Directors and employees of irrigation districts shall be immune from civil liability for mistakes and errors of judgment in the good faith performance of acts within the scope of their official duties involving the exercise of judgment and discretion which relate solely to their responsibilities for electrical utilities. This grant of immunity shall not be construed as modifying the liability of the irrigation district.

NEW SECTION. Sec. 4. 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. 5. 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 May 13, 1983.
Passed the Senate May 9, 1983.
Approved by the Governor May 23, 1983.
Filed in Office of Secretary of State May 23, 1983.

CHAPTER 49

[Engrossed Substitute House Bill No. 235]

RURAL ARTERIAL PROGRAM—TRANSPORTATION TAXATION

AN ACT Relating to transportation taxation; amending section 7, chapter 120, Laws of 1965 ex. sess. as amended by section 4, chapter 235, Laws of 1977 ex. sess. and RCW 36.78-.070; reenacting and amending section 36.81.121, chapter 4, Laws of 1963 as last amended by section 3, chapter 21, Laws of 1975 1st ex. sess. and by section 2, chapter 215, Laws of 1975 1st ex. sess. and RCW 36.81.121; amending section 46.68.090, chapter 12, Laws of 1961 as last amended by section 184, chapter 158, Laws of 1979 and RCW 46.68.090; amending section 33, chapter 83, Laws of 1967 ex. sess. as amended by section 16, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.270; amending section 8, chapter 5, Laws of 1979 and RCW 47.26.4252; amending section 10, chapter 315, Laws of 1981 and RCW 47.26.4254; amending section 82.36.010, chapter 15, Laws of 1961 as last amended by section 1, chapter 342, Laws of 1981 and RCW 82.36.010; amending section 1, chapter 28, Laws of 1974 ex. sess. as last amended by section 1, chapter 6, Laws of 1982 1st ex. sess. and RCW 82.36.020; amending section 6, chapter 317, Laws of 1977 ex. sess. as last amended by section 2, chapter 342, Laws of 1981 and RCW 82.36.025; amending section 82.36.100, chapter 15, Laws of 1961 as last amended by section 3, chapter 317, Laws of 1977 ex. sess. and RCW 82.36.100; amending section 3, chapter 22, Laws of 1963 ex. sess. as last amended by section 4, chapter 317, Laws of 1977 ex. sess. and RCW 82.37-.030; amending section 4, chapter 175, Laws of 1971 ex. sess. as last amended by section 3, chapter 40, Laws of 1979 and RCW 82.38.030; creating a new chapter in Title 36 RCW; providing an expiration date; providing an effective date; and declaring an emergency.

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

NEW SECTION. Sec. 1. The definitions set forth in this section apply throughout this chapter unless the context clearly requires otherwise.
(1) "Rural arterial program" means improvement projects on those two systems of county roads in rural areas classified as major collectors and minor collectors in accordance with the federal functional classification system.

(2) "Rural area" means every area of the state outside of areas designated as urban areas by the state transportation commission with the approval of the secretary of the United States department of transportation in accordance with federal law.

(3) "Board" means the county road administration board created by RCW 36.78.030.

NEW SECTION. Sec. 2. There is created in the motor vehicle fund the rural arterial trust account. All moneys deposited in the motor vehicle fund to be credited to the rural arterial trust account shall be expended for the construction and improvement of county major and minor collectors in rural areas and for those expenses of the board associated with the administration of the rural arterial program.

NEW SECTION. Sec. 3. For the purpose of apportioning rural arterial trust account funds, the state is divided into five regions as follows:

(1) The Puget Sound region includes those areas within the counties of King, Pierce, and Snohomish.

(2) The northwest region includes those areas within the counties of Clallam, Jefferson, Island, Kitsap, San Juan, Skagit, and Whatcom.

(3) The northeast region includes those areas within the counties of Adams, Chelan, Douglas, Ferry, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, and Whitman.

(4) The southeast region includes those areas within the counties of Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Klickitat, Walla Walla, and Yakima.

(5) The southwest region includes those areas within the counties of Clark, Cowlitz, Grays Harbor, Lewis, Mason, Pacific, Skamania, Thurston, and Wahkiakum.

