

**INITIATIVE 350**

I, Sam Reed, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 350 to the Legislature is a true and correct copy as it was received by this office.

1 AN ACT Relating to transportation; amending RCW 46.61.165,  
2 82.08.020, and 36.120.160; reenacting and amending RCW 43.84.092;  
3 adding a new section to chapter 82.12 RCW; adding a new section to  
4 chapter 46.68 RCW; adding new sections to chapter 47.10 RCW; adding a  
5 new section to chapter 47.05 RCW; creating new sections; and providing  
6 an effective date.

7 BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

8 **POLICIES AND PURPOSES**

9 NEW SECTION. **Sec. 1.** During these tough economic times, the  
10 voters deserve a common sense proposal to increase traffic flow by  
11 improving Washington's transportation system with better use of  
12 existing public resources.

13 This measure would open carpool lanes to all traffic during off-  
14 peak hours and dedicate and bond the state's portion of sales and use  
15 tax revenues on motor vehicles to fund traffic congestion relief  
16 projects.

17 We all pay taxes for our carpool lanes, so everyone should be  
18 allowed to use them at least some of the time. This measure strikes a

1 reasonable balance by allowing our carpool lanes to be open to everyone  
2 during off-peak hours (this measure defines peak hours as 6:00 a.m.  
3 through 9:00 a.m. and 3:00 p.m. through 6:00 p.m. Monday through  
4 Friday). Existing road capacity must be utilized to maximize its  
5 effectiveness. How can we increase road capacity and increase traffic  
6 flow to our most congested roadways without spending billions of  
7 dollars? By opening our carpool lanes to everyone during off-peak  
8 hours. This will quickly, significantly, and cost-effectively increase  
9 traffic flow and relieve traffic congestion on our most congested  
10 roadways and will illustrate that increased road capacity results in  
11 decreased traffic congestion.

12 In order to reduce congestion, it is essential that existing  
13 vehicle taxes get spent on roads. Vehicle purchases generate billions  
14 of dollars in sales tax revenue. People who buy vehicles should have  
15 their taxes go toward reducing traffic congestion on our roads,  
16 streets, and highways at the state and local level.

17 Year after year, Washington voters have repeatedly rejected the  
18 business-as-usual, the-only-solution-is-a-tax-increase mentality.  
19 During these tough economic times, the people deserve a common sense  
20 proposal to decrease traffic congestion by improving Washington's  
21 transportation system with better use of existing public resources.

22 **INCREASES TRAFFIC FLOW BY OPENING CARPOOL LANES TO EVERYONE**  
23 **DURING OFF-PEAK HOURS**

24 **Sec. 2.** RCW 46.61.165 and 1999 c 206 s 1 are each amended to read  
25 as follows:

26 The state department of transportation and the local authorities  
27 are authorized to reserve all or any portion of any highway under their  
28 respective jurisdictions as carpool lanes, including any designated  
29 lane or ramp, for the exclusive or preferential use of public  
30 transportation vehicles or private motor vehicles carrying no fewer  
31 than a specified number of passengers when ((such)) the limitation will  
32 increase the efficient utilization of the highway or will aid in the  
33 conservation of energy resources. Regulations authorizing (( such))  
34 exclusive or preferential use of a highway facility ((~~may be declared~~  
35 ~~to be~~)) are effective ((~~at all times or at specified times of day or on~~  
36 ~~specified days~~)) only at the specified times of day and on the  
37 specified days designated in this section. In order to decrease

1 traffic congestion, existing road capacity must be utilized to maximize  
2 its effectiveness. Therefore, as of the effective date of this act,  
3 all carpool lanes shall be opened during off-peak hours for use by all  
4 vehicles otherwise lawfully abiding by the rules of the road of this  
5 state. For the purposes of this section, "carpool lanes" are high-  
6 occupancy vehicle lanes including express lanes, ramp-meter bypass  
7 lanes, and on-ramps and off-ramps on any highway or roadway. It is the  
8 intent of this act that this policy be in effect for future carpool  
9 lanes. For the purposes of this section, "peak hours" are 6:00 a.m.  
10 through 9:00 a.m. and 3:00 p.m. through 6:00 p.m. Monday through Friday  
11 and "off-peak hours" are days and hours not specified as "peak hours."  
12 Nothing in this section is intended to restrict the operation of RCW  
13 46.44.080, 46.61.100, or 46.61.135, thus continuing restricted truck  
14 usage of city streets. Violation of a restriction of highway usage  
15 prescribed by the appropriate authority under this section is a traffic  
16 infraction.

