

---

**SENATE BILL 5847**

---

**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Senators Lias, King, Hasegawa, Nobles, Shewmake, and C. Wilson;  
by request of Department of Licensing

Prefiled 12/14/23. Read first time 01/08/24. Referred to Committee  
on Transportation.

1 AN ACT Relating to enhancing prorated and fuel tax collections by  
2 improving taxpayer compliance, providing additional enforcement  
3 mechanisms, and protecting confidential taxpayer information;  
4 amending RCW 46.87.020, 46.87.080, 46.87.350, 82.38.020, 82.38.072,  
5 82.38.120, 82.38.140, 82.38.170, 82.38.220, 82.38.260, 82.38.270,  
6 82.38.380, 82.42.118, and 82.42.210; reenacting and amending RCW  
7 82.42.010; adding new sections to chapter 82.38 RCW; adding new  
8 sections to chapter 82.42 RCW; prescribing penalties; and providing  
9 an effective date.

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

11 **Sec. 1.** RCW 46.87.020 and 2015 c 228 s 2 are each amended to  
12 read as follows:

13 Provisions and terms used in this chapter have the meaning given  
14 to them in the international registration plan (IRP), in chapter  
15 46.04 RCW, or as otherwise defined in this section. Definitions given  
16 to terms by the IRP prevail unless given a different meaning in this  
17 chapter or in rules adopted under authority of this chapter.

18 (1) "Adequate records" are records maintained by the owner of the  
19 fleet sufficient to enable the department to verify the distances  
20 reported in the owner's application for apportioned registration and  
21 to evaluate the accuracy of the owner's distance accounting system.

1 (2) "Apportionable vehicle" has the meaning given by the IRP,  
2 except that it does not include vehicles with a declared gross weight  
3 of (~~twelve thousand~~) 12,000 pounds or less.

4 (3) "Cab card" is a certificate of registration issued for a  
5 vehicle.

6 (4) "Credentials" means cab cards, apportioned plates, temporary  
7 operating authority, and validation tabs issued for proportionally  
8 registered vehicles.

9 (5) "Declared combined gross weight" means the total unladen  
10 weight of any combination of vehicles plus the maximum weight of the  
11 load to be carried on the combination of vehicles as declared by the  
12 registrant.

13 (6) "Declared gross weight" means the total unladen weight of any  
14 vehicle plus the maximum weight of the load to be carried on the  
15 vehicle as declared by the registrant. In the case of a bus, auto  
16 stage, or a passenger-carrying for hire vehicle with a seating  
17 capacity of more than six, the declared gross weight is determined by  
18 multiplying (~~one hundred fifty~~) 150 pounds by the number of seats  
19 in the vehicle, including the driver's seat, and adding this amount  
20 to the unladen weight of the vehicle. If the resultant gross weight  
21 is not listed in RCW 46.17.355, it must be increased to the next  
22 higher gross weight authorized in chapter 46.44 RCW.

23 (7) "Department" means the department of licensing.

24 (8) "Fleet" means one or more apportionable vehicles.

25 (9) "In-jurisdiction distance" means the total distance, in  
26 miles, accumulated in a jurisdiction during the reporting period by  
27 vehicles of the fleet while they were a part of the fleet.

28 (10) "IRP" means the international registration plan.

29 (11) "Jurisdiction" means and includes a state, territory or  
30 possession of the United States, the District of Columbia, the  
31 Commonwealth of Puerto Rico, a foreign country, and a state or  
32 province of a foreign country.

33 (12) "Motor carrier" means an entity engaged in the  
34 transportation of goods or persons. "Motor carrier" includes a for-  
35 hire motor carrier, private motor carrier, exempt motor carrier,  
36 registrant licensed under this chapter, motor vehicle lessor, and  
37 motor vehicle lessee.

38 (13) "Owner" means a person or business who holds the legal title  
39 to a vehicle, or if a vehicle is the subject of an agreement for its  
40 conditional sale with the right of purchase upon performance of the

1 conditions stated in the agreement and with an immediate right of  
2 possession vested in the conditional vendee, or if a vehicle is  
3 subject to a lease, contract, or other legal arrangement vesting  
4 right of possession or control, for security or otherwise, or if a  
5 mortgagor of a vehicle is entitled to possession, then the owner is  
6 deemed to be the person or business in whom is vested right of  
7 possession or control.

8 ~~((13) [(14)])~~ (14) "Person" means any individual, partnership,  
9 association, public or private corporation, limited liability  
10 company, or other type of legal or commercial entity, including its  
11 members, managers, partners, directors, or officers.

12 ~~((14) [(15)])~~ (15) "Prorate percentage" is the factor applied  
13 to the total proratable fees and taxes to determine the apportionable  
14 fees required for registration in a jurisdiction. It is determined by  
15 dividing the in-jurisdiction distance for a particular jurisdiction  
16 by the total distance.

17 ~~((15) [(16)])~~ (16) "Registrant" means a person, business, or  
18 corporation in whose name or names a vehicle or fleet of vehicles is  
19 registered.

20 ~~((16) [(17)])~~ (17) "Registration year" means the ~~((twelve))~~ 12-  
21 month period during which the credentials issued by the base  
22 jurisdiction are valid.

23 ~~((17) [(18)])~~ (18) "Reporting period" means the period of  
24 ~~((twelve))~~ 12 consecutive months immediately prior to July 1st of the  
25 calendar year immediately preceding the beginning of the registration  
26 year for which apportioned registration is sought. If the fleet  
27 registration period commences in October, November, or December, the  
28 reporting period is the period of ~~((twelve))~~ 12 consecutive months  
29 immediately preceding July 1st of the current calendar year.

30 ~~((18) [(19)])~~ (19) "Total distance" means all distance operated  
31 by a fleet of apportioned vehicles. "Total distance" includes the  
32 full distance traveled in all vehicle movements, both  
33 interjurisdictional and intrajurisdictional, including loaded,  
34 unladen, deadhead, and bobtail distances. Distance traveled by a  
35 vehicle while under a trip lease is considered to have been traveled  
36 by the lessor's fleet. All distance, both interstate and intrastate,  
37 accumulated by vehicles of the fleet is included in the fleet  
38 distance.

39 (20) "Deny" means to decline acceptance of an application for  
40 licensure or reinstatement.

1 (21) "Refuse" has the same meaning as "deny" in subsection (20)  
2 of this section.

3 (22) "Revoke" means to prohibit all authority granted by this  
4 chapter, including the display and use of credentials issued by the  
5 department for a period of one year or greater or for an indefinite  
6 period.

7 (23) "Suspend" means to restrict the grant of authority under  
8 this chapter for a period of less than one year.

9 **Sec. 2.** RCW 46.87.080 and 2015 c 228 s 10 are each amended to  
10 read as follows:

11 (1) Upon making satisfactory application and payment of fees and  
12 taxes for proportional registration under this chapter, the  
13 department must issue credentials. License plates must be displayed  
14 as required under RCW 46.16A.200(5). The license plates must be of a  
15 design determined by the department. The license plates must be  
16 treated with reflectorized material and clearly marked with the words  
17 "WASHINGTON" and "APPORTIONED," both words to appear in full and  
18 without abbreviation.