NEW SECTION. Sec. 4. Funds available for expenditure by the board pursuant to section 2 of this act shall be apportioned to the five regions for expenditure upon county arterials in rural areas in the following manner:

(1) One-third in the ratio which the land area of the rural areas of each region bears to the total land area of all rural areas of the state;

(2) Two-thirds in the ratio which the mileage of county major and minor collectors in rural areas of each region bears to the total mileage of county major and minor collectors in all rural areas of the state.

The board shall adjust the schedule for apportionment of such funds to the five regions in the manner provided in this section before the commencement of each fiscal biennium.
NEW SECTION. Sec. 5. At the beginning of each fiscal biennium, the board shall establish apportionment percentages for the five regions defined in section 3 of this act in the manner prescribed in section 4 of this act for that biennium. The apportionment percentages shall be used once each calendar quarter by the board to apportion funds credited to the rural arterial trust account that are available for expenditure for rural major and minor collector projects. The funds so apportioned shall remain apportioned until expended on construction projects in accordance with rules of the board. Within each region, funds shall be allocated by the board to counties for the construction of specific rural arterial projects on major and minor collectors in accordance with the procedures set forth in this chapter.

NEW SECTION. Sec. 6. The board shall:

1. Adopt rules necessary to implement the provisions of this chapter relating to the allocation of funds in the rural arterial trust account to counties;

2. Adopt reasonably uniform design standards for county major and minor collectors that meet the requirements for trucks transporting commodities;

3. Report biennially on the first day of November of the even-numbered years to the legislative transportation committee and the house and senate transportation committees regarding the progress of counties in developing plans for their rural major and minor collector construction programs and the allocation of rural arterial trust funds to the counties.

NEW SECTION. Sec. 7. The board may contract with the department of transportation to furnish any necessary staff services and facilities required in the administration of the rural arterial program. The cost of such services that are attributable to the rural arterial program, together with travel expenses in accordance with RCW 43.03.050 and 43.03.060 of the members and all other lawful expenses of the board that are attributable to the rural arterial program, shall be paid from the rural arterial trust account in the motor vehicle fund.

NEW SECTION. Sec. 8. In preparing their respective six-year programs relating to rural arterial improvements, counties shall select specific priority improvement projects for each functional class of arterial based on the rating of each arterial section proposed to be improved in relation to other arterial sections within the same functional class, taking into account the following:

1. Its structural ability to carry loads imposed upon it;
2. Its capacity to move traffic at reasonable speeds;
3. Its adequacy of alignment and related geometrics;
4. Its accident experience; and
5. Its fatal accident experience.
The six-year construction programs shall remain flexible and subject to annual revision as provided in RCW 36.81.121.

NEW SECTION. Sec. 9. Whenever a rural arterial enters a city or town, the proper city or town and county officials shall jointly plan the improvement of the arterial in their respective long-range plans. Whenever a rural arterial connects with and will be substantially affected by a programmed construction project on a state highway, the proper county officials shall jointly plan the development of such arterial with the department of transportation district administrator. The board shall adopt rules encouraging the system development of county–city arterials in rural areas and rural arterials with state highways.

NEW SECTION. Sec. 10. Upon receipt of a county's revised six-year program, the board as soon as practicable shall review and may revise the construction program as it relates to rural arterials for which rural arterial trust account moneys are requested as necessary to conform to (1) the priority rating of the proposed project, based upon the factors in section 8 of this act, in relation to proposed projects in all other rural arterial construction programs submitted by the counties and within each region; and (2) the amount of rural arterial trust account funds that the board estimates will be apportioned to the region.

NEW SECTION. Sec. 11. The county road administration board and the urban arterial board shall jointly adopt rules to assure coordination of their respective programs especially with respect to projects proposed by the group of incorporated cities outside the boundaries of federally approved urban areas, and to encourage the system development of county–city arterials in rural areas.

NEW SECTION. Sec. 12. Counties receiving funds from the rural arterial trust account for construction of arterials shall provide such matching funds as established by rules recommended by the board, subject to review, revision, and final approval by the state transportation commission. Matching requirements shall be established after appropriate studies by the board, taking into account financial resources available to counties to meet arterial needs.

