

CHAPTER 428

[Engrossed House Bill No. 1034]

RAIL DEVELOPMENT ACCOUNT—SPECIAL MOTOR VEHICLE EXCISE TAX

AN ACT Relating to establishment of a rail development account; amending RCW 35-.58.273; reenacting and amending RCW 82.44.150; adding a new section to Title 47 RCW; providing an effective date; and declaring an emergency.

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

NEW SECTION. Sec. 1. A new section is added as a new chapter to Title 47 RCW to read as follows:

There is hereby established in the state treasury the rail development account. Money in the account shall be used, after appropriation, for local rail passenger and rail freight purposes. All earnings of investments of any balances in the rail development account shall be credited to the rail development account.

Sec. 2. Section 8, chapter 255, Laws of 1969 ex. sess. as amended by section 2, chapter 175, Laws of 1979 ex. sess. and RCW 35.58.273 are each amended to read as follows:

~~((On or after July 1, 1971,))~~ Any municipality within a class AA county, or within a class A county contiguous to a class AA county, or within a second class county contiguous to a class A county that is contiguous to a class AA county is authorized to levy and collect a special excise tax not exceeding ninety-six one-hundredths of one percent on the fair market value of every motor vehicle owned by a resident of such municipality for the privilege of using such motor vehicle provided that in no event shall the tax be less than one dollar and, subject to RCW 82.44.150 (5) and (6), the amount of such tax shall be credited against the amount of the excise tax levied by the state under RCW 82.44.020. Any other municipality is authorized to levy and collect a special excise tax not exceeding one percent on the fair market value of every motor vehicle owned by a resident of such municipality for the privilege of using such motor vehicle provided that in no event shall the tax be less than one dollar and, subject to RCW 82.44.150(5) and (6), the amount of such tax shall be credited against the amount of the excise tax levied by the state under RCW 82.44.020: PROVIDED, That before utilization of any excise tax moneys collected under authorization of this section for acquisition of right of way or construction of a mass transit facility on a separate right of way the municipality shall adopt rules affording the public an opportunity for "corridor public hearings" and "design public hearings" as herein defined, which rule shall provide in detail the procedures necessary for public participation in the following instances: (a) prior to adoption of location and design plans having a substantial social, economic or environmental effect upon the locality upon which they are to be constructed or (b) on such mass rapid transit

systems operating on a separate right of way whenever a substantial change is proposed relating to location or design in the adopted plan. In adopting rules the municipality shall adhere to the provisions of the Administrative Procedure Act.

A "corridor public hearing" is a public hearing that: (a) is held before the municipality is committed to a specific mass transit route proposal, and before a route location is established; (b) is held to afford an opportunity for participation by those interested in the determination of the need for, and the location of, the mass rapid transit system; (c) provides a public forum that affords a full opportunity for presenting views on the mass rapid transit system route location, and the social, economic and environmental effects on that location and alternate locations: PROVIDED, That such hearing shall not be deemed to be necessary before adoption of an overall mass rapid transit system plan by a vote of the electorate of the municipality.

A "design public hearing" is a public hearing that: (a) is held after the location is established but before the design is adopted; and (b) is held to afford an opportunity for participation by those interested in the determination of major design features of the mass rapid transit system; and (c) provides a public forum to afford a full opportunity for presenting views on the mass rapid transit system design, and the social, economic, environmental effects of that design and alternate designs.

Sec. 3. Section 1, chapter 87, Laws of 1972 ex. sess. as last amended by section 13, chapter 35, Laws of 1982 1st ex. sess. and by section 20, chapter 49, Laws of 1982 1st ex. sess. and RCW 82.44.150 are each reenacted and amended to read as follows:

(1) The director of licensing shall on the twenty-fifth day of February, May, August, and November of each year, commencing with November, 1971, advise the state treasurer of the total amount of motor vehicle excise taxes remitted to the department of licensing during the preceding calendar quarter ending on the last day of March, June, September, and December, respectively, except for those payable under RCW 82.44.020(5)((:)) and 82.44.030, (~~and 82.44.070;~~) from motor vehicle owners residing within each municipality which has levied a tax under RCW 35.58.273, which amount of excise taxes shall be determined by the director as follows:

The total amount of motor vehicle excise taxes remitted to the department, except those payable under RCW 82.44.020(5)((:)) and 82.44.030, (~~and 82.44.070;~~) from each county shall be multiplied by a fraction, the numerator of which is the population of the municipality residing in such county, and the denominator of which is the total population of the county in which such municipality or portion thereof is located. The product of this computation shall be the amount of excise taxes from motor vehicle owners residing within such municipality or portion thereof. Where the municipality levying a tax under RCW 35.58.273 is located in more than one county, the above computation shall be made by county, and the combined products

shall provide the total amount of motor vehicle excise taxes from motor vehicle owners residing in the municipality as a whole. Population figures required for these computations shall be supplied to the director by the office of financial management, who shall adjust the fraction annually.

