

# HOUSE BILL REPORT

## HB 1053

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**As Reported By House Committee On:**  
Transportation

**Title:** An act relating to the consolidation of the fuel tax rate, and fuel tax distribution statutes maintaining revenue neutrality among fuel tax recipients.

**Brief Description:** Simplifying the transportation funding statutes.

**Sponsors:** Representatives Fisher, K. Schmidt, Hatfield, Radcliff, O'Brien, Tokuda, Hurst, Skinner and Hankins; by request of Legislative Transportation Committee.

**Brief History:**

**Committee Activity:**

Transportation: 1/28/99, 2/16/99 [DPS].

### Brief Summary of Substitute Bill

- The current gas tax is imposed in three different statutes and has 20 distributions.
- This bill will impose the gas tax once with ten distributions.

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## HOUSE COMMITTEE ON TRANSPORTATION

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 23 members: Representatives Fisher, Democratic Co-Chair; K. Schmidt, Republican Co-Chair; Cooper, Democratic 1st Vice Chair; Edwards, Democratic 2nd Vice Chair; Ericksen, Republican Vice Chair; Hankins, Republican Vice Chair; Buck; G. Chandler; Haigh; Hatfield; Hurst; Lovick; McDonald; Mielke; Mitchell; Ogden; Pflug; Radcliff; Schindler; Schual-Berke; Scott; Skinner and Wood.

**Staff:** Brad Lovaas (786-7307).

**Background:**

Currently, the Washington motor fuel tax rate of 23 cents per gallon is presented in the RCW as three different rates of 17 cents, 1 cent, and 5 cents. As well, the distributions for the 17 cent, 1 cent, and 5 cent rates are found in different sections of RCW 82.36 and RCW 46.68. The distribution for the 17 cents are based on percentages, while the distributions for the 1 cent and 5 cent rates are based on pennies. The combination of different rates and distributions based on percentages and pennies, makes the fuel tax statutes difficult to work with.

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**Summary of Substitute Bill:**

This bill cleans up the motor fuel tax statutes by collapsing these motor fuel tax rates into one rate of 23 cents. This bill also takes all of the fuel tax distributions and places them in one section on a percentage basis, while maintaining revenue neutrality.

This bill also eliminates motor fuel tax distributions to the small city account and the city hardship assistance account and places both of their distributions into the urban arterial trust account.

Finally, this bill repeals old sections in the RCW that are no longer necessary for paying off debt service.

**Substitute Bill Compared to Original Bill:** This bill is essentially the same as the original bill, with technical corrections. It clarifies that the gas tax is distributed to cities after the State Treasurer has made required deductions for interjurisdictional studies; corrects terminology; and through the use of decimal points, ensures greater revenue neutrality.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect on July 1, 1999. However, the bill is null and void if not funded in the budget.

**Testimony For:** (original bill) Simplifies gas tax distribution statutes so they will be easier to administer and understand.

**Testimony Against:** None.

**Testified:** Amy Arnis, Department of Transportation; Diane Carlson, Association of Washington Cities; and Jerry Fay, Transportation Improvement Board.