

SENATE BILL REPORT

SB 5414

As of February 13, 2007

Title: An act relating to authorizing local option motor vehicle fuel taxes for completing funding of certain projects in the south central Puget Sound region.

Brief Description: Authorizing local option motor vehicle fuel taxes to provide additional funding sufficient to complete certain highway construction projects.

Sponsors: Senators Kastama, Regala, Franklin, Eide and Keiser.

Brief History:

Committee Activity: Transportation: 2/05/07.

SENATE COMMITTEE ON TRANSPORTATION

Staff: David Ward (786-7341)

Background: Current law allows counties to impose local option fuel taxes equal to ten percent of the state motor and special fuels excise tax rate. Imposition of a local option fuel tax requires approval from both the county legislative body and a majority of county voters.

Summary of Bill: The bill as referred to committee not considered.

Summary of Proposed Substitute (Transportation): A local option fuel tax rate of 15 percent is authorized in certain large counties for the purpose of completely funding certain projects in those counties. Imposition of the 15 percent local option fuel tax requires approval from the county legislative bodies and a majority of voters in all participating counties.

If those counties imposing the local option fuel tax are members of a regional transportation investment district (RTID), the RTID may not also levy a local option fuel tax. Conversely, if an RTID is imposing the local option fuel tax available under its authority, a county that is a member of the RTID may not levy an additional local option fuel tax.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The idea of completing core projects in King and Pierce counties that are not fully funded with state and RTID dollars as a means to

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continued economic prosperity in the region is endorsed. There must also be parity in spending within the RTID district. The projects identified in the legislation are key to accommodating expected port growth and trade of up to 10 percent annually and congestion relief efforts throughout the region. Regional entities also need additional sales and use and motor vehicle excise tax authorities to fill the funding void as well as state-backed bonds which alone could add 3-7 percent to the available revenue pool.

OTHER: Authorizing the legislation is not opposed but imposition of a local option fuel tax is not supported. Provisions requiring a vote of the citizens are supported, preventing double-taxation across overlapping districts and imposition of tax on full county jurisdiction vs. partial county boundaries. There is concern that the collection mechanism may conflict with other fuel tax administration legislation that has moved through this committee.

Persons Testifying: PRO: Randall Lewis, City of Tacoma; Sam Pace, South Sound Chamber of Commerce; Pete Lewis, City of Auburn; Mike Deal, City of Puyallup; Nancy Wyatt, Auburn Area Chamber of Commerce; Keith Stump, Attorney; Mike Park, Jeanne Burbidge, City of Federal Way; Tom Pierson, Federal Way Chamber.

OTHER: Greg Hanon, Western States Petroleum Association; Charlie Brown, Washington Oil Marketers Association; T.K. Bentler, Washington Association of Neighborhood Stores.