

*Transportation Committee*

**HB 2171**

**Brief Description:** *Studying distribution of ORV funds.*

**Sponsors:** *Representatives Mitchell, Cooper, Ericksen, Fisher and Haigh.*

**Brief Summary of Bill**

- *Requires the Inter Agency Committee for Outdoor Recreation (IAC) and the Department of Licensing (DOL) to jointly contract with an independent entity to study the sources of refund fuel tax revenue and make recommendations on the distributions and uses of the funds distributed through the IAC's off-road recreational grant program.*

**Hearing Date:**

**Staff:** *Reema Griffith (786-7301).*

**Background:**

*In 1971 the Legislature determined that those individuals who used fuel for nonhighway purposes were entitled to a refund on their fuel tax, and therefore required that 1 percent of fuel tax revenue collected be set aside and deposited into the General Fund for refund purposes. The fuel tax rate at that time was 18 cents per gallon which was capped at that level and is held constant today.*

*Under current law, 54.5 percent of the set aside revenue must be deposited into the Nonhighway and Off-Road Vehicle Activities Program Account (NOVA), which is administered by the Inter-Agency Committee for Outdoor Recreation (IAC). Current law mandates the expenditure of these funds, which is done via a grant program within the IAC and is distributed as follows:*

- *20 percent to ORV education, information, and law enforcement;*
- *20 percent to nonhighway road recreation facilities; and*
- *60 percent to ORV recreation facilities.*

*Since the enactment of the fuel tax refund provisions and distribution requirements, the equity of the allocation formulas have been both questioned and challenged by the different recreational user groups. The main issue surrounding refund revenue distributions is that there is no way to correlate the current distribution levels with actual contributions by the different user groups. This correlation cannot be drawn mainly because there is no reliable data that would indicate the amount of fuel consumption attributable to nonhighway and off-road vehicle recreational activities. Because of this lack of data, it is unclear and indeterminable as to how much of the fuel tax refund revenue generated is directly attributable to the different user groups including, motorized recreational off-road vehicles.*

***Summary of Bill:***

*Requires the IAC and the DOL to jointly contract with an independent entity to study the sources of refund fuel tax revenue and make recommendations on the distributions and uses of the funds distributed through the IAC's off-road recreational grant program.*

*The IAC and the DOL must review the study findings and submit a report to the Legislature by January 1, 2003. The report must include recommendations on possible amendments to current statutory distribution requirements.*

*The IAC must establish a technical advisory committee composed of a cross-section of nonhighway road recreational trail users to advise the agency regarding the study and final report.*

***Appropriation:*** *Based on Fiscal Note.*

***Fiscal Note:*** *Requested on February 27, 2001.*

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