

amended, the insurance commissioner shall make rules and regulations to carry out section 1 of this act and shall enforce section 1 of this act.

Passed the House March 12, 1971.

Passed the Senate May 8, 1971.

Approved by the Governor May 20, 1971.

Filed in Office of Secretary of State May 21, 1971.

CHAPTER 175

[Substitute House Bill No. 247]

SPECIAL FUEL TAX ACT

AN ACT Relating to the taxation and regulation of special fuel; enacting a "Special Fuel Tax Act"; creating new sections; repealing section 82.40.010, chapter 15, Laws of 1961, section 1, chapter 196, Laws of 1967, section 24, chapter 281, Laws of 1969 ex. sess., and RCW 82.40.010; repealing section 82.40.020, chapter 15, Laws of 1961, section 3, chapter 7, Laws of 1961 ex. sess., section 6, chapter 83, Laws of 1967 ex. sess., and RCW 82.40.020; repealing section 82.40.030, chapter 15, Laws of 1961 and RCW 82.40.030; repealing section 82.40.040, chapter 15, Laws of 1961, section 1, chapter 139, Laws of 1969, and RCW 82.40.040; repealing section 82.40.045, chapter 15, Laws of 1961 and RCW 82.40.045; repealing section 82.40.046, chapter 15, Laws of 1961, section 29, chapter 281, Laws of 1969 ex. sess., and RCW 82.40.046; repealing section 82.40.047, chapter 15, Laws of 1961, section 2, chapter 117, Laws of 1961, section 2, chapter 187, Laws of 1963, section 2, chapter 135, Laws of 1965, section 2, chapter 96, Laws of 1967, section 28, chapter 281, Laws of 1969 ex. sess., and RCW 82.40.047; repealing section 82.40.050, chapter 15, Laws of 1961, section 1, chapter 33, Laws of 1965 ex. sess., section 3, chapter 139, Laws of 1969, and RCW 82.40.050; repealing section 82.40.060, chapter 15, Laws of 1961, section 2, chapter 33, Laws of 1965 ex. sess., and RCW 82.40.060; repealing section 82.40.070, chapter 15, Laws of 1961 and RCW 82.40.070; repealing section 82.40.080, chapter 15, Laws of 1961 and RCW 82.40.080; repealing section 82.40.090, chapter 15, Laws of 1961 and RCW 82.40.090; repealing section 82.40.100, chapter 15, Laws of 1961 and RCW 82.40.100; repealing section 82.40.110, chapter 15, Laws of 1961 and RCW 82.40.110; repealing section 82.40.115, chapter 15, Laws of 1961 and RCW 82.40.115; repealing section 82.40.120, chapter

15, Laws of 1961 and RCW 82.40.120; repealing section 82.40.130, chapter 15, Laws of 1961, section 3, chapter 33, Laws of 1965 ex. sess., and RCW 82.40.130; repealing section 82.40.140, chapter 15, Laws of 1961 and RCW 82.40.140; repealing section 82.40.150, chapter 15, Laws of 1961 and RCW 82.40.150; repealing section 82.40.160, chapter 15, Laws of 1961 and RCW 82.40.160; repealing section 82.40.170, chapter 15, Laws of 1961 and RCW 82.40.170; repealing section 82.40.180, chapter 15, Laws of 1961 and RCW 82.40.180; repealing section 82.40.190, chapter 15, Laws of 1961 and RCW 82.40.190; repealing section 82.40.200, chapter 15, Laws of 1961 and RCW 82.40.200; repealing section 82.40.210, chapter 15, Laws of 1961 and RCW 82.40.210; repealing section 82.40.220, chapter 15, Laws of 1961, section 4, chapter 33, Laws of 1965 ex. sess. and RCW 82.40.220; repealing section 82.40.230, chapter 15, Laws of 1961 and RCW 82.40.230; repealing section 82.40.240, chapter 15, Laws of 1961, section 2, chapter 196, Laws of 1967 and RCW 82.40.240; repealing section 82.40.250, chapter 15, Laws of 1961, section 5, chapter 33, Laws of 1965 ex. sess., section 8, chapter 89, Laws of 1967 ex. sess., and RCW 82.40.250; repealing section 82.40.260, chapter 15, Laws of 1961 and RCW 82.40.260; repealing section 82.40.270, chapter 15, Laws of 1961, section 6, chapter 33, Laws of 1965 ex. sess., section 3, chapter 196, Laws of 1967, and RCW 82.40.270; repealing section 82.40.280, chapter 15, Laws of 1961 and RCW 82.40.280; repealing section 82.40.290, chapter 15, Laws of 1961, section 4, chapter 7, Laws of 1961 ex. sess., section 2, chapter 113, Laws of 1963, section 7, chapter 83, Laws of 1967 ex. sess., and RCW 82.40.290; repealing section 82.40.900, chapter 15, Laws of 1961 and RCW 82.40.900; prescribing penalties; and providing an effective date.

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

NEW SECTION. Section 1. SHORT TITLE. This act may be cited as the "Special Fuel Tax Act".

NEW SECTION. Sec. 2. STATEMENT OF PURPOSE. The purpose of this act is to supplement the Motor Vehicle Fuel Tax Act, chapter 82.36 RCW, by imposing a tax upon the use, within this state, of all fuels not taxed under said Motor Vehicle Fuel Tax Act, and to require the collection of the tax from the vendee in anticipation of a subsequent taxable incident when the fuel is delivered into the fuel supply tank of a motor vehicle or into the storage facilities used for the fueling of motor vehicles at an unbonded service station.

NEW SECTION. Sec. 3. DEFINITIONS. As hereinafter used in this act:

(1) "Person" means every natural person, fiduciary, association or corporation. Whenever used in any clause prescribing and imposing a fine or imprisonment, or both, the term "person" as applied to an association means and includes the partners or members thereof, and as applied to corporations, the officers thereof.

(2) "Department" means the department of motor vehicles.

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

(4) "Motor vehicle" means every self-propelled vehicle required to be licensed for operation upon the highways.

(5) "Special fuel" means and includes all combustible gases and liquids suitable for the generation of power for propulsion of motor vehicles, except that it does not include motor vehicle fuel as defined in chapter 82.36 RCW.

(6) "Use" means the consumption by a special fuel user of special fuels in propulsion of a motor vehicle on the highways of this state.

(7) "Special fuel dealer" means any person engaged in the business of handling special fuel who delivers any part thereof into the fuel supply tank or tanks of a motor vehicle not then owned or controlled by him, or places special fuel into the storage facilities used for the fueling of motor vehicles at an unbonded service station. For this purpose the term "fuel supply tank or tanks" does not include cargo tanks even though fuel is withdrawn directly therefrom for propulsion of the vehicle.

