Proposed Substitute House Bill 1954 (H-2457.3)

By Representative Clibborn

Original bill:

- Increases the motor fuel taxes by 10 cents over five years, by means of yearly two cent increments and increases certain refunds in corresponding amounts.
- Distributes the increased fuel tax revenue to two new accounts, the Connecting Washington account and the maintenance, operations, and preservation account; the transportation improvement board; the county road administration board; the Puget Sound ferry operations account; and the cities and counties.
- Establishes the distribution of the increases in various fees that were raised during the 2012 legislative session.
- Creates a freight project fee equal to 15% of the current gross weight fee to be used for freight projects, and a bike fee of $25 for complete streets projects.
- Increases the hazardous substances tax by 0.3% and distributes the proceeds to various accounts for stormwater and fish passage barrier projects.
- Implements a motor vehicle excise tax of 0.7% of the value of motor vehicles weighing less than 10,000 pounds and distributes the proceeds to transit authorities, cities and counties, the transportation improvement board, and the Connecting Washington Account.
- Imposes a service fee of $5 for every vehicle registration renewal and $12 for every certificate of title transaction conducted by a county auditor or other agent and the Department of Licensing.
- Provides a variety of local revenue options.

Substitute bill compared to original bill:

- Maintains the total 10 cent increase in motor vehicle fuel taxes, but increases the taxes by five cents in the first year, two cents in each of the next two years, and one cent in the fourth year.
- Increases the current off-road vehicle, snowmobile, and marine fuel refunds by corresponding amounts over the same time frame.
- Distributes the increased fuel tax revenue to the new Connecting Washington account, the Puget Sound Ferry Operations account, the Puget Sound Capital Construction account, and the cities and counties.
- Retains the distribution of the increases in various fees that were raised during the 2012 legislative session, and also provides for a distribution to transit authorities.
- Retains the freight project fee equal to 15% of the current gross weight fee to be used for freight projects, but eliminates the bike fee of $25 for complete streets projects.
- Increases the current gross weight fees and passenger weight fees by $15, $25, $35, and $33 depending on if the vehicle weighs less than 4,000, 6,000, 8,000, or 10,000 pounds.
- Removes the motor vehicle excise tax and the increase in the hazardous substances tax.
- Modifies the definition of an electric vehicle.
• Provides the following local revenue options:
  o Allows a transportation benefit district to impose a local annual vehicle fee of up to $40 upon a majority vote of the governing body.
  o Allows a county with a population of 1,000,000 or more to impose a motor vehicle excise tax (MVET) of up to 1.5 percent of the value of a vehicle with the approval of the voters, and requires 60 percent of the proceeds of the MVET to be used for public transportation systems and 40 percent to be distributed on a pro rate basis to cities, town, and the county for local roads.
  o Allows a public transportation benefit area in a county with a population of 700,000 or more that also contains a city with a population of 75,000 or more that operates a transit system to impose a sales tax of up to 0.3% with voter approval.
  o Allows all transit agencies, except for a regional transit authority, to establish an enhanced public transportation zone within the transit agencies' boundaries, and, with voter approval, increase the sales and use tax within that zone up to the maximum rate currently allowed by statute.

Committee: House Transportation Committee

Staff: David Munnecke (786-7315)
       Office of Program Research
BILL REQ. #: H-2457.3/13 3rd draft
ATTY/TYPIST: BP:seg
BRIEF DESCRIPTION: Concerning transportation revenue.
AN ACT Relating to transportation revenue; amending RCW 82.36.025, 82.38.030, 46.68.090, 46.10.530, 79A.25.070, 46.17.100, 46.17.200, 46.20.293, 46.29.050, 46.68.041, 46.70.061, 46.68.020, 46.68.280, 46.68.390, 46.17.355, 81.77.160, 47.60.322, 46.17.323, 36.73.065, 82.14.045, and 82.80.140; reenacting and amending RCW 43.84.092, 43.84.092, 46.09.520, and 46.52.130; adding a new section to chapter 46.68 RCW; adding a new section to chapter 46.17 RCW; adding a new section to chapter 82.80 RCW; adding a new section to chapter 82.14 RCW; creating new sections; repealing 2012 c 74 s 18 (uncodified); providing effective dates; providing a contingent effective date; and providing contingent expiration dates.

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

MOTOR VEHICLE AND SPECIAL FUEL TAXES

Sec. 101. RCW 82.36.025 and 2007 c 515 s 3 are each amended to read as follows:

(1) A motor vehicle fuel tax rate of twenty-three cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
(2) Beginning July 1, 2003, an additional and cumulative motor vehicle fuel tax rate of five cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

(3) Beginning July 1, 2005, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

(4) Beginning July 1, 2006, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

(5) Beginning July 1, 2007, an additional and cumulative motor vehicle fuel tax rate of two cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

(6) Beginning July 1, 2008, an additional and cumulative motor vehicle fuel tax rate of one and one-half cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

(7) Beginning August 1, 2013, an additional and cumulative motor vehicle fuel tax rate of five cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

(8) Beginning July 1, 2014, an additional and cumulative motor vehicle fuel tax rate of two cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

(9) Beginning July 1, 2015, an additional and cumulative motor vehicle fuel tax rate of two cents per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.

(10) Beginning July 1, 2016, an additional and cumulative motor vehicle fuel tax rate of one cent per gallon on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than motor vehicle fuel distributors.
Sec. 102. RCW 82.38.030 and 2007 c 515 s 21 are each amended to read as follows:

(1) There is hereby levied and imposed upon special fuel licensees, other than special fuel distributors, a tax at the rate of twenty-three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature.

(2) Beginning July 1, 2003, an additional and cumulative tax rate of five cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

(3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(7) Beginning August 1, 2013, an additional and cumulative tax rate of five cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.
(8) Beginning July 1, 2014, an additional and cumulative tax rate of two cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(9) Beginning July 1, 2015, an additional and cumulative tax rate of two cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(10) Beginning July 1, 2016, an additional and cumulative tax rate of one cent per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel licensees, other than special fuel distributors.

