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**SUBSTITUTE HOUSE BILL 2917**

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**State of Washington**

**55th Legislature**

**1998 Regular Session**

**By** House Committee on Transportation Policy & Budget (originally sponsored by Representatives K. Schmidt and Fisher; by request of Department of Licensing)

Read first time 02/02/98. Referred to Committee on .

1 AN ACT Relating to fuel tax and international registration plan  
2 payments; amending RCW 46.87.080, 82.36.070, 82.36.310, and 82.38.120;  
3 adding a new section to chapter 82.38 RCW; adding a new section to  
4 chapter 82.32 RCW; and creating a new section.

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

6 **Sec. 1.** RCW 46.87.080 and 1993 c 307 s 14 are each amended to read  
7 as follows:

8 (1) Upon making satisfactory application and payment of applicable  
9 fees and taxes for proportional registration under this chapter, the  
10 department shall issue a cab card and validation tab for each vehicle,  
11 and to vehicles of Washington-based fleets, two distinctive  
12 apportionable license plates for each motor vehicle and one such plate  
13 for each trailer, semitrailer, pole trailer, or converter gear listed  
14 on the application. License plates shall be displayed on vehicles as  
15 required by RCW 46.16.240. The number and plate shall be of a design,  
16 size, and color determined by the department. The plates shall be  
17 treated with reflectorized material and clearly marked with the words  
18 "WASHINGTON" and "APPORTIONED," both words to appear in full and  
19 without abbreviation.

1 (2) The cab card serves as the certificate of registration for a  
2 proportionally registered vehicle. The face of the cab card shall  
3 contain the name and address of the registrant as contained in the  
4 records of the department, the license plate number assigned to the  
5 vehicle by the base jurisdiction, the vehicle identification number,  
6 and such other description of the vehicle and data as the department  
7 may require. The cab card shall be signed by the registrant, or a  
8 designated person if the registrant is a business firm, and shall at  
9 all times be carried in or on the vehicle to which it was issued. In  
10 the case of nonpowered vehicles, the cab card may be carried in or on  
11 the vehicle supplying the motive power instead of in or on the  
12 nonpowered vehicle.

13 (3) The apportioned license plates are not transferrable from  
14 vehicle to vehicle unless otherwise determined by rule and shall be  
15 used only on the vehicle to which they are assigned by the department  
16 for as long as they are legible or until such time as the department  
17 requires them to be removed and returned to the department.

18 (4) Distinctive validation tab(s) of a design, size, and color  
19 determined by the department shall be affixed to the apportioned  
20 license plate(s) as prescribed by the department to indicate the month,  
21 if necessary, and year for which the vehicle is registered. Foreign-  
22 based vehicles proportionally registered in this state under the  
23 provisions of the Western Compact shall display the validation tab on  
24 a backing plate or as otherwise prescribed by the department.

25 (5) Renewals shall be effected by the issuance and display of such  
26 tab(s) after making satisfactory application and payment of applicable  
27 fees and taxes.

28 (6) Fleet vehicles so registered and identified shall be deemed to  
29 be fully licensed and registered in this state for any type of movement  
30 or operation. However, in those instances in which a grant of  
31 authority is required for interstate or intrastate movement or  
32 operation, no such vehicle may be operated in interstate or intrastate  
33 commerce in this state unless the owner has been granted interstate  
34 operating authority by the interstate commerce commission in the case  
35 of interstate operations or intrastate operating authority by the  
36 Washington utility and transportation commission in the case of  
37 intrastate operations and unless the vehicle is being operated in  
38 conformity with that authority.

1 (7) The department may issue temporary authorization permits (TAPs)  
2 to qualifying operators for the operation of vehicles pending issuance  
3 of license identification. A fee of one dollar plus a one dollar  
4 filing fee shall be collected for each permit issued. The permit fee  
5 shall be deposited in the motor vehicle fund, and the filing fee shall  
6 be deposited in the highway safety fund. The department may adopt  
7 rules for use and issuance of the permits.

8 (8) The department may refuse to issue any license or permit  
9 authorized by subsection (1) or (7) of this section to any person: (a)  
10 Who formerly held any type of license or permit issued by the  
11 department pursuant to chapter 46.16, 46.85, 46.87, 82.36, (~~82.37~~)  
12 or 82.38 RCW that has been revoked for cause, which cause has not been  
13 removed; or (b) who is a subterfuge for the real party in interest  
14 whose license or permit issued by the department pursuant to chapter  
15 46.16, 46.85, 46.87, 82.36, (~~82.37~~) or 82.38 RCW and has been  
16 revoked for cause, which cause has not been removed; or (c) who, as an  
17 individual licensee, or officer, director, owner, or managing employee  
18 of a nonindividual licensee, has had a license or permit issued by the  
19 department pursuant to chapter 46.16, 46.85, 46.87, 82.36, (~~82.37~~)  
20 or 82.38 RCW which has been revoked for cause, which cause has not been  
21 removed; or (d) who has an unsatisfied debt to the state assessed under  
22 either chapter 46.16, 46.85, 46.87, 82.36, (~~82.37~~) 82.38, or 82.44  
23 RCW.

