

CHAPTER 341

[House Bill No. 677]

PUGET SOUND FERRY AND TOLL BRIDGE SYSTEM—GOVERNOR'S
EMERGENCY POWERS

AN ACT Relating to the Puget Sound ferry and toll bridge system; adding a new section to chapter 47.60 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Section 1. There is added to chapter 47.60 RCW a new section to read as follows:

The governor is authorized to take such actions as may be necessary to insure the continued operation of the Puget Sound ferry and toll bridge system under any emergency circumstances which threaten the continued operation of the system. In the event of such an emergency, the governor may assume all the powers granted by law to the transportation commission and department of transportation with respect to the ferry system. In addition, notwithstanding the provisions of chapters 47.60 and 47.64 RCW, the governor may contract with any qualified persons for the operation of the Washington state ferry system, or any part thereof, or for ferry service to be provided by privately owned vessels. Administrative costs to the office of the governor incurred in the exercise of this authority shall be reimbursed by the department.

NEW SECTION. Sec. 2. 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. 3. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 24, 1981.

Passed the Senate April 26, 1981.

Approved by the Governor May 19, 1981.

Filed in Office of Secretary of State May 19, 1981.

CHAPTER 342

[Engrossed Substitute Senate Bill No. 4283]

MOTOR VEHICLES—FUEL TAX, RATE, ALCOHOL TAX CREDIT—LICENSE
FEE—FERRY TOLLS—STATE PATROL FUNDING

AN ACT Relating to transportation; amending section 82.36.010, chapter 15, Laws of 1961 as last amended by section 223, chapter 158, Laws of 1979 and RCW 82.36.010; amending section 6, chapter 317, Laws of 1977 ex. sess. as amended by section 224, chapter 158,

Laws of 1979 and RCW 82.36.025; amending section 3, chapter 131, Laws of 1980 and RCW 82.36.225; amending section 4, chapter 131, Laws of 1980 and RCW 82.38.085; amending section 46.16.060, chapter 12, Laws of 1961 as last amended by section 3, chapter 118, Laws of 1975 1st ex. sess. and RCW 46.16.060; amending section 46.68.030, chapter 12, Laws of 1961 as last amended by section 3, chapter 103, Laws of 1973 and RCW 46.68.030; amending section 8, chapter 24, Laws of 1972 ex. sess. and RCW 47.60.325; amending section 46.68.130, chapter 12, Laws of 1961 as last amended by section 1, chapter 9, Laws of 1974 ex. sess. and RCW 46.68.130; adding new sections to chapter 82.36 RCW; adding a new section to chapter 82.38 RCW; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Section 1. Section 82.36.010, chapter 15, Laws of 1961 as last amended by section 223, chapter 158, Laws of 1979 and RCW 82.36.010 are each amended to read as follows:

For the purposes of this chapter:

(1) "Motor vehicle" means every vehicle which is in itself a self-propelled unit, equipped with solid rubber, hollow-cushion rubber, or pneumatic rubber tires and capable of being moved or operated upon a public highway, except motor vehicles used as motive power for or in conjunction with farm implements and machines or implements of husbandry;

(2) "Motor vehicle fuel" means gasoline or any other inflammable gas, or liquid, by whatsoever name such gasoline, gas or liquid may be known or sold, the chief use of which is as fuel for the propulsion of motor vehicles or motorboats;

(3) "Distributor" means every person who refines, manufactures, produces, or compounds motor vehicle fuel and sells, distributes, or in any manner uses it in this state; also every person engaged in business as a bona fide wholesale merchant dealing in motor vehicle fuel who either acquires it within the state from any person refining it within or importing it into the state, on which the tax has not been paid, or imports it into this state and sells, distributes, or in any manner uses it in this state;

(4) "Service station" means a place operated for the purpose of delivering motor vehicle fuel into the fuel tanks of motor vehicles;

(5) "Department" means the department of licensing;

(6) "Director" means the director of licensing;

(7) "Dealer" means any person engaged in the retail sale of liquid motor vehicle fuels;

