

CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1225**

Chapter 274, Laws of 1995

54th Legislature  
1995 Regular Session

LICENSES--REVISION OF PROVISIONS FOR VEHICLES, FUEL TAXES

EFFECTIVE DATE: 7/23/95

Passed by the House March 1, 1995  
Yeas 97 Nays 0

CLYDE BALLARD

**Speaker of the  
House of Representatives**

Passed by the Senate April 22, 1995  
Yeas 47 Nays 0

JOEL PRITCHARD

**President of the Senate**

Approved May 9, 1995

MIKE LOWRY

**Governor of the State of Washington**

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1225** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN

**Chief Clerk**

FILED

May 9, 1995 - 3:36 p.m.

**Secretary of State  
State of Washington**

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HOUSE BILL 1225

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Passed Legislature - 1995 Regular Session

State of Washington                      54th Legislature                      1995 Regular Session

By Representatives K. Schmidt, R. Fisher, Johnson and Scott; by request  
of Department of Licensing

Read first time 01/18/95. Referred to Committee on Transportation.

1            AN ACT Relating to licenses; amending RCW 46.12.030, 82.08.0287,  
2 35A.82.010, 47.02.160, 47.10.793, 47.10.804, 47.10.815, 47.10.822,  
3 47.10.829, 47.26.424, 47.26.4252, 47.26.4254, 47.26.504, 47.56.749,  
4 47.56.750, 47.56.771, 47.60.580, 47.60.806, 82.36.010, 82.38.120,  
5 82.38.140, 82.38.150, 82.38.170, 82.38.260, and 82.41.040; and  
6 repealing RCW 82.37.010, 82.37.020, 82.37.030, 82.37.040, 82.37.050,  
7 82.37.060, 82.37.070, 82.37.080, 82.37.090, 82.37.100, 82.37.110,  
8 82.37.120, 82.37.130, 82.37.140, 82.37.145, 82.37.150, 82.37.160,  
9 82.37.170, 82.37.175, 82.37.180, 82.37.190, 82.37.900, 82.37.910, and  
10 82.37.920.

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

12            **Sec. 1.** RCW 46.12.030 and 1990 c 238 s 1 are each amended to read  
13 as follows:

14            The application for certificate of ownership shall be upon a  
15 ((blank)) form ((to be)) furnished or approved by the department and  
16 shall contain:

17            (1) A full description of the vehicle, which shall contain the  
18 proper vehicle identification number, the number of miles indicated on

1 the odometer at the time of delivery of the vehicle, and any  
2 distinguishing marks of identification;

3 (2) The name and address of the person who is to be the registered  
4 owner of the vehicle and, if the vehicle is subject to a security  
5 interest, the name and address of the secured party;

6 (3) Such other information as the department may require. The  
7 department may in any instance, in addition to the information required  
8 on the application, require additional information and a physical  
9 examination of the vehicle or of any class of vehicles, or either. A  
10 physical examination of the vehicle is mandatory if it previously was  
11 registered in any other state or country. The inspection must verify  
12 that the vehicle identification number is genuine and agrees with the  
13 number shown on the foreign title and registration certificate. If the  
14 vehicle is from a jurisdiction that does not issue titles, the  
15 inspection must verify that the vehicle identification number is  
16 genuine and agrees with the number shown on the registration  
17 certificate. The inspection must also confirm that the license plates  
18 on the vehicle are those assigned to the vehicle by the jurisdiction in  
19 which the vehicle was previously licensed. The inspection must be made  
20 by a member of the Washington state patrol or other person authorized  
21 by the department to make such inspections.

22 The application shall be subscribed by the registered owner and be  
23 sworn to by that applicant in the manner described by RCW 9A.72.085.  
24 The department shall retain the application in either the original,  
25 computer, or photostatic form.

26 **Sec. 2.** RCW 82.08.0287 and 1993 c 488 s 2 are each amended to read  
27 as follows:

28 The tax imposed by this chapter shall not apply to sales of  
29 passenger motor vehicles which are to be used as ride-sharing vehicles,  
30 as defined in RCW 46.74.010(3), by not less than five persons,  
31 including the driver, with a gross vehicle weight not to exceed 10,000  
32 pounds where the primary usage is for commuter ride-sharing, as defined  
33 in RCW 46.74.010(1), or by not less than four persons including the  
34 driver when at least two of those persons are confined to wheelchairs  
35 when riding, or passenger motor vehicles where the primary usage is for  
36 ride-sharing for the elderly and the handicapped, as defined in RCW  
37 46.74.010(2), if the ride-sharing vehicles are exempt under RCW  
38 82.44.015 for thirty-six consecutive months beginning within thirty

1 days of application for exemption under this section. If used as a  
2 ride-sharing vehicle for less than thirty-six consecutive months, the  
3 registered owner of one of these vehicles shall notify the department  
4 of revenue upon termination of primary use of the vehicle as a ride-  
5 sharing vehicle and is liable for the tax imposed by this chapter.

6 To qualify for the tax exemption, those passenger motor vehicles  
7 with five or six passengers, including the driver, used for commuter  
8 ride-sharing, must be operated either within the state's eight largest  
9 counties that are required to develop commute trip reduction plans as  
10 directed by chapter 70.94 RCW or in other counties, or cities and towns  
11 within those counties, that elect to adopt and implement a commute trip  
12 reduction plan. Additionally at least one of the following conditions  
13 must apply: (1) The vehicle must be operated by a public  
14 transportation agency for the general public; or (2) the vehicle must  
15 be used by a major employer, as defined in RCW 70.94.524 as an element  
16 of its commute trip reduction program for their employees; or (3) the  
17 vehicle must be owned and operated by individual employees and must be  
18 registered either with the employer as part of its commute trip  
19 reduction program or with a public transportation agency serving the  
20 area where the employees live or work. Individual employee owned and  
21 operated motor vehicles will require certification that the vehicle is  
22 registered with a major employer or a public transportation agency.  
23 Major employers who own and operate motor vehicles for their employees  
24 must certify that the commuter ride-sharing arrangement conforms to a  
25 carpool/vanpool element contained within their commute trip reduction  
26 program.