(2) On the first day of the months of January, April, July, and October of each year, the state treasurer based upon information provided by the department of licensing shall make the following apportionment and distribution of motor vehicle excise taxes deposited in the general fund except taxes collected under RCW 82.44.020(5). A sum equal to seventeen percent thereof shall be paid to cities and towns in the proportions and for the purposes hereinafter set forth; a sum equal to two percent of all motor vehicle excise tax receipts, except taxes collected under RCW 82.44.020(5), shall be allocable to the county sales and use tax equalization account under RCW 82.14.200; a sum equal to four and two-tenths percent of the special excise tax levied under RCW 35.58.273 by those municipalities authorized to levy a special excise tax at a rate not exceeding ninety-six one-hundredths of one percent on the fair market value of every motor vehicle owned by a resident of such municipality shall be deposited in the rail development account established in section 1 of this 1987 act; and a sum equal to seventy percent of all motor vehicle excise tax receipts shall be allocable to the state school equalization fund and credited and transferred each year in the following order of priority:

(a) The amount required and certified by the state finance committee each year as being necessary for payment of principal of and interest on bonds authorized by RCW 28A.47.760 through 28A.47.774 in the ensuing twelve months and any additional amounts required by the covenants of such bonds shall be transferred from the state school equalization fund to the 1963 public school building bond retirement fund.

(b) Any remaining amounts in the state school equalization fund from the motor vehicle excise taxes not required for debt service on the above bond issues shall be transferred and credited to the general fund.

(3) The amount payable to cities and towns shall be apportioned among the several cities and towns within the state according to the following formula:

(a) Sixty-five percent of the sum specified in subsection (2) of this section to be paid to cities and towns shall be apportioned ratably on the basis of population as last determined by the office of financial management.

(b) Thirty-five percent of the sum specified in subsection (2) of this section to be paid to cities and towns shall be apportioned to cities and towns under RCW 82.14.210.

(4) When so apportioned, the amount payable to each such city and town shall be transmitted to the city treasurer thereof, and shall be utilized by such city or town for the purposes of police and fire protection and the preservation of the public health therein, and not otherwise. In case it be

adjudged that revenue derived from the excise tax imposed by this chapter cannot lawfully be apportioned or distributed to cities or towns, all moneys directed by this section to be apportioned and distributed to cities and towns shall be credited and transferred to the state general fund.

(5) On the first day of the months of January, April, July, and October of each year, the state treasurer, based upon information provided by the department of licensing, shall remit motor vehicle excise tax revenues imposed and collected under RCW 35.58.273 as follows:

(a) The amount required to be remitted by the state treasurer to the treasurer of any municipality levying the tax shall not exceed in any calendar year the amount of locally-generated tax revenues, excluding the excise tax imposed under RCW 35.58.273 for the purposes of this section, which shall have been budgeted by the municipality to be collected in such calendar year for any public transportation purposes including but not limited to operating costs, capital costs, and debt service on general obligation or revenue bonds issued for these purposes; and

(b) In no event may the amount remitted in a single calendar quarter exceed the amount collected on behalf of the municipality under RCW 35.58.273 during the calendar quarter next preceding the immediately preceding quarter.

(6) At the close of each calendar year accounting period, but not later than April 1, each municipality that has received motor vehicle excise taxes under subsection (5) of this section shall transmit to the director of licensing and the state auditor a written report showing by source the previous year's budgeted tax revenues for public transportation purposes as compared to actual collections. Any municipality that has not submitted the report by April 1 shall cease to be eligible to receive motor vehicle excise taxes under subsection (5) of this section until the report is received by the director of licensing. If a municipality has received more or less money under subsection (5) of this section for the period covered by the report than it is entitled to receive by reason of its locally-generated collected tax revenues, the director of licensing shall, during the next ensuing quarter that the municipality is eligible to receive motor vehicle excise tax funds, increase or decrease the amount to be remitted in an amount equal to the difference between the locally-generated budgeted tax revenues and the locally-generated collected tax revenues. In no event may the amount remitted for a calendar year exceed the amount collected on behalf of the municipality under RCW 35.58.273 during that same calendar year. At the time of the next fiscal audit of each municipality, the state auditor shall verify the accuracy of the report submitted and notify the director of licensing of any discrepancies.

(7) The motor vehicle excise taxes imposed under RCW 35.58.273 and required to be remitted under this section shall be remitted without legislative appropriation.

(8) Any municipality levying and collecting a tax under RCW 35.58-.273 which does not have an operating, public transit system or a contract for public transportation services in effect within one year from the initial effective date of the tax shall return to the state treasurer all motor vehicle excise taxes received under subsection (5) of this section.

NEW SECTION. Sec. 4. 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, 1987.

Passed the House April 26, 1987.

Passed the Senate April 26, 1987.

Approved by the Governor May 18, 1987.

Filed in Office of Secretary of State May 18, 1987.

CHAPTER 429

[Engrossed Substitute House Bill No. 1035]
RAIL DEVELOPMENT COMMISSION

AN ACT Relating to the rail development commission; creating new sections; declaring an emergency; and providing an effective date.

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

NEW SECTION. Sec. 1. The legislature finds that in many areas of the state, alternatives to highway transportation are necessary to adequately move the state's citizens and its commerce. In rural areas, continued railroad abandonments have reduced the options for transportation of agricultural products and threaten the economic health of many areas of the state. While rail lines lie idle, increased volumes of truck traffic require significant improvement of rural public roads.

The legislature finds that in urban areas, ever-increasing volumes of traffic congest the highway system vital to the movement of people, goods, and services in metropolitan areas. Without relief, these arteries will no longer provide the mobility for which they were intended.

The legislature seeks to provide for a comprehensive examination of the rail freight issue and rail passenger service, particularly urban rail systems.

It is the intent of the legislature to establish a temporary commission, made up of persons interested in and affected by these rail issues. This commission shall make recommendations to the legislature regarding future Washington policy for rail freight and rail passenger service. It is further the intent that this commission should also address future use of rail corridors and rights of way in this state, as they relate to such services. In developing recommendations, the legislature desires that the commission use the numerous studies and plans on these subjects that have been completed.