

2894

Sponsor(s): Representatives Huff, K. Schmidt, Robertson, Lisk, Carrell, Mastin, Sehlin, Dyer, Mitchell, Pennington, Talcott, Lambert, Buck, D. Schmidt, L. Thomas, Benson, Clements, Skinner, Ballasiotes, Delvin, Parlette, Cooke, Hickel, B. Thomas, Johnson, DeBolt, Hankins, Cairnes, Crouse, Wensman, Mielke, Sherstad, Honeyford, McCune, Koster, Dunn, McDonald, Reams, Sheahan, Sterk, Schoesler, D. Sommers, Bush, Chandler, McMorris, Boldt, Backlund, Mulliken, Van Luven, Radcliff, Alexander, Zellinsky and Thompson

Brief Title: Reallocating motor vehicle excise tax and general fund resources for the purpose of transportation and local criminal justice funding and tax reduction.

**HB 2894.E - DIGEST**

(DIGEST AS ENACTED)

Provides that a portion equal to 39.5 percent of motor vehicle excise tax (MVET) revenues that previously were deposited into the general fund is deposited into the motor vehicle fund beginning January 1, 1999.

Declares that the county criminal justice assistance account and the municipal criminal justice assistance account are funded in part by general fund revenues beginning in fiscal year 2000. Total deposits from the general fund and MVET revenues is ten percent more than the amount of MVET revenues that would have otherwise been deposited into the accounts. The general fund deposits are increased each year by the fiscal growth factor under Initiative 601. The inflationary limit is removed from the remaining MVET deposits to the criminal justice assistance accounts.

Provides that a credit is authorized against the MVET for personal use vehicles equal to the lesser of \$30 or the amount of tax, effective with July 1999 license renewals.

Provides that a new MVET distribution starting at \$10 million per year is provided for distressed counties for criminal justice and other purposes beginning in fiscal year 2000.

Provides that the MVET distribution for city sales tax equalization is increased by \$4 million beginning in fiscal year 2000.

Declares that, beginning in fiscal year 2000, cities over 60,000 in population that own and operate municipal public transportation systems as of January 1, 1998, may use sales tax revenues as a match for local MVET revenues. These cities may use the revenues as a match against 25 percent of the local MVET revenues in fiscal year 2000 increasing to 100 percent in fiscal year 2003 and thereafter.

Consolidates the current MVET structure.

Reenacts and reaffirms Initiative 601.

Authorizes a maximum of \$1.9 billion in bonding authority for the location, design, right of way, and construction of state and local highway improvements.

Requires approval of portions of the act by the voters at the next general election.

VETO MESSAGE ON HB 2894

April 3, 1998

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington  
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 22, 43, 47(1) and 48, Engrossed House Bill No. 2894 entitled:

"AN ACT Relating to the reallocation of motor vehicle excise tax and general fund resources for the purpose of providing transportation funding;"

Engrossed House Bill No. 2894 is a measure which significantly reduces general fund revenues derived from the motor vehicle excise tax; transfers motor vehicle excise tax money to transportation and some local government purposes; reduces the motor vehicle excise tax \$30 per vehicle; and changes the depreciation schedule for vehicles. Most of the bill was placed on the ballot by the Legislature and must be approved by the people this November to take effect. However, several sections were not referred to the people.

Section 22 of EHB 2894 would create a joint committee to study long-term transportation funding needs in our state. I agree with the need for the study since the ballot measure does not address those needs. However, the composition of the committee would be unbalanced and not representative of our citizens. The time frame for completing the study would be too short and no money was provided to complete this important task. The committee provided for in Engrossed Substitute Senate Bill No. 6456, which I approved today, is fully funded and a better mechanism for looking at our long-term transportation needs. I have also vetoed section 47 (1) of EHB 2894 which establishes the effective date for section 22 and is unnecessary.

Section 43 of EHB 2894 would provide a highly unusual "loan" of \$25 million from the state general fund to the motor vehicle fund for certain engineering, design, and right-of-way acquisition costs related to road construction projects. Apparently, the money was for preliminary work on new projects in anticipation of the referendum's passage. The loan is unnecessary because the Department of Transportation can proceed with that type of work without a "loan". The loan was to be paid back by July 1, 2001; however, there is nothing to assure that it would ever be repaid. In addition, appropriation authority would be necessary to spend the "loan", but no authority was granted in this or other legislation. I have also vetoed section 48, which is an emergency clause for section 43 and is unnecessary.

For these reasons, I have vetoed sections 22, 43, 47 (1) and 48 of Engrossed House Bill No. 2894.

With the exception of sections 22, 43, 47 (1) and 48 (and the provisions which are submitted to the people) Engrossed House Bill No. 2894 is approved.

Respectfully submitted,  
Gary Locke  
Governor

