

HOUSE BILL REPORT

ESSB 5247

As Passed House:

April 27, 2003

Title: An act relating to alternative local option fuel taxes.

Brief Description: Authorizing alternative local option fuel taxes.

Sponsors: By Senate Committee on Highways & Transportation (originally sponsored by Senators Horn, Haugen, Esser, Jacobsen, Kastama, Prentice, Oke, Swecker and Schmidt).

Brief History:

Committee Activity:

Transportation: 4/26/03 [DP].

Floor Activity:

Passed House: 4/27/03, 98-0.

Brief Summary of Engrossed Substitute Bill

- Authorizes a county to impose a local option fuel tax at a rate of 10 percent of the state fuel tax rate for Regional Transportation Investment Districts (RTIDs) purposes.
- Authorizes an RTID to impose a local option fuel tax at a rate of 10 percent of the state fuel tax rate for its purposes.
- The tax may not be imposed by an RTID and a county within the RTID at the same time.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 29 members: Representatives Murray, Chair; Rockefeller, Vice Chair; Simpson, Vice Chair; Ericksen, Ranking Minority Member; Jarrett, Assistant Ranking Minority Member; Anderson, Armstrong, Bailey, Campbell, Clibborn, Cooper, Dickerson, Edwards, Flannigan, Hankins, Hatfield, Hudgins, Kristiansen, Lovick, Mielke, Morris, Nixon, Romero, Schindler, Shabro, Sullivan, Wallace, Wood and Woods.

Staff: Gene Baxstrom (786-7303).

Background:

Under current law, counties have the authority to levy a local fuel tax at a rate equal to 10 percent of the state fuel tax rate. The county fuel tax is subject to a vote of the people and is distributed to the county, and the cities within the county, by a formula based on population.

In 2002 the Legislature authorized the creation of Regional Transportation Investment Districts (RTIDs) for certain counties. An RTID can impose regional taxes to raise revenue for construction projects on highways of statewide significance within the district, based on a plan developed by the district and approved by the voters.

Summary of Bill:

An RTID or a county for the RTID purposes, may levy a local fuel tax at a rate equal to 10 percent of the state fuel tax rate. The fuel tax is subject to a vote of the people and is in lieu of the local fuel tax already authorized in statute. The revenues from the tax must be spent in accordance to an RTID plan and must only be spent for "highway purposes" as defined in the 18th Amendment of the Constitution.

Administration and collection of local option fuel taxes is moved from the Department of Licensing to the Department of Revenue.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This policy is consistent with the local option fuel tax now available to counties. This tax represents another tool available to the RTIDs.

Testimony Against: None.

Testified: Senator Horn, prime sponsor; Greg Hanon, Western States Petroleum Association; and Charlie Howard, representing Regional Transportation Investment District Executive Board.