

## 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.

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 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.

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

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### PART I RAIL FREIGHT

**NEW SECTION. Sec. 1. PURPOSE OF STATE FREIGHT RAIL PROGRAM.** The legislature finds that a balanced multimodal transportation system is required to maintain the state's commitment to the growing mobility needs of its citizens and commerce. Freight rail systems are important elements of this multimodal system.

Washington's economy relies heavily upon the freight rail system to ensure movement of the state's agricultural, chemical, and natural resource products to local, national, and international markets. Since 1970, Washington has lost nearly one-third of its five thousand two hundred rail miles to abandonment and bankruptcies, leaving approximately three thousand four hundred rail miles. Recognizing the implications of this trend for freight mobility and the state's economic future, the legislature believes that better freight rail planning, better cooperation to preserve rail lines, and increased financial assistance from the state are necessary to maintain and improve the freight rail system within the state.

**NEW SECTION. Sec. 2. STATE FREIGHT RAIL PROGRAM.** The Washington state department of transportation shall implement a state freight rail program for rail coordination, planning, and technical assistance.

**NEW SECTION. Sec. 3. FREIGHT RAIL PLANNING.** (1) The department of transportation shall continue its responsibility for the development and implementation of the state rail plan and programs, and the utilities and transportation commission shall continue its responsibility for intrastate rates, service, and safety issues.

(2) The department of transportation shall maintain an enhanced data file on the rail system. Proprietary annual station traffic data from each railroad and the modal use of major shippers shall be obtained to the extent that such information is available.

(3) The department of transportation shall provide technical assistance, upon request, to state agencies and local interests. Technical assistance includes, but is not limited to, the following:

(a) Abandonment cost-benefit analyses, to include the public and private costs and benefits of maintaining the service, providing alternative service including necessary road improvement costs, or of taking no action;

(b) Assistance in the formation of county rail districts and port districts; and

(c) Feasibility studies for rail service continuation and/or rail service assistance.

(4) With funding authorized by the legislature, the department of transportation shall develop a cooperative process to conduct community and business information programs and to regularly disseminate information on rail matters. The following agencies and jurisdictions shall be involved in the process:

(a) The state departments of community development and trade and economic development;

(b) Local jurisdictions and local economic development agencies; and

(c) Other interested public and private organizations.

**NEW SECTION. Sec. 4. FREIGHT RAIL PRESERVATION PROGRAM.** The state, counties, local communities, railroads, labor, and shippers all benefit from continuation of rail service and should participate in its preservation. Lines which provide benefits to the state and local jurisdictions, such as avoided roadway costs, reduced traffic congestion, economic development potential, environmental protection, and safety, should be assisted through the joint efforts of the state, local jurisdictions, and the private sector.

(1) The department of transportation shall continue to monitor the status of the state's light density line system through the state rail plan and various analyses, and shall seek alternatives to abandonment prior to interstate commerce commission proceedings, where feasible.

(2) The utilities and transportation commission shall intervene in interstate commerce commission proceedings on abandonments, when necessary, to protect the state's interest.

(3) As conditions warrant, the following criteria shall be used for identifying the state's essential rail system:

(a) Established regional and short-line carriers excluding private operations which are not common carriers;

(b) Former state project lines, which are lines that have been studied and have received funds from the state and federal governments;

(c) Lines serving major agricultural and forest product areas or terminals, with such terminals generally being within a fifty-mile radius of producing areas, and sites associated with commodities shipped by rail;

(d) Lines serving ports, seaports, and navigable river ports;

(e) Lines serving power plants or energy resources;

(f) Lines used for passenger service;

(g) Mainlines connecting to the national and Canadian rail systems;

(h) Major intermodal service points or hubs; and

(i) The military's strategic rail network.

(4) Local jurisdictions may implement rail service preservation projects in the absence of state participation.

(5) The department of transportation shall continue to monitor projects for which it provides assistance.

**NEW SECTION.** Sec. 5. RAIL CORRIDOR PRESERVATION GUIDELINES. In rail banking situations where it is not practicable to implement or continue freight rail service operations until some future date and the line's right of way is available for purchase and/or meets the criteria of chapter 47.76 RCW:

(1) The department of transportation shall preserve rail corridors for future rail service by purchasing the rights of way with funds specifically appropriated from the essential rail banking account created in section 7 of this act.

(2) Acquisition of rights of way may also include track, bridges, and associated elements.

(3) All corridors purchased under the rail bank program shall be identified by the department of transportation.

(4) All corridors acquired by governmental entities by donation or reversion for future rail use shall be identified in the rail bank program.

(5) Any rail rights of way acquired with state money will be for present or future rail purposes and can only be used for other purposes with the consent of the Washington state department of transportation and the consent of the underlying fee title holder or reversionary rights holder, or if compensation has been made to the underlying fee title holder or reversionary rights holder.

**NEW SECTION.** Sec. 6. FINANCING MECHANISMS AND SOURCES FOR PUBLIC RAILROADS. State funding for rail service preservation shall benefit the state's interests, which include reducing public roadway maintenance and repair costs, increasing economic development opportunities, preserving jobs, and enhancing safety, and shall be contingent upon appropriate local participation.

**NEW SECTION.** Sec. 7. ESSENTIAL RAIL BANKING ACCOUNT—CREATION. (1) The essential rail banking account is created in the state treasury. Moneys in the account may be spent only after

appropriation. Expenditures from the account may be used only for the purposes specified in this section.

(2) Moneys in the account may be used by the department to:

(a) Purchase unused rail rights of way; or

(b) Provide up to eighty percent of the funding through loans to first class cities, port districts and county rail districts to purchase unused rail rights of way.

(3) Use of the moneys pursuant to subsection (2) of this section shall be for rights of way that meet the following criteria:

(a) The right of way has been identified, evaluated, and analyzed in the state rail plan prepared pursuant to this chapter;

(b) The right of way may be or has been abandoned;

(c) The right of way has potential for future rail service; and

(d) Reestablishment of rail service would benefit the state of Washington; and this benefit shall be based on the public and private costs and benefits of reestablishing the service compared with alternative service including necessary road improvement costs, or of taking no action.

