

any goods or services provided by the bailee regarding the property, and for the costs to provide notice to the owner.

Passed the House February 12, 1990.

Passed the Senate February 23, 1990.

Approved by the Governor March 13, 1990.

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CHAPTER 42

[Substitute Senate Bill No. 6358]
TRANSPORTATION TAXES

AN ACT Relating to transportation taxes; amending RCW 82.36.025, 46.68.090, 36.79-.140, 46.16.070, 46.68.035, 46.44.0941, 46.44.095, 46.68.030, 46.16.030, 46.87.020, 46.87.070, 46.87.120, 46.87.140, 46.09.170, 43.99.070, 46.10.170, 82.36.030, 82.38.150, 82.36.440, 82.38-.280, 46.08.010, 82.44.010, 82.44.020, 82.44.060, 82.44.110, 82.44.120, 82.44.150, 82.44.160, 82.44.170, 82.14.200, 82.14.210, 35.58.2721, 35.58.273, 43.62.010, 46.16.015, 82.50.400, 82-.50.410, 82.50.510, 46.12.360, 47.56.711, 47.60.326, 47.60.420, and 47.60.440; reenacting and amending RCW 82.02.030 and 47.60.150; adding new sections to chapter 46.68 RCW; adding a new section to chapter 47.60 RCW; adding new sections to chapter 82.44 RCW; adding new sections to chapter 82.50 RCW; adding a new chapter to Title 82 RCW; creating new sections; repealing RCW 82.44.013, 82.44.040, 82.44.045, 82.44.050, 82.50.420, 82.50.430, 47.56.712, 47.56.713, 47.56.714, 47.56.715, 47.56.716, 47.56.365, 47.60.160, and 47.60.543; providing effective dates; and declaring an emergency.

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

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PURPOSE

NEW SECTION. Sec. 1. **PURPOSE OF STATE AND LOCAL TRANSPORTATION FUNDING PROGRAM.** (1) The legislature finds that a new comprehensive funding program is required to maintain the state's commitment to the growing mobility needs of its citizens and commerce. The transportation funding program is intended to satisfy the following state policies and objectives:

(a) State-wide system: Provide for preservation of the existing state-wide system and improvements for current and expected capacity needs in rural, established urban, and growing suburban areas throughout the state;

(b) Local flexibility: Provide for necessary state highway improvements, as well as providing local governments with the option to use new funding sources for projects meeting local and regional needs;

(c) Multimodal: Provide a source of funds that may be used for multimodal transportation purposes;

(d) Program compatibility: Implement transportation facilities and services that are consistent with adopted land use and transportation plans and coordinated with recently authorized programs such as the act authorizing creation of transportation benefit districts and the local transportation act of 1988;

(e) Interjurisdictional cooperation: Encourage transportation planning and projects that are multijurisdictional in their conception, development, and benefit, recognizing that mobility problems do not respect jurisdictional boundaries;

(f) Public and private sector: Use a state, local, and private sector partnership that equitably shares the burden of meeting transportation needs.

(2) The legislature further recognizes that the revenues currently available to the state and to counties, cities, and transit authorities for highway, road, and street construction and preservation fall far short of the identified need. The 1988 Washington road jurisdiction study identified a state-wide funding shortfall of between \$14.6 and \$19.9 billion to bring existing roads to acceptable standards. The gap between identified transportation needs and available revenues continues to increase. A comprehensive transportation funding program is required to meet the current and anticipated future needs of this state.

(3) The legislature further recognizes the desirability of making certain changes in the collection and distribution of motor vehicle excise taxes with the following objectives: Simplifying administration and collection of the taxes including adoption of a predictable depreciation schedule for vehicles; simplifying the allocation of the taxes among various recipients; and the dedication of a portion of motor vehicle excise taxes for transportation purposes.

(4) The legislature, therefore, declares a need for the three-part funding program embodied in this act: (a) State-wide funding for highways, roads, and streets in urban and rural areas; (b) local option funding authority, available immediately, for the construction and preservation of roads, streets, and transit improvements and facilities; and (c) the creation of a multimodal transportation fund that is funded through dedication of a portion of motor vehicle excise tax. This funding program is intended, by targeting certain new revenues, to produce a significant increase in the overall capacity of the state, county, and city transportation systems to satisfy and efficiently accommodate the movement of people and goods.

PART I: STATE-WIDE PROGRAM

Sec. 101. STATE-WIDE MOTOR VEHICLE FUEL TAXES. Section 6, chapter 317, Laws of 1977 ex. sess. as last amended by section 27, chapter 49, Laws of 1983 1st ex. sess. and RCW 82.36.025 are each amended to read as follows:

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))~~ (5) of this section.

(1) ~~((Except as required in subsection (5) of this section;))~~ A motor vehicle fuel tax rate of ~~((fifteen))~~ seventeen 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-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 ~~((+ and (2)))~~ (1) (a) and (b) 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 RCW 36.79.020.

(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 ~~((+ and (2)))~~ (1) (a) and (b) 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 ~~((full [fuel]))~~ 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 ~~((+ and (2)))~~ (1) (a) and (b) 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 fiscal year, assuming~~

that collections of such revenues for the fiscal year shall be at the same level as during the fiscal year just ended, adjusted however for historic variations in collections according to 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 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:

(b) If the estimated aggregate motor fuel tax revenues plus all other state revenues that will accrue to the motor vehicle fund during a fiscal year as computed in (a) of this subsection exceed the motor vehicle fund revenue limit in the fiscal year as computed in (c) of this subsection, the rate of motor fuel tax provided in subsection (1) of this section shall be reduced by one-half cent increments for the fiscal year only, commencing at the beginning of the fiscal year, as may be necessary to reduce the estimated total revenues for the fiscal year to within the motor vehicle fund revenue limit.

(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.

(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.)) An additional motor vehicle fuel tax rate of four cents per gallon from April 1, 1990, through March 31, 1991, and five cents per gallon from April 1, 1991, applies to the sale, distribution, or use of motor vehicle fuel. The proceeds from the additional tax rate under this subsection, reduced by an amount equal to the sum of the payments under RCW 46.68.090 (1) (a) and (b) multiplied by the additional tax rate prescribed by this subsection

divided by the motor fuel tax rate provided in this section, shall be deposited in the motor vehicle fund and shall be distributed by the state treasurer according to section 103 of this act.

Sec. 102. DISTRIBUTION OF STATE-WIDE TAXES. Section 46.68.090, chapter 12, Laws of 1961 as last amended by section 21, chapter 49, Laws of 1983 1st ex. sess. and RCW 46.68.090 are each amended to read as follows:

(1) All moneys that have accrued or may accrue to the motor vehicle fund from the motor vehicle fuel tax and special fuel tax shall be first expended for the following purposes:

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

~~((2))~~ (b) For payment of amounts to be expended pursuant to appropriations for the administrative expenses of the offices of state treasurer, state auditor, and the department of licensing of the state of Washington in the administration of the motor vehicle fuel tax and the special fuel tax, which sums shall be distributed monthly;

~~((3))~~ (c) For ~~((payments))~~ distribution to the rural arterial trust account in the motor vehicle fund, an amount as provided in RCW 82.36.025(2) and section 103(3) of this act;

~~((4))~~ (d) For ~~((payments))~~ distribution to the urban arterial trust account in the motor vehicle fund, an amount as provided in RCW 82.36.025(3); ~~((and~~

~~(5))~~ (e) For distribution to the transportation improvement account in the motor vehicle fund, an amount as provided in section 103(1) of this act;

(f) For distribution to the special category C account, hereby created in the motor vehicle fund, an amount as provided in section 103(2) of this act;

(g) For distribution to the county arterial preservation account, hereby created in the motor vehicle fund, an amount as provided in section 103(4) of this act;

(h) For distribution to the motor vehicle fund to be allocated to cities and towns as provided in RCW 46.68.110, an amount as provided in section 103(5) of this act;

(i) For distribution to the motor vehicle fund to be allocated to counties as provided in RCW 46.68.120, an amount as provided in section 103(6) of this act;

(j) 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) and section 103(7) of this act.

(2) 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, distributions, and expenditures as provided in ~~((subsections (1), (2);~~

~~(3), (4), and (5) of~~) this section shall, for the purposes of this chapter, be referred to as the "net tax amount."

NEW SECTION. Sec. 103. DISTRIBUTION OF ADDITIONAL STATE-WIDE TAXES. A new section is added to chapter 46.68 RCW to read as follows:

All moneys that have accrued or may accrue to the motor vehicle fund from the motor vehicle fuel tax and special fuel tax imposed by RCW 82.36.025(5) shall be distributed monthly by the state treasurer in the following proportions:

(1) One and one-half cents shall be deposited in the transportation improvement account and expended in accordance with RCW 47.26.084.

(2) From April 1, 1991, seventy-five one-hundredths of one cent shall be deposited in the special category C account in the motor vehicle fund for special category C projects. Special category C projects are category C projects as defined in RCW 47.05.030(3) that, due to high cost only, will require bond financing to complete construction.

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

- (a) Accident experience; and
- (b) Fatal accident experience; and
- (c) Capacity to move people and goods safely and at reasonable speeds without undue congestion; and
- (d) Continuity of development of the highway transportation network.

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

(3) Twenty-five one-hundredths of one cent shall be deposited in the rural arterial trust account in the motor vehicle fund.

(4) Forty-five one-hundredths of one cent shall be deposited in the county arterial preservation account. These funds shall be distributed by the county road administration board to counties in proportions corresponding to the number of paved arterial lane miles in the unincorporated area of each county and shall be used for improvements to sustain the structural, safety, and operational integrity of county arterials. The county road administration board shall adopt reasonable rules and develop policies to implement this program and to assure that a pavement management system is used.

(5) One-half of one cent shall be allocated to cities and towns as provided in RCW 46.68.110.

(6) From April 1, 1990, through March 31, 1991, thirty one-hundredths of one cent and after March 31, 1991, fifty-five one-hundredths of one cent shall be allocated to counties as provided in RCW 46.68.120.

(7) One cent shall be deposited in the motor vehicle fund and shall be expended for highway purposes of the state as defined in RCW 46.68.130.

Sec. 104. Section 14, chapter 49, Laws of 1983 1st ex. sess. as amended by section 1, chapter 113, Laws of 1984 and RCW 36.79.140 are each amended to read as follows:

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 RCW 36.79.130, 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 RCW 36.79.090. 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: **PROVIDED HOWEVER, That counties of the seventh class are exempt from this eligibility restriction: AND PROVIDED FURTHER, That counties expending revenues collected for road purposes only on other governmental services after authorization from the voters of that county under RCW 84.55.050 are also exempt from this eligibility restriction.** 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 RCW 36.79.080.

Sec. 105. LICENSE FEE ON TRUCKS, BUSES, AND FOR HIRE VEHICLES BASED ON GROSS WEIGHT. Section 1, chapter 156, Laws of 1989 and RCW 46.16.070 are each amended to read as follows:

(1) In lieu of all other vehicle licensing fees, unless specifically exempt, and in addition to the excise tax prescribed in chapter 82.44 RCW and the mileage fees prescribed for buses and stages in RCW 46.16.125, there shall be paid and collected annually for each motor truck, truck tractor, road tractor, tractor, bus, auto stage, or for hire vehicle with seating capacity of more than six, based upon the declared combined gross weight or declared

gross weight thereof pursuant to the provisions of chapter 46.44 RCW, the following licensing fees by such gross weight:

4,000 lbs.	.....	\$	((28.75))	<u>37.00</u>
6,000 lbs.	.....	\$	((33.72))	<u>44.00</u>
8,000 lbs.	.....	\$	((41.30))	<u>55.00</u>
10,000 lbs.	.....	\$	((46.37))	<u>62.00</u>
12,000 lbs.	.....	\$	((53.62))	<u>72.00</u>
14,000 lbs.	.....	\$	((60.86))	<u>82.00</u>
16,000 lbs.	.....	\$	((68.31))	<u>92.00</u>
18,000 lbs.	.....	\$	((100.02))	<u>137.00</u>
20,000 lbs.	.....	\$	((110.94))	<u>152.00</u>
22,000 lbs.	.....	\$	((119.76))	<u>164.00</u>
24,000 lbs.	.....	\$	((128.95))	<u>177.00</u>
26,000 lbs.	.....	\$	((136.08))	<u>187.00</u>
28,000 lbs.	.....	\$	((159.66))	<u>220.00</u>
30,000 lbs.	.....	\$	((183.18))	<u>253.00</u>
32,000 lbs.	.....	\$	((219.78))	<u>304.00</u>
34,000 lbs.	.....	\$	((233.06))	<u>323.00</u>
36,000 lbs.	.....	\$	((252.39))	<u>350.00</u>
38,000 lbs.	.....	\$	((276.51))	<u>384.00</u>
40,000 lbs.	.....	\$	((315.99))	<u>439.00</u>
42,000 lbs.	.....	\$	((328.16))	<u>456.00</u>
44,000 lbs.	.....	\$	((335.02))	<u>466.00</u>
46,000 lbs.	.....	\$	((359.91))	<u>501.00</u>
48,000 lbs.	.....	\$	((375.19))	<u>522.00</u>
50,000 lbs.	.....	\$	((406.36))	<u>566.00</u>
52,000 lbs.	.....	\$	((427.45))	<u>595.00</u>
54,000 lbs.	.....	\$	((461.02))	<u>642.00</u>
56,000 lbs.	.....	\$	((486.21))	<u>677.00</u>
58,000 lbs.	.....	\$	((505.53))	<u>704.00</u>
60,000 lbs.	.....	\$	((538.29))	<u>750.00</u>
62,000 lbs.	.....	\$	((576.50))	<u>804.00</u>
64,000 lbs.	.....	\$	((589.75))	<u>822.00</u>
66,000 lbs.	.....	\$	((656.14))	<u>915.00</u>
68,000 lbs.	.....	\$	((683.99))	<u>954.00</u>
70,000 lbs.	.....	\$	((736.14))	<u>1,027.00</u>
72,000 lbs.	.....	\$	((786.36))	<u>1,098.00</u>
74,000 lbs.	.....	\$	((854.15))	<u>1,193.00</u>
76,000 lbs.	.....	\$	((923.05))	<u>1,289.00</u>
78,000 lbs.	.....	\$	((1,007.10))	<u>1,407.00</u>
80,000 lbs.	.....	\$	((1,086.95))	<u>1,518.00</u>

((The proceeds from such fees shall be distributed in accordance with RCW 46.68.035.

~~Effective with motor vehicle licenses that expire in January, 1989, and thereafter, a surcharge of four dollars and seventy-five cents is added to such fees. The proceeds of this surcharge shall be forwarded to the state treasurer to be deposited into the state patrol highway account of the motor vehicle fund:))~~

Every motor truck, truck tractor, and tractor exceeding 6,000 pounds empty scale weight registered under chapter 46.16, 46.87, or 46.88 RCW shall be licensed for not less than one hundred fifty percent of its empty weight unless the amount would be in excess of the legal limits prescribed for such a vehicle in RCW 46.44.041 or 46.44.042, in which event the vehicle shall be licensed for the maximum weight authorized for such a vehicle.

