
Transportation Committee

HB 2053

Brief Description: Concerning additive transportation funding.

Sponsors: Representatives Clibborn, Morris, Rolfes, Lias, Reykdal, Billig, Ormsby, Finn, Seaquist and Lytton.

Brief Summary of Bill

- Increases rates on a number of driver and vehicle services fees administered by the Department of Licensing.
- Establishes fees for the original issue of license plates; for each time an exam is given for individuals seeking a driver's instructional permit; for the application for a second or third driver's instructional permit; and on studded tires.
- Appropriates proceeds from the increased and new fees for additional activities at the Washington State Patrol and the Washington State Department of Transportation, and for certain capital activities, including construction of a new ferry boat vessel.

Hearing Date: 4/11/11

Staff: Mark Matteson (786-7145).

Background:

Licensing and fees.

The Department of Licensing (DOL) is responsible for administering a number of licensing programs. Through the Driver and Vehicle Services Division of the DOL, individuals may access various driver and vehicle-related services. Individuals may:

- apply for a first driver's license or transfer a valid driver's license from another state;
- get a first driver's license or transfer a valid driver's license from another state;
- take a knowledge and/or driving test;
- replace a lost or stolen license;
- update a license;

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- renew a driver's license; and
- extend a driver's license expiration date for up to 12 months while out-of-state.

In addition, individuals may obtain: instruction permits; enhanced driver's licenses or identification cards for the purposes of international ground-based or sea-based travel to Canada and Mexico; identification cards; motorcycle endorsements; commercial driver's licenses; restricted driver's licenses; other special driver's licenses; and copies of one's driving record.

Regarding vehicles, individuals may:

- register vehicles;
- transfer the title to a vehicle or vessel;
- modify a title;
- replace license plates;
- replace license plate tabs;
- obtain a duplicate title or registration;
- pay business-related vehicle fees (such as for driver training schools, tow-truck operators, and others);
- apply for business-related vehicle trip permits;
- register motor homes, recreational vehicles, travel trailers, campers, boat trailers, and other types of on-road vehicles and equipment;
- register off-road vehicles; and
- have vehicles inspected.

For most of the various driver and vehicle services provided by the DOL, fees are charged. However, a fee is not charged for the original issuance of license plates. In addition, for instructional permit examination purposes, a \$35 fee is charged only once and an individual may take the exam as many times as is needed until he or she passes. Individuals that choose to apply for an instructional permit a second or third time are not required to pay an application fee.

The requirement to pay the fee for the various driver and vehicle services is established in statute and fee levels are provided either statutorily or by rule. The statutes also provide a revenue distribution framework for the various fees, with the majority deposited to either the Highway Safety Fund or the Motor Vehicle Fund. Fees that are collected as license fees for motor vehicles are subject to the 18th amendment to the state Constitution and must be spent for highway purposes.

In aggregate, the fees more than pay for the direct administration of collecting the fees themselves and are utilized for the broader administration of the state transportation system.

Fee Studies.

In the 2002 legislative session, the Legislature enacted increases to a number of driver and vehicle fees. As part of the legislation, the Legislature required the DOL to conduct a study biennially on fee levels to evaluate cost recovery for department services.

In 2009 the Joint Transportation Committee contracted for a study that analyzed mid-term and long-term transportation funding mechanisms and methods. The study final report recommended

that the Legislature revisit fee levels to determine whether the levels were keeping pace with inflation.

Studded Tires.

Studded tires are vehicle tires with small metal protrusions (studs) inserted to improve tire-road friction in snow or ice conditions. In addition to winter weather friction improvement, studded tires also increase pavement wear.

In 1998 the Legislature and the Governor formed the Blue Ribbon Commission (Commission) on Transportation to assess the state's transportation system and make recommendations. The Commission concluded that one method for preserving the transportation system was to phase out studded tires or establish a surcharge to recognize the cost of studded tire damage to roadways. In a 2008 study, the Washington State Department of Transportation (WSDOT) estimated at that time that damage to concrete pavements due to studded tires was \$18.2 million.

State Transportation Expenditures.

The operating and capital expenses of state transportation agencies and programs are funded on a biennial basis by an Omnibus Transportation Budget (Transportation Budget) adopted by the Legislature in odd-numbered years. The Transportation Budget provides appropriations to the major transportation agencies including: the WSDOT, the Washington State Patrol (WSP), the DOL, the Washington Traffic Safety Commission, the Transportation Improvement Board (TIB), the County Road Administration Board (CRAB), and the Freight Mobility Strategic Investment Board. The Transportation Budget also provides appropriations out of transportation funds to many smaller agencies with transportation functions.

Summary of Bill:

Fees are increased on a number of the DOL driver and vehicle services. In addition, a new fee is charged for the issuance of original license plates at \$10 per plate for motor vehicles and \$3.75 per plate for motorcycles. Individuals who apply for an instructional driver's permit for a second or third time must pay an application fee of \$25 each time. Individuals who take the examination for the instructional driver's permit must pay a \$35 fee each time the examination is taken, irrespective of passage or failure. (See House Transportation Committee supporting documents for more detail.)

The revenue generated by the fee increases is used to support the financing for the construction of a 144-car class ferry vessel and to provide additional funding to a number of state transportation programs. The appropriations are in addition to those contained in the Transportation Budget, and include funds provided to: the WSP; the WSDOT for the ferry operating, ferry capital, highway maintenance, highway preservation, public transportation, and local programs; the TIB; and the CRAB. (See House Transportation Committee supporting documents for more detail.)

Appropriation: Various.

Fiscal Note: Requested on April 7, 2011.

Effective Date: The bill contains an emergency clause and becomes effective July 1, 2011.