

SENATE BILL REPORT

SB 5360

As Reported By Senate Committee On:
Transportation, March 3, 1999

Title: An act relating to the consolidation of the fuel tax rate, and fuel tax distribution statutes maintaining revenue neutrality among fuel tax recipients.

Brief Description: Consolidating the fuel tax rate and distribution statutes.

Sponsors: Senators Horn, Haugen, Gardner, Benton, Oke, Johnson and Morton.

Brief History:

Committee Activity: Transportation: 2/2/99, 3/3/99 [DPS, DNPS].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5360 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Goings, Vice Chair; Costa, Eide, Horn, Jacobsen, Morton, Oke, Patterson, Prentice, Sheahan, T. Sheldon, Shin and Swecker.

Minority Report: Do not pass substitute.

Signed by Senators Benton, Finkbeiner, Johnson and Sellar.

Staff: Brad Lovaas (786-7307)

Background: Currently, the Washington State motor fuel tax rate of 23 cents per gallon is presented in the RCW as three different rates of 17 cents, 1 cent, and 5 cents. As well, the distributions for the 17-cent, 1-cent, and 5-cent rates are found in different sections of RCW 82.36 and RCW 46.68. The distributions for the 17-cent rate are based on percentages, while the distributions for the 1-cent and 5-cent rates are based on pennies. The combination of different rates and distributions based on percentages and pennies makes the fuel tax statutes difficult to work with. The last time the fuel tax statutes were cleaned up was in the 1983-85 biennium.

Summary of Substitute Bill: The motor fuel tax statutes are cleaned up by collapsing these motor fuel tax rates into one rate of 23 cents. All of the fuel tax distributions are placed in one section on a percentage basis, while maintaining revenue neutrality.

The motor fuel tax distributions to the Small City Account and the City Hardship Assistance Account are eliminated. Both of their distributions are placed into the Urban Arterial Trust Account.

Old sections in the RCW that are no longer necessary for paying off debt service are repealed.

Substitute Bill Compared to Original Bill: This bill is essentially the same as the original bill, with technical corrections. It clarifies that the gas tax is distributed to cities after the State Treasurer has made required deductions for interjurisdictional studies; corrects terminology; and through the use of decimal points, ensures greater revenue neutrality. The bill contains an emergency clause and takes effect on July 1, 1999. However, the bill is null and void if not funded in the budget.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 1999.

Testimony For: Simplifies gas tax distribution statutes so they will be easier to administer and understand.

Testimony Against: None.

Testified: Amy Arnis, Department of Transportation; Diane Carlson, Association of Washington Cities; Jerry Fay, Transportation Improvement Board.