

SENATE BILL REPORT

SB 5130

As Passed Senate, March 7, 1995

Title: An act relating to transfers of fuel taxes attributable to marine and nonhighway uses.

Brief Description: Freeing the base for transfers of marine and nonhighway fuel taxes.

Sponsors: Senators Fraser, Oke, Owen, Heavey, Prince, Morton, Rasmussen, Sellar, Franklin, Spanel, Snyder, Fairley, Kohl and Drew.

Brief History:

Committee Activity: Transportation: 1/24/95, 1/26/95 [DP, DNP].
Passed Senate, 3/7/95, 46-1.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Owen, Chair; Haugen, Kohl, Morton, Oke, Prentice, Prince, Rasmussen, Schow and Wood.

Minority Report: Do not pass.

Signed by Senator Heavey, Vice Chair.

Staff: Roger Horn (786-7839)

Background: State law allows a refund of motor vehicle fuel taxes paid on gasoline used by marine vessels. However, only a small portion of the amount estimated as used in vessels is claimed for refunds. Since the passage of Initiative 215 in 1964, the unclaimed portion of such tax revenues are transferred to the outdoor recreation account administered by the Interagency Committee for Outdoor Recreation (IAC) to be provided as grants to local governments and state agencies for acquisition and development of water access facilities.

Motor vehicle fuel tax revenue attributable to off-road vehicle (ORV) and other nonhighway motor vehicle use is transferred to the ORV and nonhighway vehicle account and the outdoor recreation account. Current law requires 1 percent of fuel tax revenue to be so transferred. This revenue is provided to public agencies for planning, acquisition, development, and maintenance of ORV recreation facilities, nonhighway roads and recreation facilities, and ORV education, information and law enforcement.

Motor vehicle fuel tax revenue attributable to snowmobile use is transferred to the snowmobile account based on the following formula: 135 gallons average annual fuel use times the number of snowmobiles registered during the year. Revenue from the snowmobile account is used for snowmobile facilities, enforcement, and safety programs.

In 1990 the Legislature enacted a phased five-cent per gallon increase in the motor vehicle fuel tax rate. The legislation provided that the transfers of unclaimed marine fuel tax,

ORV/nonhighway fuel tax, and snowmobile fuel tax refunds would apply to the fuel tax rate in effect prior to this increase.

Summary of Bill: The provisions of law enacted in 1990 that limit the fuel tax transfers to the outdoor recreation account, the ORV and nonhighway vehicle account, and the snowmobile account to revenues attributable to the tax rate in effect prior to 1990 are deleted.

Appropriation: None.

Fiscal Note: Requested on January 18, 1995.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: It is unfair to users of boats, snowmobiles, and ORVs that some of the fuel tax they pay for nonhighway use is withheld. All other exempted uses receive a full refund. Voters expressed in Initiative 215 in 1964 that taxes they pay on marine fuel should be used for marine purposes. Revenue resulting from this bill would be used for much needed projects that would support recreation and bolster the economy.

Testimony Against: None.

Testified: Eric Johnson, Ports Association (pro); Dick Mills, Port of Poulsbo (pro); Ed Manary, Department of Fish and Wildlife (pro); Rick Dahl, N.W. Motorcycle Association (pro); Dave Williams, Recreational Boating Association (pro); Jack Swanberg, N.W. Marine Trade Association (pro); Helga Morgenstern, Department of Transportation; Jim Fox, Interagency Committee for Outdoor Recreation.