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## Transportation Committee

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### SB 6017

**Brief Description:** Expanding the use of the border area fuel tax.

**Sponsors:** Senators Shewmake, King, Lias and Nobles.

**Brief Summary of Bill**

- Expands the permitted uses of border area fuel tax proceeds from certain areas to include projects contained in the transportation plan of the state, a regional transportation planning organization, city, county, or transportation benefit district.

**Hearing Date:** 2/15/24

**Staff:** David Munnecke (786-7315).

**Background:**

Cities and towns within 10 miles of an international border crossing and any transportation benefit district which has within its boundaries an international border crossing, may impose an excise tax on the retail sale of motor vehicle fuel and special fuel within the jurisdiction. The tax is subject to voter approval. The tax rate may not exceed \$0.02 per gallon. For taxes submitted to the ballot after calendar year 2022 the rate may be adjusted to reflect an inflation factor.

The proceeds of the border area fuel tax, after paying specified refunds and administrative expenses, must be used solely for street maintenance and construction.

**Summary of Bill:**

The uses of the proceeds of a border area fuel tax imposed by a border area jurisdiction not

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directly connected to the continental United States, currently the Point Roberts Transportation Benefit District, are expanded to include projects contained in the transportation plan of the state, a regional transportation planning organization, city, county, or transportation benefit district. A project may include investments in: (1) new or existing highways of statewide significance; (2) principal arterials of regional significance; (3) high capacity transportation; (4) public transportation; and (5) other transportation projects and programs of regional or statewide significance, including transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.

An intent section is included that declares the Legislature's recognition that the border area fuel tax is not the state gas tax, but rather a local option, voter-approved transportation tax used for local transportation purposes. The intent section also states that the Legislature finds that because the border area fuel tax is not collected by the state, it is not subject to the Eighteenth Amendment to the Washington Constitution and is therefore not required to be used exclusively for highway purposes.

**Appropriation:** None.

**Fiscal Note:** Available.

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