

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE HOUSE BILL 1225**

61st Legislature  
2009 Regular Session

Passed by the House April 18, 2009  
Yeas 66 Nays 31

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**Speaker of the House of Representatives**

Passed by the Senate April 8, 2009  
Yeas 32 Nays 12

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

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

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**SUBSTITUTE HOUSE BILL 1225**

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AS AMENDED BY THE SENATE

Passed Legislature - 2009 Regular Session

**State of Washington                      61st Legislature                      2009 Regular Session**

**By** House Transportation (originally sponsored by Representatives Llias, Rodne, Upthegrove, Roach, Simpson, and Rolfes)

READ FIRST TIME 02/17/09.

1            AN ACT Relating to the effect of special fuel taxes on publicly  
2 owned or operated urban passenger transportation systems; and amending  
3 RCW 82.38.080.

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

5            **Sec. 1.** RCW 82.38.080 and 2008 c 237 s 1 are each amended to read  
6 as follows:

7            (1) There is exempted from the tax imposed by this chapter, the use  
8 of fuel for:

9            (a) Street and highway construction and maintenance purposes in  
10 motor vehicles owned and operated by the state of Washington, or any  
11 county or municipality;

12            (b) Publicly owned firefighting equipment;

13            (c) Special mobile equipment as defined in RCW 46.04.552;

14            (d) Power pumping units or other power take-off equipment of any  
15 motor vehicle which is accurately measured by metering devices that  
16 have been specifically approved by the department or which is  
17 established by any of the following formulae:

18            (i) Pumping propane, or fuel or heating oils or milk picked up from  
19 a farm or dairy farm storage tank by a power take-off unit on a

1 delivery truck, at a rate determined by the department: PROVIDED, That  
2 claimant when presenting his or her claim to the department in  
3 accordance with this chapter, shall provide to the claim, invoices of  
4 propane, or fuel or heating oil delivered, or such other appropriate  
5 information as may be required by the department to substantiate his or  
6 her claim;

7 (ii) Operating a power take-off unit on a cement mixer truck or a  
8 load compactor on a garbage truck at the rate of twenty-five percent of  
9 the total gallons of fuel used in such a truck; or

10 (iii) The department is authorized to establish by rule additional  
11 formulae for determining fuel usage when operating other types of  
12 equipment by means of power take-off units when direct measurement of  
13 the fuel used is not feasible. The department is also authorized to  
14 adopt rules regarding the usage of on board computers for the  
15 production of records required by this chapter;

16 (e) Motor vehicles owned and operated by the United States  
17 government;

18 (f) Heating purposes;

19 (g) Moving a motor vehicle on a public highway between two pieces  
20 of private property when said moving is incidental to the primary use  
21 of the motor vehicle;

22 (h) Transportation services for persons with special transportation  
23 needs by a private, nonprofit transportation provider regulated under  
24 chapter 81.66 RCW;

25 (i) Vehicle refrigeration units, mixing units, or other equipment  
26 powered by separate motors from separate fuel tanks;

27 (j) The operation of a motor vehicle as a part of or incidental to  
28 logging operations upon a highway under federal jurisdiction within the  
29 boundaries of a federal area if the federal government requires a fee  
30 for the privilege of operating the motor vehicle upon the highway, the  
31 proceeds of which are reserved for constructing or maintaining roads in  
32 the federal area, or requires maintenance or construction work to be  
33 performed on the highway for the privilege of operating the motor  
34 vehicle on the highway; and

35 (k) Waste vegetable oil as defined under RCW 82.08.0205 if the oil  
36 is used to manufacture biodiesel.

37 (2) There is exempted from the tax imposed by this chapter the

1 removal or entry of special fuel under the following circumstances and  
2 conditions:

3 (a) If it is the removal from a terminal or refinery of, or the  
4 entry or sale of, a special fuel if all of the following apply:

5 (i) The person otherwise liable for the tax is a licensee other  
6 than a dyed special fuel user or international fuel tax agreement  
7 licensee;

8 (ii) For a removal from a terminal, the terminal is a licensed  
9 terminal; and

10 (iii) The special fuel satisfies the dyeing and marking  
11 requirements of this chapter;

12 (b) If it is an entry or removal from a terminal or refinery of  
13 taxable special fuel transferred to a refinery or terminal and the  
14 persons involved, including the terminal operator, are licensed; and

15 (c)(i) If it is a special fuel that, under contract of sale, is  
16 shipped to a point outside this state by a supplier by means of any of  
17 the following:

18 (A) Facilities operated by the supplier;

19 (B) Delivery by the supplier to a carrier, customs broker, or  
20 forwarding agent, whether hired by the purchaser or not, for shipment  
21 to the out-of-state point;

22 (C) Delivery by the supplier to a vessel clearing from port of this  
23 state for a port outside this state and actually exported from this  
24 state in the vessel.

25 (ii) For purposes of this subsection (2)(c):

26 (A) "Carrier" means a person or firm engaged in the business of  
27 transporting for compensation property owned by other persons, and  
28 includes both common and contract carriers; and

29 (B) "Forwarding agent" means a person or firm engaged in the  
30 business of preparing property for shipment or arranging for its  
31 shipment.

32 (3)(a) Notwithstanding any provision of law to the contrary, every  
33 privately owned urban passenger transportation system and carriers as  
34 defined by chapters 81.68 and 81.70 RCW shall be exempt from the  
35 provisions of this chapter requiring the payment of special fuel taxes.  
36 For the purposes of this section "privately owned urban passenger  
37 transportation system" means every privately owned transportation  
38 system(~~(, publicly or privately owned,)~~) having as its principal source

1 of revenue the income from transporting persons for compensation by  
2 means of motor vehicles (~~(and/or)~~) or trackless trolleys, each having  
3 a seating capacity for over fifteen persons over prescribed routes in  
4 such a manner that the routes of such motor vehicles (~~(and/or)~~) or  
5 trackless trolleys, either alone or in conjunction with routes of other  
6 such motor vehicles (~~(and/or)~~) or trackless trolleys subject to routing  
7 by the same transportation system, shall not extend for a distance  
8 exceeding twenty-five road miles beyond the corporate limits of the  
9 county in which the original starting points of such motor vehicles are  
10 located: PROVIDED, That no refunds or credits shall be granted on  
11 special fuel used by any privately owned urban transportation vehicle,  
12 or vehicle operated pursuant to chapters 81.68 and 81.70 RCW, on any  
13 trip where any portion of (~~said~~) the trip is more than twenty-five  
14 road miles beyond the corporate limits of the county in which (~~said~~)  
15 the trip originated.

16 (b) Every publicly owned and operated urban passenger  
17 transportation system is exempt from the provisions of this chapter  
18 that require the payment of special fuel taxes. For the purposes of  
19 this subsection, "publicly owned and operated urban passenger  
20 transportation systems" include public transportation benefit areas  
21 under chapter 36.57A RCW, metropolitan municipal corporations under  
22 chapter 36.56 RCW, city-owned transit systems under chapter 35.58 RCW,  
23 county public transportation authorities under chapter 36.57 RCW,  
24 unincorporated transportation benefit areas under chapter 36.57 RCW,  
25 and regional transit authorities under chapter 81.112 RCW.

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