

SENATE BILL REPORT

SB 6179

AS OF FEBRUARY 4, 1994

Brief Description: Modifying state patrol funding.

SPONSORS: Senators Vognild, Sellar and McAuliffe

SENATE COMMITTEE ON TRANSPORTATION

Staff: Brad Lovaas (786-7307)

Hearing Dates: February 4, 1994

BACKGROUND:

The Washington State Patrol's (WSP) primary activities are traffic law enforcement on state highways, and criminal justice services such as the Crime Laboratory Division and the Organized Crime Unit.

The WSP receives approximately 95 percent of its total appropriation from transportation-related accounts, the State Patrol Highway Account, motor vehicle fund and transportation fund. The WSP receives approximately 85 percent of its funding from the State Patrol Highway Account within the motor vehicle fund. Appropriations from the State Patrol Highway Account can only be expended for highway-related activities. The remaining 5 percent of WSP funding is provided by the general fund for such activities as the Crime Laboratory Division, Narcotics Section and the Organized Crime Unit.

The primary funding source for the State Patrol Highway Account is the motor vehicle registration fee. Of the \$27.75 for original registration and \$23.75 for annual renewal, \$20.35 from each is deposited in the State Patrol Highway Account.

The State Patrol Highway Account is projected to be in a deficit of \$27 million in the 1995-97 biennium. The \$27 million deficit assumes no new revenue and that expenditures would be held to the current service levels projected forward by the rate of inflation.

The motor vehicle excise tax (MVET) is imposed by the state for the "privilege of operating a vehicle on public roadways". The MVET represents an in-lieu-of property tax and is based upon vehicle value. The current MVET rate is 2.2 percent of a vehicle's value. The MVET is estimated to generate about \$1.2 billion during the 1993-95 biennium. MVET revenues are distributed to the state general fund, cities and counties, transit systems, the state ferry system and the transportation fund.

SUMMARY:

The motor vehicle excise tax is increased by .37 percent of the value of the vehicle annually effective January 1, 1995. The new MVET rate is 2.57 percent of the vehicle's value. The new revenue is deposited into the State Patrol Highway Account in the motor vehicle fund which is limited to expenditures for highway-related activities.

The basic license fee for motor vehicle registrations is reduced by \$20.35, the portion that is distributed to the State Patrol Highway Account.

Ratification of the tax increase by the people of the state is provided for at the next general election.

Appropriation: none

Revenue: yes

Fiscal Note: requested