
SUBSTITUTE HOUSE BILL 1055

State of Washington

60th Legislature

2007 Regular Session

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Hudgins, B. Sullivan, Morris, Dunshee and Chase)

READ FIRST TIME 02/05/07.

1 AN ACT Relating to defining alternative motor fuels; and amending
2 RCW 19.112.010, 19.112.120, 82.04.4334, 82.08.955, and 82.12.955.

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

4 **Sec. 1.** RCW 19.112.010 and 2006 c 338 s 15 are each amended to
5 read as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly requires otherwise.

8 (1) "Alcohol fuel" means any alcohol made from a product other than
9 petroleum or natural gas that is used alone or in combination with
10 gasoline or other petroleum products for use as a fuel in self-
11 propelled motor vehicles.

12 (2) "Alternative fuel" means all products or energy sources used to
13 propel motor vehicles, other than conventional gasoline, diesel, or
14 reformulated gasoline. Alternative fuel includes, but is not limited
15 to, liquefied petroleum gas, liquefied natural gas, compressed natural
16 gas, biodiesel fuel, E85 motor fuel, fuels containing seventy percent
17 or more by volume of alcohol fuel, fuels that are derived from biomass,
18 hydrogen fuel, nonhazardous motor fuel, or electricity, excluding
19 onboard electric generation.

1 (3) "Biodiesel fuel" means the monoalkyl esters of long chain fatty
2 acids derived from plant or animal matter that meet the registration
3 requirements for fuels and fuel additives established by the federal
4 environmental protection agency and standards established by the
5 American society of testing and materials.

6 ~~((+2))~~ (4) "Diesel" means special fuel as defined in RCW
7 82.38.020, and diesel fuel dyed in accordance with the regulations in
8 26 C.F.R. Sec. 48.4082-1T as of October 24, 2005.

9 ~~((+3))~~ (5) "Director" means the director of agriculture.

10 ~~((+4))~~ (6) "E85 motor fuel" means an alternative fuel that is a
11 blend of ethanol and hydrocarbon of which the ethanol portion is
12 nominally seventy-five to eighty-five percent denatured fuel ethanol by
13 volume that complies with the most recent version of American society
14 of testing and materials specification D 5798.

15 (7) "Motor fuel" means any liquid product used for the generation
16 of power in an internal combustion engine used for the propulsion of a
17 motor vehicle upon the highways of this state, and any biodiesel fuel.
18 Motor fuels containing ethanol may be marketed if either (a) the base
19 motor fuel meets the applicable standards before the addition of the
20 ethanol or (b) the resultant blend meets the applicable standards after
21 the addition of the ethanol.

22 (8) "Nonhazardous motor fuel" means any fuel of a type distributed
23 for use in self-propelled motor vehicles that does not contain a
24 hazardous liquid as defined in RCW 19.122.020.

25 **Sec. 2.** RCW 19.112.120 and 2006 c 338 s 3 are each amended to read
26 as follows:

27 (1) By December 1, 2008, motor vehicle fuel licensees under chapter
28 82.36 RCW, other than motor vehicle fuel distributors, shall provide
29 evidence to the department of licensing that at least two percent of
30 total gasoline sold in Washington, measured on a quarterly basis, is
31 denatured ethanol.

32 (2) If the director of ecology determines that ethanol content
33 greater than two percent of the total gasoline sold in Washington will
34 not jeopardize continued attainment of the federal clean air act's
35 national ambient air quality standard for ozone pollution in Washington
36 and the director of agriculture determines and publishes this
37 determination in the Washington State Register that sufficient raw

1 materials are available within Washington to support economical
2 production of ethanol at higher levels, the director of agriculture may
3 require by rule that licensees provide evidence to the department of
4 licensing that denatured ethanol comprises between two percent and at
5 least ten percent of total gasoline sold in Washington, measured on a
6 quarterly basis.

7 (3) The requirements of subsections (1) and (2) of this section
8 shall take effect no sooner than one hundred eighty days after the
9 determination has been published in the Washington State Register.

10 (4) The director and the director of licensing shall each adopt
11 rules, in coordination with each other, for enforcing and carrying out
12 the purposes of this section.

13 (5) Nothing in this section is intended to prohibit the production,
14 sale, or use of motor fuel for use in federally designated flexibly
15 fueled vehicles capable of using (~~up to eighty five percent ethanol~~
16 ~~fuel blends~~) E85 motor fuel. Nothing in this section is intended to
17 limit the use of high octane gasoline not blended with ethanol for use
18 in aircraft.

19 **Sec. 3.** RCW 82.04.4334 and 2003 c 63 s 1 are each amended to read
20 as follows:

21 (1) In computing tax there may be deducted from the measure of tax
22 amounts received from the retail sale, or for the distribution, of:

23 (a) Biodiesel fuel; or

24 (b) (~~Alcohol fuel, if the alcohol fuel is at least eighty five~~
25 ~~percent of the volume of the fuel being sold or distributed~~) E85 motor
26 fuel.

