

HOUSE BILL REPORT

SB 6017

As Passed House:
February 27, 2024

Title: An act relating to expanding the use of the border area fuel tax.

Brief Description: Expanding the use of the border area fuel tax.

Sponsors: Senators Shewmake, King, Liias and Nobles.

Brief History:

Committee Activity:

Transportation: 2/15/24, 2/21/24 [DP].

Floor Activity:

Passed House: 2/27/24, 90-5.

Brief Summary of Bill

- Expands the permitted uses of border area fuel tax proceeds from certain areas to include projects contained in the transportation plan of the state, a regional transportation planning organization, city, county, or transportation benefit district.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 26 members: Representatives Fey, Chair; Donaghy, Vice Chair; Paul, Vice Chair; Timmons, Vice Chair; Barkis, Ranking Minority Member; Hutchins, Assistant Ranking Minority Member; Low, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Berry, Bronoske, Chapman, Cortes, Dent, Doglio, Duerr, Entenman, Goehner, Griffey, Hackney, Klicker, Mena, Nance, Ramel, Ramos, Schmidt and Volz.

Minority Report: Without recommendation. Signed by 2 members: Representatives Orcutt and Walsh.

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

Staff: David Munnecke (786-7315).

Background:

Cities and towns within 10 miles of an international border crossing and any transportation benefit district which has within its boundaries an international border crossing, may impose an excise tax on the retail sale of motor vehicle fuel and special fuel within the jurisdiction. The tax is subject to voter approval. The tax rate may not exceed \$0.02 per gallon. For taxes submitted to the ballot after calendar year 2022 the rate may be adjusted to reflect an inflation factor.

The proceeds of the border area fuel tax, after paying specified refunds and administrative expenses, must be used solely for street maintenance and construction.

Summary of Bill:

The uses of the proceeds of a border area fuel tax imposed by a border area jurisdiction not directly connected to the continental United States, currently the Point Roberts Transportation Benefit District, are expanded to include projects contained in the transportation plan of the state, a regional transportation planning organization, city, county, or transportation benefit district. A project may include investments in: (1) new or existing highways of statewide significance; (2) principal arterials of regional significance; (3) high capacity transportation; (4) public transportation; and (5) other transportation projects and programs of regional or statewide significance, including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.

An intent section is included that declares the Legislature's recognition that the border area fuel tax is not the state gas tax, but rather a local option, voter-approved transportation tax used for local transportation purposes. The intent section also states that the Legislature finds that because the border area fuel tax is not collected by the state, it is not subject to the Eighteenth Amendment to the Washington Constitution and is therefore not required to be used exclusively for highway purposes.

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) This bill applies to Point Roberts where gas is priced in US dollars, but sold by

the liter. There is a dearth of people in Point Roberts post-COVID, and a need for transportation funding.

The funds at issue here are not protected by the Eighteenth Amendment to the Washington Constitution, because they are collected by the county and not the state. These funds are needed to fund transit for both kids and adults, which will really help the community.

This bill will give the community greater flexibility in spending transportation benefit district funds.

Children in Point Roberts are bused to Blaine after second grade. There used to be a later transit service for those who needed to return to Point Roberts after sports or medical appointments, and this bill would allow border area fuel taxes to be used to provide such service.

The Whatcom County Council approves of this bill. It has been put forward before, and hopefully it passes this time.

(Opposed) None.

Persons Testifying: Senator Sharon Shewmake, prime sponsor; Senator Curtis King; and Mark Robbins, Point Roberts Taxpayers Association.

Persons Signed In To Testify But Not Testifying: None.