

SENATE BILL REPORT

SB 6512

As Reported By Senate Committee On:
Water, Energy & Environment, January 26, 2006
Ways & Means, February 16, 2006

Title: An act relating to enhancing air quality at truck stops.

Brief Description: Enhancing air quality at truck stops.

Sponsors: Senators Fraser, Pridemore, Honeyford, Poulsen, Mulliken, Regala, Rockefeller, Delvin and Kline.

Brief History:

Committee Activity: Water, Energy & Environment: 1/19/06, 1/26/06 [DPS-WM].
Ways & Means: 2/7/06, 2/16/06 [DPS(WEE)].

SENATE COMMITTEE ON WATER, ENERGY & ENVIRONMENT

Majority Report: That Substitute Senate Bill No. 6512 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Poulsen, Chair; Rockefeller, Vice Chair; Morton, Ranking Minority Member; Delvin, Fraser, Honeyford, Mulliken, Pridemore and Regala.

Staff: Richard Rodger (786-7461)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6512 as recommended by Committee on Water, Energy & Environment be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Doumit, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Kohl-Welles, Parlette, Pridemore, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Thibaudeau.

Staff: Dean Carlson (786-7305)

Background: The air quality around idling heavy duty diesel vehicles is known to contribute to unhealthy conditions by releasing volatile organic compounds, carbon monoxide, carbon dioxide, nitrogen oxides, and particulates. These idling vehicles also contribute to driver fatigue through exposure to noise, vibration, and elevated levels of carbon monoxide and other pollutants.

Several states have begun programs to provide infrastructure to support the electrification of truck stops. The projects alleviate the need for trucks to idle for long periods of time. These projects are generally of two types, "on-board" and "stand-alone" electrification projects.

On-board electrification projects require the truck or vessel to be equipped with the necessary components to accept electrical power. Stand-alone projects provide an independent system that supplies the vehicle's needs for heating, ventilation, and air conditioning without modification to the vehicle.

The business and occupation (B&O) tax is Washington's major business tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state. The state retail sales tax rate is 6.5 percent and is imposed on the retail sale of most items of tangible personal property and some services. The use tax is imposed on the use of an item in this state when the acquisition of the item has not been subject to sales tax. Use tax is equal to the sales tax rate multiplied by the value of the property used.

Summary of Substitute Bill: A business and occupation tax deduction is provided for amounts received from the retail sale, lease, or rental of auxiliary power to heavy duty diesel vehicles through on-board or stand-alone electrification systems.

A sales and use tax exemption applies to sales and use of machinery and equipment integral and necessary for the retail sales, lease, or rental of auxiliary power to heavy duty diesel vehicles through on-board or stand-alone electrification systems. An exemption is also provided for charges made for labor and services with respect to the construction of these facilities.

Sales and use tax exemptions are also provided for parts and labor necessary to enable heavy duty diesel trucks to accept shore power for onboard electrification systems.

The tax incentives expire on July 1, 2015.

Substitute Bill Compared to Original Bill: Sales and use tax exemptions are also provided for parts and labor needed enable trucks to accept shore power.

Appropriation: None.

Fiscal Note: Requested on January 12, 2006.

Committee/Commission/Task Force Created: No.

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

Testimony For (Water, Energy & Environment): This bill will provide tax incentives to truck stop businesses that may want to provide electrification services. These services will reduce air pollution at truck stops. The exhaust emitted from diesel trucks contains a large amount of toxic substances that are attached to extremely fine particles. The particles, when inhaled, can cause severe health risks, especially to vulnerable populations.

Testimony Against (Water, Energy & Environment): None.

Who Testified (Water, Energy & Environment): PRO: Senator Karen Fraser, prime sponsor.

Testimony For (Ways & Means): None.

Testimony Against (Ways & Means): None.

Who Testified (Ways & Means): No one.