bring

1 the consolidated levy of taxes on such property within the provisions
2 of these limitations:

3 ~~((a))~~ (i) First, the certified property tax levy rates of those
4 junior taxing districts authorized under RCW 36.68.525, 36.69.145,
5 35.95A.100, and 67.38.130 ~~((shall))~~ must be reduced on a pro rata
6 basis or eliminated;

7 ~~((b))~~ (ii) Second, if the consolidated tax levy rate still
8 exceeds these limitations, the certified property tax levy rates of
9 flood control zone districts ~~((shall))~~ must be reduced on a pro rata
10 basis or eliminated;

11 ~~((c))~~ (iii) Third, if the consolidated tax levy rate still
12 exceeds these limitations, the certified property tax levy rates of
13 all other junior taxing districts, other than fire protection
14 districts, regional fire protection service authorities, library
15 districts, the first fifty cent per thousand dollars of assessed
16 valuation levies for metropolitan park districts, and the first fifty
17 cent per thousand dollars of assessed valuation levies for public
18 hospital districts, ~~((shall))~~ must be reduced on a pro rata basis or
19 eliminated;

20 ~~((d))~~ (iv) Fourth, if the consolidated tax levy rate still
21 exceeds these limitations, the first fifty cent per thousand dollars
22 of assessed valuation levies for metropolitan park districts created
23 on or after January 1, 2002, ~~((shall))~~ must be reduced on a pro rata
24 basis or eliminated;

25 ~~((e))~~ (v) Fifth, if the consolidated tax levy rate still
26 exceeds these limitations, the certified property tax levy rates
27 authorized to fire protection districts under RCW 52.16.140 and
28 52.16.160 and regional fire protection service authorities under RCW
29 52.26.140(1) (b) and (c) ~~((shall))~~ must be reduced on a pro rata
30 basis or eliminated; and

31 ~~((f))~~ (vi) Sixth, if the consolidated tax levy rate still
32 exceeds these limitations, the certified property tax levy rates
33 authorized for fire protection districts under RCW 52.16.130,
34 regional fire protection service authorities under RCW
35 52.26.140(1)(a), library districts, metropolitan park districts
36 created before January 1, 2002, under their first fifty cent per
37 thousand dollars of assessed valuation levy, and public hospital
38 districts under their first fifty cent per thousand dollars of
39 assessed valuation levy, ~~((shall))~~ must be reduced on a pro rata
40 basis or eliminated.

1 (4) Annual progress reports must be transmitted to the
2 legislature and governor as of December 1st of each year.

3 (5) This section expires July 1, 2025.

4 NEW SECTION. **Sec. 602.** A new section is added to chapter 43.135
5 RCW to read as follows:

6 RCW 43.135.034(4) does not apply to any transfer in this act.

7 NEW SECTION. **Sec. 603.** RCW 82.38.083 (Deductions—Handling
8 losses—Reports) and 2013 c 225 s 205 are each repealed.

9 NEW SECTION. **Sec. 604.** If any provision of this act or its
10 application to any person or circumstance is held invalid, the
11 remainder of the act or the application of the provision to other
12 persons or circumstances is not affected.

13 NEW SECTION. **Sec. 605.** Sections 110, 113, 115, and 116 of this
14 act apply to vehicle registrations that are due or become due on or
15 after July 1, 2016.

16 NEW SECTION. **Sec. 606.** Section 123 of this act applies to
17 vehicle registrations that are due or become due on or after July 1,
18 2022.

19 NEW SECTION. **Sec. 607.** Except for sections 123, 309, 404, 517,
20 and 520 of this act, this act takes effect July 1, 2016.

21 NEW SECTION. **Sec. 608.** Section 123 of this act takes effect
22 July 1, 2022.

23 NEW SECTION. **Sec. 609.** Sections 309 and 404 of this act are
24 necessary for the immediate preservation of the public peace, health,
25 or safety, or support of the state government and its existing public
26 institutions, and take effect July 1, 2015.

27 NEW SECTION. **Sec. 610.** Section 307 of this act expires on the
28 date the requirements set out in section 7, chapter 36, Laws of 2012
29 are met.

1 NEW SECTION. **Sec. 611.** Section 308 of this act takes effect on
2 the date the requirements set out in section 7, chapter 36, Laws of
3 2012 are met.

4 NEW SECTION. **Sec. 612.** Sections 516 and 519 of this act expire
5 January 1, 2018.

6 NEW SECTION. **Sec. 613.** Sections 517 and 520 of this act take
7 effect January 1, 2018.

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