NEW SECTION. Sec. 13. Not later than November 1st of each even-numbered year the board shall prepare and present to the state transportation commission a recommended budget for expenditures from the rural arterial trust account during the ensuing biennium. The budget shall contain an estimate of the revenues to be credited to the rural arterial trust account. The state transportation commission shall review the budget as recommended, revise the budget as it deems proper, and include the budget as revised as a separate section of the transportation budget which it shall submit to the governor pursuant to chapter 43.88 RCW.
NEW SECTION. Sec. 14. At the time the board reviews the six-year program of each county each even-numbered year, it shall consider and shall approve for inclusion in its recommended budget, as required by section 13 of this act, the portion of the rural arterial construction program scheduled to be performed during the biennial period beginning the following July 1st. Subject to the appropriations actually approved by the legislature, the board shall as soon as feasible approve rural arterial trust account funds to be spent during the ensuing biennium for preliminary proposals in priority sequence as established pursuant to section 10 of this act. Only those counties that during the preceding twelve months have spent all revenues collected for road purposes only for such purposes, including traffic law enforcement, as are allowed to the state by Article II, section 40 of the state Constitution are eligible to receive funds from the rural arterial trust account. The board shall authorize rural arterial trust account funds for the construction project portion of a project previously authorized for a preliminary proposal in the sequence in which the preliminary proposal has been completed and the construction project is to be placed under contract. At such time the board may reserve rural arterial trust account funds for expenditure in future years as may be necessary for completion of preliminary proposals and construction projects to be commenced in the ensuing biennium.

The board may, within the constraints of available rural arterial trust funds, consider additional projects for authorization upon a clear and conclusive showing by the submitting county that the proposed project is of an emergent nature and that its need was unable to be anticipated at the time the six-year program of the county was developed. The proposed projects shall be evaluated on the basis of the priority rating factors specified in section 8 of this act.

NEW SECTION. Sec. 15. Whenever the board approves a rural arterial project it shall determine the amount of rural arterial trust account funds to be allocated for such project. The allocation shall be based upon information contained in the six-year plan submitted by the county seeking approval of the project and upon such further investigation as the board deems necessary. The board shall adopt reasonable rules pursuant to which rural arterial trust account funds allocated to a project may be increased upon a subsequent application of the county constructing the project. The rules adopted by the board shall take into account, but shall not be limited to, the following factors: (1) The financial effect of increasing the original allocation for the project upon other rural arterial projects either approved or requested; (2) whether the project for which an additional allocation is requested can be reduced in scope while retaining a usable segment; (3) whether the original cost of the project shown in the applicant's six-year program was based upon reasonable engineering estimates; and (4) whether
the requested additional allocation is to pay for an expansion in the scope of work originally approved.

NEW SECTION. Sec. 16. Notwithstanding any other provisions of this chapter, for the period beginning July 1, 1983, and ending June 30, 1985, the county road administration board shall once each calendar quarter apportion the funds then credited to the rural arterial trust account among the five regions of the state defined in section 3 of this act. At any time after making the quarterly apportionment, the board may allocate the funds apportioned to each region to counties within the region for the construction of specific rural arterial projects. The board shall allocate such funds to the counties based upon the priority rating of proposed projects for which rural arterial trust account moneys are requested by the counties. The board shall determine the priority of specific improvement projects based upon the rating of each proposed improvement in relation to all other proposed improvements within each region, taking into account the factors defined in section 8 of this act. Rural arterial trust account funds allocated to specific improvement projects under this section shall be paid in the manner provided in section 17 of this act. The board shall adopt emergency rules subject to the approval of the transportation commission providing for the implementation of this section.

This section shall expire on June 30, 1985.

NEW SECTION. Sec. 17. (1) Upon completion of a preliminary proposal, the county submitting the proposal shall submit to the board its voucher for payment of the trust account share of the cost. Upon the completion of an approved rural arterial construction project, the county constructing the project shall submit to the board its voucher for the payment of the trust account share of the cost. The chairman of the board or his designated agent shall approve such voucher when proper to do so, for payment from the rural arterial trust account to the county submitting the voucher.

(2) The board may adopt rules providing for the approval of payments of funds in the rural arterial trust account to a county for costs of preliminary proposal, and costs of construction of an approved project from time to time as work progresses. These payments shall at no time exceed the rural arterial trust account share of the costs of construction incurred to the date of the voucher covering the payment.

