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HOUSE BILL 2422

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State of Washington                      56th Legislature                      2000 Regular Session

By Representatives Pennington, Boldt, Koster, Haigh and Esser

Read first time 01/12/2000. Referred to Committee on Finance.

1            AN ACT Relating to sales tax exemptions for the use of nonpolluting  
2 fuels in passenger motor vehicles; amending RCW 82.38.075, 70.120.170,  
3 and 70.94.015; and adding a new section to chapter 82.08 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5            NEW SECTION.    **Sec. 1.** A new section is added to chapter 82.08 RCW  
6 to read as follows:

7            The tax imposed by this chapter shall not apply to the sale of  
8 passenger vehicles that are designed to use clean fuels as defined in  
9 RCW 70.94.015.

10           **Sec. 2.** RCW 82.38.075 and 1983 c 212 s 1 are each amended to read  
11 as follows:

12           In order to encourage the use of nonpolluting fuels, an annual  
13 license fee in lieu of the tax imposed by RCW 82.38.030 shall be  
14 imposed upon the use of natural gas as defined in this chapter or on  
15 liquified petroleum gas, commonly called propane, which is used in any  
16 motor vehicle, as defined in RCW 46.04.320, which shall be based upon  
17 the following schedule as adjusted by the formula set out below:

1	VEHICLE TONNAGE (GVW)	FEE
2	0 - 6,000	\$ ((45)) <u>0</u>
3	6,001 - 10,000	\$ ((45)) <u>0</u>
4	10,001 - 18,000	\$ ((80)) <u>0</u>
5	18,001 - 28,000	\$110
6	28,001 - 36,000	\$150
7	36,001 and above	\$250

8 To determine the actual annual license fee imposed by this section  
9 for a registration year, the appropriate dollar amount set out in the  
10 above schedule shall be multiplied by the motor vehicle fuel tax rate  
11 in cents per gallon as established by RCW 82.36.025 effective on July  
12 1st of the preceding calendar year and the product thereof shall be  
13 divided by 12 cents.

14 The department of licensing, in addition to the foregoing fee,  
15 shall charge a further fee of five dollars as a handling charge for  
16 each license issued.

17 The director of licensing shall be authorized to prorate the  
18 vehicle tonnage fee so that the annual license required by this section  
19 will correspond with the staggered vehicle licensing system.

20 A decal or other identifying device issued upon payment of these  
21 annual fees shall be displayed as prescribed by the department as  
22 authority to purchase this fuel.

23 Persons selling or dispensing natural gas or propane may not sell  
24 or dispense this fuel for their own use or the use of others into tanks  
25 of vehicles powered by this fuel which do not display a valid decal or  
26 other identifying device as provided in this section.

27 Vehicles registered in jurisdictions outside the state of  
28 Washington are exempt from this section.

29 Any person selling or dispensing natural gas or propane into the  
30 tank of a motor vehicle powered by this fuel, except as prescribed in  
31 this chapter, is subject to the penalty provisions of this chapter.

32 **Sec. 3.** RCW 70.120.170 and 1998 c 342 s 4 are each amended to read  
33 as follows:

34 (1) The department shall administer a system for emission  
35 inspections of all motor vehicles, except those described in RCW  
36 46.16.015(2), that are registered within the boundaries of each  
37 emission contributing area. Under such system a motor vehicle shall be  
38 inspected biennially except where an annual program would be required

1 to meet federal law and prevent federal sanctions. In addition, motor  
2 vehicles shall be inspected at each change of registered owner of a  
3 licensed vehicle as provided under RCW 46.16.015.

4 (2) The director shall:

5 (a) Adopt procedures for conducting emission inspections of motor  
6 vehicles. The inspections may include idle and high revolution per  
7 minute emission tests. The emission test for diesel vehicles shall  
8 consist solely of a smoke opacity test.

9 (b) Adopt criteria for calibrating emission testing equipment.  
10 Electronic equipment used to test for emissions standards provided for  
11 in this chapter shall be properly calibrated. The department shall  
12 examine frequently the calibration of the emission testing equipment  
13 used at the stations.

14 (c) Authorize, through contracts, the establishment and operation  
15 of inspection stations for conducting vehicle emission inspections  
16 authorized in this chapter. No person contracted to inspect motor  
17 vehicles may perform for compensation repairs on any vehicles. No  
18 public body may establish or operate contracted inspection stations.  
19 Any contracts must be let in accordance with the procedures established  
20 for competitive bids in chapter 43.19 RCW.

