
Transportation Committee

HB 2700

Brief Description: Authorizing local transportation financing alternatives.

Sponsors: Representatives Fisher, Mitchell, Simpson, Ogden, Murray, Wood and McIntire.

Brief Summary of Bill

- Authorizes cities and towns to implement a street utility, assessing a street maintenance charge based upon estimated number of vehicle trips.
- Authorizes cities and towns to implement the following local option fees:
 - A gas tax of up to 20 percent of the state level, subject to voter approval;
 - A motor vehicle fee of up to \$50 per vehicle, subject to voter approval;
 - Excise tax of up to 5 percent of the gross receipts from retail sale of gas, subject to voter-sponsored referendum.

Hearing Date: 2/6/02

Staff: Paul Neal (786-7315).

Background:

In 1990 the Legislature authorized the formation of street utilities to generate revenues for city street maintenance, operation and preservation. Prior to November 1995, the following cities had enacted a street utility charge: Grandview, Kent, Mabton, Marcus, Medical Lake, Richland, Seattle, Snoqualmie, Soap Lake, Union Gap, Wenatchee and Wilkeson.

In 1995 the Washington Supreme Court considered the constitutionality of the city street utility charge in *Covell v. City of Seattle*. The court concluded that the street utility charge was not a valid fee, but a tax on property that violated the state constitution's uniformity clause.

Cities and counties currently have authority to impose a \$15 vehicle license fee for transportation purposes. King, Pierce, Snohomish and Douglas counties have levied the fee. Counties currently have authority to levy a local option gas tax equal to 10 percent of the statewide gas tax.

Summary of Bill:

A city or town may own, operate and preserve all or a portion of its streets as a separate enterprise and facility, known as a street utility. The legislative authority of the city or town may include as a part of the street utility street lighting, traffic control devices, sidewalks, curbs, gutters, parking facilities, and any other facilities, equipment or service directly related to public streets. The legislative authority of the city or town is the governing body of the street utility.

A street utility may levy charges upon street users for the use of streets in a total annual amount of up to 50 percent of the actual costs for maintenance, operation and preservation of the facilities under the jurisdiction of the street utility. Cities must spend street utility fees and charges only on uses consistent with the adopted transportation and land use plans of the jurisdiction and consistent with any applicable regional transportation plan for metropolitan planning areas.

Fees must be based on the estimated number of vehicle trips generated by specific types of a street user's property uses. All charges must be uniform for each class of street user. Street user charges must not be calculated based on real property or improvement to property. The city or town must create an administrative appeals process for persons desiring to contest their classification or status as street users.

Counties or cities are authorized to impose a fee of up to \$50 per vehicle for transportation purposes, subject to voter approval. Cities located within a county that has not imposed a local option gas tax by July 1, 2004, may levy a tax on the sale of motor vehicle fuel of up to 20 percent of the statewide gas tax rate, subject to voter approval. Cities or towns are authorized to impose an excise tax of up to 5 percent of the gross receipts derived from retail fuel sales. Voters may file a referendum on the gross receipts fee.

Previous street utility statutes are repealed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2002.