27 NEW SECTION. **Sec. 3.** The following acts or parts of acts are each  
28 repealed:

- 29 (1) RCW 82.37.010 and 1963 ex.s. c 22 s 1;
- 30 (2) RCW 82.37.020 and 1993 c 54 s 5, 1983 c 3 s 223, 1979 c 158 s  
31 225, 1965 c 67 s 1, & 1963 ex.s. c 22 s 2;
- 32 (3) RCW 82.37.030 and 1983 1st ex.s. c 49 s 29, 1977 ex.s. c 317 s  
33 4, 1967 ex.s. c 83 s 4, & 1963 ex.s. c 22 s 3;
- 34 (4) RCW 82.37.040 and 1963 ex.s. c 22 s 4;
- 35 (5) RCW 82.37.050 and 1963 ex.s. c 22 s 5;
- 36 (6) RCW 82.37.060 and 1965 c 67 s 2 & 1963 ex.s. c 22 s 6;
- 37 (7) RCW 82.37.070 and 1963 ex.s. c 22 s 7;
- 38 (8) RCW 82.37.080 and 1963 ex.s. c 22 s 8;

- 1 (9) RCW 82.37.090 and 1963 ex.s. c 22 s 9;
- 2 (10) RCW 82.37.100 and 1963 ex.s. c 22 s 10;
- 3 (11) RCW 82.37.110 and 1963 ex.s. c 22 s 11;
- 4 (12) RCW 82.37.120 and 1963 ex.s. c 22 s 12;
- 5 (13) RCW 82.37.130 and 1963 ex.s. c 22 s 13;
- 6 (14) RCW 82.37.140 and 1965 c 67 s 3 & 1963 ex.s. c 22 s 14;
- 7 (15) RCW 82.37.145 and 1965 c 67 s 5;
- 8 (16) RCW 82.37.150 and 1965 c 67 s 4 & 1963 ex.s. c 22 s 15;
- 9 (17) RCW 82.37.160 and 1967 ex.s. c 89 s 7 & 1963 ex.s. c 22 s 16;
- 10 (18) RCW 82.37.170 and 1963 ex.s. c 22 s 17;
- 11 (19) RCW 82.37.175 and 1982 c 161 s 13;
- 12 (20) RCW 82.37.180 and 1963 ex.s. c 22 s 18;
- 13 (21) RCW 82.37.190 and 1974 ex.s. c 28 s 2;
- 14 (22) RCW 82.37.900 and 1963 ex.s. c 22 s 22;
- 15 (23) RCW 82.37.910 and 1963 ex.s. c 22 s 23; and
- 16 (24) RCW 82.37.920 and 1963 ex.s. c 22 s 24.

17 **Sec. 4.** RCW 35A.82.010 and 1985 c 7 s 102 are each amended to read  
18 as follows:

19 A code city shall collect, receive and share in the distribution of  
20 state collected and distributed excise taxes to the same extent and  
21 manner as general laws relating thereto apply to any class of city or  
22 town including, but not limited to, funds distributed to cities  
23 (~~((pursuant to RCW 82.37.190 relating to motor vehicle fuel importer's~~  
24 ~~tax, and))~~) under RCW 82.36.020 relating to motor vehicle fuel tax,  
25 (~~and~~) RCW 82.38.290 relating to use fuel tax, and RCW 82.36.275 and  
26 82.38.080(9).

27 **Sec. 5.** RCW 47.02.160 and 1990 c 293 s 5 are each amended to read  
28 as follows:

29 Bonds issued under the authority of RCW 47.02.120 through 47.02.190  
30 shall distinctly state that they are a general obligation of the state  
31 of Washington, shall pledge the full faith and credit of the state to  
32 the payment of the principal thereof and the interest thereon, and  
33 shall contain an unconditional promise to pay such principal and  
34 interest as the same shall become due. The principal and interest on  
35 the bonds shall be first payable in the manner provided in RCW  
36 47.02.120 through 47.02.190 from the proceeds of the state excise taxes  
37 on motor vehicle and special fuels imposed by chapters 82.36((-

1 82.37,)) and 82.38 RCW. Proceeds of such excise taxes are hereby  
2 pledged to the payment of any bonds and the interest thereon issued  
3 under the authority of RCW 47.02.120 through 47.02.190, and the  
4 legislature agrees to continue to impose these excise taxes on motor  
5 vehicle and special fuels in amounts sufficient to pay, when due, the  
6 principal and interest on all bonds issued under the authority of RCW  
7 47.02.120 through 47.02.190.

8 **Sec. 6.** RCW 47.10.793 and 1979 ex.s. c 180 s 4 are each amended to  
9 read as follows:

10 Bonds issued under the provisions of RCW 47.10.790 shall distinctly  
11 state that they are a general obligation of the state of Washington,  
12 shall pledge the full faith and credit of the state to the payment of  
13 the principal thereof and the interest thereon, and shall contain an  
14 unconditional promise to pay such principal and interest as the same  
15 shall become due. The principal of and interest on such bonds shall be  
16 first payable in the manner provided in RCW 47.10.790 through 47.10.798  
17 from the proceeds of the state excise taxes on motor vehicle and  
18 special fuels imposed by chapters 82.36(~~(,82.37,))~~) and 82.38 RCW.  
19 Proceeds of such excise taxes are hereby pledged to the payment of any  
20 bonds and the interest thereon issued under the provisions of RCW  
21 47.10.790 through 47.10.798, and the legislature hereby agrees to  
22 continue to impose the same excise taxes on motor vehicle and special  
23 fuels in amounts sufficient to pay, when due, the principal and  
24 interest on all bonds issued under the provisions of RCW 47.10.790  
25 through 47.10.798.

26 **Sec. 7.** RCW 47.10.804 and 1981 c 316 s 4 are each amended to read  
27 as follows:

28 Bonds issued under RCW 47.10.801 shall distinctly state that they  
29 are a general obligation of the state of Washington, shall pledge the  
30 full faith and credit of the state to the payment of the principal  
31 thereof and the interest thereon, and shall contain an unconditional  
32 promise to pay such principal and interest as the same shall become  
33 due. The principal of and interest on such bonds shall be first  
34 payable in the manner provided in RCW 47.10.801 through 47.10.809 from  
35 the proceeds of the state excise taxes on motor vehicle and special  
36 fuels imposed by chapters 82.36(~~(,82.37,))~~) and 82.38 RCW. Proceeds of  
37 such excise taxes are hereby pledged to the payment of any bonds and

1 the interest thereon issued under RCW 47.10.801 through 47.10.809, and  
2 the legislature hereby agrees to continue to impose these excise taxes  
3 on motor vehicle and special fuels in amounts sufficient to pay, when  
4 due, the principal and interest on all bonds issued under RCW 47.10.801  
5 through 47.10.809.

6 **Sec. 8.** RCW 47.10.815 and 1993 c 431 s 4 are each amended to read  
7 as follows:

8 Bonds issued under the authority of RCW 47.10.812 through 47.10.817  
9 shall distinctly state that they are a general obligation of the state  
10 of Washington, shall pledge the full faith and credit of the state to  
11 the payment of the principal thereof and the interest thereon, and  
12 shall contain an unconditional promise to pay such principal and  
13 interest as the same shall become due. The principal and interest on  
14 the bonds shall be first payable in the manner provided in RCW  
15 47.10.812 through 47.10.817 from the proceeds of the state excise taxes  
16 on motor vehicle and special fuels imposed by chapters 82.36(~~7~~  
17 ~~82.37,~~) and 82.38 RCW. Proceeds of such excise taxes are hereby  
18 pledged to the payment of any bonds and the interest thereon issued  
19 under the authority of RCW 47.10.812 through 47.10.817, and the  
20 legislature agrees to continue to impose these excise taxes on motor  
21 vehicle and special fuels in amounts sufficient to pay, when due, the  
22 principal and interest on all bonds issued under the authority of RCW  
23 47.10.812 through 47.10.817.

