

SENATE BILL REPORT

SB 5556

As Reported By Senate Committee On:
Natural Resources, Parks & Recreation, March 1, 1999
Transportation, March 8, 1999

Title: An act relating to fuel taxes attributable to marine and nonhighway uses.

Brief Description: Freeing the base for transfers of marine and nonhighway fuel taxes.

Sponsors: Senators Fraser, Oke, Jacobsen, Haugen, Heavey, T. Sheldon, Winsley, Rasmussen, Patterson, Sellar, Zarelli, Roach, Stevens, Kohl-Welles, McCaslin, Thibaudeau, Honeyford, Costa, Eide, Morton, Horn and Hochstatter.

Brief History:

Committee Activity: Natural Resources, Parks & Recreation: 3/1/99 [DPS-TRAN].
Transportation: 3/5/99, 3/8/99 [DP2S, DNPS].

SENATE COMMITTEE ON NATURAL RESOURCES, PARKS & RECREATION

Majority Report: That Substitute Senate Bill No. 5556 be substituted therefor, and the substitute bill do pass and be referred to Committee on Transportation.

Signed by Senators Jacobsen, Chair; T. Sheldon, Vice Chair; Hargrove, Morton, Oke, Rossi, Snyder, Spanel and Stevens.

Staff: David Johnson (786-7754)

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Second Substitute Senate Bill No. 5556 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Goings, Vice Chair; Costa, Eide, Horn, Jacobsen, Johnson, Morton, Oke, Patterson, Sellar, Shin and Swecker.

Minority Report: Do not pass substitute.

Signed by Senator Benton.

Staff: Jeff Doyle (786-7322)

Background: The marine fuel tax refund account is the repository for monies derived from the tax on motor vehicle fuel used solely for marine applications. They remain in the fund until a claim for refund is made.

If claims for refunds are not made in the time allowed, the state gains the right to such refunds. On a monthly basis, the money in the marine fuel tax refund account is transferred to the recreational resource account and the motor vehicle fund. The exact proportion

depends on the fuel tax rate in effect January 1, 1990, which was 18 cents per gallon. Whatever amount remains after payment to the recreational resource account (currently 5 cents per gallon) is transferred to the motor vehicle fuel account.

Other non-highway use motor vehicle fuel tax refunds are handled similarly. Periodically, money is transferred from the motor vehicle fund to the general fund to be used for programs affecting off-road vehicles and snowmobiles.

Summary of Second Substitute Bill: The treasurer must transfer all of the money in the marine fuel tax refund account that is not required for payment of refund claims or costs to the recreation resource account. The proportional distribution factor, "motor vehicle fuel tax rate in effect January 1, 1990,- is eliminated.

The off-road vehicle (ORV) and nonhighway vehicle accounts receive 1 percent of the full 23 cents per gallon of the motor vehicle fuel tax. All disbursements from these funds after June 30, 2000, must be spent on motorized and nonmotorized users proportionately with their contributions to the motor vehicle fuel tax.

The snowmobile account is also give the full 23 cents per gallon of the motor vehicle fuel tax attributed to snowmobiles.

The Interagency Committee for Outdoor Recreation (IAC) is required to contract out for a study of the source and property distribution of revenues derived from the motor fuel tax paid by non-highway users. The report must be submitted by September 30, 2001, to the standing committees of the Legislature.

Funds disbursed for grants awarded after December 1, 2001, are spent on motorized and non-motorized users in proportion to their actual contributions to such funds as determined by the Legislature, pursuant to any recommendations of the required study.

Second Substitute Bill Compared to Substitute Bill: The second substitute bill adds provisions that allow IAC better cash flow for grant distribution, and requiring a study by IAC of the amount of revenue generated from fuel taxes by non-highway users and the relative allocation of grant funds from that revenue between motorized and non-motorized projects.

Substitute Bill Compared to Original Bill: The substitute bill redesignated the recreation resource account to receive the marine fuel tax receipts, rather than the outdoor recreation account. The substitute bill also added the requirements that ORV and nonhighway vehicle accounts be spent in proportion with their contributors' uses.

Appropriation: None.

Fiscal Note: Requested on February 5, 1999.

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

Testimony For: This will give recreational users their full fair share of their contributions, not the fair share from years ago. This also will direct funds to help the resource, in accordance with who uses the resource and how much it is used.

Testimony Against: This will cause a short fall in the motor vehicle fund that is not addressed but needs to be.

Testified (Natural Resources, Parks & Recreation): Amy Arnis, WSDOT; Tom Lucas, WA Trails Assn.; Jim Fox, IAC; PRO: Eric Johnson, WA Public Ports Assn.; Ray Schow, Recreational Boating Assn. of WA; Jim Murphy, Backcountry Horsemen of WA; Dave Hiatt, NW Motorcycle Assn.; Lynn Schroder, NW Marine Trade Assn.; Jim King, Coalition for Parks and Recreation; Barb Lindsay, NW Sportfishing Industry Assn.; Wayne Mohler, WA State Snowmobile Assn.; Eddie Armstrong.

Testified (Transportation): Senator Fraser, prime sponsor (pro); Ray Schow, Recreational Boating Assn. of Washington (pro); Eric Johnson, WA Public Ports Assn. (pro); Lynn Schroder, NW Marine Trade Assn. (pro); Mark Gjurasic, WA Snow Mobile Assn. (pro); Amy Arnis, Dept. of Transportation (neutral); Elizabeth Lunney, Chris Bell, WA Trails Assn. (pro).