(11) Taxes are imposed when:
(a) Special fuel is removed in this state from a terminal if the special fuel is removed at the rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state, or the removal is by a special fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
(b) Special fuel is removed in this state from a refinery if either of the following applies:
   (i) The removal is by bulk transfer and the refiner or the owner of the special fuel immediately before the removal is not a licensee; or
   (ii) The removal is at the refinery rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state, or the removal is to a special fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;
(c) Special fuel enters into this state for sale, consumption, use, or storage, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320, if either of the following applies:
   (i) The entry is by bulk transfer and the importer is not a licensee; or
   (ii) The entry is not by bulk transfer;
   (d) Special fuel is sold or removed in this state to an unlicensed
entity unless there was a prior taxable removal, entry, or sale of the special fuel;

(e) Blended special fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended special fuel subject to tax is the difference between the total number of gallons of blended special fuel removed or sold and the number of gallons of previously taxed special fuel used to produce the blended special fuel;

(f) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the special fuel tax;

(g) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;

(h) Special fuel purchased by an international fuel tax agreement licensee under RCW 82.38.320 is used on a highway; and

(i) Special fuel is sold by a licensed special fuel supplier to a special fuel distributor, special fuel importer, or special fuel blender and the special fuel is not removed from the bulk transfer-terminal system.

Sec. 103. RCW 46.68.090 and 2011 c 120 s 4 are each amended to read as follows:

(1) All moneys that have accrued or may accrue to the motor vehicle fund from the motor vehicle fuel tax and special fuel tax shall be first expended for purposes enumerated in (a) and (b) of this subsection. The remaining net tax amount shall be distributed monthly by the state treasurer in accordance with subsections (2) through (8) of this section.

(a) For payment of refunds of motor vehicle fuel tax and special fuel tax that has been paid and is refundable as provided by law;

(b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the motor vehicle fuel tax and the special fuel tax, which sums shall be distributed monthly.

(2) All of the remaining net tax amount collected under RCW 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a) through (j) of this subsection.
(a) For distribution to the motor vehicle fund an amount equal to 44.387 percent to be expended for highway purposes of the state as defined in RCW 46.68.130;

(b) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount equal to 3.2609 percent to be expended for special category C projects. Special category C projects are category C projects that, due to high cost only, will require bond financing to complete construction.

The following criteria, listed in order of priority, shall be used in determining which special category C projects have the highest priority:

(i) Accident experience;
(ii) Fatal accident experience;
(iii) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and
(iv) Continuity of development of the highway transportation network.

Moneys deposited in the special category C account in the motor vehicle fund may be used for payment of debt service on bonds the proceeds of which are used to finance special category C projects under this subsection (2)(b);

(c) For distribution to the Puget Sound ferry operations account in the motor vehicle fund an amount equal to 2.3283 percent;

(d) For distribution to the Puget Sound capital construction account in the motor vehicle fund an amount equal to 2.3726 percent;

(e) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 7.5597 percent;

(f) For distribution to the transportation improvement account in the motor vehicle fund an amount equal to 5.6739 percent and expended in accordance with RCW 47.26.086;

(g) For distribution to the cities and towns from the motor vehicle fund an amount equal to 10.6961 percent in accordance with RCW 46.68.110;

(h) For distribution to the counties from the motor vehicle fund an amount equal to 19.2287 percent: (i) Out of which there shall be distributed from time to time, as directed by the department of transportation, those sums as may be necessary to carry out the provisions of RCW 47.56.725; and (ii) less any amounts appropriated to
the county road administration board to implement the provisions of RCW 47.56.725(4), with the balance of such county share to be distributed monthly as the same accrues for distribution in accordance with RCW 46.68.120;

(i) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund an amount equal to 1.9565 percent. These funds shall be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and shall be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board shall adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used;

(j) For distribution to the rural arterial trust account in the motor vehicle fund an amount equal to 2.5363 percent and expended in accordance with RCW 36.79.020.

(3) The remaining net tax amount collected under RCW 82.36.025(2) and 82.38.030(2) shall be distributed to the transportation 2003 account (nickel account).

(4) The remaining net tax amount collected under RCW 82.36.025(3) and 82.38.030(3) shall be distributed as follows:

(a) 8.3333 percent shall be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;

(b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and

(c) The remainder shall be distributed to the transportation partnership account created in RCW 46.68.290.

(5) The remaining net tax amount collected under RCW 82.36.025(4) and 82.38.030(4) shall be distributed as follows:

(a) 8.3333 percent shall be distributed to the incorporated cities and towns of the state in accordance with RCW 46.68.110;

(b) 8.3333 percent shall be distributed to counties of the state in accordance with RCW 46.68.120; and

(c) The remainder shall be distributed to the transportation partnership account created in RCW 46.68.290.

(6) The remaining net tax amount collected under RCW 82.36.025 (5)
and (6) and 82.38.030 (5) and (6) shall be distributed to the transportation partnership account created in RCW 46.68.290.

(7) The remaining net tax amount collected under RCW 82.36.025 (7), (8), (9), and (10) and 82.38.030 (7), (8), (9), and (10) shall be distributed as follows:

(a) 5 percent shall be distributed to counties under RCW 46.68.122;
(b) 5 percent shall be distributed to cities under RCW 46.68.110;
(c) 5 percent shall be distributed to the Puget Sound ferry operations account created in RCW 47.60.530;
(d) 7.5 percent shall be distributed to the Puget Sound capital construction account created in RCW 47.60.505; and
(e) The remainder shall be distributed to the connecting Washington account created in section 104 of this act.

(8) Nothing in this section or in RCW 46.68.130 may be construed so as to violate any terms or conditions contained in any highway construction bond issues now or hereafter authorized by statute and whose payment is by such statute pledged to be paid from any excise taxes on motor vehicle fuel and special fuels.

NEW SECTION.  Sec. 104. A new section is added to chapter 46.68 RCW to read as follows:

The connecting Washington account is created in the motor vehicle fund. All receipts from RCW 46.68.090(7)(e) and section 305 (1) and (2)(c) of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account must be used only for projects or improvements identified as connecting Washington projects or improvements in the omnibus transportation appropriations act, including any principal and interest on bonds authorized for the projects or improvements, and for the maintenance, operations, and preservation of the state highway system, which is defined for purposes of this section as activities undertaken to (1) provide, maintain, and operate serviceable roadways through planned strategies of cost-effective treatments to existing roadways and appurtenances that preserve the highway system, (2) retard future deterioration, (3) preserve or improve safety, and (4) maintain the functional condition of the existing highway system.
Sec. 105. RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c 187 s 14, and 2012 c 83 s 4 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel
replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety ((account [fund])) fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster
reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety
employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

