

SENATE BILL REPORT

EHB 1533

As Reported By Senate Committee On:
Transportation, April 3, 1997

Title: An act relating to use of county road funds.

Brief Description: Using county road funds.

Sponsors: Representatives Sehlin, Quall, K. Schmidt, D. Schmidt, Scott and Hankins.

Brief History:

Committee Activity: Transportation: 4/2/97, 4/3/97 [DP].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Prince, Chair; Wood, Vice Chair; Goings, Haugen, Heavey, Horn, Jacobsen, Morton, Oke, Patterson and Rasmussen.

Staff: Gary Lebow (786-7304)

Background: Revenues derived from the excise tax on motor vehicle fuel (i.e., gas tax) are dedicated to highway purposes— by the 18th Amendment of the Washington State Constitution. The gas tax is collected by the Department of Licensing and deposited into the motor vehicle fund. Distributions and appropriations, including distributions to cities and counties, from the motor vehicle fund are dedicated to highway purposes.—

Risk management and insurance expenditures related to highways have historically qualified as a highway purpose.— A 1995 Skagit County audit, conducted by the State Auditor's Office, raised questions as to the validity of these expenditures.

Summary of Bill: Risk management, insurance, and self-insurance programs are added to the list of eligible expenditures for the county road fund when directly related to county road purposes. The requirement to use the money paid into the county road fund from the motor vehicle fund for proper county road purposes is extended to all monies paid into the county road fund.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: County roads' share of risk management, insurance and self-insurance expenditures have historically qualified as eligible expenditures for the county road fund. The state audit gave Skagit County a finding for using the road fund to cover these types of

expenditures. Since it is only fair the county road fund pay for its share of these expenditures, this bill will remove all doubt about the appropriateness of covering these expenditures with county road funds.

Testimony Against: None.

Testified: Gary Lowe, Association of Washington Counties (pro); Eric Berger, CRAB (pro).