17           **DEDICATES EXISTING VEHICLE TAXES TO FUND THE OPENING OF**  
18           **CARPOOL LANES TO EVERYONE DURING OFF-PEAK HOURS AND OTHER**  
19           **TRAFFIC CONGESTION RELIEF PROJECTS**

20           **Sec. 3.** RCW 82.08.020 and 2003 c 361 s 301 are each amended to  
21 read as follows:

22           (1) There is levied and there shall be collected a tax on each  
23 retail sale in this state equal to six and five-tenths percent of the  
24 selling price.

25           (2) There is levied and there shall be collected an additional tax  
26 on each retail car rental, regardless of whether the vehicle is  
27 licensed in this state, equal to five and nine-tenths percent of the  
28 selling price. The revenue collected under this subsection shall be  
29 deposited in the multimodal transportation account created in RCW  
30 47.66.070.

31           (3) Beginning July 1, 2003, there is levied and collected an  
32 additional tax of three-tenths of one percent of the selling price on  
33 each retail sale of a motor vehicle in this state, other than retail  
34 car rentals taxed under subsection (2) of this section. The revenue  
35 collected under this subsection shall be deposited in the multimodal  
36 transportation account created in RCW 47.66.070.

1 (4) For purposes of subsection (3) of this section, "motor vehicle"  
2 has the meaning provided in RCW 46.04.320, but does not include farm  
3 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,  
4 off-road and nonhighway vehicles as defined in RCW 46.09.020, and  
5 snowmobiles as defined in RCW 46.10.010.

6 (5) The taxes imposed under this chapter shall apply to successive  
7 retail sales of the same property.

8 (6) The rates provided in this section apply to taxes imposed under  
9 chapter 82.12 RCW as provided in RCW 82.12.020.

10 (7) Beginning on December 7, 2006, taxes collected from the sales  
11 tax levied in subsection (1) of this section on each motor vehicle  
12 retail sale in this state shall be deposited in the traffic congestion  
13 relief projects account created in section 5 of this act. For the  
14 purposes of this section, "motor vehicle" has the same meaning as  
15 provided in RCW 82.12.045.

16 NEW SECTION. Sec. 4. A new section is added to chapter 82.12 RCW  
17 to read as follows:

18 Beginning on December 7, 2006, taxes collected under this chapter  
19 for the use of motor vehicles, as defined in RCW 82.12.045, based on  
20 the rate in RCW 82.08.020(1) shall be deposited in the traffic  
21 congestion relief projects account created in section 5 of this act.

22 **CREATES THE TRAFFIC CONGESTION RELIEF PROJECTS ACCOUNT**

23 NEW SECTION. Sec. 5. A new section is added to chapter 46.68 RCW  
24 to read as follows:

25 (1) The traffic congestion relief projects account is hereby  
26 created in the motor vehicle fund. Money in the account may be spent  
27 only after appropriation. Expenditures from the account must be used  
28 only for traffic congestion relief projects and to pay the principal  
29 and interest on the bonds authorized for traffic congestion relief  
30 projects.

31 (2)(a) For purposes of this section, "traffic congestion relief  
32 projects" are defined as those that expand road capacity and general  
33 purpose use to improve traffic flow for all vehicles including, but not  
34 limited to:

1 (i) Any shoulder improvements and signage necessary to fully  
2 implement the opening of carpool lanes to all traffic during off-peak  
3 hours as required by RCW 46.61.165;

4 (ii) The addition of general purpose lanes to Interstate 5;

5 (iii) The addition of general purpose lanes to Interstate 405;

6 (iv) The addition of general purpose lanes to state route number  
7 520; and

8 (v) The addition of general purpose lanes to Interstate 90.

