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IN THE SENATE

SENATE BILL NO. 1044

BY TRANSPORTATION COMMITTEE

AN ACT

RELATING TO DYED FUEL; AMENDING CHAPTER 6, TITLE 49, IDAHO CODE, BY THE AD-DITION OF A NEW SECTION 49-675, IDAHO CODE, TO AUTHORIZE JOINT EXERCISE OF POWERS AGREEMENTS BETWEEN SPECIFIED AGENCIES; AMENDING CHAPTER 6, TITLE 49, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 49-676, IDAHO CODE, TO PROVIDE THAT THE PROVISIONS OF SPECIFIED LAW SHALL BE CARRIED OUT THROUGH THE USE OF EXISTING RESOURCES AND OTHER FUNDS, TO PROVIDE THAT CERTAIN VEHICLES SHALL BE SUBJECT TO INSPECTION FOR DYED FUEL, TO PROVIDE CONDITIONS UNDER WHICH INSPECTIONS MAY BE CONDUCTED, TO PRO-VIDE THAT SPECIFIED PROVISIONS OF LAW SHALL NOT BE CONSTRUED TO REQUIRE REPORTING OF VIOLATIONS TO THE FEDERAL GOVERNMENT UNLESS OTHERWISE REQUIRED TO DO SO, TO PROVIDE FOR THE LIMITATION OF INSPECTION AUTHOR-ITY, TO PROVIDE FOR OUTREACH AND EDUCATION, TO PROVIDE EXCEPTIONS TO APPLICABILITY, TO DEFINE A TERM, TO PROVIDE FOR LEGISLATIVE EVALU-ATION AND TO AUTHORIZE RULEMAKING; AMENDING SECTION 63-2425, IDAHO CODE, TO PROVIDE THAT THE PRESENCE OF DYE IN CERTAIN MOTOR VEHICLES AT A DESIGNATED CONCENTRATION OR GREATER SHALL CONSTITUTE A VIOLATION OF SPECIFIED LAW, TO PROVIDE AN EXCEPTION TO APPLICABILITY OF SPECIFIED VIOLATION PROVISIONS FOR CERTAIN VEHICLES, TO PROVIDE THAT CERTAIN PER-SONS MAY INSPECT, COLLECT AND SECURE SAMPLES OF SPECIAL FUEL TO DETECT THE PRESENCE OF DYE UNDER SPECIFIED CONDITIONS AND TO MAKE TECHNICAL CORRECTIONS; AND AMENDING SECTION 63-2460, IDAHO CODE, TO REVISE AND TO PROVIDE PENALTY PROVISIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 6, Title 49, Idaho Code, be, and the same is hereby amended by the addition thereto of a <u>NEW SECTION</u>, to be known and designated as Section 49-675, Idaho Code, and to read as follows:

49-675. LEGISLATIVE INTENT. The Idaho transportation department, Idaho state police and the Idaho state tax commission are authorized to enter into one (1) or more joint exercise of powers agreements pursuant to sections 67-2328 through 67-2333, Idaho Code, as deemed necessary to implement the provisions of this act. The purpose of this legislation is to provide a practical inspection method to ensure regulation with a minimum amount of disruption.

SECTION 2. That Chapter 6, Title 49, Idaho Code, be, and the same is hereby amended by the addition thereto of a <u>NEW SECTION</u>, to be known and designated as Section 49-676, Idaho Code, and to read as follows:

49-676. DYED FUEL -- INSPECTION. (1) The provisions of this section shall be carried out through the use of existing state, county and city law

enforcement and Idaho transportation department resources and other funding as may be available.

- (2) When stopped at an inspection check station, or when otherwise law-fully stopped as described in this section, any noncommercial or commercial diesel-powered motor vehicle shall be subject to inspection for dyed fuel in the motor vehicle's diesel fuel tank when the operator is requested to submit to such inspection:
 - (a) By any state, county or city law enforcement officer, when so requested as a secondary action when the operator of the motor vehicle has been detained for a suspected violation of another law;
 - (b) By any state, county or city law enforcement officer at a fixed or portable check station established by the Idaho transportation department pursuant to the provisions of section 40-510, Idaho Code; or
 - (c) By an authorized employee of the Idaho transportation department on duty at a fixed or portable check station established by the Idaho transportation department pursuant to the provisions of section 40-510, Idaho Code.
- (3) The provisions of this section shall not be construed to require an agency of the state to report any violations to the federal government, unless otherwise required to do so.
- (4) Inspection authority as provided in subsection (2) of this section shall be limited solely to the motor vehicle inspected and shall not serve as reasonable suspicion for any state, county or city agency to thereafter inspect other motor vehicles of the owner. Provided however, other motor vehicles of the owner may be subject to inspection in the event the provisions of subsection (2) of this section are met.
- (5) Prior to conducting any inspections pursuant to the provisions of this section, county and city law enforcement and the Idaho state tax commission, Idaho state police and Idaho transportation department, in conjunction with private groups, trade associations and other affected user groups, shall provide outreach and education relating to the use of dyed fuels in the state of Idaho for a period of six (6) months.
- (6) The provisions of this section shall not apply in the event of a disaster or emergency declared by the governor under chapter 10, title 46, Idaho Code, or by the president of the United States under the provisions of the disaster relief act of 1974, 42 U.S.C. 5121 et seq., and the fuel is necessary to assist in the disaster or emergency.
- (7) For purposes of this section, "dyed fuel" and "highways" have the same meanings as provided in section 63-2401, Idaho Code.
- (8) The provisions of this section and associated funding shall be evaluated by the legislature following a period of five (5) years from the effective date of this act.
- (9) The Idaho transportation department, Idaho state police and the Idaho state tax commission are authorized to promulgate rules in compliance with chapter 52, title 67, Idaho Code, that may be necessary for the efficient implementation and enforcement of the provisions of this act.
- SECTION 3. That Section 63-2425, Idaho Code, be, and the same is hereby amended to read as follows:

