
SUBSTITUTE SENATE BILL 6285

State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Environment, Energy & Water (originally sponsored by Senators Regala, Horn, Kline, Jacobsen, Carlson, Rasmussen, Fraser, Kohl-Welles, Eide, Thibaudeau, Fairley, Keiser, McAuliffe, Gardner and Finkbeiner)

READ FIRST TIME 02/04/2002.

1 AN ACT Relating to providing incentives to reduce air pollution
2 through the use of clean alternative fuel vehicles; amending RCW
3 70.94.030, 82.38.020, 82.38.030, and 82.38.075; adding new sections to
4 chapter 70.94 RCW; adding new sections to chapter 82.04 RCW; providing
5 effective dates; and providing an expiration date.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 70.94 RCW
8 to read as follows:

9 The legislature finds that Washington state faces threats to its
10 economic vitality, public health, and environment from the ongoing and
11 increasing use of gasoline and diesel fuels in motor vehicles. Motor
12 vehicle emissions from petroleum fuels account for more than half of
13 all air pollutants and almost sixty percent of total carbon dioxide
14 emissions in Washington. The legislature finds it is important to
15 begin addressing the negative impacts of continued gasoline and diesel
16 fuel use. Addressing motor vehicle emissions is further needed because
17 of the expected increases in population and vehicle miles traveled,
18 which threaten to erode air quality gains made over the last decade.
19 To make net progress in improving air quality, reducing the threat of

1 climate change, and protecting public health and the environment, the
2 legislature finds it is necessary to encourage the use of clean
3 alternative fuel vehicles.

4 **Sec. 2.** RCW 70.94.030 and 1993 c 252 s 2 are each amended to read
5 as follows:

6 Unless a different meaning is plainly required by the context, the
7 following words and phrases as hereinafter used in this chapter shall
8 have the following meanings:

9 (1) "Air contaminant" means dust, fumes, mist, smoke, other
10 particulate matter, vapor, gas, odorous substance, or any combination
11 thereof.

12 (2) "Air pollution" is presence in the outdoor atmosphere of one or
13 more air contaminants in sufficient quantities and of such
14 characteristics and duration as is, or is likely to be, injurious to
15 human health, plant or animal life, or property, or which unreasonably
16 interfere with enjoyment of life and property. For the purpose of this
17 chapter, air pollution shall not include air contaminants emitted in
18 compliance with chapter 17.21 RCW.

19 (3) "Air quality standard" means an established concentration,
20 exposure time, and frequency of occurrence of an air contaminant or
21 multiple contaminants in the ambient air which shall not be exceeded.

22 (4) "Ambient air" means the surrounding outside air.

23 (5) "Authority" means any air pollution control agency whose
24 jurisdictional boundaries are coextensive with the boundaries of one or
25 more counties.

26 (6) "Best available control technology" (BACT) means an emission
27 limitation based on the maximum degree of reduction for each air
28 pollutant subject to regulation under this chapter emitted from or that
29 results from any new or modified stationary source, that the permitting
30 authority, on a case-by-case basis, taking into account energy,
31 environmental, and economic impacts and other costs, determines is
32 achievable for such a source or modification through application of
33 production processes and available methods, systems, and techniques,
34 including fuel cleaning, clean fuels, or treatment or innovative fuel
35 combustion techniques for control of each such a pollutant. In no
36 event shall application of "best available control technology" result
37 in emissions of any pollutants that will exceed the emissions allowed
38 by any applicable standard under 40 C.F.R. Part 60 and Part 61, as they

1 exist on July 25, 1993, or their later enactments as adopted by
2 reference by the director by rule. Emissions from any source utilizing
3 clean fuels, or any other means, to comply with this subsection shall
4 not be allowed to increase above levels that would have been required
5 under the definition of BACT as it existed prior to enactment of the
6 (~~{federal}~~) federal clean air act amendments of 1990.

7 (7) "Best available retrofit technology" (BART) means an emission
8 limitation based on the degree of reduction achievable through the
9 application of the best system of continuous emission reduction for
10 each pollutant that is emitted by an existing stationary facility. The
11 emission limitation must be established, on a case-by-case basis,
12 taking into consideration the technology available, the costs of
13 compliance, the energy and nonair quality environmental impacts of
14 compliance, any pollution control equipment in use or in existence at
15 the source, the remaining useful life of the source, and the degree of
16 improvement in visibility that might reasonably be anticipated to
17 result from the use of the technology.