(8) "Special fuel user" means any person who consumes in this state special fuel for the propulsion of motor vehicles owned or controlled by him upon the highways of this state.

(9) "Special fuel supplier" means any person engaged in the business of selling special fuel where delivery thereof is made other than, or in addition to, the manner prescribed under the definition of "special fuel dealer".

(10) "Service station" means any location at which fueling of motor vehicles is offered to the general public.

(11) "Unbonded service station" means any service station at which an unbonded special fuel dealer regularly makes sales of special fuel by means of delivery thereof into the fuel supply tanks of motor vehicles.

(12) "Bond" means: (a) A bond duly executed by such special fuel dealer or special fuel user as principal with a corporate surety qualified under the provisions of chapter 48.28 RCW which bond shall be payable to the state of Washington conditioned upon faithful performance of all requirements of this act, including the payment of all taxes, penalties, and other obligations of such dealer, arising out of this act; or (b) a deposit with the state treasurer by the

special fuel dealer or special fuel user, under such terms and conditions as the department may prescribe, a like amount of lawful money of the United States or bonds or other obligations of the United States, the state of Washington, or any county of said state, of an actual market value not less than the amount so fixed by the department.

(13) "Lessor" means any person (a) whose principal business is the bona fide leasing or renting of motor vehicles without drivers for compensation to the general public, and (b) who maintains established places of business and whose lease or rental contracts require such motor vehicles to be returned to the established places of business.

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

(15) "Standard pressure and temperature" means fourteen and seventy-three hundredths pounds of pressure per square inch at sixty degrees Fahrenheit.

NEW SECTION. Sec. 4. TAX IMPOSED--COLLECTION. (1) There is hereby levied and imposed upon special fuel users a tax of nine cents per gallon or each one hundred cubic feet of compressed natural gas measured at standard pressure and temperature on the use (within the meaning of the word use as defined herein) of special fuel in any motor vehicle: PROVIDED, That in order to encourage experimentation with nonpolluting fuels, no tax shall be imposed upon the use of natural gas as herein defined or on liquified petroleum gas, commonly called propane, which is used in a fleet of three or more motor vehicles owned and operated by the state of Washington, and its legal subdivisions until July 1, 1975.

(2) Said tax shall be collected by the special fuel dealer and shall be paid over to the department as hereinafter provided: (a) With respect to all special fuel delivered by a special fuel dealer into supply tanks of motor vehicles or into storage facilities used for the fueling of motor vehicles at unbonded service stations in this state; or (b) in all other transactions where the purchaser indicates in writing to the special fuel dealer prior to or at the time of the delivery that the entire quantity of the special fuel covered by the delivery is for use by him for a taxable purpose as a fuel in a motor vehicle.

(3) Said tax shall be paid over to the department by the special fuel user as hereinafter provided: (a) With respect to special fuel upon which the tax has not previously been imposed which was acquired in any manner other than by delivery by a special fuel dealer into a fuel supply tank of a motor vehicle in this state; or (b) in all transactions with a special fuel dealer in this state

where a written statement has not been furnished to the special fuel dealer as set forth in subsection (2) (b) of this section.

It is expressly provided that delivery of special fuel may be made without collecting the tax otherwise imposed, when such deliveries are made by a special fuel dealer to special fuel users who are authorized by the department as hereinafter provided, to purchase fuel without payment of tax to the special fuel dealer.

NEW SECTION. Sec. 5. AUTHORIZATION OF PURCHASE WITHOUT PAYMENT TO DEALER. The department may issue written authorization to a special fuel user to purchase fuel from a special fuel dealer designated by the special fuel user without payment of the tax to the special fuel dealer when the department finds (1) that the special fuel user consistently is using the fuel in vehicles which are operated partly without this state or off the highways of this state; (2) that to require collection of the tax from the special fuel user by the special fuel dealer would cause consistently recurring overpayments of the tax; and (3) that the revenue of the state with respect to the tax liability of such a special fuel user is adequately secured. Such authorization may be revoked when any one of the above conditions no longer obtains. The delivery of special fuel may be made without collecting the tax otherwise imposed when deliveries are made into vehicle refrigeration units, mixing units, or other equipment powered by separate motors from separate fuel tanks, on invoices showing the vehicle unit or license number and such other information as may be prescribed by the department.

NEW SECTION. Sec. 6. TAX LIABILITY ON LEASED MOTOR VEHICLES. Except as otherwise provided in this act, every special fuel user shall be liable for the tax on special fuel used in motor vehicles leased to him and operated on the highways of this state to the same extent and in the same manner as special fuel used in his own motor vehicles and operated on the highways of this state: PROVIDED, That a lessor who is engaged regularly in the business of leasing for compensation motor vehicles and equipment he owns without drivers to carriers or other lessees for interstate operation, may be deemed to be the special fuel user when he supplies or pays for the special fuel consumed in such vehicles, and such lessor may be issued a license as a special fuel user when application and bond have been properly filed with and approved by the department for such license. Any lessee may exclude motor vehicles of which he is lessee from his reports and liabilities pursuant to this act, but only if the motor vehicles in question have been leased from a lessor holding a valid special fuel user's license.

Every such lessor shall file with his application for a special fuel user's license one copy of the lease form or service contract he enters into with the various lessees of his motor

vehicles. When the special fuel user's license has been secured, such lessor shall make and assign to each motor vehicle he leases for interstate operation a photocopy of such license to be carried in the cab compartment of said motor vehicle and on which shall be typed or printed on the back the unit or motor number of the motor vehicle to which it is assigned and the name of the lessee. Such lessor shall be responsible for the proper use of such photocopy of said license issued and its return to him with the motor vehicle to which it is assigned.

NEW SECTION. Sec. 7. TAX COMPUTATION ON MILEAGE BASES. In the event the tax on special fuel imported into this state in the fuel supply tanks of motor vehicles for taxable use on Washington highways can be more accurately determined on a mileage basis the department is authorized to approve and adopt such basis. When a special fuel user imports special fuel into or exports special fuel from the state of Washington in the fuel supply tanks of motor vehicles, the amount of special fuel consumed in such vehicles on Washington highways shall be deemed to be such proportion of the total amount of such special fuel consumed in his entire operations within and without this state as the total number of miles traveled on the public highways within this state bears to the total number of miles traveled within and without the state. The department may also adopt such mileage basis for determining the taxable use of special fuel used in motor vehicles which travel regularly over prescribed courses on and off the highways within the state of Washington. In the absence of records showing the number of miles actually operated per gallon of special fuel consumed, it shall be prima facie presumed that not less than one gallon of special fuel was consumed for every four miles traveled.