(8) "Person" means every natural person, firm, partnership, association, or private or public corporation;

(9) "Highway" means every way or place open to the use of the public, as a matter of right, for purposes of vehicular travel;

(10) "Broker" means every person, other than a distributor, engaged in business as a broker, jobber, or wholesale merchant dealing in motor vehicle fuel or other petroleum products used or usable in propelling motor vehicles, or in other petroleum products which may be used in blending, compounding, or manufacturing of motor vehicle fuel;

(11) "Producer" means every person, other than a distributor, engaged in the business of producing motor vehicle fuel or other petroleum products used in, or which may be used in, the blending, compounding, or manufacturing of motor vehicle fuel;

(12) "Distribution" means all withdrawals of motor vehicle fuel for delivery to others, to retail service stations, or to unlicensed bulk storage plants;

(13) "Bulk storage plant" means, pursuant to the licensing provisions of RCW 82.36.070, any plant, under the control of the distributor, used for the storage of motor vehicle fuel to which no retail outlets are directly connected by pipe lines;

(14) "Marine fuel dealer" means any person engaged in the retail sale of liquid motor vehicle fuel whose place of business and or sale outlet is located upon a navigable waterway;

(15) "Weighted average retail sales price of motor vehicle fuel" means the average retail sales price excluding any federal excise tax of the several grades of motor vehicle fuel (other than special fuels taxed pursuant to chapter 82.38 RCW) sold by service stations throughout the state (less any state excise taxes on the sale, distribution, or use thereof) weighted to reflect the quantities sold at each different price;

(16) "Aggregate motor vehicle fuel tax revenues" means the amount of excise taxes to be paid by distributors, retailers, and users pursuant to chapters 82.36, 82.37, and 82.38 RCW, as now or hereafter amended, for any designated fiscal period, whether or not such amounts are actually received by the department of licensing. The phrase does not include fines or penalties assessed for violations;

(17) "Fiscal year" means a twelve-month period ending June 30th;

(18) "Fiscal half-year" means a six-month period ending June 30th or December 31st;

(19) "State personal income" means the dollar amount published as total personal income of persons in the state for the calendar year by the United States department of commerce or its successor agency;

(20) "State personal income ratio" for any calendar year means that ratio expressed in percentage terms that is the sum of one hundred percent, plus seventy percent of the percentage increase or decrease in state personal income for the calendar year under consideration as compared to state personal income for the immediately preceding calendar year;

(21) "Motor vehicle fund revenue" means all state taxes, fees, and penalties deposited in the motor vehicle fund and all other state revenue required by statute to be deposited in the motor vehicle fund, but does not include (a) moneys derived from nonfuel tax sources which are deposited directly in the several accounts, (b) interest deposited directly in the several accounts within the motor vehicle fund, (c) federal funds, (d) proceeds from

the sale of bonds, or (e) reimbursements to the motor vehicle fund for services performed by the department of transportation for others.

Sec. 2. Section 6, chapter 317, Laws of 1977 ex. sess. as amended by section 224, chapter 158, Laws of 1979 and RCW 82.36.025 are each amended to read as follows:

(1) (a) During the fifth month of each fiscal half-year ending June 30th and December 31st of each year, the department of licensing shall compute a motor vehicle fuel tax rate to the nearest one-half cent per gallon of motor vehicle fuel by multiplying ~~((twenty-one and one-half))~~ ten percent times the weighted average retail sales price of motor vehicle fuel, per gallon, sold within the state in the third month of such fiscal half-year. The department of licensing shall determine the weighted average retail sales price of motor vehicle fuel by state-wide sampling and survey techniques designed to reflect such prices for the third month of such fiscal half-year. The department shall establish reasonable guidelines for its sampling and survey methods.

