
SUBSTITUTE SENATE BILL 6554

State of Washington

60th Legislature

2008 Regular Session

By Senate Water, Energy & Telecommunications (originally sponsored by Senators Roach, Rockefeller, Rasmussen, Kline, Stevens, Delvin, McCaslin, Shin, and Holmquist)

READ FIRST TIME 02/08/08.

1 AN ACT Relating to waste vegetable oil; amending RCW 82.38.020;
2 adding a new section to chapter 82.08 RCW; and adding a new section to
3 chapter 82.12 RCW.

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

5 **Sec. 1.** RCW 82.38.020 and 2002 c 183 s 1 are each amended to read
6 as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Blended special fuel" means a mixture of undyed diesel fuel
10 and another liquid, other than a de minimis amount of the liquid, that
11 can be used as a fuel to propel a motor vehicle.

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

14 (3) "Bond" means a bond duly executed with a corporate surety
15 qualified under chapter 48.28 RCW, which bond is payable to the state
16 of Washington conditioned upon faithful performance of all requirements
17 of this chapter, including the payment of all taxes, penalties, and
18 other obligations arising out of this chapter.

1 (4) "Bulk transfer-terminal system" means the special fuel
2 distribution system consisting of refineries, pipelines, vessels, and
3 terminals. Special fuel in a refinery, pipeline, vessel, or terminal
4 is in the bulk transfer-terminal system. Special fuel in the fuel tank
5 of an engine, motor vehicle, or in a railcar, trailer, truck, or other
6 equipment suitable for ground transportation is not in the bulk
7 transfer-terminal system.

8 (5) "Bulk transfer" means a transfer of special fuel by pipeline or
9 vessel.

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

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

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

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

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

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

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

25 (10) "Export" means to obtain special fuel in this state for sales
26 or distribution outside the state.

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

29 (12) "Import" means to bring special fuel into this state by a
30 means of conveyance other than the fuel supply tank of a motor vehicle.

31 (13) "International fuel tax agreement licensee" means a special
32 fuel user operating qualified motor vehicles in interstate commerce and
33 licensed by the department under the international fuel tax agreement.

34 (14) "Lessor" means a person: (a) Whose principal business is the
35 bona fide leasing or renting of motor vehicles without drivers for
36 compensation to the general public; and (b) who maintains established
37 places of business and whose lease or rental contracts require the
38 motor vehicles to be returned to the established places of business.

1 (15) "Licensee" means a person holding a license issued under this
2 chapter.

3 (16) "Motor vehicle" means a self-propelled vehicle designed for
4 operation upon land utilizing special fuel as the means of propulsion.

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

8 (18) "Person" means a natural person, fiduciary, association, or
9 corporation. The term "person" as applied to an association means and
10 includes the partners or members thereof, and as applied to
11 corporations, the officers thereof.

12 (19) "Position holder" means a person who holds the inventory
13 position in special fuel, as reflected by the records of the terminal
14 operator. A person holds the inventory position in special fuel if the
15 person has a contractual agreement with the terminal for the use of
16 storage facilities and terminating services at a terminal with respect
17 to special fuel. "Position holder" includes a terminal operator that
18 owns special fuel in their terminal.

19 (20) "Rack" means a mechanism for delivering special fuel from a
20 refinery or terminal into a truck, trailer, railcar, or other means of
21 nonbulk transfer.

22 (21) "Refiner" means a person who owns, operates, or otherwise
23 controls a refinery.

24 (22) "Removal" means a physical transfer of special fuel other than
25 by evaporation, loss, or destruction.

26 (23) "Special fuel" means and includes all combustible gases and
27 liquids suitable for the generation of power for propulsion of motor
28 vehicles(~~(, except that it)~~).

29 (a) Special fuel does not include:

30 (i) Motor vehicle fuel as defined in chapter 82.36 RCW(~~, nor does~~
31 it include));

32 (ii) Dyed special fuel as defined by federal regulations, unless
33 the use is in violation of this chapter; or

34 (iii) Waste vegetable oil purchased or collected from a food
35 service establishment or food processing plant, as defined in RCW
36 69.07.010, and not resold. For purposes of this subsection, "waste
37 vegetable oil" has the same meaning as provided in section 2 of this
38 act.

1 **(b)** If a person holds for sale, sells, purchases, or uses any dyed
2 special fuel in violation of this chapter, all dyed special fuel held
3 for sale, sold, purchased, stored, or used by that person is considered
4 special fuel, and the person is subject to all presumptions, reporting,
5 and recordkeeping requirements and other obligations which apply to
6 special fuel, along with payment of any applicable taxes, penalties, or
7 interest for illegal use.

8 (24) "Special fuel distributor" means a person who acquires special
9 fuel from a supplier, distributor, or licensee for subsequent sale and
10 distribution.

11 (25) "Special fuel exporter" means a person who purchases special
12 fuel in this state and directly exports the fuel by a means other than
13 the bulk transfer-terminal system to a destination outside of the
14 state.

15 (26) "Special fuel importer" means a person who imports special
16 fuel into the state by a means other than the bulk transfer-terminal
17 system. If the importer of record is acting as an agent, the person
18 for whom the agent is acting is the importer. If there is no importer
19 of record, the owner of the special fuel at the time of importation is
20 the importer.

21 (27) "Special fuel supplier" means a person who holds a federal
22 certificate issued under the internal revenue code and authorizes the
23 person to tax-free transactions on special fuel in the bulk transfer-
24 terminal system.

25 (28) "Special fuel user" means a person engaged in uses of special
26 fuel that are not specifically exempted from the special fuel tax
27 imposed under this chapter.

28 (29) "Terminal" means a special fuel storage and distribution
29 facility that has been assigned a terminal control number by the
30 internal revenue service, is supplied by pipeline or vessel, and from
31 which reportable special fuel is removed at a rack.

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

34 (31) "Two-party exchange" or "buy-sell agreement" means a
35 transaction in which taxable special fuel is transferred from one
36 licensed supplier to another licensed supplier under an exchange or
37 buy-sell agreement whereby the supplier that is the position holder

1 agrees to deliver taxable special fuel to the other supplier or the
2 other supplier's customer at the rack of the terminal at which the
3 delivering supplier is the position holder.

4 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.08 RCW
5 to read as follows:

6 (1) The tax levied by RCW 82.08.020 does not apply to sales of
7 waste vegetable oil that is purchased or collected from a food service
8 establishment or food processing plant, as defined in RCW 69.07.010,
9 and is not resold.

10 (2) This exemption is available only if the buyer provides the
11 seller with an exemption certificate in a form and manner prescribed by
12 the department.

13 (3) For the purposes of this section, "waste vegetable oil" means
14 used cooking oil.

15 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.12 RCW
16 to read as follows:

17 (1) The provisions of this chapter do not apply with respect to the
18 use of waste vegetable oil that is purchased or collected from a food
19 service establishment or food processing plant, as defined in RCW
20 69.07.010, and is not resold.

21 (2) "Waste vegetable oil" has the same meaning as provided in
22 section 2 of this act.

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