Funds in the account may be expended for this purpose only with legislative appropriation. Funds for acquisition of any line shall be expended only after obtaining the approval of the legislative transportation committee. The department may also expend funds from the receipt of a donation of funds sufficient to cover the property acquisition and management costs. The department may receive donations of funds for this purpose, which shall be conditioned upon, and made in consideration for the repurchase rights contained in RCW 47.76.040. The department or the participating local jurisdiction shall be responsible for maintaining the right of way, including provisions for fire and weed control and for liability associated with ownership. Nothing in this section and in sections 5 and 11 of this act shall be interpreted or applied so as to impair the reversionary rights of abutting landowners, if any, without just compensation.

(4) All earnings of investments of balances in the essential rail banking account shall be credited to that account except as provided in RCW 43.84.090 and 43.84.092.

**NEW SECTION.** Sec. 8. **EVALUATING PROGRAM PERFORMANCE.** The department shall evaluate the state freight rail program performance at the end of six years with respect to past and current conditions and future needs. The results of this evaluation shall be presented to the legislative transportation committee.

**NEW SECTION.** Sec. 9. **TAX RELIEF STUDY.** The department of revenue, working with the department of transportation, shall study and report its findings to the legislative transportation committee, by December 1, 1991, with respect to a potential tax relief program under Title 84 RCW for railroad operating properties, which shall provide tax credits for railroad

participation in rail service preservation or improvement projects implemented on the light density line system.

**NEW SECTION.** Sec. 10. MONITORING FEDERAL RAIL POLICIES. The department of transportation shall continue to monitor federal rail policies and congressional action and communicate to Washington's congressional delegation and federal transportation agencies the need for a balanced transportation system and associated funding.

Sec. 11. Section 6, chapter 303, Laws of 1983 as amended by section 64, chapter 57, Laws of 1985 and by section 2, chapter 432, Laws of 1985 and RCW 47.76.030 are each reenacted and amended to read as follows:

(1) The essential rail assistance account is hereby created in the state treasury. Moneys in the account may be appropriated only for the purposes specified in this section.

(2) Moneys ~~((in))~~ appropriated from the account to the department of transportation may be distributed by the department to first class cities, county rail districts and port districts for the purpose of:

(a) Acquiring, maintaining, or improving branch rail lines; ~~((or))~~  
 (b) Operating railroad equipment necessary to maintain essential rail service;

(c) Construction of transloading facilities to increase business on light density lines or to mitigate the impacts of abandonment; or

(d) Preservation, including operation, of viable light density lines, as identified by the Washington state department of transportation, in compliance with this chapter.

~~(3) ((Moneys in the account may be distributed to the department to purchase unused rail right of way that meets the following criteria:~~

~~(a) The right of way has been identified, evaluated, and analyzed in the state rail plan prepared pursuant to RCW 47.76.020;~~

~~(b) The right of way has been abandoned and is available for acquisition;~~

~~(c) The right of way has potential for future rail service; and~~

~~(d) Reestablishment of rail service in the future would benefit the state of Washington.~~

~~The department may exercise its authority to use moneys in the account for the purposes of this subsection only with legislative appropriation for this purpose or upon receipt of a donation of funds sufficient to cover the property acquisition and management costs. The department may receive donations of funds for this purpose, which shall be conditioned upon, and made in consideration for the repurchase rights contained in RCW 47.76.040. Nothing in this section shall be interpreted or applied so as to impair the reversionary rights of abutting landowners, if any, without just compensation.~~

~~(4))~~ First class cities, county rail districts and port districts may grant franchises to private railroads for the right to operate on lines acquired, repaired, or improved under this chapter.

(4) If rail lines or rail rights of way are used by county rail districts, port districts, state agencies, or other public agencies for the purposes of rail operations and are later abandoned, the rail lines or rail rights of way cannot be used for any other purposes without the consent of the underlying fee title holder or reversionary rights holder, or compensation has been made to the underlying fee title holder or reversionary rights holder.

(5) Moneys distributed under subsection (2) of this section shall not exceed eighty percent of the cost of the service or project undertaken. At least twenty percent of the cost shall be provided by the first class city, county, port district, or other local sources.

(6) The amount distributed under this section shall be repaid to the state by the first class city, county rail district or port district. The repayment shall occur within ~~((ten years))~~ a period not longer than fifteen years, as set by the department, of the distribution of the moneys and shall be deposited in the essential rail assistance account. The repayment schedule and rate of interest, if any, shall be set at the time of the distribution of the moneys.

(7) All earnings of investments of balances in the essential rail assistance account shall be credited to ~~((the general fund))~~ that account except as provided in RCW 43.84.090 and 43.84.092.

## PART II

### HIGH OCCUPANCY VEHICLE LANE DEVELOPMENT

NEW SECTION. Sec. 12. PURPOSE FOR ACCELERATING HIGH OCCUPANCY VEHICLE SYSTEM DEVELOPMENT AND UTILIZATION. The need for mobility, growing travel demand, and increasing traffic congestion in urban areas necessitate accelerated development and increased utilization of the high occupancy vehicle system. Sections 14 and 17 of this act provide taxing authority that counties can use in the near term to accelerate development and increase utilization of the high occupancy vehicle system by supplementing available federal, state, and local funds.

NEW SECTION. Sec. 13. DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout sections 12 through 21 of this act.

(1) "Transit agency" means a city that operates a transit system, a public transportation benefit area, a county transportation authority, or a metropolitan municipal corporation.

(2) The "high occupancy vehicle system" includes high occupancy vehicle lanes, related high occupancy vehicle facilities, and high occupancy vehicle programs.

(3) "High occupancy vehicle lanes" mean lanes reserved for public transportation vehicles only or public transportation vehicles and private vehicles carrying no fewer than a specified number of passengers under RCW 46.61.165.

(4) "Related facilities" means park and ride lots, park and pool lots, ramps, bypasses, turnouts, signal preemption, and other improvements designed to maximize use of the high occupancy vehicle system.

(5) "High occupancy vehicle program" means advertising the high occupancy vehicle system, promoting carpool, vanpool, and transit use, providing vanpool vehicles, and enforcement of driving restrictions governing high occupancy vehicle lanes.

