

SENATE BILL REPORT

SB 6061

As Reported By Senate Committee On:
Highways & Transportation, April 7, 2003

Title: An act relating to transportation funding.

Brief Description: Authorizing transportation funding.

Sponsors: Senators Horn, Haugen, Swecker, Spanel, Finkbeiner and Jacobsen.

Brief History:

Committee Activity: Highways & Transportation: 4/2/03, 4/7/03 [DPS].

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 6061 be substituted therefor, and the substitute bill do pass.

Signed by Senators Horn, Chair; Swecker, Vice Chair; Finkbeiner, Haugen, Jacobsen, Kastama, Mulliken, Oke, Prentice and Spanel.

Minority Report: Do not pass.

Signed by Senators Benton, Vice Chair and Esser.

Staff: Dean Carlson (786-7305)

Background: Transportation funding in Washington is supported by a variety of taxes and fees. The majority of statewide transportation revenue comes from a 23 cent per gallon tax on motor vehicle and special fuel, vehicle licensing fees, and gross weight fees.

The 18th Amendment to the Washington State Constitution requires that the motor fuel tax, which is currently 23 cents, and vehicle licensing fees be deposited into the Motor Vehicle Fund. Monies in that fund may only be spent for highway purposes. "Highway purposes" includes highways, ferries, and the State Patrol.

Other transportation funding is not restricted by the 18th Amendment. Often referred to as "multimodal" or "flexible" funding, these monies may be spent for any transportation purpose.

Summary of Substitute Bill: The Transportation 2003 account (the nickel fund) is created in the motor vehicle fund. Money in the account may only be spent on projects identified as Transportation 2003 projects and on the debt service on the bonds sold to fund the projects. Once the projects are complete, monies in the account can only be spent on the debt service to pay off the bonds, and if there are additional monies, they may be spent on maintenance of the same projects.

Beginning July 1, 2003, the state gas tax and special fuel tax are increased by five cents per gallon. All of the revenue generated by the increase is deposited into the Transportation 2003 account. The increase in the gas tax expires when the bonds sold to pay for Transportation 2003 projects are retired.

The gross weight portion of the combined licensing fee paid by trucks, tractors, and buses is increased by 15 percent for those vehicles over 10,000 pounds. Motor homes are added to those types of vehicles subject to the combined licensing fee. The proceeds from the increased percentage and the fees collected from motor homes must be deposited in the Transportation 2003 account.

Beginning July 1, 2003, the sales and use tax applicable to motor vehicles is increased by three tenths of 1 percent. The revenues collected from the increase in the tax on motor vehicles must be deposited in the multimodal transportation account.

The rate at which refund distributions are calculated for off-road vehicles, snowmobiles, and marine usage is increased by one cent in each of the next five bienniums.

A \$2 clean air fee is charged on the renewal of motor vehicle registrations. The fee is deposited into the air pollution control account and the vessel response account. The money in the air pollution control account will be used for the Clean Air Act and to reduce emissions from diesel vehicles. The money deposited in the vessel response account will be used to support a rescue tug at the entrance of the Strait of Juan de Fuca.

Substitute Bill Compared to Original Bill: The rate at which refund distributions are calculated for off-road vehicles, snowmobiles, and marine usage is increased by one cent in each of the next five bienniums. A \$2 clean air fee is charged on the renewal of motor vehicle registrations. The fee is deposited into the air pollution control account and the vessel response account. The money in the air pollution control account will be used for the Clean Air Act and to reduce emissions from diesel vehicles. The money deposited in the vessel response account will be used to support a rescue tug at the entrance of the Strait of Juan de Fuca.

Appropriation: None.

Fiscal Note: Requested on April 1, 2003.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2003.

Testimony For: This bill has good balance and will help our congestion problems. This will give a boost to the economy. This is a good time to sell bonds.

Testimony Against: This is a low priority for small business. We would like to see the cap for distributions to off-road uses raised. We would like to see more raised for paratransit.

Testified: Gordon Baxter, Inland Boatmen's Union Masters, Mates & Pilots Marine Engineers PS Metal Trades (con); Lloyd Flem, Washington Association of Rail Passengers, Cascadia Instit. (pro); Wayne Mohler, Washington State Snowmobile Association (con); Duke Schaub, Brett Ferullo, AGE-Washington (pro); Doug Levy, Cities of Everett, Federal Way

and Kent (pro); Mike Doubleday, City of Bellevue (pro); Doug MacDonald, DOT (comments); Kevin Shively, Transportation Choices Coalition (con); Chuck Gale, Pacific International Engineering (pro); Pat Jones, WA Public Ports Assn. (pro w/concerns); Jay Lawley, WA Trucking Assn (pro w/concerns); Sherry Appleton, Amalgamated Transit Union Leg Council (con); Jim Boldt, WA Auto Dealers (pro); Jim Shipman, WA Transit Assn. (pro w/concerns); Mark Johnson, NFIB (concerns); Cherie Tessier, Arc of WA DDC (comments); Larry Archer, Operating Engineers (pro); Roger Boatwright, WA St Building & Construction Trades (pro); Scott Merriman, Assn of Counties (pro w/concerns); Jackie White, Assn of Cities (pro); Rick Wickman, Clark Co, Seattle Marinas, Port of Longview (pro); Catherine Rudolph, Tacoma Pierce County Assn of Realtors (pro); Ray Schow, Assn Recreation Boaters (pro); Cliff Webster, NW Marine Trade Assn. (comments).