19 (2) The cab card is the certificate of registration for the  
20 vehicle. The cab card must contain the name and address of the  
21 registrant as maintained in the records of the department, the  
22 license plate number assigned to the vehicle, the vehicle  
23 identification number, and other information the department may  
24 require. The cab card must be signed by the registrant, or a  
25 designated person if the registrant is a business, and must always be  
26 carried in the vehicle.

27 (3) The apportioned license plates are not transferable. License  
28 plates must be legible and remain with the vehicle until the  
29 department requires them to be removed.

30 (4) Validation tab(s) of a design determined by the department  
31 must be affixed to the license plate(s) as prescribed by the  
32 department and indicate the month and year for which the vehicle is  
33 registered.

34 (5) A fleet vehicle properly registered is deemed to be fully  
35 registered in this state for any type of legal movement or operation.  
36 In instances in which a permit or grant of authority is required for  
37 interstate or intrastate operation, the vehicle must not be operated  
38 in interstate or intrastate commerce unless the owner is granted the

1 appropriate operating authority and the vehicle is being operated in  
2 conformity with that permit or operating authority.

3 (6) The department may deny, suspend, or revoke the credentials  
4 authorized under subsection (1) of this section to any person: (a)  
5 Who formerly held any type of license, registration, credentials, or  
6 permit issued by the department pursuant to chapter 46.16A, 46.44,  
7 46.85, ~~((46.87,))~~ or 82.38 RCW or this chapter that has been revoked  
8 for cause, which cause has not been removed; (b) who is a subterfuge  
9 for the real party in interest whose license, registration,  
10 credentials, or permit issued by the department pursuant to chapter  
11 46.16A, 46.44, 46.85, ~~((46.87,))~~ or 82.38 RCW or this chapter and has  
12 been revoked for cause, which cause has not been removed; (c) who, as  
13 a person, individual licensee, or officer, partner, director, owner,  
14 or managing employee of a nonindividual licensee, has had a license,  
15 registration, or permit issued by the department pursuant to chapter  
16 46.16A, 46.44, 46.85, ~~((46.87,))~~ or 82.38 RCW or this chapter that  
17 has been revoked for cause, which cause has not been removed; (d) who  
18 has an unsatisfied debt to the state assessed under either chapter  
19 46.16A, 46.44, 46.85, ~~((46.87,))~~ 82.38, or 82.44 RCW or this chapter;  
20 or (e) who, as a person, individual licensee, officer, partner,  
21 director, owner, or managing employee of a nonindividual licensee,  
22 has been prohibited from operating as a motor carrier by the federal  
23 motor carrier safety administration or Washington state patrol and  
24 the cause for such prohibition has not been satisfied.

25 (7) ~~((Before such denial, suspension, or revocation under  
26 subsection (6) of this section))~~ Any action initiated under  
27 subsection (6) of this section may be immediately issued as a notice  
28 of the adverse action. Upon service of that notice, the applicant,  
29 registrant, or owner must be granted 30 calendar days to request a  
30 review by the department on the action. If a timely request to review  
31 is received, the department must grant the applicant, registrant, or  
32 owner ~~((an informal hearing))~~ a review and at least ~~((ten))~~ 10 days  
33 written notice of the time ~~((and))~~, place, and method of the  
34 ~~((hearing))~~ review. If no request is received by the department, the  
35 action becomes final and subject to the provisions of RCW 46.87.300.

36 **Sec. 3.** RCW 46.87.350 and 2015 c 228 s 33 are each amended to  
37 read as follows:

38 If a person is delinquent in the payment of any obligation, the  
39 department may give notice of the amount of the delinquency, in

1 person (~~(or)~~), by mail, or through electronic service, to persons  
2 having possession or control of credits or personal and real property  
3 belonging to the person, or owing any debts to the person. Any person  
4 notified may not transfer or dispose of credits, personal and real  
5 property, or debts without the consent of the department. A person  
6 notified must, within (~~(twenty)~~) 20 days after receipt of the notice,  
7 advise the department of any credits, personal and real property, or  
8 debts in his or her possession, under his or her control or owing by  
9 him or her, and must immediately deliver the credits, personal and  
10 real property, or debts to the department.

11 If a person fails to timely answer the notice, a court may render  
12 judgment by default against the person.

13 The notice and order to withhold and deliver constitutes a  
14 continuing lien on property of the person. The department must  
15 include in the notice to withhold and deliver "continuing lien." The  
16 effective date of a notice to withhold and deliver is the date of  
17 service.

18 **Sec. 4.** RCW 82.38.020 and 2013 c 225 s 102 are each amended to  
19 read as follows:

20 The definitions in this section apply throughout this chapter  
21 unless the context clearly requires otherwise.

22 (1) "Blended fuel" means a mixture of fuel and another liquid,  
23 other than a de minimis amount of the liquid.

24 (2) "Blender" means a person who produces blended fuel outside  
25 the bulk transfer-terminal system.

26 (3) "Bond" means a bond duly executed with a corporate surety  
27 qualified under chapter 48.28 RCW payable to the state of Washington  
28 conditioned upon faithful performance of all requirements of this  
29 chapter.

30 (4) "Bulk transfer-terminal system" means the fuel distribution  
31 system consisting of refineries, pipelines, vessels, and terminals.  
32 Fuel in a refinery, pipeline, vessel, or terminal is in the bulk  
33 transfer-terminal system.

34 (5) "Bulk transfer" means a transfer of fuel by pipeline or  
35 vessel.

36 (6) "Bulk storage" means the placing of fuel into a receptacle  
37 other than the fuel supply tank of a motor vehicle.

38 (7) "Department" means the department of licensing.

1 (8) "Distributor" means a person who acquires fuel outside the  
2 bulk transfer-terminal system for importation into Washington, from a  
3 terminal or refinery rack located within Washington for distribution  
4 within Washington, or for immediate export outside the state of  
5 Washington.

6 (9) "Dyed special fuel user" means a person authorized by the  
7 internal revenue code to operate a motor vehicle on the highway using  
8 dyed special fuel, in which the use is not exempt from the fuel tax.

9 (10) "Evasion" or "evade" means to diminish or avoid the  
10 computation, assessment, or payment of authorized taxes or fees  
11 through:

12 (a) A knowing: False statement; omission; misrepresentation of  
13 fact; or other act of deception;

14 (b) An intentional: Failure to file a return or report; or other  
15 act of deception; or

16 (c) The unlawful use of dyed special fuel.

17 (11) "Exempt sale" means the sale of fuel to a person whose use  
18 of fuel is exempt from the fuel tax.

19 (12) "Export" means to obtain fuel in this state for sales or  
20 distribution outside the state. Fuel distributed to a federally  
21 recognized Indian tribal reservation located within the state of  
22 Washington is not considered exported outside this state.

23 (13) "Exporter" means a person who purchases fuel physically  
24 located in this state at the time of purchase and directly exports  
25 the fuel by a means other than the bulk transfer-terminal system to a  
26 destination outside of the state. If the exporter of record is acting  
27 as an agent, the person for whom the agent is acting is the exporter.  
28 If there is no exporter of record, the owner of the fuel at the time  
29 of exportation is the exporter.

