

SENATE BILL REPORT

SB 5319

AS REPORTED BY COMMITTEE ON TRANSPORTATION, FEBRUARY 8, 1994

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

**SPONSORS:** Senators Fraser, Barr, Bluechel, Talmadge, Winsley, Moore, Prince and Deccio

**SENATE COMMITTEE ON ECOLOGY & PARKS**

**Majority Report:** That Substitute Senate Bill No. 5319 be substituted therefor, and the substitute bill do pass and be referred to Committee on Transportation.

Signed by Senators Fraser, Chairman; Barr, Deccio, McCaslin, Moore, Sutherland, and Talmadge.

**Staff:** Gary Wilburn (786-7453)

**Hearing Dates:** February 5, 1993; March 1, 1993

**SENATE COMMITTEE ON TRANSPORTATION**

**Majority Report:** That Second Substitute Senate Bill No. 5319 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Vognild, Chairman; Skratek, Vice Chairman; Drew, Haugen, Nelson, Oke, Prentice, Prince, M. Rasmussen, Schow, Sheldon and Winsley.

**Minority Report:** Do not pass.

Signed by Senators Loveland, Vice Chairman; and Morton.

**Staff:** Roger Horn (786-7839)

**Hearing Dates:** April 1, 1993; February 3, 1994; February 8, 1994

**BACKGROUND:**

State law allows a refund of motor vehicle fuel taxes paid on fuel which is used by vessels. However, only a small portion of the amounts 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 an 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.

Additionally, motor vehicle fuel tax revenues attributable to nonhighway motor vehicle use (off-road vehicles, etc.) are directed to be transferred to the ORV and nonhighway vehicle

account and the outdoor recreation account. Current law requires 1 percent of the revenues 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.

At least once per biennium, the Department of Licensing estimates snowmobile fuel use. Based on this estimate, gas tax revenue is transferred to the snowmobile account as unclaimed refunds. 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, nonhighway fuel tax and snowmobile fuel tax refunds would not apply to the revenues attributable to this increase.

**SUMMARY:**

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.

**EFFECT OF PROPOSED SUBSTITUTE:**

IAC has discretion to distribute up to 60 percent of its portion of nonhighway fuel tax transfers for nonhighway road recreation facilities, increased from 20 percent under existing law.

**EFFECT OF PROPOSED SECOND SUBSTITUTE:**

IAC has discretion to distribute up to 40 percent of its portion of nonhighway fuel tax transfers for nonhighway road recreation facilities, increased from 20 percent under existing law. An effective date of July 1, 1995 is added.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested February 1, 1994

**TESTIMONY FOR (Ecology & Parks):**

This bill will correct an inequity in the 1990 law which put a "lid" on nonhighway and marine fuel tax revenues devoted to nonhighway and marine recreational facilities. Demand for these facilities is growing rapidly and additional funding can be provided by this source, where the "user" of the fuel is paying for these services.

**TESTIMONY AGAINST (Ecology & Parks):** None

**TESTIFIED (Ecology & Parks):** Loren S. McGovern, Executive Director, Backcountry Horsemen of Washington (pro); Hal Schlomann, Northwest Marine Trade Association (pro); Roger Lampitt, Washington State Snowmobile Association (pro); Ron Morgenthaler, Northwest Motorcycle Association (pro); Laura Eckert, Director, IAC

**TESTIMONY FOR (Transportation):**

Funding is needed for off-road purposes. More of the refund revenue should be available for hiker facilities. All taxes paid for fuel used off-road should be refunded to support off-road activities.

**TESTIMONY AGAINST (Transportation):** None

**TESTIFIED (Transportation):** Senator Fraser, prime sponsor; Jim Fox, IAC (pro); Hal Schlomann, Jack Swanberg, NW Marine Trade Association (pro); Dave Williams, Recreational Boating Association of WA (pro); Ira Spring, WA Trail Association (pro); Loren McGovern, Backcountry Horsemen of WA (pro); Helga Morgenstern, DOT