NEW SECTION. Sec. 18. The legislative body of any county feeling aggrieved by any action or decision of the board with respect to this chapter may appeal to the secretary of transportation by filing a notice of appeal within ninety days after the action or decision of the board. The notice shall specify the action or decision of which complaint is made. The secretary shall fix a time for a hearing on the appeal at the earliest convenient time.
and shall notify the county auditor and the chairman of the board by certified mail at least twenty days before the date of the hearing. At the hearing the secretary shall receive evidence from the county filing the appeal and from the board. After the hearing the secretary shall make such order as in the secretary's judgment is just and proper.

Sec. 19. Section 7, chapter 120, Laws of 1965 ex. sess. as amended by section 4, chapter 235, Laws of 1977 ex. sess. and RCW 36.78.070 are each amended to read as follows:

The county road administration board shall:
(1) Establish by rule, standards of good practice for county road administration;
(2) Establish reporting requirements for counties with respect to the standards of good practice adopted by the board;
(3) Receive and review reports from counties and reports of the county road administration engineer to determine compliance with legislative directives and the standards of good practice adopted by the board;
(4) Report annually on the first day of July to the state department of transportation, the legislative transportation committee, and the house and senate transportation committees on the status of county road administration in each county. The annual report shall contain recommendations for improving administration of the county road programs;
(5) Administer the rural arterial program established by sections 1 through 18 of this act.

Sec. 20. Section 36.81.121, chapter 4, Laws of 1963 as last amended by section 3, chapter 21, Laws of 1975 1st ex. sess. and by section 2, chapter 215, Laws of 1975 1st ex. sess. and RCW 36.81.121 are each reenacted and amended to read as follows:

(1) Before July 1st of each year, the legislative authority of each county with the advice and assistance of the county road engineer, and pursuant to one or more public hearings thereon, shall prepare and adopt a comprehensive road program for the ensuing six calendar years. The program shall include proposed road and bridge construction work, and for those counties operating ferries shall also include a separate section showing proposed capital expenditures for ferries, docks, and related facilities. Copies of the program shall be filed with the county road administration board and with the state secretary of transportation not more than thirty days after its adoption by the legislative authority. Annually thereafter each legislative authority shall review the work accomplished under the program and determine current county road needs. Based on these findings each legislative authority shall prepare and after public hearing thereon adopt a revised and extended comprehensive road program, and each one year extension and revision shall be filed with the director of highways not more than thirty days after its
adoption by the legislative authority.) The purpose of this section ((shall be)) is to assure that ((perpetually)) each county shall perpetually have available advanced plans((;)) looking to the future for not less than six years as a guide in carrying out a coordinated road construction program. ((Such)) The program may at any time be revised by a majority of the legislative authority but only after a public hearing thereon.

(2) The six-year program of each county having an urban area within its boundaries shall contain a separate section setting forth the six-year program for arterial road construction based upon its long-range construction plan and formulated in accordance with regulations of the urban arterial board. The six-year program for arterial road construction shall be submitted to the urban arterial board forthwith after its annual revision and adoption by the legislative authority of each county. The six-year program for arterial road construction shall be based upon estimated revenues available for such construction together with such additional sums as the legislative authority of each county may request for urban arterials only from the urban arterial trust account for the six-year period. The arterial road construction program shall provide for a more rapid rate of completion of the long-range construction needs of major arterial roads than for secondary and collector arterial roads, pursuant to regulations of the urban arterial board.

(((2) On and after July 1, 1976)) (3) Each six-year program forwarded to the ((director)) secretary in compliance with subsection (1) of this section shall contain information as to how a county will expend its moneys, including funds made available pursuant to chapter 47.30 RCW, for bicycles, pedestrians, and equestrian purposes.

Sec. 21. Section 46.68.090, chapter 12, Laws of 1961 as last amended by section 184, chapter 158, Laws of 1979 and RCW 46.68.090 are each amended to read as follows:

All moneys ((which)) 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 the following purposes:

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

(2) 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, ((said)) which sums ((to)) shall be distributed monthly;

(3) For payments to the rural arterial trust account in the motor vehicle fund, an amount as provided in RCW 82.36.025(2);

(4) For payments to the urban arterial trust account in the motor vehicle fund, an amount as provided in RCW 82.36.025(3); and
(5) For expenditure for highway purposes of the state as defined in RCW 46.68.130, an amount as provided in RCW 82.36.025(4).

