

SENATE BILL REPORT

SJR 8206

As Reported by Senate Committee On:
Transportation, February 27, 2019

Brief Description: Amending the state Constitution so that certain sales and use tax revenue collected from new and used car purchases are used for highway purposes. [**Revised for 1st Substitute:** Amending the state Constitution so that state revenue collected from a road usage charge, vehicle miles traveled fee, or other similar type of comparable charge, must be used exclusively for highway purposes.]

Sponsors: Senators Fortunato, King, Hawkins, Sheldon, Padden, Bailey, Brown, Warnick, Honeyford, Wilson, L., Holy, Becker and O'Ban.

Brief History:

Committee Activity: Transportation: 2/19/19, 2/27/19 [DPS, w/oRec].

Brief Summary of First Substitute Joint Resolution

- Amends the state Constitution to specify that revenue from a road usage charge, vehicle miles traveled fee, or other similar type of comparable charge, must be used exclusively for highway purposes.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Joint Resolution No. 8206 be substituted therefor, and the substitute joint resolution do pass.

Signed by Senators Hobbs, Chair; Saldaña, Vice Chair; King, Ranking Member; Sheldon, Assistant Ranking Member; Cleveland, Das, Fortunato, Nguyen, O'Ban, Padden, Randall, Takko, Wilson, C. and Zeiger.

Minority Report: That it be referred without recommendation.

Signed by Senator Lovelett.

Staff: Bryon Moore (786-7726)

Background: The 18th Amendment. The 18th Amendment to the state Constitution requires that the state's motor vehicle fuel taxes, currently 49.4 cents per gallon; vehicle licensing fees; and all other state revenue intended to be used for highway purposes be deposited into

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the Motor Vehicle Fund. Monies in that fund may only be spent for highway purposes, which are defined to include expenditures on construction, preservation, maintenance, operation, and administration of highways and ferries.

Constitutional Amendment. A proposed amendment to the state Constitution must be approved by two-thirds of the members elected to each house of the Legislature, and then approved by a majority of the voters in the next general election.

Summary of Joint Resolution (First Substitute): A proposed state Constitutional amendment is submitted to the voters at the 2019 general election to specify the revenue from a road usage charge, vehicle miles traveled fee, or other similar type of comparable charge, must be used exclusively for highway purposes.

EFFECT OF CHANGES MADE BY TRANSPORTATION COMMITTEE (First Substitute): The provision related to dedicating the state sales and use tax imposed on motor vehicle, camper, and travel trailer purchases for highway purposes is removed. A provision dedicating any state revenue collected from a road usage charge, vehicle miles traveled fee, or other similar type of comparable charge, for highway purposes is added.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony on Original Joint Resolution: *The committee recommended a different version of the joint resolution than what was heard.* PRO: By using the sales and use tax generated from vehicle sales, we are providing needed funds to support our transportation infrastructure. This provides a long term funding plan to deal with the costs of construction inflation. It also provides an alternative source of revenue that avoids raising the gas tax or implementing a road usage charge. This solves the problem of repetitive transportation package. The state general fund impact will be somewhat impacted by the economic activity and jobs created by this new transportation funding source.

Persons Testifying: PRO: Senator Phil Fortunato, Prime Sponsor.

Persons Signed In To Testify But Not Testifying: No one.