

HOUSE BILL REPORT

HB 1837

As Reported by House Committee On:
Transportation

Title: An act relating to border area jurisdiction fuel tax authority.

Brief Description: Concerning border area jurisdiction fuel tax authority.

Sponsors: Representatives Morris and Lytton.

Brief History:

Committee Activity:

Transportation: 2/11/15, 2/16/15 [DP].

Brief Summary of Bill

- Expands the radius from an international border crossing in which cities and towns are eligible to impose a motor vehicle and special fuel tax to 25 miles.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 13 members: Representatives Clibborn, Chair; Farrell, Vice Chair; Fey, Vice Chair; Moscoso, Vice Chair; Bergquist, Gregerson, McBride, Moeller, Ortiz-Self, Riccelli, Sells, Takko and Tarleton.

Minority Report: Do not pass. Signed by 11 members: Representatives Orcutt, Ranking Minority Member; Hargrove, Assistant Ranking Minority Member; Harmsworth, Hayes, Kochmar, Pike, Rodne, Shea, Wilson, Young and Zeiger.

Staff: David Munnecke (786-7315).

Background:

Cities and towns within 10 miles of an international border crossing, and transportation benefit districts (TBD) that have an international border crossing within their boundaries, are eligible to impose a border area fuel tax. This tax may be up to 1 cent per gallon on the retail sale of motor vehicle and special fuel, and may be imposed only after it is approved by a majority vote of the registered voters of the jurisdiction.

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.

Other than certain refunds and administration costs, the proceeds of a border area fuel tax may only be used for street maintenance and construction in the border area jurisdiction imposing the tax. The cities of Blaine, Nooksack, Point Roberts, and Sumas impose a border area fuel tax of 1 cent per gallon.

Summary of Bill:

The radius from an international border crossing in which cities and towns are eligible to impose a motor vehicle and special fuel tax is expanded to 25 miles.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) Tourism is a great boon to Bellingham, but it leads to costs as well. This bill mainly affects Bellingham, and it would give locals the control over whether they impose a local fuel tax.

The border area fuel tax is currently available within 10 miles of the border. The Blaine border crossing has 5 million crossings per year, and when combined with the nearby border crossings the total number of crossings is 7.5 million per year. Seventy-five percent of these trips are to Whatcom County and 35 percent are to Bellingham. All of these tourists have an effect on Bellingham's transportation system, but the gas tax that they generate is divided among the entire state.

(Opposed) We are opposed to local gas taxes. The border area fuel tax when implemented was focused on assisting with border crossing expenses, and expanding it to 25 miles could lead to expanding it further or to covering the costs of tourism in general.

The state gas tax should be increased, but the taxes on fuel should be the same statewide. A portion of the state gas tax could be allocated to local entities to pay for transportation costs.

Persons Testifying: (In support) Representative Lytton; and Ted Carlson, City of Bellingham.

(Opposed) Greg Hanon, Western States Petroleum Association; and Dave Ducharme, Washington Oil Marketer's Association.

Persons Signed In To Testify But Not Testifying: None.