

HOUSE BILL REPORT

HB 1993

As Reported by House Committee On:
Transportation

Title: An act relating to vehicle license fees.

Brief Description: Adjusting vehicle license fees.

Sponsors: Representatives Hankins, Fisher, Mitchell and Wood.

Brief History:

Committee Activity:

Transportation: 2/21/01, 2/22/01 [DPS].

Brief Summary of Substitute Bill

- Establishes an additional 50 cent fee on all new and renewal vehicle license fees. The revenue generated by this fee is to be deposited into the Department of Licensing Services Account and shall be used for agent and subagent support.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Fisher, Democratic Co-Chair; Mitchell, Republican Co-Chair; Cooper, Democratic Vice Chair; Hankins, Republican Vice Chair; Anderson, G. Chandler, Haigh, Hatfield, Hurst, Jarrett, Mielke, Murray, Reardon, Rockefeller, Romero, Skinner, Wood and Woods.

Minority Report: Without recommendation. Signed by 10 members: Representatives Ericksen, Republican Vice Chair; Lovick, Democratic Vice Chair; Ahern, Armstrong, Jackley, Marine, Morell, Schindler, Simpson and Sump.

Staff: Reema Griffith (786-7301).

Background:

During the 2000 legislative session, the Legislature passed Senate Bill 6865 which carried out many provisions of Initiative 695. Among those provisions enacted was the repeal of

RCW 46.16.060 which established general license fees, including a 50 cent fee on all new and renewal vehicle licenses. The funds generated by this fee were deposited into the Department of Licensing Services Account (DLSA) and were used for two things: 1) to support the Department of Licensing's information and service delivery systems; and 2) to provide assistance to counties that could not cover the cost of vehicle licensing activities through services fees.

Although the 50 cent fee was repealed, the DLSA was left intact and exists today, albeit with no revenue source. Even though the licensing fee was repealed, the department continues to be financially responsible for providing the same support and services to its agents and subagents that existed prior to the repeal. The result of this fact is that the DLSA fund balance continues to be drawn down and it is estimated that the funds will run out within the first year of the 2001-03 biennium. In order to compensate for this loss in revenue, the department has requested in their 01-03 budget submittal, \$3.1 million from the Motor Vehicle Fund to maintain the current level of service and support provided to the county agents and subagents.

Summary of Substitute Bill:

In order to provide a dedicated fund source to pay for the service and support provided by the department to its county agents and subagents, a 50 cent fee on all new and renewal vehicle licenses is reinstated. The revenue generated by this fee shall be deposited into the DLSA for county agent and subagent support, which is to include the replacement of department-owned equipment in the possession of the agents and subagents.

This bill will take effect August 1, 2001 and be applied to vehicle registration fees as they are due or become due.

Substitute Bill Compared to Original Bill:

Adds an effect date of August 1, 2001.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: This bill takes effect on August 1, 2001.

Testimony For: Will provide vital funding for the Department of Licensing's support of its agents and subagents.

Testimony Against: The public should not have to pay the 50 cent fee.

Testified: (In support) Eric Andersen, Department of Licensing.

(Opposed) Merton Cooper, citizen.