The amount accruing to the motor vehicle fund by virtue of the motor vehicle fuel tax and the special fuel tax and remaining after payments and expenditures as provided in subsections (1) ((and)), (2) ((above)), (3), (4), and (5) of this section shall, for the purposes of this chapter, be referred to as the "net tax amount(\(\text{net tax amount}(\))\)."

Sec. 22. Section 33, chapter 83, Laws of 1967 ex. sess. as amended by section 16, chapter 317, Laws of 1977 ex. sess. and RCW 47.26.270 are each amended to read as follows:

Counties and cities receiving funds from the urban arterial trust account for construction of arterials shall provide such matching funds as shall be established by regulations recommended by the urban arterial board subject to review, revision, and final approval by the state ((highway)) transportation commission. Matching requirements shall be established after appropriate studies by the board taking into account (I) financial resources available to counties and cities to meet arterial needs, (2) the amounts and percentages of funds available for road or street construction traditionally expended by counties and cities on arterials, (3) in the case of counties, the relative needs of arterials lying outside urban areas, and (4) the requirements necessary to avoid diversion of funds traditionally expended for arterial construction to other street or road purposes or to nonhighway purposes: PROVIDED HOWEVER, That for projects funded subsequent to ((the-effective-date-of-this-1977-amendatory-act,..., prior to)) July 1, ((1983)) 1977, cities and counties may use as matching funds any moneys received from any source, except such moneys which by law may not be used for the purposes set forth in this chapter.

Sec. 23. Section 8, chapter 5, Laws of 1979 and RCW 47.26.4252 are each amended to read as follows:

Any funds required to repay the authorization of series 11 bonds authorized by RCW 47.26.420, as reenacted by section 3, chapter 5, Laws of 1979, or the interest thereon when due, shall first be taken from that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle and special fuels imposed by chapters 82.36, 82.37, and 82.38 RCW and which is distributed to the urban arterial trust account in the motor vehicle fund, subject, however, to the prior lien of the first authorization of bonds authorized by RCW 47.26.420, as reenacted by section 3, chapter 5, Laws of 1979. If the moneys distributed to the urban arterial trust account shall ever be insufficient to repay the first authorization bonds together with interest thereon, and the series 11 bonds or the interest thereon when due, the amount required to make such payments on such bonds or interest thereon shall next be taken from that portion of the motor vehicle fund which results from the imposition of excise taxes on motor vehicle and special fuels and which is distributed to the state, counties, cities, and towns
pursuant to RCW 46.68.100 as now existing or hereafter amended. Any payments on such bonds or interest thereon taken from motor vehicle or special fuel tax revenues which are distributable to the state, counties, cities, and towns, shall be repaid from the first moneys distributed to the urban arterial trust account not required for redemption of the first authorization bonds or series II and series III bonds or interest on those bond issues.

Sec. 24. Section 10, chapter 315, Laws of 1981 and RCW 47.26.4254 are each amended to read as follows:

(1) Any funds required to repay series III bonds authorized by RCW 47.26.420, or the interest thereon, when due shall first be taken from that portion of the motor vehicle fund (which) that results from the imposition of excise taxes on motor vehicle and special fuels imposed by chapters 82.36, 82.37, and 82.38 RCW and (which) that is distributed to the urban arterial trust account in the motor vehicle fund, subject, however, to the prior lien of the first authorization of bonds authorized by RCW 47.26.420. If the moneys so distributed to the urban arterial trust account, after first being applied to administrative expenses of the urban arterial board and to the requirements of bond retirement and payment of interest on first authorization bonds and series II bonds as provided in RCW 47.26.425 and 47.26.4252, are insufficient to meet the requirements for bond retirement or interest on any series III bonds, the amount required to make such payments on series III bonds or interest thereon shall next be taken from that portion of the motor vehicle fund (which) that results from the imposition of excise taxes on motor vehicle and special fuels and (which) that is distributed to the state, counties, cities, and towns pursuant to RCW 46.68.100 (as now existing or hereafter amended), subject, however, to subsection (2) of this section.