The following provisions apply when increasing gross or combined gross weight for a vehicle licensed under this section:

~~((+))~~ (a) The new license fee will be one-twelfth of the fee listed above for the new gross weight, multiplied by the number of months remaining in the period for which licensing fees have been paid, including the month in which the new gross weight is effective.

~~((=))~~ (b) Upon surrender of the current certificate of registration or cab card, the new licensing fees due shall be reduced by the amount of the licensing fees previously paid for the same period for which new fees are being charged.

(2) The proceeds from the fees collected under subsection (1) of this section shall be distributed in accordance with RCW 46.68.035.

Sec. 106. Section 21, chapter 380, Laws of 1985 as amended by section 4, chapter 156, Laws of 1989 and RCW 46.68.035 are each amended to read as follows:

All proceeds from combined vehicle licensing fees received by the director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall be forwarded to the state treasurer to be distributed into accounts according to the following method:

~~(1) ((34.644 percent, representing the vehicle licensing fee, shall be distributed according to the following formula))~~ The sum of two dollars for each vehicle shall be deposited into the highway safety fund, except that for each vehicle registered by a county auditor or agent to a county auditor pursuant to RCW 46.01.140, the sum of two dollars shall be credited to the current county expense fund.

(2) The remainder shall be distributed as follows:

(a) ~~((76.772))~~ 25.862 percent shall be deposited into the state patrol highway account of the motor vehicle fund;

(b) ~~((6.348))~~ 1.661 percent shall be deposited into the Puget Sound ferry operations account of the motor vehicle fund; and

(c) ~~((16.880 percent shall be deposited into the motor vehicle fund:~~

~~(2) The sum of two dollars for each vehicle shall be deposited into the highway safety fund, except that for each vehicle registered by a county~~

auditor or agent to a county auditor pursuant to RCW 46.01.140, the sum of two dollars shall be credited to the current county expense fund:

(3)) The remaining proceeds(~~(, representing the gross vehicle weight fee, identification fee, special fee, minimum fee, and application fee,)~~) shall be deposited into the motor vehicle fund.

Sec. 107. SPECIAL PERMITS FOR OVERSIZE OR OVERWEIGHT MOVEMENTS—FEES. Section 2, chapter 137, Laws of 1965 as last amended by section 1, chapter 398, Laws of 1989 and RCW 46.44.0941 are each amended to read as follows:

The following fees, in addition to the regular license and tonnage fees, shall be paid for all movements under special permit made upon state highways. All funds collected, except the amount retained by authorized agents of the department as provided in RCW 46.44.096, shall be forwarded to the state treasury and shall be deposited in the motor vehicle fund:

All overlegal loads, except overweight, single trip	\$ 10.00
Continuous operation of overlegal loads having either overwidth or overheight features only, for a period not to exceed thirty days	\$ 20.00
Continuous operations of overlegal loads having overlength features only, for a period not to exceed thirty days	\$ 10.00
Continuous operation of a combination of vehicles having one trailing unit that exceeds forty-eight feet and is not more than fifty-six feet in length, for a period of one year	\$100.00
Continuous operation of a combination of vehicles having two trailing units which together exceed sixty feet and are not more than sixty-eight feet in length, for a period of one year	\$100.00
Continuous operation of a three-axle fixed load vehicle having less than 65,000 pounds gross weight, for a period not to exceed thirty days	\$ ((50.00))
	<u>70.00</u>
Continuous operation of overlegal loads having nonreducible features not to exceed eighty-five feet in length and fourteen feet in width, for a period of one year	\$150.00

Continuous operation of farm implements under a permit issued as authorized by RCW 46.44.140 by:

- (1) Farmers in the course of farming activities, for any three-month period \$ 10.00
- (2) Farmers in the course of farming activities, for a period not to exceed one year \$ 25.00
- (3) Persons engaged in the business of the sale, repair, or maintenance of such farm implements, for any three-month period \$ 25.00
- (4) Persons engaged in the business of the sale, repair, or maintenance of such farm implements, for a period not to exceed one year \$100.00

Overweight Fee Schedule

Weight over total registered gross weight plus additional gross weight purchased under RCW 46.44.095 or 46.44.047, or any other statute authorizing the state department of transportation to issue annual overweight permits. Fee per mile on state highways

1- 5,999 pounds	\$ ((.05))	<u>.07</u>
6,000-11,999 pounds	\$ ((.10))	<u>.14</u>
12,000-17,999 pounds	\$ ((.15))	<u>.21</u>
18,000-23,999 pounds	\$ ((.25))	<u>.35</u>
24,000-29,999 pounds	\$ ((.35))	<u>.49</u>
30,000-35,999 pounds	\$ ((.45))	<u>.63</u>
36,000-41,999 pounds	\$ ((.60))	<u>.84</u>
42,000-47,999 pounds	\$ ((.75))	<u>1.05</u>
48,000-53,999 pounds	\$ ((.90))	<u>1.26</u>
54,000-59,999 pounds	\$ ((1.05))	<u>1.47</u>
60,000-65,999 pounds	\$ ((1.20))	<u>1.68</u>
66,000-71,999 pounds	\$ ((1.45))	<u>2.03</u>
72,000-79,999 pounds	\$ ((1.70))	<u>2.38</u>
80,000 pounds or more	\$ ((2.00))	<u>2.80</u>

PROVIDED: ((+)) (a) The minimum fee for any overweight permit shall be \$((+0.00)) 14.00, ((+)) (b) the fee for issuance of a duplicate permit shall be \$((+0.00)) 14.00, ((+)) (c) when computing overweight fees that result in an amount less than even dollars the fee shall be carried to the next full dollar if fifty cents or over and shall be reduced to the next full dollar if forty-nine cents or under.

Sec. 108. ANNUAL ADDITIONAL TONNAGE PERMITS—FEES. Section 46.44.095, chapter 12, Laws of 1961 as last amended by section 3, chapter 398, Laws of 1989 and RCW 46.44.095 are each amended to read as follows:

When a combination of vehicles has been lawfully licensed to a total gross weight of eighty thousand pounds and when a three or more axle single unit vehicle has been lawfully licensed to a total gross weight of forty thousand pounds pursuant to provisions of RCW 46.44.041, a permit for additional gross weight may be issued by the department of transportation upon the payment of ~~((thirty-seven dollars and fifty))~~ fifty-two dollars and fifty cents per year for each one thousand pounds or fraction thereof of such additional gross weight: PROVIDED, That the tire limits specified in RCW 46.44.042 shall apply, and the gross weight on any single axle shall not exceed twenty thousand pounds, and the gross load on any group of axles shall not exceed the limits set forth in RCW 46.44.041: PROVIDED FURTHER, That within the tire limits of RCW 46.44.042, and notwithstanding RCW 46.44.041 and 46.44.091, a permit for an additional six thousand pounds may be purchased for the rear axles of a two-axle garbage truck or eight thousand pounds for the tandem axle of a three axle garbage truck at a rate not to exceed ~~((thirty))~~ forty-two dollars per thousand. Such additional weight in the case of garbage trucks shall not be valid or permitted on any part of the federal interstate highway system.

The annual additional tonnage permits provided for in this section shall be issued upon such terms and conditions as may be prescribed by the department pursuant to general rules adopted by the transportation commission. Such permits shall entitle the permittee to carry such additional load in an amount and upon highways or sections of highways as may be determined by the department of transportation to be capable of withstanding increased gross load without undue injury to the highway: PROVIDED, That the permits ~~((shall))~~ are not ~~((be))~~ valid on any highway where the use of such permits would deprive this state of federal funds for highway purposes.

For those vehicles registered under chapter 46.87 RCW, the annual additional tonnage permits provided for in this section may be issued to coincide with the registration year of the base jurisdiction. For those vehicles registered under chapter 46.16 RCW and whose registration has staggered renewal dates, the annual additional tonnage permits may be issued to coincide with the expiration date of the registration. The permits may be purchased at any time, and if they are purchased for less than a full year, the fee shall be one-twelfth of the full fee multiplied by the number of months, including any fraction thereof, covered by the permit. When the department issues a duplicate permit to replace a lost or destroyed permit and where the department transfers a permit from one vehicle to another a fee of ~~((ten))~~ fourteen dollars shall be charged for each duplicate issued or each transfer.

The department of transportation shall issue permits on a temporary basis for periods not less than five days at two dollars and eighty cents per day for each two thousands pounds or fraction thereof.

The fees levied in RCW 46.44.0941 and this section shall not apply to any vehicles owned and operated by the state of Washington, any county within the state, or any city or town or metropolitan municipal corporation within the state, or by the federal government.

In the case of fleets prorating license fees under the provisions of chapter 46.87 RCW, the fees provided for in this section shall be computed by the department of transportation by applying the proportion of the Washington mileage of the fleet in question to the total mileage of the fleet as reported pursuant to chapter 46.87 RCW to the fees that would be required to purchase the additional weight allowance for all eligible vehicles or combinations of vehicles for which the extra weight allowance is requested.

When computing fees that result in an amount other than full dollars, the fee shall be increased to the next full dollar if fifty cents or over and shall be reduced to the next full dollar if forty-nine cents or under. The minimum fee for any prorated tonnage permit issued under this section shall be ~~((twenty-five))~~ thirty-five dollars.

Sec. 109. DISPOSITION OF VEHICLE LICENSE FEES. Section 20, chapter 380, Laws of 1985 and RCW 46.68.030 are each amended to read as follows:

Except for proceeds from fees for vehicle licensing for vehicles paying such fees under RCW 46.16.070 and 46.16.085, and as otherwise provided for in chapter 46.16 RCW, 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 by the transportation commission)). 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. 110. NONRESIDENT EXEMPTION—RECIPROCITY. Section 46.16.030, chapter 12, Laws of 1961 as amended by section 15, chapter 32, Laws of 1967 and RCW 46.16.030 are each amended to read as follows:

Except as is herein provided for foreign (~~corporations~~) businesses, the provisions relative to the licensing of vehicles and display of vehicle license number plates and license registration certificates shall not apply to any vehicles owned by nonresidents of this state if the owner thereof has complied with the law requiring the licensing of vehicles in the names of the owners thereof in force in the state, foreign country, territory or federal district of his or her residence; and the vehicle license number plate showing the initial or abbreviation of the name of such state, foreign country, territory or federal district, is displayed on such vehicle substantially as is provided therefor in this state(~~(-PROVIDED, That))~~). The provisions of this section shall be operative as to a vehicle owned by a nonresident of this state only to the extent that under the laws of the state, foreign country, territory or federal district of his or her residence, like exemptions and privileges are granted to vehicles duly licensed under the laws of and owned by residents of this state. If under the laws of such state, foreign country, territory or federal district, vehicles owned by residents of this state, operating upon the highways of such state, foreign country, territory or federal district, are required to pay the license fee and carry the vehicle license number plates of such state, foreign country, territory or federal district, the vehicles owned by residents of such state, foreign country, territory or federal district, and operating upon the highways of this state, shall comply with the provisions of this state relating to the licensing of vehicles. Foreign (~~corporations~~) businesses owning, maintaining, or operating places of business in this state and using vehicles in connection with such places of business, shall comply with the provisions relating to the licensing of vehicles insofar as vehicles used in connection with such places of business are concerned(~~(-PROVIDED, FURTHER, That))~~). Under provisions of the international registration plan, the nonmotor vehicles of member and nonmember jurisdictions which are properly based and licensed in such jurisdictions are granted reciprocity in this state as provided in RCW 46.87.070(2). Converter gears (auxiliary axles) that are properly based in jurisdictions that do not register or provide license plates for such vehicles may be operated in this state without the

need for registration or the display of license plates as applicable. The director is empowered to make and enforce rules and regulations for the licensing of nonresident vehicles upon a reciprocal basis and with respect to any character or class of operation.

Sec. 111. DEFINITIONS. Section 2, chapter 380, Laws of 1985 as amended by section 16, chapter 244, Laws of 1987 and RCW 46.87.020 are each amended to read as follows:

Terms used in this chapter have the meaning given to them in the International Registration Plan (IRP), the Uniform Vehicle Registration, Proration, and Reciprocity Agreement (Western Compact), chapter 46.04 RCW, or as otherwise defined in this section. Definitions given to terms by the IRP and the Western Compact, as applicable, shall prevail unless given a different meaning in this chapter or in rules adopted under authority of this chapter.

(1) "Apportionable vehicle" has the meaning given by the IRP, except that it does not include vehicles with a declared gross weight of twelve thousand pounds or less. Apportionable vehicles include trucks, tractors, truck tractors, road tractors, and buses, ((converter gears (auxiliary axles), trailers, semitrailers, and pole trailers,)) each as separate and licensable vehicles. For IRP jurisdictions that require the registration of nonmotor vehicles, this term may include converter gears (auxiliary axles), trailers, semitrailers, and pole trailers as applicable, each as separate and licensable vehicles.

(2) "Cab card" is a certificate of registration issued for a vehicle by the registering jurisdiction under the Western Compact. Under the IRP, it is a certificate of registration issued by the base jurisdiction for a vehicle upon which is disclosed the jurisdictions and registered gross weights in such jurisdictions for which the vehicle is registered.

(3) "Commercial vehicle" is a term used by the Western Compact and means any vehicle, except recreational vehicles, vehicles displaying restricted plates, and government owned or leased vehicles, that is operated and registered in more than one jurisdiction and is used or maintained for the transportation of persons for hire, compensation, or profit, or is designed, used, or maintained primarily for the transportation of property and:

(a) Is a motor vehicle having a declared gross weight in excess of twenty-six thousand pounds; or

(b) Is a motor vehicle having three or more axles with a declared gross weight in excess of twelve thousand pounds; or

(c) Is a motor vehicle, trailer, pole trailer, converter gear (auxiliary axle), or semitrailer used in combination when the gross weight or declared gross weight of the combination exceeds twenty-six thousand pounds combined gross weight((~~or~~

(d) Is a converter gear (auxiliary axle)). The nonmotor vehicles mentioned are only applicable to those jurisdictions requiring the registration of such vehicles.

Although a two-axle motor vehicle, trailer, pole trailer, semitrailer, converter gear (auxiliary axle), or any combination of such vehicles with ((a)) an actual or declared gross weight or declared combined gross weight exceeding twelve thousand pounds but not more than twenty-six thousand is not considered to be a commercial vehicle, at the option of the owner, such vehicles may be considered as "commercial vehicles" for the purpose of proportional registration. The nonmotor vehicles mentioned are only applicable to those jurisdictions requiring the registration of such vehicles.

Commercial vehicles include trucks, tractors, truck tractors, road tractors, and buses(;;). Converter gears (auxiliary axles), trailers, pole trailers, and semitrailers, ((each as separate and licensable vehicles)) will also be considered as commercial vehicles for those jurisdictions who require registration of such vehicles.