NEW SECTION. Sec. 8. REFUNDS FOR WORTHLESS ACCOUNTS RECEIVABLE. A special fuel dealer shall be entitled, under rules and regulations prescribed by the department, to a credit of the tax paid over to the department on those sales of special fuel for which the dealer has received no consideration from or on behalf of the purchaser, which have been declared by the dealer to be worthless accounts receivable, and which have been claimed as bad debts for federal income tax purposes. The amount of the tax refunded shall not exceed the amount of tax imposed by this chapter on such sales, less an amount computed by applying the current state retail sales tax rate to the difference between the total purchase price of such sales and the amount of tax imposed on such sales by this chapter. If a refund has been granted under this section, any amounts collected for application against the accounts on which such a refund is based shall be reported with the first return filed after such collection, and the amount of refund received by the dealer based

upon the collected amount shall be returned to the department. In the event the refund has not been paid, the amount of the refund requested by the dealer shall be adjusted by the department to reflect the decrease in the amount on which the claim is based. The department may require the dealer to submit periodical reports listing accounts which are delinquent for ninety days or more.

NEW SECTION. Sec. 9. EXEMPTIONS. There is exempted from the tax imposed by this act, the use of fuel for (1) street and highway construction and maintenance purposes in motor vehicles owned and operated by the state of Washington, or any county or municipality, (2) publicly owned fire fighting equipment, (3) special mobile equipment as defined in RCW 46.04.552, (4) power pumping units or other power-take-off equipment of any motor vehicle which is accurately measured by metering devices or such other methods that have been specifically approved by the department, (5) motor vehicles owned and operated by the United States government, and (6) notwithstanding any provision of law to the contrary, every urban passenger transportation system shall be exempt from the provisions of this act requiring the payment of special fuel taxes. For the purposes of this section "urban passenger transportation system" means every transportation system, publicly or privately owned, having as its principal source of revenue the income from transporting persons for compensation by means of motor vehicles and/or trackless trolleys, each having a seating capacity for over fifteen persons over prescribed routes in such a manner that the routes of such motor vehicles and/or trackless trolleys, either alone or in conjunction with routes of other such motor vehicles and/or trackless trolleys subject to routing by the same transportation system, shall not extend for a distance exceeding fifteen road miles beyond the corporate limits of the city in which the original starting points of such motor vehicles are located: PROVIDED, That no refunds or credits shall be granted on fuel used by any urban transportation vehicle on any trip where any portion of said trip is more than fifteen road miles beyond the corporate limits of the city in which said trip originated.

NEW SECTION. Sec. 10. SPECIAL FUEL DEALERS', SPECIAL FUEL SUPPLIERS' AND SPECIAL FUEL USERS' LICENSES. (1) It shall be unlawful for any person to act as a special fuel dealer, a special fuel supplier or a special fuel user in this state unless such person is the holder of an uncanceled special fuel dealer's, a special fuel supplier's or a special fuel user's license issued to him by the department, except for owners of privately operated passenger vehicles exempt from reporting requirements pursuant to section 16 of this act. Before issuing the certificate of registration of any motor vehicle under the provisions of Title 46 RCW, the department shall

ascertain from the applicant for such registration whether the motor vehicle sought to be registered is propelled by a fuel the use of which is subject to the tax hereby imposed. If it is ascertained that any motor vehicle is so propelled, the department shall not complete such registration until the applicant therefor has established to the satisfaction of the department that he is the holder of a valid special fuel license issued to him pursuant to this act.

NEW SECTION. Sec. 11. SINGLE TRIP SPECIAL FUEL TAX PERMIT. Any special fuel user operating a motor vehicle in this state in the course of interstate traffic may make application for a single trip special fuel tax permit authorizing operation of such vehicle for a single trip through the state or from a point on the Washington border to a point within the state and return to the border for a fee based on the number of miles to be traveled within the state as follows:

(1) Up to 333 miles	\$ 5.00
(2) From 334 miles to 555 miles	\$10.00
(3) From 556 miles to 777 miles	\$15.00
(4) From 778 miles to 1000 miles	\$20.00
(5) More than 1000 miles	\$25.00

In addition to the fee based on the miles to be traveled within the state, a fee of one dollar shall be paid for each single trip special fuel tax permit issued which shall be valid for a period of not more than ninety-six hours beginning and ending on the dates and time specified on the face of the permit issued. Such fees shall be in lieu of the special fuel tax otherwise assessable against the permit holder for importing and using special fuel in motor vehicles on the public highways of this state and no reports of mileage shall be required with respect to such vehicles. All such fees collected by the department shall be allocated to the same fund to which the special fuel tax collected hereunder is allocated. The single trip special fuel tax permits may be issued in lieu of special fuel user licenses if the applicant therefor does not operate motor vehicles into or from the state of Washington more than six times during any calendar year.

NEW SECTION. Sec. 12. APPLICATION FOR LICENSE AND BOND. REQUIREMENTS. Application for a special fuel dealer's license, special fuel supplier's license or a special fuel user's license, shall be made to the department. The application shall be filed upon a form prepared and furnished by the department and shall contain such information as the department deems necessary.

No special fuel dealer's license or special fuel user's license shall be issued to any person or continued in force unless such person has furnished bond, as defined in section 3 of this act, in such form as the department may require, to secure his compliance



with this act, and the payment of any and all taxes, interest and penalties due and to become due hereunder. The requirement of furnishing a bond shall be waived provided all acquisitions of special fuel by the licensee are on a tax paid basis.

The total amount of the bond or bonds required of any special fuel dealer or special fuel user shall be equivalent to twice his estimated monthly license tax, determined in such manner as the department may deem proper: PROVIDED, That the total amount of the bond or bonds shall never be less than five hundred dollars nor more than fifty thousand dollars.

Any person who has filed with the department a bond as a motor vehicle fuel distributor under the terms and conditions provided for in RCW 82.36.060, may extend the terms and conditions of said distributor's bond, by an approved rider or bond form, to include coverage of all liabilities and conditions imposed by this act upon the special fuel dealer or to the special fuel user to whom said extension is made applicable. The amount of any new bond that may be required of a dealer or user shall not exceed the maximum amount provided by RCW 82.36.060 for a motor vehicle fuel distributor's license.