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

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

Sec. 106. RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c 187 s 14, 2012 c 83 s 4, and 2012 c 36 s 5 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern
Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight congestion relief account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety account, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public transportation systems account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puyallup tribal settlement account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state
employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

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

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

Sec. 107. RCW 46.09.520 and 2010 1st sp.s. c 37 s 936 and 2010 c 161 s 222 are each reenacted and amended to read as follows:

(1) From time to time, but at least once each year, the state treasurer shall refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on a tax rate of: (a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; (c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; ((and)) (e) twenty-three cents per gallon of motor vehicle fuel beginning July 1, 2011; (f) twenty-eight cents per gallon of motor vehicle fuel beginning August 1, 2013; (g) thirty cents per gallon of motor vehicle fuel beginning July 1, 2014; (h) thirty-two cents per gallon of motor vehicle fuel beginning July 1, 2015; and (i) thirty-three cents per gallon of motor vehicle fuel beginning July 1, 2016, and thereafter, less proper deductions for refunds and costs of collection as provided in RCW 46.68.090.

(2) The treasurer shall place these funds in the general fund as follows:

(a) Thirty-six percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;

(b) Three and one-half percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development,
maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;

(c) Two percent shall be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and

(d) Fifty-eight and one-half percent shall be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:

(i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;

(ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:

(A) Not less than thirty percent, together with the funds the board receives under RCW 46.68.045, may be expended for ORV recreation facilities;

(B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) shall be known as Ira Spring outdoor recreation facilities funds; and

(C) Not less than thirty percent may be expended for nonhighway road recreation facilities;

(iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.

(3) On a yearly basis an agency may not, except as provided in RCW 46.68.045, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

(4) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources to install consistent
off-road vehicle signage at department-managed recreation sites, and to
implement the recreation opportunities on department-managed lands in
the Reiter block and Ahtanum state forest, and to the state parks and
recreation commission. The legislature finds that the appropriation of
funds from the NOVA account during the 2009-2011 fiscal biennium for
maintenance and operation of state parks or to improve accessibility
for boaters and off-road vehicle users at state parks will benefit
boaters and off-road vehicle users and others who use nonhighway and
nonmotorized recreational facilities. The appropriations under this
subsection are not required to follow the specific distribution
specified in subsection (2) of this section.

Sec. 108. RCW 46.10.530 and 2003 c 361 s 408 are each amended to
read as follows:

From time to time, but at least once each four years, the
department shall determine the amount of moneys paid to it as motor
vehicle fuel tax that is tax on snowmobile fuel. Such determination
shall use one hundred thirty-five gallons as the average yearly fuel
usage per snowmobile, the number of registered snowmobiles during the
calendar year under determination, and a fuel tax rate of: (1)
Nineteen cents per gallon of motor vehicle fuel from July 1, 2003,
through June 30, 2005; (2) twenty cents per gallon of motor vehicle
fuel from July 1, 2005, through June 30, 2007; (3) twenty-one cents per
gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009;
(4) twenty-two cents per gallon of motor vehicle fuel from July 1,
2009, through June 30, 2011; (and) (5) twenty-three cents per gallon
of motor vehicle fuel beginning July 1, 2011; (6) twenty-eight cents
per gallon of motor vehicle fuel beginning August 1, 2013; (7) thirty
cents per gallon of motor vehicle fuel beginning July 1, 2014; (8)
thirty-two cents per gallon of motor vehicle fuel beginning July 1,
2015; and (9) thirty-three cents per gallon of motor vehicle fuel
beginning July 1, 2016, and thereafter.

Sec. 109. RCW 79A.25.070 and 2010 c 23 s 3 are each amended to
read as follows:

Upon expiration of the time limited by RCW 82.36.330 for claiming
of refunds of tax on marine fuel, the state of Washington shall succeed
to the right to such refunds. The director of licensing, after taking
into account past and anticipated claims for refunds from and deposits to the marine fuel tax refund account, shall request the state treasurer to transfer monthly from the marine fuel tax refund account an amount equal to the proportion of the moneys in the account representing a motor vehicle fuel tax rate of: (1) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; (2) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; (3) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; (4) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; ((and)) (5) twenty-three cents per gallon of motor vehicle fuel beginning July 1, 2011; (6) twenty-eight cents per gallon of motor vehicle fuel beginning August 1, 2013; (7) thirty cents per gallon of motor vehicle fuel beginning July 1, 2014; (8) thirty-two cents per gallon of motor vehicle fuel beginning July 1, 2015; and (9) thirty-three cents per gallon of motor vehicle fuel beginning July 1, 2016, and thereafter, to the recreation resource account and the remainder to the motor vehicle fund.

DISTRIBUTION OF EXISTING FEES

Sec. 201. RCW 46.17.100 and 2012 c 74 s 1 are each amended to read as follows:

Before accepting an application for a certificate of title as required in this title, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay a fifteen dollar application fee in addition to any other fees and taxes required by law.

((1) Five dollars of)) The certificate of title application fee must be distributed under RCW 46.68.020.

((2) Ten dollars of the certificate of title application fee must be credited to the transportation 2003 account (nickel account) created in RCW 46.68.280.))

Sec. 202. RCW 46.17.200 and 2012 c 74 s 3 are each amended to read as follows:

(1) In addition to all other fees and taxes required by law, the
department, county auditor or other agent, or subagent appointed by the
director shall charge:

(a) The following license plate fees for each license plate, unless
the owner or type of vehicle is exempt from payment:

<table>
<thead>
<tr>
<th>FEE TYPE</th>
<th>FEE</th>
<th>DISTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original issue</td>
<td>$10.00</td>
<td>RCW 46.68.070</td>
</tr>
<tr>
<td>Reflectivity</td>
<td>$2.00</td>
<td>RCW 46.68.070</td>
</tr>
<tr>
<td>Replacement</td>
<td>$10.00</td>
<td>RCW 46.68.070</td>
</tr>
<tr>
<td>Original issue, motorcycle</td>
<td>$4.00</td>
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<tr>
<td>Replacement, motorcycle</td>
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</tr>
<tr>
<td>Original issue, moped</td>
<td>$1.50</td>
<td>RCW 46.68.070</td>
</tr>
</tbody>
</table>

(b) A license plate retention fee, as required under RCW
46.16A.200(10)(c), of twenty dollars if the owner wishes to retain the
current license plate number upon license plate replacement, unless the
owner or type of vehicle is exempt from payment. The twenty dollar fee
must be deposited in the multimodal transportation account created in
RCW 47.66.070.