**NEW SECTION.** Sec. 14. **EMPLOYER TAX.** (1) A class AA county or a class A county adjoining a class AA county having within its boundaries existing or planned high occupancy vehicle lanes on the state highway system, may, with voter approval impose an excise tax of up to two dollars per employee per month on all employers or any class or classes of employers, public and private, including the state located in the agency's jurisdiction, measured by the number of full-time equivalent employees. The county imposing the tax authorized in this section may provide for exemptions from the tax to such educational, cultural, health, charitable, or religious organizations as it deems appropriate.

Counties may contract with the state department of revenue or other appropriate entities for administration and collection of the tax. Such contract shall provide for deduction of an amount for administration and collection expenses.

(2) The tax shall not apply to employment of a person when the employer has paid for at least half of the cost of a transit pass issued by a transit agency for that employee, valid for the period for which the tax would otherwise be owed.

(3) A county shall adopt rules which exempt from all or a portion of the tax any employer that has entered into an agreement with the county that is designed to reduce the proportion of employees who drive in single-occupant vehicles during peak commuting periods in proportion to the degree that the agreement is designed to meet the goals for the employer's location adopted under section 15 of this act.

The agreement shall include a list of specific actions that the employer will undertake to be entitled to the exemption. Employers having an exemption from all or part of the tax through this subsection shall annually certify to the county that the employer is fulfilling the terms of the agreement. The exemption continues as long as the employer is in compliance with the agreement.

If the tax authorized in section 17 of this act is also imposed by the county, the total proceeds from both tax sources each year shall not exceed the maximum amount which could be collected under section 17 of this act.

**NEW SECTION.** Sec. 15. **ADOPTION OF GOALS.** The legislature encourages counties, in conjunction with cities, metropolitan planning organizations, and transit agencies in metropolitan areas to adopt goals for reducing the proportion of commuters who drive in single-occupant vehicles during peak commuting periods. Any county imposing a tax under this chapter must adopt such goals. In adopting these goals, counties shall consider at least the following:

- (1) Existing and anticipated levels of peak-period traffic congestion on roadways used by employees in commuting to work;
- (2) Existing and anticipated levels of transit and vanpool service and carpool programs available to and from the worksite;
- (3) Variations in employment density and employer size;
- (4) Availability and cost of parking; and
- (5) Consistency of the goals with the regional transportation plan.

**NEW SECTION.** Sec. 16. **SURVEY OF TAX USE.** The department of transportation shall include in the annual transit report under chapter ... (EHB 1438), Laws of 1989 an element describing actions taken under this chapter. On at least two occasions prior to December 31, 1998, the department shall include an evaluation of the effectiveness of such actions.

**NEW SECTION.** Sec. 17. **EXCISE TAX.** A class AA county and a class A county adjoining a class AA county, having within their boundaries existing or planned high occupancy vehicle lanes on the state highway system may, with voter approval, impose a local surcharge of not more than fifteen percent on the state motor vehicle excise tax paid under RCW 82.44.020(1) on vehicles registered to a person residing within the county. No surcharge may be imposed on vehicles licensed 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.

Counties imposing a tax under this section shall contract, before the effective date of the resolution or ordinance imposing a surcharge, administration and collection to the state department of licensing, which shall deduct an amount, as provided by contract, for administration and collection expenses incurred by the department. All administrative provisions in chapters 82.03, 82.32, and 82.44 RCW shall, insofar as they are applicable to state motor vehicle excise taxes, be applicable to surcharges imposed under this section.

If the tax authorized in section 14 of this act is also imposed by the county, the total proceeds from both tax sources each year shall not exceed the maximum amount which could be collected under this section.

**NEW SECTION.** Sec. 18. **HIGH OCCUPANCY VEHICLE ACCOUNT.** Funds collected by the department of revenue or other entity under section 14 of this act, or by the department of licensing under section 17 of this act, less the deduction for collection expenses, shall be deposited in

the high occupancy vehicle account hereby created in the custody of the state treasurer. On the first day of the months of January, April, July, and October of each year, the state treasurer shall distribute the funds in the account to the counties on whose behalf the funds were received. The state treasurer shall make the distribution under this section without appropriation. All earnings of investments of balances in this account shall be credited to this account except as provided in RCW 43.84.090 and 43.84.092.

**NEW SECTION.** Sec. 19. USE OF FUNDS. Funds collected under section 14 or 17 of this act and any investment earnings accruing thereon shall be used by the county in a manner consistent with the regional transportation plan only for costs of collection, costs of preparing, adopting, and enforcing agreements under section 14(3) of this act, for construction of high occupancy vehicle lanes and related facilities, mitigation of environmental concerns that result from construction or use of high occupancy vehicle lanes and related facilities, payment of principal and interest on bonds issued for the purposes of this section, for high occupancy vehicle programs as defined in section 13(5) of this act, and for commuter rail projects in accordance with section 33 of this act. No funds collected under sections 14 or 17 of this act after June 30, 2000, may be pledged for the payment or security of the principal or interest on any bonds issued for the purposes of this section. Not more than ten percent of the funds may be used for transit agency high occupancy vehicle programs.

Priorities for construction of high occupancy vehicle lanes and related facilities shall be as follows:

(1)(a) To accelerate construction of high occupancy vehicle lanes on the interstate highway system, as well as related facilities;

(b) To finance or accelerate construction of high occupancy vehicle lanes on the noninterstate state highway system, as well as related facilities.

(2) To finance construction of high occupancy vehicle lanes on local arterials, as well as related facilities.

Moneys received by an agency under sections 12 through 21 of this act shall be used in addition to, and not as a substitute for, moneys currently used by the agency for the purposes specified in this section.

Counties may contract with cities or the state department of transportation for construction of high occupancy vehicle lanes and related facilities, and may issue general obligation bonds to fund such construction and use funds received under this chapter to pay the principal and interest on such bonds.