24 **Sec. 9.** RCW 47.10.822 and 1993 c 432 s 4 are each amended to read  
25 as follows:

26 Bonds issued under the authority of RCW 47.10.819 through 47.10.824  
27 shall distinctly state that they are a general obligation of the state  
28 of Washington, shall pledge the full faith and credit of the state to  
29 the payment of the principal thereof and the interest thereon, and  
30 shall contain an unconditional promise to pay such principal and  
31 interest as the same shall become due. The principal and interest on  
32 the bonds shall be first payable in the manner provided in RCW  
33 47.10.819 through 47.10.824 from the proceeds of the state excise taxes  
34 on motor vehicle and special fuels imposed by chapters 82.36(~~7~~  
35 ~~82.37,~~) and 82.38 RCW. Proceeds of such excise taxes are hereby  
36 pledged to the payment of any bonds and the interest thereon issued  
37 under the authority of RCW 47.10.819 through 47.10.824, and the

1 legislature agrees to continue to impose these excise taxes on motor  
2 vehicle and special fuels in amounts sufficient to pay, when due, the  
3 principal and interest on all bonds issued under the authority of RCW  
4 47.10.819 through 47.10.824.

5 **Sec. 10.** RCW 47.10.829 and 1993 c 6 s 4 are each amended to read  
6 as follows:

7 Bonds issued under the authority of RCW 47.10.826 through 47.10.831  
8 shall distinctly state that they are a general obligation of the state  
9 of Washington, shall pledge the full faith and credit of the state to  
10 the payment of the principal thereof and the interest thereon, and  
11 shall contain an unconditional promise to pay such principal and  
12 interest as the same shall become due. The principal and interest on  
13 the bonds shall be first payable in the manner provided in RCW  
14 47.10.826 through 47.10.831 from the proceeds of the state excise taxes  
15 on motor vehicle and special fuels imposed by chapters 82.36(~~7~~  
16 ~~82.37,~~) and 82.38 RCW. Proceeds of such excise taxes are hereby  
17 pledged to the payment of any bonds and the interest thereon issued  
18 under the authority of RCW 47.10.826 through 47.10.831, and the  
19 legislature agrees to continue to impose these excise taxes on motor  
20 vehicle and special fuels in amounts sufficient to pay, when due, the  
21 principal and interest on all bonds issued under the authority of RCW  
22 47.10.826 through 47.10.831.

23 **Sec. 11.** RCW 47.26.424 and 1981 c 315 s 9 are each amended to read  
24 as follows:

25 The first authorization bonds, series II bonds, and series III  
26 bonds shall distinctly state that they are a general obligation of the  
27 state of Washington, shall pledge the full faith and credit of the  
28 state to the payment of the principal thereof and the interest thereon,  
29 and shall contain an unconditional promise to pay such principal and  
30 interest as the same shall become due. The principal and interest on  
31 such bonds shall be first payable in the manner provided in RCW  
32 47.26.420 through 47.26.427, 47.26.425, and 47.26.4254 from the  
33 proceeds of state excise taxes on motor vehicle and special fuels  
34 imposed by chapters 82.36(~~7~~~~82.37,~~) and 82.38 RCW. The proceeds of  
35 such excise taxes are hereby pledged to the payment of any such bonds  
36 and the interest thereon, and the legislature hereby agrees to continue  
37 to impose the same excise taxes on motor vehicle and special fuels in



1 amounts sufficient to pay, when due, the principal and interest on all  
2 such bonds.

3 **Sec. 12.** RCW 47.26.4252 and 1994 c 179 s 23 are each amended to  
4 read as follows:

5 Any funds required to repay the authorization of series II bonds  
6 authorized by RCW 47.26.420, as reenacted by section 3, chapter 5, Laws  
7 of 1979, or the interest thereon when due, shall first be taken from  
8 that portion of the motor vehicle fund which results from the  
9 imposition of excise taxes on motor vehicle and special fuels imposed  
10 by chapters 82.36(~~(,82.37)~~) and 82.38 RCW and which is distributed to  
11 the urban arterial trust account in the motor vehicle fund and the  
12 certain sums received by the small city account in the motor vehicle  
13 fund imposed by RCW 82.36.025(3) and 46.68.100(9), subject, however, to  
14 the prior lien of the first authorization of bonds authorized by RCW  
15 47.26.420, as reenacted by section 3, chapter 5, Laws of 1979. If the  
16 moneys distributed to the urban arterial trust account and the small  
17 city account shall ever be insufficient to repay the first  
18 authorization bonds together with interest thereon, and the series II  
19 bonds or the interest thereon when due, the amount required to make  
20 such payments on such bonds or interest thereon shall next be taken  
21 from that portion of the motor vehicle fund which results from the  
22 imposition of excise taxes on motor vehicle and special fuels and which  
23 is distributed to the state, counties, cities, and towns pursuant to  
24 RCW 46.68.100 as now existing or hereafter amended. Any payments on  
25 such bonds or interest thereon taken from motor vehicle or special fuel  
26 tax revenues which are distributable to the state, counties, cities,  
27 and towns, shall be repaid from the first moneys distributed to the  
28 urban arterial trust account not required for redemption of the first  
29 authorization bonds or series II and series III bonds or interest on  
30 those bond issues.

31 **Sec. 13.** RCW 47.26.4254 and 1994 c 179 s 24 are each amended to  
32 read as follows:

33 (1) Any funds required to repay series III bonds authorized by RCW  
34 47.26.420, or the interest thereon, when due shall first be taken from  
35 that portion of the motor vehicle fund that results from the imposition  
36 of excise taxes on motor vehicle and special fuels imposed by chapters  
37 82.36(~~(,82.37)~~) and 82.38 RCW and that is distributed to the urban

1 arterial trust account in the motor vehicle fund and the certain sums  
2 received by the small city account in the motor vehicle fund imposed by  
3 RCW 82.36.025(3) and 46.68.100(9), subject, however, to the prior lien  
4 of the first authorization of bonds authorized by RCW 47.26.420. If  
5 the moneys so distributed to the urban arterial trust account and the  
6 small city account, after first being applied to administrative  
7 expenses of the transportation improvement board and to the  
8 requirements of bond retirement and payment of interest on first  
9 authorization bonds and series II bonds as provided in RCW 47.26.425  
10 and 47.26.4252, are insufficient to meet the requirements for bond  
11 retirement or interest on any series III bonds, the amount required to  
12 make such payments on series III bonds or interest thereon shall next  
13 be taken from that portion of the motor vehicle fund that results from  
14 the imposition of excise taxes on motor vehicle and special fuels and  
15 that is distributed to the state, counties, cities, and towns pursuant  
16 to RCW 46.68.100, subject, however, to subsection (2) of this section.

