

# HOUSE BILL REPORT

## HB 1576

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### As Passed Legislature

**Title:** An act relating to determining the amount of motor vehicle fuel tax moneys derived from tax on marine fuel.

**Brief Description:** Determining the amount of motor vehicle fuel tax moneys derived from tax on marine fuel.

**Sponsors:** Representatives Clibborn, Lias, Roach and Rodne.

**Brief History:**

**Committee Activity:**

Transportation: 2/4/09, 2/5/09 [DP].

**Floor Activity:**

Passed House: 1/29/10, 96-0.

Passed Senate: 3/4/10, 47-0.

Passed Legislature.

**Brief Summary of Bill**

- Removes the requirement for Department of Licensing to determine the amount of marine fuel tax paid.
- Transfers an amount equal to 1 percent of the motor vehicle fuel tax to the Marine Fuel Tax Refund Account.

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### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass. Signed by 26 members: Representatives Clibborn, Chair; Lias, Vice Chair; Roach, Ranking Minority Member; Rodne, Assistant Ranking Minority Member; Armstrong, Campbell, Cox, Driscoll, Eddy, Ericksen, Finn, Flannigan, Johnson, Klippert, Kristiansen, Moeller, Morris, Sells, Shea, Simpson, Springer, Takko, Upthegrove, Wallace, Williams and Wood.

**Staff:** Jerry Long (786-7306).

**Background:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Any person who uses motor vehicle fuel for marine purposes that has paid fuel tax on the fuel may apply for a refund. At least once every four years, the Department of Licensing (DOL) determines the amount of fuel tax that has been paid on marine fuel. The DOL will perform studies, surveys, or investigations to assist in determining the amount of fuel tax to transfer monthly to the Marine Fuel Tax Refund Account. Marine fuel users may apply to the DOL for a refund of the taxes they have paid on fuel for marine use. Applications for refunds must be filed with the DOL no later than the close of the last business day of a period 13 months from the date of purchase. Average annual total refunds are \$340,000.

The DOL, after taking into account past and anticipated refunds from the Marine Fuel Tax Refund Account, will request the State Treasurer to transfer monthly from the Marine Fuel Tax Refund Account to the Recreational Resource Account based on 21 cents per gallon from July 1, 2007 through June 30, 2009; 22 cents per gallon from July 1, 2009 through June 30, 2011, and 23 cents per gallon beginning July 1, 2011 and thereafter. Over the last four years, the average annual tax transfer to the Recreational Resource Account has been \$4.7 million. Any remaining amounts are transferred to the Motor Vehicle Account.

Money in the Recreational Resource Account may be used after appropriation by the Legislature. The funding is used for acquiring, improving, and renovating marine facilities.

Between 1965 and 2008, the DOL conducted 12 studies, with the last study being conducted in 2008. Based on the studies, the marine fuel consumption rate is approximately 1 percent of the fuel purchased.

**Summary of Bill:**

The requirement for the DOL to determine the amount of motor vehicle fuel tax to be transferred to the Marine Fuel Tax Account has been removed. The amount of motor vehicle fuel tax collected on marine fuel is deemed to be 1 percent of the total motor vehicle fuel tax collected annually to be deposited into the Marine Fuel Tax Refund Account.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) After 42 years and 12 studies, it has been determined that the amount of fuel used for marine purposes has been approximately 1 percent of the fuel purchased. This has led to the recommendation that the existing requirement for the DOL studies be eliminated and the rate to be transferred to the Marine Fuel Tax Refund Account be set at 1 percent. The Recreational Boating Association and the Recreation and Conservation Office have worked with DOL and, since the result comes out the same at approximately 1 percent, they agree with the recommendations.

(Opposed) None.

**Persons Testifying:** Representative Clibborn, prime sponsor; Jim King, Recreational Boating Association of Washington; and Jim Fox, Recreation and Conservation Office.

**Persons Signed In To Testify But Not Testifying:** None.