30 (14) "Fuel" means motor vehicle fuel or special fuel.

31 (15) "Fuel user" means a person engaged in uses of fuel that are  
32 not specifically exempted from the fuel tax imposed under this  
33 chapter.

34 (16) "Highway" means every way or place open to the use of the  
35 public, as a matter of right, for the purpose of vehicular travel.

36 (17) "Import" means to bring fuel into this state by a means of  
37 conveyance other than the fuel supply tank of a motor vehicle.

38 (18) "Importer" means a person who imports fuel into the state by  
39 a means other than the bulk transfer-terminal system. If the importer  
40 of record is acting as an agent, the person for whom the agent is

1 acting is the importer. If there is no importer of record, the owner  
2 of the fuel at the time of importation is the importer.

3 (19) "International fuel tax agreement licensee" means a fuel  
4 user operating qualified motor vehicles in interstate commerce and  
5 licensed by the department under the international fuel tax  
6 agreement.

7 (20) "Licensee" means a person holding a license issued under  
8 this chapter.

9 (21) "Motor vehicle" means a self-propelled vehicle utilizing  
10 fuel as a means of propulsion.

11 (22) "Motor vehicle fuel" means gasoline and any other  
12 inflammable gas or liquid, by whatsoever name the gasoline, gas, or  
13 liquid may be known or sold the chief use of which is as a fuel for  
14 the propulsion of motor vehicles or vessels.

15 (23) "Natural gas" means naturally occurring mixtures of  
16 hydrocarbon gases and vapors consisting principally of methane,  
17 whether in gaseous or liquid form.

18 (24) "Person" means any individual, partnership, association,  
19 public or private corporation, limited liability company, or any  
20 other type of legal or commercial entity, including their members,  
21 managers, partners, directors, or officers.

22 (25) "Position holder" means a person who holds the inventory  
23 position in fuel, as reflected by the records of the terminal  
24 operator. A person holds the inventory position if the person has a  
25 contractual agreement with the terminal for the use of storage  
26 facilities and terminating services. "Position holder" includes a  
27 terminal operator that owns fuel in their terminal.

28 (26) "Rack" means a mechanism for delivering fuel from a refinery  
29 or terminal into a truck, trailer, railcar, or other means of nonbulk  
30 transfer.

31 (27) "Refiner" means a person who owns, operates, or otherwise  
32 controls a refinery.

33 (28) "Removal" means a physical transfer of fuel other than by  
34 evaporation, loss, or destruction.

35 (29) "Special fuel" means diesel fuel, propane, natural gas,  
36 kerosene, biodiesel, and any other combustible liquid or gas by  
37 whatever name the liquid or gas may be known or sold for the  
38 generation of power to propel a motor vehicle on the highways, except  
39 it does not include motor vehicle fuel.



1 (30) "Supplier" means a person who holds a federal certificate of  
2 registry issued under the internal revenue code and authorizes the  
3 person to engage in tax-free transactions of fuel in the bulk  
4 transfer-terminal system.

5 (31) "Terminal" means a fuel storage and distribution facility  
6 that has been assigned a terminal control number by the internal  
7 revenue service.

8 (32) "Terminal operator" means a person who owns, operates, or  
9 otherwise controls a terminal.

10 (33) "Two-party exchange" or "buy-sell agreement" means a  
11 transaction in which taxable fuel is transferred from one licensed  
12 supplier to another licensed supplier whereby the supplier that is  
13 the position holder agrees to deliver taxable fuel to the other  
14 supplier or the other supplier's customer at the terminal at which  
15 the delivering supplier is the position holder.

16 (34) "Deny" means to decline acceptance of an application for  
17 licensure or reinstatement.

18 (35) "Refuse" has the same meaning as "deny" in subsection (34)  
19 of this section.

20 (36) "Revoke" means to prohibit all authority granted by this  
21 chapter, including the display and use of credentials issued by the  
22 department for a period of one year or greater or for an indefinite  
23 period.

24 (37) "Suspend" means to restrict the grant of authority under  
25 this chapter for a period of less than one calendar year.

26 **Sec. 5.** RCW 82.38.072 and 2013 c 225 s 204 are each amended to  
27 read as follows:

28 (1) Unless the use is exempt from the special fuel tax, or  
29 expressly authorized by the federal internal revenue code and this  
30 chapter, a person having dyed special fuel in the fuel supply tank of  
31 a motor vehicle that is licensed or required to be licensed is  
32 subject to a civil penalty of (~~ten dollars~~) \$10 for each gallon of  
33 dyed special fuel placed into the supply tank of the motor vehicle,  
34 or (~~one thousand dollars~~) \$1,000, whichever is greater. The  
35 penalties must be collected and administered under this chapter.

36 (2) A person who maintains dyed special fuel in bulk storage for  
37 an intended sale or use in violation of this chapter is subject to a  
38 civil penalty of (~~ten dollars~~) \$10 for each gallon of dyed special  
39 fuel, or (~~one thousand dollars~~) \$1,000, whichever is greater,

1 currently (~~or~~) and previously maintained in bulk storage by the  
2 person. The department may make an assessment based upon the  
3 calculated capacity of the bulk storage, which is presumptive unless  
4 evidence is provided supporting a lower quantity of dyed special fuel  
5 actually maintained in violation of this chapter. The penalties must  
6 be collected and administered under this chapter.

7 (3) For the purposes of enforcement of this section, the  
8 director, the director's agents, the Washington state patrol, or  
9 other commercial vehicle safety alliance-certified officers may  
10 inspect, collect, and secure samples of special fuel used in the  
11 propulsion of a vehicle operated upon the highways of this state, or  
12 in any bulk storage device transported upon the highways of this  
13 state, to detect the presence of dye or other chemical compounds.

14 (4) RCW 43.05.110 does not apply to the civil penalties imposed  
15 under (~~subsection (1) of~~) this section.

16 (5) If one or more violations have been assessed under this  
17 section within the previous five years from the violation date, the  
18 civil penalties under subsections (1) and (2) of this section must be  
19 multiplied by the number of previously assessed violations plus one.

20 (6) Assessments under this section are subject to the provisions  
21 of RCW 82.38.170.

