

# HOUSE BILL REPORT

## HB 2730

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### As Reported By House Committee On:

Transportation

**Title:** An act relating to deductions from motor vehicle funds to cities and towns.

**Brief Description:** Adjusting deductions to the city hardship assistance account.

**Sponsors:** Representatives McMahan, Sterk and K. Schmidt; by request of  
Transportation Improvement Board.

### Brief History:

#### Committee Activity:

Transportation: 1/30/96 [DPS].

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## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 24 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chopp; Elliot; Hankins; Horn; Johnson; McMahan; Ogden; Patterson; Quall; Robertson; Romero; D. Schmidt; Scott; Sterk and Tokuda.

**Staff:** Roger Horn (786-7839).

**Background:** Based on recommendations of a committee of state, city and county officials, the Legislature in 1991 shifted jurisdictional responsibility for several state and local roads. The state took over responsibility for some local roads, and some cities and counties took over state highways. The city hardship assistance account (CHAA) was created to help fund preservation projects on roadways taken over by cities with a population under 20,000. Twelve cities currently are eligible for grants from the account. Since April 1992, 2 percent of the state gas tax allocated to cities has been deposited into the account. This allocation generates about \$1.4 million per year, about twice the amount needed for the program. The fund balance in the account at the end of the 1995-97 biennium will be about \$4.0 million.

**Summary of Substitute Bill:** The percentage of city gas tax revenue going to the CHAA is reduced from 2 percent to 1 percent. Any fund balance in the account that is not required to carry out the program shall be returned to cities and towns,

according to the normal city gas tax distribution. The amount to be redistributed shall be determined as of July 1, 1996, and July 1 of each odd-numbered year thereafter, and shall be provided to the treasurer within 60 days.

**Substitute Bill Compared to Original Bill:** The language requiring transfer of excess city hardship assistance account revenue back to the cities is clarified. A 60-day limit on providing excess revenue to the treasurer for distribution is added.

**Appropriation:** None.

**Fiscal Note:** Requested on January 29, 1996.

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

**Testimony For:** None.

**Testimony Against:** None.

**Testified:** None.