

HOUSE BILL REPORT

SB 6876

As Passed House:

April 27, 2000

Title: An act relating to emergency reserve fund earnings for transportation programs.

Brief Description: Transferring earnings from the emergency reserve fund to the multimodal transportation account.

Sponsors: Senators Loveland and Snyder.

Brief History:

Floor Activity:

Passed House: 4/27/00, 98-0.

Brief Summary of Bill

- Codifies the elimination of the Motor Vehicle Excise Tax (MVET) as proposed in Initiative 695.
- Eliminates the MVET on travel trailers and campers.

HOUSE COMMITTEE ON TRANSPORTATION

Staff: Mary McLaughlin (786-7351).

Background:

The Emergency Reserve Fund was established in 1995 by Initiative 601 and consists of all state General Fund revenues in excess of the state expenditure limit.

The Emergency Reserve Fund contained \$536 million at the conclusion of Fiscal Year 1999. The fund is in the state treasury and is managed and invested by the State Treasurer. Interest earnings on moneys in the Emergency Reserve Fund are retained by the fund.

Summary of Bill:

Interest earnings of the Emergency Reserve Fund, up to \$35 million annually, are transferred quarterly to the Multimodal Transportation Account for use by transportation programs. If annual transfers of interest earnings are less than \$35 million, additional funds shall be transferred from the Emergency Reserve Fund to achieve the \$35 million transfer.

If a new, long-term revenue source for transportation programs is subsequently enacted, it is the intent of the Legislature that the new revenue source will replace the interest earnings, which will be returned to the Emergency Reserve Fund.

Appropriation: None.

Fiscal Note: Not requested.

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