18 (8) "Board" means the board of directors of an authority.

19 (9) "Clean alternative fuel vehicle" means a motor vehicle, as
20 defined in RCW 46.04.320, originally designed and equipped by the
21 manufacturer to operate: (a) Exclusively on alternative fuels; (b) as
22 a hybrid vehicle powered by a combination of an electric motor and an
23 engine powered by gasoline, diesel, or an alternative fuel, weighing
24 less than ten thousand pounds gross vehicle weight, that has an average
25 estimated fuel economy rating, as determined by the environmental
26 protection agency's national vehicle and fuel emissions laboratory, of
27 at least forty miles per gallon; (c) as a hybrid vehicle powered by a
28 combination of an electric motor and an engine powered by gasoline,
29 diesel, or an alternative fuel, weighing at least ten thousand pounds
30 gross vehicle weight, that provides a percentage of maximum available
31 power of at least forty percent; or (d) as a fuel cell vehicle powered
32 by gasoline or an alternative fuel. Vehicles less than twelve thousand
33 pounds gross vehicle weight must also meet or exceed the federal
34 emission standards for ultralow emission vehicles. For purposes of
35 this subsection, "alternative fuels" are defined as natural gas,
36 propane, hydrogen, and electricity. For the purposes of this
37 subsection, the term "maximum available power" means the maximum power
38 available from the battery or other electrical storage device, during
39 a standard ten-second pulse power test, divided by the vehicle's total

1 traction power, and the term "total traction power" means the sum of
2 the electric motor peak power and the heat engine peak power of the
3 vehicle, except that if the electric motor is the sole means by which
4 the vehicle can be driven, the total traction power is the peak
5 electric motor power.

6 (10) "Control officer" means the air pollution control officer of
7 any authority.

8 ~~((10))~~ (11) "Department" or "ecology" means the department of
9 ecology.

10 ~~((11))~~ (12) "Emission" means a release of air contaminants into
11 the ambient air.

12 ~~((12))~~ (13) "Emission standard" and "emission limitation" mean a
13 requirement established under the federal clean air act or this chapter
14 that limits the quantity, rate, or concentration of emissions of air
15 contaminants on a continuous basis, including any requirement relating
16 to the operation or maintenance of a source to assure continuous
17 emission reduction, and any design, equipment, work practice, or
18 operational standard adopted under the federal clean air act or this
19 chapter.

20 ~~((13))~~ (14) "Lowest achievable emission rate" (LAER) means for
21 any source that rate of emissions that reflects:

22 (a) The most stringent emission limitation that is contained in the
23 implementation plan of any state for such class or category of source,
24 unless the owner or operator of the proposed source demonstrates that
25 such limitations are not achievable; or

26 (b) The most stringent emission limitation that is achieved in
27 practice by such class or category of source, whichever is more
28 stringent.

29 In no event shall the application of this term permit a proposed
30 new or modified source to emit any pollutant in excess of the amount
31 allowable under applicable new source performance standards.

32 ~~((14))~~ (15) "Modification" means any physical change in, or
33 change in the method of operation of, a stationary source that
34 increases the amount of any air contaminant emitted by such source or
35 that results in the emission of any air contaminant not previously
36 emitted. The term modification shall be construed consistent with the
37 definition of modification in Section 7411, Title 42, United States
38 Code, and with rules implementing that section.

1 (~~(15)~~) (16) "Multicounty authority" means an authority which
2 consists of two or more counties.

3 (~~(16)~~) (17) "New source" means (a) the construction or
4 modification of a stationary source that increases the amount of any
5 air contaminant emitted by such source or that results in the emission
6 of any air contaminant not previously emitted, and (b) any other
7 project that constitutes a new source under the federal clean air act.

8 (~~(17)~~) (18) "Permit program source" means a source required to
9 apply for or to maintain an operating permit under RCW 70.94.161.

10 (~~(18)~~) (19) "Person" means an individual, firm, public or private
11 corporation, association, partnership, political subdivision of the
12 state, municipality, or governmental agency.