(b) Subject to provisions of subsections (2) and (3) of this section the excise tax rate computed in the manner provided in subsection (1) of this section shall apply to the sale, distribution, or use of motor vehicle fuel beginning the fiscal half-year following computation of the rate and shall remain in effect for each succeeding fiscal half-year until a subsequent computation requires a change in the rate. For the first fiscal half-year after ~~((July 1, 1977))~~ June 30, 1981, the motor vehicle fuel tax shall be ~~((eleven))~~ thirteen and one-half cents per gallon.

(2) (a) The motor vehicle fuel tax rate for any fiscal half-year shall not exceed ~~((twelve))~~ sixteen cents per gallon nor exceed a rate as computed in this subsection.

(b) Each fiscal half-year at the time the department of licensing computes the excise tax rate for the ensuing fiscal half-year of a ~~((biennium))~~ fiscal year, the department shall estimate the total aggregate motor vehicle fuel tax revenues and the total of all other state revenues which will accrue to the motor vehicle fund during the ~~((full biennium))~~ fiscal year. The estimated total aggregate motor vehicle fuel tax revenues for the ~~((biennium))~~ fiscal year shall include those revenues ~~((which have accrued to the motor vehicle fund for the half-year or half-years of the biennium that have then elapsed plus revenues))~~ which the department determines will accrue during the ~~((remaining))~~ two fiscal half-years of the ~~((biennium))~~ fiscal year, assuming the sale, distribution, and use of motor vehicle fuel and special fuel within the state for the ~~((remaining))~~ two fiscal half-years of the ~~((biennium))~~ fiscal year shall be at the same volume as during the fiscal half-year last ended, adjusted however for the historic variations in sales, distribution, and use according to half-yearly periods and for projected trends, and at the weighted average retail sales price of motor vehicle fuel as last determined by the department of licensing. The estimated total of all other state

revenues to accrue to the motor vehicle fund during the ~~((biennium))~~ fiscal year shall include those revenues (other than the aggregate motor vehicle fuel tax revenues) ~~((which have accrued to the motor vehicle fund for the half-year or half-years of the biennium that have then elapsed plus revenues))~~ which the department of transportation with the concurrence of the office of financial management determines will accrue during the ~~((remaining))~~ two fiscal half-years of the ((biennium)) fiscal year, assuming that collections of such revenues for the ~~((remaining))~~ two fiscal half-years of the ((biennium)) fiscal year shall be at the same level as during the fiscal half-year just ended, adjusted however for historic variations in collections according to half-yearly periods and for projected trends, ~~((and shall include state revenues in the motor vehicle fund balance as of the end of the prior biennium as certified by the state treasurer, less an appropriate minimum balance for the biennium as determined by the department of transportation with the concurrence of the office of financial management and))~~ but shall not include the proceeds of the sale of bonds ((but shall not include)), reimbursements to the motor vehicle fund for services performed by the department of transportation for others, moneys derived from nonfuel tax sources which are deposited directly in the several accounts within the motor vehicle fund, interest deposited directly in the several accounts within the motor vehicle fund, nor federal funds.

(c) ~~((If the estimated biennial aggregate motor vehicle fuel tax revenues as computed in paragraph (b) of this subsection, exceed the total of all appropriations, reappropriations, and transfers of state revenues from the motor vehicle fund for the biennium (less the estimated total of all other state revenues which will accrue to the motor vehicle fund during the biennium as computed in paragraph (b) of this subsection) by more than five percent thereof, the rate of the motor vehicle fuel tax (computed as provided in subsection (1) of this section) shall be reduced by one-half cent increments, commencing at the beginning of the ensuing fiscal half-year, as may be necessary to reduce such estimated total revenues for the full biennium to within the total of such appropriations, reappropriations, and transfers plus five percent thereof))~~ If the estimated aggregate motor fuel tax revenues plus all other state revenues which will accrue to the motor vehicle fund during a fiscal year as computed in (b) of this subsection exceed the motor vehicle fund revenue limit in the fiscal year as computed in (d) of this subsection, the rate of motor fuel tax (computed as provided in subsection (1) of this section) shall be reduced by one-half cent increments, commencing at the beginning of the ensuing fiscal half-year, as may be necessary to reduce the estimated total revenues for the fiscal year to within the motor vehicle fund revenue limit.

