

# SENATE BILL REPORT

## SHB 2730

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As Reported By Senate Committee On:  
Transportation, February 20, 1996

**Title:** An act relating to deductions from motor vehicle funds to cities and towns.

**Brief Description:** Adjusting deductions to the city hardship assistance account.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives McMahan, Sterk and K. Schmidt; by request of Transportation Improvement Board).

**Brief History:**

**Committee Activity:** Transportation: 2/20/96 [DP].

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### SENATE COMMITTEE ON TRANSPORTATION

**Majority Report:** Do pass.

Signed by Senators Owen, Chair; Heavey, Vice Chair; Goings, Haugen, Morton, Oke, Prentice, Prince, Rasmussen, Schow, Sellar, Thibaudeau and Wood.

**Staff:** Roger Horn (786-7839)

**Background:** Based on recommendations of a committee of state, city and county officials, the Legislature in 1991 shifted jurisdictional responsibility for several state and local roads. The state took over responsibility for some local roads, and some cities and counties took over state highways. The city hardship assistance account (CHAA) was created to help fund preservation projects on roadways taken over by cities with a population under 20,000. Twelve cities currently are eligible for grants from the account. Since April 1992, 2 percent of the state gas tax allocated to cities has been deposited into the account. This allocation generates about \$1.4 million per year, about twice the amount needed for the program. The fund balance in the account at the end of the 1995-97 biennium will be about \$4.0 million.

**Summary of Bill:** The percentage of city gas tax revenue going to the CHAA is reduced from 2 percent to 1 percent. Any fund balance in the account that is not required to carry out the program must be returned to cities and towns, according to the normal city gas tax distribution. The amount to be redistributed must be determined as of July 1, 1996, and July 1 of each odd-numbered year thereafter, and provided to the treasurer within 60 days.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** More money is in the city hardship assistance account than is necessary. The money should be distributed to cities to help fund important transportation needs.

**Testimony Against:** None.

**Testified:** Jerry Fay, Transportation Improvement Board (pro); Craig Olson, Association of WA Cities (pro).