
Transportation Committee

HB 2035

Brief Description: Modifying city and town use of state fuel tax distributions.

Sponsors: Representatives Wallace, Jarrett, Simpson, Shabro, Wood, Skinner, Upthegrove and Haler.

Brief Summary of Bill

- Requires Department of Transportation to consult with the Association of Washington Cities on studies.
- Removes the restrictions on the uses of funds for cities and towns regardless of size as measured by population.

Hearing Date: 3/2/05

Staff: Jerry Long (786-7306).

Background:

RCW 46.68.110 governs the allocation of the 10.6961% (2.46 cents) of statewide fuel tax revenues distributed to cities and towns.

Prior to distributions to cities and towns ratably on the population last determined by the Office of Financial, there are three deductions from the statewide revenues distributed to cities and towns:

- One and one-half percent for the supervision of work and expenditures of incorporated cities and towns on city and town streets including federal aid programs for which the Department of Transportation (DOT) has responsibility for;
- Thirty-three one-hundredths of one percent for DOT for highway jurisdictional studies and other studies; and,
- One percent for the City Hardship Assistance Program.

The statute mandates that 31.86% of the funds distributed to cities and towns be used for certain purposes depending on the size of the city or town. If a city is 15,000 or over in population: 31.86% of the gas tax can only be used for: the construction, improvement, chip sealing, seal coating, and repair of arterial highways and city streets. The balance can be used for maintenance or construction. If a city is less than 15,000 in population, the funds can only be used for the maintenance of the arterial highways and city streets.

The funds may be used for the payment of any municipal indebtedness, which may be incurred in the construction, improvement, chip sealing, seal coating, and repair of arterial highways and city streets.

Summary of Bill:

Requires DOT to consult with the Association of Washington Cities when determining how the thirty-three one hundredths of cities' fuel tax distributions dedicated to studies will be spent.

Removes the restrictions on the uses of funds for cities and towns regardless of size as measured by population. However, as fuel tax revenues, the funds remain restricted to highway purposes as set forth in the 18th amendment to the Washington State Constitution.

Appropriation: None.

Fiscal Note: Available.

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