(4) "Credentials" means cab cards, apportioned plates (for Washington-based fleets), and validation tabs issued for proportionally registered vehicles.

(5) "Declared combined gross weight" means the total unladen weight of any combination of vehicles plus the weight of the maximum load to be carried on the combination of vehicles as set by the registrant in the application pursuant to chapter 46.44 RCW and for which registration fees have been or are to be paid.

(6) "Declared gross weight" means the total unladen weight of any vehicle plus the weight of the maximum load to be carried on the vehicle as set by the registrant in the application pursuant to chapter 46.44 RCW and for which registration fees have been or are to be paid. In the case of a bus, auto stage, or a passenger-carrying for hire vehicle with a seating capacity of more than six, the declared gross weight shall be determined by multiplying the average load factor of one hundred and fifty pounds by the number of seats in the vehicle, including the driver's seat, and add this amount to the unladen weight of the vehicle. If the resultant gross weight is not listed in RCW 46.16.070, it will be increased to the next higher gross weight so listed pursuant to chapter 46.44 RCW.

(7) "Department" means the department of licensing.

(8) "Fleet" means one or more commercial vehicles in the Western Compact and one or more apportionable vehicles in the IRP.

(9) "In-jurisdiction miles" means the total miles accumulated in a jurisdiction during the preceding year by vehicles of the fleet while they were a part of the fleet.

(10) "IRP" means the International Registration Plan.

(11) "Jurisdiction" means and includes a state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a foreign county, and a state or province of a foreign country.

(12) "Owner" means a person or business firm who holds the legal title to a vehicle, or if a vehicle is the subject of an agreement for its conditional sale with the right of purchase upon performance of the conditions stated in the agreement and with an immediate right of possession vested in the conditional vendee, or if a vehicle is subject to a lease, contract, or other legal arrangement vesting right of possession or control, for security or otherwise, or if a mortgagor of a vehicle is entitled to possession, then the owner is deemed to be the person or business firm in whom is vested right of possession or control.

(13) "Preceding year" means the period of twelve consecutive months immediately prior to July 1st of the year immediately preceding the commencement of the registration or license year for which proportional registration is sought.

(14) "Properly registered," as applied to the place of registration under the provisions of the Western Compact, means:

(a) In the case of a commercial vehicle, the jurisdiction in which it is registered if the commercial enterprise in which the vehicle is used has a place of business therein, and, if the vehicle is most frequently dispatched, garaged, serviced, maintained, operated, or otherwise controlled in or from that place of business, and the vehicle has been assigned to that place of business; or

(b) In the case of a commercial vehicle, the jurisdiction where, because of an agreement or arrangement between two or more jurisdictions, or pursuant to a declaration, the vehicle has been registered as required by that jurisdiction.

In case of doubt or dispute as to the proper place of registration of a commercial vehicle, the department shall make the final determination, but in making such determination, may confer with departments of the other jurisdictions affected.

(15) "Prorate percentage" is the factor that is applied to the total proratable fees and taxes to determine the apportionable or prorated fees required for registration in a particular jurisdiction. It is determined by dividing the in-jurisdiction miles for a particular jurisdiction by the total miles. This term is synonymous with the term "mileage percentage."

(16) "Registrant" means a person, business firm, or corporation in whose name or names a vehicle or fleet of vehicles is registered.

(17) "Registration year" means the twelve-month period during which the registration plates issued by the base jurisdiction are valid according to the laws of the base jurisdiction. The "registration year" for Washington is the period from January 1st through December 31st of each calendar year.

(18) "Total miles" means the total number of miles accumulated in all jurisdictions during the preceding year by all vehicles of the fleet while they were a part of the fleet. Mileage accumulated by vehicles of the fleet that did not engage in interstate operations is not included in the fleet miles.

(19) "Western Compact" means the Uniform Vehicle Registration, Proration, and Reciprocity Agreement.

Sec. 112. REGISTRATION OF TRAILERS, SEMITRAILERS, POLETRAILERS, AND CONVERTER GEARS. Section 7, chapter 380, Laws of 1985 as amended by section 22, chapter 244, Laws of 1987 and RCW 46.87.070 are each amended to read as follows:

~~(Any trailer, semitrailer, converter gear (auxiliary axles), or pole trailer being pulled by a motor vehicle that is proportionally registered under the terms of this chapter shall display a valid vehicle license plate issued by the base jurisdiction and be registered in this state.)~~ (1) Washington-based trailers, semitrailers, converter gears (auxiliary axles), or pole trailers shall be fully licensed in this state except as herein provided. If these vehicles are being operated in jurisdictions that require the registration of such vehicles, the applicable vehicles may be considered as apportionable or commercial vehicles for the purpose of registration in those jurisdictions. The prorate percentage for which registration fees and taxes were paid to such jurisdictions for each nonmotor vehicle of the fleet may be credited toward the one hundred percent of registration fees and taxes due this state for full licensing of each such vehicle.

(2) Trailers, semitrailers, converter gears (auxiliary axles), and pole trailers which are properly based in jurisdictions other than Washington, and which display currently registered license plates from such jurisdictions will be granted vehicle license reciprocity in this state without the need of further vehicle license registration. If converter gears (auxiliary axles) or pole trailers are not required to be licensed separately by a member jurisdiction, such vehicles may be operated in this state without displaying a current base license plate.

Sec. 113. MILEAGE DATA FOR APPLICATIONS—NONMOTOR VEHICLES. Section 25, chapter 244, Laws of 1987 and RCW 46.87.120 are each amended to read as follows:

(1) The initial application for proportional registration of a fleet shall state the mileage data with respect to the fleet for the preceding year in this and other jurisdictions. If no operations were conducted with the fleet during the preceding year, the application shall contain a full statement of the proposed method of operation and estimates of annual mileage in each of the jurisdictions in which operation is contemplated. The registrant shall determine the in-jurisdiction and total miles to be used in computing the fees and taxes due for the fleet. The department may evaluate and adjust the estimate in the application if it is not satisfied as to its correctness.

(2) ~~((When the nonmotor vehicles of a fleet are operated in jurisdictions in addition to those in which the motor vehicles of the fleet are operated, or when the nonmotor vehicles of a fleet are operated with motor vehicles that are not part of the fleet, the registrant shall place such nonmotor vehicles in a separate fleet))~~ Fleets will consist of either motor vehicles or nonmotor vehicles, but not a mixture of both.

(3) In instances where the use of mileage accumulated by a nonmotor vehicle fleet is impractical, for the purpose of calculating prorate percentages, the registrant may request another method and/or unit of measure to be used in determining the prorate percentages. Upon receiving such request, the department may prescribe another method and/or unit of measure to be used in lieu of mileage that will ensure each jurisdiction that requires the registration of nonmotor vehicles its fair share of vehicle licensing fees and taxes.

(4) When operations of a Washington-based fleet is materially changed through merger, acquisition, or extended authority, the registrant shall notify the department, which shall then require the filing of an amended application setting forth the proposed operation by use of estimated mileage for all jurisdictions. The department may adjust the estimated mileage by audit or otherwise to an actual travel basis to insure proper fee payment. The actual travel basis may be used for determination of fee payments until such time as a normal mileage year is available under the new operation. Under the provisions of the Western Compact, this subsection applies to any fleet proportionally registered in Washington irrespective of the fleet's base jurisdiction.

Sec. 114. APPLICATION—FILING, CONTENTS—FEES AND TAXES—ASSESSMENTS, DUE DATE. Section 27, chapter 244, Laws of 1987 and RCW 46.87.140 are each amended to read as follows:

(1) Any owner engaged in interstate operations of one or more fleets of apportionable or commercial vehicles may, in lieu of registration of the vehicles under chapter 46.16 RCW, register and license the vehicles of each fleet under this chapter by filing a proportional registration application for each fleet with the department. The nonmotor vehicles of Washington-based fleets which are operated in IRP jurisdictions that require registration of such vehicles may be proportionally registered for operation in those jurisdictions as herein provided. The application shall contain the following information and such other information pertinent to vehicle registration as the department may require:

(a) A description and identification of each vehicle of the fleet. ~~((If the fleet contains both power units and nonpower units, the power units shall be listed first on the application, followed by the nonpower units. However, if the nonpower units are occasionally pulled by power units which are not~~

~~part of this fleet, the))~~ Motor vehicles and nonpower units shall be placed in ~~((a))~~ separate fleets.

(b) If registering under the provisions of the IRP, the registrant shall also indicate member jurisdictions in which registration is desired and furnish such other information as those member jurisdictions require.

(c) An original or renewal application shall also be accompanied by a mileage schedule for each fleet.

(2) Each application shall, at the time and in the manner required by the department, be supported by payment of a fee computed as follows:

(a) Divide the in-jurisdiction miles by the total miles and carry the answer to the nearest thousandth of a percent (three places beyond the decimal, e.g. 10.543%). This factor is known as the prorate percentage.

(b) Determine the total proratable fees and taxes required for each vehicle in the fleet for which registration is requested, based on the regular annual fees and taxes or applicable fees and taxes for the unexpired portion of the registration year under the laws of each jurisdiction for which fees or taxes are to be calculated.

Washington-based nonpower vehicles shall normally be fully licensed, by paying full registration fees and taxes, in this state. If these vehicles are being operated in jurisdictions that require the registration of such vehicles, the applicable vehicles may be considered as apportionable vehicles for the purpose of registration in those jurisdictions. The prorate percentage for which registration fees and taxes were paid to such jurisdictions may be credited toward the one hundred percent of registration fees and taxes due this state for full licensing. Applicable fees and taxes for vehicles of Washington-based fleets are those prescribed under RCW 46.16.070, 46.16.085, 82.38.075, and 82.44.020, as applicable.

(c) Multiply the total, proratable fees or taxes for each vehicle by the prorate percentage applicable to the desired jurisdiction and round the results to the nearest cent.

(d) Add the total fees and taxes determined in subsection (2)(c) of this section for each vehicle to the nonproratable fees required under the laws of the jurisdiction for which fees are being calculated. Nonproratable fees required for vehicles of Washington-based fleets are the administrative fee required by RCW 82.38.075, if applicable, and the vehicle transaction fee pursuant to the provisions of RCW 46.87.130.

(e) Add the total fees and taxes determined in subsection (2)(d) of this section for each vehicle listed on the application. Assuming the fees and taxes calculated were for Washington, this would be the amount due and payable for the application under the provisions of the Western Compact. Under the provisions of the IRP, the amount due and payable for the application would be the sum of the fees and taxes referred to in subsection (2)(d) of this section, calculated for each member jurisdiction in which registration of the fleet is desired.

(3) All assessments for proportional registration fees are due and payable in United States funds on the date presented or mailed to the registrant at the address listed in the proportional registration records of the department. The registrant may petition for reassessment of the fees or taxes due under this section within thirty days of the date of original service as provided for in this chapter.

Sec. 115. Section 22, chapter 47, Laws of 1971 ex. sess. as last amended by section 25, chapter 36, Laws of 1988 and RCW 46.09.170 are each amended to read as follows:

(1) From time to time, but at least once each year, the state treasurer shall refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.36 RCW, based on the tax rate in effect January 1, 1990, less proper deductions for refunds and costs of collection as provided in RCW 46.68.090. The treasurer shall place these funds in the general fund as follows:

(a) Forty percent shall be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for planning, maintenance, and management of ORV recreation facilities, nonhighway roads, and nonhighway road recreation facilities. The funds under this subsection shall be expended in accordance with the following limitations:

(i) Not more than five percent may be expended for information programs under this chapter;

(ii) Not less than ten percent and not more than fifty percent may be expended for ORV recreation facilities;

(iii) Not more than twenty-five percent may be expended for maintenance of nonhighway roads;

(iv) Not more than fifty percent may be expended for nonhighway road recreation facilities;

(v) Ten percent shall be transferred to the interagency committee for outdoor recreation for grants to law enforcement agencies in those counties where the department of natural resources maintains ORV facilities. This amount is in addition to those distributions made by the interagency committee for outdoor recreation under (d) (i) of this subsection;

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

(c) Two percent shall be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the maintenance and management of ORV use areas and facilities; and

(d) Fifty-four and one-half percent, together with the funds received by the interagency committee for outdoor recreation under RCW 46.09.110, shall be credited to the outdoor recreation account to be administered by

the committee for planning, acquisition, development, maintenance, and management of ORV recreation facilities and nonhighway road recreation facilities; ORV user education and information; and ORV law enforcement programs. The funds under this subsection shall be expended in accordance with the following limitations:

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

(ii) Not less than an amount equal to the funds received by the interagency committee for outdoor recreation under RCW 46.09.110 and not more than sixty percent may be expended for ORV recreation facilities;

(iii) Not more than twenty percent may be expended for nonhighway road recreation facilities.

(2) On a yearly basis an agency may not, except as provided in RCW 46.09.110, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

Sec. 116. Section 7, chapter 5, Laws of 1965 as amended by section 111, chapter 158, Laws of 1979 and RCW 43.99.070 are each amended to read as follows:

Upon expiration of the time limited by RCW 82.36.330 for claiming of refunds of tax on marine fuel, the state of Washington shall succeed to the right to such refunds. From time to time, but at least once each biennium, the director of licensing, after taking into account past and anticipated claims for refunds from and deposits to the marine fuel tax refund account and the costs of carrying out the provisions of RCW 43.99.030, shall request the state treasurer to transfer ~~((to the outdoor recreation account such of the moneys in the marine fuel tax refund account as shall not be required for payment of such refund claims or costs, and the state treasurer shall make such transfer))~~ an amount equal to the proportion of the moneys in the account representing the motor vehicle fuel tax rate under RCW 82.36-.025 in effect on January 1, 1990, to the outdoor recreation account and the remainder to the motor vehicle fund.

Sec. 117. Section 17, chapter 29, Laws of 1971 ex. sess. as amended by section 13, chapter 182, Laws of 1979 ex. sess. and RCW 46.10.170 are each amended to read as follows:

From time~~(;)~~ to time, but at least once each ~~((four years))~~ biennium, the department shall determine the amount or proportion of moneys paid to it as motor vehicle fuel tax, based on the tax rate in effect January 1, 1990, which is tax on snowmobile fuel. Such determination may be made in any manner which is, in the judgment of the director, reasonable, but the manner used to make such determination shall be reported at the end of each ~~((four-year period))~~ biennium to the legislature. To offset the actual cost of making such determination the treasurer shall retain in, and the department

is authorized to expend from, the motor vehicle fund a sum equal to such actual cost.