13 (~~(19)~~) (20) "Reasonably available control technology" (RACT)
14 means the lowest emission limit that a particular source or source
15 category is capable of meeting by the application of control technology
16 that is reasonably available considering technological and economic
17 feasibility. RACT is determined on a case-by-case basis for an
18 individual source or source category taking into account the impact of
19 the source upon air quality, the availability of additional controls,
20 the emission reduction to be achieved by additional controls, the
21 impact of additional controls on air quality, and the capital and
22 operating costs of the additional controls. RACT requirements for a
23 source or source category shall be adopted only after notice and
24 opportunity for comment are afforded.

25 (~~(20)~~) (21) "Silvicultural burning" means burning of wood fiber
26 on forest land consistent with the provisions of RCW 70.94.660.

27 (~~(21)~~) (22) "Source" means all of the emissions units including
28 quantifiable fugitive emissions, that are located on one or more
29 contiguous or adjacent properties, and are under the control of the
30 same person, or persons under common control, whose activities are
31 ancillary to the production of a single product or functionally related
32 group of products.

33 (~~(22)~~) (23) "Stationary source" means any building, structure,
34 facility, or installation that emits or may emit any air contaminant.

35 NEW SECTION. Sec. 3. A new section is added to chapter 82.04 RCW
36 to read as follows:

37 (1) Persons who are taxable under this chapter may take a credit
38 for the purchase, or the lease for a period of at least three years, of

1 new clean alternative fuel vehicles as defined in RCW 70.94.030(9) (a),
2 (b), (c), or (d), if the vehicles are exclusively used in business
3 operations. The credit shall be based upon the following schedule:

4	VEHICLE TONNAGE	CREDIT
5	Less than 12,000 pounds gross	25 percent of the base cost
6	vehicle weight	or \$5,000, whichever is less
7	12,000 pounds, or over, gross	25 percent of the base cost
8	vehicle weight	or \$20,000, whichever is less

9 (2) The credit may not exceed the amount of tax that would
10 otherwise be due under this chapter. The credit may be accrued and
11 carried over until it is used. Refunds shall not be granted in place
12 of credits. The maximum amount of credit under this section that may
13 be claimed, by each person, for any calendar year shall not exceed two
14 hundred thousand dollars.

15 (3) Tax credit may not be claimed for expenditures that occurred
16 before the effective date of this section or expenditures that occur
17 after the date specified in section 6 of this act.

18 (4) The tax credit for vehicles defined under RCW 70.94.030(9)(b)
19 expires June 30, 2004.

20 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.04 RCW
21 to read as follows:

22 (1) Persons who are taxable under this chapter and provide
23 financial assistance for the purchase, or the lease for a period of at
24 least three years, of new clean alternative fuel vehicles as defined in
25 RCW 70.94.030 to school districts, transit agencies, and local
26 governments may take a credit for amounts paid, if the vehicles are
27 used for public transit. School buses are considered public transit
28 for purposes of this section.

29 (2) The credit may not exceed the amount of tax that would
30 otherwise be due under this chapter. The credit may be accrued and
31 carried over until it is used. Refunds shall not be granted in place
32 of credits. The maximum amount of credit under this section that may
33 be claimed, by each person, for any calendar year shall not exceed two
34 hundred thousand dollars.

35 (3) Tax credit may not be claimed for financial assistance that
36 occurred before the effective date of this section or financial

1 assistance that occur after the date specified in section 6 of this
2 act.

3 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.04 RCW
4 to read as follows:

5 (1) Persons who are taxable under this chapter may take a credit
6 for the costs expended for acquiring and installing alternative fuel
7 and electric vehicle recharging equipment, including alternative fuel
8 storage tanks. Alternative fuel means natural gas, propane, hydrogen,
9 fuel containing a minimum of eighty-five percent ethanol, and fuel
10 containing a minimum of twenty percent biodiesel. The credit shall be
11 based upon the following schedule:

12 (a) Fifty percent of the costs incurred at facilities open to the
13 public not to exceed two hundred thousand dollars; and

14 (b) Twenty-five percent of the costs incurred at facilities not
15 open to the public not to exceed one hundred thousand dollars.

16 (2) The credit may not exceed the amount of tax that would
17 otherwise be due under this chapter. The credit may be accrued and
18 carried over until it is used. Refunds shall not be granted in place
19 of credits. The maximum amount of credit under this section that may
20 be claimed, by each person, for any calendar year shall not exceed one
21 million dollars.

22 (3) Tax credit may not be claimed for expenditures that occurred
23 before the effective date of this section or expenditures that occur
24 after the date specified in section 6 of this act.