(c) A ten dollar license plate transfer fee, as required under RCW
46.16A.200(8)(a), when transferring standard issue license plates from
one vehicle to another, unless the owner or type of vehicle is exempt
from payment. The ten dollar license plate transfer fee must be
deposited in the motor vehicle fund created in RCW 46.68.070.

(d) Former prisoner of war license plates, as described in RCW
46.18.235, may be transferred to a replacement vehicle upon payment of
a five dollar license plate fee, in addition to any other fee required
by law.

(2) Each original issue license plate fee and original issue
motorcycle license plate fee paid under subsection (1)(a) of this
section and two dollars of each replacement motorcycle license plate
fee paid under subsection (1)(a) of this section is for the sole use of
the department of transportation for the removal of fish passage
barriers related to the transportation system.
(3) The department may, upon request, provide license plates that have been used and returned to the department to individuals for nonvehicular use. The department may charge a fee of up to five dollars per license plate to cover costs or recovery for postage and handling. The department may waive the fee for license plates used in educational projects and may, by rule, provide standards for the fee waiver and restrictions on the number of license plates provided to any one person. The fee must be deposited in the motor vehicle fund created in RCW 46.68.070.

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

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

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

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

(1) The department shall upon request furnish any person or his or her attorney a certified abstract of his or her driving record, which abstract shall include enumeration of any motor vehicle accidents in which such person has been involved. Such abstract shall (a) indicate the total number of vehicles involved, whether the vehicles were legally parked or moving, and whether the vehicles were occupied at the
time of the accident; and (b) contain reference to any convictions of
the person for violation of the motor vehicle laws as reported to the
department, reference to any findings that the person has committed a
traffic infraction which have been reported to the department, and a
record of any vehicles registered in the name of the person. The
department shall collect for each abstract the sum of thirteen dollars,
((fifty)) thirty-eight and one-half percent of which shall be deposited
in the highway safety fund and ((fifty)) sixty-one and one-half percent
of which must be deposited according to RCW 46.68.038.

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

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

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

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

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

(i) The total number of vehicles involved;
(ii) Whether the vehicles were legally parked or moving;
(iii) Whether the vehicles were occupied at the time of the
accident; and
(iv) Whether the accident resulted in a fatality;
(b) Any reported convictions, forfeitures of bail, or findings that
an infraction was committed based upon a violation of any motor vehicle
law;
(c) The status of the person's driving privilege in this state; and
(d) Any reports of failure to appear in response to a traffic
citation or failure to respond to a notice of infraction served upon
the named individual by an arresting officer.

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

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

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

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

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

(C) Upon request of the person named in the abstract provided under
this subsection, and upon that same person furnishing copies of court
records ruling that the person was not at fault in a motor vehicle
accident, the department must indicate on any abstract provided under
this subsection that the person was not at fault in the motor vehicle
accident.
(ii) In addition to the methods described in (b)(i) of this subsection, the director may enter into a contractual agreement with an employer or its agent for the purpose of reviewing the driving records of existing employees for changes to the record during specified periods of time. The department shall establish a fee for this service, which must be deposited in the highway safety fund. The fee for this service must be set at a level that will not result in a net revenue loss to the state. Any information provided under this subsection must be treated in the same manner and is subject to the same restrictions as driving record abstracts.

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

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

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

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

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

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

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

(ii) The abstract provided to the insurance company must:
(A) Not contain any information related to actions committed by law enforcement officers or firefighters, as both terms are defined in RCW 41.26.030, or by Washington state patrol officers, while driving official vehicles in the performance of their occupational duty. This does not apply to any situation where the vehicle was used in the commission of a misdemeanor or felony;

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

(C) Exclude any deferred prosecution under RCW 10.05.060, except that if a person is removed from a deferred prosecution under RCW 10.05.090, the abstract must show the deferred prosecution as well as the removal.

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

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

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

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

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

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

(g) **City attorneys and county prosecuting attorneys.** An abstract of the full driving record maintained by the department, including whether a recorded violation is an alcohol-related offense, as defined in RCW 46.01.260(2), that was originally charged as a violation of either RCW 46.61.502 or 46.61.504, may be furnished to city attorneys or county prosecuting attorneys. City attorneys and county prosecuting attorneys may provide the driving record to alcohol/drug assessment or treatment agencies approved by the department of social and health services to which the named individual has applied or been assigned for evaluation or treatment.

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

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

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

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

(5) Violation. (a) Any negligent violation of this section is a
gross misdemeanor.
(b) Any intentional violation of this section is a class C felony.

Sec. 206. RCW 46.68.041 and 2004 c 95 s 15 are each amended to
read as follows:

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

(2) (a) Sixty-three percent of each fee collected by the department
under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b) ((shall)) must
be deposited in the impaired driving safety account.
   (b)(i)(A) $2.88 of each driver's license issuance fee paid under
   RCW 46.20.161 must be deposited in the state patrol highway account.
   (B) If the driver's license issuance fee paid under RCW 46.20.161
   is for a driver's license with a term of less than six years, the
   amount to be deposited in the state patrol highway account is $0.48
   multiplied by the number of years in the term of the driver's license.
   (ii)(A) $21.12 of each driver's license issuance fee paid under RCW
   46.20.161 is for the sole use of the transportation improvement board.
   (B) If the driver's license issuance fee paid under RCW 46.20.161
   is for a driver's license with a term of less than six years, the
   amount for the sole use of the transportation improvement board is
   $3.52 multiplied by the number of years in the term of the driver's
   license.
   (C)(I) Ninety percent of moneys received under this subsection
   (2)(b)(ii) must be deposited in the transportation improvement account
   for the transportation improvement board urban arterial program.
(II) Ten percent of moneys received under this subsection (2)(b)(ii) must be deposited in the small city pavement and sidewalk account for the transportation improvement board small city pavement and sidewalk program.

(c)(i) $4.28 of each driver's license renewal fee paid under RCW 46.20.181(2) be deposited in the motor vehicle fund.

(ii)(A) $6.02 of each driver's license renewal fee paid under RCW 46.20.181(2) is for the sole use of the department of transportation for local programs.

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

(II) Seventy-five percent of moneys received under this subsection (2)(c)(ii) must be deposited in the highway safety fund for safe routes to school program projects.

(iii) $7.01 of each driver's license renewal fee paid under RCW 46.20.181(2) must be deposited in the Puget Sound ferry operations account.

