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**SENATE BILL 5617**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Warnick, Fraser, Hatfield, Fain, Litzow, Liias, and Hobbs

AN ACT Relating to marine, off-road recreational vehicle, and snowmobile fuel tax refunds based on actual fuel taxes paid; amending RCW 46.09.520, 46.10.530, and 79A.25.070; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that through statutory mechanisms and voter-approved initiatives, a longstanding commitment has been in place to direct refunds from fuel tax purchases made by boaters, off-road vehicle riders, and snowmobilers into dedicated nonhighway-purpose accounts that provide infrastructure grants and operating assistance to those nonhighway users.

The legislature finds that the state departed from its commitment in 2003 and 2005 when motor vehicle fuel tax increases of five cents and nine and one-half cents contained no statutory direction to dedicate the refund percentage from the fourteen and one-half cents of fuel tax purchases made by boaters, off-road vehicle riders, and snowmobilers into the appropriate nonhighway-purpose user accounts.

The legislature intends to remedy this problem by fully restoring the refund percentages into nonhighway-purpose accounts established to benefit nonhighway users of fuel. The legislature also intends to honor its commitment when the refund amounts from nonhighway-purpose fuel tax purchases are no longer necessary to repay bonded debt associated with the 2003 and 2005 motor vehicle fuel tax increases. The legislature also intends to specify that as of July 1, 2031, the state will apply the total percentage of nonhighway-purpose fuel tax refunds into the proper nonhighway user accounts for boaters, off-road vehicle riders, and snowmobilers.

**Sec.**  RCW 46.09.520 and 2013 c 225 s 608 are each amended to read as follows:

(1) From time to time, but at least once each year, the state treasurer must refund from the motor vehicle fund one percent of the motor vehicle fuel tax revenues collected under chapter 82.38 RCW, based on: (a) A tax rate of: ((~~(a)~~))(i) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; ((~~(b)~~))(ii) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; ((~~(c)~~))(iii) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; ((~~(d)~~))(iv) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; and ((~~(e)~~))(v) twenty-three cents per gallon of motor vehicle fuel ((~~beginning~~))from July 1, 2011, ((~~and thereafter~~))through June 30, 2031; and (b) beginning July 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in existence at the time of the fuel purchase, less proper deductions for refunds and costs of collection as provided in RCW 46.68.090.

(2) The treasurer must place these funds in the general fund as follows:

(a) Thirty-six percent must be credited to the ORV and nonhighway vehicle account and administered by the department of natural resources solely for acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities, and information programs and maintenance of nonhighway roads;

(b) Three and one-half percent must be credited to the ORV and nonhighway vehicle account and administered by the department of fish and wildlife solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and the maintenance of nonhighway roads;

(c) Two percent must be credited to the ORV and nonhighway vehicle account and administered by the parks and recreation commission solely for the acquisition, planning, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities; and

(d) Fifty-eight and one-half percent must be credited to the nonhighway and off-road vehicle activities program account to be administered by the board for planning, acquisition, development, maintenance, and management of ORV, nonmotorized, and nonhighway road recreation facilities and for education, information, and law enforcement programs. The funds under this subsection must be expended in accordance with the following limitations:

(i) Not more than thirty percent may be expended for education, information, and law enforcement programs under this chapter;

(ii) Not less than seventy percent may be expended for ORV, nonmotorized, and nonhighway road recreation facilities. Except as provided in (d)(iii) of this subsection, of this amount:

(A) Not less than thirty percent, together with the funds the board receives under RCW 46.68.045, may be expended for ORV recreation facilities;

(B) Not less than thirty percent may be expended for nonmotorized recreation facilities. Funds expended under this subsection (2)(d)(ii)(B) are known as Ira Spring outdoor recreation facilities funds; and

(C) Not less than thirty percent may be expended for nonhighway road recreation facilities;

(iii) The board may waive the minimum percentage cited in (d)(ii) of this subsection due to insufficient requests for funds or projects that score low in the board's project evaluation. Funds remaining after such a waiver must be allocated in accordance with board policy.

(3) On a yearly basis an agency may not, except as provided in RCW 46.68.045, expend more than ten percent of the funds it receives under this chapter for general administration expenses incurred in carrying out this chapter.

(4) During the 2009-2011 fiscal biennium, the legislature may appropriate such amounts as reflect the excess fund balance in the NOVA account to the department of natural resources to install consistent off-road vehicle signage at department-managed recreation sites, and to implement the recreation opportunities on department-managed lands in the Reiter block and Ahtanum state forest, and to the state parks and recreation commission. The legislature finds that the appropriation of funds from the NOVA account during the 2009-2011 fiscal biennium for maintenance and operation of state parks or to improve accessibility for boaters and off-road vehicle users at state parks will benefit boaters and off-road vehicle users and others who use nonhighway and nonmotorized recreational facilities. The appropriations under this subsection are not required to follow the specific distribution specified in subsection (2) of this section.

**Sec.**  RCW 46.10.530 and 2003 c 361 s 408 are each amended to read as follows:

From time to time, but at least once each four years, the department shall determine the amount of moneys paid to it as motor vehicle fuel tax that is tax on snowmobile fuel. Such determination shall use one hundred thirty-five gallons as the average yearly fuel usage per snowmobile, the number of registered snowmobiles during the calendar year under determination, and: (1) A fuel tax rate of: ((~~(1)~~))(a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; ((~~(2)~~))(b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; ((~~(3)~~))(c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; ((~~(4)~~))(d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; and ((~~(5)~~))(e) twenty-three cents per gallon of motor vehicle fuel ((~~beginning~~))from July 1, 2011, ((~~and thereafter~~))through June 30, 2031; and (2) beginning July 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in existence at the time of the fuel purchase.

**Sec.**  RCW 79A.25.070 and 2010 c 23 s 3 are each amended to read as follows:

Upon expiration of the time limited by RCW 82.36.330 for claiming of refunds of tax on marine fuel, the state of Washington shall succeed to the right to such refunds. The director of licensing, after taking into account past and anticipated claims for refunds from and deposits to the marine fuel tax refund account, shall request the state treasurer to transfer monthly from the marine fuel tax refund account an amount equal to the proportion of the moneys in the account representing: (1) A motor vehicle fuel tax rate of: ((~~(1)~~))(a) Nineteen cents per gallon of motor vehicle fuel from July 1, 2003, through June 30, 2005; ((~~(2)~~))(b) twenty cents per gallon of motor vehicle fuel from July 1, 2005, through June 30, 2007; ((~~(3)~~))(c) twenty-one cents per gallon of motor vehicle fuel from July 1, 2007, through June 30, 2009; ((~~(4)~~))(d) twenty-two cents per gallon of motor vehicle fuel from July 1, 2009, through June 30, 2011; and ((~~(5)~~))(e) twenty-three cents per gallon of motor vehicle fuel ((~~beginning~~))from July 1, 2011, ((~~and thereafter~~))through June 30, 2031; and (2) beginning July 1, 2031, and thereafter, the state's motor vehicle fuel tax rate in existence at the time of the fuel purchase, to the recreation resource account and the remainder to the motor vehicle fund.

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