17 (2) To the extent that moneys so distributed to the urban arterial  
18 trust account and the small city account are insufficient to meet the  
19 requirements for bond retirement or interest on any series III bonds,  
20 sixty percent of the amount required to make such payments when due  
21 shall first be taken from that portion of the motor vehicle fund that  
22 results from the imposition of excise taxes on motor vehicle and  
23 special fuels and that is distributed to the state. The remaining  
24 forty percent shall first be taken from that portion of the motor  
25 vehicle fund that results from the imposition of excise taxes on motor  
26 vehicle and special fuels and that is distributed to the cities and  
27 towns pursuant to RCW 46.68.100(1) and to the counties pursuant to RCW  
28 46.68.100(3). Of the counties', cities', and towns' share of any  
29 additional amounts required in the fiscal year ending June 30, 1984,  
30 fifteen percent shall be taken from the counties' distributive share  
31 and eighty-five percent from the cities' and towns' distributive share.  
32 Of the counties', cities', and towns' share of any additional amounts  
33 required in each fiscal year thereafter, the percentage thereof to be  
34 taken from the counties' distributive share and from the cities' and  
35 towns' distributive share shall correspond to the percentage of funds  
36 authorized for specific county projects and for specific city and town  
37 projects, respectively, from the proceeds of series III bonds, for the  
38 period through the first eleven months of the prior fiscal year as  
39 determined by the chairman of the transportation improvement board and

1 reported to the state finance committee and the state treasurer not  
2 later than the first working day of June.

3 (3) Any payments on such bonds or interest thereon taken from motor  
4 vehicle or special fuel tax revenues that are distributable to the  
5 state, counties, cities, and towns shall be repaid from the first  
6 moneys distributed to the urban arterial trust account and the small  
7 city account not required for redemption of the first authorization  
8 bonds, series II bonds, or series III bonds or interest on these bonds.

9 **Sec. 14.** RCW 47.26.504 and 1993 c 440 s 5 are each amended to read  
10 as follows:

11 Bonds issued under the provisions of RCW 47.26.500 through  
12 47.26.507 shall distinctly state that they are a general obligation of  
13 the state of Washington, shall pledge the full faith and credit of the  
14 state to the payment of the principal thereof and the interest thereon,  
15 and shall contain an unconditional promise to pay such principal and  
16 interest as the same shall become due. The principal and interest on  
17 such bonds shall be first payable in the manner provided in RCW  
18 47.26.500 through 47.26.507 from the proceeds of state excise taxes on  
19 motor vehicle and special fuels imposed by chapters 82.36(~~(7-82.377)~~)  
20 and 82.38 RCW. The proceeds of such excise taxes are hereby pledged to  
21 the payment of any such bonds and the interest thereon, and the  
22 legislature hereby agrees to continue to impose the same excise taxes  
23 on motor vehicle and special fuels in amounts sufficient to pay, when  
24 due, the principal and interest on all such bonds.

25 **Sec. 15.** RCW 47.56.749 and 1979 ex.s. c 212 s 10 are each amended  
26 to read as follows:

27 Bonds and bond anticipation notes issued under the provisions of  
28 RCW 47.56.740 through 47.56.756 shall distinctly state that they are a  
29 general obligation of the state of Washington, shall pledge the full  
30 faith and credit of the state to the payment of the principal thereof  
31 and the interest thereon, and shall contain an unconditional promise to  
32 pay such principal and interest as the same shall become due. The  
33 principal of and interest on such bonds shall be first payable in the  
34 manner provided in (~~this act~~) chapter 212, Laws of 1979 ex. sess.  
35 from the proceeds of state excise taxes on motor vehicles and special  
36 fuels imposed by chapters 82.36(~~(7-82.377)~~) and 82.38 RCW and from the  
37 tolls and revenues derived from the operation of such toll bridge.

1       **Sec. 16.** RCW 47.56.750 and 1979 ex.s. c 212 s 11 are each amended  
2 to read as follows:

3       There is hereby created in the highway bond retirement fund in the  
4 state treasury a special account to be known as the Columbia river toll  
5 bridge account into which shall be deposited any capitalized interest  
6 from the proceeds of the bonds, and at least monthly all of the tolls  
7 and other revenues received from the operation of the toll bridge and  
8 from any interest which may be earned from the deposit or investment of  
9 these revenues after the payment of costs of operation, maintenance,  
10 management, and necessary repairs of the facility. The principal of  
11 and interest on the bonds shall be paid first from money deposited in  
12 the Columbia river toll bridge account in the highway bond retirement  
13 fund, and then, to the extent that money deposited in that account is  
14 insufficient to make any such payment when due, from the state excise  
15 taxes on motor vehicle and special fuels deposited in the highway bond  
16 retirement fund. There is hereby pledged the proceeds of state excise  
17 taxes on motor vehicle and special fuels imposed under chapters  
18 82.36(~~(, 82.37,)~~) and 82.38 RCW to pay the bonds and interest thereon,  
19 and the legislature hereby agrees to continue to impose the same excise  
20 taxes on motor vehicle and special fuels in amounts sufficient to pay,  
21 when due, the principal and interest on the bonds if the money  
22 deposited in the Columbia river toll bridge account of the highway bond  
23 retirement fund is insufficient to make such payments. Not less than  
24 fifteen days prior to the date any interest or principal and interest  
25 payments are due, the state finance committee shall certify to the  
26 state treasurer such amount of additional moneys as may be required for  
27 debt service, and the treasurer shall thereupon transfer from the motor  
28 vehicle fund such amount from the proceeds of such excise taxes into  
29 the highway bond retirement fund. Any proceeds of such excise taxes  
30 required for these purposes shall first be taken from that portion of  
31 the motor vehicle fund which results from the imposition of the excise  
32 taxes on motor vehicle and special fuels and which is distributed to  
33 the state. If the proceeds from the excise taxes distributed to the  
34 state are ever insufficient to meet the required payments on principal  
35 or interest on the bonds when due, the amount required to make the  
36 payments on the principal or interest shall next be taken from that  
37 portion of the motor vehicle fund which results from the imposition of  
38 excise taxes on motor vehicle and special fuels and which is  
39 distributed to the state, counties, cities, and towns pursuant to RCW

1 46.68.100 as now existing or hereafter amended. Any payments of the  
2 principal or interest taken from the motor vehicle or special fuel tax  
3 revenues which are distributable to the counties, cities, and towns  
4 shall be repaid from the first moneys distributed to the state not  
5 required for redemption of the bonds or interest thereon. The  
6 legislature covenants and pledges that it shall at all times provide  
7 sufficient revenues from the imposition of such excise taxes to pay the  
8 principal and interest due on the bonds.

9 **Sec. 17.** RCW 47.56.771 and 1993 c 4 s 3 are each amended to read  
10 as follows:

11 (1) The refunding bonds authorized under RCW 47.56.770 shall be  
12 general obligation bonds of the state of Washington and shall be issued  
13 in a total principal amount not to exceed fifteen million dollars. The  
14 exact amount of refunding bonds to be issued shall be determined by the  
15 state finance committee after calculating the amount of money deposited  
16 with the trustee for the bonds to be refunded which can be used to  
17 redeem or defease outstanding toll bridge authority, ferry, and Hood  
18 Canal bridge revenue bonds after the setting aside of sufficient money  
19 from that fund to pay the first interest installment on the refunding  
20 bonds. The refunding bonds shall be serial in form maturing at such  
21 time, in such amounts, having such denomination or denominations,  
22 redemption privileges, and having such terms and conditions as  
23 determined by the state finance committee. The last maturity date of  
24 the refunding bonds shall not be later than January 1, 2002.