25 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.04 RCW
26 to read as follows:

27 Tax credits under sections 3, 4, and 5 of this act shall not be
28 allowed for expenditures that occur after December 31, 2010.

29 **Sec. 7.** RCW 82.38.020 and 2001 c 270 s 4 are each amended to read
30 as follows:

31 The definitions in this section apply throughout this chapter
32 unless the context clearly requires otherwise.

33 (1) "Biodiesel" means a mono alkyl ester of long chain fatty acids
34 derived from vegetable oils or animal fat for use in compression-
35 ignition engines.

1 (2) "Blended special fuel" means a mixture of undyed diesel fuel
2 and another liquid, other than a de minimis amount of the liquid, that
3 can be used as a fuel to propel a motor vehicle.

4 ~~((+2))~~ (3) "Blender" means a person who produces blended special
5 fuel outside the bulk transfer-terminal system.

6 ~~((+3))~~ (4) "Bond" means a bond duly executed with a corporate
7 surety qualified under chapter 48.28 RCW, which bond is payable to the
8 state of Washington conditioned upon faithful performance of all
9 requirements of this chapter, including the payment of all taxes,
10 penalties, and other obligations arising out of this chapter.

11 ~~((+4))~~ (5) "Bulk transfer-terminal system" means the special fuel
12 distribution system consisting of refineries, pipelines, vessels, and
13 terminals. Special fuel in a refinery, pipeline, vessel, or terminal
14 is in the bulk transfer-terminal system. Special fuel in the fuel tank
15 of an engine, motor vehicle, or in a railcar, trailer, truck, or other
16 equipment suitable for ground transportation is not in the bulk
17 transfer-terminal system.

18 ~~((+5))~~ (6) "Bulk transfer" means a transfer of special fuel by
19 pipeline or vessel.

20 ~~((+6))~~ (7) "Bulk storage" means the placing of special fuel into
21 a receptacle other than the fuel supply tank of a motor vehicle.

22 ~~((+7))~~ (8) "Department" means the department of licensing.

23 ~~((+8))~~ (9) "Dyed special fuel user" means a person authorized by
24 the internal revenue code to operate a motor vehicle on the highway
25 using dyed special fuel, in which the use is not exempt from the
26 special fuel tax.

27 ~~((+9))~~ (10) "Evasion" or "evade" means to diminish or avoid the
28 computation, assessment, or payment of authorized taxes or fees
29 through:

30 (a) A knowing: False statement; misrepresentation of fact; or
31 other act of deception; or

32 (b) An intentional: Omission; failure to file a return or report;
33 or other act of deception.

34 ~~((+10))~~ (11) "Export" means to obtain special fuel in this state
35 for sales or distribution outside the state.

36 ~~((+11))~~ (12) "Highway" means every way or place open to the use of
37 the public, as a matter of right, for the purpose of vehicular travel.

1 (~~(12)~~) (13) "Import" means to bring special fuel into this state
2 by a means of conveyance other than the fuel supply tank of a motor
3 vehicle.

4 (~~(13)~~) (14) "International fuel tax agreement licensee" means a
5 special fuel user operating qualified motor vehicles in interstate
6 commerce and licensed by the department under the international fuel
7 tax agreement.

8 (~~(14)~~) (15) "Lessor" means a person: (a) Whose principal
9 business is the bona fide leasing or renting of motor vehicles without
10 drivers for compensation to the general public; and (b) who maintains
11 established places of business and whose lease or rental contracts
12 require the motor vehicles to be returned to the established places of
13 business.

14 (~~(15)~~) (16) "Licensee" means a person holding a license issued
15 under this chapter.

16 (~~(16)~~) (17) "Motor vehicle" means a self-propelled vehicle
17 designed for operation upon land utilizing special fuel as the means of
18 propulsion.

19 (~~(17)~~) (18) "Natural gas" means naturally occurring mixtures of
20 hydrocarbon gases and vapors consisting principally of methane, whether
21 in gaseous or liquid form.

22 (~~(18)~~) (19) "Person" means a natural person, fiduciary,
23 association, or corporation. The term "person" as applied to an
24 association means and includes the partners or members thereof, and as
25 applied to corporations, the officers thereof.