NEW SECTION. Sec. 13. ISSUANCE OF LICENSE. Upon receipt and approval of an application and bond (if required), the department shall issue to the applicant a license to act as a special fuel dealer, a special fuel supplier, or a special fuel user: PROVIDED, That the department may refuse to issue a special fuel dealer's license, special fuel supplier's license, or a special fuel user's license to any person (1) who formerly held either type of license which, prior to the time of filing for application, has been revoked for cause; or (2) who is a subterfuge for the real party in interest whose license prior to the time of filing for application, has been revoked for cause; or (3) upon other sufficient cause being shown. Before such refusal, the department shall grant the applicant a hearing and shall grant him at least five days written notice of the time and place thereof.

The department shall determine from the information shown in the application or other investigation the kind and class of license to be issued.

All licenses shall be posted in a conspicuous place or kept available for inspection at the principal place of business of the owner thereof. License holders shall reproduce the license by photostat or other method and keep a copy on display for ready inspection at each additional place of business or other place of storage from which special fuel is sold, delivered or used and in each motor vehicle used by the license holder to transport special fuel purchased by him for resale, delivery or use. Every special

fuel user and consumer of special fuel used to propel motor vehicles upon the highways of this state shall reproduce the license and carry a photocopy thereof with each motor vehicle being operated upon the highways of this state. In the event a special fuel user license is not displayed, whether through loss, theft, or for any other reason, the operator of such vehicle may be required to purchase a single trip special fuel tax permit pursuant to section 11 of this act.

A special fuel dealer or a special fuel supplier may use special fuel in motor vehicles owned or operated by them without securing a license as a special fuel user but they shall be subject to all other conditions, requirements and liabilities imposed herein upon a special fuel user.

The department shall furnish to each licensed special fuel supplier a list showing the name and address of each bonded special fuel dealer as of the beginning of each fiscal year, and shall thereafter during each year supplement such list monthly.

Each special fuel dealer's license, special fuel supplier's license, and special fuel user's license shall be valid until suspended or revoked for cause or otherwise canceled.

No special fuel dealer's license, special fuel supplier's license, or special fuel user's license shall be transferable.

NEW SECTION. Sec. 14. REVOCATION, CANCELLATION, AND SURRENDER OF LICENSE AND BOND. The department may revoke the license of any special fuel dealer, special fuel supplier, or special fuel user for reasonable cause. Before revoking such license the department shall notify the licensee to show cause within ten days of the date of the notice why the license should not be revoked: PROVIDED, That at any time prior to and pending such hearing the department may, in the exercise of reasonable discretion, suspend such license.

The department shall cancel any license to act as a special fuel dealer, a special fuel supplier, or a special fuel user immediately upon surrender thereof by the holder.

It shall be presumed that a special fuel dealer's bond is in effect until such time as the department notifies all licensed special fuel suppliers to the contrary by mailing to their current address of record.

Any surety on a bond furnished by a special fuel dealer or special fuel user as provided herein shall be released and discharged from any and all liability to the state accruing on such bond after the expiration of forty-five days from the date which such surety shall have lodged with the department a written request to be released and discharged, but this provision shall not operate to relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration of the forty-five

day period. The department shall promptly, upon receiving any such request, notify the special fuel dealer or special fuel user who furnished the bond, and unless the special fuel dealer or special fuel user shall, on or before the expiration of the forty-five day period, file a new bond, in accordance with the requirements of this section, or make a deposit in lieu thereof as provided in subsection (12) of section 3 of this act, the department forthwith shall cancel the special fuel dealer's or special fuel user's license.

The department may require a special fuel dealer or special fuel user to give a new or additional surety bond or to deposit additional securities of the character specified in subsection (12) of section 3 of this act if, in its opinion, the security of the surety bond therefor filed by such special fuel dealer or special fuel user, or the market value of the properties deposited as security by such special fuel dealer or special fuel user, shall become impaired or inadequate. Upon failure of the special fuel dealer or special fuel user to give such new or additional surety bond or to deposit additional securities within forty-five days after being requested to do so by the department, or after he shall fail or refuse to file reports and remit or pay taxes at the intervals fixed by the department, the department forthwith shall cancel his license.

NEW SECTION. Sec. 15. SPECIAL FUEL DEALERS', SPECIAL FUEL SUPPLIERS', AND SPECIAL FUEL USERS' RECORDS. (1) Every special fuel dealer, special fuel supplier, special fuel user, and every person importing, manufacturing, refining, dealing in, transporting, or storing special fuel in this state shall keep for a period of not less than three years open to inspection at all times during the business hours of the day to the department or its authorized representatives, a complete record of all special fuel purchased or received and all of such products sold, delivered, or used by them. Such records shall show:

- (a) The date of each receipt;
  - (b) The name and address of the person from whom purchased or received;
  - (c) The number of gallons received at each place of business or place of storage in the state of Washington;
  - (d) The date of each sale or delivery;
  - (e) The number of gallons sold or delivered for taxable purposes;
  - (f) The number of gallons sold or delivered for any purpose not subject to the tax imposed herein;
  - (g) The name and address of the purchaser;
  - (h) The inventories of special fuel on hand at each place of business at the end of each month.
- (2) Invoices shall be prepared for sales and deliveries of

special fuel in the manner and containing such information as may be prescribed by the department.

Any person purchasing and receiving a delivery of special fuel into the fuel supply tank of a motor vehicle in Washington shall carry within the vehicle the invoice or other acceptable document evidencing receipt of such special fuel until the fuel is consumed.

Every special fuel supplier, special fuel dealer or special fuel user making such sales or deliveries of special fuel and every person so receiving and purchasing special fuel must each retain one copy of each such invoice as part of his permanent records for the time and purposes above provided.

Every special fuel user shall keep, in addition to his records of deliveries into motor vehicles, a complete record of the total gallons of special fuel used for other purposes during each month and the purposes for which said special fuel was used.

NEW SECTION. Sec. 16. MONTHLY REPORTS. For the purpose of determining the amount of his liability for the tax herein imposed each special fuel dealer and each special fuel user shall file with the department, on forms prescribed by the department, a monthly tax report. A report shall be filed with the department for each calendar month, even though no special fuel was used, or tax is due, for the calendar month. Such report shall contain a declaration by the person making the same, to the effect that the statements contained therein are true and are made under penalties of perjury, which declaration shall have the same force and effect as a verification of the report and shall be in lieu of such verification. The report shall show such information as the department may reasonably require for the proper administration and enforcement of this act: PROVIDED, That if a special fuel dealer or special fuel user is also a special fuel supplier at a location where special fuel is delivered into the supply tank of a motor vehicle, and if separate storage is provided thereat from which special fuel is delivered or placed into fuel supply tanks of motor vehicles, the monthly report to the department need not include inventory control data covering bulk storage from which wholesale distribution of special fuel is made. The special fuel dealer or special fuel user shall file the report on or before the twenty-fifth day of the next succeeding calendar month following the monthly period to which it relates.