(d) The motor vehicle fund revenue limit for any fiscal year shall be the previous fiscal year's motor vehicle fund revenue limit multiplied by the average state personal income ratio for the three calendar years immediately

preceding the beginning of the fiscal year for which the limit is being computed. For purposes of computing the motor vehicle fund revenue limit for the fiscal year ending June 30, 1981, the phrase "the previous fiscal year's motor vehicle fund revenue limit" means the motor vehicle fund revenue collected in the fiscal year ending June 30, 1979, multiplied by the average state personal income ratio for the calendar years 1976, 1977, and 1978.

~~(3) ((a)) Notwithstanding any other provisions of this section the excise tax rate for any fiscal half-year shall not be less than ((nine)) twelve cents per gallon ((nor less than the rate as computed in this subsection:~~

~~(b) Each fiscal half-year at the time the department of licensing computes the excise tax rate for the ensuing fiscal half-year of a fiscal year, the department shall estimate the total aggregate motor vehicle fuel tax revenues which will accrue to the motor vehicle fund during such fiscal year in the same manner that such revenues are estimated for a full biennium. If such estimated aggregate motor vehicle fuel tax revenues for the fiscal year are less than an amount equal to the aggregate motor vehicle fuel tax revenues collected during the fiscal year ending June 30, 1973, increased by six percent per year compounded annually for each year which has elapsed from June 30, 1973, to June 30th of the fiscal year for which estimated aggregate motor vehicle fuel tax revenues were computed, the department shall increase the rate of the excise tax by one-half cent increments, but not to exceed a total excise tax of twelve cents per gallon, commencing at the beginning of the ensuing fiscal half-year as necessary to produce estimated aggregate motor vehicle fuel tax revenues for such fiscal year as great as such revenues collected during the 1973 fiscal year increased by six percent per year compounded annually from June 30, 1973, to June 30th of the fiscal year for which such minimum half-yearly tax rate is being computed.~~

~~(4) (a) Except as otherwise provided in paragraph (b) of this subsection, if the department of transportation receives notification that unanticipated federal funds in excess of one million dollars above appropriations of federal funds from the motor vehicle fund for a biennium will be received for expenditure during that biennium, the department of transportation shall give notice of the amount of such unanticipated funds to the department of licensing which shall include such amount in the computation of the estimated total of all other state revenues to accrue during the biennium under paragraph (b) of subsection (2) of this section for purposes of computing the maximum rate of motor vehicle fuel tax as provided in this section.~~

~~(b) Upon receipt by the department of transportation of notification that unanticipated federal funds in excess of one million dollars above appropriations of federal funds from the motor vehicle fund for a biennium will be received for expenditure during that biennium, if the department of transportation determines that such funds or any part thereof may not legally or operationally be substituted for purposes for which state motor vehicle fund moneys have been appropriated, or determines that substitution of such~~

~~federal funds for state funds would delay the construction of needed highway improvements, the department of transportation shall forthwith notify the governor and the standing committees on transportation of the house and senate of its determination. If both the governor and the standing committees concur in the department of transportation's determination, the unanticipated federal funds shall not be considered by the department of licensing in computing the estimated total of all other state revenues to accrue during the biennium under paragraph (b) of subsection (2) of this section).~~

(4) Notwithstanding any other provision of this section, the maximum tax rate which may be applied during any fiscal year shall not exceed the tax rate in effect on June 30 of the prior fiscal year plus two cents per gallon.

(5) The legislative transportation committee shall study and analyze each biennium the financial condition of the motor vehicle fund and accounts thereof with particular emphasis on RCW 82.36.010 and 82.36.025.

NEW SECTION. Sec. 3. There is added to chapter 82.36 RCW a new section to read as follows:

To encourage the production and use of alcohol as an alternative motor fuel, it is the intent of the legislature that the tax credit provided in RCW 82.36.225 be reflected in the retail price of alcohol blended fuels to make these fuels competitive with other fuels.

