

SENATE BILL REPORT

SB 6309

AS REPORTED BY COMMITTEE ON TRANSPORTATION, FEBRUARY 8, 1994

Brief Description: Modifying state patrol funding.

SPONSORS: Senators Vognild and Sellar; by request of Washington State Patrol

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6309 be substituted therefor, and the substitute bill do pass.

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

Staff: Brad Lovaas (786-7307)

Hearing Dates: February 4, 1994; February 8, 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, Narcotics Section, 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 approximately \$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 on passenger vehicles 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 basic license fee for motor vehicle registrations is reduced by \$20.35, the portion that is distributed to the State Patrol Highway Account.

The annual combined licensing fee of trucks over 4,000 pounds gross vehicle weight is increased by \$7 effective January 1, 1995. The MVET increase does not apply to vehicles registering under the combined licensing fee schedule.

The State Patrol Account is created in the transportation fund. The State Patrol Account is an appropriated account from which expenditures are limited to WSP purposes including current general fund activities. The .37 percent motor vehicle excise tax is deposited in the State Patrol Account. The \$7 combined licensing fee increase is deposited into the State Patrol Highway Account in the motor vehicle fund which is limited to highway-related activities.

Motor vehicles registered to nonresident military personnel, enrolled members of an Indian tribe located within the state, or as ride-sharing vehicles will continue to pay only the basic registration amount.

Ratification of fee and tax increases by the people of the state is provided for at the next general election.

EFFECT OF PROPOSED SUBSTITUTE:

The motor vehicle excise tax on passenger vehicles is increased by .37 percent of the value of the vehicle annually, effective January 1, 1995. In addition to the exemptions granted in the original bill, exemptions to the MVET increase are granted to rental vehicles and vehicles using dealer plates.

The annual combined licensing fee for trucks is increased by \$3 per vehicle in the 4,000 to 8,000 pound categories, and \$7 per vehicle for trucks 8,000 pounds and above.

The State Patrol Account created in the transportation fund is deleted and the new monies raised in this bill are deposited in the State Patrol Highway Account in the motor vehicle fund.

Appropriation: none

Revenue: yes

Fiscal Note: available

TESTIMONY FOR:

Funding is needed to address funding shortfall, reduce drunk driving, reduce accidents and maintain Washington State Patrol presence on roadways.

TESTIMONY AGAINST: None

TESTIFIED: PRO: Alfred Laferriem, Mothers Against Drunk Driving; Larry Pursley, WA Trucking Assn.; Jim Boldt, WA Auto Dealers Assn.; Dan Davis, WA State Patrol Troopers Assn.; Pat Halstead, AAA WA, Highway Users Federation