If the final filing date falls on a Saturday, Sunday or legal holiday the next secular or business day shall be the final filing date. Such reports shall be considered filed or received on the date shown by the post office cancellation mark stamped upon an envelope containing such report properly addressed to the department, or on the date it was mailed if proof satisfactory to the department is available to establish the date it was mailed.

Any person whose sole use of special fuel is for the propulsion of a privately operated passenger automobile is exempt from the filing of a special fuel tax report on the condition that all fuel used in this state, except fuel brought into this state in the fuel tank of the vehicle, is purchased from a special fuel dealer in this state who collects the tax from the user when delivering the fuel into the fuel tank of the user's automobile. For the purposes of this act, "privately operated passenger automobile" includes passenger cars as that term is defined in RCW 46.04.382, and such light trucks and other noncommercial vehicles as may be defined as such by rules and regulations adopted by the department. A special fuel user may be relieved of the filing of the tax report even though he operates more than one passenger automobile using special fuel, whether or not such automobiles are used for pleasure or in a business or profession, providing that the user is not also using such fuel in other motor vehicles which are not privately operated passenger automobiles. Notwithstanding that a special fuel user's sole use of such special fuel is in a privately operated automobile, he shall continue to file the tax report if he is using such special fuels from bulk storage of special fuel on which the tax has not been paid at the time of purchase or acquisition.

The department may relieve any holder of a valid special fuel users license from the requirement of filing returns under this section when he has established to its satisfaction (1) that such user's vehicles are operated exclusively within the boundaries of this state; (2) that his purchases of special fuel are made exclusively from special fuel dealers holding valid licenses under this act; (3) that he does not acquire special fuel in any manner or for any purpose whereby payment of tax or undertaking therefor is not made to a special fuel dealer at time of purchase; and (4) that he maintains adequate records subject to audit.

A vehicle identification card to be carried in the motor vehicle shall be issued in such cases and the privilege shall be subject to revocation by the department whenever the vehicle of any licensee so identified is found to be operated in violation of any of the conditions in this section.

The department, if it deems it necessary in order to insure payment of the tax imposed by this act, or to facilitate the administration of this act, shall have the authority to require the filing of reports and tax remittances at shorter intervals than one month if, in its opinion, an existing bond has become insufficient.

NEW SECTION. Sec. 17. COMPUTATION AND PAYMENT OF TAX. The tax imposed by this act shall be computed as follows: (1) With respect to special fuel upon which the tax has been collected by the seller thereof as a special fuel dealer, by multiplying the tax rate

per gallon provided in this act by the number of gallons of special fuel delivered or placed by him into the supply tank or tanks of a motor vehicle or into the storage facilities used in the fueling of motor vehicles at an unbonded service station or in all other transactions where the purchaser has indicated in writing to the special fuel dealer that the quantity of special fuel covered by the delivery is for use as a fuel in a motor vehicle; (2) with respect to special fuel on which the tax has not been paid to a special fuel dealer in this state and which has been consumed by the purchaser thereof as a special fuel user, by multiplying the tax rate per gallon provided in this act by the number of gallons of special fuel consumed by him in the propulsion of a motor vehicle on the highways of this state.

The monthly tax return shall be accompanied by a remittance payable to the state treasurer covering the tax moneys collected by the special fuel dealer or the amount determined to be due hereunder on account of the use (as defined in section 3 of this act) of special fuels during the preceding month.

NEW SECTION. Sec. 18. CIVIL AND STATUTORY PENALTIES. (1) If any person affected by this act shall fail or refuse to comply with any provision of this act or shall violate the same, or shall fail or refuse to comply with any rule or regulation promulgated hereunder by the department or shall violate the same, he shall forfeit to the state of Washington as penalty, the sum of twenty-five dollars.

(2) In case any special fuel dealer or special fuel user refuses or fails to file a return required by this act within the time prescribed by section 16 of this act, there is hereby imposed the penalty provided in subsection (1) of this section or a sum equal to ten percent of the tax due, whichever is greater, together with interest at the rate of one percent for each calendar month or fraction thereof during which such refusal or failure continues.

(3) Where a special fuel dealer or a special fuel user files a report, but fails to pay in whole or in part the tax due hereunder, there shall be added to the amount due and unpaid, interest at the rate of one percent per month or fraction thereof from the date such tax was due to the date of payment in full thereof.

(4) If it be determined by the department that the tax reported by any special fuel dealer or special fuel user is deficient it shall proceed to assess the deficiency on the basis of information available to it and there shall be added to this deficiency the penalty provided in subsection (2) of this section together with interest at the rate of one percent per month, or fraction thereof, from the date the report was due.

(5) If any special fuel dealer or special fuel user, whether or not he is licensed as such, fails, neglects, or refuses to file a

special fuel tax report, the department shall, on the basis of information available to it, determine the tax liability of the special fuel dealer or the special fuel user for the period during which no report was filed, and to the tax as thus determined, the department shall add the penalty and interest provided in subsection (4) of this section. An assessment made by the department pursuant to this subsection or to subsection (4) of this section shall be presumed to be correct, and in any case where the validity of the assessment is drawn in question, the burden shall be on the person who challenges the assessment to establish by a fair preponderance of the evidence that it is erroneous or excessive as the case may be.

(6) If any special fuel dealer or special fuel user shall establish by a fair preponderance of evidence that his failure to file a report or pay the proper amount of tax within the time prescribed was due to reasonable cause and was not intentional or wilful, the department may waive the penalty prescribed in subsections (2), (3), (4), and (5) of this section.

(7) If any special fuel dealer or special fuel user shall file a false or fraudulent report with intent to evade the tax imposed by this act, there shall be added to the amount of deficiency determined by the department a penalty equal to twenty-five percent of the deficiency together with interest at one percent per month, or fraction thereof, on such deficiency from the date such tax was due to the date of payment, in addition to the penalty provided in subsection (1) of this section and all other penalties prescribed by law.

(8) Except in the case of a fraudulent report or of neglect or refusal to make a report, every deficiency shall be assessed under subsection (4) of this section within three years from the twenty-fifth day of the next succeeding calendar month following the monthly period for which the amount is proposed to be determined or within three years after the return is filed, whichever period expires the later.

NEW SECTION. Sec. 19. REFUNDS AND CREDITS. Any person who has paid a special fuel tax either directly or to the vendor from whom it was purchased may file a claim for a refund of the tax so paid and shall be reimbursed and repaid the amount of:

(1) Any taxes previously paid on special fuel used for purposes other than for the propulsion of motor vehicles upon the public highways in this state.