PART II: LOCAL OPTION FUNDING AUTHORITY

NEW SECTION. Sec. 201. LOCAL OPTION MOTOR VEHICLE AND SPECIAL FUEL TAX. (1) Subject to the conditions of this section, any county may levy, by approval of its legislative body and a majority of the registered voters of the county voting on the proposition at a general or special election, additional excise taxes equal to ten percent of the state-wide motor vehicle fuel tax rate under RCW 82.36.025 on each gallon of motor vehicle fuel as defined in RCW 82.36.010(2) and on special fuel as defined in RCW 82.38.020(5), per gallon or one hundred cubic feet of compressed natural gas measured at standard temperature and pressure sold within the boundaries of the county. An election held under this section must be held not more than twelve months before the date on which the proposed tax is to be levied. The ballot setting forth the proposition shall state the tax rate that is proposed. The county's authority to levy additional excise taxes under this section includes the incorporated and unincorporated areas of the county. The additional excise taxes are subject to the same exceptions and rights of refund as applicable to other motor vehicle fuel and special fuel excise taxes levied under chapters 82.36 and 82.38 RCW. The proposed tax shall not be levied less than one month from the date the election results are certified by the county election officer. The commencement date for the levy of any tax under this section shall be the first day of January, April, July, or October.

(2) Every person subject to the tax shall pay, in addition to any other taxes provided by law, an additional excise tax to the director of licensing at the rate levied by a county exercising its authority under this section.

(3) The state treasurer shall distribute monthly to the levying county and cities contained therein the proceeds of the additional excise taxes collected under this section, after the deductions for payments and expenditures as provided in RCW 46.68.090 (1) (a) and (b) and under the conditions and limitations provided in section 213 of this act.

(4) The proceeds of the additional excise taxes levied under this section shall be used strictly for transportation purposes in accordance with section 212 of this act.

Sec. 202. REPORTS BY DISTRIBUTORS. Section 82.36.030, chapter 15, Laws of 1961 as amended by section 2, chapter 174, Laws of 1987 and RCW 82.36.030 are each amended to read as follows:

Every distributor shall on or before the twenty-fifth day of each calendar month file, on forms furnished by the director, a statement signed by the distributor or his authorized agent showing the total number of gallons of motor vehicle fuel sold, distributed, or used by such distributor within this state during the preceding calendar month and, for counties within

which an additional excise tax on motor vehicle fuel has been levied by that jurisdiction under section 201 of this act, showing the total number of gallons of motor vehicle fuel distributed and sold to dealers by the distributor for sale within the boundaries of the county during the preceding calendar month.

If any distributor fails to file such report, the director shall proceed forthwith to determine from the best available sources, the amount of motor vehicle fuel sold, distributed, or used by such distributor for the unreported period, and said determination shall be presumed to be correct for that period until proved by competent evidence to be otherwise. The director shall immediately assess the excise tax in the amount so determined, adding thereto a penalty of ten percent for failure to report. Such penalty shall be cumulative of other penalties herein provided. All statements filed with the director, as required in this section, shall be public records.

If any distributor establishes by a fair preponderance of evidence that his or her failure to file a report by the due date was attributable to reasonable cause and was not intentional or willful, the department may waive the penalty imposed by this section.

Sec. 203. Section 16, chapter 175, Laws of 1971 ex. sess. as last amended by section 1, chapter 23, Laws of 1988 and RCW 82.38.150 are each amended to read as follows:

For the purpose of determining the amount of ((his)) liability for the tax herein imposed each special fuel dealer and each special fuel user shall file tax reports with the department, on forms prescribed by the department. Special fuel dealers shall file the reports at the intervals as shown in the following schedule:

Estimated Yearly Tax Liability	Reporting Frequency
\$ 0 - \$100	Yearly
\$101 - 250	Semi-yearly
\$251 - 499	Quarterly
\$500 and over	Monthly

Special fuel users whose estimated yearly tax liability is two hundred fifty dollars or less, shall file a report yearly, and special fuel users whose estimated yearly tax liability is more than two hundred fifty dollars, shall file reports quarterly.

The department shall establish the reporting frequency for each applicant at the time the special fuel license is issued. If it becomes apparent that any special fuel licensee is not reporting in accordance with the above schedule, the department shall change the licensee's reporting frequency by giving thirty days' notice to the licensee by mail to his address of record. A report shall be filed with the department even though no special fuel was used, or tax is due, for the reporting period. Each tax report shall contain a

declaration by the person making the same, to the effect that the statements contained therein are true and are made under penalties of perjury, which declaration shall have the same force and effect as a verification of the report and ~~((shall be))~~ is in lieu of such verification. The report shall show such information as the department may reasonably require for the proper administration and enforcement of this chapter: PROVIDED, That if a special fuel dealer or special fuel user is also a special fuel supplier at a location where special fuel is delivered into the supply tank of a motor vehicle, and if separate storage is provided thereat from which special fuel is delivered or placed into fuel supply tanks of motor vehicles, the tax report to the department need not include inventory control data covering bulk storage from which wholesale distribution of special fuel is made. For counties within which an additional excise tax on special fuel has been levied by that jurisdiction under section 201 of this act, the report must show the quantities of special fuel distributed and sold by the reporting dealer or user within the county's boundaries and the tax liability from its levy. The special fuel dealer or special fuel user shall file the report on or before the twenty-fifth day of the next succeeding calendar month following the period to which it relates.

Subject to the written approval of the department, tax reports may cover a period ending on a day other than the last day of the calendar month. Taxpayers granted approval to file reports in this manner will file such reports on or before the twenty-fifth day following the end of the reporting period. No change to this reporting period will be made without the written authorization of the department.

If the final filing date falls on a Saturday, Sunday, or legal holiday the next secular or business day shall be the final filing date. Such reports shall be considered filed or received on the date shown by the post office cancellation mark stamped upon an envelope containing such report properly addressed to the department, or on the date it was mailed if proof satisfactory to the department is available to establish the date it was mailed.

The department, if it deems it necessary in order to insure payment of the tax imposed by this chapter, or to facilitate the administration of this chapter, ~~((shall have))~~ has the authority to require the filing of reports and tax remittances at shorter intervals than one month if, in its opinion, an existing bond has become insufficient.

The department may permit any special fuel user whose sole use of special fuel is in motor vehicles or equipment exempt from tax as provided in RCW 82.38.075 and RCW 82.38.080 (1), (2), (3), (8), and (9), in lieu of the reports required in this section, to submit reports annually or as requested by the department, in such form as the department may require.

A special fuel user whose sole use of special fuel is for purposes other than the propulsion of motor vehicles upon the public highways of this state shall not be required to submit the reports required in this section.

Sec. 204. Section 82.36.440, chapter 15, Laws of 1961 as amended by section 5, chapter 181, Laws of 1979 ex. sess. and RCW 82.36.440 are each amended to read as follows:

The tax ((herein)) levied in this chapter is in lieu of any excise, privilege, or occupational tax upon the business of manufacturing, selling, or distributing motor vehicle fuel, and no city, town, county, township or other subdivision or municipal corporation of the state shall levy or collect any excise tax upon or measured by the sale, receipt, distribution, or use of motor vehicle fuel(~~(- PROVIDED, That nothing in this section or chapter 82.36 RCW shall be construed to prohibit in any manner the imposition of a city tax upon motor vehicle fuel pursuant to RCW 82.39.010))~~), except as provided in section 201 of this act.

Sec. 205. Section 29, chapter 175, Laws of 1971 ex. sess. as amended by section 6, chapter 181, Laws of 1979 ex. sess. and RCW 82.38.280 are each amended to read as follows:

The tax ((herein)) levied in this chapter is in lieu of any excise, privilege, or occupational tax upon the business of manufacturing, selling, or distributing special fuel, and no city, town, county, township or other subdivision or municipal corporation of the state shall levy or collect any excise tax upon or measured by the sale, receipt, distribution, or use of special fuel(~~(- PROVIDED, That nothing in this section or chapter 82.38 RCW shall be construed to prohibit in any manner the imposition of a city tax upon special fuel pursuant to RCW 82.39.010))~~), except as provided in section 201 of this act.

NEW SECTION. Sec. 206. LOCAL OPTION VEHICLE LICENSE FEE. (1) The legislative authority of a county may fix and impose an additional fee, not to exceed fifteen dollars per vehicle, for each vehicle that is subject to license fees under RCW 46.16.060 and is determined by the department of licensing to be registered within the boundaries of the county.

(2) The department of licensing shall administer and collect the fee. The department shall deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes collected, for administration and collection expenses incurred by it. The remaining proceeds shall be remitted to the custody of the state treasurer for monthly distribution under section 213 of this act.

(3) The proceeds of this fee shall be used strictly for transportation purposes in accordance with section 212 of this act.

(4) A county imposing this fee shall delay the effective date at least six months from the date the ordinance is enacted to allow the department of licensing to implement administration and collection of the fee.

Sec. 207. **STATE PREEMPTS LICENSING FIELD.** Section 46.08.010, chapter 12, Laws of 1961 and RCW 46.08.010 are each amended to read as follows:

The provisions of this title relating to the certificate of ownership, certificate of license registration, vehicle license, vehicle license plates and vehicle operator's license shall be exclusive and no political subdivision of the state of Washington shall require or issue any licenses or certificates for the same or a similar purpose except as provided in section 206 of this act, nor shall any city or town in this state impose a tax, license, or other fee upon vehicles operating exclusively between points outside of such city or town limits, and to points therein.

NEW SECTION. Sec. 208. **LOCAL OPTION COMMERCIAL PARKING TAX.** (1) Subject to the conditions of this section, the legislative authority of a county or city may fix and impose a parking tax on all persons engaged in a commercial parking business within its respective jurisdiction. The jurisdiction of a county, for purposes of this section, includes only the unincorporated area of the county. The jurisdiction of a city includes only the area within its incorporated boundaries.

(2) In lieu of the tax in subsection (1) of this section, a city or a county in its unincorporated area may fix and impose a tax for the act or privilege of parking a motor vehicle in a facility operated by a commercial parking business.

The city or county may provide that:

- (a) The tax is paid by the operator or owner of the motor vehicle;
- (b) The tax applies to all parking for which a fee is paid, whether paid or leased, including parking supplied with a lease of nonresidential space;
- (c) The tax is collected by the operator of the facility and remitted to the city or county;
- (d) The tax is a fee per vehicle or is measured by the parking charge;
- (e) The tax rate varies with zoning or location of the facility, the duration of the parking, the time of entry or exit, the type or use of the vehicle, or other reasonable factors; and
- (f) Tax exempt carpools, vehicles with handicapped decals, or government vehicles are exempt from the tax.

(3) "Commercial parking business" as used in this section, means the ownership, lease, operation, or management of a commercial parking lot in which fees are charged. "Commercial parking lot" means a covered or uncovered area with stalls for the purpose of parking motor vehicles.

(4) The rate of the tax under subsection (1) of this section may be based either upon gross proceeds or the number of vehicle stalls available for commercial parking use. The rates charged must be uniform for the same class or type of commercial parking business.

(5) The county or city levying the tax provided for in subsection (1) or (2) of this section may provide for its payment on a monthly, quarterly, or annual basis. Each local government may develop by ordinance or resolution rules for administering the tax, including provisions for reporting by commercial parking businesses, collection, and enforcement.

(6) The proceeds of the commercial parking tax fixed and imposed under subsection (1) or (2) of this section shall be used strictly for transportation purposes in accordance with section 212 of this act.

NEW SECTION. Sec. 209. LOCAL OPTION STREET UTILITY. A city or town may elect by action of its legislative authority to own, maintain, operate, and preserve all or any described portion of its streets as a separate enterprise and facility, known as a street utility, and from time to time add other existing or new streets to that street utility, with full power to own, maintain, operate, and preserve. The legislative authority of the city or town may include as a part of the street utility, street lighting, traffic control devices, sidewalks, curbs, gutters, parking facilities, and drainage facilities. The legislative authority of the city or town is the governing body of the street utility.

NEW SECTION. Sec. 210. RATES CHARGED BY STREET UTILITY. A city or town electing to own, maintain, operate, and preserve its streets as a separate street utility may levy periodic charges for the use or availability of the streets in order to meet up to fifty percent of the actual costs for maintenance, operation, and preservation of facilities under the jurisdiction of the street utility. The rates charged for the use must be uniform for the same class of service and all classes of service must be subject to the utility charge. Charges imposed on businesses shall be measured solely by the number of employees and shall not exceed the equivalent of two dollars per full-time equivalent employee per month. Charges imposed against owners or occupants of residential property shall not exceed two dollars per month per housing unit as defined in RCW 35.95.040. Charges against owners of property that is exempt from property tax under chapter 84.36 RCW or leasehold tax under chapter 82.29A RCW shall be based solely on the number of employees of the tax exempt body associated with the property. Provided that in recognition of the benefits accruing to the city or town from the service provided by such tax exempt entities, the charges authorized herein shall be paid by the city or town. The charges shall not be computed on the basis of an ad valorem charge on the underlying real property and improvements. This section shall not be used as a basis to directly or indirectly charge transportation impact fees or mitigation fees of any kind against new development. A city or town may contract with any other utility or local government to provide for billing and collection of the street utility charges.

Any city or town ordinance or resolution creating a street utility must contain a provision granting to any business a credit against any street utility charge the full amount of any commuter or employer tax paid for transportation purposes by that business.

NEW SECTION. Sec. 211. **USE OF OTHER PROCEEDS BY UTILITY.** The city or town electing to own, maintain, operate, and preserve its streets and related facilities as a utility under this chapter may finance the operation, maintenance, and preservation through local improvement districts, utility local improvement districts, or with proceeds from general obligation bonds and revenue bonds payable from the charges issued in accordance with chapter 35.41 or 35.92 RCW, or any combination thereof. The city or town may use, in addition to the charges authorized by section 210 of this act, funds from general taxation, money received from the federal, state, or other local governments, and other funds made available to it. The proceeds of the charges authorized by section 210 of this act shall be used strictly for transportation purposes in accordance with this chapter and section 212 of this act.

NEW SECTION. Sec. 212. **USE OF LOCAL OPTION REVENUES.** (1) The proceeds collected pursuant to the exercise of the local option authority of sections 201, 206, 208, and 210 of this act (hereafter called "local option transportation revenues") shall be used for transportation purposes only, including but not limited to the following: The operation and preservation of roads, streets, and other transportation improvements; new construction, reconstruction, and expansion of city streets, county roads, and state highways and other transportation improvements; development and implementation of public transportation and high-capacity transit improvements and programs; and planning, design, and acquisition of right of way and sites for such transportation purposes. The proceeds collected from excise taxes on the sale, distribution, or use of motor vehicle fuel and special fuel under section 201 of this act shall be used exclusively for "highway purposes" as that term is construed in Article II, section 40 of the state Constitution.

(2) The local option transportation revenues shall be expended for transportation uses consistent with the adopted transportation and land use plans of the jurisdiction expending the funds and consistent with any applicable and adopted regional transportation plan for metropolitan planning areas.

(3) Each local government with a population greater than eight thousand that levies or expends local option transportation funds, is also required to develop and adopt a specific transportation program that contains the following elements:

(a) The program shall identify the geographic boundaries of the entire area or areas within which local option transportation revenues will be levied and expended.

(b) The program shall be based on an adopted transportation plan for the geographic areas covered and shall identify the proposed operation and construction of transportation improvements and services in the designated

plan area intended to be funded in whole or in part by local option transportation revenues and shall identify the annual costs applicable to the program.