(2) To the extent that moneys so distributed to the urban arterial trust account are insufficient to meet the requirements for bond retirement or interest on any series III bonds, sixty percent of the amount required to make such payments when due shall first be taken from that portion of the motor vehicle fund (which) that results from the imposition of excise taxes on motor vehicle and special fuels and (which) that is distributed to the state. The remaining forty percent shall first be taken from that portion of the motor vehicle fund that results from the imposition of excise taxes on motor vehicle and special fuels and that is distributed to the cities and towns pursuant to RCW 46.68.100(1) and to the counties pursuant to RCW 46.68.100(2). Of the counties', cities', and towns' share of any additional amounts required in the fiscal year ending June 30, (1982) 1984, fifteen percent shall be taken from the counties' distributive share and eighty-five percent from the cities' and towns' distributive share. Of the counties', cities', and towns' share of any additional amounts required in each fiscal year thereafter, the percentage thereof to be taken from the counties' distributive share and from the cities' and towns' distributive share shall correspond to
the percentage of funds authorized for specific county projects and for specific city and town projects, respectively, from the proceeds of series III bonds, for the period (after June 30, 1981, and) through the first eleven months of the prior fiscal year as determined by the chairman of the urban arterial board and reported to the state finance committee and the state treasurer not later than the first working day of June.

(3) Any payments on such bonds or interest thereon taken from motor vehicle or special fuel tax revenues (which) that are distributable to the state, counties, cities, and towns shall be repaid from the first moneys distributed to the urban arterial trust account not required for redemption of the first authorization bonds, series II bonds, or series III bonds or interest on these bonds.

Sec. 25. Section 82.36.010, chapter 15, Laws of 1961 as last amended by section 1, chapter 342, Laws of 1981 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) that 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 lines 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 ser-
vices performed by the department of transportation for others.

(20) "Alcohol" means alcohol that is produced from renewable resour-
ces and is produced in this state or in a state that extends a tax exemption or
credit for the sale of alcohol produced in this state for use in motor vehicle
fuel that is at least equal to a tax exemption or credit for the sale of alcohol
produced in the other state for use in motor vehicle fuel.

Sec. 26. Section 1, chapter 28, Laws of 1974 ex. sess. as last amended
by section 1, chapter 6, Laws of 1982 1st ex. sess. and RCW 82.36.020 are
each amended to read as follows:

Every distributor shall pay, in addition to any other taxes provided by
law, an excise tax to the director at a rate computed in the manner provided
in RCW 82.36.025 for each gallon of motor vehicle fuel sold, distributed, or
used by him in the state as well as on each gallon upon which he has as-
sumed liability for payment of the tax under the provisions of RCW 82.36-
.100: PROVIDED, That under such regulations as the director may
prescribe sales or distribution of motor vehicle fuel may be made by one li-
censed distributor to another licensed distributor free of the tax. In the
computation of the tax, one-quarter of one percent of the net gallonage
otherwise taxable shall be deducted by the distributor before computing the
tax due, on account of the losses sustained through handling. The tax im-
posed hereunder shall be in addition to any other tax required by law, and
shall not be imposed under circumstances in which the tax is prohibited by
the Constitution or laws of the United States. The tax herein imposed shall
be collected and paid to the state but once in respect to any motor vehicle
fuel. An invoice shall be rendered by a distributor to a purchaser for each
distribution of motor vehicle fuel.

The proceeds of the motor vehicle fuel excise tax collected on the net
gallonage after the deduction provided for herein and after the deductions
for (refunds and costs of collection) payments and expenditures as pro-
vided in RCW 46.68.090 ((as now or hereafter amended)), shall be distrib-
uted as provided in RCW 46.68.100((as now or hereafter amended)).

Sec. 27. Section 6, chapter 317, Laws of 1977 ex. sess. as last amended
by section 2, chapter 342, Laws of 1981 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 gal-
lon of motor vehicle fuel by multiplying ten percent times the weighted av-
erage 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

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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 June 30, 1981, the motor vehicle fuel tax shall be fifteen cents per gallon:

(2) (a) The motor vehicle fuel tax rate for any fiscal half-year shall not exceed 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 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 fiscal year. The estimated total aggregate motor vehicle fuel tax revenues for the fiscal year shall include those revenues which the department determines will accrue during the two fiscal half-years of the fiscal year, assuming the sale, distribution, and use of motor vehicle fuel and special fuel within the state for the two fiscal half-years of the 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 motor vehicle fuel tax rate shall be computed as the sum of the tax rate provided in subsection (1) of this section and the additional tax rates provided in subsections (2) through (4) of this section.

(1) Except as required in subsection (5) of this section, a motor vehicle fuel tax rate of fifteen cents per gallon shall apply to the sale, distribution, or use of motor vehicle fuel from July 1, 1983, through June 30, 1984, and a motor vehicle fuel tax rate of seventeen cents per gallon shall apply thereafter.