(iv) $6.69 of each driver's license renewal fee paid under RCW 46.20.181(2) must be deposited in the county arterial preservation account for the sole use of the county road administration board for the county arterial preservation program.

(d) If the driver's license renewal fee paid under RCW 46.20.181(4) is for a driver's license with a term of less than six years, the amount to be deposited in the motor vehicle fund is four dollars multiplied by the number of years in the term of the driver's license.

(e) If the driver's license renewal fee paid under RCW 46.20.181(5) is for a driver's license with a term of less than six years, the amount to be deposited in the state patrol highway account is four dollars multiplied by the number of years in the term of the driver's license.

(f) Thirty dollars of each identicard fee paid under RCW 46.20.117 must be deposited in the Puget Sound ferry operations account.

(g) Five dollars of each driver's instruction permit fee paid under RCW 46.20.055 must be deposited in the state patrol highway account.

(h) Fifteen dollars of each driver's licensing examination fee paid
under RCW 46.20.120(2) must be deposited in the Puget Sound ferry operations account.

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

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

Sec. 207. RCW 46.70.061 and 2012 c 74 s 7 are each amended to read as follows:

(1) The annual fees for original licenses issued for twelve consecutive months from the date of issuance under this chapter shall be:

(a) Vehicle dealers, principal place of business for each and every license classification: Nine hundred seventy-five dollars;

(b) Vehicle dealers, each subagency, and temporary subagency: One hundred dollars;

(c) Vehicle manufacturers: Five hundred dollars.

(2) The annual fee for renewal of any license issued pursuant to this chapter shall be:

(a) Vehicle dealers, principal place of business for each and every license classification: Three hundred twenty-five dollars;

(b) Vehicle dealer, each and every subagency: Twenty-five dollars;

(c) Vehicle manufacturers: Two hundred fifty dollars.

If any licensee fails or neglects to apply for such renewal within thirty days after the expiration of the license, or assigned renewal date under a staggered licensing system, the license shall be declared canceled by the director, in which case the licensee will be required to apply for an original license and pay the fee required for the original license.

(3) The fee for the transfer to another location of any license classification issued pursuant to this chapter shall be twenty-five dollars.

(4) The fee for vehicle dealer license plates and manufacturer license plates shall be the amount required by law for vehicle license plates exclusive of excise tax and gross weight and tonnage fees.

(5)(a) All fees collected under this chapter shall be deposited in the state treasury and credited to the motor vehicle fund.
(b) Two hundred twenty-five dollars of each fee paid under subsection (1)(a) of this section is for the sole use of the department of transportation for the removal of fish passage barriers related to the transportation system.

(c) Seventy-five dollars of each fee paid under subsection (2)(a) of this section is for the sole use of the department of transportation for the removal of fish passage barriers related to the transportation system.

(6) The fees prescribed in this section are in addition to any excise taxes imposed by chapter 82.44 RCW.

Sec. 208. RCW 46.68.020 and 2011 c 171 s 84 are each amended to read as follows:

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

<table>
<thead>
<tr>
<th>FEE</th>
<th>REQUIRED IN</th>
<th>ESTABLISHED IN</th>
<th>DISTRIBUTION</th>
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<td>ORV certificate of title fee</td>
<td>RCW 46.09.320</td>
<td>RCW 46.17.100</td>
<td>RCW 47.66.070</td>
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<td>Original certificate of title</td>
<td>RCW 46.12.530</td>
<td>RCW 46.17.100</td>
<td>RCW 47.66.070</td>
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<td>Penalty for late transfer</td>
<td>RCW 46.12.650</td>
<td>RCW 46.17.140</td>
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<td>Motor change</td>
<td>RCW 46.12.590</td>
<td>RCW 46.17.100</td>
<td>RCW ((46.68.280)) 47.66.070</td>
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<tr>
<td>Transfer certificate of title</td>
<td>RCW 46.12.650</td>
<td>RCW 46.17.100</td>
<td>RCW ((46.68.280)) 47.66.070</td>
</tr>
<tr>
<td>Security interest changes</td>
<td>RCW 46.12.675</td>
<td>RCW 46.17.100</td>
<td>RCW ((46.68.280)) 47.66.070</td>
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<td>Duplicate certificate of title</td>
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<td>RCW ((46.68.280)) 47.66.070</td>
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<td>Stolen vehicle check</td>
<td>RCW 46.12.570</td>
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<td>RCW 46.68.070</td>
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<td>Vehicle identification number assignment</td>
<td>RCW 46.12.560</td>
<td>RCW 46.17.135</td>
<td>RCW 46.68.070</td>
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</tbody>
</table>

Sec. 209. RCW 46.68.280 and 2003 c 361 s 601 are each amended to read as follows:

(1) The transportation 2003 account (nickel account) is hereby created in the motor vehicle fund. Money in the account may be spent
only after appropriation. Expenditures from the account must be used only for projects or improvements identified as transportation 2003 projects or improvements in the omnibus transportation budget and to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements. Upon completion of the projects or improvements identified as transportation 2003 projects or improvements, moneys deposited in this account must only be used to pay the principal and interest on the bonds authorized for transportation 2003 projects or improvements, and any funds in the account in excess of the amount necessary to make the principal and interest payments may be used for maintenance on the completed projects or improvements.

(2) The "nickel account" means the transportation 2003 account.

(3) Beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer four million seven hundred thousand dollars from the multimodal transportation account to the nickel account.

Sec. 210. RCW 46.68.390 and 2012 c 74 s 9 are each amended to read as follows:

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

(2) Beginning September 2015, by the last day of September, December, March, and June of each year, the state treasurer shall transfer three million two hundred fifty thousand dollars from the multimodal transportation account to the public transportation grant program account.

NEW SECTION. Sec. 211. 2012 c 74 s 18 (uncodified) is repealed.

