

FINAL BILL REPORT

SHB 1342

C 173 L 91
Synopsis As Enacted

Brief Description: Authorizing cities to impose an excise tax on the sale or distribution of motor vehicle fuel and special fuel.

By House Committee on Transportation (originally sponsored by Representatives Kremen, Braddock, R. Fisher, Spanel, R. Johnson and Nelson).

House Committee on Transportation
Senate Committee on Transportation

Background: Cities along the Canadian border are experiencing extraordinary road impacts due to the large number of Canadian motorists coming across the border to take advantage of significantly lower U.S. gasoline prices. It is thought that these border cities need additional authority to levy a fuel tax for city street maintenance and construction to mitigate these impacts.

Cities receive a portion of the state-levied motor vehicle fuel tax distributed according to population. In addition, cities may obtain or impose: a share of a county-levied motor vehicle fuel tax of 10 percent of state rate, a share of a county-levied vehicle registration fee of up to \$15 per vehicle, city street utility charges, and a city parking tax.

Summary: "Border area jurisdictions" are authorized to enact, with voter approval, a tax of up to one cent per gallon on motor vehicle fuel and special fuel. "Border area jurisdictions" are cities and towns within 10 miles of an international border crossing and transportation benefit districts that include an international border crossing.

Jurisdictions imposing the tax would be responsible for collection. Revenue accruing from the tax, less cost of administration, may be used only for street maintenance and construction.

Votes on Final Passage:

House	62	36	
Senate	36	5	(Senate amended)
House	62	34	(House concurred)

Effective: July 1, 1991