9 (b) For the purposes of this section, "traffic congestion relief  
10 projects" do not include bike paths, frog crossings, landscaping, park  
11 and ride lots, high-occupancy toll (HOT) lanes, and high-occupancy  
12 vehicle lanes or improvements other than those allowed in (a) of this  
13 subsection.

14 (3) That portion of sales and use tax revenues specified in RCW  
15 82.08.020 and section 4 of this act must be deposited in the traffic  
16 congestion relief projects account.

17 (4) The proceeds from the sale of bonds authorized in section 6 of  
18 this act must also be deposited in the traffic congestion relief  
19 projects account. The proceeds are available only for the purposes  
20 enumerated in this act and for the payment of anticipation notes, if  
21 any, and for the payment of bond issuance costs, including the costs of  
22 underwriting.

23 (5) Any earnings on surplus balances in this fund will be invested  
24 and credited to the fund in accordance with RCW 43.84.092.

25 **BONDS EXISTING VEHICLE TAXES TO FUND THE OPENING OF CARPOOL LANES**  
26 **TO EVERYONE DURING OFF-PEAK HOURS AND OTHER TRAFFIC**  
27 **CONGESTION RELIEF PROJECTS**

28 NEW SECTION. **Sec. 6.** A new section is added to chapter 47.10 RCW  
29 to read as follows:

30 In order to provide funds necessary for the immediate design and  
31 construction of selected traffic congestion relief projects, as defined  
32 in section 5 of this act, there shall be issued and sold a total of ten  
33 billion dollars of general obligation bonds of the state of Washington,  
34 which must be appropriated and used in accordance with section 5 of  
35 this act.

1        NEW SECTION.    **Sec. 7.**    A new section is added to chapter 47.10 RCW  
2 to read as follows:

3        As the bonds authorized in section 6 of this act are repaid, new  
4 bonds may be issued to the maximum of ten billion dollars as set forth  
5 in section 6 of this act, and the moneys appropriated to construct  
6 additional traffic congestion relief projects, as defined in section 5  
7 of this act.

8        NEW SECTION.    **Sec. 8.**    A new section is added to chapter 47.10 RCW  
9 to read as follows:

10       Bonds issued under the authority of section 6 of this act must  
11 distinctly state that they are a general obligation of the state of  
12 Washington, pledge the full faith and credit of the state to the  
13 payment of the principal thereof and the interest thereon, and contain  
14 an unconditional promise to pay the principal and interest on the bonds  
15 as they become due. The principal and interest on the bonds are first  
16 payable from the sales and use taxes on motor vehicles dedicated under  
17 RCW 82.08.020(7) and section 4 of this act. Proceeds of these  
18 dedicated taxes are pledged to the payment of any bonds and the  
19 interest on them. The state agrees to continue to impose these sales  
20 and use taxes on motor vehicles in amounts sufficient to pay, when due,  
21 the principal and interest on all bonds issued under the authority of  
22 this act.

23       NEW SECTION.    **Sec. 9.**    A new section is added to chapter 47.10 RCW  
24 to read as follows:

25       Both principal and interest on the bonds issued for the purpose of  
26 section 6 of this act are payable from the traffic congestion relief  
27 projects account created in section 5 of this act. The state finance  
28 committee may provide that a special account be created to facilitate  
29 payment of the principal and interest of these bonds. The state  
30 finance committee shall, on or before June 30th of each year, certify  
31 to the state treasurer the amount required for principal and interest  
32 on the bonds in accordance with the bond proceedings. The state  
33 treasurer shall withdraw revenues from the traffic congestion relief  
34 projects account in the motor vehicle fund and deposit in the highway  
35 bond retirement fund, or a special account, such amounts, and at such  
36 times, as are required by the bond proceedings. Any funds required for  
37 bond retirement or interest on the bonds authorized by section 6 of

1 this act must be taken from the traffic congestion relief projects  
2 account in the motor vehicle fund.

3 **Sec. 10.** RCW 36.120.160 and 2002 c 56 s 116 are each amended to  
4 read as follows:

5 Any improvement to a state highway or road facility constructed  
6 under this chapter becomes and remains the property of this state.