**NEW SECTION.** Sec. 20. ESTABLISH POLICIES—INTERLOCAL AGREEMENTS. Counties imposing a tax under this chapter shall enter into an agreement through the interlocal cooperation act with the department of transportation. The agreement shall provide an opportunity for the department of transportation, cities and transit agencies having within their boundaries a portion of the existing or planned high occupancy vehicle

system as contained in the regional transportation plan, to coordinate programming and operational decisions affecting the high occupancy vehicle system. If two or more adjoining counties impose a tax under section 14 or 17 of this act, the counties shall jointly enter one interlocal agreement with the department of transportation.

**NEW SECTION.** Sec. 21. URBAN PUBLIC TRANSPORTATION SYSTEM. The high occupancy vehicle system is an urban public transportation system as defined in RCW 47.04.082.

### PART III HIGH CAPACITY SYSTEM DEVELOPMENT

**NEW SECTION.** Sec. 22. PURPOSE OF STATE HIGH CAPACITY TRANSPORTATION PROGRAM. Increasing congestion on Washington's roadways calls for identification and implementation of high capacity transportation system alternatives. "High capacity transportation system" means a system of transportation services, operating principally on exclusive rights of way, which taken as a whole, provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems operating principally on general purpose roadway rights of way. The legislature believes that local jurisdictions should coordinate and be responsible for high capacity transportation policy development, program planning, and implementation. The state should assist by working with local agencies on issues involving rights of way, partially financing projects meeting established state criteria, authorizing local jurisdictions to finance high capacity transportation systems through voter-approved tax options, and providing technical assistance and information.

**NEW SECTION.** Sec. 23. STATE POLICY ROLES IN DEVELOPMENT OF HIGH CAPACITY TRANSPORTATION SYSTEM ALTERNATIVES. The department of transportation's current policy role in transit is expanded to include other high capacity transportation development as part of a multimodal transportation system.

(1) The department of transportation shall implement a program for high capacity transportation coordination, planning, and technical studies with appropriations from the high capacity transportation account.

(2) The department shall assist local jurisdictions and metropolitan planning organizations with high capacity transportation planning efforts.

**NEW SECTION.** Sec. 24. HIGH CAPACITY TRANSPORTATION POLICY DEVELOPMENT OUTSIDE CENTRAL PUGET SOUND. (1) In any class A county not bordered by a class AA county and in counties of the first class and smaller, city-owned transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas may elect to establish high capacity transportation service. Such agencies shall form a regional policy committee with proportional representation based upon population distribution within the

designated service area and a representative of the department of transportation.

(a) City-owned transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas participating in joint regional policy committees shall seek voter approval within their own service boundaries of a high capacity transportation system plan and an implementation program including a financing program.

(b) An interim regional authority may be formed pursuant to section 25(2) of this act and shall seek voter approval of a high capacity transportation plan and financing program within its proposed service boundaries.

(2) City-owned transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas in counties adjoining state or international boundaries are authorized to participate in the regional high capacity transportation programs of an adjoining state or nation.

NEW SECTION. Sec. 25. HIGH CAPACITY TRANSPORTATION POLICY DEVELOPMENT IN CENTRAL PUGET SOUND. (1) Agencies in a class AA county and in class A counties bordering a class AA county that are currently authorized to provide high capacity transportation planning and operating services, including but not limited to city-owned transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas, must establish through interlocal agreements a joint regional policy committee with proportional representation based upon the population distribution within each agency's designated service area, as determined by the parties to the agreement.

(a) The membership of the joint regional policy committee shall consist of locally elected officials who serve on the legislative authority of the existing transit systems and a representative from the department of transportation. Nonvoting membership for elected officials from adjoining counties may be allowed at the committee's discretion.

(b) The joint regional policy committee shall be responsible for the preparation and adoption of a regional high capacity transportation system plan and an implementation program including a financing package. This plan shall be in conformance with the metropolitan planning organization's regional transportation plan.

(c) Interlocal agreements shall be executed within two years of the effective date of this act. The joint regional policy committee shall present a high capacity transportation plan and local funding program to the boards of directors of the transit agencies within the service area for adoption.

(d) Transit agencies shall present the adopted plan and financing program for voter approval within four years of the execution of the interlocal agreements. A simple majority vote is required for approval of the high capacity transportation plan and financing program in any service district

within each county. Implementation of the program may proceed in any service area approving the plan and program.

(2) If interlocal agreements have not been executed within two years from the effective date of this act, the designated metropolitan planning organization shall convene within one hundred eighty days a conference to be attended by an elected representative selected by the legislative authority of each city and county in a class AA county and in class A counties bordering a class AA county.

(a) Public notice of the conference shall occur thirty days before the date of the conference.

(b) The purpose of the conference is to evaluate the need for developing high capacity transportation service in a class AA county and in class A counties bordering a class AA county and to determine the desirability of a regional approach to developing such service.

(c) The conference may elect to continue high capacity transportation efforts on a subregional basis through existing transit planning and operating agencies.

(d) The conference may elect to pursue regional development by creating a multicounty interim regional high capacity transportation authority. Conference members shall determine the structure and composition of any interim regional authority.

(i) The interim regional authority shall propose a permanent authority or authorities for voter approval. Permanent regional authorities shall become the responsible agencies for planning, construction, operations, and funding of high capacity transportation systems within their service boundaries. Funding sources for a regional high capacity transportation authority or authorities are separate from currently authorized funding sources for city-owned transit systems, county transportation authorities, metropolitan municipal authorities, or public transportation benefit areas.

(ii) State and local jurisdictions, county transportation authorities, metropolitan municipal corporations, or public transportation benefit areas shall retain responsibility for existing facilities and/or services, unless the responsibility is transferred to the high capacity transportation authority or authorities by interlocal agreement.

(3) If, within four years of the execution of the interlocal agreements, a high capacity transportation plan and financing program has been approved by a simple majority vote within a participating jurisdiction, that jurisdiction may proceed with high capacity transportation development. If within four years of the execution of the interlocal agreements, a high capacity transportation plan and program has not been approved by a simple majority vote within one or more of the participating jurisdictions, the joint regional policy committee shall convene within one hundred eighty days, a conference to be attended by participating jurisdictions within which a plan and financing program have not been approved. Such a conference shall be

for the same purpose and shall be subject to the same conditions as described in subsection (2) of this section.

