

# SENATE BILL REPORT

## HB 1576

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As of February 4, 2010

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

**Committee Activity:** Transportation: 2/04/10.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Wendy Malkin (786-7434)

**Background:** Individuals who purchase motor vehicle fuel for marine use may apply to the Department of Licensing (DOL) for a refund of the taxes paid on the fuel. At least once every four years, the DOL is required to determine the amount of motor vehicle fuel tax that has been paid on marine fuel. The DOL must perform studies, surveys, or investigations to determine the amount of fuel tax to transfer monthly to the Marine Fuel Tax Refund Account. Between 1965 and 2008, the DOL conducted about 12 studies, with the last study being conducted in 2008. Based on the studies, approximately 1 percent of the motor vehicle fuel tax collected annually is on fuel used for marine purposes.

**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 Refund Account is 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, and the amount must be deposited into the Marine Fuel Tax Refund Account.

**Appropriation:** None.

**Fiscal Note:** Requested on February 3, 2010.

**Committee/Commission/Task Force Created:** No.

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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.*

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

**Staff Summary of Public Testimony:** PRO: Deeming the amount to be transferred as 1 percent is the logical thing to do. In every study for the past 40 years, the amount to be transferred has hovered around 1 percent. There is no reason to do the study. It costs DOL about \$60,000 each time it does a study. This bill will save the state money without having an impact.

**Persons Testifying:** PRO: Cliff Webster, Northwest Marine Trade Association; Doug Levy, Recreational Boating Association of Washington.