7 NEW SECTION. **Sec. 11.** A new section is added to chapter 47.05 RCW  
8 to read as follows:

9 This chapter does not apply to the projects authorized under  
10 sections 1 through 10 of this act or to the process set forth therein  
11 for authorization and funding.

12 **Sec. 12.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005  
13 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are  
14 each reenacted and amended to read as follows:

15 (1) All earnings of investments of surplus balances in the state  
16 treasury shall be deposited to the treasury income account, which  
17 account is hereby established in the state treasury.

18 (2) The treasury income account shall be utilized to pay or receive  
19 funds associated with federal programs as required by the federal cash  
20 management improvement act of 1990. The treasury income account is  
21 subject in all respects to chapter 43.88 RCW, but no appropriation is  
22 required for refunds or allocations of interest earnings required by  
23 the cash management improvement act. Refunds of interest to the  
24 federal treasury required under the cash management improvement act  
25 fall under RCW 43.88.180 and shall not require appropriation. The  
26 office of financial management shall determine the amounts due to or  
27 from the federal government pursuant to the cash management improvement  
28 act. The office of financial management may direct transfers of funds  
29 between accounts as deemed necessary to implement the provisions of the  
30 cash management improvement act, and this subsection. Refunds or  
31 allocations shall occur prior to the distributions of earnings set  
32 forth in subsection (4) of this section.

33 (3) Except for the provisions of RCW 43.84.160, the treasury income  
34 account may be utilized for the payment of purchased banking services  
35 on behalf of treasury funds including, but not limited to, depository,  
36 safekeeping, and disbursement functions for the state treasury and

1 affected state agencies. The treasury income account is subject in all  
2 respects to chapter 43.88 RCW, but no appropriation is required for  
3 payments to financial institutions. Payments shall occur prior to  
4 distribution of earnings set forth in subsection (4) of this section.

5 (4) Monthly, the state treasurer shall distribute the earnings  
6 credited to the treasury income account. The state treasurer shall  
7 credit the general fund with all the earnings credited to the treasury  
8 income account except:

9 (a) The following accounts and funds shall receive their  
10 proportionate share of earnings based upon each account's and fund's  
11 average daily balance for the period: The capitol building  
12 construction account, the Cedar River channel construction and  
13 operation account, the Central Washington University capital projects  
14 account, the charitable, educational, penal and reformatory  
15 institutions account, the common school construction fund, the county  
16 criminal justice assistance account, the county sales and use tax  
17 equalization account, the data processing building construction  
18 account, the deferred compensation administrative account, the deferred  
19 compensation principal account, the department of retirement systems  
20 expense account, the developmental disabilities community trust  
21 account, the drinking water assistance account, the drinking water  
22 assistance administrative account, the drinking water assistance  
23 repayment account, the Eastern Washington University capital projects  
24 account, the education construction fund, the education legacy trust  
25 account, the election account, the emergency reserve fund, The  
26 Evergreen State College capital projects account, the federal forest  
27 revolving account, the freight mobility investment account, the health  
28 services account, the public health services account, the health system  
29 capacity account, the personal health services account, the state  
30 higher education construction account, the higher education  
31 construction account, the highway infrastructure account, the high-  
32 occupancy toll lanes operations account, the industrial insurance  
33 premium refund account, the judges' retirement account, the judicial  
34 retirement administrative account, the judicial retirement principal  
35 account, the local leasehold excise tax account, the local real estate  
36 excise tax account, the local sales and use tax account, the medical  
37 aid account, the mobile home park relocation fund, the multimodal  
38 transportation account, the municipal criminal justice assistance  
39 account, the municipal sales and use tax equalization account, the