25 (2) The refunding bonds shall be signed by the governor and the  
26 state treasurer under the seal of the state, which signatures shall be  
27 made manually or in printed facsimile. The bonds shall be registered  
28 in the name of the owner in accordance with chapter 39.46 RCW. The  
29 refunding bonds shall distinctly state that they are a general  
30 obligation of the state of Washington, shall pledge the full faith and  
31 credit of the state, and shall contain an unconditional promise to pay  
32 the principal thereof and the interest thereon when due. The refunding  
33 bonds shall be fully negotiable instruments.

34 (3) The principal and interest on the refunding bonds shall be  
35 first payable in the manner provided in this section from the proceeds  
36 of state excise taxes on motor vehicle and special fuels imposed by  
37 chapters 82.36(~~(7-82.377)~~) and 82.38 RCW.

1 (4) The principal of and interest on the refunding bonds shall be  
2 paid first from the state excise taxes on motor vehicle and special  
3 fuels deposited in the ferry bond retirement fund. There is hereby  
4 pledged the proceeds of state excise taxes on motor vehicle and special  
5 fuels imposed under chapters 82.36(~~(82.37)~~) and 82.38 RCW to pay the  
6 refunding bonds and interest thereon, and the legislature hereby agrees  
7 to continue to impose the same excise taxes on motor vehicle and  
8 special fuels in amounts sufficient to pay, when due, the principal and  
9 interest on the refunding bonds. Not less than fifteen days prior to  
10 the date any interest or principal and interest payments are due, the  
11 state finance committee shall certify to the state treasurer such  
12 amount of additional money as may be required for debt service, and the  
13 treasurer shall thereupon transfer from the motor vehicle fund such  
14 amount from the proceeds of such excise taxes into the ferry bond  
15 retirement fund. Any proceeds of such excise taxes required for these  
16 purposes shall first be taken from that portion of the motor vehicle  
17 fund which results from the imposition of the excise taxes on motor  
18 vehicle and special fuels and which is distributed to the Puget Sound  
19 capital construction account. If the proceeds from excise taxes  
20 distributed to the state are ever insufficient to meet the required  
21 payments on principal or interest on the refunding bonds when due, the  
22 amount required to make the payments on the principal or interest shall  
23 next be taken from that portion of the motor vehicle fund which results  
24 from the imposition of excise taxes on motor vehicle and special fuels  
25 and which is distributed to the state, counties, cities, and towns  
26 pursuant to RCW 46.68.100 as now existing or hereafter amended. Any  
27 payments of the principal or interest taken from the motor vehicle or  
28 special fuel tax revenues which are distributable to the counties,  
29 cities, and towns shall be repaid from the first money distributed to  
30 the state not required for redemption of the refunding bonds or  
31 interest thereon. The legislature covenants that it shall at all times  
32 provide sufficient revenues from the imposition of such excise taxes to  
33 pay the principal and interest due on the refunding bonds.

34 **Sec. 18.** RCW 47.60.580 and 1977 ex.s. c 360 s 3 are each amended  
35 to read as follows:

36 Bonds issued under the provisions of RCW 47.60.560 shall distinctly  
37 state that they are a general obligation of the state of Washington,  
38 shall pledge the full faith and credit of the state to the payment of

1 the principal thereof and the interest thereon, and shall contain an  
2 unconditional promise to pay such principal and interest as the same  
3 shall become due. The principal of and interest on such bonds shall be  
4 first payable in the manner provided in RCW 47.60.560 through 47.60.640  
5 from the proceeds of the state excise taxes on motor vehicle and  
6 special fuels imposed by chapters 82.36(~~(,82.37,)~~) and 82.38 RCW.  
7 Proceeds of such excise taxes are hereby pledged to the payment of any  
8 bonds and the interest thereon issued under the provisions of RCW  
9 47.60.560 through 47.60.640 and the legislature hereby agrees to  
10 continue to impose the same excise taxes on motor vehicle and special  
11 fuels in amounts sufficient to pay, when due, the principal and  
12 interest on all bonds issued under the provisions of RCW 47.60.560  
13 through 47.60.640.

14 **Sec. 19.** RCW 47.60.806 and 1992 c 158 s 4 are each amended to read  
15 as follows:

16 Bonds issued under the authority of RCW 47.60.800 through 47.60.808  
17 shall distinctly state that they are a general obligation of the state  
18 of Washington, shall pledge the full faith and credit of the state to  
19 the payment of the principal thereof and the interest thereon, and  
20 shall contain an unconditional promise to pay such principal and  
21 interest as the same shall become due. The principal and interest  
22 shall be first payable in the manner provided in RCW 47.60.800 through  
23 47.60.808 from the proceeds of the state excise taxes on motor vehicle  
24 and special fuels imposed by chapters 82.36(~~(,82.37,)~~) and 82.38 RCW  
25 and distributed to the state pursuant to RCW 46.68.130 and shall never  
26 constitute a charge against any allocations of such funds to counties,  
27 cities, and towns unless and until the amount of the motor vehicle fund  
28 arising from the excise taxes on motor vehicle and special fuels and  
29 available for state highway purposes proves insufficient to meet the  
30 requirements for bond retirement or interest on any such bonds.  
31 Proceeds of such excise taxes are hereby pledged to the payment of any  
32 bonds and the interest thereon issued under the authority of RCW  
33 47.60.800 through 47.60.808, and the legislature agrees to continue to  
34 impose these excise taxes on motor vehicle and special fuels in amounts  
35 sufficient to pay, when due, the principal and interest on all bonds  
36 issued under the authority of RCW 47.60.800 through 47.60.808.

1       **Sec. 20.** RCW 82.36.010 and 1993 c 54 s 1 are each amended to read  
2 as follows:

3       For the purposes of this chapter:

4       (1) "Motor vehicle" means every vehicle that is in itself a self-  
5 propelled unit, equipped with solid rubber, hollow-cushion rubber, or  
6 pneumatic rubber tires and capable of being moved or operated upon a  
7 public highway, except motor vehicles used as motive power for or in  
8 conjunction with farm implements and machines or implements of  
9 husbandry;

10       (2) "Motor vehicle fuel" means gasoline or any other inflammable  
11 gas or liquid, by whatsoever name such gasoline, gas, or liquid may be  
12 known or sold, the chief use of which is as fuel for the propulsion of  
13 motor vehicles or motorboats;

14       (3) "Distributor" means every person who refines, manufactures,  
15 produces, or compounds motor vehicle fuel and sells, distributes, or in  
16 any manner uses it in this state; also every person engaged in business  
17 as a bona fide wholesale merchant dealing in motor vehicle fuel who  
18 either acquires it within the state from any person refining it within  
19 or importing it into the state, on which the tax has not been paid, or  
20 imports it into this state and sells, distributes, or in any manner  
21 uses it in this state; also every person who acquires motor vehicle  
22 fuel, on which the tax has not been paid, and exports it by commercial  
23 motor vehicle (~~as defined in RCW 82.37.020~~) to a location outside the  
24 state. For the purposes of liability for a county fuel tax,  
25 "distributor" has that meaning defined in the county ordinance imposing  
26 the tax. For the purposes of this subsection, "commercial motor  
27 vehicle" means any motor vehicle used, designed, or maintained for  
28 transportation of persons or property and: (a) Having two axles and a  
29 gross vehicle weight or registered gross vehicle weight exceeding  
30 twenty-six thousand pounds; or (b) having three or more axles  
31 regardless of weight; or (c) is used in combination, when the weight of  
32 such combination exceeds twenty-six thousand pounds gross vehicle  
33 weight. "Commercial motor vehicle" does not include recreational  
34 vehicles;

