
Transportation Committee

HB 1738

Brief Description: Concerning marine, off-road recreational vehicle, and snowmobile fuel tax refunds based on actual fuel taxes paid.

Sponsors: Representatives Orcutt, Clibborn, Hayes, Fey, Hargrove, Farrell, Zeiger, Moscoso, Muri, Condotta, Buys and Harmsworth.

Brief Summary of Bill

- Maintains the fuel tax rate for marine, off-road vehicle, and snowmobile fuel tax refunds and transfers at 23 cents per gallon through June 30, 2031.
- Changes the fuel tax rate for marine, off-road vehicle, and snowmobile fuel tax refunds and transfers beginning on July 1, 2031, and thereafter. The refunds and transfers will be based on the state's fuel rate in existence at the time of the fuel purchase.

Hearing Date: 2/11/15

Staff: Jerry Long (786-7306).

Background:

Non-highway and off-road fuel tax refunds are calculated using a lower fuel tax rate than the actual motor vehicle fuel tax rate. As a result, some fuel taxes paid by non-highway and off-road vehicle users are incorporated into the state's transportation budget and used for highway purposes by state agencies, cities, and counties. In 1990 the fuel tax was increased to 23 cents per gallon, and the refunds were limited to 18 cents per gallon for off-road and non-highway users. In 2003 when the fuel tax was increased to 28 cents, the refund rate was increased by 1 cent per gallon per biennium, ending at 23 cents per gallon after July 1, 2011. The full 5 cents of the "Nickel Package" was dedicated to state projects, and other highway purposes. In 2005 when the 9.5 cent fuel tax was increased, the refunds remained at 23 cents, and the full 9.5 cents were used for state and local highway projects, and other highway purposes.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Marine Fuel Tax Refunds.

The Revised Code of Washington (RCW) 79A.25.070 directs that, after taking into account past and anticipated claims for refunds, an amount equal to 23 cents per gallon is transferred monthly to the Recreation Resources Account, for administration by the Recreation and Conservation Funding Board, to benefit watercraft recreation.

Off-Road Vehicle Fuel Tax Refunds.

RCW 46.09.520 directs that 1 percent of the motor vehicle fuel tax revenues, which are paid by off-road vehicle (ORV) users, that is equivalent to 23 cents per gallon of ORV fuel tax, be divided between two accounts:

- the ORV and Non-Highway Vehicle Account—41.5 percent, for the development and maintenance of non-highway roads and recreation facilities, administered by the Department of Natural Resources, the Washington Department of Fish & Wildlife, and the State Parks and Recreation Commission; and
- the NOVA Program Account—58.5 percent, for the development and management of ORV, non-motorized and non-highway road recreation facilities, and administered by the Recreation and Conservation Office's Recreation and Conservation Funding Board.

Very few refunds are made.

Snowmobile Fuel Tax Refunds.

The RCW 46.10.530 directs the Department of Licensing to determine the fuel tax paid on snowmobile fuel. The law stipulates that the snowmobile fuel tax refund amount is determined by multiplying the number of registered snowmobiles by 135 gallons as the average yearly amount of fuel used, and a fuel tax rate of 23 cents per gallon. This amount is transferred to the Snowmobile Account administered by the State Parks and Recreation Commission. The funds are used for snowmobile recreational areas. No individual refunds are made.

Summary of Bill:

The bill maintains the fuel tax rate for marine, off-road vehicle, and snowmobiles fuel tax refunds and transfers at 23 cents per gallon through June 30, 2031. Beginning on July 1, 2031, and thereafter, the refunds and transfers will be based on the state's fuel rate in existence at the time of the fuel purchase.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.