FEES

Sec. 301. RCW 46.17.355 and 2011 c 171 s 61 are each amended to read as follows:

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

<table>
<thead>
<tr>
<th>WEIGHT</th>
<th>SCHEDULE A</th>
<th>SCHEDULE B</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,000 pounds</td>
<td>($38.00)</td>
<td>$53.00</td>
</tr>
<tr>
<td>6,000 pounds</td>
<td>($48.00)</td>
<td>$73.00</td>
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<td>8,000 pounds</td>
<td>($58.00)</td>
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<td>12,000 pounds</td>
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<td>Gross Weight</td>
<td>Schedule A</td>
<td>Schedule B</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>64,000 pounds</td>
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<td>66,000 pounds</td>
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<tr>
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<tr>
<td>84,000 pounds</td>
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</tr>
<tr>
<td>86,000 pounds</td>
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<tr>
<td>88,000 pounds</td>
<td>$2,223.00</td>
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<tr>
<td>90,000 pounds</td>
<td>$2,344.00</td>
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<td>92,000 pounds</td>
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<td>100,000 pounds</td>
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<td>102,000 pounds</td>
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<tr>
<td>104,000 pounds</td>
<td>$3,189.00</td>
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</tr>
<tr>
<td>105,500 pounds</td>
<td>$3,310.00</td>
<td>$3,400.00</td>
</tr>
</tbody>
</table>

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

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

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

(5) The license fee based on declared gross weight as provided in subsection (1) of this section must be distributed under RCW 46.68.035.

(6) In addition to the license fee based on declared gross weight as provided in subsection (1) of this section, the department, county auditor or other agent, or subagent appointed by the director must
require an applicant with a vehicle with a declared gross weight of
more than 10,000 pounds, unless specifically exempt, to pay a freight
project fee equal to fifteen percent of the license fee provided in
subsection (1) of this section, rounded to the nearest whole dollar,
which must be deposited in the connecting Washington account created in
section 104 of this act to be used exclusively for major freight
corridors.

NEW SECTION. Sec. 302. Section 301 of this act applies to vehicle
registrations that are due or become due on or after August 1, 2013.

Sec. 303. RCW 81.77.160 and 1997 c 434 s 1 are each amended to
read as follows:
(1) The commission, in fixing and altering collection rates charged
by every solid waste collection company under this section, shall
include in the base for the collection rates:
(a) All charges for the disposal of solid waste at the facility or
facilities designated by a local jurisdiction under a local
comprehensive solid waste management plan or ordinance; (and)
(b) All known and measurable costs related to implementation of the
approved county or city comprehensive solid waste management plan; and
(c) All taxes and fees imposed or increased under this act.
(2) If a solid waste collection company files a tariff to recover
the costs specified under this section, and the commission suspends the
tariff, the portion of the tariff covering costs specified in this
section shall be placed in effect by the commission at the request of
the company on an interim basis as of the originally filed effective
date, subject to refund, pending the commission's final order. The
commission may adopt rules to implement this section.
(3) This section applies to a solid waste collection company that
has an affiliated interest under chapter 81.16 RCW with a facility, if
the total cost of disposal, including waste transfer, transport, and
disposal charges, at the facility is equal to or lower than any other
reasonable and currently available option.

Sec. 304. RCW 47.60.322 and 2011 1st sp.s. c 16 s 2 are each
amended to read as follows:
(1) The capital vessel replacement account is created in the motor
vehicle fund. All revenues generated from the vessel replacement surcharge under RCW 47.60.315(7) and the amount of service fees required under section 305(2) of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the construction or purchase of ferry vessels and to pay the principal and interest on bonds authorized for the construction or purchase of ferry vessels. However, expenditures from the account must first be used to support the construction or purchase, including any applicable financing costs, of a ferry vessel with a carrying capacity of at least one hundred forty-four cars.

(2) The state treasurer may not transfer any moneys from the capital vessel replacement account except to the transportation 2003 account (nickel account) for debt service on bonds issued for the construction of ((a)) 144-car class ferry vessels.

NEW SECTION. Sec. 305. A new section is added to chapter 46.17 RCW to read as follows:

(1) The department and a county auditor or other agent appointed by the director shall collect a service fee of five dollars for each vehicle registration renewal processed by the department or that county auditor's or other agent's office. The service fee must be deposited into the connecting Washington account created in section 104 of this act.

(2)(a) The department and a county auditor or other agent appointed by the director shall collect a service fee of twelve dollars for each certificate of title transaction processed by the department or that county auditor's or other agent's office.

(b) Each fiscal year, the service fees collected under (a) of this subsection must be deposited into the capital vessel replacement account as authorized in RCW 47.60.322, except as required in (c) of this subsection.

(c) Any service fees collected under (a) of this subsection that are in excess of seven million dollars per fiscal year must be deposited into the connecting Washington account created in section 104 of this act.
NEW SECTION.  Sec. 306. Sections 304 and 305 of this act apply to vehicle registrations that are due or become due on or after January 1, 2014.

Sec. 307.  RCW 46.17.323 and 2012 c 74 s 10 are each amended to read as follows:
(1) Before accepting an application for an annual vehicle registration renewal for (an electric) a vehicle that uses (propulsion units powered solely by) at least one method of propulsion that is capable of being reenergized by an external source of electricity, the department, county auditor or other agent, or subagent appointed by the director must require the applicant to pay a one hundred dollar fee in addition to any other fees and taxes required by law. The one hundred dollar fee is due only at the time of annual registration renewal.
(2) This section only applies to:
   (a) A vehicle that is designed to have the capability to drive at a speed of more than thirty-five miles per hour; and
   (b) An annual vehicle registration renewal that is due on or after February 1, 2013.
(3)(a) The fee under this section is imposed to provide funds to mitigate the impact of vehicles on state roads and highways and for the purpose of evaluating the feasibility of transitioning from a revenue collection system based on fuel taxes to a road user assessment system, and is separate and distinct from other vehicle license fees. Proceeds from the fee must be used for highway purposes, and must be deposited in the motor vehicle fund created in RCW 46.68.070, subject to (b) of this subsection.
   (b) If in any year the amount of proceeds from the fee collected under this section exceeds one million dollars, the excess amount over one million dollars must be deposited as follows:
      (i) Seventy percent to the motor vehicle fund created in RCW 46.68.070;
      (ii) Fifteen percent to the transportation improvement account created in RCW 47.26.084; and
      (iii) Fifteen percent to the rural arterial trust account created in RCW 36.79.020.
NEW SECTION. Sec. 401. (1) It is the intent of the legislature to provide diversified local revenue options that may be tailored to the needs of each jurisdiction, in addition to any increases in funding provided through already existing partnerships between the state and local communities, such as the motor vehicle fuel taxes. In the case of public transit systems in particular, there is a need for additional revenue sources beyond the current sales and use tax options, which may, on their own, not be sufficient to meet the funding challenges of a particular system.

