

HOUSE BILL REPORT

HB 1633

As Reported by House Committee On: Transportation

Title: An act relating to making permanent the posting of fuel tax rate information at fuel pumps.

Brief Description: Making permanent the posting of fuel tax rate information at fuel pumps.

Sponsors: Representatives Goehner, Entenman, Orcutt, Barkis, Boehnke, Steele, Chapman, Mead, Eslick and Van Werven.

Brief History:

Committee Activity:

Transportation: 2/4/19, 2/6/19 [DPS].

Brief Summary of Substitute Bill

- Makes permanent the posting of state and federal fuel tax rate information by fuel pump inspectors at the time of fuel pump inspection that is required by a 2017-19 Transportation Budget proviso during the current biennium.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 25 members: Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Chambers, Dent, Doglio, Entenman, Goehner, Gregerson, Irwin, Kloba, Lovick, McCaslin, Orcutt, Ortiz-Self, Paul, Pellicciotti, Ramos, Riccelli, Shea and Van Werven.

Staff: Jennifer Harris (786-7143).

Background:

Fuel Taxes.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Fuel is taxed by the gallon at rates set by federal, state, and local law. The federal tax rate is 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel fuel. The state fuel tax rate is 49.4 cents per gallon. Counties and regional transportation investment districts are permitted to levy an additional fuel tax for local transportation purposes up to 10 percent of the state fuel tax rate. A local fuel tax must be approved by a majority of the jurisdiction's voters.

Fuel Pump Inspections.

The Washington State Department of Agriculture (WSDA) conducts periodic inspections of fuel pumps as part of its Weights and Measures Program, with the exception of fuel pumps located in the City of Seattle. The City of Seattle conducts its own fuel weights and measures program.

Washington State Department of Agriculture inspectors inspect fuel pumps for accuracy, labeling, safety, and to verify that they meet other technical requirements. At the conclusion of an inspection, if the device has met all requirements, the inspector applies a sticker that indicates the device has been approved that includes the month and year of inspection.

The WSDA is required to inspect a sufficient number of weighing and measuring instruments and devices every biennium to ensure weight and measurement requirements are enforced. The WSDA fuel pump inspection program goal is to inspect each fuel pump every three years.

The City of Seattle fuel pump inspections are similarly conducted.

Fuel Tax Rate Posting.

A bill proviso for the WSDA in the 2017-19 Transportation Budget, Engrossed Senate Bill 5096, requires the WSDA to produce a fuel tax sticker for display on motor fuel pumps that provides information on federal and state fuel tax rates. The sticker must display the rate of each tax, in cents per gallon, for each type of fuel. The WSDA is required to include this notice on motor fuel pumps.

During the 2017-19 biennium, the WSDA must distribute fuel tax stickers to all individuals who conduct fuel pump inspections, including WSDA employees and local government employees. Government employees who conduct fuel pump inspections are required to display the fuel tax stickers on fuel pumps or to verify that fuel tax stickers are being displayed on fuel pumps at the time of inspection. Fuel tax stickers must: (1) be displayed on each face of the motor fuel pump on which the price of the fuel sold from the pump is displayed; and (2) be displayed in a clear, conspicuous, and prominent manner.

Also during this time, the WSDA must provide fuel tax stickers by mail to fuel pump owners who request them for each motor fuel pump for which a sticker is requested, and is required to update fuel tax stickers on an annual basis when one or more fuel tax rates have changed. Fuel tax stickers must be replaced at the time of inspection if the sticker has been updated with new fuel tax rate information.

This fuel tax rate notification requirement is set to expire at the end of the 2017-19 biennium, on June 30, 2019.

Summary of Substitute Bill:

The requirements for the mandatory posting of fuel tax rates on fuel pumps established in a 2017-19 Transportation Budget proviso are made permanent.

Substitute Bill Compared to Original Bill:

The effective date of the bill is advanced from 90 days after adjournment of the session in which the bill is passed to July 1, 2019, eliminating a gap in the mandatory posting of fuel tax rates (the current requirement is set to expire on July 1, 2019).

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 2019.

Staff Summary of Public Testimony:

(In support) This is a very simple, straightforward bill. It makes permanent a practice that is already in place, which this committee approved in the last biennium in a transportation budget proviso. This bill will allow for continued transparency and the full disclosure of taxes paid per gallon at the pump. It is important to make sure that the tax rate amounts be placed on the mandatory fuel tax rate stickers.

(Opposed) None.

Persons Testifying: Representative Goehner, prime sponsor; and Robert Parker.

Persons Signed In To Testify But Not Testifying: None.