(4) High capacity transportation service planning, construction, operations, and funding shall be governed through the interlocal agreement process, including but not limited to provision for a cost allocation and distribution formula, service corridors, station area locations, right of way transfers, and feeder transportation systems. The interlocal agreement shall include a mechanism for resolving conflicts among parties to the agreement.

**NEW SECTION.** Sec. 26. **EXPANSION OF HIGH CAPACITY TRANSPORTATION SERVICE BOUNDARIES.** Regional high capacity transportation service boundaries may be expanded beyond the established service district through interlocal agreements among the transit agencies.

**NEW SECTION.** Sec. 27. **STATE ROLE IN HIGH CAPACITY TRANSPORTATION PROGRAM PLANNING AND IMPLEMENTATION.** The state's planning role in high capacity transportation development as one element of a multimodal transportation system should facilitate cooperative state and local planning efforts.

(1) The department of transportation may serve as a contractor for high capacity transportation system design, administer construction, and assist agencies authorized to provide service in the acquisition, preservation, and joint use of rights of way.

(2) The department and local jurisdictions shall continue to cooperate with respect to the development of park-and-ride facilities, associated roadways, transfer stations, people mover systems developed either by the public or private sector, and other related projects.

(3) The department in cooperation with local jurisdictions shall develop policies which enhance the development of high speed intercity systems by both the private and the public sector. These policies may address joint use of rights of way, identification and preservation of transportation corridors, and joint development of stations and other facilities.

**NEW SECTION.** Sec. 28. **RESPONSIBILITY FOR HIGH CAPACITY TRANSPORTATION SYSTEM IMPLEMENTATION.** (1) The state shall not become an operating agent for regional high capacity transportation systems.

(2) Agencies providing high capacity transportation service are responsible for planning, construction, operations, and funding including station area design and development, and parking facilities. Agencies may implement necessary contracts, joint development agreements, and interlocal government agreements. Agencies providing service shall consult with affected local jurisdictions and cooperate with comprehensive planning processes.

**NEW SECTION.** Sec. 29. REGIONAL TRANSPORTATION PLANNING. Regional transportation plans should be considered in adopting local land use plans. Regional transportation plans and local land use plans should address the impacts of urban growth on effective high capacity transportation planning and development, and provide for cooperation between local jurisdictions and transit agencies.

(1) Regional high capacity transportation plans shall be included in the designated metropolitan planning organization's regional transportation plan review and update process to facilitate development of a coordinated multimodal transportation system and to meet federal funding requirements.

(2) The state and local jurisdictions shall cooperate in encouraging land uses compatible with development of high capacity transportation systems. These include developing sufficient land use densities through local actions in high capacity transportation corridors and near passenger stations, preserving transit rights of way, and protecting the region's environmental quality. In developing local actions intended to carry out these policies local governments shall insure the opportunity for public comment and participation in the siting of such facilities, including stations or transfer facilities. Agencies providing high capacity transportation services, in cooperation with public and private interests, shall promote transit-compatible land uses and development which includes joint development.

(3) Agencies providing high capacity transportation service and transit agencies shall develop a cooperative process for the planning, development, operations, and funding of feeder transportation systems. Feeder systems may include existing and future intercity passenger systems and alternative technology people mover systems which may be developed by the private or public sector.

(4) Jurisdictions, working through their designated metropolitan planning organizations, shall manage a right of way preservation review process which includes activities to promote the preservation of the high capacity transportation rights of way.

(a) Jurisdictions shall forward all development proposals for projects within and adjoining to the rights of way proposed for preservation to the designated metropolitan planning organizations, which shall distribute the proposals for local and regional agency review.

(b) The metropolitan planning organizations shall also review proposals for conformance with the regional transportation plan and associated regional development strategies. The designated metropolitan planning organization shall within ninety days compile local and regional agency comments and communicate the same to the originating jurisdiction and the joint regional policy committee or, if established, a regional high capacity transportation authority.

**NEW SECTION.** Sec. 30. DEPARTMENT OF TRANSPORTATION RESPONSIBILITIES. The department of transportation shall, upon dissolution of the rail development commission, assume responsibility for distributing amounts appropriated from the high capacity transportation account and shall prioritize funding requests based on criteria in subsection (3) of this section.

(1) The department shall establish an advisory council of policy and technical experts pursuant to RCW 47.01.091 to assist in the review of requests for high capacity transportation account funds. The council shall be comprised of one representative from each congressional district, a designee of the governor, the executive director or a designee of the transportation improvement board, the director of the Washington state transportation center, and the chair or designee of the legislative transportation committee.

(2) State high capacity transportation account funds may provide up to eighty percent matching assistance for high capacity transportation planning efforts and for support of interim regional high capacity transportation authorities.

(3) Authorizations for state funding for high capacity transportation planning projects shall be subject to the following criteria:

(a) Conformance with the designated metropolitan planning organization's regional transportation plan;

(b) Local matching funds;

(c) Demonstration of projected improvement in regional mobility;

(d) Conformance with planning requirements prescribed in section 31 of this act, and if five hundred thousand dollars or more in state funding is requested, conformance with the requirements of section 32 of this act; and

(e)(i) Establishment, through interlocal agreements, of a regional policy committee with proportional representation based upon population distribution within each agency's designated service area as defined in section 24 of this act;

(ii) Establishment of a demonstrated regional agreement through a multijurisdictional conference to pursue high capacity transportation development on a subregional basis through established transit planning and operating agencies as defined in section 25 of this act; or

(iii) Establishment, through a multijurisdictional conference, of an interim high capacity transportation authority as defined in section 25 of this act.

(4) The department of transportation shall provide general review and monitoring of the planning process prescribed in section 31 of this act.

**NEW SECTION.** Sec. 31. PLANNING PROCESS. To assure the adoption of an effective high capacity transportation system, local authorities shall follow the following planning process:

(1) System planning is the ongoing urban transportation planning process conducted in each urbanized area by its metropolitan planning organization. During this process, regional transportation goals are identified, travel patterns are analyzed, and future land use and travel are projected. The system planning process provides a comprehensive view of the region's transportation needs but does not select a specified mode to serve those needs. System planning shall identify a priority corridor for further study of high capacity transportation facilities if it is deemed feasible by local officials.

