

SENATE BILL REPORT

SB 5746

As of February 13, 2001

Title: An act relating to transportation financing.

Brief Description: Modifying transportation financing.

Sponsors: Senators Haugen, Horn and Kohl-Welles; by request of The Blue Ribbon Commission on Transportation.

Brief History:

Committee Activity: Transportation: 2/13/01.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Jennifer Strus (786-7484)

Background: 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.

In its final report, the BRCT made 18 recommendations. Recommendation 17 recommended that the Legislature develop a new package of revenues to fund a comprehensive multi-modal 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 Bill: Nonmotorized vehicles, including trailers, must pay annual license tab fees of \$30.

In addition to the license tab fees, all vehicles must pay a weight fee based upon the unladen (scale) weight. For vehicles under 4,000 pounds (includes most autos and sport utility vehicles), the weight fee is \$11.25. The revenue derived from the weight fee must be deposited in the motor vehicle fund (MVF). The weight fee does not apply to trailers.

Beginning with all motor vehicle registrations that are due or become due on November 1, 2002, a 25 percent surcharge is assessed on the gross weight portion of the combined licensing fee for all trucks. The proceeds from the surcharge are deposited into the MVF for use on projects dealing with freight mobility.

By July 1, 2007, ferry fares will cover 80 percent of the total cost of maintenance and operation. By July 1, 2021, ferry fares will cover 90 percent of the total cost of maintenance and operation. The fare increases are subject to the following conditions: the increases are phased in over time and the Washington State Department of Transportation must annually evaluate the elasticity in ridership as a result of the fare increases.

A sales tax on motor fuel is created. The tax is based upon the wholesale purchase price per gallon or 80 cents, whichever is lower. The tax must be paid at the rack.

The tax on motor vehicle fuel is increased by 6 cents per gallon. The proceeds must be deposited into the MVF.

The amount of the local option motor vehicle license fee that can be imposed by the counties is raised from \$15 to \$50. The referendum provision is removed.

Tax increment financing is authorized.

Revenue collected from the sales and use taxes on transportation-related activities must be deposited into the multimodal transportation account.

The State Treasurer shall annually transfer from the general fund to the multimodal transportation account the amount of sales and use tax revenue received on transportation-related construction activities.

The counties that are members of the Puget Sound Regional Council may authorize a local option regional sales and use tax. The tax must be approved by voters. The rate of tax equals two-tenths of 1 percent of the selling price for the sales tax, and the value of the article used for the use tax.

The legislative authority of a county, city or town may impose a vehicle miles traveled (VMT) charge for the miles traveled by a person in a congested region. Congested region is defined as Snohomish, King and Pierce counties. The VMT charge cannot exceed two cents per mile driven. Only the miles traveled in a congested region are subject to the VMT charge.

A traffic mitigation excise tax of \$20 for each motor vehicle is paid annually to the Department of Licensing upon vehicle registration. The proceeds collected must be deposited into the multimodal transportation account.

An additional business and occupation tax is imposed on the sales of motor vehicles or motor vehicle accessories at wholesale. The amount of the tax equals the gross proceeds of sales of the business multiplied by 2 percent.

Appropriation: None.

Fiscal Note: Requested on February 12, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed, except for Sections 30 and 31, which take effect on July 1, 2001.