24 (9) The department may revoke the license or permit authorized by  
25 subsection (1) or (7) of this section issued to any person for any of  
26 the grounds constituting cause for denial of licenses or permits set  
27 forth in subsection (8) of this section.

28 (10) Before such refusal or revocation under subsection (8) or (9)  
29 of this section, the department shall grant the applicant a hearing and  
30 at least ten days written notice of the time and place of the hearing.

31 **Sec. 2.** RCW 82.36.070 and 1996 c 104 s 4 are each amended to read  
32 as follows:

33 The application in proper form having been accepted for filing, the  
34 filing fee paid, and the bond or other security having been accepted  
35 and approved, the department shall issue to the applicant a license to  
36 transact business as a distributor in the state, and such license shall  
37 be valid until canceled or revoked.

1 The license so issued by the department shall not be assignable,  
2 and shall be valid only for the distributor in whose name issued.

3 The department shall keep and file all applications and bonds with  
4 an alphabetical index thereof, together with a record of all licensed  
5 distributors.

6 Each distributor shall be assigned a license number upon qualifying  
7 for a license hereunder, and the department shall issue to each such  
8 licensee a license certificate which shall be displayed conspicuously  
9 by the distributor at his or her principal place of business. The  
10 department may refuse to issue or may revoke a motor vehicle fuel  
11 distributor license, to a person:

12 (1) Who formerly held a motor vehicle fuel distributor's license  
13 that, before the time of filing for application, has been revoked or  
14 canceled for cause;

15 (2) Who is a subterfuge for the real party in interest whose  
16 license has been revoked or canceled for cause;

17 (3) Who, as an individual licensee or officer, director, owner, or  
18 managing employee of a nonindividual licensee, has had a motor vehicle  
19 fuel distributor license revoked or canceled for cause;

20 (4) Who has an unsatisfied debt to the state assessed under either  
21 chapter 82.36, (~~(82.37)~~) 82.38, 82.42, or 46.87 RCW;

22 (5) Who formerly held as an individual, officer, director, owner,  
23 managing employee of a nonindividual licensee, or subterfuge for a real  
24 party in interest, a license issued by the federal government or a  
25 state that allowed a person to buy or sell untaxed motor vehicle or  
26 special fuel, which license, before the time of filing for application,  
27 has been revoked for cause;

28 (6) Who pled guilty to or was convicted as an individual, corporate  
29 officer, director, owner, or managing employee in this or any other  
30 state or in any federal jurisdiction of a gross misdemeanor or felony  
31 crime directly related to the business or has been subject to a civil  
32 judgment involving fraud, misrepresentation, conversion, or dishonesty,  
33 notwithstanding chapter 9.96A RCW;

34 (7) Who misrepresented or concealed a material fact in obtaining a  
35 license or in reinstatement thereof;

36 (8) Who violated a statute or administrative rule regulating fuel  
37 taxation or distribution;

38 (9) Who failed to cooperate with the department's investigations  
39 by:

- 1 (a) Not furnishing papers or documents;  
2 (b) Not furnishing in writing a full and complete explanation  
3 regarding a matter under investigation by the department; or  
4 (c) Not responding to subpoenas issued by the department, whether  
5 or not the recipient of the subpoena is the subject of the proceeding;  
6 (10) Who failed to comply with an order issued by the director; or  
7 (11) Upon other sufficient cause being shown.

8 Before such a refusal or revocation, the department shall grant the  
9 applicant a hearing and shall give the applicant at least twenty days'  
10 written notice of the time and place of the hearing.

11 For the purpose of considering an application for a distributor's  
12 license, the department may inspect, cause an inspection, investigate,  
13 or cause an investigation of the records of this or any other state or  
14 of the federal government to ascertain the veracity of the information  
15 on the application form and the applicant's criminal and licensing  
16 history.

17 The department may, in the exercise of reasonable discretion,  
18 suspend a motor vehicle distributor license at any time before and  
19 pending such a hearing for unpaid taxes or reasonable cause.

20 **Sec. 3.** RCW 82.36.310 and 1995 c 318 s 3 are each amended to read  
21 as follows:

22 Any person claiming a refund for motor vehicle fuel used or  
23 exported as in this chapter provided shall not be entitled to receive  
24 such refund until he presents to the director a claim upon forms to be  
25 provided by the director with such information as the director shall  
26 require, which claim to be valid shall in all cases be accompanied by  
27 ~~((the original invoice or))~~ invoices issued to the claimant at the time  
28 of the purchases of the motor vehicle fuel, approved as to invoice form  
29 by the director(~~(:— PROVIDED, That in the event of the loss or~~  
30 ~~destruction of the original invoice or invoices, the person claiming a~~  
31 ~~refund may submit in lieu thereof a duplicate copy of such invoice~~  
32 ~~certified by the vendor, but no payment of refund based upon such~~  
33 ~~duplicate invoice shall be made until after expiration of such~~  
34 ~~statutory period specified in RCW 82.36.330 for filing of refund~~  
35 ~~applications)).~~

36 Any person claiming refund by reason of exportation of motor  
37 vehicle fuel shall in addition to the invoices required furnish to the  
38 director the export certificate therefor, and the signature on the

1 exportation certificate shall be certified by a notary public. In all  
2 cases the claim shall be signed by the person claiming the refund, if  
3 it is a corporation, by some proper officer of the corporation, or if  
4 it is a limited liability company, by some proper manager or member of  
5 the limited liability company.