(2) An additional motor vehicle fuel tax rate of one-thousandth cent per gallon shall apply to the sale, distribution, or use of motor vehicle fuel, and the proceeds from this additional tax rate, reduced by an amount equal to the sum of the payments under RCW 46.68.090 (1) and (2) multiplied by the
additional tax rate prescribed by this subsection divided by the motor vehicle fuel tax rate provided in this section, shall be deposited in the rural arterial trust account in the motor vehicle fund for expenditures under section 2 of this act.

(3) An additional motor vehicle fuel tax rate of one-third cent per gallon shall apply to the sale, distribution, or use of motor vehicle fuel, and the proceeds from this additional tax rate, reduced by an amount equal to the sum of the payments under RCW 46.68.090 (1) and (2) multiplied by the additional tax rate prescribed by this subsection divided by the motor vehicle fuel tax rate provided in this section, shall be deposited in the urban arterial trust account in the motor vehicle fund.

(4) An additional motor vehicle fuel tax rate of one-third cent per gallon shall be applied to the sale, distribution, or use of motor vehicle fuel, and the proceeds from this additional tax rate, reduced by an amount equal to the sum of the payments under RCW 46.68.090 (1) and (2) multiplied by the additional tax rate prescribed by this subsection divided by the motor vehicle fuel tax rate provided in this section, shall be deposited in the motor vehicle fund to be expended for highway purposes of the state as defined in RCW 46.68.130.

(5) (a) Before the start of each fiscal year, the department of licensing shall estimate the total aggregate motor vehicle fuel tax revenues and the total of all other revenues that will accrue to the motor vehicle fund during the fiscal year. The estimated total of all other state revenues to accrue to the motor vehicle fund during the fiscal year shall include those revenues (other than the aggregate motor vehicle fuel tax revenues) which the department of transportation with the concurrence of the office of financial management determines will accrue during the ((two fiscal half-years of the)) fiscal year, assuming that collections of such revenues for the ((two fiscal half-years of the)) fiscal year shall be at the same level as during the fiscal ((fiscal year)) year just ended, adjusted however for historic variations in collections according to ((fiscal yearly periods and for projected trends, but shall not include the proceeds of the sale of bonds, reimbursements to the motor vehicle fund for services performed by the department of transportation for others, moneys derived from nonfuel tax sources (which) that 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. The estimated total aggregate motor vehicle fuel tax revenues for the fiscal year shall include those revenues that the department of licensing determines will accrue during the fiscal year, assuming the sale, distribution, and use of motor vehicle fuel and special fuel within the state for the fiscal year will be at the same volume as during the fiscal year last ended, adjusted however for the historic variations in sales, distribution, and use according to yearly periods and for projected trends.
((fe)) (b) If the estimated aggregate motor fuel tax revenues plus all other state revenues (which) that will accrue to the motor vehicle fund during a fiscal year as computed in ((fe)) (a) of this subsection exceed the motor vehicle fund revenue limit in the fiscal year as computed in ((fd)) (c) of this subsection, the rate of motor fuel tax (computed as) provided in subsection (1) of this section((f)) shall be reduced by one-half cent increments for the fiscal year only, commencing at the beginning of the ( ensuing) fiscal ((half-year)) year, as may be necessary to reduce the estimated total revenues for the fiscal year to within the motor vehicle fund revenue limit.

((fd)) (c) 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) Notwithstanding any other provisions of this section the excise tax rate for any fiscal half-year shall not be less than twelve cents per gallon:

(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))) (6) 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.

Sec. 28. Section 82.36.100, chapter 15, Laws of 1961 as last amended by section 3, chapter 317, Laws of 1977 ex. sess. and RCW 82.36.100 are each amended to read as follows:

