

HOUSE BILL REPORT

HB 2171

As Reported by House Committee On:
Transportation

Title: An act relating to distribution of off-road vehicle and nonhighway road funds.

Brief Description: Studying distribution of ORV funds.

Sponsors: Representatives Mitchell, Cooper, Ericksen, Fisher and Haigh.

Brief History:

Committee Activity:

Transportation: 3/6/01, 3/7/01 [DPS].

Brief Summary of Substitute Bill

- Requires the Inter Agency Committee for Outdoor Recreation (IAC) and the Department of Licensing (DOL) to jointly contract with an independent entity to study the sources of refund fuel tax revenue and make recommendations on the distributions and uses of the funds distributed through the IAC's off-road recreational grant program.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 29 members: Representatives Fisher, Democratic Co-Chair; Mitchell, Republican Co-Chair; Cooper, Democratic Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Lovick, Democratic Vice Chair; Ahern, Anderson, Armstrong, G. Chandler, Edmonds, Haigh, Hurst, Jackley, Jarrett, Marine, Mielke, Morell, Murray, Ogden, Reardon, Rockefeller, Romero, Schindler, Simpson, Skinner, Sump, Wood and Woods.

Minority Report: Do not pass. Signed by 1 member: Representative Hatfield.

Staff: Reema Griffith (786-7301).

Background:

In 1971 the Legislature determined that those individuals who used fuel for nonhighway

purposes were entitled to a refund on their fuel tax, and therefore required that 1 percent of fuel tax revenue collected be set aside and deposited into the general fund for refund purposes. The fuel tax rate at that time was 18 cents per gallon which was capped at that level and is held constant today.

Under current law, 54.5 percent of the set aside revenue must be deposited into the Nonhighway and Off-Road Vehicle Activities Program Account (NOVA), which is administered by the Inter-Agency Committee for Outdoor Recreation (IAC). Current law mandates the expenditure of these funds, which is done via a grant program within the IAC and is distributed as follows:

- 20 percent to ORV education, information, and law enforcement;
- 20 percent to nonhighway road recreation facilities; and
- 60 percent to ORV recreation facilities.

Since the enactment of the fuel tax refund provisions and distribution requirements, the equity of the allocation formulas have been both questioned and challenged by the different recreational user groups. The main issue surrounding refund revenue distributions is that there is no way to correlate the current distribution levels with actual contributions by the different user groups. This correlation cannot be drawn mainly because there is no reliable data that would indicate the amount of fuel consumption attributable to nonhighway and off-road vehicle recreational activities. Because of this lack of data, it is unclear and indeterminable as to how much of the fuel tax refund revenue generated is directly attributable to the different user groups including, motorized recreational off-road vehicles.

Summary of Substitute Bill:

Requires the IAC and the DOL to jointly contract with an independent entity to study the sources of refund fuel tax revenue and make recommendations on the distributions and uses of the funds distributed through the IAC's off-road recreational grant program.

The IAC and the DOL must review the study findings and submit a report to the Legislature by January 1, 2003. The report must include recommendations on possible amendments to current statutory distribution requirements.

The IAC must establish a technical advisory committee composed of a cross-section of nonhighway road recreational trail users to advise the agency regarding the study and final report.

The study will be funded from the nonhighway and off-road vehicle account. The funds appropriated for this study shall be in addition to the IAC's general administration expenditure limitations.

Substitute Bill Compared to Original Bill:

Language is added which provides specifications on the make-up of the technical advisory committee, which must include representatives of organized ORV and nonhighway vehicle groups, nonmotorized recreation groups, and governmental entities who currently receive fuel tax refund revenue for related recreational programs.

Appropriation: The sum of \$170,400 from the nonhighway and off-road vehicle account - state.

Fiscal Note: Available.

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

Testimony For: This study will provide the data necessary for determining fuel tax contributions by the various user groups.

Testimony Against: The study is a good idea, but it should not be funded out of the NOVA account as it will take away funding that could be used for recreational projects.

Testified: (Support) Jim Fox, Interagency Committee for Outdoor Recreation.

(Opposed) Diane Nelson, Northwest Motorcycle Association.