Sec. 4. Section 3, chapter 131, Laws of 1980 and RCW 82.36.225 are each amended to read as follows:

Alcohol of any proof that is sold in this state for use as fuel in motor vehicles, farm implements and machines, or implements of husbandry is exempt from the motor vehicle fuel tax under this chapter. In addition, a tax credit of sixty percent of the tax rate imposed by RCW 82.36.025 shall be given for every gallon of alcohol used in an alcohol-gasoline blend which contains at least nine and one-half percent or more by volume of alcohol: PROVIDED, That in no case may the tax credit claimed be greater than the tax due on the gasoline portion of the blended fuel.

This section shall expire on December 31, 1986.

NEW SECTION. Sec. 5. There is added to chapter 82.36 RCW a new section to read as follows:

The department shall enforce the provisions of this chapter and may adopt and enforce reasonable rules relating to the administration and enforcement thereof.

NEW SECTION. Sec. 6. There is added to chapter 82.38 RCW a new section to read as follows:

To encourage the production and use of alcohol as an alternative motor fuel, it is the intent of the legislature that the tax credit provided in RCW

82.38.085 be reflected in the retail price of alcohol blended fuels to make these fuels competitive with other fuels.

Sec. 7. Section 4, chapter 131, Laws of 1980 and RCW 82.38.085 are each amended to read as follows:

Alcohol of any proof that is sold in this state for use as fuel in motor vehicles is exempt from the special fuel tax under this chapter. In addition, a tax credit of sixty percent of the tax rate imposed by RCW 82.38.030 shall be given for every gallon of alcohol used in an alcohol-special fuel blend which contains at least nine and one-half percent or more by volume of alcohol: PROVIDED, That in no case may the tax credit claimed be greater than the tax due on the special fuel portion of the blended fuel.

This section shall expire on December 31, 1986.

Sec. 8. Section 46.16.060, chapter 12, Laws of 1961 as last amended by section 3, chapter 118, Laws of 1975 1st ex. sess. and RCW 46.16.060 are each amended to read as follows:

(1) Except as otherwise specifically provided by law for the licensing of vehicles, there shall be paid and collected annually for each registration year or fractional part thereof and upon each vehicle a license fee or, if the vehicle was previously licensed in this state and has not been registered in another jurisdiction in the intervening period, a renewal license fee (~~Such license fee shall be in the sum of thirteen dollars and forty cents, and such renewal fee shall be in the sum of nine dollars and forty cents~~) in the amounts specified in subsection (2) of this section, and the proceeds of such fees shall be distributed in accordance with RCW 46.68.030 as now or hereafter amended: PROVIDED, HOWEVER, That the fee for licensing each house-moving dolly which is used exclusively for moving buildings or homes on the highway under special permit as provided for in chapter 46.44 RCW, shall be twenty-five dollars and no other fee shall be charged for the load carried thereon.

(2) The amounts of the vehicle license fee and renewal license fee shall be:

<u>Effective Date</u>	<u>License Fee</u>	<u>Renewal License Fee</u>
<u>Until July 1, 1982</u>	<u>\$13.40</u>	<u>\$9.40</u>
<u>July 1, 1982</u>	<u>\$23.00</u>	<u>\$19.00</u>

(3) The department of licensing, county auditors, and other authorized agents shall collect for any registration year any increase in the fees authorized by this section for the months of that registration year in which any such increase is effective in the same manner and at the same time as such fees for that registration year would otherwise be collected as provided by law.