27 (2) For the purposes of this section and RCW 82.08.955 and
28 82.12.955, the following definitions apply:

29 (a) "Biodiesel fuel" means a mono alkyl ester of long chain fatty
30 acids derived from vegetable oils or animal fats for use in
31 compression-ignition engines and that meets the requirements of the
32 American society of testing and materials specification D 6751 in
33 effect as of January 1, 2003.

34 (b) (~~"Alcohol fuel" means any alcohol made from a product other~~
35 ~~than petroleum or natural gas, which is used alone or in combination~~
36 ~~with gasoline or other petroleum products for use as a fuel for motor~~
37 ~~vehicles, farm implements and machines, or implements of husbandry.~~)

1 "E85 motor fuel" means an alternative fuel that is a blend of ethanol
2 and hydrocarbon of which the ethanol portion is nominally seventy-five
3 to eighty-five percent denatured fuel ethanol by volume that complies
4 with the most recent version of American society of testing and
5 materials specification D 5798.

6 (c) "Distribution" means any of the actions specified in RCW
7 82.36.020(2).

8 (3) This section expires July 1, 2009.

9 **Sec. 4.** RCW 82.08.955 and 2003 c 63 s 2 are each amended to read
10 as follows:

11 (1) The tax levied by RCW 82.08.020 does not apply to sales of
12 machinery and equipment, or to services rendered in respect to
13 constructing structures, installing, constructing, repairing, cleaning,
14 decorating, altering, or improving of structures or machinery and
15 equipment, or to sales of tangible personal property that becomes an
16 ingredient or component of structures or machinery and equipment, if
17 the machinery, equipment, or structure is used directly for the retail
18 sale of a biodiesel (~~((or alcohol fuel))~~) blend or E85 motor fuel.
19 Structures and machinery and equipment that are used for the retail
20 sale of a biodiesel (~~((or alcohol fuel))~~) blend or E85 motor fuel and for
21 other purposes are exempt only on the portion used directly for the
22 retail sale of a biodiesel (~~((or alcohol fuel))~~) blend or E85 motor fuel.

23 (2) The tax levied by RCW 82.08.020 does not apply to sales of fuel
24 delivery vehicles or to sales of or charges made for labor and services
25 rendered in respect to installing, repairing, cleaning, altering, or
26 improving the vehicles including repair parts and replacement parts if
27 at least seventy-five percent of the fuel distributed by the vehicles
28 is a biodiesel (~~((or alcohol fuel))~~) blend or E85 motor fuel.

29 (3) A person taking the exemption under this section must keep
30 records necessary for the department to verify eligibility under this
31 section. The exemption is available only when the buyer provides the
32 seller with an exemption certificate in a form and manner prescribed by
33 the department. The seller shall retain a copy of the certificate for
34 the seller's files.

35 (4) For the purposes of this section, the definitions in RCW
36 82.04.4334 and this subsection apply.

1 (a) (~~"Alcohol fuel blend" means fuel that contains at least~~
2 ~~eighty five percent alcohol fuel by volume.~~

3 ~~(b))~~ "Biodiesel blend" means fuel that contains at least twenty
4 percent biodiesel fuel by volume.

5 **(b) "E85 motor fuel" means an alternative fuel that is a blend of**
6 **ethanol and hydrocarbon of which the ethanol portion is nominally**
7 **seventy-five to eighty-five percent denatured fuel ethanol by volume**
8 **that complies with the most recent version of American society of**
9 **testing and materials specification D 5798.**

10 (c) "Machinery and equipment" means industrial fixtures, devices,
11 and support facilities and tangible personal property that becomes an
12 ingredient or component thereof, including repair parts and replacement
13 parts that are integral and necessary for the delivery of biodiesel
14 (~~or alcohol fuel~~) blends or E85 motor fuel into the fuel tank of a
15 motor vehicle.

16 (5) This section expires July 1, 2009.

17 **Sec. 5.** RCW 82.12.955 and 2003 c 63 s 3 are each amended to read
18 as follows:

19 (1) The provisions of this chapter do not apply in respect to the
20 use of machinery and equipment, or to services rendered in respect to
21 installing, repairing, cleaning, altering, or improving of eligible
22 machinery and equipment, or tangible personal property that becomes an
23 ingredient or component of machinery and equipment used directly for
24 the retail sale of a biodiesel or (~~alcohol fuel blend~~) E85 motor
25 fuel.

26 (2) The provisions of this chapter do not apply in respect to the
27 use of fuel delivery vehicles including repair parts and replacement
28 parts and to services rendered in respect to installing, repairing,
29 cleaning, altering, or improving the vehicles if at least seventy-five
30 percent of the fuel distributed by the vehicles is a biodiesel or
31 (~~alcohol fuel blend~~) E85 motor fuel.

32 (3) For the purposes of this section, the definitions in RCW
33 82.04.4334 and 82.08.955 apply.

34 (4) This section expires July 1, 2009.

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