

# SENATE BILL REPORT

## SSB 5844

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As Passed Senate, March 19, 1997

**Title:** An act relating to fuel taxes attributable to marine and nonhighway uses.

**Brief Description:** Freeing the base for transfers of marine and nonhighway fuel taxes.

**Sponsors:** Senate Committee on Natural Resources & Parks (originally sponsored by Senators Fraser, Oke, Prince, Kohl, Hochstatter, Schow, Winsley and Rasmussen).

**Brief History:**

**Committee Activity:** Natural Resources & Parks: 3/4/97 [DPS-TRAN].

Ways & Means: 3/10/97 [DPS (NRP), DNP].

Passed Senate, 3/19/97, 44-1.

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### SENATE COMMITTEE ON NATURAL RESOURCES & PARKS

**Majority Report:** That Substitute Senate Bill No. 5844 be substituted therefor, and the substitute bill do pass and be referred to Committee on Transportation.

Signed by Senators Oke, Chair; Rossi, Vice Chair; Hargrove, Jacobsen, Morton, Prentice, Roach, Snyder, Spanel, Stevens and Swecker.

**Staff:** Aldo Melchiori (786-7439)

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 5844 as recommended by Committee on Natural Resources & Parks be substituted therefor, and the substitute bill do pass.

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

**Minority Report:** Do not pass.

Signed by Senator Benton, Vice Chair.

**Staff:** Roger Horn (786-7839)

**Background:** At least every four years, the Director of Licensing determines the amount of money paid as motor vehicle fuel tax which is tax on marine fuel and which is tax on snowmobile fuel. The fuel tax rate used, in either case, is the rate in effect January 1, 1990.

Fuel dealers who deliver motor fuel for marine purposes are entitled to a refund of tax when the fuel purchaser holds an applicable permit at the time of sale. All claims for marine use refunds must be made within 13 months from the date of purchase. If not made within that time, the state is assigned the right to the refund.

The Director of Licensing requests the State Treasurer to refund monthly, from the motor vehicle fund, amounts determined to be tax on marine fuel. These funds are then placed in the marine fuel tax refund account.

The Director of Licensing then requests the State Treasurer to transfer moneys, in excess of that needed to pay past and anticipated claims, in an amount equal to the proportion of moneys representing the tax rate in effect on January 1, 1990 to the recreation resource account. The remainder of the money returns to the motor vehicle fund.

The recreation resource account is used to pay necessary administrative and coordinative costs of the Interagency Committee for Outdoor Recreation. Two equal shares are also divided between grants to state agencies for marine recreation land acquisition and improvement and grants to public bodies for the same purposes.

Motor fuel used in snowmobiles is considered a nonhighway use, but purchasers are not entitled to a refund. An average consumption of 135 gallons of fuel per registered snowmobile is assumed and refunds from the motor vehicle fund are made to the snowmobile account in the general fund.

At least once each year the State Treasurer also transfers 1 percent of motor vehicle fuel tax revenues to the general fund for off-road vehicle uses. The 1 percent is calculated on the fuel tax rate in effect January 1, 1990.

**Summary of Bill:** The current motor fuel vehicle tax rate is used to calculate the amount of transfers to the marine fuel tax refund account, the snowmobile account, and the general fund for off-road vehicle expenditures.

**Appropriation:** None.

**Fiscal Note:** Requested on February 24, 1997.

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

**Testimony For:** The 18th Amendment to the state Constitution mandates that the fuel tax is a user fee, so nonhighway use taxes should be used for nonhighway benefits. Current facilities are being overused. 8-12 new grants for marine uses and 30-40 additional trail projects would be possible. Land prices have increased, so this new money is needed to provide for land acquisition. Many volunteer hours supplement allocations to these funds.

**Testimony Against:** None.

**Testified (Natural Resources & Parks):** Senator Karen Fraser; Jim Putman, Pacific Northwest 4 Wheel Drive Assn. (pro); Jane Boubel, City of Olympia, WA Recreational Parks Assn. (pro); David Hiatt, Northwest Motorcycle Assn. (pro); Mike Lorstrom, Metropolitan Park District of Tacoma (pro); Dave Williams, Recreational Boating Assn. of WA (pro); Jim Fox, Interagency Committee for Outdoor Recreation; Patrick Halstead, WA State Motorsports Dealers Assn. (pro); Loren McGovern, Backcountry Horsemen of WA (pro); Doug Brodin, Dept. of Transportation.

**Testified (Transportation):** Senator Fraser, prime sponsor; Jim Putman, Pacific Northwest 4-Wheel Drive Assn. (pro); Dave Hiatt, NW Motorcycle Association (pro); Jim Fox, Interagency Committee for Outdoor Recreation (pro); Loren McGovern, Backcountry Horsemen of WA (pro); John Woodring, NW Trade Association, Doug Brodin, Department of Transportation.