

SENATE BILL REPORT

SHB 1342

AS REPORTED BY COMMITTEE ON TRANSPORTATION, APRIL 3, 1991

**Brief Description:** Authorizing cities to impose an excise tax on the sale or distribution of motor vehicle fuel and special fuel.

**SPONSORS:** House Committee on Transportation (originally sponsored by Representatives Kremen, Braddock, R. Fisher, Spanel, R. Johnson and Nelson).

**HOUSE COMMITTEE ON TRANSPORTATION**

**SENATE COMMITTEE ON TRANSPORTATION**

**Majority Report:** Do pass as amended.

Signed by Senators Patterson, Chairman; von Reichbauer, Vice Chairman; Barr, Conner, Hansen, Madsen, McMullen, Oke, Sellar, Snyder, Thorsness, and Vognild.

**Staff:** Roger Horn (786-7839); Louise Bray Sandison (786-7322)

**Hearing Dates:** April 3, 1991

**BACKGROUND:**

Communities on the Canadian border are experiencing traffic congestion and road impacts due to Canadian motorists coming over the border solely to buy motor fuel. It is thought that these communities need additional authority to levy a fuel tax for street maintenance and construction.

Under current law cities receive a portion of the state-levied motor vehicle fuel tax. In addition, certain local option taxing authority is available to cities: a share of a county-levied motor vehicle fuel tax (10 percent of state rate), a share of a county-levied vehicle registration fee (up to \$15 per vehicle), a city street utility, and a city parking tax.

**SUMMARY:**

"Border area cities" are authorized to enact, with voter approval, a tax of up to one cent per gallon on motor vehicle fuel and special fuel. "Border area cities" are cities whose close proximity to an international crossing results in extraordinary traffic levels and impacts. Cities so specified include Sumas, Blaine, Lynden, Nooksack and Everson.

Cities imposing the tax would be responsible for collection. Revenue accruing from the tax, less cost of administration, may be used only for street maintenance and construction.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** available

**Effective Date:** July 1, 1991

**SUMMARY OF PROPOSED SENATE AMENDMENT:**

All cities and towns within ten miles of an international border crossing and transportation benefit districts that include an international border crossing would be eligible to impose, with voter approval, a local option gas tax of up to 1 cent.

**TESTIMONY FOR:**

Canadians come to small border cities specifically to buy gas. The heavy traffic causes deterioration of roads and creates a need for more signals and other traffic improvements. Revenue from gas tax distributions and other sources is insufficient to meet these needs.

**TESTIMONY AGAINST:** None

**TESTIFIED:** PRO: Butch Hinchey, City of Blaine; Bob Mitchell, City Sumas; Alma Wagner, City of Blaine