(c) The program shall indicate how the local transportation plan is coordinated with applicable transportation plans for the region and for adjacent jurisdictions.

(d) The program shall include at least a six-year funding plan, updated annually, identifying the specific public and private sources and amounts of revenue necessary to fund the program. The program shall include a proposed schedule for construction of projects and expenditure of revenues. The funding plan shall consider the additional local tax revenue estimated to be generated by new development within the plan area if all or a portion of the additional revenue is proposed to be earmarked as future appropriations for transportation improvements in the program.

(4) Local governments with a population greater than eight thousand exercising the authority for local option transportation funds shall periodically review and update their transportation program to ensure that it is consistent with applicable local and regional transportation and land use plans and within the means of estimated public and private revenue available.

(5) In the case of expenditure for new or expanded transportation facilities, improvements, and services, priorities in the use of local option transportation revenues shall be identified in the transportation program and expenditures shall be made based upon the following criteria, which are stated in descending order of weight to be attributed:

(a) First, the project serves a multijurisdictional function;

(b) Second, it is necessitated by existing or reasonably foreseeable congestion;

(c) Third, it has the greatest person-carrying capacity;

(d) Fourth, it is partially funded by other government funds, such as from the state transportation improvement board, or by private sector contributions, such as those from the local transportation act, chapter 39.92 RCW; and

(e) Fifth, it meets such other criteria as the local government determines is appropriate.

(6) It is the intent of the legislature that as a condition of levying, receiving, and expending local option transportation revenues, no local government agency use the revenues to replace, divert, or loan any revenues currently being used for transportation purposes to nontransportation purposes. The association of Washington cities and the Washington state association of counties, in consultation with the legislative transportation committee, shall study the issue of nondiversion and make recommendations to the legislative transportation committee for language implementing the intent of this section by December 1, 1990.

(7) Local governments are encouraged to enter into interlocal agreements to jointly develop and adopt with other local governments the transportation programs required by this section for the purpose of accomplishing regional transportation planning and development.

(8) Local governments may use all or a part of the local option transportation revenues for the amortization of local government general obligation and revenue bonds issued for transportation purposes consistent with the requirements of this section.

NEW SECTION. Sec. 213. **DISTRIBUTION OF LOCAL OPTION TAXES.** The state treasurer shall distribute revenues, less authorized deductions, generated by the local option taxes authorized in sections 201 and 206 of this act, levied by counties to the levying counties, and cities contained in those counties, based on the relative per capita population. County population for purposes of this section is equal to one and one-half of the unincorporated population of the county. In calculating the distributions, the state treasurer shall use the population estimates prepared by the state office of financial management and shall further calculate the distribution based on information supplied by the departments of licensing and revenue, as appropriate.

NEW SECTION. Sec. 214. **LOCAL OPTION REFERENDUM.** A referendum petition to repeal a county or city ordinance imposing a tax or fee authorized under sections 206 and 208 of this act must be filed with a filing officer, as identified in the ordinance, within seven days of passage of the ordinance. Within ten days, the filing officer shall confer with the petitioner concerning form and style of the petition, issue an identification number for the petition, and write a ballot title for the measure. The ballot title shall be posed as a question so that an affirmative answer to the question and an affirmative vote on the measure results in the tax or fee being imposed and a negative answer to the question and a negative vote on the measure results in the tax or fee not being imposed. The petitioner shall be notified of the identification number and ballot title within this ten-day period.

After this notification, the petitioner has thirty days in which to secure on petition forms the signatures of not less than fifteen percent of the registered voters of the county for county measures, or not less than fifteen percent of the registered voters of the city for city measures, and to file the signed petitions with the filing officer. Each petition form must contain the ballot title and the full text of the measure to be referred. The filing officer shall verify the sufficiency of the signatures on the petitions. If sufficient valid signatures are properly submitted, the filing officer shall submit the referendum measure to the county or city voters at a general or special election held on one of the dates provided in RCW 29.13.010 as determined by the county or city legislative authority, which election shall not take

place later than one hundred twenty days after the signed petition has been filed with the filing officer.

The referendum procedure provided in this section is the exclusive method for subjecting any county or city ordinance imposing a tax or fee under sections 206 and 208 of this act to a referendum vote.

PART III: MOTOR VEHICLE EXCISE TAX

Sec. 301. Section 82.44.010, chapter 15, Laws of 1961 as last amended by section 10, chapter 107, Laws of 1979 and RCW 82.44.010 are each amended to read as follows:

For the purposes of this chapter, unless context otherwise requires:

(1) "Department" means the department of licensing.

(2) "Motor vehicle" means all motor vehicles, trailers and semitrailers used, or of the type designed primarily to be used, upon the public streets and highways, for the convenience or pleasure of the owner, or for the conveyance, for hire or otherwise, of persons or property, including fixed loads and facilities for human habitation; but shall not include ~~((†))~~ (a) vehicles carrying exempt licenses, ~~((‡))~~ (b) dock and warehouse tractors and their cars or trailers, lumber carriers of the type known as spiders, and all other automotive equipment not designed primarily for use upon public streets, or highways, ~~((‡))~~ (c) motor vehicles or their trailers used entirely upon private property, ~~((†))~~ (d) mobile homes and travel trailers as defined in RCW 82.50.010, or ~~((‡))~~ (e) motor vehicles owned by nonresident military personnel of the armed forces of the United States stationed in the state of Washington provided personnel were also nonresident at the time of their entry into military service.

(3) "Truck-type power or trailing unit" means any vehicle that is subject to the fees under RCW 46.16.070 except vehicles with an unladen weight of six thousand pounds or less, RCW 46.16.079, 46.16.080, 46.16.085, or 46.16.090.

Sec. 302. Section 1, chapter 191, Laws of 1988 and RCW 82.44.020 are each amended to read as follows:

(1) An excise tax is imposed for the privilege of using in the state any motor vehicle, except those operated under reciprocal agreements, the provisions of RCW 46.16.160 as now or hereafter amended, or dealer's licenses. The annual amount of such excise tax shall be two percent of the ~~((fair market))~~ value of such vehicle.

(2) An additional excise tax is imposed, in addition to any other tax imposed by this section, for the privilege of using in the state any such motor vehicle, and the annual amount of such additional excise shall be two-tenths of one percent of the ~~((fair market))~~ value of such vehicle.

(3) ~~((Effective with January, 1989, motor vehicle license expirations, and ending after December, 1991, expirations, an additional excise tax is~~

~~imposed, in addition to any other tax imposed by this section, for the privilege of using in the state any such motor vehicle, and the annual amount of such additional excise tax shall be one-tenth of one percent of the fair market value of such vehicle.~~

~~(4) The department of licensing and county auditors shall collect the additional tax imposed by subsections (2) and (3) of this section for any registration year for the months of that registration year in which such additional tax is effective, and in the same manner and at the same time as the tax imposed by subsection (1) of this section.~~

~~(5)) In no case shall the total tax be less than two dollars except for proportionally registered vehicles.~~

~~((6) An additional tax is imposed equal to the taxes payable under subsections (1) and (2) of this section multiplied by the rate specified in RCW 82.02.030.~~

~~(7)) (4) Washington residents, as defined in RCW 46.16.028, who license motor vehicles in another state or foreign country and avoid Washington motor vehicle excise taxes are liable for such unpaid excise taxes. The department of revenue may assess and collect the unpaid excise taxes under chapter 82.32 RCW, including the penalties and interest provided therein.~~

NEW SECTION. Sec. 303. A new section is added to chapter 82.44 RCW to read as follows:

(1) For the purpose of determining the tax under this chapter, the value of a truck-type power or trailing unit shall be the latest purchase price of the vehicle, excluding applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the following percentage based on year of service of the vehicle since last sale. The latest purchase year shall be considered the first year of service.

<u>YEAR OF SERVICE</u>	<u>PERCENTAGE</u>
1	100
2	90
3	83
4	75
5	67
6	59
7	52
8	44
9	36
10	28
11	21
12	13
13 or older	10

(2) The reissuance of title and registration for a truck-type power or trailing unit because of the installation of body or special equipment shall be treated as a sale, and the value of the truck-type power or trailing unit at that time, as determined by the department from such information as may be available, shall be considered the latest purchase price.

(3) For the purpose of determining the tax under this chapter, the value of a motor vehicle other than a truck-type power or trailing unit shall be the manufacturer's base suggested retail price of the vehicle when first offered for sale as a new vehicle, excluding any optional equipment, applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in this subsection based on year of service of the vehicle.

If the manufacturer's base suggested retail price is unavailable or otherwise unascertainable at the time of initial registration in this state, the department shall determine a value equivalent to a manufacturer's base suggested retail price as follows:

(a) The department shall determine a value using any information that may be available, including any guidebook, report, or compendium of recognized standing in the automotive industry or the selling price and year of sale of the vehicle. The department may use an appraisal by the county assessor. In valuing a vehicle for which the current value or selling price is not indicative of the value of similar vehicles of the same year and model, the department shall establish a value that more closely represents the average value of similar vehicles of the same year and model.

(b) The value determined in (a) of this subsection shall be divided by the applicable percentage listed in this subsection to establish a value equivalent to a manufacturer's base suggested retail price. The applicable percentage shall be based on the year of service of the vehicle for which the value is determined.

<u>YEAR OF SERVICE</u>	<u>PERCENTAGE</u>
1	100
2	100
3	91
4	83
5	74
6	65
7	57
8	48
9	40
10	31
11	22
12	14
13 or older	10

(4) For purposes of this chapter, value shall exclude value attributable to modifications of a motor vehicle and equipment that are designed to facilitate the use or operation of the motor vehicle by a handicapped person.

Sec. 304. Section 82.44.060, chapter 15, Laws of 1961 as last amended by section 12, chapter 222, Laws of 1981 and RCW 82.44.060 are each amended to read as follows:

The excise tax hereby imposed shall be due and payable to the department (~~(of licensing)~~) or its agents at the time of registration of a motor vehicle. Whenever an application is made to the department (~~(of licensing)~~) or its agents for a license for a motor vehicle there shall be collected, in addition to the amount of the license fee or renewal license fee, the amount of the excise tax imposed by this chapter (~~((prorated to comply with the effective date of the annual schedule prepared pursuant to RCW 82.44.040))~~), and no dealer's license or license plates, and no license or license plates for a motor vehicle shall be issued unless such tax is paid in full. The excise tax hereby imposed shall be collected for each registration year (~~((: PROVIDED; That))~~). The excise tax upon a motor vehicle licensed for the first time in this state ((after the last day of any registration month)) shall ((only)) be levied for ((the remaining months of the registration year including the month in which the motor vehicle is being licensed)) one full registration year commencing on the date of the calendar year designated by the department and ending on the same date of the next succeeding calendar year. For vehicles registered under chapter 46.87 RCW, proportional registration, and for vehicle dealer plates issued under chapter 46.70 RCW, the registration year is the period provided in those chapters: PROVIDED ((FURTHER)), That the tax shall in no case be less than two dollars except for proportionally registered vehicles.

A motor vehicle shall be deemed licensed for the first time in this state when such vehicle was not previously licensed by this state for the registration year immediately preceding the registration year in which the application for license is made or when the vehicle has been registered in another jurisdiction subsequent to any prior registration in this state.

No additional tax shall be imposed under this chapter upon any vehicle upon the transfer of ownership thereof if the tax imposed with respect to such vehicle has already been paid for the registration year or fraction of a registration year in which transfer of ownership occurs.

NEW SECTION. Sec. 305. A new section is added to chapter 82.44 RCW to read as follows:

If the department determines a value for a motor vehicle under section 303 of this act equivalent to a manufacturer's base suggested retail price or the value of a truck-type power or trailing unit under section 303(2) of this act, any person who pays the tax under this chapter for that vehicle may appeal the valuation to the department under chapter 34.05 RCW. If the

taxpayer is successful on appeal, the department shall refund the excess tax in the manner provided in RCW 82.44.120.

Sec. 306. Section 82.44.110, chapter 15, Laws of 1961 as last amended by section 7, chapter 9, Laws of 1987 1st ex. sess. and RCW 82.44.110 are each amended to read as follows:

The county auditor shall regularly, when remitting license fee receipts, pay over and account to the director of licensing for the excise taxes collected under the provisions of this chapter. The director shall forthwith transmit the excise taxes to the state treasurer (~~(, ninety-eight percent of which excise tax revenue shall upon receipt thereof be credited by the state treasurer to the general fund, and two percent of which excise tax revenue shall be credited by the state treasurer to the motor vehicle fund to defray administrative and other expenses incurred by the state department of licensing in the collection of the excise tax. PROVIDED, That:~~

~~(1) One hundred percent of the proceeds of the additional tax imposed by RCW 82.44.020(2) shall be credited by the state treasurer to the Puget Sound capital construction account in the motor vehicle fund;~~

~~(2) One hundred percent of the proceeds of the additional tax imposed by RCW 82.44.020(3) shall be credited by the state treasurer to the Puget Sound ferry operations account in the motor vehicle fund; and~~

~~(3) All revenues collected under RCW 82.44.020(6) shall be credited by the state treasurer to the general fund)).~~

The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(1) as follows:

(1) 1.60 percent into the motor vehicle fund to defray administrative and other expenses incurred by the department in the collection of the excise tax.

(2) 8.15 percent into the Puget Sound capital construction account in the motor vehicle fund.

(3) 4.07 percent into the Puget Sound ferry operations account in the motor vehicle fund.

(4) 8.83 percent into the general fund to be distributed under section 309 of this act.

(5) 4.75 percent into the municipal sales and use tax equalization account in the general fund created in RCW 82.14.210.

(6) 1.60 percent into the county sales and use tax equalization account in the general fund created in RCW 82.14.200.

(7) 71 percent into the general fund through June 30, 1993, and 66 percent into the general fund beginning July 1, 1993.

(8) 5 percent into the transportation fund created in section 312 of this act beginning July 1, 1993.

The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(2) into the transportation fund.

Sec. 307. Section 82.44.120, chapter 15, Laws of 1961 as last amended by section 2, chapter 68, Laws of 1989 and RCW 82.44.120 are each amended to read as follows:

Whenever any person has paid a motor vehicle license fee, and together therewith has paid an excise tax imposed under the provisions of this chapter, and the director of licensing determines that the payor is entitled to a refund of the entire amount of the license fee as provided by law, then ~~((he))~~ the payor shall also be entitled to a refund of the entire excise tax collected under the provisions of this chapter. In case the director determines that any person is entitled to a refund of only a part of the license fee so paid, the payor shall be entitled to a refund of the difference, if any, between the excise tax collected and that which should have been collected ~~((and the state treasurer shall determine the amount of such refund by reference to the applicable excise tax schedule prepared by the department of revenue in cooperation with the department of licensing))~~.

In case no claim is to be made for the refund of the license fee or any part thereof but claim is made by any person that he or she has paid an erroneously excessive amount of excise tax, the department ~~((of licensing))~~ shall determine in the manner generally provided in this chapter the amount of such excess, if any, that has been paid and shall certify to the state treasurer that such person is entitled to a refund in such amount.