35       (4) "Service station" means a place operated for the purpose of  
36 delivering motor vehicle fuel into the fuel tanks of motor vehicles;

37       (5) "Department" means the department of licensing;

38       (6) "Director" means the director of licensing;



1 (7) "Dealer" means any person engaged in the retail sale of liquid  
2 motor vehicle fuels;

3 (8) "Person" means every natural person, firm, partnership,  
4 association, or private or public corporation;

5 (9) "Highway" means every way or place open to the use of the  
6 public, as a matter of right, for purposes of vehicular travel;

7 (10) "Broker" means every person, other than a distributor, engaged  
8 in business as a broker, jobber, or wholesale merchant dealing in motor  
9 vehicle fuel or other petroleum products used or usable in propelling  
10 motor vehicles, or in other petroleum products which may be used in  
11 blending, compounding, or manufacturing of motor vehicle fuel;

12 (11) "Producer" means every person, other than a distributor,  
13 engaged in the business of producing motor vehicle fuel or other  
14 petroleum products used in, or which may be used in, the blending,  
15 compounding, or manufacturing of motor vehicle fuel;

16 (12) "Distribution" means all withdrawals of motor vehicle fuel for  
17 delivery to others, to retail service stations, or to unlicensed bulk  
18 storage plants;

19 (13) "Bulk storage plant" means, pursuant to the licensing  
20 provisions of RCW 82.36.070, any plant, under the control of the  
21 distributor, used for the storage of motor vehicle fuel to which no  
22 retail outlets are directly connected by pipe lines;

23 (14) "Marine fuel dealer" means any person engaged in the retail  
24 sale of liquid motor vehicle fuel whose place of business and or sale  
25 outlet is located upon a navigable waterway;

26 (15) "Alcohol" means alcohol that is produced from renewable  
27 resources;

28 (16) "Electronic funds transfer" means any transfer of funds, other  
29 than a transaction originated by check, draft, or similar paper  
30 instrument, which is initiated through an electronic terminal,  
31 telephonic instrument, or computer or magnetic tape so as to order,  
32 instruct, or authorize a financial institution to debit or credit an  
33 account.

34 **Sec. 21.** RCW 82.38.120 and 1990 c 250 s 85 are each amended to  
35 read as follows:

36 Upon receipt and approval of an application and bond ((+))<sub>1</sub> if  
37 required((+)), the department shall issue to the applicant a license to  
38 act as a special fuel dealer(~~(, a special fuel supplier,)~~) or a special

1 fuel user(~~(: PROVIDED, That)~~). However, the department may refuse to  
2 issue a special fuel dealer's license(~~(, special fuel supplier's~~  
3 ~~license,)~~) or a special fuel user's license to any person: (1) Who  
4 formerly held either type of license which, prior to the time of filing  
5 for application, has been revoked for cause; (~~(or)~~) (2) who is a  
6 subterfuge for the real party in interest whose license prior to the  
7 time of filing for application, has been revoked for cause; (~~(or)~~) (3)  
8 who, as an individual licensee, or officer, director, owner, or  
9 managing employee of a nonindividual licensee, has had a special fuel  
10 license revoked for cause; (~~(or)~~) (4) who has an unsatisfied debt to  
11 the state assessed under either chapter 82.36, (~~(82.37)~~) 82.38, or  
12 46.87 RCW; or (5) upon other sufficient cause being shown. Before such  
13 refusal, the department shall grant the applicant a hearing and shall  
14 grant (~~(him)~~) the applicant at least five days written notice of the  
15 time and place thereof.

16 The department shall determine from the information shown in the  
17 application or other investigation the kind and class of license to be  
18 issued.

19 All licenses shall be posted in a conspicuous place or kept  
20 available for inspection at the principal place of business of the  
21 owner thereof. License holders shall reproduce the license by  
22 photostat or other method and keep a copy on display for ready  
23 inspection at each additional place of business or other place of  
24 storage from which special fuel is sold, delivered or used and in each  
25 motor vehicle used by the license holder to transport special fuel  
26 purchased by him or her for resale, delivery or use. Every licensed  
27 special fuel user operating a motor vehicle registered in a  
28 jurisdiction other than this state shall reproduce the license and  
29 carry a photocopy thereof with each motor vehicle being operated upon  
30 the highways of this state.

31 A special fuel dealer (~~(or a special fuel supplier)~~) may use  
32 special fuel in motor vehicles owned or operated by (~~(them)~~) the dealer  
33 without securing a license as a special fuel user but (~~(they shall be)~~)  
34 the dealer is subject to all other conditions, requirements, and  
35 liabilities imposed herein upon a special fuel user.

36 (~~(The department shall furnish to each licensed special fuel~~  
37 ~~supplier a list showing the name and address of each bonded special~~  
38 ~~fuel dealer as of the beginning of each fiscal year, and shall~~  
39 ~~thereafter during each year supplement such list monthly.)~~)

1 Each special fuel dealer's license(~~(, special fuel supplier's~~  
2 ~~license,)~~) and special fuel user's license shall be valid until the  
3 expiration date if shown on the license, or until suspended or revoked  
4 for cause or otherwise canceled.

5 No special fuel dealer's license(~~(, special fuel supplier's~~  
6 ~~license,)~~) or special fuel user's license shall be transferable.

7 **Sec. 22.** RCW 82.38.140 and 1988 c 51 s 1 are each amended to read  
8 as follows:

9 (1) Every special fuel dealer, (~~(special fuel supplier,)~~) special  
10 fuel user, and every person importing, manufacturing, refining, dealing  
11 in, transporting, or storing special fuel in this state shall keep for  
12 a period of not less than three years open to inspection at all times  
13 during the business hours of the day to the department or its  
14 authorized representatives, a complete record of all special fuel  
15 purchased or received and all of such products sold, delivered, or used  
16 by them. Such records shall show:

17 (a) The date of each receipt;

18 (b) The name and address of the person from whom purchased or  
19 received;

20 (c) The number of gallons received at each place of business or  
21 place of storage in the state of Washington;

22 (d) The date of each sale or delivery;

23 (e) The number of gallons sold, delivered, or used for taxable  
24 purposes;

25 (f) The number of gallons sold, delivered, or used for any purpose  
26 not subject to the tax imposed herein;

27 (g) The name, address, and special fuel license number of the  
28 purchaser if the special fuel tax is not collected on the sale or  
29 delivery;

30 (h) The inventories of special fuel on hand at each place of  
31 business at the end of each month.

