

SENATE BILL REPORT

SHB 1633

As of April 2, 2019

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: House Committee on Transportation (originally sponsored by Representatives Goehner, Entenman, Orcutt, Barkis, Boehnke, Steele, Chapman, Mead, Eslick and Van Werven).

Brief History: Passed House: 3/01/19, 92-2.

Committee Activity: Transportation: 4/02/19.

Brief Summary of Bill

- Makes permanent the requirement for posting state and federal fuel tax rate information on fuel pumps that was directed in the 2017-19 transportation budget.

SENATE COMMITTEE ON TRANSPORTATION

Staff: Bryon Moore (786-7726)

Background: Fuel Taxes. 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. Provisions also exist for the imposition of a local fuel tax in certain international border areas. 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. WSDA inspectors inspect fuel pumps for accuracy, labeling, safety, and to verify they meet other technical requirements. At the conclusion of an

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inspection, if the device has met all requirements, the inspector applies a sticker that indicates the device has been approved and includes the month and year of inspection. 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 proviso for WSDA in the 2017-19 transportation budget, requires WSDA, on a pilot basis, 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. WSDA is required to include this notice on motor fuel pumps.

During the 2017-19 biennium, 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. WSDA must also 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 expires on June 30, 2019.

Summary of Bill: Requirements for the mandatory posting of fuel tax rates on fuel pumps established in the 2017-19 transportation budget proviso are made permanent.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony: PRO: This makes the tax rates on gasoline more transparent and lets the public know how they are supporting infrastructure investments. The bill will allow the completion of program that was established in the 2017-19 budget bill since it takes three years to get the stickers on all the fuel pumps.

Persons Testifying: PRO: Representative Keith Goehner, Prime Sponsor.

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