(2) Any taxes previously paid on special fuel exported for use outside of this state. Special fuel carried from this state in the fuel tank of a motor vehicle is deemed to be exported from this state.

(3) Any tax, penalty or interest erroneously or illegally

collected or paid.

NEW SECTION. Sec. 20. PROCEDURES FOR CLAIMING REFUNDS OR CREDITS. (1) Claims under section 19 of this act shall be filed with the department on forms prescribed by the department and shall show the date of filing and the period covered in the claim, the number of gallons of special fuel used for purposes subject to tax refund, and such other facts and information as may be required. Every such claim shall be supported by an invoice or invoices issued to or by the claimant, as may be prescribed by the department, and such other information as the department may require.

(2) Any amount determined to be refundable by the department under section 19 of this act shall first be credited on any amounts then due and payable from the special fuel dealer or special fuel user or to any person to whom the refund is due, and the department shall then certify the balance thereof to the state treasurer, who shall thereupon draw his warrant for such certified amount to such special fuel dealer or special fuel user or any person: PROVIDED, HOWEVER, That the department shall deduct fifty cents from all such refunds as a filing fee, which fee shall be deducted from the warrant issued in payment of such refund to defray expenses in furnishing the claim forms and other forms provided for in this act.

(3) No refund or credit shall be approved by the department unless a written claim for refund or credit stating the specific grounds upon which the claim is founded is filed with the department:

(a) Within thirteen months from the date of purchase or from the last day of the month following the close of the monthly period for which the refundable amount or credit is due with respect to refunds or credits allowable under section 19, subsections (1) and (2) of this act, and if not filed within this period the right to refund shall be forever barred.

(b) Within three years from the last day of the month following the close of the monthly period for which the overpayment is due with respect to the refunds or credits allowable under section 19 (3) of this act.

(c) Within six months from the date the assessment becomes final or within six months from the date of collection, whichever period expires the later, with respect to assessments made by the department under section 18 (4) and (5) of this act.

(4) Within thirty days after disallowing any claim in whole or in part, the department shall serve written notice of its action on the claimant.

(5) Interest shall be paid upon any refundable amount or credit due under section 19 (3) of this act at the rate of one percent per month from the last day of the calendar month following the monthly period for which the refundable amount or credit is due.



The interest shall be paid:

(a) In the case of a refund, to the last day of the calendar month following the date upon which the person making the overpayment, if he has not already filed a claim, is notified by the department that a claim may be filed or the date upon which the claim is approved by the department, whichever date is earlier.

(b) In the case of a credit, to the same date as that to which interest is computed on the tax or amount against which the credit is applied.

If the department determines that any overpayment has been made intentionally or by reason of carelessness, it shall not allow any interest thereon.

(6) No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against this state or against any officer of the state to prevent or enjoin the collection under this act of any tax or any amount of tax required to be collected.

NEW SECTION. Sec. 21. SUITS FOR RECOVERY OF TAXES ILLEGALLY OR ERRONEOUSLY COLLECTED. (1) No suit or proceeding shall be maintained in any court for the recovery of any amount alleged to have been overpaid under section 19 of this act unless a claim for refund or credit has been duly filed pursuant to section 20 of this act.

(2) Within ninety days after the mailing of the notice of the department's action upon a claim filed pursuant to section 20 of this act, the claimant may bring an action against the department on the grounds set forth in the claim in a court of competent jurisdiction in Thurston county for the recovery of the whole or any part of the amount with respect to which the claim has been disallowed. Failure to bring action within the time specified constitutes a waiver of any demand against the state on account of the alleged overpayments.

(3) If the department fails to mail notice of action on a claim within six months after the claim is filed, the claimant may, prior to the mailing of notice by the department of its intention on the claim, consider the claim disallowed and bring an action against the department, on the grounds set forth in the claim for the recovery of the whole or any part of the amount claimed as an overpayment.

(4) If judgment is rendered for the plaintiff, the amount of the judgment shall first be credited on any special fuel tax due and payable from the plaintiff. The balance of the judgment shall be refunded to the plaintiff.

(5) In any judgment, interest shall be allowed at the rate of twelve percent per annum upon the amount found to have been illegally collected from the date of payment of the amount to the date of

allowance of credit on account of the judgement or to a date preceding the date of the refund warrant, but not more than thirty days, the date to be determined by the department.

NEW SECTION. Sec. 22. TAX LIEN ON PROPERTY. The tax, including any penalty and interest hereby imposed, shall constitute a lien upon any motor vehicle in connection with which the taxable use is made, attaching at the time of such use. Such lien shall not be removed until such tax has been paid or the motor vehicle subject to such lien has been sold in payment of the tax, and shall be paramount to all private liens or encumbrances upon such motor vehicle and to the rights of any conditional vendor or any other holder of the legal title to such motor vehicle. In the event the ownership of a motor vehicle subject to the lien is transferred, whether by operation of law or otherwise, no registration card or certificate of title with respect to such motor vehicle shall be issued by the department to the transferee or person otherwise entitled thereto until after the department has determined that such lien has been removed.

If any special fuel dealer liable for the remittance of tax imposed by this act fails to pay the same, the amount thereof, including any interest, penalty, or addition to such tax, together with any costs that may accrue in addition thereto, shall be a lien in favor of the state upon all franchises, property, and rights to property, whether real or personal, then belonging to or thereafter acquired by such person, located or situated in the county wherein such lien arises, whether such property is employed by such person in the prosecution of business or is in the hands of a trustee, or receiver, or assignee for the benefit of creditors, from the date the taxes were due and payable, until the amount of the lien is paid or the property sold in payment thereof. The lien shall have priority over any lien or encumbrance whatsoever, except the lien of other state taxes having priority by law, and except that such lien shall not be valid as against any bona fide mortgagee, pledgee, judgment creditor, or purchaser whose rights have attached prior to the time the department has filed and recorded notice of such lien in the office of the county auditor of the county in which the principal place of business of the taxpayer is located.

NEW SECTION. Sec. 23. NOTICE OF DELINQUENCY. In the event any special fuel user or special fuel dealer is delinquent in the payment of any obligation imposed hereunder, the department may give notice of the amount of such delinquency by registered mail to all persons having in their possession or under their control any credits or other personal property belonging to such user or dealer or owing any debts to such user or dealer, at the time of the receipt by them of such notice, and thereafter any person so notified shall neither transfer nor make other disposition of such credits, personal

property, or debts until the department consents to a transfer or other disposition or until twenty days have lapsed from and after the receipt of the notice. All persons so notified must, within five days after receipt of the notice, advise the department of any and all such credits, personal property, or debts in their possession, under their control or owing by them, as the case may be.

