

HOUSE BILL REPORT

HB 1351

As Reported By House Committee On:

Transportation Policy & Budget

Title: An act relating to the marine fuel tax refund account.

Brief Description: Stabilizing the monthly refund from the marine fuel tax refund account.

Sponsors: Representatives K. Schmidt, Fisher and Mitchell.

Brief History:

Committee Activity:

Transportation Policy & Budget: 2/6/97, 3/6/97 [DPS].

HOUSE COMMITTEE ON TRANSPORTATION POLICY & BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives K. Schmidt, Chairman; Hankins, Vice Chairman; Mielke, Vice Chairman; Mitchell, Vice Chairman; Fisher, Ranking Minority Member; Blalock, Assistant Ranking Minority Member; Cooper, Assistant Ranking Minority Member; Backlund; Buck; Cairnes; Chandler; Constantine; DeBolt; Gardner; Hatfield; Johnson; Murray; O'Brien; Radcliff; Robertson; Romero; Scott; Skinner; Sterk; Wood and Zellinsky.

Staff: Roger Horn (786-7839).

Background: A portion of motor vehicle fuel (gasoline) tax collections has been rebated for boat-related purposes since passage of Initiative 215, the Marine Recreation Land Act of 1964. At least once every four years, the Department of Licensing (DOL) must do a survey to determine the percentage of gasoline used by marine vessels. The DOL director makes the final determination on the distribution percentage but must hold one or more public hearings. Based on survey results, a portion of gas tax revenue is placed in the marine fuel tax refund account (MFTRA). The current percentage of gasoline gallons attributed to marine users is 1.171 percent. About \$10.8 million of gas tax revenue will transfer into the account in the 1995-97 biennium.

Revenue in the MFTRA that is not claimed as refunds by fuel users is distributed in the following manner. Revenue representing 18 cents of gas tax per gallon goes to

the recreation resource account (RRA), and the remainder is deposited into the motor vehicle fund. The Interagency Committee for Outdoor Recreation (IAC) uses the revenue deposited in the RRA to provide grants to purchase lands and develop and renovate facilities that serve boaters. Fifty percent of the funding is used for state marine facilities and 50 percent for local marine facilities.

The DOL works with the Department of Transportation and the IAC to develop and implement surveys to determine the rebate amount. The current percentage of 1.171 percent was established in 1989. Because of concerns over 1989 methodology, a survey was conducted in 1991. However, the results were not implemented because the study group could not agree on a new percentage.

A new survey process was initiated in April 1995 by the DOL and is still underway. This survey will be used to determine the marine rebate percentage to be used for the 1997-99 biennium.

Summary of Substitute Bill: The percentage of motor vehicle fuel tax revenue transferred to the MFTRA is set at 1.0107 percent. The requirement that the DOL conduct a study at least once every four years to determine the percentage of motor vehicle fuel used for marine purposes is repealed.

Substitute Bill Compared to Original Bill: The marine fuel tax rebate percentage is revised to reflect the DOL's latest estimate.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on July 1, 1997.

Testimony For: Eliminating the periodic DOL survey to determine marine fuel use would save the state time and money. The study has been time consuming and divisive. It is appropriate to exclude illegally unregistered vessels from the marine rebate percentage because the behavior of these users should not be rewarded.

Testimony Against: Reducing the marine rebate percentage would result in less funding for boating facilities which are greatly needed. It is unfair to set a statutory percentage based on current marine fuel use because recreational boating may increase substantially if salmon stocks grow or other changes in boat use occur. Fuel used by illegally unregistered vessels should be used in determining the marine rebate percentage since the fuel is not used on public roadways and these boaters increase the need for marine facilities for the legal boater.

Testified: Bill Bailey, Port of Brownsville (con); Helga Morgenstern, Department of Transportation (pro); Vernon Young, Federation of Fly Fishers (con); Laura Johnson, Interagency Committee for Outdoor Recreations (con); Larry Fairleigh, State Parks (con); and Lynn Schroder, Northwest Marine Trade Association (con).