

# HOUSE BILL REPORT

## HB 2080

---

---

**As Reported By House Committee On:**  
Transportation

**Title:** An act relating to transportation funding and appropriations.

**Brief Description:** Providing transportation funding and appropriations.

**Sponsors:** Representatives K. Schmidt, Hankins, Benton, Elliot, Skinner, Buck, McMahan, Robertson, Johnson, D. Schmidt, Chandler, Mitchell, Koster, Backlund, Cairnes, Horn, Blanton and Stevens.

**Brief History:**

**Committee Activity:**

Transportation: 3/16/95, 3/17/95 [DPS].

---

### HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; Backlund; Blanton; Buck; Cairnes; Chandler; Elliot; Hankins; Horn; Johnson; Koster; McMahan; Robertson; D. Schmidt and Scott.

**Minority Report:** Do not pass. Signed by 7 members: Representatives R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Chopp; Ogden; Patterson; Romero and Tokuda.

**Staff:** Eugene Schlatter (786-7316).

**Background:** The state motor vehicle fuel tax (gas tax) rate is 23 cents per gallon. The tax does not rise with the price of gasoline; the tax can only be increased by the Legislature. The Legislature last passed a gas tax increase during the 1990 session, when the tax was raised from 18 cents to 22 cents beginning April 1, 1990, and 23 cents beginning April 1, 1991.

Each 1-cent increase in the gas tax is estimated to raise \$57.9 million per biennium.

The motor vehicle registration fee, which is paid when drivers obtain their car tabs, is currently \$27.75 for first-time registrants and \$23.75 for each annual renewal. Heavy

trucks pay a registration fee ("combined license fee") according to the truck's gross weight. Like the gas tax, these fees do not rise with inflation and are not indexed to a vehicle's value; they can only be raised by the Legislature. The Legislature last raised the fees in 1987 by 1 percent (\$4.75).

Each \$1 increase in the passenger-type vehicle registration fee is estimated to raise \$7.3 million per biennium. Each 1 percent increase in the combined license fee raises \$2.3 million per biennium.

Revenues derived from registration fees and gas taxes can only be used for highway purposes under Amendment 18 of the state constitution. These revenues are deposited in special funds (motor vehicle fund, ferry operations account and Washington State Patrol highway account) to segregate them from other non-18th Amendment funds.

Moneys restricted under the 18th Amendment are excluded by definition from Initiative 601's voter approval requirements for general fund tax increases. However, the Legislature desires to send proposed transportation revenue increases to the ballot in November 1995 for public approval.

The Legislature must make biennial appropriations for each agency's operating budget and capital improvements. The transportation budget provides funding for the agencies and programs supported by the existing and new transportation revenues.

**Summary of Substitute Bill:** If approved by the voters at the November 1995 general election, the gas tax is raised from 23 cents to 27 cents, effective January 1, 1996, and the license fee for passenger-type vehicles and heavy trucks is raised by \$3, also effective January 1, 1996.

The additional gas tax revenues will be distributed as follows: one-quarter of 1 cent dedicated to the Puget Sound ferry operations account; one-quarter of 1 cent dedicated to the special category C account to be used solely for location, design, right of way acquisition, and related construction costs on State Route (SR) 18; three-quarters of 1 cent dedicated to a newly-created regional transportation fund, to be administered by the Transportation Improvement Board (TIB) as grants for public highway problems of a regional nature; and 2 3/4 cents deposited in the motor vehicle fund for Department of Transportation (DOT) highway construction projects.

The additional license fee revenues will be used to fund the Washington State Patrol (WSP).

The appropriation, based upon additional revenues, is \$3.3 billion for transportation agencies from all transportation fund sources. This represents a \$100 million decrease from the 1993-95 spending level.

Additional funding of \$108 million is provided for safety, improvement, high occupancy vehicle lane, and preservation projects. SR 18 receives an increase of \$14 million, and \$16 million is appropriated to begin a scaled down version of an enhanced passenger-only program in the ferry system. Over \$30 million is appropriated to TIB to fund a new regional priority program. Miscellaneous activities are also funded under the referendum proposal.

**Substitute Bill Compared to Original Bill:** Technical corrections are made.

Former section 8 is removed, having the effect of ensuring all \$3 of the license fee increase is dedicated to the Washington State Patrol.

\$3.8 million for additional preconstruction work on the Sequim bypass and \$2.5 million for essential safety improvement projects on SR 522 are provided. Both appropriations from the motor vehicle fund are contingent upon passage of the revenue increase.

**Appropriation:** \$3.3 billion.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill takes effect January 1, 1996.

**Testimony For:** Additional funding is provided for WSP salary increases and additional troopers and DOT construction projects.

**Testimony Against:** Reduced appropriation authority will hurt the state tourism program. State Parks would like capital expenditures restored. Cities and counties would prefer normal distribution of fuel tax revenues.

**Testified:** Russ Cahill, Washington State Parks & Recreation Commission (concerns); Robin Pollard, State Tourism Program (con); Sid Morrison, Department of Transportation (pro); Paul W. Locke, citizen (con); Rick Jensen, Washington State Patrol Troopers Association (pro); Chief Roger Bruett, Washington State Patrol (pro); and Jay Weber, Washington State Association of Counties (concerns).