Sec. 9. Section 46.68.030, chapter 12, Laws of 1961 as last amended by section 3, chapter 103, Laws of 1973 and RCW 46.68.030 are each amended to read as follows:

All fees received by the director for vehicle licenses under the provisions of chapter 46.16 RCW shall be forwarded to the state treasurer, accompanied by a proper identifying detailed report, and be by him deposited to the credit of the motor vehicle fund, except that the proceeds from the vehicle license fee and renewal license fee shall be deposited by the state treasurer as hereinafter provided. After July 1, 1981, that portion of each vehicle license fee in excess of \$7.40 and that portion of each renewal license fee in excess of \$3.40 shall be deposited in the state patrol highway account in the motor vehicle fund, hereby created. Vehicle license fees, renewal license fees, and all other funds in the state patrol highway account shall be for the sole use of the Washington state patrol for highway activities of the Washington state patrol, subject to proper appropriations and reappropriations therefor, for any fiscal biennium after June 30, 1981, and twenty-seven and three-tenths percent of the proceeds from \$7.40 of each vehicle license fee and \$3.40 of each renewal license fee shall be deposited each biennium in the Puget Sound ferry operations account to partially finance, together with other funds in the account, any budgeted state ferry system maintenance and operating deficit for that biennium. The deficit shall be calculated by subtracting from total costs the sum of all unappropriated funds available to the state ferry system, including revenues from tolls that are adjusted annually by the transportation commission to correspond with changes in the consumer price index for the city of Seattle pursuant to RCW 47.60.325. Any remaining amounts of vehicle license fees and renewal license fees that are not deposited in the Puget Sound ferry operations account shall be deposited in the motor vehicle fund.

Sec. 10. Section 8, chapter 24, Laws of 1972 ex. sess. and RCW 47.60.325 are each amended to read as follows:

(1) So long as moneys in the Puget Sound ferry operations account in the motor vehicle fund are appropriated for maintenance and operation of the Washington state ferries, tolls for use of ferries shall be stabilized at current rates except as otherwise authorized in subsections (2) (~~and~~), (3), and (4) of this section.

(2) The (~~Washington toll bridge authority~~) transportation commission may from time to time pursuant to periodic reviews of its ferry toll schedules, adjust tolls for different classes of users and uses including commutation rates and volume discounts to eliminate inequities, or respond to changing economic factors.

(3) Each year the (~~authority~~) commission shall review the (~~February~~) January consumer price index of the United States department of labor for the city of Seattle, or if the index for Seattle has been discontinued, then for the nearest city to Seattle, to ascertain the amount of any increase

or decrease in relation to the same index for the previous (~~February, taking into consideration the provisions of RCW 47.60.530. Changes in~~) January. Tolls (~~(if any;)~~) shall be adjusted by not less than such increase or decrease and shall be rounded to the nearest multiple of five cents. The adjusted tolls (~~(if any;)~~) shall become effective on May 1st of the same year.

(4) Notwithstanding any other provision of this section, the commission may increase ferry tolls at any time during a biennium if the projected total of maintenance and operating costs of the Washington state ferries for the biennium exceeds the sum of appropriated and nonappropriated revenues available to fund these costs, including revenues from toll adjustments under subsection (3) of this section.

Sec. 11. Section 46.68.130, chapter 12, Laws of 1961 as last amended by section 1, chapter 9, Laws of 1974 ex. sess. and RCW 46.68.130 are each amended to read as follows:

The net tax amount distributed to the state in the manner provided by RCW 46.68.100, and all moneys accruing to the motor vehicle fund from any other source, less such sums as are properly appropriated and reappropriated for expenditure for costs of collection and administration thereof, shall be expended, subject to proper appropriation and reappropriation, solely for highway purposes of the state, including the purposes of RCW 47.30.030. For the purposes of this section, the term "highway purposes of the state" does not include those expenditures of the Washington state patrol heretofore appropriated or reappropriated from the motor vehicle fund.

NEW SECTION. Sec. 12. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect July 1, 1981. This act shall only take effect upon the passage of Senate Bills No. 3669 and 3699, and if Senate Bills No. 3669 and 3699 are not both enacted by the 1981 regular session of the legislature this amendatory act shall be null and void in its entirety.

NEW SECTION. Sec. 13. 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.

Passed the Senate April 26, 1981.

Passed the House April 26, 1981.

Approved by the Governor May 19, 1981.

Filed in Office of Secretary of State May 19, 1981.