

# SENATE BILL REPORT

## SB 6659

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As of January 29, 2002

**Title:** An act relating to transportation financing.

**Brief Description:** Revising transportation funding.

**Sponsors:** Senators Haugen, Jacobsen and Fairley; by request of Governor Locke.

**Brief History:**

**Committee Activity:** Transportation: 1/30/02.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Dean Carlson (786-7305)

**Background:** Transportation funding in the state of Washington is supported by a variety of taxes and fees, with the bulk of the funding coming from the gas tax and vehicle registration fees.

In November of 1999, Washington citizens passed Initiative 695 (eliminating the Motor Vehicle Excise Tax (MVET) and setting initial and renewal registration fees at \$30 for most vehicle classes). During the 2000 Special Session, the Legislature enacted SB 6865. SB 6865 placed a \$30 registration fee on all motor vehicles regardless of year, value, make, or model. As a result, revenues to support transportation in Washington have been reduced considerably.

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.

**Summary of Bill:** Beginning with all motor vehicle registrations that are due or become due on July 1, 2002, a 20 percent surcharge is assessed on the gross weight portion of the combined licensing fee paid by trucks, tractors, and buses. 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 July 1, 2002 through June 30, 2003, the sales and use tax applicable to motor vehicles is increased by 1 percent. Beginning July 1, 2003, the sales and use tax applicable to motor vehicles is increased by 1 and 1/2 percent. The revenue collected from the increase in the tax on motor vehicles must be deposited in the multi-modal transportation account.

Beginning July 1, 2002, the state gas tax is increased by three cents per gallon. The state gas tax is increased by an additional three cents per gallon on July 1, 2003 and July 1, 2004. All of the revenue generated by the increases are deposited into the motor vehicle fund.

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

**Appropriation:** None.

**Fiscal Note:** Not requested.

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