In any case where due to error, a person has been required to pay an excise tax pursuant to this chapter and a vehicle license fee pursuant to Title 46 RCW which amounts to an overpayment of ten dollars or more, such person shall be entitled to a refund of the entire amount of such overpayment, regardless of whether or not a refund of the overpayment has been requested. Conversely, if due to error, the department or its agents has failed to collect the full amount of the license fee and excise tax due, which underpayment is in the amount of ten dollars or more, the department shall charge and collect such additional amount as will constitute full payment of the tax.

If the department approves the claim it shall notify the state treasurer to that effect, and the treasurer shall make such approved refunds and the other refunds herein provided for from the general fund and shall mail or deliver the same to the person entitled thereto.

Any person making any false statement under which he or she obtains any amount of refund to which he or she is not entitled under the provisions of this section is guilty of a gross misdemeanor.

Sec. 308. Section 1, chapter 18, Laws of 1988 and RCW 82.44.150 are each 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(6) and~~) 82.44.030, 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(6) and~~) 82.44.030, 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, from motor vehicle excise taxes deposited in the general fund, under RCW 82.44.110(7), make the following ((apportionment and distribution of motor vehicle excise taxes deposited in the general fund except taxes collected under RCW 82.44.020(6):

~~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 thereof shall be allocable to the county sales and use tax equalization account under RCW 82.14.200; and))~~ deposits:

(a) To the high capacity transportation account created in RCW 47.78.010, a sum equal to ((four and two-tenths)) four and five-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 RCW 47.78.010)) 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;

(b) To the central Puget Sound public transportation account created in section 312 of this act, for revenues distributed after December 31, 1992, within a class AA county or within a class A county contiguous to a class AA county, a sum equal to the difference between (i) the special excise tax

levied and collected under RCW 35.58.273 by those municipalities authorized to levy and collect a special excise tax subject to the requirements of subsections (3) and (4) of this section and (ii) the special excise tax that the municipality would otherwise have been eligible to levy and collect at a tax rate of .815 percent and been able to match with locally generated tax revenues, other than the excise tax imposed under RCW 35.58.273, budgeted for any public transportation purpose. Before this deposit, the sum shall be reduced by an amount equal to the amount distributed under (a) of this subsection for each of the municipalities within the counties to which this subsection (2)(b) applies; however, any transfer under this subsection (2)(b) must be greater than zero;

(c) To the public transportation systems account created in section 312 of this act, for revenues distributed after December 31, 1992, within counties not described in (b) of this subsection, a sum equal to the difference between (i) the special excise tax levied and collected under RCW 35.58.273 by those municipalities authorized to levy and collect a special excise tax subject to the requirements of subsections (3) and (4) of this section and (ii) the special excise tax that the municipality would otherwise have been eligible to levy and collect at a tax rate of .815 percent and been able to match with locally generated tax revenues, other than the excise tax imposed under RCW 35.58.273, budgeted for any public transportation purpose. Before this deposit, the sum shall be reduced by an amount equal to the amount distributed under (a) of this subsection for each of the municipalities within the counties to which this subsection (2)(c) applies; however, any transfer under this subsection (2)(c) must be greater than zero; and

(d) To the transportation fund created in section 312 of this act, for revenues distributed after June 30, 1991, a sum equal to the difference between (i) the special excise tax levied and collected under RCW 35.58.273 by those municipalities authorized to levy and collect a special excise tax subject to the requirements of subsections (3) and (4) of this section and (ii) the special excise tax that the municipality would otherwise have been eligible to levy and collect at a tax rate of .815 percent notwithstanding the requirements set forth in subsections (3) through (6) of this section, reduced by an amount equal to distributions made under (a), (b), and (c) of this subsection.

~~(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))~~ (4) 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))~~ (3) 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))~~ (3) 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))~~ (3) 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))~~ (5) 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))~~ (6) 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))~~ (3) of this section.

NEW SECTION. Sec. 309. A new section is added to chapter 82.44 RCW to read as follows:

When distributions are made under RCW 82.44.150, the state treasurer shall apportion and distribute the motor vehicle excise taxes deposited into the general fund under RCW 82.44.110(4) to the cities and towns ratably on the basis of population as last determined by the office of financial management. When so apportioned, the amount payable to each such city and town shall be transmitted to the city treasurer thereof, and shall be used by the city or town for the purposes of police and fire protection and the preservation of the public health in the city or town, and not otherwise. If it is 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.

Sec. 310. Section 82.44.160, chapter 15, Laws of 1961 as last amended by section 7, chapter 54, Laws of 1974 ex. sess. and RCW 82.44.160 are each amended to read as follows:

Before distributing moneys to the cities and towns from the general fund, as provided in ~~((RCW 82.44.150))~~ section 309 of this act, and from the municipal sales and use tax equalization account, as provided in RCW 82.14.210, the state treasurer shall, on the first day of July of each year, make an annual deduction therefrom of a sum equal to one-half of the biennial appropriation made pursuant to this section, which amount shall be at least seven cents per capita of the population of all cities or towns as legally certified on that date, determined as provided in ~~((said section))~~ RCW 82.44.150, which sum shall be apportioned and transmitted to the municipal research council, herein created. Sixty-five percent of the annual deduction shall be from the distribution to cities and towns under section 309 of this act, and thirty-five percent of the annual deduction shall be from the distribution to the municipal sales and use tax equalization account under RCW 82.14.210. The municipal research council may contract with and allocate moneys to any state agency, educational institution, or private consulting firm, which in its judgment is qualified to carry on a municipal research and service program. Moneys may be utilized to match federal

funds available for technical research and service programs to cities and towns. Moneys allocated shall be used for studies and research in municipal government, publications, educational, conferences, and attendance thereat, and in furnishing technical, consultative, and field services to cities and towns in problems relating to planning, public health, municipal sanitation, fire protection, law enforcement, postwar improvements, and public works, and in all matters relating to city and town government. The programs shall be carried on and all expenditures shall be made in cooperation with the cities and towns of the state acting through the Association of Washington Cities by its board of directors which is hereby recognized as their official agency or instrumentality.

Funds appropriated to the municipal research council shall be kept in the treasury in the general fund, and shall be disbursed by warrant or check to contracting parties on invoices or vouchers certified by the ~~((chairman))~~ chair of the municipal research council or his or her designee. Payments to public agencies may be made in advance of actual work contracted for, in the discretion of the council.

Sixty-five percent of any moneys remaining unexpended or uncontracted for by the municipal research council at the end of any fiscal biennium shall be returned to the general fund and be paid to cities and towns under ~~((the provisions of RCW 82.44.150))~~ section 309 of this act. The remaining thirty-five percent shall be deposited into the municipal sales and use tax equalization account.

Sec. 311. Section 22, chapter 380, Laws of 1985 as amended by section 56, chapter 244, Laws of 1987 and RCW 82.44.170 are each amended to read as follows:

For each IRP jurisdiction that cannot report to the director the sums of dollars that are collected for the motor vehicle excise tax pursuant to chapter 82.44 RCW separately from other vehicle licensing fees pursuant to RCW 46.16.070 and 46.16.085, the director shall distribute ~~((thirty-six))~~ thirty-three percent of the total fees collected as reported on the IRP vehicle registration recap information forwarded to the director by such jurisdiction pursuant to RCW 82.44.110, until such time as such jurisdiction begins reporting excise tax amounts separately from other vehicle licensing fees. The remainder of the fees collected shall be distributed in accordance with RCW 46.68.035.

NEW SECTION. Sec. 312. A new section is added to chapter 82.44 RCW to read as follows:

(1) The transportation fund is created in the state treasury. Revenues under RCW 82.44.020, 82.44.110, 82.44.150, and the surcharge under RCW 82.50.510 shall be deposited into the fund as provided in those sections.

Moneys in the fund may be spent only after appropriation. Expenditures from the fund may be used only for transportation purposes.

(2) There is hereby created the central Puget Sound public transportation account within the transportation fund. Moneys deposited into the account under RCW 82.44.150(2)(b) shall be expended within the three county region from which the funds are derived, solely for:

(a) Development of high capacity transportation systems as defined in section 22, chapter __ (House Bill No. 1825), Laws of 1990;

(b) Development of high occupancy vehicle lanes and related facilities as defined in section 13, chapter __ (House Bill No. 1825), Laws of 1990; and

(c) Public transportation system contributions required to fund projects approved by the transportation improvement board.

(3) There is hereby created the public transportation systems account within the transportation fund. Moneys deposited into the account under RCW 82.44.150(2)(c) shall be available to the public transportation system from which the funds are derived, solely for:

(a) Development of high capacity transportation systems as defined in section 22, chapter __ (House Bill No. 1825), Laws of 1990;

(b) Development of high occupancy vehicle lanes and related facilities as defined in section 13, chapter __ (House Bill No. 1825), Laws of 1990;

(c) Other public transportation system-related roadway projects on state highways, county roads, or city streets; and

(d) Public transportation system contributions required to fund projects approved by the transportation improvement board.

Sec. 313. Section 21, chapter 49, Laws of 1982 1st ex. sess. as last amended by section 82, chapter 57, Laws of 1985 and RCW 82.14.200 are each amended to read as follows:

There is created in the state treasury a special account to be known as the "county sales and use tax equalization account." Into this account shall be placed a portion of all motor vehicle excise tax receipts as provided in RCW ((82.44.150(2))) 82.44.110(6). Funds in this account shall be allocated by the state treasurer according to the following procedure:

(1) Prior to April 1st of each year the director of revenue shall inform the state treasurer of the total and the per capita levels of revenues for the unincorporated area of each county and the state-wide weighted average per capita level of revenues for the unincorporated areas of all counties imposing the sales and use tax authorized under RCW 82.14.030(1) for the previous calendar year.

(2) At such times as distributions are made under RCW 82.44.150, as now or hereafter amended, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than one hundred fifty thousand dollars from the tax for the previous calendar year, an amount from the county sales and

use tax equalization account sufficient, when added to the amount of revenues received the previous calendar year by the county, to equal one hundred fifty thousand dollars.

The department of revenue shall establish a governmental price index as provided in this subsection. The base year for the index shall be the end of the third quarter of 1982. Prior to November 1, 1983, and prior to each November 1st thereafter, the department of revenue shall establish another index figure for the third quarter of that year. The department of revenue may use the implicit price deflators for state and local government purchases of goods and services calculated by the United States department of commerce to establish the governmental price index. Beginning on January 1, 1984, and each January 1st thereafter, the one hundred fifty thousand dollar base figure in this subsection shall be adjusted in direct proportion to the percentage change in the governmental price index from 1982 until the year before the adjustment. Distributions made under this subsection for 1984 and thereafter shall use this adjusted base amount figure.

(3) Subsequent to the distributions under subsection (2) of this section and at such times as distributions are made under RCW 82.44.150, as now or hereafter amended, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than seventy percent of the state-wide weighted average per capita level of revenues for the unincorporated areas of all counties as determined by the department of revenue under subsection (1) of this section, an amount from the county sales and use tax equalization account sufficient, when added to the per capita level of revenues for the unincorporated area received the previous calendar year by the county, to equal seventy percent of the state-wide weighted average per capita level of revenues for the unincorporated areas of all counties determined under subsection (1) of this section, subject to reduction under subsections (6) and (7) of this section. When computing distributions under this section, any distribution under subsection (2) of this section shall be considered revenues received from the tax imposed under RCW 82.14.030(1) for the previous calendar year.

(4) Subsequent to the distributions under subsection (3) of this section and at such times as distributions are made under RCW 82.44.150, as now or hereafter amended, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (2) of this section, a third distribution from the county sales and use tax equalization account. The distribution to each qualifying county shall be equal to the distribution to the county under subsection (2) of this section, subject to the reduction under subsections (6) and (7) of this section. To qualify for the total distribution under this subsection, the county must impose the tax under RCW 82.14.030(2) for the entire calendar year. Counties imposing the tax for less

than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(5) Subsequent to the distributions under subsection (4) of this section and at such times as distributions are made under RCW 82.44.150, as now or hereafter amended, the state treasurer shall apportion to each county imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (3) of this section, a fourth distribution from the county sales and use tax equalization account. The distribution to each qualifying county shall be equal to the distribution to the county under subsection (3) of this section, subject to the reduction under subsections (6) and (7) of this section. To qualify for the distributions under this subsection, the county must impose the tax under RCW 82.14.030(2) for the entire calendar year. Counties imposing the tax for less than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(6) Revenues distributed under this section in any calendar year shall not exceed an amount equal to seventy percent of the state-wide weighted average per capita level of revenues for the unincorporated areas of all counties during the previous calendar year. If distributions under subsections (3) through (5) of this section cannot be made because of this limitation, then distributions under subsections (3) through (5) of this section shall be reduced ratably among the qualifying counties.

(7) If inadequate revenues exist in the county sales and use tax equalization account to make the distributions under subsections (3) through (5) of this section, then the distributions under subsections (3) through (5) of this section shall be reduced ratably among the qualifying counties. At such time during the year as additional funds accrue to the county sales and use tax equalization account, additional distributions shall be made under subsections (3) through (5) of this section to the counties.

(8) If the level of revenues in the county sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (5) of this section, then the additional revenues shall be credited and transferred to the state general fund.

(9) All earnings of investments of balances in the county sales and use tax equalization account shall be credited to the general fund.

Sec. 314. Section 22, chapter 49, Laws of 1982 1st ex. sess. as last amended by section 83, chapter 57, Laws of 1985 and RCW 82.14.210 are each amended to read as follows:

There is created in the state treasury a special account to be known as the "municipal sales and use tax equalization account." Into this account shall be placed such revenues as are provided under RCW

~~((82.44.150(3)(b)))~~ 82.44.110(5). Funds in this account shall be allocated by the state treasurer according to the following procedure:

(1) Prior to April 1st of each year the director of revenue shall inform the state treasurer of the total and the per capita levels of revenues for each city and the state-wide weighted average per capita level of revenues for all cities imposing the sales and use tax authorized under RCW 82.14.030(1) for the previous calendar year.

(2) At such times as distributions are made under RCW 82.44.150, as now or hereafter amended, the state treasurer shall apportion to each city not imposing the sales and use tax under RCW 82.14.030(2) an amount from the municipal sales and use tax equalization account equal to the amount distributed to the city under ~~((RCW 82.44.150(3)(a)))~~ section 309 of this act multiplied by thirty-five sixty-fifths.

(3) Subsequent to the distributions under subsection (2) of this section, and at such times as distributions are made under RCW 82.44.150, as now or hereafter amended, the state treasurer shall apportion to each city imposing the sales and use tax under RCW 82.14.030(1) at the maximum rate and receiving less than seventy percent of the state-wide weighted average per capita level of revenues for all cities as determined by the department of revenue under subsection (1) of this section, an amount from the municipal sales and use tax equalization account sufficient, when added to the per capita level of revenues received the previous calendar year by the city, to equal seventy percent of the state-wide weighted average per capita level of revenues for all cities determined under subsection (1) of this section, subject to reduction under subsection (5) of this section.