(2) It is also the intent that local governments coordinate with other municipalities, transit systems, transportation benefit districts, planning organizations, and other transportation agencies. It is critical that all transportation infrastructure is well planned, coordinated, and maintained at the local levels to provide a seamless transportation infrastructure to enable people and goods to move safely and efficiently throughout the state and to bolster and improve the state's economy.

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

Sec. 402. RCW 36.73.065 and 2012 c 152 s 3 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, taxes, fees, charges, and tolls may not be imposed by a district without approval of a majority of the voters in the district voting on a proposition at a general or special election. The proposition must include a specific description of: (a) The transportation improvement or improvements proposed by the district; (b) any rebate program proposed to be established under RCW 36.73.067; and (c) the proposed taxes, fees, charges, and the range of tolls imposed by the district to raise revenue to fund the improvement or improvements or rebate program, as applicable.
(2) Voter approval under this section must be accorded substantial weight regarding the validity of a transportation improvement as defined in RCW 36.73.015.

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

(4)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district may impose by a majority vote of the governing board of the district the following fees and charges:

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

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

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

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

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

(5) If the interlocal agreement in RCW 82.80.140(2)(a) cannot be reached, a district that includes only the unincorporated territory of a county may impose by a majority vote of the governing body of the district up to (twenty) forty dollars of the vehicle fee authorized in RCW 82.80.140.
NEW SECTION.  Sec. 403. A new section is added to chapter 82.80 RCW to read as follows:

(1) A county with a population of one million or more may impose, by approval of a majority of the registered voters of the county voting on the proposition at a general or special election, a local motor vehicle excise tax of up to one and one-half percent annually on the value of every motor vehicle registered to a person residing within the county based on any guidebook, report, or compendium of recognized standing in the automotive industry, such as the Kelley Blue Book or the National Automobile Dealers' Association Guide. A motor vehicle excise tax may not be imposed on vehicles licensed under RCW 46.17.355, except for motor vehicles with an unladen weight of six thousand pounds or less, RCW 46.16A.425, 46.17.335, or 46.17.350(1)(c).

(2) A county imposing a tax under this section must contract, before the effective date of the resolution or ordinance imposing the local motor vehicle excise tax, administration and collection to the department of licensing, as appropriate, which must deduct an amount, as provided by contract, for administration and collection expenses incurred by the department.

(3) If the department of licensing determines a value for a vehicle pursuant to subsection (1) of this section, any person who pays a locally imposed motor vehicle excise tax for that vehicle may appeal the valuation to the department of licensing under chapter 34.05 RCW. If the taxpayer is successful on appeal, the department must refund the excess tax.

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

(5)(a) A county imposing a tax under this section must use sixty percent of the net funds, after any deductions pursuant to subsection (2) of this section, for the operation, maintenance, or capital needs of public transportation systems.

(b) The remaining forty percent of the net funds, after any deductions pursuant to subsection (2) of this section, must be used for the operations and maintenance of local roads and must be distributed on a pro rata basis to the county imposing the local motor vehicle excise tax and to incorporated cities and towns within the county based upon the population of the unincorporated portion of the county, the
population of an incorporated city, or the population of an
incorporated town as a percentage of the total population of the
county.

(6) For purposes of this section, the population of an incorporated
city or town is the most recent population determined by the office of
financial management.

Sec. 404. RCW 82.14.045 and 2008 c 86 s 102 are each amended to
read as follows:

(1) The legislative body of any city pursuant to RCW 35.92.060, of
any county which has created an unincorporated transportation benefit
area pursuant to RCW 36.57.100 and 36.57.110, of any public
transportation benefit area pursuant to RCW 36.57A.080 and 36.57A.090,
of any county transportation authority established pursuant to chapter
36.57 RCW, (and) of any metropolitan municipal corporation within a
county with a population of one million or more pursuant to chapter
35.58 RCW, and of any enhanced public transportation zone pursuant to
section 406 of this act, may, by resolution or ordinance for the sole
purpose of providing funds for the operation, maintenance, or capital
needs of public transportation systems or public transportation limited
to persons with special needs under RCW 36.57.130 and 36.57A.180, and
in lieu of the excise taxes authorized by RCW 35.95.040, submit an
authorizing proposition to the voters or include such authorization in
a proposition to perform the function of public transportation or
public transportation limited to persons with special needs under RCW
36.57.130 and 36.57A.180, and if approved by a majority of persons
voting thereon, impose a sales and use tax in accordance with the terms
of this chapter. Where an authorizing proposition is submitted by a
county on behalf of an unincorporated transportation benefit area, it
shall be voted upon by the voters residing within the boundaries of
such unincorporated transportation benefit area and, if approved, the
sales and use tax shall be imposed only within such area. Notwithstanding any provisions of this section to the contrary, any
county in which a county public transportation plan has been adopted
pursuant to RCW 36.57.070 and the voters of such county have authorized
the imposition of a sales and use tax pursuant to the provisions of
section 10, chapter 167, Laws of 1974 ex. sess., prior to July 1, 1975,
shall be authorized to fix and impose a sales and use tax as provided
in this section at not to exceed the rate so authorized without additional approval of the voters of such county as otherwise required by this section.

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

(2)(a) In the event a metropolitan municipal corporation imposes a sales and use tax pursuant to this chapter no city, county which has created an unincorporated transportation benefit area, public transportation benefit area authority, or county transportation authority wholly within such metropolitan municipal corporation shall be empowered to impose and/or collect taxes under RCW 35.95.040 or this section, but nothing herein shall prevent such city or county from imposing sales and use taxes pursuant to any other authorization.

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

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

(3) The legislative body of a public transportation benefit area located in a county with a population of seven hundred thousand or more that also contains a city with a population of seventy-five thousand or
more operating a transit system pursuant to chapter 35.95 RCW may submit an authorizing proposition to the voters and, if approved by a majority of persons voting on the proposition, impose a sales and use tax in accordance with the terms of this chapter of one-tenth, two-tenths, or three-tenths of one percent of the selling price, in the case of a sales tax, or value of the article used, in the case of a use tax, in addition to the rate in subsection (1) of this section.

Sec. 405. RCW 82.80.140 and 2010 c 161 s 917 are each amended to read as follows:

(1) Subject to the provisions of RCW 36.73.065, a transportation benefit district under chapter 36.73 RCW may fix and impose an annual vehicle fee, not to exceed one hundred dollars per vehicle registered in the district, for each vehicle subject to vehicle license fees under RCW 46.17.350(1) (a), (c), (d), (e), (g), (h), (j), or (n) through (q) and for each vehicle subject to gross weight license fees under RCW 46.17.355 with a scale weight of six thousand pounds or less.

