

SENATE BILL REPORT

ESHB 2969

As Reported By Senate Committee On:
Transportation, March 4, 2002

Title: An act relating to transportation improvement and financing.

Brief Description: Addressing transportation improvement and financing.

Sponsors: House Committee on Transportation (originally sponsored by Representative Fisher).

Brief History:

Committee Activity: Transportation: 3/2/02, 3/4/02 [DPA].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended.

Signed by Senators Haugen, Chair; Gardner, Vice Chair; Eide, Finkbeiner, Horn, Jacobsen, Kastama, Keiser, McAuliffe, Prentice, Shin and Swecker.

Staff: Dean Carlson (786-7305)

Background: Transportation funding in Washington is supported by a variety of taxes and fees. The majority of statewide transportation revenue comes from a 23-cent-per-gallon tax on motor vehicle and special fuel, vehicle licensing fees, and gross weight fees. Transportation funding can be divided into two general categories.

The Legislature and the Governor formed the Blue Ribbon Commission on Transportation (BRCT) in 1998 to assess the local, regional, and state transportation system; ensure that current and future money is spent wisely; make the system more accountable and predictable; and prepare a 20-year plan for funding and investing in the transportation system.

Two of the many recommendations of the Blue Ribbon commission were:

- "Establish a single point of accountability at the state level, strengthening the role of the state in ensuring accountability of the statewide transportation system;" and
- "Develop a package of new revenues to fund a comprehensive multimodal set of investments, which, taken together with the recommended efficiency measures and reforms, will ensure a 20-year program of preserving, optimizing and expanding the state's transportation system."

Summary of Amended Bill: Accountability. The Legislative Transportation Committee (LTC) is replaced by the Legislative Transportation Accountability Committee (LTAC). All duties of the LTC are transferred to the LTAC.

The LTAC may contract for audit services to initiate an audit, or to assist in the review the Transportation Accountability Audit developed by the Department of Transportation (WSDOT).

Twice yearly, the WSDOT prepares and submits to the Transportation Commission a Transportation Accountability Audit. The commission reviews the audit and may request additional data.

The commission forwards the Transportation Accountability Audit to the LTAC. The LTAC reviews the audit and takes appropriate action. The LTAC may make recommendations to the commission and WSDOT.

Revenue. A 40 percent surcharge is assessed on the gross weight portion of the combined licensing fee paid by trucks, tractors, and buses with the first 20 percent to go into effect on October 1, 2002, and the second 20 percent to go into effect on October 1, 2003. Motor homes are added to those types of vehicles subject to the combined licensing fee. The proceeds from the surcharge and the fees collected from motor homes must be deposited in the motor vehicle fund.

Beginning October 1, 2002, the sales and use tax applicable to motor vehicles is increased by 1 percent. The revenue collected from the increase in the tax on motor vehicles must be deposited in the multimodal transportation account.

The state gas tax is increased by 9 cents per gallon. The increase is phased in with the first 3 cents going into effect on October 1, 2002 and an additional 3 cent increase going into effect in October 1, 2003, and October 1, 2004. All of the revenue generated by the increases is deposited into the motor vehicle fund.

Beginning October 1, 2002, the state special fuel tax is increased by 6 cents per gallon. The state special fuel tax is increased by an additional 3 cents per gallon on October 1, 2003, and October 1, 2004. All of the revenue generated by the increases is deposited into the motor vehicle fund.

Effective July 1, 2005, the sales and use taxes paid on new construction projects are transferred to the multimodal transportation account.

The base for the distribution of motor vehicle fuel tax transfers for off-road vehicles, snowmobiles and marine use is raised from 18 cents to 23 cents.

Amended Bill Compared to Substitute Bill: The substitute bill was not considered.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: We appreciate the problem and encourage a vote here. Contractors are looking elsewhere for work and are laying off employees. Please press on and we encourage

you to pass it here. We support the bill but we would like to see the nova cap raised to 23 cents. We will be able to spend the additional money.

Testimony Against: WTA opposes the bill and reluctantly supports the House version, at the lower taxing levels on trucks. We support the House bill because it has better support for transit. Paratransit is important to get disabled people to their jobs. The Potato Commission has a problem with the diesel differential and suggests that you add a penny in the gas tax to make up the differential. Otherwise we support the bill.

Testified: PRO: Dick Ducharme, farmer; Duke Schaub, AGC; Rick Wickman, Seattle Mariners, FCC, Food Processors; Charlie Brown, WA. Oil Marketers, WA St. Potato Commission; Doug MacDonald, WSDOT; Gary Smith, Ind. Bus. Assoc.; Pat Jones, Wa. Public Ports Assoc.; Steve Gorcester, TIB; Ashley Probart, AWC; Craig Engelking, Sierra Club.

With Concerns: Jim Boldt, WA Auto Dealers; Mark Johnson, NFIB; Peter Thein, WSTA; Dan Snow, citizen; Cliff Webster, NW Marine Trade Association; Jim King, Citizen Parks and Recreation; Loren McGovern, recreation supporter; Diane Nelson, NW Motorcycle Association; Jackie White, WSAC; Stephanie Bowman, Greater Seattle Chamber of Commerce; Sharon Case, Community Residential Services Association.

CON: Sherry Appleton, ATULC; Larry Pursley, WTA; Bill LaBorde, Transportation Choices Coalition.