21 (3) Subsection (2)(c) of this section does not apply to volunteer  
22 motor vehicle inspections under RCW 70.120.020(1) if the inspections  
23 are conducted for the following purposes:

24 (a) Auditing;

25 (b) Contractor evaluation;

26 (c) Collection of data for establishing calibration and performance  
27 standards; or

28 (d) Public information and education.

29 (4)(a) The director shall establish by rule the fee to be charged  
30 for emission inspections. The inspection fee shall be a standard fee  
31 applicable state-wide or throughout an emission contributing area and  
32 shall be no greater than fifteen dollars. Surplus moneys collected  
33 from fees over the amount due the contractor shall be paid to the state  
34 and deposited in the general fund, except that fees collected for the  
35 inspection of emissions from cars that are six, seven, or eight years  
36 old shall be deposited in the air pollution control account established  
37 under RCW 70.94.015. Fees shall be set at the minimum whole dollar  
38 amount required to (i) compensate the contractor or inspection facility  
39 owner, and (ii) offset the general fund appropriation to the department

1 to cover the administrative costs of the motor vehicle emission  
2 inspection program.

3 (b) Before each inspection, a person whose motor vehicle is to be  
4 inspected shall pay to the inspection station the fee established under  
5 this section. The person whose motor vehicle is inspected shall  
6 receive the results of the inspection. If the inspected vehicle  
7 complies with the standards established by the director, the person  
8 shall receive a dated certificate of compliance. If the inspected  
9 vehicle does not comply with those standards, one reinspection of the  
10 vehicle shall be afforded without charge.

11 (5) All units of local government and agencies of the state with  
12 motor vehicles garaged or regularly operated in an emissions  
13 contributing area shall test the emissions of those vehicles annually  
14 to ensure that the vehicle's emissions comply with the emission  
15 standards established by the director. All state agencies outside of  
16 emission contributing areas with more than twenty motor vehicles housed  
17 at a single facility or contiguous facilities shall test the emissions  
18 of those vehicles annually to ensure that the vehicles' emissions  
19 comply with standards established by the director. A report of the  
20 results of the tests shall be submitted to the department.

21 **Sec. 4.** RCW 70.94.015 and 1998 c 321 s 33 (Referendum Bill No. 49)  
22 are each amended to read as follows:

23 (1) The air pollution control account is established in the state  
24 treasury. All receipts collected by or on behalf of the department  
25 from RCW 70.94.151(2), and receipts from nonpermit program sources  
26 under RCW 70.94.152(1) and 70.94.154(7), and all receipts from RCW  
27 70.94.650, 70.94.660, 82.44.020(2), and 82.50.405 shall be deposited  
28 into the account. Moneys in the account may be spent only after  
29 appropriation. Expenditures from the account may be used only to  
30 develop and implement the provisions of chapters 70.94 and 70.120 RCW.

31 (2) The amounts collected and allocated in accordance with this  
32 section shall be expended upon appropriation except as otherwise  
33 provided in this section and in accordance with the following  
34 limitations:

35 Portions of moneys received by the department of ecology from the  
36 air pollution control account shall be distributed by the department to  
37 local authorities based on:

1 (a) The level and extent of air quality problems within such  
2 authority's jurisdiction;

3 (b) The costs associated with implementing air pollution regulatory  
4 programs by such authority; and

5 (c) The amount of funding available to such authority from other  
6 sources, whether state, federal, or local, that could be used to  
7 implement such programs.

8 (3) The money deposited in this account from the fees charged for  
9 inspection of emissions under RCW 70.120.170 for motor vehicles that  
10 are six, seven, or eight years old shall be distributed to local air  
11 agencies and may only be expended as matching grants for the funding of  
12 infrastructure necessary for the retail sale of clean fuels. For  
13 purposes of this section, "clean fuels" means alternatives to ordinary  
14 gasoline or diesel fuel that do not exceed the emission standards for  
15 passenger cars and light duty trucks as provided in the federal clean  
16 air act amendments of 1990 (42 U.S.C. 7583).

17 (4) The air operating permit account is created in the custody of  
18 the state treasurer. All receipts collected by or on behalf of the  
19 department from permit program sources under RCW 70.94.152(1),  
20 70.94.161, 70.94.162, and 70.94.154(7) shall be deposited into the  
21 account. Expenditures from the account may be used only for the  
22 activities described in RCW 70.94.152(1), 70.94.161, 70.94.162, and  
23 70.94.154(7). Moneys in the account may be spent only after  
24 appropriation.

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