(2)(a) Project planning is the detailed evaluation of a range of transportation options, including (i) do nothing, (ii) low capital, and (iii) ranges of higher capital facilities.

(b) Project planning shall proceed as follows:

(i) Organization and management. The responsible local transit agency or agencies shall define roles for various local agencies, review background information, provide for public involvement, and develop a detailed work plan for the project planning process.

(ii) Development of options. Options to be studied shall be developed to ensure an appropriate range of technologies and service policies can be evaluated. A do-nothing option and a low capital option that maximizes the current system shall be developed. Several higher capital options that consider several candidate technologies shall be developed.

(iii) Analysis methods. The local transit agency shall develop reports describing the analysis and assumptions for the estimation of capital costs, operating and maintenance costs, methods for travel forecasting, a financial plan and an evaluation methodology.

(iv) Study of options. The local transit agency shall use the methods described in (iii) of this subsection to produce impact information needed for project evaluation and for the preparation of an environmental impact statement. The impact evaluation shall address the impact that such a project will have on abutting or nearby residential or commercial property owners. The process of identification of corridors shall include notification of affected property owners by normal legal publication. At minimum, such notification shall include notice on the same day for at least three weeks in at least two newspapers of general circulation in the county where such project is proposed. Special notice of hearings by the conspicuous posting of notice, in a manner designed to attract public attention, in the vicinity of areas identified for station locations or transfer sites shall also be provided.

(v) Review and monitor. The department of transportation shall provide project review and monitoring in cooperation with the expert review panel identified in section 32 of this act. In addition, the local transit agency shall maintain a continuous public involvement program and seek involvement of other government agencies.

(vi) Detailed planning process. In order to increase the likelihood of future federal funding, the system and project planning processes shall follow the urban mass transportation administration's requirements as described in "Procedures and Technical Methods for Transit Project Planning", published by the United States department of transportation, urban mass transportation administration, September 1986, or the most recent edition. Nothing in this subsection shall be construed to preclude detailed evaluation of more than one corridor in the planning process.

NEW SECTION. Sec. 32. INDEPENDENT PROJECT OVERSIGHT. The legislature recognizes that the planning process described in section 31 of this act provides a recognized framework for guiding high capacity transportation studies. However, the process cannot guarantee appropriate transit decisions unless key study assumptions are reasonable.

To assure appropriate project assumptions and to provide for review of project results, the department of transportation shall develop independent oversight procedures which are appropriate to the scope of any project for which high capacity transportation account funds are requested.

An expert review panel shall be appointed to provide independent technical review for any project which is to be funded in whole or in part by the imposition of any voter-approved local option funding sources enumerated in section 35 of this act.

(1) The expert review panel shall consist of ten members who are recognized experts in relevant fields, such as transit operations, planning, emerging transportation technologies, engineering, finance, law, the environment, geography, economics, and political science.

(2) The expert review panel shall be selected cooperatively by the chair of the legislative transportation committee, the secretary of the department of transportation, and the governor to assure a balance of disciplines.

(3) The chair of the expert review panel shall be designated by the appointing body.

(4) The expert review panel shall serve without compensation but shall be reimbursed for expenses according to chapter 43.03 RCW.

(5) Funds appropriated for expenses of the expert panel shall be administered by the department of transportation.

(6) The expert panel shall review all reports required in section 31(2)(b)(vi) of this act but shall concentrate on service modes and concepts, costs, patronage, financing, and project evaluation.

(7) The expert panel shall provide timely reviews and comments on individual project reports and study conclusions to the governor, the legislative transportation committee, the department of transportation, and the submitting lead transit agency.

(8) The legislative transportation committee shall contract for consulting services for expert review panels. The amount of consultant support

shall be negotiated with each expert review panel by the legislative transportation committee and shall be paid from the high capacity transportation account.

**NEW SECTION. Sec. 33. COMMUTER RAIL SERVICE.** (1) City-owned transit service, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas may operate or contract for commuter rail service where it is deemed to be a reasonable alternative transit mode.

(2) A county may use funds collected under section 14 or 17 of this act to contract with one or more transit agencies for planning, operation, and maintenance of commuter rail projects which: (a) Are consistent with the regional transportation plan; (b) have met the project planning and oversight requirements of sections 31 and 32 of this act; and (c) have been approved by the voters within the service area of each transit agency participating in the project. The phrase "approved by the voters" includes specific funding authorization for the commuter rail project.

(3) The utilities and transportation commission shall maintain safety responsibility for passenger rail service operating on freight rail lines. Agencies providing passenger rail service on lines other than freight rail lines shall maintain safety responsibility for that service.

**NEW SECTION. Sec. 34. FINANCIAL RESPONSIBILITY.** Agencies providing high capacity transportation service shall determine optimal debt-to-equity ratios, establish capital and operations allocations, and establish fare-box recovery return policy.

**NEW SECTION. Sec. 35. FINANCING FOR HIGH CAPACITY TRANSPORTATION PROGRAMS.** (1) Agencies authorized to provide high capacity transportation service, including city-owned transit systems, county transportation authorities, metropolitan municipal corporations and public transportation benefit areas, are hereby granted dedicated funding sources for such systems. These dedicated funding sources, as set forth in sections 41, 42, and 43 of this act, are authorized only for agencies located in class AA counties, class A counties, counties of the first class which border another state, and counties which, on the effective date of this act, are of the second class and which adjoin class A counties.

(2) Agencies providing high capacity transportation service should also seek other funds, including federal, state, local, and private sector assistance.

(3) Funding sources should satisfy each of the following criteria to the greatest extent possible:

- (a) Acceptability;
- (b) Ease of administration;
- (c) Equity;
- (d) Implementation feasibility;

- (e) Revenue reliability; and
- (f) Revenue yield.

(4) Agencies participating in regional high capacity transportation system development through interlocal agreements or a conference-approved interim regional rail authority or subregional process as defined in section 25 of this act are authorized to levy and collect the following voter-approved local option funding sources:

- (a) Employer tax as provided in section 41 of this act;
- (b) Special motor vehicle excise tax as provided in section 42 of this act; and
- (c) Sales and use tax as provided in section 43 of this act.