NEW SECTION. Sec. 24. DELINQUENCY--SEIZURE AND SALE OF VEHICLE. Whenever any special fuel user is delinquent in the payment of any obligation imposed hereunder, and such delinquency continues after notice and demand for payment by the department, the department shall proceed to collect the amount due from the user in the following manner: The department shall seize any motor vehicle subject to the lien of said excise tax, penalty, and interest and thereafter sell it at public auction to pay said obligation and any and all costs that may have been incurred on account of the seizure and sale. Notice of such intended sale and the time and place thereof shall be given to such delinquent user and to all persons appearing of record to have an interest in such motor vehicle. The notice shall be given in writing at least ten days before the date set for the sale by enclosing it in an envelope addressed to such user at his address as the same appears in the records of the department and, in the case of any person appearing of record to have an interest in such motor vehicle, addressed to such person at his last known residence or place of business, and depositing such envelope in the United States mail, postage prepaid. In addition, the notice shall be published for at least ten days before the date set for the sale in a newspaper of general circulation published in the county in which the motor vehicle seized is to be sold. If there is no newspaper of general circulation in such county, the notice shall be posted in three public places in the county for a period of ten days. The notice shall contain a description of the motor vehicle to be sold, together with a statement of the amount due hereunder, the name of the user and the further statement that unless such amount is paid on or before the time fixed in the notice the motor vehicle will be sold in accordance with law.

The department shall then proceed to sell the motor vehicle in accordance with the law and the notice, and shall deliver to the purchaser a bill of sale which shall vest title in the purchaser. If upon any such sale the moneys received exceed the amount due to the state hereunder from the delinquent user, the excess shall be returned to such user and his receipt obtained therefor. If any person having an interest in or lien upon the motor vehicle has filed with the department prior to such sale, notice of such interest or lien, the department shall withhold payment of any such excess to such user pending a determination of the rights of the respective

parties thereto by a court of competent jurisdiction. If for any reason the receipt of such user shall not be available, the department shall deposit such excess with the state treasurer as trustee for such user, his heirs, successors, or assigns: PROVIDED, That prior to making any seizure of property as herein provided for, the department may first serve upon the user's bondsman a notice of the delinquency, with a demand for the payment of the amount due.

NEW SECTION. Sec. 25. DELINQUENCY--COLLECTION BY CIVIL ACTION. Whenever any special fuel user or special fuel dealer is delinquent in the payment of any obligation hereunder the department may transmit notice of such delinquency to the attorney general who shall at once proceed to collect by appropriate legal action the amount due the state from such user or dealer. In any suit brought to enforce the rights of the state hereunder, a certificate by the department showing the delinquency shall be prima facie evidence of the amount of the obligation, of the delinquency thereof and of compliance by the department with all provisions of this act relating to such obligation.

NEW SECTION. Sec. 26. REMEDIES CUMULATIVE. The foregoing remedies of the state in this act shall be cumulative and no action taken by the department shall be construed to be an election on the part of the state or any of its officers to pursue any remedy hereunder to the exclusion of any other remedy for which provision is made in this act.

NEW SECTION. Sec. 27. ADMINISTRATION. The department shall enforce the provisions of this act, and may prescribe, adopt, and enforce reasonable rules and regulations relating to the administration and enforcement thereof. The Washington state patrol and its officers shall aid the department in the enforcement of this act, and, for this purpose, are declared to be peace officers, and given police power and authority throughout the state to arrest on sight any person known to have committed a violation of the provisions of this act.

The department or its authorized representative is hereby empowered to examine the books, papers, records and equipment of any special fuel dealer, special fuel supplier or special fuel user or any person dealing in, transporting, or storing special fuel as defined in this act and to investigate the character of the disposition which any person makes of such special fuel in order to ascertain and determine whether all taxes due hereunder are being properly reported and paid. The fact that such books, papers, records and equipment are not maintained in this state at the time of demand shall not cause the department to lose any right of such examination under this act when and where such records become available.

For the purpose of enforcing the provisions of this act it shall be presumed that all special fuel delivered to service stations as well as all special fuel otherwise received by a special fuel dealer or a special fuel user into storage and dispensing equipment designed to fuel motor vehicles is delivered by the special fuel dealer or special fuel user into the fuel supply tanks of motor vehicles and consumed in the propulsion of motor vehicles on the highways of this state, unless the contrary is established by satisfactory evidence.

The department shall, upon request from the officials to whom are entrusted the enforcement of the special fuel tax law of any other state, the District of Columbia, the United States, its territories and possessions, the provinces or the Dominion of Canada, forward to such officials any information which he may have relative to the receipt, storage, delivery, sale, use, or other disposition of special fuel by any special fuel dealer, special fuel supplier or special fuel user, provided such other state or states furnish like information to this state.

Returns required by this act, exclusive of schedules, itemized statements and other supporting evidence annexed thereto, shall at all reasonable times be open to the public.

NEW SECTION. Sec. 28. VIOLATIONS AND PENALTIES. It shall be unlawful for any person to:

(1) Refuse, or knowingly and intentionally fail to make and file any statement required by this act in the manner or within the time required;

(2) Knowingly and with intent to evade or to aid in the evasion of the tax imposed herein to make any false statement or conceal any material fact in any record, return, or affidavit provided for in this act;

(3) Conduct any activities requiring a license under this act without a license or after a license has been surrendered, canceled, or revoked;

(4) Fail to keep and maintain the books and records required by this act.

Except as otherwise provided by law, any person violating any of the provisions of this act shall be guilty of a gross misdemeanor and shall, upon conviction thereof, be sentenced to pay a fine of not less than five hundred dollars nor more than one thousand dollars and costs of prosecution, or imprisonment for not more than one year, or both.

The fine and imprisonment provided for in this section shall be in addition to any other penalty imposed by any other provision of this act.

NEW SECTION. Sec. 29. STATE PREEMPTS TAX FIELD. The tax

herein levied is in lieu of any excise, privilege, or occupational tax upon the business of manufacturing, selling, or distributing special fuel, and no city, town, county, township or other subdivision or municipal corporation of the state shall levy or collect any excise tax upon or measured by the sale, receipt, distribution, or use of special fuel.

NEW SECTION. Sec. 30. DISPOSITION OF FUNDS. All taxes, interest and penalties collected under this act shall be credited and deposited in the same manner as are motor vehicle fuel taxes collected under RCW 82.36.410.