22 **Sec. 6.** RCW 82.38.120 and 2013 c 225 s 114 are each amended to  
23 read as follows:

24 (1) The department may refuse to issue to, or suspend or revoke a  
25 license of any licensee or applicant:

26 (a) Who formerly held a license issued under chapter 82.36,  
27 82.38, 82.42, or 46.87 RCW which has been suspended or revoked for  
28 cause;

29 (b) Who is a subterfuge for the real party in interest whose  
30 license issued under chapter 82.36, 82.38, 82.42, or 46.87 RCW has  
31 been revoked for cause;

32 (c) Who, as an individual licensee, or partner, officer,  
33 director, owner, or managing employee of a licensee, has had a  
34 license issued under chapter 82.36, 82.38, 82.42, or 46.87 RCW  
35 denied, suspended, or revoked for cause;

36 (d) Who has an unsatisfied debt to the state assessed under  
37 either chapter 82.36, 82.38, 82.42, or 46.87 RCW;

38 (e) Who formerly held as an individual, partner, officer,  
39 director, owner, managing employee of a licensee, or subterfuge for a

1 real party in interest, a license issued by the federal government or  
2 a state that allowed a person to buy or sell untaxed motor vehicle,  
3 special, or aircraft fuel, which has been suspended or revoked for  
4 cause;

5 (f) Who (~~pled~~) pleaded guilty to or was convicted as an  
6 individual, partner, officer, director, owner, or managing employee  
7 of a licensee in this or any other state, Canadian province, or in  
8 any federal jurisdiction of a gross misdemeanor or felony crime  
9 directly related to the fuel distribution business or has been  
10 subject to a civil judgment involving fraud, misrepresentation,  
11 conversion, or dishonesty, notwithstanding chapter 9.96A RCW;

12 (g) Who misrepresented or concealed a material fact in obtaining  
13 a license or reinstating a license;

14 (h) Who violated a statute or administrative rule regulating fuel  
15 taxation or distribution;

16 (i) Who failed to cooperate with the department's investigations  
17 by:

18 (i) Not furnishing papers or documents;

19 (ii) Not furnishing in writing a full and complete explanation  
20 regarding a matter under investigation by the department; or

21 (iii) Not responding to subpoenas issued by the department,  
22 whether or not the recipient of the subpoena is the subject of the  
23 proceeding;

24 (j) Who failed to comply with an order issued by the director; or

25 (k) Upon other sufficient cause being shown.

26 (2) Refusals, suspensions, and revocations under this section  
27 become final 30 days after notice is served upon the licensee or  
28 applicant of the intention to refuse, suspend, or revoke the  
29 authority granted in this chapter.

30 (3) Before a refusal, suspension, or revocation under this  
31 section becomes final, the department must (~~grant~~) offer  
32 the applicant a (~~hearing~~) review by the department and must grant the  
33 applicant at least (~~twenty~~) 20 days written notice of the time  
34 (~~and~~), place, and method thereof.

35 **Sec. 7.** RCW 82.38.140 and 2013 c 225 s 115 are each amended to  
36 read as follows:

37 (1) Every person importing, manufacturing, refining,  
38 transporting, blending, or storing fuel must keep for a period of  
39 five years open to inspection at all times during the business hours

1 of the day to the department or its authorized representatives, a  
2 complete record of all fuel purchased or received and all fuel sold,  
3 delivered, or used by them. Records must show:

4 (a) The date of receipt;

5 (b) The name and address of the person from whom purchased or  
6 received;

7 (c) The number of gallons received at each place of business or  
8 place of storage in the state of Washington;

9 (d) The date of sale or delivery;

10 (e) The number of gallons sold, delivered, or used for taxable  
11 purposes;

12 (f) The number of gallons sold, delivered, or used for any  
13 purpose not subject to the fuel tax;

14 (g) The name, address, and fuel license number of the purchaser  
15 if the fuel tax is not collected on the sale or delivery;

16 (h) The physical inventories of fuel and petroleum products on  
17 hand at each place of business at the end of each month;

18 (i) Stocks of raw gasoline, gasoline stock, diesel oil, kerosene,  
19 kerosene distillates, casing head gasoline and other petroleum  
20 products which may be used in the compounding, blending, or  
21 manufacturing of fuel.

22 (2) (a) All international fuel tax agreement licensees and dyed  
23 special fuel users authorized to use dyed special fuel on highways in  
24 vehicles licensed for highway operation must maintain detailed  
25 mileage records on an individual vehicle basis.

26 (b) Operating records must show both on-highway and off-highway  
27 usage of special fuel on a daily basis for each vehicle.

28 (c) In the absence of operating records that show both on-highway  
29 and off-highway usage of special fuel on a daily basis for each  
30 vehicle, fuel consumption must be computed under RCW 82.38.060.

31 (3) The department may require a person other than a licensee  
32 engaged in the business of selling, purchasing, distributing,  
33 storing, transporting, or delivering fuel to submit periodic reports  
34 to the department regarding the disposition of the fuel. The reports  
35 must be on forms prescribed by the department and must contain such  
36 information as the department may require. Failure to report as the  
37 department requires subjects a person to the civil and criminal  
38 penalties under RCW 82.38.170 and 82.38.270.

39 (4) Every person operating any conveyance transporting fuel in  
40 bulk must possess during the entire time an invoice, bill of sale, or

1 other statement showing the name, address, and license number of the  
2 seller or consigner, the destination, name, and address of the  
3 purchaser or consignee, license number, if applicable, and the number  
4 of gallons. The person transporting fuel must at the request of any  
5 law enforcement officer or authorized representative of the  
6 department, produce for inspection required records and must permit  
7 inspection of the contents of the vehicle.

8 **Sec. 8.** RCW 82.38.170 and 2013 c 225 s 118 are each amended to  
9 read as follows:

10 (1) If any person fails to pay any taxes due the state of  
11 Washington within the time prescribed by RCW 82.38.150 and 82.38.160,  
12 the person must pay a penalty of (~~ten~~) 10 percent of the tax due.

13 (2) If the tax reported by any licensee is deficient a penalty of  
14 ten percent of the deficiency must be assessed.

15 (3) If any licensee, whether or not licensed as such, fails,  
16 neglects, or refuses to file a required fuel tax report, the  
17 department must determine the tax liability and add the penalty  
18 provided in subsection (2) of this section to the liability. An  
19 assessment made by the department pursuant to this subsection or to  
20 subsection (2) of this section is presumed to be correct, and the  
21 burden is on the person who challenges the assessment to establish by  
22 a fair preponderance of the evidence that it is erroneous or  
23 excessive.

24 (4) If any person, other than a licensee, fails, neglects, or  
25 refuses to file a required fuel tax report, or files a false or  
26 fraudulent report, the department must calculate and assess a  
27 penalty. The penalty under this subsection is \$100 plus an additional  
28 five cents per gallon not properly reported or falsely reported. An  
29 assessment made by the department pursuant to this subsection is  
30 presumed to be correct, and the burden is on the person who  
31 challenges the assessment to establish by a fair preponderance of the  
32 evidence that it is erroneous or excessive.

33 (5) If any (~~licensee~~) person establishes by a fair  
34 preponderance of evidence that failure to file a report or pay the  
35 proper amount of tax within the time prescribed was due to reasonable  
36 cause and was not intentional or willful, the department may waive  
37 the penalty prescribed in subsections (1) (~~and~~), (2), and (4) of  
38 this section.

1       ~~((5))~~ (6) If any licensee files a false or fraudulent report  
2 with intent to evade the tax imposed by this chapter, there is added  
3 to the amount of deficiency a penalty of ~~((twenty-five))~~ 25 percent  
4 of the deficiency, in addition to all other penalties prescribed by  
5 law.

