
Transportation Committee

HB 3149

Brief Description: Increasing the fuel tax rate used to determine fuel tax distributions to fund nonhighway expenditures.

Sponsors: Representatives Condotta, Hinkle and Armstrong.

Brief Summary of Bill

- Adjusts the fuel tax rate to determine fuel tax distributions to fund non-highway expenditures.

Hearing Date: 2/1/06

Staff: Jerry Long (786-7306).

Background:

The motor vehicle fuel tax provides revenues for the state transportation system including the construction and maintenance of state roads and highways. However, fuel tax paid on gasoline consumed for recreation purposes on non-highway roads supports non-highway and off road vehicles recreational facilities.

Non-highway and Off-Road Vehicle Activities

The State Treasurer deposits 1 percent of the fuel tax revenue, based on a fuel tax rate per gallon, into the Non-highway and Off-Road Vehicle Activities (NOVA) Account.

Snowmobile Activities

From time to time, but at least once each four years, the Department of Licensing shall determine the amount of moneys paid to it as motor vehicle fuel tax that is tax on snowmobile fuel. Such determination shall use 135 gallons as the average yearly fuel usage per snowmobile, the number of registered snowmobiles during the calendar year under determination.

Marine Fuel Tax Refunds

The Director of the Department of Licensing requests the State Treasurer to refund monthly from the motor vehicle fund amounts which have been determined to be tax on marine fuel. The state treasurer places the funds in the Marine Fuel Tax Refund Account to be held for those entitled to a refund. If the refund is not claimed within the close of the last business day of a period 13 months from the date of purchase, the unclaimed funds are transferred into the recreation resource account and is used for water craft recreation.

Current Rates

- 19 cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005;
- 20 cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007;
- 21 cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009;
- 22 cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; and
- 23 cents per gallon of motor vehicle fuel beginning July 1, 2011, and thereafter.

Summary of Bill:

Changes the fuel tax rate used to determine fuel tax distributions to non-highway activities.

Proposed Rates

- 23 cents per gallon of motor vehicle fuel from July 1, 2006, through June 30, 2007;
- 25 cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2008;
- 26 cents per gallon of motor vehicle fuel from July 1, 2008, through June 30, 2009;
- 27 cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2010; and
- 28 cents per gallon of motor vehicle fuel beginning July 1, 2010, and thereafter.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on July 1, 2006.