

FINAL BILL REPORT

ESSB 5247

C 350 L 03
Synopsis as Enacted

Brief Description: Authorizing alternative local option fuel taxes.

Sponsors: Senate Committee on Highways & Transportation (originally sponsored by Senators Horn, Haugen, Esser, Jacobsen, Kastama, Prentice, Oke, Swecker and Schmidt).

Senate Committee on Highways & Transportation
House Committee on Transportation

Background: Under current law, counties have the authority to levy a local fuel tax at a rate equal to 10 percent of the state fuel tax rate. The county fuel tax is subject to a vote of the people and is distributed to the county, and the cities within the county, by a formula based on population.

In 2002, the Legislature authorized the creation of Regional Transportation Investment Districts for certain counties. A Regional Transportation Investment District can impose regional taxes to raise revenue for construction projects on highways of statewide significance within the district, based on a plan developed by the district and sent to a vote of the people.

Summary: A county or a Regional Transportation Investment District may levy a local fuel tax at a rate equal to 10 percent of the state fuel tax rate. The fuel tax is subject to a vote of the people and is in lieu of the local fuel tax already authorized in statute. The revenues from the tax must be spent in accordance to a Regional Transportation Investment District plan and must only be spent for "highway purposes" as defined in the 18th Amendment of the Constitution.

Administration and collection of local option fuel taxes is moved from the Department of Licensing to the Department of Revenue.

Votes on Final Passage:

Senate	46	3
House	98	0

Effective: July 27, 2003