6       ~~((6))~~ (7) If any person acts as a licensee without first  
7 securing the required license, all fuel tax liability incurred by  
8 that person becomes immediately due and payable. The department must  
9 determine the amount of the tax liability and must assess the person  
10 a penalty of ~~((one-hundred))~~ 100 percent of the tax in addition to  
11 the tax owed.

12       ~~((7))~~ (8) Any fuel tax, penalties, and interest payable under  
13 this chapter shall bear interest at the rate of one percent per  
14 month, or fraction thereof, from the first day of the calendar month  
15 after the amount or any portion thereof should have been paid until  
16 the date of payment. The department may waive interest when it  
17 determines the cost of processing the collection exceeds the amount  
18 of interest due.

19       ~~((8))~~ (9) Except in the case of filing a false or fraudulent  
20 report, if the department deems mitigation of penalties and interest  
21 to be reasonable and in the best interests of carrying out the  
22 purpose of this chapter, it may mitigate the assessments.

23       ~~((9))~~ (10) Except in the case of a fraudulent report or failure  
24 to file a report, deficiencies, penalties, and interest must be  
25 assessed within five years from the ~~((twenty-fifth))~~ 25 day of the  
26 next succeeding month following the reporting period for which the  
27 amount is determined or within five years after the return is filed,  
28 whichever period expires later.

29       ~~((10))~~ (11)(a) Any ~~((licensee))~~ person against whom an  
30 assessment is made under the provisions of subsections (1) ~~((and))~~,  
31 (2), and (4) of this section may petition for a reassessment within  
32 ~~((thirty))~~ 30 days after service upon the ~~((licensee))~~ person of the  
33 assessment. If such petition is not filed within such ~~((thirty))~~ 30  
34 day period, the amount of the assessment becomes final.

35       (b) If a petition for reassessment is filed within the ~~((thirty))~~  
36 30 day period, the department must reconsider the assessment and, if  
37 the ~~((licensee))~~ person has requested in the petition, must grant  
38 ~~((an informal hearing))~~ a review by the department and give ~~((ten))~~  
39 10 days' notice of the time and place. The department may continue  
40 the ~~((hearing))~~ review as needed. The decision of the department upon

1 a petition for reassessment becomes final (~~(thirty)~~) 30 days after  
2 service upon the (~~(licensee)~~) person.

3 (c) Every assessment made by the department becomes due and  
4 payable at the time it becomes final and if not timely paid to the  
5 department, a penalty of (~~(ten)~~) 10 percent of the amount of the tax  
6 is added to the assessment.

7 (~~((11))~~) (12) Any notice of assessment required by this section  
8 must be served by depositing such notice in the United States mail,  
9 postage prepaid addressed to the (~~(licensee)~~) person at the address  
10 shown in the records of the department.

11 (~~((12))~~) (13) Any licensee who has had a fuel license revoked  
12 must pay a (~~(one hundred dollar)~~) \$100 penalty, submit an application  
13 for reinstatement on forms prescribed by the department, and must  
14 resolve all outstanding violations, noncompliance items, and debts  
15 owed under this chapter, and chapters 46.87 and 82.42 RCW to the  
16 satisfaction of the department, prior to the issuance of a new  
17 license.

18 (~~((13))~~) (14) Any person required to be licensed under RCW  
19 82.38.090(1)(f) found operating without such license is subject to an  
20 assessment of \$500 in addition to all other penalties prescribed by  
21 law.

22 (15) Any person who, upon audit or investigation by the  
23 department, is found to have not paid fuel taxes as required by this  
24 chapter is subject to cancellation of all vehicle registrations for  
25 vehicles utilizing special fuel as a means of propulsion. Any  
26 unexpired Washington tonnage on the vehicles in question may be  
27 transferred to a purchaser of the vehicles upon application to the  
28 department who will hold such tonnage in its custody until a sale of  
29 the vehicle is made or the tonnage has expired.

30 (16) RCW 43.05.110 does not apply to the civil penalties imposed  
31 under this section.

32 **Sec. 9.** RCW 82.38.220 and 2013 c 225 s 122 are each amended to  
33 read as follows:

34 (1) If a person is delinquent in the payment of any obligation,  
35 the department may give notice of the amount of delinquency to  
36 persons having possession or control of credits, personal and real  
37 property belonging to the person, or owing debts to the person. Any  
38 person notified may not transfer or dispose of credits, personal and  
39 real property, or debts without the consent of the department. A

1 person notified must, within twenty days after receipt of notice,  
2 advise the department of any credits, personal and real property, or  
3 debts in their possession, under their control or owing by them, and  
4 must immediately deliver the credits, personal and real property, or  
5 debts to the department.

6 (2) The notice and order to withhold and deliver constitutes a  
7 continuing lien on property of the person. The department must  
8 include in the notice to withhold and deliver "continuing lien." The  
9 effective date of a notice to withhold and deliver is the date of  
10 mailing or electronic service.

11 (3) If a person fails to timely answer the notice, a court may  
12 render judgment, plus costs by default against the person.

13 **Sec. 10.** RCW 82.38.260 and 2013 c 225 s 126 are each amended to  
14 read as follows:

15 (1) The department may prescribe, adopt, and enforce reasonable  
16 rules relating to administration and enforcement of this chapter.

17 (2) The department or its authorized representative may examine  
18 the books, papers, records, and equipment of any person distributing,  
19 transporting, storing, or using fuel to determine whether all taxes  
20 due or refundable are properly reported, paid, or claimed. If books,  
21 papers, records, and equipment are not maintained in this state at  
22 the time of demand, the department does not lose any right of  
23 examination.

24 (3) The department may require additional reports from any  
25 licensee with reference to any of the matters herein concerned. Such  
26 reports must be made and filed on forms prepared by the department.

27 (4) For the purpose of any investigation or proceeding, the  
28 director or designee may administer oaths and affirmations, subpoena  
29 witnesses, compel their attendance, take evidence, and require the  
30 production of any books, papers, correspondence, memoranda,  
31 agreements, or other documents or records which the director deems  
32 relevant or material to the inquiry.

33 (5) In the case of contumacy by or refusal to obey a subpoena  
34 issued to, any person, any court of competent jurisdiction upon  
35 application by the director, may issue to that person an order  
36 requiring appearance before the director or designee to produce  
37 testimony of other evidence regarding the matter under investigation  
38 or in question.



1 (6) The department must, upon request from officials responsible  
2 for enforcement of fuel tax laws of any state, the District of  
3 Columbia, the United States, its territories and possessions, the  
4 provinces or the dominion of Canada, forward information relative to  
5 the receipt, storage, delivery, sale, use, or other disposition of  
6 fuel by any person, if the other furnishes like information.

7 (7) The department may enter into a fuel tax cooperative  
8 agreement with another state, the District of Columbia, the United  
9 States, its territories and possessions, or Canadian province for the  
10 administration, collection, and enforcement of their respective fuel  
11 taxes.

12 (8) For the purposes of administration, collection, and  
13 enforcement of taxes imposed under this chapter, pursuant to another  
14 agreement under chapter 82.41 RCW, chapter 82.41 RCW controls to the  
15 extent of any conflict.