(2)(a) A district that includes all the territory within the boundaries of the jurisdiction, or jurisdictions, establishing the district may impose by a majority vote of the governing board of the district up to ((twenty)) forty dollars of the vehicle fee authorized in subsection (1) of this section. If the district is countywide, the revenues of the fee shall be distributed to each city within the county by interlocal agreement. The interlocal agreement is effective when approved by the county and sixty percent of the cities representing seventy-five percent of the population of the cities within the county in which the countywide fee is collected.

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

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

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

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

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

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

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

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

(a) Campers, as defined in RCW 46.04.085;
(b) Farm tractors or farm vehicles, as defined in RCW 46.04.180 and 46.04.181;
(c) Mopeds, as defined in RCW 46.04.304;
(d) Off-road and nonhighway vehicles, as defined in RCW 46.04.365;
(e) Private use single-axle trailer, as defined in RCW 46.04.422;
(f) Snowmobiles, as defined in RCW 46.04.546; and
(g) Vehicles registered under chapter 46.87 RCW and the international registration plan.

NEW SECTION. Sec. 406. A new section is added to chapter 82.14 RCW to read as follows:

(1)(a) The tax authorized under RCW 82.14.045 may also be imposed by the legislative body of an enhanced public transportation zone established under subsection (2) of this section if approved by the voters in the enhanced public transportation zone in the manner provided for in this section. The establishing transit agency must consult with the department on sales tax collection methods when establishing the boundaries of the enhanced public transportation zone.

(b) A tax imposed under (a) of this subsection, when combined with the rate of tax imposed by the establishing transit agency under RCW 82.14.045, may not exceed the maximum rate allowed under RCW 82.14.045,
and expires either (i) five years after imposition, unless reauthorized by the voters in the enhanced public transportation zone in the manner provided for in this section, or (ii) upon failure of a reauthorization. Prior to reauthorization, the enhanced public transportation zone boundaries must be readjusted, if necessary, to meet the provisions under subsection (2)(c) of this section. A tax imposed under (a) of this subsection must be imposed only in the territory of the enhanced public transportation zone. The revenue from the tax imposed under (a) of this subsection must be expended only for public transportation service within the enhanced public transportation zone and must not supplant existing revenues allocated to the enhanced public transportation zone.

(c) Six months prior to the voter authorization or reauthorization of the tax authorized under (a) of this subsection, the establishing transit agency must determine a baseline level of fixed-route public transportation service. This baseline level of service must be publicly posted on the web site of the establishing transit agency. Upon the collection of the tax imposed under (a) of this subsection, fixed-route public transportation service within the enhanced public transportation zone must increase proportionally to additional revenue generated within the enhanced public transportation zone. Service hours within the enhanced public transportation zone must increase from the baseline level in accordance with the establishing transit agency's most recent cost of fixed-route public transportation per service hour, as approved by the national transit database. A report on the increase in public transportation service must be publicly posted annually on the establishing transit agency's web site.

(2)(a) The legislative body of a transit agency may establish an enhanced public transportation zone within a portion of the boundaries of the transit agency establishing the enhanced public transportation zone. An enhanced public transportation zone may include all or a portion of any county, city, or town as long as all or a portion of the county, city, or town is within the territory of the establishing transit agency. However, the legislative body of a city, town, or county may pass a resolution removing all or a portion of its jurisdiction from the enhanced public transportation zone, prior to creation of the zone, or at the time of reauthorization of the zone. The boundaries of any enhanced public transportation zone must follow
election precinct lines as far as practicable. When creating the zone boundaries, the establishing transit agency must attempt to include a significant amount of the population that the establishing transit agency designated as low income or minority for purposes of Title VI of the federal civil rights act of 1964. An enhanced public transportation zone may not include more than forty-nine percent of the population of the establishing transit agency.

(b) The members of the legislative body of the transit agency proposing to establish the enhanced public transportation zone, acting ex officio and independently, constitutes the legislative body of the enhanced public transportation zone.

(c) An enhanced public transportation zone may establish, finance, and provide a public transportation system within its boundaries in the same manner as authorized for the transit agency establishing the enhanced public transportation zone. However, the establishing transit agency must adopt a resolution or ordinance finding that the enhanced public transportation zone warrants consistent and sustainable transportation service levels of passenger capacity, speed, and service frequency to serve persons within the enhanced public transportation zone that would otherwise be substantially disadvantaged if the enhanced public transportation zone were not created.

(d) An enhanced public transportation zone constitutes a body corporate and possesses all the usual powers of a corporation for public purposes as well as all other powers that may be conferred by statute including, but not limited to, the authority to hire employees, staff, and services, to enter into contracts, to acquire, hold, and dispose of real and personal property, and to sue and be sued. Public works contract limits applicable to the transit agency that established the enhanced public transportation zone also apply to the enhanced public transportation zone.

(e) An enhanced public transportation zone may be dissolved by a majority vote of its legislative body when all contractual obligations of the enhanced public transportation zone have either been discharged or assumed by another governmental entity.

(3) For the purposes of this section:

(a) "Enhanced public transportation zone" means a quasi-municipal corporation and independent taxing authority within the meaning of
Article VII, section 1 of the state Constitution, and a taxing district within the meaning of Article VII, section 2 of the state Constitution, created by the legislative body of a transit agency.

(b) "Transit agency" means a city-owned transit system, an unincorporated transportation benefit area, a county transportation authority, a metropolitan municipal corporation within a county with a population of one million or more, and a public transportation benefit area.

MISCELLANEOUS

NEW SECTION. Sec. 501. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 502. Sections 101 through 105, 107 through 109, and 301 through 307 of this act take effect August 1, 2013.

NEW SECTION. Sec. 503. Sections 201 through 211 of this act take effect July 1, 2015.

NEW SECTION. Sec. 504. Sections 401 through 406 of this act take effect January 1, 2014.

NEW SECTION. Sec. 505. Section 105 of this act expires on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 506. Section 106 of this act takes effect on the date the requirements set out in section 7, chapter 36, Laws of 2012 are met.

NEW SECTION. Sec. 507. Section 307 of this act expires on the effective date of legislation enacted by the legislature that imposes a vehicle miles traveled fee or tax.

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