

HOUSE BILL REPORT

ESHB 1581

As Passed House:
March 2, 2016

Title: An act relating to the distribution of the thirty dollar vehicle license fee.

Brief Description: Modifying the distribution of the thirty dollar vehicle license fee.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Fey, Rodne, Moscoso, Sells, Hayes and Hurst).

Brief History:

Committee Activity:

Transportation: 2/8/16, 2/9/16 [DPS].

Floor Activity:

Passed House: 3/2/16, 80-17.

<p>Brief Summary of Engrossed Substitute Bill</p>
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- Changes the distribution of the initial and renewal \$30 vehicle license fee.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 22 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Bergquist, Gregerson, Hayes, Hickel, Kochmar, McBride, Moeller, Morris, Ortiz-Self, Pike, Riccelli, Rodne, Rossetti, Sells, Shea, Stambaugh, Tarleton and Young.

Minority Report: Without recommendation. Signed by 2 members: Representatives Hargrove, Assistant Ranking Minority Member; Harmsworth, Assistant Ranking Minority Member.

Minority Report: Do not pass. Signed by 1 member: Representative Orcutt, Ranking Minority Member.

Staff: Jerry Long (786-7306).

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.

Background:

Washington requires an initial vehicle license fee and a renewal license fee of \$30. The license fee applies to passenger cars and cabs, motor homes, travel trailers, motorcycles, other trailers, and tow trucks.

Prior to Initiative 695 (I-695) in 1999, the initial vehicle license fee was \$27.75 and the renewal license fee was \$23.75. The distribution was as follows:

- \$20.35 of each initial and renewal registration to the State Patrol Highway Account;
- \$2.02 of each initial registration and 93 cents of each renewal registration to the Puget Sound Ferry Operations Account; and
- \$5.38 of each initial registration and \$2.47 of each renewal registration to the Motor Vehicle Account.

Initiative 695 increased the fees to \$30 for initial vehicle licenses and renewals. The Legislature, after I-695 was declared unconstitutional, enacted legislation codifying the \$30 fee with the following distribution which was the same as I-695:

- \$26.60 of each initial registration and \$22.60 of each renewal to be deposited to the State Patrol Highway Account;
- \$2.02 of each initial registration and 93 cents of each renewal to be deposited to the Puget Sound Ferry Operations Account; and
- the remainder to be deposited to the Motor Vehicle Account.

In 2002 the \$30 vehicle license fee was redistributed through legislation which remains currently and is distributed as follows:

- \$20.35 of each initial and renewal registration to be deposited to the State Patrol Highway Account;
- \$2.02 of an initial registration and 93 cents of each renewal to be deposited to the Puget Sound Ferry Operations Account; and
- the remainder to be deposited to the Motor Vehicle Account.

Summary of Engrossed Substitute Bill:

The \$30 vehicle license fee distribution is changed to: \$28 of initial or renewal registrations to be deposited to the State Patrol Highway Account; and \$2 of each initial and renewal registration to be deposited to the Puget Sound Ferry Operations Account.

Appropriation: None.

Fiscal Note: Available on substitute bill. New fiscal note requested on March 3, 2016.

Effective Date: The bill takes effect July 1, 2017.

Staff Summary of Public Testimony:

(In support) The additional funds this bill brings to the State Patrol Highway Account (Account) will help fund needed pay increases and send a signal that the Legislature recognizes the trooper recruitment and retention problem and is serious about fixing the

problem. This will demonstrate commitment for the long-term. In the past the Account received more money from the \$30 vehicle license fee than what it receives currently. The \$2 being deposited to the Puget Sound Ferry Operations Account will help the funding for the ferry system.

(Opposed) None.

Persons Testifying: Representative Fey, prime sponsor; Davor Gjurasic, Courtney Stewart and Jeff Merrill, Washington State Troopers Association; and E.J. Swainson, Washington State Patrol Lieutenants Association.

Persons Signed In To Testify But Not Testifying: None.