- 63-2425. DYED FUEL AND OTHER UNTAXED FUEL PROHIBITED FOR USE ON A HIGHWAY. (1) Except as provided in subsection (2) of this section, no person shall operate a motor vehicle on a highway in this state if the fuel supply tanks of the vehicle contain diesel fuel which has been dyed or marked at a refinery or terminal under the provisions of 26 U.S.C. section 4082 and regulations adopted thereunder, or under the clean air act and regulations adopted thereunder, or contain other motor fuel on which the tax under section 63-2402, Idaho Code, has not been paid. The presence of dye in a licensed, or required to be licensed, motor vehicle at a concentration of 0.6 parts per million (PPM), or greater, is a violation of this section. Provided however, in the event a vehicle that is authorized to use dyed fuel on the highway pursuant to the provisions of subsection (2) of this section, changes ownership and no longer falls within the provisions of subsection (2) of this section, the new owner of the vehicle shall have a grace period of three (3) months from the date of purchase of the vehicle during which time they shall not be subject to the violation provisions of this section.
- (2) The following vehicles may use dyed fuel on the highway but are subject to the tax under section 63-2402, Idaho Code, unless exempt under other provisions of this chapter:
 - (a) State and local government vehicles;

- (b) Any vehicles $\frac{\text{that}}{\text{that}}$ may use dyed fuel on the highway under the provisions of 26 U.S.C. section 4082 or regulations adopted thereunder.
- (3) For the purposes of enforcement of this section, state, county or city law enforcement officers or employees of the Idaho transportation department authorized under section 49-676, Idaho Code, may inspect, collect and secure samples of special fuel used in the propulsion of a vehicle licensed or required to be licensed for operation upon the highways of this state to detect the presence of dye.
- SECTION 4. That Section 63-2460, Idaho Code, be, and the same is hereby amended to read as follows:
- 63-2460. PENALTIES. (1) Any person who violates any provision of this chapter or who violates any provision of Idaho law relating to the assessment and collection of any unpaid tax or fee associated with this chapter is guilty of a misdemeanor, unless the violation is declared a felony by any other law of this state. Any person so convicted of a misdemeanor shall be punished by a fine of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000). Each day that an unlicensed person engages in the activities of a licensed distributor constitutes a separate violation.
- (2) In addition to the provisions of subsection (1) of this section, any person operating a vehicle licensed or required to be licensed on a highway in this state with diesel fuel in violation of section 63-2425, Idaho Code, will be subject to the following:
 - (a) Upon the first violation, a civil penalty in the amount of two hundred fifty dollars (\$250);
 - (b) Upon the second violation, a civil penalty in the amount of five hundred dollars (\$500); and
 - (c) Upon the third or subsequent violation, a civil penalty in the amount of one thousand dollars (\$1,000) for each such violation.; and

- (d) Upon any subsequent violation, a civil penalty not to exceed ten thousand dollars (\$10,000) for each such violation.
- Any person assessed a civil penalty pursuant to the provisions of this section may also be assessed administrative costs associated with enforcement.

- (3) Any person who refuses to allow an inspection pursuant to the provisions of sections 49-676 and 63-2425, Idaho Code, may be subject to a civil penalty of one thousand dollars (\$1,000) for each refusal. This penalty is in addition to any other penalty or tax that may be imposed upon that person or any other person liable for tax or penalty.
- $\underline{(4)}$ The commission may assess the penalties set forth in subsection (2) of this section as deficiencies in tax pursuant to sections 63-2434 and 63-3045, Idaho Code.
- $(4\underline{5})$ Penalties are cumulative and each violation of the provisions of this chapter is subject to a separate penalty. The penalties provided for in this section shall be in addition to any other penalty imposed by any other provision of Idaho law.