26 (~~(19)~~) (20) "Position holder" means a person who holds the
27 inventory position in special fuel, as reflected by the records of the
28 terminal operator. A person holds the inventory position in special
29 fuel if the person has a contractual agreement with the terminal for
30 the use of storage facilities and terminating services at a terminal
31 with respect to special fuel. "Position holder" includes a terminal
32 operator that owns special fuel in their terminal.

33 (~~(20)~~) (21) "Rack" means a mechanism for delivering special fuel
34 from a refinery or terminal into a truck, trailer, railcar, or other
35 means of nonbulk transfer.

36 (~~(21)~~) (22) "Refiner" means a person who owns, operates, or
37 otherwise controls a refinery.

38 (~~(22)~~) (23) "Removal" means a physical transfer of special fuel
39 other than by evaporation, loss, or destruction.

1 (~~(23)~~) (24) "Special fuel" means and includes all combustible
2 gases and liquids suitable for the generation of power for propulsion
3 of motor vehicles, except that it does not include motor vehicle fuel
4 as defined in chapter 82.36 RCW, nor does it include dyed special fuel
5 as defined by federal regulations. However, if the federal regulations
6 authorize dyed special fuel to be used in highway vehicles, that usage
7 is considered taxable under this chapter, unless otherwise exempted.

8 (~~(24)~~) (25) "Special fuel distributor" means a person who
9 acquires special fuel from a supplier, distributor, or licensee for
10 subsequent sale and distribution.

11 (~~(25)~~) (26) "Special fuel exporter" means a person who purchases
12 special fuel in this state and directly exports the fuel by a means
13 other than the bulk transfer-terminal system to a destination outside
14 of the state.

15 (~~(26)~~) (27) "Special fuel importer" means a person who imports
16 special fuel into the state by a means other than the bulk transfer-
17 terminal system. If the importer of record is acting as an agent, the
18 person for whom the agent is acting is the importer. If there is no
19 importer of record, the owner of the special fuel at the time of
20 importation is the importer.

21 (~~(27)~~) (28) "Special fuel supplier" means a person who holds a
22 federal certificate issued under the internal revenue code and
23 authorizes the person to tax-free transactions on special fuel in the
24 bulk transfer-terminal system.

25 (~~(28)~~) (29) "Special fuel user" means a person engaged in uses of
26 special fuel that are not specifically exempted from the special fuel
27 tax imposed under this chapter.

28 (~~(29)~~) (30) "Terminal" means a special fuel storage and
29 distribution facility that has been assigned a terminal control number
30 by the internal revenue service, is supplied by pipeline or vessel, and
31 from which reportable special fuel is removed at a rack.

32 (~~(30)~~) (31) "Terminal operator" means a person who owns,
33 operates, or otherwise controls a terminal.

34 (~~(31)~~) (32) "Two-party exchange" or "buy-sell agreement" means a
35 transaction in which taxable special fuel is transferred from one
36 licensed supplier to another licensed supplier under an exchange or
37 buy-sell agreement whereby the supplier that is the position holder
38 agrees to deliver taxable special fuel to the other supplier or the

1 other supplier's customer at the rack of the terminal at which the
2 delivering supplier is the position holder.

3 **Sec. 8.** RCW 82.38.030 and 2001 c 270 s 6 are each amended to read
4 as follows:

5 (1) There is hereby levied and imposed upon special fuel users a
6 tax at the rate computed in the manner provided in RCW 82.36.025 on
7 each gallon of special fuel, or each one hundred cubic feet of
8 compressed natural gas, measured at standard pressure and temperature,
9 except a tax rate of eleven and one-half cents per gallon shall apply
10 to users of fuel containing a minimum of twenty percent biodiesel or a
11 minimum of eighty-five percent ethanol.

12 (2) The tax imposed by subsection (1) of this section is imposed
13 when:

14 (a) Special fuel is removed in this state from a terminal if the
15 special fuel is removed at the rack unless the removal is to a licensed
16 exporter for direct delivery to a destination outside of the state, or
17 the removal is to a special fuel distributor for direct delivery to an
18 international fuel tax agreement licensee under RCW 82.38.320;

19 (b) Special fuel is removed in this state from a refinery if either
20 of the following applies:

21 (i) The removal is by bulk transfer and the refiner or the owner of
22 the special fuel immediately before the removal is not a licensee; or

23 (ii) The removal is at the refinery rack unless the removal is to
24 a licensed exporter for direct delivery to a destination outside of the
25 state, or the removal is to a special fuel distributor for direct
26 delivery to an international fuel tax agreement licensee under RCW
27 82.38.320;