16 (9) The remedies of the state in this chapter are cumulative and  
17 no action taken by the department may be construed to be an election  
18 on the part of the state or any of its officers to pursue any remedy  
19 hereunder to the exclusion of any other remedy for which provision is  
20 made in this chapter.

21 (10) The director is charged with the enforcement of the  
22 provisions of this chapter and rules adopted hereunder. The director  
23 may, in the director's discretion, call on the state patrol or any  
24 peace officer in the state, who shall then aid in the enforcement of  
25 this chapter or any rules adopted hereunder.

26 **Sec. 11.** RCW 82.38.270 and 2013 c 225 s 127 are each amended to  
27 read as follows:

28 (1) It is unlawful for a person to:

29 (a) Have dyed special fuel in the fuel supply tank of a vehicle  
30 that is licensed or required to be licensed for highway use or  
31 maintain dyed special fuel in bulk storage for highway use, unless  
32 the person maintains an uncanceled dyed special fuel user license or  
33 is otherwise exempt under this chapter;

34 (b) Hold dyed special fuel for use, intended use, sale, or  
35 intended sale in a manner in violation of this chapter;

36 (c) Evade a tax or fee imposed under this chapter;

37 (d) File a false statement of a material fact regarding the  
38 administration and enforcement of this chapter or otherwise commit  
39 any fraud or make a false representation on a fuel tax license

1 application, fuel tax refund application, fuel tax return, fuel tax  
2 record, or fuel tax refund claim;

3 (e) Act as a fuel licensee unless the person holds an uncanceled  
4 fuel license issued by the department authorizing the person to  
5 engage in that business;

6 (f) Knowingly assist another person to evade a tax or fee imposed  
7 by this chapter;

8 (g) Knowingly operate a conveyance for the purpose of hauling,  
9 transporting, or delivering fuel in bulk and not possess an invoice,  
10 bill of sale, or other statement showing the name, address, and tax  
11 license number of the seller or consignor, the destination, the name,  
12 address, and tax license number of the purchaser or consignee, and  
13 the number of gallons;

14 (h) Refuse to permit the department or its authorized  
15 representative to examine the person's books, papers, records,  
16 storage facilities, and equipment used in conjunction with the use,  
17 distribution, or sale of fuel;

18 (i) (~~To display~~) Display, or cause to permit to be displayed,  
19 or to have in possession, any fuel license knowing the same to be  
20 fictitious, or to have been suspended, canceled, revoked, or altered;

21 (j) (~~To lend~~) Lend to, or knowingly permit the use of, by one  
22 not entitled thereto, any fuel license issued to the person lending  
23 it or permitting it to be used;

24 (k) (~~To display~~) Display or to represent as one's own any fuel  
25 license not issued to the person displaying the same;

26 (l) (~~To use~~) Use or to conspire with any governmental official,  
27 agent, or employee for the use of any requisition, purchase order, or  
28 any card or any authority to which the person is not specifically  
29 entitled by government regulations, for the purpose of obtaining any  
30 fuel or other inflammable petroleum products upon which the fuel tax  
31 has not been paid;

32 (m) (~~To sell~~) Sell or dispense natural gas or propane for their  
33 own use or the use of others into tanks of vehicles powered by this  
34 fuel when the vehicle does not display a valid decal or other  
35 identifying device as provided in RCW 82.38.075;

36 (n) Knowingly display, or cause to permit to be displayed, or  
37 possess, a fictitious or altered international fuel tax agreement  
38 decal or license;

1 (o) Fail to display, or improperly display, a valid international  
2 fuel tax agreement decal associated with a valid international fuel  
3 tax agreement license;

4 (p) Operate a motor vehicle as provided in RCW 82.38.090(3)  
5 without having first obtained a license as required by this chapter;  
6 and

7 (q) Offer for sale as taxed fuel, fuel which the seller knows or  
8 has reason to know to be untaxed.

9 (2)(a) A single violation of subsection (1)(a) and (b) of this  
10 section is a gross misdemeanor under chapter 9A.20 RCW.

11 (b) Multiple violations of subsection (1)(a) and (b) of this  
12 section and violations of subsection (1)(c) through (g) of this  
13 section are a class C felony under chapter 9A.20 RCW.

14 (3) Violations of subsection (1)(h) through ~~((m))~~ (q) of this  
15 section are a gross misdemeanor under chapter 9A.20 RCW.

16 (4) In addition to other penalties and remedies provided by law,  
17 the court must order a person or corporation found guilty of  
18 violating subsection (1)(c) through (g) of this section to:

19 (a) Pay the tax or fee evaded plus interest, commencing at the  
20 date the tax or fee was first due, at the rate of twelve percent per  
21 year, compounded monthly; and

22 (b) Pay a penalty of ~~((one hundred))~~ 100 percent of the tax  
23 evaded.

24 (5) The tax imposed by this chapter is held in trust by the  
25 licensee until paid to the department, and a licensee who  
26 appropriates the tax to ~~((his or her))~~ the licensee's own use or to  
27 any use other than the payment of the tax is guilty of a felony or  
28 gross misdemeanor in accordance with the theft and anticipatory  
29 provisions of Title 9A RCW. A person, partnership, corporation, or  
30 corporate officer who fails to pay to the department the tax is  
31 personally liable to the state for the amount of the tax.

32 **Sec. 12.** RCW 82.38.380 and 2013 c 225 s 135 are each amended to  
33 read as follows:

34 When the state patrol or the department has good reason to  
35 believe that fuel is being unlawfully imported, kept, sold, offered  
36 for sale, blended, or manufactured in violation of this chapter or  
37 rules adopted under it, the state patrol, or the department in  
38 consultation with the state patrol, may make an affidavit of that  
39 fact, describing the place or thing to be searched, before a judge of

1 any court in this state, and the judge must issue a search warrant  
2 directed to the state patrol commanding the officer diligently to  
3 search any place or vehicle designated in the affidavit and search  
4 warrant, and to seize the fuel and conveyance so possessed and to  
5 hold them until disposed of by law, and to arrest the person in  
6 possession or control of them.

7 NEW SECTION. **Sec. 13.** A new section is added to chapter 82.38  
8 RCW to read as follows:

9 (1) The department shall establish a prorated and fuel tax  
10 discovery team to detect and investigate violations of this chapter  
11 along with violations of chapters 46.87 and 82.42 RCW.

12 (2) Members of the prorated and fuel tax discovery team may be  
13 delegated authority to act as limited agents of the director and may  
14 exercise the authority to seek search warrants, issue subpoenas,  
15 perform inspections, and investigate and assess alleged civil  
16 violations of chapter 46.87 or 82.42 RCW or this chapter.

17 (3) The department must adopt rules necessary to implement this  
18 section.

19 NEW SECTION. **Sec. 14.** A new section is added to chapter 82.38  
20 RCW to read as follows:

21 (1) Reports submitted to the department under RCW 82.38.150 are  
22 personal information under RCW 42.56.230(4)(b) and are exempt from  
23 public inspection and copying.