Revenues from these taxes may be used only to support those purposes prescribed in subsection (8) of this section. Before an agency may impose any of the taxes enumerated in this section and authorized in sections 41, 42, and 43 of this act, it must comply with the process prescribed in sections 31 and 32 of this act.

(5) Authorization in subsection (4) of this section shall not adversely affect the funding authority of existing transit agencies. Local option funds may be used to support implementation of interlocal agreements with respect to the establishment of regional high capacity transportation service. Local jurisdictions shall retain control over moneys generated within their boundaries, although funds may be commingled for planning, construction, and operation of high capacity transportation systems as set forth in the agreements.

(6) Agencies providing high capacity transportation service may contract with the state for collection and transference of local option revenue.

(7) Dedicated high capacity transportation funding shall be subject to voter approval by a simple majority.

(8) Agencies providing high capacity transportation service shall retain responsibility for revenue encumbrance, disbursement, and bonding. Funds may be used for any purpose relating to planning, construction, and operation of high capacity transportation, commuter rail, and feeder transportation systems.

#### PART IV AMTRAK ACTIVITIES

NEW SECTION. Sec. 36. AMTRAK. The department, in conjunction with local jurisdictions, shall coordinate as appropriate with the designated metropolitan planning organizations to develop a program for improving Amtrak passenger rail service. The program may include:

- (1) Determination of the appropriate level of Amtrak passenger rail service;
- (2) Implementation of higher train speeds for Amtrak passenger rail service, where safety considerations permit;

(3) Recognition, in the state's long range planning process, of potential higher speed intercity passenger rail service, while monitoring socioeconomic and technological conditions as indicators for higher speed systems; and

(4) Identification of existing intercity rail rights of way which may be used for public transportation corridors in the future.

NEW SECTION. Sec. 37. AMTRAK DEPOTS. The department shall, when feasible, assist local jurisdictions in upgrading Amtrak depots. Multimodal use of these facilities shall be encouraged.

NEW SECTION. Sec. 38. AMTRAK SERVICE EXTENSION. (1) The department, in conjunction with local jurisdictions, shall coordinate as appropriate with designated metropolitan and provincial transportation organizations to pursue resumption of Amtrak service from Seattle to Vancouver, British Columbia, via Everett, Mount Vernon, and Bellingham.

(2) The department, in conjunction with local jurisdictions, shall study potential Amtrak service on the following routes:

(a) Daytime Spokane–Wenatchee–Everett–Seattle service;

(b) Daytime Spokane–Tri–Cities–Vancouver–Portland service;

(c) Tri–Cities–Yakima–Ellensburg–Seattle service, if the Stampede Pass route is reopened; and

(d) More frequent Portland–Vancouver–Kelso–Centralia–Olympia–Tacoma–Seattle service or increments thereof.

NEW SECTION. Sec. 39. AMTRAK COORDINATION. The department, with other state and local agencies shall coordinate as appropriate with designated metropolitan planning organizations to provide public information with respect to common carrier passenger transportation. This information may include maps, routes, and schedules of passenger rail service, local transit agencies, air carriers, private ground transportation providers, and international, state, and local ferry services.

The state shall continue its cooperative relationship with Amtrak and Canadian passenger rail systems.

NEW SECTION. Sec. 40. AMTRAK SERVICE. The department, in conjunction with local jurisdictions, shall recommend to the legislature the appropriate level, source, and justification for funding of improved Amtrak passenger rail service.

## PART V

### HIGH CAPACITY FUNDING AUTHORIZATIONS

NEW SECTION. Sec. 41. EMPLOYER TAX FOR HIGH CAPACITY TRANSPORTATION SERVICE. Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas, solely for the purpose of providing high capacity transportation service may submit an authorizing proposition to the voters and if approved may impose an excise tax of up to two dollars per

month on all employers located within the agency's jurisdiction, measured by the number of full-time equivalent employees. The rate of tax shall be approved by the voters. This tax may not be imposed by an agency when the county within which it is located is imposing an excise tax pursuant to section 14 of this act. The agency imposing the tax authorized in this section may provide for exemptions from the tax to such educational, cultural, health, charitable, or religious organizations as it deems appropriate.

**NEW SECTION.** Sec. 42. **MOTOR VEHICLE EXCISE TAX FOR HIGH CAPACITY TRANSPORTATION SERVICE.** Any city that operates a transit system, county transportation authority, metropolitan municipal corporation, or public transportation benefit area, solely for the purpose of providing high capacity transportation service may submit an authorizing proposition to the voters, and if approved, may levy and collect an excise tax, at a rate approved by the voters, but not exceeding eighty one-hundredths of one percent on the value, under chapter 82.44 RCW, of every motor vehicle owned by a resident of such city, county transportation authority, metropolitan municipal corporation, or public transportation benefit area. In any county imposing a motor vehicle excise tax surcharge pursuant to section 17 of this act, the maximum tax rate under this section shall be reduced to a rate equal to eighty one-hundredths of one percent on the value less the equivalent motor vehicle excise tax rate of the surcharge imposed pursuant to section 17 of this act. This authority may be exercised only if all local agencies which are parties to an interlocal agreement or members of a regional authority under section 25 of this act are imposing the tax at the same rate. This rate shall not apply to vehicles licensed 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.

**NEW SECTION.** Sec. 43. **SALES AND USE TAXES FOR HIGH CAPACITY TRANSPORTATION SERVICE.** The legislative bodies of cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas, solely for the purpose of providing high capacity transportation service may submit an authorizing proposition to the voters and if approved by a majority of persons voting, fix and impose a sales and use tax in accordance with the terms of this chapter.

The tax authorized pursuant to this section shall be in addition to the tax authorized by RCW 82.14.030 and shall be collected from those persons who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within such city, county transportation authority, metropolitan municipal corporation, or public transportation benefit area, as the case may be. The rate of such tax shall be approved by the voters and shall not exceed one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax).

**NEW SECTION.** Sec. 44. **BOND RETIREMENT FOR HIGH CAPACITY TRANSPORTATION SERVICE.** Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas are authorized to pledge revenues from the employer tax authorized by section 41 of this act, the special motor vehicle excise tax authorized by section 42 of this act, and the sales and use tax authorized by section 43 of this act, to retire bonds issued solely for the purpose of providing high capacity transportation service.

