

# SENATE BILL REPORT

## ESSB 6455

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As Amended by House, March 3, 2012

**Title:** An act relating to transportation revenue.

**Brief Description:** Concerning transportation revenue.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Haugen and Shin; by request of Governor Gregoire).

**Brief History:**

**Committee Activity:** Transportation: 1/24/12, 2/06/12 [DPS, DNP, w/oRec].

Passed Senate: 2/13/12, 31-18.

Passed House: 3/03/12, 57-39 (notice to reconsider), 54-42 (notice to reconsider), 55-41.

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** That Substitute Senate Bill No. 6455 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Eide, Vice Chair; Fain, Assistant Ranking Minority Member; Delvin, Erickson, Frockt, Hobbs, Litzow, Prentice, Ranker, Shin and Swecker.

**Minority Report:** Do not pass.

Signed by Senators King, Ranking Minority Member; Sheldon.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Hill.

**Staff:** Amanda Cecil (786-7429)

**Background:** Funding for statewide transportation comes from a variety of taxes and fees that are imposed on drivers, vehicles and fuels. The largest single source of transportation revenue comes from the state's motor vehicle fuel tax of \$0.375 per gallon of gasoline and diesel.

Vehicle dealers may charge a documentary service fee to recover administrative costs. Administrative costs include collecting taxes and fees; verifying and clearing titles; transferring titles; and perfecting, satisfying, or releasing liens. A dealer can charge the documentary service fee under the following conditions: the dealer must disclose the fee in writing; the dealer must disclose in writing that the fee is negotiable; the dealer cannot

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represent that the fee is required by the state; the dealer must separately designate the fee from the selling price and other charges; and the dealer must disclose the fee in advertisements as an addition to the selling price. The current maximum document fee is up to \$150 per vehicle sale or lease until June 30, 2014. On July 1, 2014, the fee reverts to a maximum of \$50.

**Summary of Engrossed Substitute Bill:** The following fee increases are made:

<b>Document</b>	<b>Current Fee</b>	<b>Proposed Fee (effective Oct 2012)</b>
Abstract of Driver's Record (ADR)	\$10.00	\$15.00
Certificate of Ownership (Title) - Application	\$5.00	\$12.50
Original Issue License Plates (Per Plate)*	\$0	\$10.00
Original Issue Motorcycle Plates	\$0	\$4.00
Motorcycle Replacement Plates	\$2.00	\$4.00
Vehicle Dealer Original License	\$750.00	\$975.00
Vehicle Dealer License Renewal	\$250.00	\$325.00

\*A replacement plate currently costs \$10 per plate.

The vehicle dealer documentary service fee is permanently established at up to \$150.

**Appropriation:** None.

**Fiscal Note:** Available.

[OFM requested ten-year cost projection pursuant to I-960.]

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

**Effective Date:** The bill takes effect on October 1, 2012.

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill is a starting place because there are many more vital investments that need to be made. This provides needed funds for operating and maintenance of our transportation system and maintains five ferry routes. This proposal also allows the State Patrol to continue to meet their operating needs but would not allow them to grow.

This proposal includes the right proportionality of state and local investments as recommended by the Connecting Washington Task Force. There is still a need for transit funding, funding for the Freight Mobility Strategic Investment Board project, and Highways and Local Programs.

Local governments appreciate the inclusion of expanded or new local options but would like to see the two-thirds majority to impose a vehicle fee removed.

It is important that whatever package is adopted is enactable, and the barrel fee makes this questionable.

CON: The barrel fee is actually a tax and will require a two-thirds majority vote. Imposing a new tax on refineries is unfair. Refineries are the largest private employers in four counties and provide thousands of good paying jobs; a barrel tax would make it harder for them to compete in a national and international market. The system is broken, and by switching funding to biking and hiking you are punishing commercial traffic. The proposed funding sources are unreliable, because if these refineries close, you cut off your petroleum tax; it is unconstitutional because it goes into storm water projects and has discrimination in the tax base.

OTHER: There need to be more and expanded options for local governments.

