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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: S-1370.1/15

ATTY/TYPIST: JA:lcl

BRIEF DESCRIPTION: Concerning clean alternative fuel vehicles.

1 AN ACT Relating to clean alternative fuel vehicles; amending RCW  
2 82.08.809 and 82.12.809; adding new sections to chapter 82.44 RCW;  
3 adding a new section to chapter 82.32 RCW; creating new sections;  
4 providing an effective date; providing an expiration date; and  
5 declaring an emergency.

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

7 NEW SECTION. **Sec. 1.** The legislature finds that clean  
8 alternative fuel vehicles will play a critical role in the  
9 transportation system of our state's future. The ability for a person  
10 to be assured that their vehicle can safely travel across the state  
11 is a key component in the continued development of a first-class  
12 transportation system. Electric vehicle charging infrastructure must  
13 be developed along critical transportation routes to provide citizens  
14 a safe and reliable method of travel that will not leave them  
15 stranded without adequate charging opportunities. Additionally, clean  
16 alternative fuel vehicles will play an important role in our state  
17 reaching air quality standards. The transportation sector is one of  
18 the largest air polluters in Washington and the expansion of the use  
19 of clean alternative fuel vehicles is a significant component in  
20 transitioning our vehicle fleets to a cleaner technology thereby  
21 reducing air pollution. Without an adequate electric vehicle charging

1 infrastructure, it will be a difficult and slow transition. Our state  
2 needs to invest in the development of this critical transportation  
3 infrastructure to bring the vehicle fleet into the twenty-first  
4 century.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.44  
6 RCW to read as follows:

7 The electric vehicle charging infrastructure bank is created and  
8 must be administered by the department of transportation. The purpose  
9 of the infrastructure bank is to provide low-interest loans or grants  
10 to public entities to install electric vehicle charging  
11 infrastructure along public highways of the state. The department may  
12 develop rules to administer the program and set the loan repayment or  
13 grant terms.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.44  
15 RCW to read as follows:

16 The electric vehicle charging infrastructure account is created  
17 in the state treasury. Proceeds from the sales and use tax collected  
18 pursuant to chapters 82.08 and 82.12 RCW on electric vehicles must be  
19 deposited into the account. Principal and interest payments made on  
20 loans from the account must be deposited into the account. Moneys in  
21 the account must be available for purposes specified in section 2 of  
22 this act. Expenditures from the electric vehicle charging  
23 infrastructure account are subject to appropriation by the  
24 legislature.

25 NEW SECTION. **Sec. 4.** This section is the tax preference  
26 performance statement for the tax preference contained in sections 5  
27 and 6 of this act. The performance statement is only intended to be  
28 used for subsequent evaluation of the tax preference. It is not  
29 intended to create a private right of action by any party or be used  
30 to determine eligibility for preferential tax treatment.

31 (1) The legislature categorizes the tax preference as one  
32 intended to induce certain designated behavior by taxpayers, as  
33 indicated in RCW 82.32.808(2)(a).

34 (2) It is the legislature's specific public policy objective to  
35 increase the use of clean alternative fuel vehicles in Washington.  
36 It is the legislature's intent to extend the existing sales and use

1 tax exemption on clean alternative fuel vehicles in order to reduce  
2 the price charged to customers for clean alternative fuel vehicles.

3 (3) If a review finds that the number of clean alternative fuel  
4 vehicles in Washington have increased by twenty percent compared to  
5 the number at the time of enactment, then the legislature intends to  
6 extend the expiration date of the tax preference.

7 (4) In order to obtain the data necessary to perform the review  
8 in subsection (3) of this section, the department of licensing must  
9 provide data needed for the joint legislative audit and review  
10 committee analysis. In addition to the data source described under  
11 this subsection, the joint legislative audit and review committee may  
12 use any other data it deems necessary.

13 **Sec. 5.** RCW 82.08.809 and 2010 1st sp.s. c 11 s 2 are each  
14 amended to read as follows:

15 (1)(a) The tax levied by RCW 82.08.020 does not apply to  
16 ((sales)) the first forty-five thousand dollars in selling price of  
17 new passenger cars, light duty trucks, and medium duty passenger  
18 vehicles, which are exclusively powered by a clean alternative fuel.

19 (b) The tax levied by RCW 82.08.020 does not apply to ((sales))  
20 the first forty-five thousand dollars in selling price of qualifying  
21 used passenger cars, light duty trucks, and medium duty passenger  
22 vehicles, which were modified after their initial purchase, with an  
23 EPA certified conversion to be exclusively powered by a clean  
24 alternative fuel. "Qualifying used passenger cars, light duty trucks,  
25 and medium duty passenger vehicles" means vehicles that:

26 (i) Are part of a fleet of at least five vehicles, all owned by  
27 the same person;

28 (ii) Have an odometer reading of less than thirty thousand miles;

29 (iii) Are less than two years past their original date of  
30 manufacture; and

31 (iv) Are being sold for the first time after modification.

32 (2) The seller must keep records necessary for the department to  
33 verify eligibility under this section.

34 (3) As used in this section, "clean alternative fuel" means  
35 natural gas, propane, hydrogen, or electricity, when used as a fuel  
36 in a motor vehicle that meets the California motor vehicle emission  
37 standards in Title 13 of the California code of regulations,  
38 effective January 1, 2005, and the rules of the Washington state  
39 department of ecology.

1 (4) This section expires July 1, ((2015)) 2021.

2 **Sec. 6.** RCW 82.12.809 and 2010 1st sp.s. c 11 s 3 are each  
3 amended to read as follows:

4 (1)(a) Until July 1, ((2015)) 2021, the provisions of this  
5 chapter do not apply in respect to the first forty-five thousand  
6 dollars of value on the use of new passenger cars, light duty trucks,  
7 and medium duty passenger vehicles, which are exclusively powered by  
8 a clean alternative fuel.

9 (b) Until July 1, ((2015)) 2021, the provisions of this chapter  
10 do not apply to the first forty-five thousand dollars of value on the  
11 use of qualifying used passenger cars, light duty trucks, and medium  
12 duty passenger vehicles, which were modified after their initial  
13 purchase with an EPA certified conversion to be exclusively powered  
14 by a clean alternative fuel. As used in this subsection, "qualifying  
15 used passenger cars, light duty trucks, and medium duty passenger  
16 vehicles" has the same meaning as provided in RCW 82.08.809.

17 (2) "Clean alternative fuel" has the same meaning as provided in  
18 RCW 82.08.809.

19 (3) A taxpayer is not liable for the tax imposed in RCW 82.12.020  
20 on the first forty-five thousand dollars of value on the use, on or  
21 after July 1, ((2015)) 2021, of a passenger car, light duty truck, or  
22 medium duty passenger vehicle exclusively powered by a clean  
23 alternative fuel, if the taxpayer used such vehicle in this state  
24 before July 1, ((2015)) 2021, and the use was exempt under this  
25 section from the tax imposed in RCW 82.12.020.

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

28 Each calendar quarter the department must determine the amount of  
29 the state sales tax collected from the sales of clean alternative  
30 vehicles powered by electricity. The month following each calendar  
31 quarter the department must notify the state treasurer of the amount  
32 of sales tax collected for the calendar quarter and the treasurer  
33 must transfer the amount from the general fund into the electric  
34 vehicle charging infrastructure account created in section 3 of this  
35 act.

36 NEW SECTION. **Sec. 8.** This act is necessary for the immediate  
37 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes  
2 effect July 1, 2015.

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