

SENATE BILL REPORT

SB 6563

As of January 29, 2002

Title: An act relating to motor vehicle taxes.

Brief Description: Submitting a fuel tax rate change to a vote of the people.

Sponsors: Senator Swecker.

Brief History:

Committee Activity: Transportation: 1/30/02.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Chris Reykdal (786-7321)

Background: The tax rate for motor vehicle fuels (gasoline and diesel) was last raised in 1990 and 1991 (from 18 cents to 22 cents in 1990, and 22 cents to 23 cents in 1991). Higher volumes of gasoline sold over the last eleven years have helped to keep pace with growth. However, the state's reliance on a per gallon tax does not keep pace with inflation.

Summary of Bill: The motor vehicle fuel tax rate is raised to 26 cents immediately, 29 cents on July 1, 2003, and 32 cents on July 1, 2004. The Legislature is also limited to biennial gas tax increases that reflect the implicit price deflator (IPD - a measure of inflation). Future increases in excess of the IPD are subject to a vote of the people.

This entire act is subject to a vote of the people at the next general election.

Appropriation: None.

Fiscal Note: Requested on January 29, 2002

Effective Date: The bill contains an emergency clause and takes effect immediately, but is contingent upon a vote of the people before the tax rates become effective.