28 (c) Special fuel enters into this state for sale, consumption, use,
29 or storage if either of the following applies:

30 (i) The entry is by bulk transfer and the importer is not a
31 licensee; or

32 (ii) The entry is not by bulk transfer;

33 (d) Special fuel is sold or removed in this state to an unlicensed
34 entity unless there was a prior taxable removal, entry, or sale of the
35 special fuel;

36 (e) Blended special fuel is removed or sold in this state by the
37 blender of the fuel. The number of gallons of blended special fuel
38 subject to tax is the difference between the total number of gallons of

1 blended special fuel removed or sold and the number of gallons of
2 previously taxed special fuel used to produce the blended special fuel;

3 (f) Dyed special fuel is used on a highway, as authorized by the
4 internal revenue code, unless the use is exempt from the special fuel
5 tax;

6 (g) Special fuel purchased by an international fuel tax agreement
7 licensee under RCW 82.38.320 is used on a highway; and

8 (h) Special fuel is sold by a licensed special fuel supplier to a
9 special fuel distributor, special fuel importer, or special fuel
10 blender and the special fuel is not removed from the bulk transfer-
11 terminal system.

12 (3) The tax imposed by this chapter, if required to be collected by
13 the licensee, is held in trust by the licensee until paid to the
14 department, and a licensee who appropriates or converts the tax
15 collected to his or her own use or to any use other than the payment of
16 the tax to the extent that the money required to be collected is not
17 available for payment on the due date as prescribed in this chapter is
18 guilty of a felony, or gross misdemeanor in accordance with the theft
19 and anticipatory provisions of Title 9A RCW. A person, partnership,
20 corporation, or corporate officer who fails to collect the tax imposed
21 by this section, or who has collected the tax and fails to pay it to
22 the department in the manner prescribed by this chapter, is personally
23 liable to the state for the amount of the tax.

24 **Sec. 9.** RCW 82.38.075 and 1983 c 212 s 1 are each amended to read
25 as follows:

26 In order to encourage the use of nonpolluting fuels, an annual
27 license fee in lieu of the tax imposed by RCW 82.38.030 shall be
28 imposed upon the use of natural gas as defined in this chapter (~~(or)~~),
29 on liquified petroleum gas, commonly called propane, or hydrogen, which
30 is used in any motor vehicle, as defined in RCW 46.04.320, which shall
31 be based upon the following schedule as adjusted by the formula set out
32 below:

33	VEHICLE TONNAGE (GVW)	FEE
34	0 - 6,000	\$ 45
35	6,001 - 10,000	\$ 45
36	10,001 - 18,000	\$ 80
37	18,001 - 28,000	\$110

1	28,001 - 36,000	\$150
2	36,001 and above	\$250

3 To determine the actual annual license fee imposed by this section
4 for a registration year, the appropriate dollar amount set out in the
5 above schedule shall be multiplied by (~~the motor vehicle fuel tax rate~~
6 ~~in cents per gallon as established by RCW 82.36.025 effective on July~~
7 ~~1st of the preceding calendar year~~) eleven and one-half cents per
8 gallon and the product thereof shall be divided by 12 cents.

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

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

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

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

22 Vehicles registered in jurisdictions outside the state of
23 Washington are exempt from this section.

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

27 NEW SECTION. **Sec. 10.** A new section is added to chapter 70.94 RCW
28 to read as follows:

29 The Washington State University energy program, in consultation
30 with the departments of ecology, revenue, and licensing; local
31 governments; vehicle manufacturers and suppliers; and other interested
32 parties shall collect and review the relevant data associated with the
33 provisions of chapter . . . , Laws of 2002 (this act) and evaluate the
34 effectiveness of these incentives in improving air quality and
35 increasing the use of clean alternative fuel vehicles. The Washington
36 State University energy program shall present its findings and make
37 recommendations as appropriate to the legislature biennially on or
38 before November 30th, beginning in 2005.

1 NEW SECTION. **Sec. 11.** Sections 1 through 6 of this act take
2 effect August 1, 2002.

3 NEW SECTION. **Sec. 12.** Sections 7 through 10 of this act take
4 effect January 1, 2003.

5 NEW SECTION. **Sec. 13.** Sections 7 through 10 of this act expire
6 December 31, 2010.

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