24 (2) This section does not:

25 (a) Restrict the department from providing summary or aggregate  
26 data where the taxpayer's right to privacy or an unfair competitive  
27 disadvantage can reasonably be protected;

28 (b) Prevent the department from entering into data sharing  
29 agreements containing these records with a federal, state, or local  
30 agency;

31 (c) Restrict sharing with law enforcement for purposes of  
32 investigation or enforcement;

33 (d) Prevent the voluntary sharing of or authorization to access a  
34 taxpayer's own information to the taxpayer or their authorized  
35 representative; or

36 (e) Restrict sharing required under RCW 82.38.260(6).

1        NEW SECTION.    **Sec. 15.**    A new section is added to chapter 82.38  
2    RCW to read as follows:

3        (1) The department or its duly authorized agent may apply for and  
4    obtain a superior court order approving and authorizing a subpoena in  
5    advance of its issuance. The application may be made in the county  
6    where the subpoenaed person resides or is found, or the county where  
7    the subpoenaed records or documents are located, or in Thurston  
8    county. The application must:

9        (a) State that an order is sought pursuant to this subsection;

10       (b) Adequately specify the records, documents, or testimony; and

11       (c) Declare under oath that an investigation is being conducted  
12    for a lawfully authorized purpose related to an investigation within  
13    the department's authority and that the subpoenaed documents or  
14    testimony are reasonably related to an investigation within the  
15    department's authority.

16       (2) Where the application under this subsection is made to the  
17    satisfaction of the court, the court must issue an order approving  
18    the subpoena. An order under this subsection constitutes authority of  
19    law for the agency to subpoena the records or testimony.

20       (3) The department or its duly authorized agent may seek approval  
21    and a court may issue an order under this section without prior  
22    notice to any person, including the person to whom the subpoena is  
23    directed and the person who is the subject of an investigation.

24       (4) This section does not preclude the use of other legally  
25    authorized means of obtaining records, nor preclude the assertion of  
26    any legally recognized privileges.

27       (5) The department may not disclose any return or tax information  
28    obtained in response to a subpoena issued under this section, except  
29    as authorized under this chapter.

30       (6) A third party may not be held civilly liable for any harm  
31    resulting from that person's compliance with a subpoena issued under  
32    the authority of this section.

33       (7) The entire court file of any proceeding instituted under this  
34    section must be sealed and is not open to public inspection by any  
35    person except upon order of the court as authorized by law.

36       **Sec. 16.**    RCW 82.42.118 and 2013 c 225 s 404 are each amended to  
37    read as follows:

1 (1) If any licensee fails to pay any taxes due the state of  
2 Washington within the time prescribed in this chapter, the licensee  
3 must pay a penalty of (~~ten~~) 10 percent of the tax due.

4 (2) If the tax reported by any licensee is deficient a penalty of  
5 (~~ten~~) 10 percent of the deficiency must be assessed.

6 (3) If any licensee, whether or not licensed as such, fails,  
7 neglects, or refuses to file a required fuel tax report, the  
8 department must determine the tax liability and add the penalty  
9 provided in subsection (2) of this section to the liability. An  
10 assessment made by the department pursuant to this subsection or to  
11 subsection (2) of this section is presumed to be correct, and the  
12 burden is on the person who challenges the assessment to establish by  
13 a fair preponderance of the evidence that it is erroneous or  
14 excessive.

15 (4) If any licensee establishes by a fair preponderance of  
16 evidence that failure to file a report or pay the proper amount of  
17 tax within the time prescribed was due to reasonable cause and was  
18 not intentional or willful, the department may waive the penalty  
19 prescribed in subsections (1) and (2) of this section.

20 (5) If any licensee files a false or fraudulent report with  
21 intent to evade the tax imposed by this chapter, a penalty of  
22 (~~twenty-five~~) 25 percent of the deficiency must be added to the  
23 amount of deficiency, which is in addition to all other penalties  
24 prescribed by law.

25 (6) If any person acts as a licensee without first securing the  
26 required license, all fuel tax liability incurred by that person  
27 becomes immediately due and payable. The department must determine  
28 the amount of the tax liability and must assess the person along with  
29 a penalty of (~~one-hundred~~) 100 percent of the tax.

30 (7) Any fuel tax, penalties, and interest payable under this  
31 chapter bear interest at the rate of one percent per month, or  
32 fraction thereof, from the first day of the calendar month after the  
33 amount or any portion thereof should have been paid until the date of  
34 payment. The department may waive interest when it determines the  
35 cost of processing the collection exceeds the amount of interest due.

36 (8) Except in the case of violations of filing a false or  
37 fraudulent report, if the department deems mitigation of penalties  
38 and interest to be reasonable and in the best interests of carrying  
39 out the purpose of this chapter, it may mitigate the assessments.

1 (9) Except in the case of a fraudulent report or failure to file  
2 a report, deficiencies, penalties, and interest must be assessed  
3 within five years from the (~~twenty-fifth~~) 25 day of the next  
4 succeeding month following the reporting period for which the amount  
5 is determined or within five years after the return is filed,  
6 whichever period expires later.

7 (10)(a) Any licensee against whom an assessment is made under the  
8 provisions of subsection (2) or (3) of this section may petition for  
9 a reassessment within (~~thirty~~) 30 days after service upon the  
10 licensee of the assessment. If such petition is not filed within such  
11 (~~thirty~~) 30-day period, the amount of the assessment becomes final.

12 (b) If a petition for reassessment is filed within the (~~thirty~~)  
13 30-day period, the department must reconsider the assessment and, if  
14 the licensee has requested in the petition, must grant (~~an informal~~  
15 ~~hearing~~) a review by the department and give (~~ten~~) 10 days' notice  
16 of the time (~~and~~), place, and method of review. The department may  
17 continue the (~~hearing~~) review as needed. The decision of the  
18 department upon a petition for reassessment becomes final (~~thirty~~)  
19 30 days after service upon the licensee.

20 (11) Every assessment made by the department becomes due and  
21 payable at the time it becomes final and if not timely paid to the  
22 department a penalty of (~~ten~~) 10 percent of the amount of the tax  
23 must be added to the assessment.

24 (12) Any notice of assessment required by this section must be  
25 served by depositing such notice in the United States mail, postage  
26 prepaid addressed to the licensee at the address shown in the records  
27 of the department.

28 (13) Any licensee who has had a fuel license revoked must pay a  
29 (~~one hundred dollar~~) \$100 penalty, submit an application for  
30 reinstatement on forms as prescribed by the department, and must  
31 resolve all outstanding violations, noncompliance items, and debts  
32 owed under this chapter and chapters 46.87 and 82.38 RCW to the  
33 satisfaction of the department prior to the issuance of a new  
34 license.

35 **Sec. 17.** RCW 82.42.010 and 2013 c 225 s 301 are each reenacted  
36 and amended to read as follows:

37 The definitions in this section apply throughout this chapter  
38 unless the context clearly requires otherwise.

1 (1) "Air carrier" means any airline, air cargo carrier, air taxi,  
2 air commuter, or air charter operator, that provides routine air  
3 service to the general population for compensation or hire, and  
4 operates at least fifteen round trips per week between two or more  
5 points and publishes flight schedules which specify the times, days  
6 of the week, and points between which it operates. Where it is  
7 doubtful that an operation is for "compensation or hire," the test  
8 applied is whether the air service is merely incidental to the  
9 person's other business or is, in itself, a major enterprise for  
10 profit.

