

HOUSE BILL REPORT

HB 1273

As Reported By House Committee On:
Transportation

Title: An act relating to refunding motor vehicle fuel and special fuel taxes to Indian tribes.

Brief Description: Refunding fuel taxes to Indian tribes.

Sponsors: Representatives Fuhrman, Blanton, Elliot and McMorris.

Brief History:

Committee Activity:

Transportation: 2/6/95, 2/7/95 [DPS].

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 27 members: Representatives K. Schmidt, Chairman; Benton, Vice Chairman; Mitchell, Vice Chairman; Skinner, Vice Chairman; R. Fisher, Ranking Minority Member; Hatfield, Assistant Ranking Minority Member; Backlund; Blanton; Brown; Buck; Cairnes; Chandler; Chopp; Elliot; Hankins; Horn; Johnson; Koster; McMahan; Ogden; Patterson; Quall; Robertson; Romero; D. Schmidt; Scott and Tokuda.

Staff: Brian McMorrow (786-7304).

Background: Washington State imposes taxes upon the distribution, sales, transfer, use or possession of motor vehicle fuel and diesel and other special fuels within the state. Revenues from these taxes are used exclusively for highway purposes.

Summary of Substitute Bill: The Department of Licensing may enter into an agreement with any federally recognized Indian tribe located on a reservation within Washington State regarding the imposition, collection or use of motor fuel tax or special fuel tax. The terms of the agreement must be substantially the same as the following cases: *Teo, et al. v. Steffensen, et al.* or *Confederated Tribes of the Colville Reservation v. DOL, et al.*

It is an unfair method of competition for a tribe, a tribal business, or a tribal member to sell motor vehicle fuel or special fuel to a nontribal member at a price below the purchase price plus all applicable state and federal taxes.

Substitute Bill Compared to Original Bill: The substitute bill considers the consent decree between the Department of Licensing and the Yakima tribe. The original bill did not.

Appropriation: None.

Fiscal Note: Requested on January 25, 1995.

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

Testimony For: The bill makes it possible for the Department of Licensing to enter into agreements with Indian nations with regard to the collection of motor fuel tax and special fuel tax.

Testimony Against: None.

Testified: Jim Wadsworth, Department of Licensing; Mike Sciacca, Washington Oil Marketers Association; Steve Deal, Chewelah Grange Supply; and Randy Scott, Colville Confederated Tribes and Quinault Indian Nation.