**Persons Testifying:** PRO: Jennifer Ziegler, Governor's Office; Dave Dye, WSDOT; Alan Haight, Dept. of Licensing; Chief John Batiste, WA State Patrol; Walt Elliot, Ferry Advisory Committee (FAC) – Exec; Jim Corenman; FAC San Juan County; Ashley Probart, Assn. of WA Cities; Paul Roberts, City of Everett; Doug Levy, City of Renton; Ginger Metcalf, Columbia River Crossing Coalition; Paul Montague, Identity Clark County; Tim Schauer, Greater Vancouver Chamber; Eric Fuller, Columbia River Economic Development Council; Richard Ford, WA State Transportation Center; David Myers, WA State Building Trades Council; Scott Merriman; WA State Assn. of Counties; Sherry Barry, WA & N. Idaho District Council of Laborers; Jeff Johnson, WSCC, AFL-CIO; George Alle, Seattle Chamber of Commerce; Michael Groesch, Microsoft.

CON: Tim Hamilton, AUTO; Tim Eyman, Voters Want Choice; Megan Lawrence, Alaska Airlines; Greg Hanon, Western States Petroleum Assn.; Dave Ducharme, WOMA; Sara Round, Alicia Halberg, Associated Students of the University of WA.

OTHER: Mayor Patty Lent, City of Bremerton; John Worthington; Harold Taniguchi, King County DOT; John Adams; Amber Carter, Assn. of WA Business; Dave Overstreet, AAA WA; Duke Schaub, AGC; Carrie Dolwick, Transportation Choices Coalition; Mo McBroom, WA Environmental Council; Michael Shaw, WA Transit Assn.; Chuck Ayers, Cascade Bicycle Club; Bill Bryant, Port of Seattle.

**House Amendment(s):**

Document	Current Fee	As Passed Senate (2/13/12)	As Passed House (3/3/12)	Increase as passed the House*
Abstract of Driver's Record (ADR)	\$10.00	\$15.00	\$13.00	\$3.00
Certificate of Ownership (Title) - Application	\$5.00	\$12.50	\$15.00	\$10.00
Original Issue License Plates (Per Plate) <sup>1</sup>	\$0	\$10.00	\$10.00	\$10.00
Original Issue Motorcycle Plates	\$0	\$4.00	\$4.00	\$4.00
Motorcycle Replacement Plates	\$2.00	\$4.00	\$4.00	\$2.00
Vehicle Dealer Original License	\$750.00	\$975.00	\$975.00	\$225.00

Vehicle Dealer License Renewal License	\$250.00	\$325.00	\$325.00	\$75.00
<b>Late Transfer Penalty</b>	<b>\$25-100</b>	<b>N/A</b>	<b>\$50-\$125</b>	<b>\$25.00</b>
Electric Vehicle Fee	\$0	\$0 <sup>2</sup>	\$100.00	
<b>State Parks Support and Rec Vehicle Sanitary Disposal Fee**</b>	<b>\$3.00</b>	<b>N/A</b>	<b>\$13.00</b>	<b>\$10.00</b>
Vehicle Dealer Documentary Service Fee <sup>3</sup>	\$150.00	\$150.00	\$150.00	N/A

Differences in policy between this bill or other bills including the same provisions **bolded**.

<sup>1</sup> A replacement plate currently costs \$10.

<sup>2</sup> The electric vehicle fee was passed out of the Senate in ESSB 5251 on February 11, 2012, but was not included in any version of ESSB 6455 in the Senate.

<sup>3</sup> The vehicle dealer's documentary service fee is currently set at \$150 until June 30, 2014, and then reverts to \$50. Both the House and the Senate versions remove this expiration date, permanently setting the fee at \$150. Proceeds from this fee are retained by the dealer.

\*The incremental increase in each fee must be used as follows:

- Certificate of ownership (title) - application fee that is deposited into the transportation 2003 account (nickel account) must be used for debt service on bonds issued for a second 144 car class ferry boat;
- original issue plates, motorcycle plates and vehicle dealer licenses must be used for initial highway and road project development; and
- abstract of driver's records must be used for enforcing the driver and vehicle laws and rules of the state.

\*\*The State Parks Support and Recreational Vehicle Sanitary Disposal Fee is increased until July 1, 2015. The additional proceeds from the fee are deposited into the State Parks Renewal and Stewardship Account and may be used only for the operation and maintenance of state parks that provide access and overnight accommodations to recreational vehicles.

A public transportation grant program is created to fund transit operations statewide. A public transportation grant program account is created in the state treasury and \$1.25 million is transferred from the multimodal transportation account into this account every quarter for the remainder of the biennium and \$1.875 million each quarter thereafter. Funding for the grant program is distributed to transit authorities as follows: one-third distributed based on vehicle miles of service provided; one-third distributed based on vehicle hours of service provided; and one-third distributed based on the number of passenger trips provided.

Various technical corrections are made resulting from the 2010 and 2011 vehicle registration statutes recodification.