11 (2) "Aircraft" means every contrivance now known or hereafter  
12 invented, used or designed for navigation of or flight in the air,  
13 operated or propelled by the use of aircraft fuel.

14 (3) "Aircraft fuel" means gasoline and any other inflammable  
15 liquid, by whatever name such liquid is known or sold, the chief use  
16 of which is as fuel for the propulsion of aircraft, except gas or  
17 liquid, the chief use of which as determined by the director, is for  
18 purposes other than the propulsion of aircraft.

19 (4) "Dealer" means any person engaged in the retail sale of  
20 aircraft fuel.

21 (5) "Department" means the department of licensing.

22 (6) "Director" means the director of licensing.

23 (7) "Distributor" means any person engaged in the sale of  
24 aircraft fuel to any dealer and includes any dealer from whom the tax  
25 hereinafter imposed has not been collected.

26 (8) "Local service commuter" means an air taxi operator who  
27 operates at least five round-trips per week between two or more  
28 points; publishes flight schedules which specify the times, days of  
29 the week, and points between which it operates; and whose aircraft  
30 has a maximum capacity of (~~sixty~~) 60 passengers or (~~eighteen~~  
31 ~~thousand~~) 18,000 pounds of useful load.

32 (9) "Person" means every natural person, firm, partnership,  
33 association, or private or public corporation.

34 (10) "Deny" means to decline acceptance of an application for  
35 licensure or reinstatement.

36 (11) "Refuse" has the same meaning as "deny" in subsection (10)  
37 of this section.

38 (12) "Revoke" means to prohibit all authority granted by this  
39 chapter, including the display and use of credentials issued by the



1 department for a period of one year or greater or for an indefinite  
2 period.

3 (13) "Suspend" means to restrict the grant of authority under  
4 this chapter for a period of less than one year.

5 **Sec. 18.** RCW 82.42.210 and 2013 c 225 s 411 are each amended to  
6 read as follows:

7 (1) The department may refuse to issue to, or suspend or revoke a  
8 license of any licensee or applicant:

9 (a) Who formerly held a license issued under chapter 82.36,  
10 82.38, 82.42, or 46.87 RCW which has been suspended or revoked for  
11 cause;

12 (b) Who is a subterfuge for the real party in interest whose  
13 license issued under chapter 82.36, 82.38, 82.42, or 46.87 RCW has  
14 been revoked for cause;

15 (c) Who, as an individual licensee, or partner, officer,  
16 director, owner, or managing employee of a licensee, has had a  
17 license issued under chapter 82.36, 82.38, 82.42, or 46.87 RCW  
18 denied, suspended, or revoked for cause;

19 (d) Who has an unsatisfied debt to the state assessed under  
20 either chapter 82.36, 82.38, 82.42, or 46.87 RCW;

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

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

33 (g) Who misrepresented or concealed a material fact in obtaining  
34 a license or reinstating a license;

35 (h) Who violated a statute or administrative rule regulating fuel  
36 taxation or distribution;

37 (i) Who failed to cooperate with the department's investigations  
38 by:

39 (i) Not furnishing papers or documents;

1 (ii) Not furnishing in writing a full and complete explanation  
2 regarding a matter under investigation by the department; or

3 (iii) Not responding to subpoenas issued by the department,  
4 whether or not the recipient of the subpoena is the subject of the  
5 proceeding;

6 (j) Who failed to comply with an order issued by the director; or

7 (k) Upon other sufficient cause being shown.

8 (2) Refusals, suspensions, and revocations under this section  
9 become final 30 days after notice is served upon the licensee or  
10 applicant of the intention to refuse, suspend, or revoke the  
11 authority granted in this chapter.

12 (3) Before such refusal, suspension, or revocation under this  
13 section becomes final, the department must (~~grant~~) offer the  
14 applicant a (~~hearing~~) review by the department and must grant the  
15 applicant at least (~~twenty~~) 20 days' written notice of the time  
16 (~~and~~), place, and method thereof.

17 NEW SECTION. Sec. 19. A new section is added to chapter 82.42  
18 RCW to read as follows:

19 (1) Reports submitted to the department under RCW 82.42.140 are  
20 personal information under RCW 42.56.230(4)(b) and are exempt from  
21 public inspection and copying.

22 (2) This section does not:

23 (a) Restrict the department from providing summary or aggregate  
24 data where the taxpayer's right to privacy or an unfair competitive  
25 disadvantage can reasonably be protected;

26 (b) Prevent the department from entering into data sharing  
27 agreements containing these records with a federal, state, or local  
28 agency;

29 (c) Restrict sharing with law enforcement for purposes of  
30 investigation or enforcement; or

31 (d) Prevent the voluntary sharing of or authorization to access a  
32 taxpayer's own information to the taxpayer or their authorized  
33 representative.

34 NEW SECTION. Sec. 20. A new section is added to chapter 82.42  
35 RCW to read as follows:

36 (1) The department or its duly authorized agent may apply for and  
37 obtain a superior court order approving and authorizing a subpoena in  
38 advance of its issuance. The application may be made in the county

1 where the subpoenaed person resides or is found, or the county where  
2 the subpoenaed records or documents are located, or in Thurston  
3 county. The application must:

4 (a) State that an order is sought pursuant to this subsection;

5 (b) Adequately specify the records, documents, or testimony; and

6 (c) Declare under oath that an investigation is being conducted  
7 for a lawfully authorized purpose related to an investigation within  
8 the department's authority and that the subpoenaed documents or  
9 testimony are reasonably related to an investigation within the  
10 department's authority.

11 (2) Where the application under this subsection is made to the  
12 satisfaction of the court, the court must issue an order approving  
13 the subpoena. An order under this subsection constitutes authority of  
14 law for the agency to subpoena the records or testimony.

15 (3) The department or its duly authorized agent may seek approval  
16 and a court may issue an order under this subsection without prior  
17 notice to any person, including the person to whom the subpoena is  
18 directed and the person who is the subject of an investigation.

19 (4) This section does not preclude the use of other legally  
20 authorized means of obtaining records, nor preclude the assertion of  
21 any legally recognized privileges.

22 (5) The department may not disclose any return or tax information  
23 obtained in response to a subpoena issued under this section, except  
24 as under this chapter.

25 (6) A third party may not be held civilly liable for any harm  
26 resulting from that person's compliance with a subpoena issued under  
27 the authority of this section.

28 (7) The entire court file of any proceeding instituted under this  
29 section must be sealed and is not open to public inspection by any  
30 person except upon order of the court as authorized by law.

31 NEW SECTION. **Sec. 21.** If any provision of this act or its  
32 application to any person or circumstance is held invalid, the  
33 remainder of the act or the application of the provision to other  
34 persons or circumstances is not affected.

35 NEW SECTION. **Sec. 22.** This act takes effect July 1, 2024.

--- END ---