(4) Subsequent to the distributions under subsection (3) of this section, and at such times as distributions are made under RCW 82.44.150, as now or hereafter amended, the state treasurer shall apportion to each city imposing the sales and use tax under RCW 82.14.030(2) at the maximum rate and receiving a distribution under subsection (3) of this section, a third distribution from the municipal sales and use tax equalization account. The distribution to each qualifying city shall be equal to the distribution to the city under subsection (3) of this section, subject to the reduction under subsection (5) of this section. To qualify for the distributions under this subsection, the city must impose the tax under RCW 82.14.030(2) for the entire calendar year. Cities imposing the tax for less than the full year shall qualify for prorated allocations under this subsection proportionate to the number of months of the year during which the tax is imposed.

(5) If inadequate revenues exist in the municipal sales and use tax equalization account to make the distributions under subsection (3) or (4) of this section, then the distributions under subsection (3) or (4) of this section shall be reduced ratably among the qualifying cities. At such time during the year as additional funds accrue to the municipal sales and use

tax equalization account, additional distributions shall be made under subsections (3) and (4) of this section to the cities.

(6) If the level of revenues in the municipal sales and use tax equalization account exceeds the amount necessary to make the distributions under subsections (2) through (4) of this section, then the additional revenues shall be apportioned among the several cities within the state ratably on the basis of population as last determined by the office of financial management: **PROVIDED**, That no such distribution shall be made to those cities receiving a distribution under subsection (2) of this section.

(7) For a city or town initially incorporated on or after January 1, 1983, at the time distributions are made under subsection (3) of this section, the state treasurer shall place into a separate designated account for such city or town a pro rata amount of the revenues received under RCW ((82.44.150(3)(b))) 82.44.110(5) equal to the city's or town's population multiplied by the amount of equalization funds to which the city or town would be entitled if its per capita yield the previous calendar year were zero. Such account shall take effect on January 1st of the first full calendar year during which the city or town imposes the taxes authorized by RCW 82.14.030(1) and shall cease to exist on December 31st of that year.

(8) All earnings of investments of balances in the municipal sales and use tax equalization account shall be credited to the general fund.

At the time that sales and use tax distributions are made pursuant to RCW 82.14.060, the revenues in such designated account shall be added to the city's or town's sales and use tax distributions so as to provide to such city or town an amount which reflects what such jurisdiction's entitlement from the municipal sales and use tax equalization account would have been if the actual distributions of sales and use tax revenues to such city or town had been received the previous full calendar year. Any excess revenues remaining in such designated account upon its expiration shall be apportioned according to subsection (6) of this section. If the department of revenue determines during the year that any funds in the designated account are not necessary for the purposes of distribution under this subsection, the department may deposit those funds in the municipal sales and use tax equalization account to be apportioned according to subsection (6) of this section.

Sec. 315. Section 7, chapter 270, Laws of 1975 1st ex. sess. as last amended by section 46, chapter 167, Laws of 1983 and RCW 35.58.2721 are each amended to read as follows:

(1) In addition to any other authority now provided by law, and subject only to constitutional limitations, the governing body of any municipality shall be authorized to acquire, construct, operate, and maintain a public transportation system and additions and betterments thereto, and to issue general obligation bonds for public mass transportation capital purposes including but not limited to replacement of equipment: **PROVIDED**, That the general indebtedness incurred under this section when considered together

with all the other outstanding general indebtedness of the municipality shall not exceed the amounts of indebtedness authorized by chapter 39.36 RCW and chapter 35.58 RCW, as now or hereafter amended, to be incurred without and with the assent of the voters. Such bonds may be in any form, including bearer bonds or registered bonds as provided in RCW 39.46.030.

~~((Upon July 1, 1975 any such municipality is authorized to pledge that the taxes authorized, levied and collected to pay or secure the payment of any bonds issued after July 1, 1975 for authorized public transportation purposes shall continue to be levied, collected and applied until such bonds shall have been paid or sufficient funds for such payment shall have been duly provided and irrevocably set aside by the issuer for such payment. If any of the revenue from any tax or surcharge authorized by this or any other chapter shall have been pledged to secure the payment of any bonds as herein authorized, then as long as that pledge shall be in effect the legislature shall not withdraw the authority to levy and collect the tax:))~~ Any municipality is authorized to pledge for the payment or security of the principal of and interest on any bonds issued for authorized public transportation purposes all or any portion of any taxes authorized to be levied by the issuer, including, but not limited to, the local sales and use tax authorized pursuant to RCW 82.14.045, as now or hereafter amended. ~~((The preceding sentence notwithstanding, not more than ten percent of the motor vehicle excise taxes levied and collected pursuant to RCW 35.58.273 may be pledged for the payment or security of the principal of and interest on any bonds issued for authorized public transportation purposes after July 1, 1975 but before May 14, 1979, and))~~ No motor vehicle excise taxes under RCW 35.58.273 may be pledged for bonds ~~((issued on or after May 14, 1979))~~.

(2) Notwithstanding subsection (1) of this section, such bonds may be issued and sold in accordance with chapter 39.46 RCW.

Sec. 316. Section 8, chapter 255, Laws of 1969 ex. sess. as last amended by section 2, chapter 428, Laws of 1987 and RCW 35.58.273 are each amended to read as follows:

(1) Through June 30, 1992, 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)) .7824 percent and beginning July 1, 1992, .725 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.

(2) Through June 30, 1992, any other municipality is authorized to levy and collect a special excise tax not exceeding ((one)) .815 percent, and beginning July 1, 1992, .725 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)) (3) and (4), 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.

(3) 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.

(4) 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. 317. Section 43.62.010, chapter 8, Laws of 1965 as last amended by section 127, chapter 151, Laws of 1979 and RCW 43.62.010 are each amended to read as follows:

If the state or any of its political subdivisions, or other agencies, use the population studies services of the office of financial management or the

successor thereto, the state, its political subdivision, or other agencies utilizing such services shall pay for the cost of rendering such services. Expenditures shall be paid out of funds allocated to cities and towns under ~~((RCW 82.44.150, as derived from section 5, chapter 152, Laws of 1945,))~~ section 309 of this act and shall be paid from said fund before any allocations or payments are made to cities and towns under ~~((said act))~~ section 309 of this act.

Sec. 318. Section 111, chapter 7, Laws of 1985 as amended by section 1, chapter 240, Laws of 1989 and RCW 46.16.015 are each amended to read as follows:

(1) Neither the department of licensing nor its agents may issue or renew a motor vehicle license for any vehicle registered in an emission contributing area, as that area is established under chapter 70.120 RCW, for any year in which the vehicle is required to be tested under chapter 70.120 RCW, unless the application for issuance or renewal is: (a) Accompanied by a valid certificate of compliance or a valid certificate of acceptance issued pursuant to chapter 70.120 RCW; or (b) exempted from this requirement pursuant to subsection (2) of this section. The certificates must have a date of validation which is within ninety days of the date of application for the vehicle license or license renewal. Certificates for fleet vehicles may have a date of validation which is within twelve months of the assigned license renewal date.

(2) Subsection (1) of this section does not apply to the following vehicles:

(a) New motor vehicles whose equitable or legal title has never been transferred to a person who in good faith purchases the vehicle for purposes other than resale;

(b) Motor vehicles with a model year of 1967 or earlier;

(c) Motor vehicles that use propulsion units powered exclusively by electricity;

(d) Motor vehicles fueled exclusively by propane, compressed natural gas, or liquid petroleum gas, unless it is determined that federal sanctions will be imposed as a result of this exemption;

(e) Motorcycles as defined in RCW 46.04.330 and motor-driven cycles as defined in RCW 46.04.332;

(f) Motor vehicles powered by diesel engines;

(g) Farm vehicles as defined in RCW 46.04.181;

(h) Used vehicles which are offered for sale by a motor vehicle dealer licensed under chapter 46.70 RCW; or

(i) Motor vehicles exempted by the director of the department of ecology.

The provisions of subparagraph (a) of this subsection may not be construed as exempting from the provisions of subsection (1) of this section

applications for the renewal of licenses for motor vehicles that are or have been leased.

(3) The department of licensing shall mail to each owner of a vehicle registered within an emission contributing area a notice regarding the boundaries of the area and restrictions established under this section that apply to vehicles registered in such areas. The information for the notice shall be supplied to the department of licensing by the department of ecology. ~~((Such a notice shall be mailed to the owner ninety days prior to the expiration date of the owner's motor vehicle license.))~~ The department of licensing shall send to all registered motor vehicle owners who reside within the emissions area notice that they must have an emission test to renew their registration.

Sec. 319. Section 31, chapter 35, Laws of 1982 1st ex. sess. as last amended by section 4, chapter 80, Laws of 1987, section 15, chapter 472, Laws of 1987, and by section 6, chapter 9, Laws of 1987 1st ex. sess. and RCW 82.02.030 are each reenacted and amended to read as follows:

(1) The rate of the additional taxes under RCW 54.28.020(2), 54.28.025(2), 66.24.210(2), 66.24.290(2), 82.04.2901, 82.16.020(2), 82.26.020(2), 82.27.020(5), and 82.29A.030(2)~~((, and 82.44.020(6))~~) shall be seven percent; and

(2) The rate of the additional taxes under RCW 82.08.150(4) shall be fourteen percent.

Sec. 320. Section 55, chapter 299, Laws of 1971 ex. sess. as last amended by section 1, chapter 123, Laws of 1979 and RCW 82.50.400 are each amended to read as follows:

An annual excise tax is imposed on the owner of any travel trailer or camper for the privilege of using such travel trailer or camper in this state. The excise tax hereby imposed shall be due and payable to the department of licensing or its agents at the time of registration of a travel trailer or camper. Whenever an application is made to the department of licensing or its agents for a license for a travel trailer or camper there shall be collected, in addition to the amount of the license fee or renewal license fee, the amount of the excise tax imposed by this chapter ~~((prorated to comply with the effective date of the annual schedule prepared pursuant to RCW 82.44.040))~~, and no dealer's license or license plates, and no license or license plates for a travel trailer or camper may be issued unless such tax is paid in full. No additional tax shall be imposed under this chapter upon any travel trailer or camper upon the transfer of ownership thereof, if the tax imposed by this chapter with respect to such travel trailer or camper has already been paid for the registration year or fractional part thereof in which such transfer occurs.

Sec. 321. Section 56, chapter 299, Laws of 1971 ex. sess. as last amended by section 2, chapter 123, Laws of 1979 and RCW 82.50.410 are each amended to read as follows:

The rate and measure of tax imposed by this chapter for each registration year shall be one percent, and a surcharge of one-tenth of one percent, of the ((fair-market)) value of the travel trailer or camper, as determined in the manner provided in this chapter: PROVIDED, That the excise tax upon a travel trailer or camper licensed for the first time in this state after the last day of any registration month may only be levied for the remaining months of the registration year including the month in which the travel trailer or camper is first licensed: PROVIDED FURTHER, That the minimum amount of tax payable shall be two dollars: PROVIDED FURTHER, That every dealer in mobile homes or travel trailers, for the privilege of using any mobile home or travel trailer eligible to be used under a dealer's license plate, shall pay an excise tax of two dollars, and such tax shall be collected upon the issuance of each original dealer's license plate, and also a similar tax shall be collected upon the issuance of each dealer's duplicate license plate, which taxes shall be in addition to any tax otherwise payable under this chapter.

A travel trailer or camper shall be deemed licensed for the first time in this state when such vehicle was not previously licensed by this state for the registration year or any part thereof immediately preceding the registration year in which application for license is made or when it has been registered in another jurisdiction subsequent to any prior registration in this state.

Sec. 322. Section 66, chapter 299, Laws of 1971 ex. sess. as amended by section 1, chapter 75, Laws of 1975-'76 2nd ex. sess. and RCW 82.50-.510 are each amended to read as follows:

The county auditor shall regularly, when remitting motor vehicle excise taxes, pay to the state treasurer the excise taxes collected under this chapter. The treasurer shall then distribute such funds quarterly on the first day of the month of January, April, July and October of each year in the following amount: (1) For the one percent tax imposed under RCW 82.50.410, fifteen percent to cities and towns for the use thereof apportioned ratably among such cities and towns on the basis of population; fifteen percent to counties for the use thereof to be apportioned ratably among such counties on the basis of moneys collected in such counties from the excise taxes imposed under this chapter; and seventy percent for schools to be deposited in the state general fund; and (2) for the one-tenth of one percent surcharge imposed under RCW 82.50.410, one hundred percent to the transportation fund created in section 312 of this act.

NEW SECTION. Sec. 323. A new section is added to chapter 82.50 RCW to read as follows:

For the purpose of determining the tax under this chapter, the value of a travel trailer or camper is the manufacturer's base suggested retail price

of the travel trailer or camper when first offered for sale as new, excluding any optional equipment, applicable federal excise taxes, state and local sales or use taxes, transportation or shipping costs, or preparatory or delivery costs, multiplied by the applicable percentage listed in this section based on the year of service.

If the manufacturer's base suggested retail price is unavailable or otherwise unascertainable at the time of initial registration in this state, the department shall determine a value equivalent to a manufacturer's base suggested retail price as follows:

(1) The department shall determine a value using any information that may be available, including any guidebook, report, or compendium of recognized standing in the automotive industry or the selling price and year of sale of the travel trailer or camper. The department may use an appraisal by the county assessor. In valuing a travel trailer or camper for which the current value or selling price is not indicative of the value of similar travel trailers or campers of the same year and model, the department shall establish a value that more closely represents the average value of similar travel trailers or campers of the same year and model. If the travel trailer or camper is home-built, the value shall not be less than the cost of construction.

(2) The value determined in subsection (1) of this section shall be divided by the applicable percentage listed in this section to establish a value equivalent to a manufacturer's base suggested retail price. The applicable percentage shall be based on the year of service of the travel trailer or camper for which the value is determined.

<u>YEAR OF SERVICE</u>	<u>PERCENTAGE</u>
1	100
2	90
3	84
4	79
5	73
6	65
7	60
8	55
9	50
10	45
11	41
12	37
13	33
14	28
15	24
16 or older	20

NEW SECTION. Sec. 324. A new section is added to chapter 82.50 RCW to read as follows:

If the department determines a value for a travel trailer or camper under section 323 of this act equivalent to a manufacturer's base suggested retail price, any person who pays the tax for that travel trailer or camper may appeal the valuation to the department under chapter 34.05 RCW. If the taxpayer is successful on appeal, the department shall refund the excess tax in the manner provided in RCW 82.50.170.