32 (2)(a) All special fuel users using special fuel in vehicles  
33 licensed for highway operation shall maintain detailed mileage records  
34 on an individual vehicle basis.

35 (b) Such operating records shall show both on-highway and off-  
36 highway usage of special fuel on a daily basis for each vehicle.

37 (3) Persons using special fuel for heating purposes only are not  
38 required to maintain records of fuel usage.

1 (4) Invoices shall be prepared for sales and deliveries of special  
2 fuel in the manner and containing such information as may be prescribed  
3 by the department.

4 Every (~~special fuel supplier,~~) special fuel dealer or special  
5 fuel user making such sales or deliveries of special fuel and every  
6 person so receiving and purchasing special fuel must each retain one  
7 copy of each such invoice as part of (~~his~~) the dealer's permanent  
8 records for the time and purposes above provided.

9 (5) Every special fuel user shall keep, in addition to (~~his~~) the  
10 dealer's records of deliveries into motor vehicles, a complete record  
11 as prescribed by the department of the total gallons of special fuel  
12 used for other purposes during each month and the purposes for which  
13 said special fuel was used.

14 (6) Subsections (1)(f), (2)(b), and (5) of this section do not  
15 apply to special fuel users when the special fuel is used off-highway  
16 in farming, construction, or logging operations. Upon filing a special  
17 fuel user tax report, every such special fuel user shall certify and  
18 bear the burden of proof as to the number of gallons of special fuel  
19 used off-highway.

20 **Sec. 23.** RCW 82.38.150 and 1991 c 339 s 15 are each amended to  
21 read as follows:

22 For the purpose of determining the amount of liability for the tax  
23 herein imposed each special fuel dealer and each special fuel user  
24 shall file tax reports with the department, on forms prescribed by the  
25 department. Special fuel dealers shall file the reports at the  
26 intervals as shown in the following schedule:

27	Estimated Yearly	
28	Tax Liability	Reporting Frequency
29	\$ 0 - \$100	Yearly
30	\$101 - 250	Semi-yearly
31	\$251 - 499	Quarterly
32	\$500 and over	Monthly

33 Special fuel users whose estimated yearly tax liability is two  
34 hundred fifty dollars or less, shall file a report yearly, and special  
35 fuel users whose estimated yearly tax liability is more than two  
36 hundred fifty dollars, shall file reports quarterly.

1       The department shall establish the reporting frequency for each  
2 applicant at the time the special fuel license is issued. If it  
3 becomes apparent that any special fuel licensee is not reporting in  
4 accordance with the above schedule, the department shall change the  
5 licensee's reporting frequency by giving thirty days' notice to the  
6 licensee by mail to ((his)) the licensee's address of record. A report  
7 shall be filed with the department even though no special fuel was  
8 used, or tax is due, for the reporting period. Each tax report shall  
9 contain a declaration by the person making the same, to the effect that  
10 the statements contained therein are true and are made under penalties  
11 of perjury, which declaration shall have the same force and effect as  
12 a verification of the report and is in lieu of such verification. The  
13 report shall show such information as the department may reasonably  
14 require for the proper administration and enforcement of this  
15 chapter(~~(: PROVIDED, That if a special fuel dealer or special fuel~~  
16 ~~user is also a special fuel supplier at a location where special fuel~~  
17 ~~is delivered into the supply tank of a motor vehicle, and if separate~~  
18 ~~storage is provided thereat from which special fuel is delivered or~~  
19 ~~placed into fuel supply tanks of motor vehicles, the tax report to the~~  
20 ~~department need not include inventory control data covering bulk~~  
21 ~~storage from which wholesale distribution of special fuel is made)).~~  
22 For counties within which an additional excise tax on special fuel has  
23 been levied by that jurisdiction under RCW 82.80.010, the report must  
24 show the quantities of special fuel sold, distributed, or withdrawn  
25 from bulk storage by the reporting dealer or user within the county's  
26 boundaries and the tax liability from its levy. The special fuel  
27 dealer or special fuel user shall file the report on or before the  
28 twenty-fifth day of the next succeeding calendar month following the  
29 period to which it relates.

30       Subject to the written approval of the department, tax reports may  
31 cover a period ending on a day other than the last day of the calendar  
32 month. Taxpayers granted approval to file reports in this manner will  
33 file such reports on or before the twenty-fifth day following the end  
34 of the reporting period. No change to this reporting period will be  
35 made without the written authorization of the department.

36       If the final filing date falls on a Saturday, Sunday, or legal  
37 holiday the next secular or business day shall be the final filing  
38 date. Such reports shall be considered filed or received on the date  
39 shown by the post office cancellation mark stamped upon an envelope

1 containing such report properly addressed to the department, or on the  
2 date it was mailed if proof satisfactory to the department is available  
3 to establish the date it was mailed.

4 The department, if it deems it necessary in order to insure payment  
5 of the tax imposed by this chapter, or to facilitate the administration  
6 of this chapter, has the authority to require the filing of reports and  
7 tax remittances at shorter intervals than one month if, in its opinion,  
8 an existing bond has become insufficient.

9 The department may permit any special fuel user whose sole use of  
10 special fuel is in motor vehicles or equipment exempt from tax as  
11 provided in RCW 82.38.075 and 82.38.080 (1), (2), (3), (8), and (9), in  
12 lieu of the reports required in this section, to submit reports  
13 annually or as requested by the department, in such form as the  
14 department may require.

15 A special fuel user whose sole use of special fuel is for purposes  
16 other than the propulsion of motor vehicles upon the public highways of  
17 this state shall not be required to submit the reports required in this  
18 section.

19 **Sec. 24.** RCW 82.38.170 and 1994 c 262 s 25 are each amended to  
20 read as follows:

21 (1) If any special fuel dealer or special fuel user fails to pay  
22 any taxes collected or due the state of Washington by said dealer or  
23 user within the time prescribed by RCW 82.38.150 and 82.38.160, said  
24 dealer or user shall pay in addition to such tax a penalty of ten  
25 percent of the amount thereof.

26 (2) If it be determined by the department that the tax reported by  
27 any special fuel dealer or special fuel user is deficient it may  
28 proceed to assess the deficiency on the basis of information available  
29 to it and there shall be added to this deficiency a penalty of ten  
30 percent of the amount of the deficiency.

31 (3) If any special fuel dealer or special fuel user, whether or not  
32 he or she is licensed as such, fails, neglects, or refuses to file a  
33 special fuel tax report, the department may, on the basis of  
34 information available to it, determine the tax liability of the special  
35 fuel dealer or the special fuel user for the period during which no  
36 report was filed, and to the tax as thus determined, the department  
37 shall add the penalty and interest provided in subsection (2) of this  
38 section. An assessment made by the department pursuant to this

1 subsection or to subsection (2) of this section shall be presumed to be  
2 correct, and in any case where the validity of the assessment is drawn  
3 in question, the burden shall be on the person who challenges the  
4 assessment to establish by a fair preponderance of the evidence that it  
5 is erroneous or excessive as the case may be.

