

# HOUSE BILL REPORT

## HB 1459

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**As Passed House**

March 6, 1997

**Title:** An act relating to the department of licensing.

**Brief Description:** Regulating licensees of the department of licensing.

**Sponsors:** By House Committee on Transportation Policy & Budget (originally sponsored by Representatives Cairnes, Fisher and Chandler; by request of Department of Licensing).

**Brief History:**

**Committee Activity:**

Transportation Policy & Budget: 2/11/97, 2/12/97 [DP].

**Floor Activity:**

Passed House: 3/6/97, 93-0.

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### HOUSE COMMITTEE ON TRANSPORTATION POLICY & BUDGET

**Majority Report:** Do pass. Signed by 26 members: Representatives K. Schmidt, Chairman; Hankins, Vice Chairman; Mielke, Vice Chairman; Mitchell, Vice Chairman; Fisher, Ranking Minority Member; Blalock, Assistant Ranking Minority Member; Cooper, Assistant Ranking Minority Member; Backlund; Buck; Cairnes; Chandler; Constantine; DeBolt; Gardner; Hatfield; Johnson; Murray; O'Brien; Ogden; Radcliff; Robertson; Romero; Scott; Sterk; Wood and Zellinsky.

**Staff:** Jeff Doyle (786-7322).

**Background:** Proportional registration licensees, motor vehicle fuel licensees, special fuel licensees and aircraft fuel licensees are not required to file notice of bankruptcy with the Department of Licensing (DOL).

Existing statute defines a preceding year— differently than under the International Registration Plan (IRP), of which the state of Washington is a member.

The DOL currently bills carriers for the number of months they are required to be registered in Washington, even if the carrier operates in the state for only a portion of the year. However, the statute requires the DOL to bill a carrier for the full 12 months if that carrier seeks to register at any time within the first quarter of the year.

An initial application for proportional registration requires the carrier to estimate the number of miles he expects the fleet to operate during the year. Applicants often grossly underestimate the number of miles they expect to operate during the first year in order to reduce the amount of fees owed to the state.

When the lessor of a truck changes but the truck remains within a fleet, the DOL is charging the full foreign fees on the truck as if it were new to the fleet. This results in higher fees charged on that truck's operations, and in difficult fee calculations for the DOL. This practice is not in conformance with other IRP jurisdictions, which require fees be paid only for issuance of new credentials.

Notice of cancellation/revocation of proportional registrations is required to be made by certified mail. This procedure is different from the rest of the DOL's vehicle services division, which requires an affidavit of first class mail.

Motor vehicle fuel distributors who are entitled to a refund may have the expected refund applied as a credit against any future taxes owed. This carry-forward credit has been identified by the DOL as causing difficulty in accounting and tax computations, and was eliminated for special fuel users during the 1996 legislative session.

the DOL is required to deduct a 50 cent administrative fee on refunds for special fuel users. This administrative fee is essentially charged to special fuel users twice under current law.

**Summary of Bill:** Proportional registration licensees, motor vehicle fuel licensees, special fuel licensees and aircraft fuel licensees are required to file notice of bankruptcy with the DOL.

The term preceding year– is defined to be in conformance with the definition used under the IRP.

The requirement that the DOL bill a carrier for a full 12 months if the carrier seeks to register any time within the first quarter is eliminated to conform to current practice, which charges carriers only for the actual months that they will operate in the state.

Carriers having to estimate the mileage they expect for their fleets during the first year of proportional registration must have, as a minimum, an estimate equal to the point-to-point distance between state lines. This brings the state's policy into compliance with other IRP jurisdictions.

When the lessor of a truck changes but the truck remains with the fleet, the only fees required are for issuance of new credentials. This brings the DOL's policy into conformance with other IRP jurisdictions.

Notice of cancellation/revocation of proportional registrations may be sent by first class mail so long as an affidavit of first class mail is prepared. This is consistent with notice requirements throughout the vehicle services division of the DOL.

Motor vehicle fuel distributors will be issued refunds for fuel taxes paid, but will no longer be able to carry forward credits against future taxes owed.

The requirement that the DOL deduct a 50 cent administrative fee on refunds owed to special fuel users is repealed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** This legislation will result in better service and cost savings to proportionally registered vehicle owners. The bill will also clean up existing conflicts in statute.

**Testimony Against:** None.

**Testified:** Art Farley, Department of Licensing.