Every person other than a distributor who acquires any motor vehicle fuel within this state upon which payment of tax is required under the provisions of this chapter, or imports such motor vehicle fuel into this state and sells, distributes, or in any manner uses it in this state shall, if the tax has not been paid, apply for a license to carry on such activities, file bond, make reports, comply with all regulations the director may prescribe in respect thereto, and pay an excise tax at the rate computed in the manner provided in RCW 82.36.025 for each gallon thereof so sold, distributed, or used during the fiscal ((half-year)) year for which such rate is applicable in the manner provided for distributors, and the director shall issue a license to such person in the manner provided for issuance of licenses to distributors.
The proceeds of the tax imposed by this section shall be distributed in the manner provided for the distribution of the motor vehicle fuel excise tax in RCW 82.36.020 ((as now or hereafter amended)). However, a distributor licensed under ((the provisions of)) this chapter may deliver motor vehicle fuel to an importer in individual quantities of five hundred gallons or less and assume the liability for payment of the tax to this state. Under such conditions, the importer ((shall be)) is exempt from the requirements of this section. For failure to comply with ((the terms of)) this chapter such person ((shall be)) is subject to the same penalties imposed upon distributors. The director shall pursue against such persons the same procedure and remedies for audits, adjustments, collection, and enforcement of this chapter as is provided with respect to distributors. Nothing ((herein shall)) in this section may be construed as classifying such persons as distributors.

Sec. 29. Section 3, chapter 22, Laws of 1963 ex. sess. as last amended by section 4, chapter 317, Laws of 1977 ex. sess. and RCW 82.37.030 are each amended to read as follows:

In consideration of the use of the public highways of this state, motor carriers who import motor vehicle fuel into the state of Washington in the fuel supply tank or tanks of commercial motor vehicles for use in propelling ((said)) those vehicles on ((said)) the highways ((shall be)) are subject to a tax for such use of the highways as hereinafter provided. A tax at the rate computed in the manner provided in RCW 82.36.025 per gallon is hereby imposed upon every motor carrier measured and determined by the number of gallons of motor vehicle fuel so imported and actually used by ((such)) the motor carrier in its operations within this state during the fiscal ((half-year)) year for which such rate is applicable.

Sec. 30. Section 4, chapter 175, Laws of 1971 ex. sess. as last amended by section 3, chapter 40, Laws of 1979 and RCW 82.38.030 are each amended to read as follows:

(1) There is hereby levied and imposed upon special fuel users a tax at the rate computed in the manner provided in RCW 82.36.025 per gallon or each one hundred cubic feet of compressed natural gas measured at standard pressure and temperature on the use of special fuel in any motor vehicle operated upon the highways of this state during the fiscal ((half-year)) year for which such rate is applicable.

(2) ((Said)) The tax shall be collected by the special fuel dealer and shall be paid over to the department as hereinafter provided: (a) With respect to all special fuel delivered by a special fuel dealer into supply tanks of motor vehicles or into storage facilities used for the fueling of motor vehicles at unbonded service stations in this state; or (b) in all other transactions where the purchaser is not the holder of a valid special fuel license issued pursuant to this chapter allowing the purchase of untaxed special fuel.

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(3) ((Said)) The tax shall be paid over to the department by the special fuel user as hereinafter provided with respect to the taxable use of special fuel upon which the tax has not previously been imposed.

It is expressly provided that delivery of special fuel may be made without collecting the tax otherwise imposed, when such deliveries are made by a bonded special fuel dealer to special fuel users who are authorized by the department as hereinafter provided, to purchase fuel without payment of tax to the bonded special fuel dealer.

NEW SECTION. Sec. 31. Sections 1 through 18 of this act shall constitute a new chapter in Title 36 RCW.

NEW SECTION. Sec. 32. 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. 33. 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 on July 1, 1983.

Passed the House May 17, 1983.
Passed the Senate May 11, 1983.
Approved by the Governor May 23, 1983.
Filed in Office of Secretary of State May 23, 1983.

CHAPTER 50
[Substitute House Bill No. 251]
WASHINGTON YOUTH EMPLOYMENT EXCHANGE

AN ACT Relating to employment and conservation; adding a new chapter to Title 50 RCW; creating new sections; providing an expiration date; and making an appropriation.

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

NEW SECTION. Sec. 1. The legislature finds that:

(1) The unemployment rate in the state of Washington is the highest since the great depression, with a significantly higher rate among Washington youth.

(2) The policy of the state is to conserve and protect its natural and urban resources, scenic beauty, and historical and cultural sites.

(3) It is in the public interest to target employment projects to those activities which have the greatest benefit to the local economy.

(4) There are many unemployed young adults without hope or opportunities for entrance into the labor force who are unable to afford higher education and who create a serious strain on tax revenues in community services.