

HOUSE BILL REPORT

HB 1284

As Reported by House Committee On:
Transportation

Title: An act relating to voter-approved fuel tax rates in border area jurisdictions.

Brief Description: Addressing voter-approved fuel tax rates in border area jurisdictions.

Sponsors: Representatives Shewmake, Ramel, Ramos and Pollet.

Brief History:

Committee Activity:

Transportation: 2/11/21, 2/19/21 [DP].

Brief Summary of Bill

- Increases the maximum border area fuel tax rate to 2 cents per gallon in 2021.
- Adjusts the maximum rate annually, by the rate of inflation as measured by the implicit price deflator.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 16 members: Representatives Fey, Chair; Wylie, 1st Vice Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Berry, Chapman, Duerr, Entenman, Hackney, Lovick, Ramel, Riccelli, Slatter, Taylor, Valdez and Wicks.

Minority Report: Do not pass. Signed by 13 members: Representatives Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Dent, Goehner, Griffey, Klicker, McCaslin, Orcutt, Paul, Sutherland and Walsh.

Staff: David Munnecke (786-7315).

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

Background:

Cities and towns within 10 miles of an international border crossing, and transportation benefit districts (TBDs) 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.

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, through a TBD, and Sumas impose a border area fuel tax of 1 cent per gallon.

Summary of Bill:

The maximum border area fuel tax rate is increased to 2 cents per gallon in 2021. This maximum rate is then adjusted annually, by the rate of inflation as measured by the implicit price deflator.

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) The cities of Blaine, Nooksack, Point Roberts, and Sumas are located on the Canadian border, and they all see more traffic due to that fact. Some people cross the border just to fill up their cars. The border area fuel tax rate has not been changed since 1993. This bill would allow an increase both now and in the future, but always with voter approval. This increase should be passed either through this bill or as part of a larger transportation package.

Freight traffic passes through Blaine, since it is a major port of entry between the United States and Canada, which leads to more required maintenance on the roads. The border area fuel tax was approved in Blaine 20 years ago, and it would be approved again today, because it allows for a contribution to costs from people that otherwise would not pay. The cost of gas is already higher in Blaine, so the tax increase would not be noticed, and it would provide \$200,000 per year to the city.

The border area fuel tax is locally collected by three cities and a TBD. All of the funds collected from the tax are used for road maintenance.

This would be a local option for the City of Sumas, and it would benefit the roads that have significant commercial traffic.

(Opposed) The fuel tax is a state resource, and the focus should be on using it for the state transportation system.

Persons Testifying: (In support) Representative Shewmake, prime sponsor; Bonnie Onyon, Richard May, and Michael Jones, City of Blaine; and Kyle Christensen, City of Sumas.

(Opposed) Amber Carter, Identity Clark County.

Persons Signed In To Testify But Not Testifying: None.