Sec. 325. Section 7, chapter 91, Laws of 1975 '76 2nd ex. sess. as amended by section 7, chapter 32, Laws of 1980 and RCW 46.12.360 are each amended to read as follows:

A vehicle owner shall be reimbursed from the motor vehicle fund when: (1) ~~((His))~~ The vehicle identification number was physically inspected and verified pursuant to RCW 46.12.030(3); and (2) the vehicle is determined subsequently to have been reported stolen at the time of the inspection. Such reimbursement shall be for the value of the vehicle ~~((as determined by criteria set forth in RCW 82.44.040))~~: PROVIDED, That no claim shall be allowed under this section following a satisfactory showing by the department that errors, omissions, or transpositions were made in entering the vehicle's identity in the stolen vehicle file.

NEW SECTION. Sec. 326. Notwithstanding any other provision of this act, motor vehicles and travel trailers and campers that are valued under the system in effect before the effective date of this section shall be valued by using the initial valuation of the vehicle under chapter 82.44 or 82.50 RCW multiplied by the applicable percentage under section 303 or 323 of this act. Before December 1992 vehicle license expirations, no tax may be imposed on any motor vehicle or travel trailer or camper that is greater than one hundred ten percent of the tax imposed during the registration period in effect before the effective date of this section.

NEW SECTION. Sec. 327. Distributions under RCW 82.44.150 for excise taxes collected under RCW 35.58.273, before September 1, 1990, shall be under the provisions of RCW 82.44.150 as it existed before September 1, 1990.

NEW SECTION. Sec. 328. The following acts or parts of acts are each repealed:

- (1) Section 6, chapter 200, Laws of 1983 and RCW 82.44.013;
- (2) Section 82.44.040, chapter 15, Laws of 1961, section 94, chapter 278, Laws of 1975 1st ex. sess., section 12, chapter 118, Laws of 1975 1st ex. sess., section 231, chapter 158, Laws of 1979 and RCW 82.44.040;
- (3) Section 52, chapter 299, Laws of 1971 ex. sess., section 13, chapter 118, Laws of 1975 1st ex. sess., section 232, chapter 158, Laws of 1979 and RCW 82.44.045;

(4) Section 82.44.050, chapter 15, Laws of 1961, section 3, chapter 199, Laws of 1963, section 11, chapter 222, Laws of 1981 and RCW 82.44.050;

(5) Section 57, chapter 299, Laws of 1971 ex. sess. and RCW 82.50.420; and

(6) Section 58, chapter 299, Laws of 1971 ex. sess. and RCW 82.50.430.

PART IV: MISCELLANEOUS

Sec. 401. Section 1, chapter 131, Laws of 1979 and RCW 47.56.711 are each amended to read as follows:

~~((In order to permit the construction of a new))~~ The state highway bridge across the Spokane river in the vicinity of Trent Avenue in Spokane ~~((, the department of transportation acting through the transportation commission is authorized to enter into a contract or contracts with the Washington public employees' retirement system and the Washington state teachers' retirement system, each retirement system acting through the department of retirement systems, pursuant to which the state may issue refunding bonds to be exchanged for all outstanding Spokane river toll bridge revenue bonds held by the retirement systems in return for the agreement by the retirement systems to permit the construction of a new state highway bridge, to))~~ shall be known and designated as the James E. Keefe bridge ~~((; across the Spokane river in the vicinity of Trent Avenue in Spokane. If the department of transportation and those retirement systems enter into such contract or contracts, the state finance committee is authorized to issue refunding bonds in accordance with RCW 47.56.711 through 47.56.716 to carry out the terms of such contract or contracts))~~.

After the effective date of this section, ownership of the Spokane river toll bridge, known as the Maple Street bridge, shall revert to the city of Spokane.

NEW SECTION. Sec. 402. The city of Spokane shall be responsible for operating and maintaining the Spokane river toll bridge and the surrounding area except:

(1) The department of transportation shall remove the toll booths and restripe the approaches, as necessary, once the tolls have been removed.

(2) The department of transportation shall replace the bridge deck and upgrade the approaches. In order to accomplish this activity, the department of transportation shall pursue federal bridge replacement funds and the city of Spokane shall contribute three hundred thousand dollars towards the required matching funds.

NEW SECTION. Sec. 403. The following acts or parts of acts are each repealed:

(1) Section 2, chapter 131, Laws of 1979 and RCW 47.56.712;

(2) Section 3, chapter 131, Laws of 1979 and RCW 47.56.713;

- (3) Section 4, chapter 131, Laws of 1979 and RCW 47.56.714;
- (4) Section 5, chapter 131, Laws of 1979 and RCW 47.56.715; and
- (5) Section 6, chapter 131, Laws of 1979 and RCW 47.56.716.

NEW SECTION. Sec. 404. The state treasurer shall transfer all remaining funds in the Spokane river toll bridge revenue account to the motor vehicle fund to be used for the following purposes:

(1) Repay existing loans from the motor vehicle fund to the Spokane river toll bridge revenue account in the amount of six hundred sixteen thousand two dollars and thirty-three cents;

(2) Fund removal of toll booths and associated repairs on the Spokane river toll bridge; and

(3) Fund preliminary engineering of the bridge deck replacement on the Spokane river toll bridge.

Any remaining funds are reserved to provide matching funds for federal bridge replacement funds to replace the bridge deck in the 1991-93 biennium.

Sec. 405. Section 47.60.150, chapter 13, Laws of 1961 as last amended by section 1, chapter 23, Laws of 1986 and by section 2, chapter 66, Laws of 1986 and RCW 47.60.150 are each reenacted and amended to read as follows:

Subject to the provisions of RCW 47.60.326, the schedule of charges for the services and facilities of the system shall be fixed and revised from time to time by the commission so that the tolls and revenues collected together with any moneys in the Puget Sound ferry operations account (~~(appropriated)~~) transferred to the ferry system revolving account for maintenance and operation, and all moneys in the Puget Sound capital construction account available for debt service will yield annual revenue and income sufficient, after allowance for all operating, maintenance, and repair expenses to pay the interest and principal and sinking fund charges for all outstanding revenue bonds, and to create and maintain a fund for ordinary renewals and replacements: PROVIDED, That if provision is made by any resolution for the issuance of revenue bonds for the creation and maintenance of a special fund for rehabilitating, rebuilding, enlarging, or improving all or any part of the ferry system then such schedule of tolls and rates of charges shall be fixed and revised so that the revenue and income will also be sufficient to comply with such provision.

All income and revenues as collected shall be paid to the state treasurer for the account of the department as a separate trust fund and to be segregated and disbursed upon order of the department: PROVIDED, That the fund so segregated and set apart for the payment of the revenue bonds may be remitted to and held by a designated trustee in such manner and with such collateral as may be provided in the resolution authorizing the issuance of said bonds. No expenditure may be made from the revenue fund established under this section and the bond resolution without an appropriation

by law. Nothing in this section requires tolls on the Hood Canal bridge except as may be required by any bond covenants.

Sec. 406. Section 5, chapter 344, Laws of 1981 as amended by section 25, chapter 15, Laws of 1983 and RCW 47.60.326 are each amended to read as follows:

(1) In order to maintain an adequate, fair, and economically sound schedule of charges for the transportation of passengers, vehicles, and commodities on the Washington state ferries, (~~including the Hood Canal bridge;~~) the department of transportation each year shall conduct a full review of such charges.

(2) Prior to February 1st of each odd-numbered year the department shall transmit to the transportation commission a report of its review together with its recommendations for the revision of a schedule of charges for the ensuing biennium. The commission on or before July 1st of that year shall adopt as a rule, in the manner provided by the Washington administrative procedure act, a schedule of charges for the Washington state ferries for the ensuing biennium commencing July 1st. The schedule may initially be adopted as an emergency rule if necessary to take effect on, or as near as possible to, July 1st.

(3) The department in making its review and formulating recommendations and the commission in adopting a schedule of charges may consider any of the following factors:

(a) The amount of subsidy available to the ferry system for maintenance and operation;

(b) The time and distance of ferry runs;

(c) The maintenance and operation costs for ferry runs with a proper adjustment for higher costs of operating outmoded or less efficient equipment;

(d) The efficient distribution of traffic between cross-sound routes;

(e) The desirability of reasonable commutation rates for persons using the ferry system to commute daily to work;

(f) The effect of proposed fares in increasing walk-on and vehicular passenger use;

(g) The effect of proposed fares in promoting all types of ferry use during nonpeak periods;

(h) Such other factors as prudent managers of a major ferry system would consider.

(4) If at any time during the biennium it appears that projected toll revenues from the ferry system, together with the (~~appropriation~~) transfer from the Puget Sound ferry operations account to the ferry system revolving account and any other operating subsidy available to the Washington state ferries, will be less than the projected total cost of maintenance and operation of the Washington state ferries for the biennium, the department shall forthwith undertake a review of its schedule of charges to ascertain whether

or not the schedule of charges should be revised. The department shall, upon completion of its review report, submit its recommendation to the transportation commission which may in its sound discretion revise the schedule of charges as required to meet necessary maintenance and operation expenditures of the ferry system for the biennium or may defer action until the regular annual review and revision of ferry charges as provided in subsection (2) of this section.

(5) The provisions of RCW 47.60.330 relating to public participation shall apply to the process of revising ferry tolls under this section.

Sec. 407. Section 3, chapter 9, Laws of 1961 ex. sess. as last amended by section 4, chapter 66, Laws of 1986 and RCW 47.60.420 are each amended to read as follows:

To the extent that all revenues from the Washington state ferry system ~~((and the Hood Canal bridge))~~ available therefor are insufficient to provide for the payment of principal and interest on the bonds authorized and issued under RCW 47.60.400 through 47.60.470 and for sinking fund requirements established with respect thereto and for payment into such reserves as the department has established with respect to the securing of the bonds, there is imposed a first and prior charge against the Puget Sound capital construction account of the motor vehicle fund created by RCW 47.60.505 and, to the extent required, against all revenues required by RCW 46.68-.100 to be deposited in the Puget Sound capital construction account.

To the extent that the revenues from the Washington state ferry system ~~((and the Hood Canal bridge))~~ available therefor are insufficient to meet required payments of principal and interest on bonds, sinking fund requirements, and payments into reserves, the department shall use moneys in the Puget Sound capital construction account for such purpose. ~~((Any moneys from the Puget Sound capital construction account used by the department to pay the obligations shall be repaid by the department to the motor vehicle fund from tolls of the Washington state ferry system and the Hood Canal bridge, and tolls shall be continued for any required additional length of time necessary for this purpose.))~~

Sec. 408. Section 5, chapter 9, Laws of 1961 ex. sess. as last amended by section 6, chapter 66, Laws of 1986 and RCW 47.60.440 are each amended to read as follows:

The Washington state ferry system shall be efficiently managed, operated, and maintained as a revenue-producing undertaking. Subject to the provisions of RCW 47.60.326 the commission shall maintain and revise from time to time as necessary a schedule of tolls and charges on said ferry system and, if necessary to comply with bond covenants, on the Hood Canal bridge which together with any moneys in the Puget Sound ferry operations account ((appropriated)) transferred to the ferry system revolving account for maintenance and operation and all moneys in the Puget Sound capital construction account available for debt service will produce net revenue

available for debt service, in each fiscal year, in an amount at least equal to minimum annual debt service requirements as hereinafter provided. Minimum annual debt service requirements as used in this section shall include required payments of principal and interest, sinking fund requirements, and payments into reserves on all outstanding revenue bonds authorized by RCW 47.60.400 through 47.60.470.

The provisions of law relating to the revision of tolls and charges to meet minimum annual debt service requirements from net revenues as required by this section shall be binding upon the commission but shall not be deemed to constitute a contract to that effect for the benefit of the holders of such bonds.

NEW SECTION. Sec. 409. A new section is added to chapter 47.60 RCW to read as follows:

Notwithstanding the provisions of RCW 47.56.240 and 47.56.245 the transportation commission shall not collect tolls on the Hood Canal bridge for any purpose except where necessary to comply with bond covenants.

The cost of maintenance, upkeep, and repair may be paid from funds appropriated for the construction and maintenance of the primary state highways of the state of Washington.

NEW SECTION. Sec. 410. The following acts or parts of acts are each repealed:

- (1) Section 3, chapter 10, Laws of 1961, section 7, chapter 9, Laws of 1961 ex. sess. and RCW 47.56.365;
- (2) Section 47.60.160, chapter 13, Laws of 1961, section 312, chapter 7, Laws of 1984 and RCW 47.60.160; and
- (3) Section 7, chapter 27, Laws of 1979 and RCW 47.60.543.

NEW SECTION. Sec. 411. A new section is added to chapter 46.68 RCW to read as follows:

(1) The Puyallup tribal settlement account is hereby created in the motor vehicle fund. All moneys designated by the "Agreement between the Puyallup Tribe of Indians, local governments in Pierce county, the state of Washington, the United States of America, and certain private property owners," dated August 27, 1988, (the "agreement") for use by the department of transportation on the Blair project as described in the agreement shall be deposited into the account, including but not limited to federal appropriations for the Blair project, and appropriations contained in section 34, chapter 6, Laws of 1989 1st ex. sess. and section 709, chapter 19, Laws of 1989 1st ex. sess.

(2) All moneys deposited into the account shall be expended by the department of transportation pursuant to appropriation solely for the Blair project as described in the agreement.

(3) All earnings of investments of balances in the account shall be credited to the account.

PART V: TECHNICAL PROVISIONS

NEW SECTION. Sec. 501. Sections 201, 206, and 208 through 214 of this act shall constitute a new chapter in Title 82 RCW.

NEW SECTION. Sec. 502. The index and part and section headings as used in this act do not constitute any part of the law.

NEW SECTION. Sec. 503. 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. 504. (1) Sections 101 through 104, 115 through 117, 201 through 214, 405 through 411, and 503 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect April 1, 1990.

(2) Sections 105 through 114 of this act shall take effect September 1, 1990. The additional fees in sections 105 through 108 of this act apply for all motor vehicle registrations that expire August 31, 1992, and thereafter.

(3) Sections 301 through 303 and 305 through 328 of this act shall take effect September 1, 1990, and apply to the purchase of vehicle registrations that expire August 31, 1991, and thereafter.

(4) Section 304 of this act shall take effect July 1, 1991, and apply to all vehicles registered for the first time with an expiration date of June 30, 1992, and thereafter.

(5) The director of licensing may immediately take such steps as are necessary to ensure that the sections of this act are implemented on their effective dates.

(6) Sections 401 through 404 of this act shall take effect September 1, 1990, only if the bonds issued under RCW 47.56.711 for the Spokane river toll bridge have been retired or fully defeased, and shall become null and void if the bonds have not been retired or fully defeased on that date.

Passed the Senate March 1, 1990.

Passed the House March 3, 1990.

Approved by the Governor March 14, 1990.

Filed in Office of Secretary of State March 14, 1990.

 CHAPTER 43

[Substitute House Bill No. 1825]

HIGH CAPACITY TRANSPORTATION SYSTEMS

AN ACT Relating to high capacity transportation systems; amending RCW 47.78.010, 82.44.150, and 35.92.060; reenacting and amending RCW 47.76.030; adding new sections to chapter 47.76 RCW; adding a new chapter to Title 47 RCW; adding new chapters to Title 81 RCW; creating new sections; and declaring an emergency.