

SENATE BILL REPORT

SB 6017

As Reported by Senate Committee On:
Transportation, January 25, 2024

Title: An act relating to expanding the use of the border area fuel tax.

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

Sponsors: Senators Shewmake, King, Liias and Nobles.

Brief History:

Committee Activity: Transportation: 1/18/24, 1/25/24 [DP].

Brief Summary of Bill

- Expands the permitted uses of certain border area fuel tax proceeds to include broadly defined transportation improvements.

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass.

Signed by Senators Liias, Chair; Lovick, Vice Chair; Shewmake, Vice Chair; King, Ranking Member; Cleveland, Fortunato, Hansen, Hawkins, Kauffman, Lovelett, MacEwen, Nobles, Padden, Valdez, Wilson, C. and Wilson, J..

Staff:

Background: Under current law, cities and towns within ten 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.

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.

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: Proceeds of a border area fuel tax, imposed by a border area jurisdiction not directly connected to the continental United States—currently the Point Roberts Transportation Benefit District, may be used for broadly defined transportation improvements. Transportation improvements for purposes of the bill include projects in a state, regional, or local transportation plan, and include both operating and capital improvements.

An intent section is included declaring 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 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 18th Amendment to the Washington Constitution and is therefore not required to be used exclusively for highway purposes.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is an important bill for the Point Roberts community given its unique geographic situation. During the COVID lockdowns, Point Roberts encountered many challenges, including revenue losses. A current challenge for the area is needing to bus children 28 miles through multiple border crossings. The transit agency in the area, Whatcom Transportation Authority (WTA), currently does not provide service to Point Roberts. The community would like to expand the permissible uses of the border area fuel tax in order to provide necessary transportation services. Similar bills have been offered in the past but failed to pass.

Persons Testifying: PRO: Senator Sharon Shewmake, Prime Sponsor; Mark Robbins, Point Roberts Taxpayers Association.

Persons Signed In To Testify But Not Testifying: No one.