6 (4) If any special fuel dealer or special fuel user shall establish  
7 by a fair preponderance of evidence that his or her failure to file a  
8 report or pay the proper amount of tax within the time prescribed was  
9 due to reasonable cause and was not intentional or willful, the  
10 department may waive the penalty prescribed in subsections (1), (2),  
11 and (3) of this section.

12 (5) If any special fuel dealer or special fuel user shall file a  
13 false or fraudulent report with intent to evade the tax imposed by this  
14 chapter, there shall be added to the amount of deficiency determined by  
15 the department a penalty equal to twenty-five percent of the  
16 deficiency, in addition to the penalty provided in subsection (2) of  
17 this section and all other penalties prescribed by law.

18 (6) Any fuel tax, penalties, and interest payable under this  
19 chapter shall bear interest at the rate of one percent per month, or  
20 fraction thereof, from the first day of the calendar month after the  
21 amount or any portion thereof should have been paid until the date of  
22 payment: PROVIDED, That the department may waive the interest when it  
23 determines that the cost of processing the collection of the interest  
24 exceeds the amount of interest due.

25 (7) Except in the case of violations of filing a false or  
26 fraudulent report, if the department deems mitigation of penalties and  
27 interest to be reasonable and in the best interests of carrying out the  
28 purpose of this chapter, it may mitigate such assessments upon whatever  
29 terms the department deems proper, giving consideration to the degree  
30 and extent of the lack of records and reporting errors. The department  
31 may ascertain the facts regarding recordkeeping and payment penalties  
32 in lieu of more elaborate proceedings under this chapter.

33 (8) Except in the case of a fraudulent report or of neglect or  
34 refusal to make a report, every deficiency shall be assessed under  
35 subsection (2) of this section within three years from the twenty-fifth  
36 day of the next succeeding calendar month following the reporting  
37 period for which the amount is proposed to be determined or within  
38 three years after the return is filed, whichever period expires the  
39 later.

1 (9) Any special fuel dealer or special fuel user against whom an  
2 assessment is made under the provisions of subsections (2) or (3) of  
3 this section may petition for a reassessment thereof within thirty days  
4 after service upon the special fuel dealer or special fuel user of  
5 notice thereof. If such petition is not filed within such thirty day  
6 period, the amount of the assessment becomes final at the expiration  
7 thereof.

8 If a petition for reassessment is filed within the thirty day  
9 period, the department shall reconsider the assessment and, if the  
10 special fuel dealer or special fuel user has so requested in his or her  
11 petition, shall grant such special fuel dealer or special fuel user an  
12 oral hearing and give the special fuel dealer or special fuel user ten  
13 days' notice of the time and place thereof. The department may  
14 continue the hearing from time to time. The decision of the department  
15 upon a petition for reassessment shall become final thirty days after  
16 service upon the special fuel dealer or special fuel user of notice  
17 thereof.

18 Every assessment made by the department shall become due and  
19 payable at the time it becomes final and if not paid to the department  
20 when due and payable, there shall be added thereto a penalty of ten  
21 percent of the amount of the tax.

22 (10) Any notice of assessment required by this section shall be  
23 served personally or by mail; if by mail, service shall be made by  
24 depositing such notice in the United States mail, postage prepaid  
25 addressed to the special fuel dealer or special fuel user at his or her  
26 address as the same appears in the records of the department.

27 (11) Any licensee who has had either their special fuel user  
28 license(~~(7)~~) or special fuel dealer license, (~~special fuel supplier~~  
29 ~~license~~(7)~~~~) or (~~combination thereof~~) both, revoked shall pay a one  
30 hundred dollar penalty prior to the issuance of a new license.

31 (12) Any person who, upon audit or investigation by the department,  
32 is found to have not paid special fuel taxes as required by this  
33 chapter shall be subject to cancellation of all vehicle registrations  
34 for vehicles utilizing special fuel as a means of propulsion. Any  
35 unexpired Washington tonnage on the vehicles in question may be  
36 transferred to a purchaser of the vehicles upon application to the  
37 department who shall hold such tonnage in its custody until a sale of  
38 the vehicle is made or the tonnage has expired.



1       **Sec. 25.** RCW 82.38.260 and 1979 c 40 s 18 are each amended to read  
2 as follows:

3       The department shall enforce the provisions of this chapter, and  
4 may prescribe, adopt, and enforce reasonable rules and regulations  
5 relating to the administration and enforcement thereof. The Washington  
6 state patrol and its officers shall aid the department in the  
7 enforcement of this chapter, and, for this purpose, are declared to be  
8 peace officers, and given police power and authority throughout the  
9 state to arrest on sight any person known to have committed a violation  
10 of the provisions of this chapter.

11       The department or its authorized representative is hereby empowered  
12 to examine the books, papers, records and equipment of any special fuel  
13 dealer, (~~(special fuel supplier or)~~) special fuel user, or any person  
14 dealing in, transporting, or storing special fuel as defined in this  
15 chapter and to investigate the character of the disposition which any  
16 person makes of such special fuel in order to ascertain and determine  
17 whether all taxes due hereunder are being properly reported and paid.  
18 The fact that such books, papers, records and equipment are not  
19 maintained in this state at the time of demand shall not cause the  
20 department to lose any right of such examination under this chapter  
21 when and where such records become available.

22       The department or its authorized representative is further  
23 empowered to investigate the disposition of special fuel by any person  
24 where the department has reason to believe that untaxed special fuel  
25 has been diverted to a use subject to the taxes imposed by this chapter  
26 without said taxes being paid in accordance with the requirements of  
27 this chapter.

28       For the purpose of enforcing the provisions of this chapter it  
29 shall be presumed that all special fuel delivered to service stations  
30 as well as all special fuel otherwise received by a special fuel dealer  
31 or a special fuel user into storage and dispensing equipment designed  
32 to fuel motor vehicles is delivered by the special fuel dealer or  
33 special fuel user into the fuel supply tanks of motor vehicles and  
34 consumed in the propulsion of motor vehicles on the highways of this  
35 state, unless the contrary is established by satisfactory evidence.

36       The department shall, upon request from the officials to whom are  
37 entrusted the enforcement of the special fuel tax law of any other  
38 state, the District of Columbia, the United States, its territories and  
39 possessions, the provinces or the Dominion of Canada, forward to such

1 officials any information which he or she may have relative to the  
2 receipt, storage, delivery, sale, use, or other disposition of special  
3 fuel by any special fuel dealer(~~(, special fuel supplier)~~) or special  
4 fuel user, provided such other state or states furnish like information  
5 to this state.

6 Returns required by this chapter, exclusive of schedules, itemized  
7 statements and other supporting evidence annexed thereto, shall at all  
8 reasonable times be open to the public.

9 **Sec. 26.** RCW 82.41.040 and 1982 c 161 s 4 are each amended to read  
10 as follows:

11 The amount of the tax imposed and collected on behalf of this state  
12 under an agreement entered into under this chapter shall be determined  
13 as provided in chapter(~~s 82.37 and~~) 82.38 RCW.

Passed the House March 1, 1995.

Passed the Senate April 22, 1995.

Approved by the Governor May 9, 1995.

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