6 **Sec. 4.** RCW 82.38.120 and 1996 c 104 s 9 are each amended to read  
7 as follows:

8 Upon receipt and approval of an application and bond, if required,  
9 the department shall issue to the applicant a license to act as a  
10 special fuel dealer or a special fuel user. However, the department  
11 may refuse to issue a special fuel dealer's license or a special fuel  
12 user's license to any person:

13 (1) Who formerly held either type of license which, prior to the  
14 time of filing for application, has been revoked for cause;

15 (2) Who is a subterfuge for the real party in interest whose  
16 license prior to the time of filing for application, has been revoked  
17 for cause;

18 (3) Who, as an individual licensee, or officer, director, owner, or  
19 managing employee of a nonindividual licensee, has had a special fuel  
20 license revoked for cause;

21 (4) Who has an unsatisfied debt to the state assessed under either  
22 chapter 82.36, 82.38, 82.42, or 46.87 RCW;

23 (5) Who formerly held as an individual, officer, director, owner,  
24 managing employee of a nonindividual licensee, or subterfuge for a real  
25 party in interest, a license issued by the federal government or a  
26 state that allowed a person to buy or sell untaxed motor vehicle or  
27 special fuel, which license, before the time of filing for application,  
28 has been revoked for cause;

29 (6) Who pled guilty to or was convicted as an individual, officer,  
30 director, owner, or managing employee of a nonindividual licensee in  
31 this or any other state or in any federal jurisdiction of a gross  
32 misdemeanor or felony crime directly related to the business or has  
33 been subject to a civil judgment involving fraud, misrepresentation,  
34 conversion, or dishonesty, notwithstanding chapter 9.96A RCW;

35 (7) Who misrepresented or concealed a material fact in obtaining a  
36 license or in reinstatement thereof;

37 (8) Who violated a statute or administrative rule regulating fuel  
38 taxation or distribution;

1 (9) Who failed to cooperate with the department's investigations  
2 by:

3 (a) Not furnishing papers or documents;

4 (b) Not furnishing in writing a full and complete explanation  
5 regarding a matter under investigation by the department; or

6 (c) Not responding to subpoenas issued by the department, whether  
7 or not the recipient of the subpoena is the subject of the proceeding;

8 (10) Who failed to comply with an order issued by the director; or

9 (11) Upon other sufficient cause being shown.

10 Before such refusal, the department shall grant the applicant a  
11 hearing and shall grant the applicant at least twenty days written  
12 notice of the time and place thereof.

13 The department shall determine from the information shown in the  
14 application or other investigation the kind and class of license to be  
15 issued. For the purpose of considering any application for a special  
16 fuel dealer's license, the department may inspect, cause an inspection,  
17 investigate, or cause an investigation of the records of this or any  
18 other state or of the federal government to ascertain the veracity of  
19 the information on the application form and the applicant's criminal  
20 and licensing history.

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

33 A special fuel dealer may use special fuel in motor vehicles owned  
34 or operated by the dealer without securing a license as a special fuel  
35 user but the dealer is subject to all other conditions, requirements,  
36 and liabilities imposed herein upon a special fuel user.

37 Each special fuel dealer's license and special fuel user's license  
38 shall be valid until the expiration date if shown on the license, or  
39 until suspended or revoked for cause or otherwise canceled.

1 No special fuel dealer's license or special fuel user's license  
2 shall be transferable.

3 NEW SECTION. **Sec. 5.** It is the intent of the legislature that  
4 leaded racing fuel be exempted from payment of the motor vehicle fuel  
5 tax, as provided in section 6 of this act, since it is illegal for use  
6 on the public highways of the state under federal law. The legislature  
7 further intends that leaded racing fuel be subject to the retail sales  
8 and use taxes under chapters 82.08 and 82.12 RCW and that the revenue  
9 collected will be earmarked as provided in section 7 of this act.

10 NEW SECTION. **Sec. 6.** A new section is added to chapter 82.38 RCW  
11 to read as follows:

12 Motor vehicle fuel that is used exclusively for racing and is  
13 illegal for use on the public highways of the state under state or  
14 federal law is exempt from the tax imposed under this chapter.

15 NEW SECTION. **Sec. 7.** A new section is added to chapter 82.32 RCW  
16 to read as follows:

17 The department of revenue shall deposit into the advanced  
18 environmental mitigation revolving account, created in RCW 47.12.340,  
19 all moneys received from the imposition on consumers of the taxes under  
20 chapters 82.08 and 82.12 RCW on the sales or use of leaded racing fuel  
21 which is exempted from the motor vehicle fuel tax under section 6 of  
22 this act.

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