

HOUSE BILL REPORT

ESHB 2080

As Passed House:

April 11, 1995

Title: An act relating to transportation funding and appropriations.

Brief Description: Providing transportation funding and appropriations.

Sponsors: By House Committee on Transportation (originally sponsored by 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].

Floor Activity:

Passed House: 4/11/95, 55-39.

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.

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 Bill: The appropriation level is adjusted to current law revenue projections. Only the 1st Fiscal Year of 1995-97 is appropriated (\$1.658 billion). Other technical adjustments and clarifications are made.

The Regional Transit Authority (RTA) is dissolved and the enabling statutes are repealed in the event the RTA has not had a successful public vote to adopt a system plan and plan funding by May 31, 1996. This bill transfers to transit agencies within the three county area High Capacity Transit (HCT) taxing authority and all assets and obligations of the RTA. This bill requires that the RTA and other transit agencies get legislative approval prior to submitting a proposition to the public for HCT funding.

Appropriation: \$1.658 billion.

Fiscal Note: Not requested.

Effective Date of Bill: The bill takes effect immediately.

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

Testimony Against: (To the Substitute House Bill passed out of committee)
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: (To the Substitute House Bill passed out of committee) 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).