**NEW SECTION.** Sec. 45. **CONTRACT FOR COLLECTION OF TAXES.** Cities that operate transit systems, county transportation authorities, metropolitan municipal corporations, and public transportation benefit areas may contract with the state department of revenue or other appropriate entities for administration and collection of any tax authorized by sections 41, 42, and 43 of this act.

#### PART VI HIGH CAPACITY TRANSPORTATION ACCOUNT

**NEW SECTION.** Sec. 46. **HIGH CAPACITY TRANSPORTATION ACCOUNT REVIEW.** The department of transportation shall review the high capacity transportation account funding sources and allocation formula and propose any appropriate changes to the 1991 legislature.

Sec. 47. Section 1, chapter 428, Laws of 1987 and RCW 47.78.010 are each amended to read as follows:

There is hereby established in the state treasury the (~~(rail development)~~) high capacity transportation account. Money in the account shall be used, after appropriation, for local (~~((rail passenger and))~~) high capacity transportation purposes including rail freight (~~((purposes))~~). All earnings of investments of any balances in the (~~(rail development)~~) high capacity transportation account shall be credited to the (~~(rail development)~~) account except as provided in RCW 43.84.090 and 43.84.092.

*\*Sec. 48. 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 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 a sum equal to four and two-tenths percent of the special excise tax levied under RCW 35.58.273 by those municipalities authorized to levy a special excise tax at a rate not exceeding ninety-six one-hundredths of one percent on the fair market value of every motor vehicle owned by a resident of such municipality shall be deposited in the ~~((rail development))~~ high capacity transportation account established in RCW 47.78.010.*

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

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

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

*(4) When so apportioned, the amount payable to each such city and town shall be transmitted to the city treasurer thereof, and shall be utilized by such city or town for the purposes of police and fire protection and the preservation of the public health therein, and not otherwise. In case it be adjudged that revenue derived from the excise tax imposed by this chapter cannot lawfully be apportioned or distributed to cities or towns, all moneys directed by this section to be apportioned and distributed to cities and towns shall be credited and transferred to the state general fund.*

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

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

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

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

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

**(8) Any municipality levying and collecting a tax under RCW 35.58.273 which does not have an operating, public transit system or a contract for**

*public transportation services in effect within one year from the initial effective date of the tax shall return to the state treasurer all motor vehicle excise taxes received under subsection (5) of this section.*

\*Sec. 48 was vetoed, see message at end of chapter.

PART VII  
MISCELLANEOUS

Sec. 49. Section 35.92.060, chapter 7, Laws of 1965 as last amended by section 10, chapter 445, Laws of 1985 and RCW 35.92.060 are each amended to read as follows:

A city or town may also construct, condemn and purchase, purchase, acquire, add to, alter, maintain, operate, or lease cable, electric, and other railways, automobiles, motor cars, motor buses, auto trucks, and any and all other forms or methods of transportation of freight or passengers within the corporate limits of the city or town and a first class city may operate such forms or methods of transportation beyond the corporate limits of the city but not beyond the boundaries of the county in which the city is located, for the transportation of freight and passengers above, upon, or underneath the ground. It may also fix, alter, regulate, and control the fares and rates to be charged therefor; and fares or rates may be adjusted or eliminated for any distinguishable class of users including, but not limited to, senior citizens, handicapped persons, and students. Without the payment of any license fee or tax, or the filing of a bond with, or the securing of a permit from, the state, or any department thereof, the city or town may engage in, carry on, and operate the business of transporting and carrying passengers or freight for hire by any method or combination of methods that the legislative authority of any city or town may by ordinance provide, with full authority to regulate and control the use and operation of vehicles or other agencies of transportation used for such business.

NEW SECTION. Sec. 50. The legislative transportation committee shall study the issues associated with public and private acquisition of abandoned rail corridors and rail corridors banked for future rail use as provided for under state and federal law respectively. The committee shall report its findings and recommendations to the senate and house transportation committees by December 1, 1990.

NEW SECTION. Sec. 51. Sections 1 through 10 of this act are each added to chapter 47.76 RCW.

NEW SECTION. Sec. 52. Sections 12 through 21 of this act shall constitute a new chapter in Title 81 RCW.

NEW SECTION. Sec. 53. Sections 22 through 35 and 41 through 45 of this act shall constitute a new chapter in Title 81 RCW.

NEW SECTION. Sec. 54. Sections 36 through 40 of this act shall constitute a new chapter in Title 47 RCW.

**NEW SECTION.** Sec. 55. Section headings, part headings, and the index as used in this act do not constitute any part of the law.

**NEW SECTION.** Sec. 56. This act shall be liberally construed to give effect to the intent of this act.

**NEW SECTION.** Sec. 57. 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. 58. This act is 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 immediately.

Passed the House March 5, 1990.

Passed the Senate March 3, 1990.

Approved by the Governor March 14, 1990, with the exception of certain items which were vetoed.

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

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to section 48, Engrossed Substitute House Bill No. 1825 entitled:

"AN ACT Relating to high capacity transportation systems."

Section 48 changes a reference in current law from "rail development" account to "high capacity transportation" account. Section 308(2)(a) of Engrossed Substitute Senate Bill No. 6358, an act relating to transportation taxes, amends the same section of current law in a similar manner and makes additional revisions. In order to avoid duplicative amendments, I am vetoing section 48.

With the exception of section 48, Engrossed Substitute House Bill No. 1825 is approved."

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## CHAPTER 44

[Substitute Senate Bill No. 6167]

### MOTOR VEHICLES—UNLAWFUL TRANSFER OF SUBLEASING OF

AN ACT Relating to unlawful subleasing or transferring of an ownership interest in motor vehicles; amending RCW 46.70.180; adding a new chapter to Title 19 RCW; and prescribing penalties.

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

**NEW SECTION.** Sec. 1. The legislature finds that the practices of unlawful subleasing or unlawful transfer of an ownership interest in motor vehicles have a substantial negative impact on the state's financial institutions and other businesses engaged in the financing and leasing of motor vehicles.