1 natural resources deposit account, the oyster reserve land account, the  
2 perpetual surveillance and maintenance account, the public employees'  
3 retirement system plan 1 account, the public employees' retirement  
4 system combined plan 2 and plan 3 account, the public facilities  
5 construction loan revolving account beginning July 1, 2004, the public  
6 health supplemental account, the public works assistance account, the  
7 Puyallup tribal settlement account, the real estate appraiser  
8 commission account, the regional transportation investment district  
9 account, the resource management cost account, the rural Washington  
10 loan fund, the site closure account, the small city pavement and  
11 sidewalk account, the special wildlife account, the state employees'  
12 insurance account, the state employees' insurance reserve account, the  
13 state investment board expense account, the state investment board  
14 commingled trust fund accounts, the supplemental pension account, the  
15 Tacoma Narrows toll bridge account, the teachers' retirement system  
16 plan 1 account, the teachers' retirement system combined plan 2 and  
17 plan 3 account, the tobacco prevention and control account, the tobacco  
18 settlement account, the traffic congestion relief projects account, the  
19 transportation infrastructure account, the transportation partnership  
20 account, the tuition recovery trust fund, the University of Washington  
21 bond retirement fund, the University of Washington building account,  
22 the volunteer fire fighters' and reserve officers' relief and pension  
23 principal fund, the volunteer fire fighters' and reserve officers'  
24 administrative fund, the Washington fruit express account, the  
25 Washington judicial retirement system account, the Washington law  
26 enforcement officers' and fire fighters' system plan 1 retirement  
27 account, the Washington law enforcement officers' and fire fighters'  
28 system plan 2 retirement account, the Washington public safety  
29 employees' plan 2 retirement account, the Washington school employees'  
30 retirement system combined plan 2 and 3 account, the Washington state  
31 health insurance pool account, the Washington state patrol retirement  
32 account, the Washington State University building account, the  
33 Washington State University bond retirement fund, the water pollution  
34 control revolving fund, and the Western Washington University capital  
35 projects account. Earnings derived from investing balances of the  
36 agricultural permanent fund, the normal school permanent fund, the  
37 permanent common school fund, the scientific permanent fund, and the  
38 state university permanent fund shall be allocated to their respective  
39 beneficiary accounts. All earnings to be distributed under this

1 subsection (4)(a) shall first be reduced by the allocation to the state  
2 treasurer's service fund pursuant to RCW 43.08.190.

3 (b) The following accounts and funds shall receive eighty percent  
4 of their proportionate share of earnings based upon each account's or  
5 fund's average daily balance for the period: The aeronautics account,  
6 the aircraft search and rescue account, the county arterial  
7 preservation account, the department of licensing services account, the  
8 essential rail assistance account, the ferry bond retirement fund, the  
9 grade crossing protective fund, the high capacity transportation  
10 account, the highway bond retirement fund, the highway safety account,  
11 the motor vehicle fund, the motorcycle safety education account, the  
12 pilotage account, the public transportation systems account, the Puget  
13 Sound capital construction account, the Puget Sound ferry operations  
14 account, the recreational vehicle account, the rural arterial trust  
15 account, the safety and education account, the special category C  
16 account, the state patrol highway account, the transportation 2003  
17 account (nickel account), the transportation equipment fund, the  
18 transportation fund, the transportation improvement account, the  
19 transportation improvement board bond retirement account, and the urban  
20 arterial trust account.

21 (5) In conformance with Article II, section 37 of the state  
22 Constitution, no treasury accounts or funds shall be allocated earnings  
23 without the specific affirmative directive of this section.

#### 24 MISCELLANEOUS

25 NEW SECTION. **Sec. 13.** The provisions of this act are to be  
26 liberally construed to effectuate the intent, policies, and purposes of  
27 this act.

28 NEW SECTION. **Sec. 14.** Part headings used in this act are not any  
29 part of the law.

30 NEW SECTION. **Sec. 15.** If any provision of this act of its  
31 application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected. If the provisions dedicating  
34 the state sales and use tax revenues to the traffic congestion relief  
35 projects account is held to impair any bond or other contract in

1 existence at the time this act becomes effective, the provisions shall  
2 be applied prospectively and to all other persons and circumstances.

3 NEW SECTION. **Sec. 16.** This act shall be known and cited as the  
4 Open Carpool Lanes During Off-Peak Hours Act.

5 NEW SECTION. **Sec. 17.** This act takes effect December 7, 2006.

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