

**SENATE BILL REPORT**

**SB 6360**

**AS OF JANUARY 28, 1994**

**Brief Description:** Transferring moneys in funds related to transportation.

**SPONSORS:** Senators Vognild, Nelson, Drew, Sellar, Sheldon, Oke, Hargrove, Skratek, Haugen, Loveland, Franklin, A. Smith, Wojahn, Sutherland, Prentice, Snyder, Bauer, McDonald, Prince, Bluechel, Morton, Cantu, Moyer, L. Smith, Winsley, Hochstatter, Anderson, West, M. Rasmussen, Newhouse, Owen and Fraser

**SENATE COMMITTEE ON WAYS & MEANS**

**Staff:** Terry Wilson (786-7715)

**Hearing Dates:** January 27, 1994

**BACKGROUND:**

The State Treasurer's office manages over 300 funds and accounts. Interest earnings from the majority of funds and accounts are deposited in the general fund. Prior to 1993, transportation funds and accounts received 80 percent of their interest earnings. Legislation in 1993 provided that the interest earnings from most transportation funds and accounts be deposited in the state general fund.

The state imposes an excise tax for the privilege of using a motor vehicle in this state. The revenues generated by the motor vehicle excise tax are deposited into various accounts for various purposes. In 1993, the 5.0 percent of the revenues from the basic 2.0 percent rate that was to be deposited into the transportation fund beginning July 1, 1993, was delayed until July 1, 1995. In addition, the legislation provided for deposit of the transit residual into the state general fund for the 1993-95 biennium instead of into the transportation fund.

Of the basic 2.0 percent motor vehicle excise tax rate, 8.356 percent is deposited into local criminal justice assistance accounts. In 1993, these deposits were limited. Revenues from this 8.356 percent rate in excess of the deposit limits are deposited in the state general fund.

**SUMMARY:**

Eighty percent of the interest earnings on the transportation funds and accounts affected by the 1993 legislation is to be deposited into those funds and accounts.

The 5.0 percent of the revenues from the basic 2.0 percent motor vehicle excise tax rate that is being deposited into the

state general fund is deposited into the transportation fund. In addition, the transit residual is deposited into the transportation fund.

Revenues for deposit into the local criminal justice account that is in excess of the deposit limits are deposited in the transportation fund.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested January 19, 1994

**Effective Date:** April 1, 1994

**TESTIMONY FOR:**

These moneys were diverted to the general fund because of a need that has passed. These moneys are now needed in the supplemental transportation budget. This bill accelerates existing law. People want government to deliver the projects that will be funded by these moneys. Delays in transportation projects are expensive. Infrastructure needs to be funded. These projects create jobs and have a multiplier effect on the economy. The ability to move goods is necessary to economic progress.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Senator Vognild, prime sponsor; Sid Morrison, Secretary of Transportation; John Spangenberg, Judy Jewel, Redmond Chamber of Commerce; Walt Smith, Active Construction, Co.; Bob Dilger, WA State Building Trade Council; John Woodworth, Woodworth & Co.; Tom Stenger, WA Transportation Policy Institute; Curt Eschels, WA State Association of Counties; Eric Berger, County Road Administration Board; Steve Calender, Snohomish County Chamber of Commerce, SCCIT; Kevin O'Sullivan, June E. Simpson Island Action Committee; Bonnie Miller, Griffin School District; Ralph and Bonnie Hayford, Griffin Fire District; Skip Priest, City of Federal Way; Maryann Mitchell, Federal Way Transportation Task Force; Ray Isaacson, WA State Good Roads & Transportation Association