NEW SECTION. Sec. 31. JUDICIAL REVIEW AND APPEALS. Judicial review and appeals shall be governed by the Administrative Procedure Act, chapter 34.04 RCW.

NEW SECTION. Sec. 32. All section captions used in this act do not constitute any part of the law.

NEW SECTION. Sec. 33. The following acts or parts of acts are each repealed:

(1) Section 82.40.010, chapter 15, Laws of 1961, section 1, chapter 196, Laws of 1967, section 24, chapter 281, Laws of 1969 ex. sess., and RCW 82.40.010;

(2) Section 82.40.020, chapter 15, Laws of 1961, section 3, chapter 7, Laws of 1961 ex. sess., section 6, chapter 83, Laws of 1967 ex. sess., and RCW 82.40.020;

(3) Section 82.40.030, chapter 15, Laws of 1961 and RCW 82.40.030;

(4) Section 82.40.040, chapter 15, Laws of 1961, section 1, chapter 139, Laws of 1969, and RCW 82.40.040;

(5) Section 82.40.045, chapter 15, Laws of 1961 and RCW 82.40.045;

(6) Section 82.40.046, chapter 15, Laws of 1961, section 29, chapter 281, Laws of 1969 ex. sess., and RCW 82.40.046;

(7) Section 82.40.047, chapter 15, Laws of 1961, section 2, chapter 117, Laws of 1961, section 2, chapter 187, Laws of 1963, section 2, chapter 135, Laws of 1965, section 2, chapter 86, Laws of 1967, section 28, chapter 281, Laws of 1969 ex. sess., and RCW 82.40.047;

(8) Section 82.40.050, chapter 15, Laws of 1961, section 1, chapter 33, Laws of 1965 ex. sess., section 3, chapter 139, Laws of 1969, and RCW 82.40.050;

(9) Section 82.40.060, chapter 15, Laws of 1961, section 2, chapter 33, Laws of 1965 ex. sess., and RCW 82.40.060;

(10) Section 82.40.070, chapter 15, Laws of 1961 and RCW 82.40.070;

(11) Section 82.40.080, chapter 15, Laws of 1961 and RCW 82.40.080;

- (12) Section 82.40.090, chapter 15, Laws of 1961 and RCW 82.40.090;
- (13) Section 82.40.100, chapter 15, Laws of 1961 and RCW 82.40.100;
- (14) Section 82.40.110, chapter 15, Laws of 1961 and RCW 82.40.110;
- (15) Section 82.40.115, chapter 15, Laws of 1961 and RCW 82.40.115;
- (16) Section 82.40.120, chapter 15, Laws of 1961 and RCW 82.40.120;
- (17) Section 82.40.130, chapter 15, Laws of 1961, section 3, chapter 33, Laws of 1965 ex. sess., and RCW 82.40.130;
- (18) Section 82.40.140, chapter 15, Laws of 1961 and RCW 82.40.140;
- (19) Section 82.40.150, chapter 15, Laws of 1961 and RCW 82.40.150;
- (20) Section 82.40.160, chapter 15, Laws of 1961 and RCW 82.40.160;
- (21) Section 82.40.170, chapter 15, Laws of 1961 and RCW 82.40.170;
- (22) Section 82.40.180, chapter 15, Laws of 1961 and RCW 82.40.180;
- (23) Section 82.40.190, chapter 15, Laws of 1961 and RCW 82.40.190;
- (24) Section 82.40.200, chapter 15, Laws of 1961 and RCW 82.40.200;
- (25) Section 82.40.210, chapter 15, Laws of 1961 and RCW 82.40.210;
- (26) Section 82.40.220, chapter 15, Laws of 1961, section 4, chapter 33, Laws of 1965 ex. sess., and RCW 82.40.220;
- (27) Section 82.40.230, chapter 15, Laws of 1961 and RCW 82.40.230;
- (28) Section 82.40.240, chapter 15, Laws of 1961, section 2, chapter 196, Laws of 1967, and RCW 82.40.240;
- (29) Section 82.40.250, chapter 15, Laws of 1961, section 5, chapter 33, Laws of 1965 ex. sess., section 8, chapter 89, Laws of 1967 ex. sess., and RCW 82.40.250;
- (30) Section 82.40.260, chapter 15, Laws of 1961 and RCW 82.40.260;
- (31) Section 82.40.270, chapter 15, Laws of 1961, section 6, chapter 33, Laws of 1965 ex. sess., section 3, chapter 196, Laws of 1967, and RCW 82.40.270;
- (32) Section 82.40.280, chapter 15, Laws of 1961 and RCW 82.40.280;
- (33) Section 82.40.290, chapter 15, Laws of 1961, section 4,

chapter 7, Laws of 1961 ex. sess., section 2, chapter 113; Laws of 1963, section 7, chapter 83, Laws of 1967 ex. sess., and RCW 82.40.290; and

(34) Section 82.40.900, chapter 15, Laws of 1961 and RCW 82.40.900.

NEW SECTION. Sec. 34. If any provision of this 1971 act, or its application to any person or circumstance is held invalid, the remainder of the act, or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 35. At the close of business on December 31, 1971, each owner of a service station which has elected to become an unbonded service station shall inventory his stock of special fuel. On or before April 1, 1972, such unbonded service station owner shall file a report, furnished by the department, showing the number of gallons of special fuel on hand and shall remit to the department the tax due thereon. Failure to comply with the provisions of this section shall make such owner subject to the penalty provisions of sections 18 and 23 of this act.

NEW SECTION. Sec. 36. The effective date of this Special Fuel Tax Act is January 1, 1972.

Passed the House May 8, 1971.

Passed the Senate May 6, 1971.

Approved by the Governor May 20, 1971.

Filed in Office of Secretary of State May 21, 1971.

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CHAPTER 176

[House Bill No. 403]

MUNICIPAL AIRPORTS--

REVENUE WARRANTS

AN ACT Relating to municipal airports; and adding a new section to chapter 182, Laws of 1945 and to chapter 14.08 RCW.

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

NEW SECTION. Section 1. There is added to chapter 182, Laws of 1945 and to chapter 14.08 RCW a new section to read as follows:

Municipalities, including any governmental subdivision which may be hereafter authorized by law to own, control and operate an airport, or other air navigation facility, may issue revenue warrants for the same purposes for which they may issue revenue bonds, and the provisions of RCW 14.08.112 as now or hereafter amended relating to the terms, conditions, covenants, issuance, and sale of revenue bonds shall be applicable to such revenue warrants.

Revenue warrants so issued shall not constitute a general